

Section Name: Financial Management
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Section 1 **General Provisions**

- 1.1 Purpose - The purpose of this policy is to provide for the fair and equitable treatment of all persons involved in purchasing by Monroe County, to maximize the purchasing value of public funds in procurement and to provide safeguards for maintaining a procurement system of quality and integrity to serve the best interests of the County of Monroe. This policy will also serve to utilize the most efficient method of operating the procurement process for the County of Monroe.

Considerations of staffing levels, manpower in processing administrative paperwork, advertising costs, indirect costs and overall time factors of supplying goods and services are intended to be reviewed in the procurement operation of the County. Such review will serve to provide the County with an overall cost effective process of procurement. The policy will serve as a framework to work within, yet allow particular needs to be addressed by the Purchasing Agent as they arise in order to maintain support for the departments and agencies affected.

- 1.2 Application - This policy applies to contracts for the procurement of supplies, services and construction entered into by Monroe County after the effective date of this policy. When the procurement involves the expenditure of federal or state assistance or contract funds, the procurement shall be conducted in accordance with any mandatory applicable federal or state laws and regulations. Nothing in this policy shall prevent any department or agency from complying with the terms and conditions of any grant, gift or bequest that is otherwise consistent with law.
- 1.3 Public Access to Procurement Information - Procurement information shall be public record to the extent provided in Act 442, of the Public Acts of 1976, (Michigan Compiled Laws (MCL) 15.231 et.seq.) as amended and shall be available to the public as provided in said statute (Michigan Freedom of Information Act).

Section 2 **Purchasing Agent**

- 2.1 Employment - The purchasing agent shall be Monroe County's principal public purchasing official. He/she shall be hired in accordance with Monroe County's Personnel Policies and subject to the Personnel Policies' provisions. He/she shall meet the minimum standards set forth in the purchasing agent's job description. The purchasing agent is an employee of the County Administrator/Chief Financial Officer.
- 2.2 Duties - The purchasing agent shall carry out the procurement of supplies, services and construction in accordance with this policy.

In addition to the above and subject to the supervision of the Administrator/Chief Financial Officer the purchasing agent shall:

- A. Procure or supervise the procurement of supplies, services and construction required by the County and its agencies;
 - B. Exercise direct supervision over the County's general or central stores;
 - C. Sell, trade, or otherwise dispose of surplus supplies, equipment, or real estate as authorized.
 - D. Establish and maintain as necessary programs or procedures for specification development and contract administration, inspection and acceptance, in cooperation with the departments and agencies using the supplies, services and construction.
 - E. Other duties consistent with employment.
- 2.3 Operational Procedures - Consistent with this policy, and where applicable the approval of the Administrator/Chief Financial Officer, the purchasing agent may adopt and implement operational procedures relating to the execution of his/her duties for the purchase of goods and services not limited to procedures for Internet on-line buying, credit card purchases, etc.
- 2.4 Delegation - The purchasing agent may delegate authority to purchase certain supplies, services, or construction items to other County officials, if such delegation is deemed necessary for the effective procurement of such items. This delegation may include the solicitation of comparables, quotes or proposals.
- 2.5 Authorization to Purchase - The purchasing agent is authorized to procure supplies, equipment, services etc. consistent with dollar amounts appropriated in the department or agency's budget. Procurement of supplies, equipment, services; etc. will take place after consultation with the department or agency, with the purpose of the consultation to revise the quantity, quality and other requirements of the procurement prior to purchase.
- Nothing in this policy shall violate the County's Budget Resolution, which shall be incorporated and made a part of this policy.
- 2.6 Sale of County Assets - Unless otherwise required by law, the purchasing agent shall serve in his/her capacity as the authorized agent for the sale and disposal of all County assets including but not limited to: supplies, equipment, tools, furniture, automobiles, trucks, weapons, computers etc. The sale of assets may be facilitated by public sale, trade-in at purchase, transfer or sale by intergovernmental agreement or by salvage value. The purchasing agent who may seek the counsel of the affected department/agency and/or the County's Legal Advisor will determine the method of sale.

All proceeds of the sale of County assets shall be accounted for and deposited with the County Treasurer along with supporting receipts or other documents.

Section 3

Source Selection and Contract Formation

Methods of Source Selection

3.1 Competitive Sealed Bidding

- A. Conditions for use - Procurement contracts of the County shall be awarded by competitive sealed bidding except as otherwise provided in Sections 3.2 (competitive sealed proposals), 3.3 (small purchases), 3.4 (sole source procurement) and 3.5 (emergency procurement) of this policy.
- B. Invitation for Bids - An invitation for bids shall be issued and shall include specifications and all contractual terms and conditions applicable to the procurement. The purchasing agent may issue bidding documents to bidders of whom he is knowledgeable of and in an effort to promote the receipt of competing offers.
- C. Public Notice - Adequate and reasonable public notice of the invitation for bids shall be given a reasonable time (not less than 10 calendar days prior to the date set forth therein for the closing date of bids). Such notice shall include publication in a local newspaper of general circulation, mail, fax or by posting on the County's internet web page, and to approved vendors by Electronic Mail (e-mail) for a reasonable time prior to the closing date of bids. The public notice shall state the name of the project, location where plans and/or specifications may be obtained, deposit amount if applicable, availability of bidding documents, closing date for bids and other information the purchasing agent deems necessary. Any bid received after the indicated closing date and time shall be rejected and returned unopened to the bidder. The official time shall be as kept by the receiving office's time clock stamp or computer if sent via the Internet.
- D. Bid Opening - Bids having been submitted prior to the closing date for bids shall be opened under the direction of the purchasing agent in the Finance/Purchasing Department at a time provided in the bid documents and open to the public. A summary of the bid results shall be prepared and available for public inspection in accordance with this policy.
- E. Bid Acceptance and Bid Evaluation - Bids shall be unconditionally accepted without alteration or correction, except as authorized in this policy. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery and suitability for a particular purpose. Bids, which do not comply with all criteria set forth in the invitation to bid, may be subject to disqualification. Those criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs, and total or life cycle costs. The invitation for bids shall set

forth the evaluation criteria to be used. No criteria may be used in bid evaluation that is not set forth in the invitation for bids. Notwithstanding anything here in to the contrary, the County of Monroe and its agencies shall not be required to accept and award the low dollar amount bid.

F. Correction or Withdrawal of Bids; Cancellation of Awards - Correction or withdrawal of inadvertently erroneous bids before or after bid opening, or cancellation of awards or contracts based on such bid mistakes, may be permitted where appropriate. Mistakes discovered before bid opening may be modified or withdrawn by written notice received in the office designated in the invitation for bids prior to the time set for closing date of bids. After bid opening, corrections in bids shall be permitted only to the extent that the bidder can show by clear and convincing evidence that a mistake of a nonjudgmental character was made the nature of the mistake, and the bid price actually intended. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the county or fair competition shall be permitted. In lieu of bid correction, a low bidder alleging a material mistake of fact may be permitted to withdraw its bid if:

1. The mistake is clearly evident on the face of the bid document, but the intended correct bid is not similarly evident; or
2. The bidder submits evidence, which clearly and convincingly demonstrates that a mistake was made. All decisions to permit the correction or withdrawal of bids, or to cancel awards or contracts based on bid mistakes shall be supported by a written determination made by the Purchasing Agent.

G. Award - Awards shall be made with reasonable promptness by appropriate written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids. No contract or purchase order shall be entered into with any company or business, which is in bankruptcy or receivership of which the County has knowledge. In the event the low responsive and responsible bid for a construction project exceeds available funds as certified by the County's Financial Officer, the purchasing agent is authorized, when he/she determines time or economic considerations preclude resolicitation of work of a reduced scope, to negotiate an adjustment of the bid price with the three lowest responsive and responsible bidders in order to bring the bid within the amount of available funds. Such negotiation shall first be based upon eliminating, if any, deductive items specified in the invitation for bids, of the low price bidder.

Preference for award shall be first given to local bidders meeting the award criteria and in cases of a tie award shall be to the local bidder. In addition to local vendors and upon determination that there is only one sole source provider for the specified goods and services within the County, the purchasing director shall secure bids from qualified vendors outside of the County of Monroe. A local

bidder is defined as a qualified vendor whose primary business office is located within the geographical boundaries of the County of Monroe.

- H. Multi-step Sealed Bidding - When it is determined by the purchasing agent to be impractical to prepare initially a description to support an award based on price an invitation for bids may be issued requesting the submission of unpriced offers to be followed by an invitation for bids limited to those bidders with offers which have been determined to be technically acceptable under the criteria set forth in the first solicitation.

3.2 Competitive Sealed Proposals

- A. Conditions for Use - When the purchasing agent determines that the use of competitive sealed bidding is either not practicable or not advantageous to the County, an award may be made by the use of competitive sealed proposals.
- B. Request for Proposals - Proposals shall be solicited through a request for proposals sent out from the purchasing agent. Such request for proposals may include requirements developed by the department(s) who will receive the item purchased. The requirements developed by the department(s) would be based upon research and related factors concerning the appropriate performance standards, product life, application, compatibility etc.
- C. Public Notice & Proposal Opening - Adequate public notice of the request for proposals and openings shall be given in the same manner as provided in Section 3.1 (3) & (4).
- D. Receipt of Proposals - No proposals shall be handled so as to permit intended disclosure of the offer. Each proposal shall be time clock stamped to indicate the time received and to verify submission within the due date. All proposals are to be properly sealed and vendors are responsible for properly sealing and labeling submittals whether by mail, overnight delivery or the Internet.
- E. Evaluation - Upon receipt of the proposals and after the opening, a proposal summary will be prepared that includes an award based upon the purchasing agent's and/or the relevant Department Head and the Administrator/Chief Financial Officer evaluation and determination as to an award in the best interest of the County as provided for in Section 3.1 (5). Such evaluation may include the user department(s) to assist in the evaluation process.
- F. Discussion with Responsible Vendors - Discussions may be conducted between the purchasing agent (and/or his designated representative) and responsible vendors concerning the respective proposals submitted. Such discussion may serve to clarify and/or answer any questions surrounding the proposal in order to achieve clarification and full understanding regarding conformance to any solicitation requirements. This discussion shall take place prior to any award,

however, should circumstances justify it then the purchasing agent may discuss issues after award if these issues affect the vendor's ability to perform or supply the good or service.

During any discussion vendors shall be accorded fair treatment with respect to any opportunity for discussion and revision of proposals and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be efforts taken to prevent disclosure of the identity of competing vendors or of information derived from other proposals.

- G. Award - Award shall be made to the responsible vendor whose proposal is determined by the purchasing agent to be the most advantageous to the County, taking into consideration factors he considers to be pertinent such as price, availability, life cycle, performance, quality, service(s), standardization, etc.

3.3 Small Purchases

- A. General - Any purchase or order less than \$10,000.00 may be made in accordance with the small purchase procedures authorized in this section. Any requirements shall not be intentionally divided so as to constitute a small purchase under this section. Exceptions to this section are for Capital Expenditures with an estimated cost exceeding \$5,000.00 shall be purchased in accordance with Section 3.1 Competitive Sealed Bids.
- B. Small Purchases (over \$5,000 but less than \$10,000.00) - Insofar as it is practical for small purchases in excess of \$5,000, the purchasing agent shall obtain three (3) quotes for comparison. After review and where applicable consultation with the department involved an award shall be made to the vendor offering the overall lowest acceptable quotation as determined from the purchasing agent's review. The proposals or quotes are to be retained with the purchase order or in the purchasing files. Proposals may be submitted in the form of fax, Internet response, conventional mail or courier.
- C. Small purchases (under \$5,000) - The purchasing agent shall adopt operational procedures for making small purchases of \$5,000 or less. These procedures will allow for the comparison of offers by telephone, facsimile, mail or e-mail where time constraints allow so as to not disrupt the timely and orderly delivery of goods and services to the County.
- D. Re-orders - During the procurement process when prices are quoted and later an agency or department re-orders the same item, supply or services, prices need not be re-quoted if pricing from the original vendor remains unchanged.

- E. Petty Cash Purchases - Petty cash accounts may be utilized for the purchase of miscellaneous items, supplies, services etc. for amounts up to \$200.00 per purchase. The use of the County credit card for on-line purchases may apply also for this type of purchase.
- 3.4 Sole Source Procurement - A contract or order may be awarded without competition when the purchasing agent determines, after a good faith review of available sources, that there is only one source for the required supply, service, equipment or construction item. This method would apply for replacements of OEM parts and/or components, expansion or capacity increases of equipment where same manufacturer or vendor purchase is in the County's best interest, and also direct purchases from the manufacturer or when the purchasing agent determines the superiority of a manufacturer's product over another.
- 3.5 Emergency Procurements - Notwithstanding any other provisions of this policy, the purchasing agent may make or authorize others to make emergency procurement of supplies, services, equipment or construction items when circumstances exist in order to allow for the continued operation of a department and/or the health/safety and welfare of the public or employees is threatened as determined by the purchasing agent who may consult with other officials in making a qualified decision.
- 3.6 Cooperative Purchasing Programs - Notwithstanding any other provision of this policy, the purchasing agent may make or authorize the purchase of supplies, equipment or services available thru cooperative purchasing programs and associations. The decision to purchase from these programs shall be made by the purchasing Director after consultation with the department and considering among other issues delivery, packaging, minimum order requirements, follow-up service if applicable, product/equipment quality.
- Such participation in cooperative purchasing shall be allowed pursuant to Act 431 of Public Acts of 1984, Section 263(2). (Management Budget Act)
- 3.7 Cancellation of Invitations for Bids and Requests for Proposals - An invitation for bids, a request for proposals, or other solicitation may be canceled, or any or all bids or proposals may be rejected in whole or in part as may be specified in the solicitation, when it is for good cause and in the best interests of the County. Each solicitation issued by the County shall state that the solicitation may be canceled and that any bid or proposal may be rejected in whole or in part for good cause when the purchasing agent determines it is in the best interests of the County. Notice of cancellation shall be sent to each business solicited. Reason for cancellation will be provided upon request by offerors.
- 3.8 Amendments to Invitations for Bids or Requests for Proposals - An invitation for bids, a request for proposals or other solicitation may be amended by issuance of an addendum prior to the submittal deadline. The addendum shall provide for certain changes and/or clarifications in specifications, requirements, submittals etc.

- 3.9 Responsibility of Bidders and Offerors - Determination of Nonresponsibility: If a bidder or offeror who otherwise would have been awarded a contract is found nonresponsible, a written determination of nonresponsibility, setting forth the basis of the finding, shall be prepared by the purchasing agent. A designated representative of the purchasing agent may assist in researching the issues surrounding nonresponsibility for submittal to the purchasing agent who in turn will make a determination.

The unreasonable failure of a bidder or offeror to supply promptly information in connection with an inquiry with respect to responsibility may be grounds for a determination of nonresponsibility with respect to such bidder or offeror. A copy of the determination will be sent to the nonresponsible bidder or offeror.

Nothing in this policy, however, shall be considered failure to supply information if such requested information is considered to be proprietary in nature of the bidder or offeror. The Purchasing Director may consult with the Administrator/CFO in determining proprietary information.

- 3.10 Bid, Payment and Performance Bonds - Bid surety, payment bonds, or performance bonds or other security may be required for contracts in conformance with state law or as the purchasing agent with consent of a using agency deems advisable to protect the County's interest. Any bonding requirements shall be set forth in the solicitation. Bid or performance bonds shall not be used as a substitute for a determination of a bidder or offeror's responsibility. Financial statements or performance bonds may be required from any company which has been in operation for less than one year if the purchasing agent questions an ability to supply material or performance of work. Additionally, as required in the RFP, the vendor shall provide requested Certificates of Insurance to the County prior to commencing work. Failure to provide proof of insurance may result in cancellation of the contract.

Section 4 Types of Contracts and Contract Administration

4.1 Types of Contracts

- A. General Authority - Subject to the limitations of this section, any type of contract which is appropriate to the procurement and which will promote the best interest of the County may be used. The terms and duration shall be determined by the purchasing agent who may consult with the receiving department or agency for the type of product or service to be provided.
- B. Multi-term:
1. Unless otherwise provided, a contract or award may be entered into for any period of time deemed to be in the best interest of the County. Awards may be extended by mutual agreement that maintain bid pricing and related services as originally proposed.

If it is determined to be in the County's best interest such agreements may be extended through a negotiated extension where price, quality and service issues are negotiated between the County and selected vendor. Any extensions shall be approved by the County Administrator/Auditor which may be subject to annual review.

2. Cancellation due to Unavailability of Funds - When funds are not appropriated or otherwise made available to support continuation, the contract shall be canceled. Earliest possible notification shall be made to the vendor regarding any cancellation.

C. Multiple Source Award

1. General - a multiple source award is an award of an indefinite quantity for one or more items or services to more than one offeror.
2. A multiple source award may be made when award to two or more bidders or offerors for similar products is necessary for adequate delivery, service or product compatibility. Multiple source awards shall not be made when a single award will meet the County's needs without sacrifice of economy or service. Awards may not be made for the purpose of dividing the business. Awards shall be limited to the least number of supplies necessary in order to provide for economy and overall savings in the County's cost of operation. The County, however, shall reserve the right to take bids or proposals separately if after consideration of particular needs and/or quantity, quality issues it is determined to be in the County's best interest.

4.2 Contract Clauses and their Administration

- A. Contract clauses - Contracts for supplies, services and construction will include provisions necessary to define the responsibilities and rights of the parties to the contract. The purchasing agent, after consultation with the Legal Advisor, may issue clauses appropriate for supply, service or construction awards, addressing among others the following subjects:
1. The unilateral rights of the County to order changes in the work within the scope of the contract;
 2. The unilateral right of the County to order in writing temporary stopping of the work or delaying performance that does not alter the scope of the contract;
 3. Liquidated damages

4. Specified reasons for delay or non-performance

5. Termination of the contract for default
6. Site conditions differing from those indicated in the contract or ordinarily encountered, except that a differing site conditions clause need not be included in a contract:
 - a. When the contract is negotiated;
 - b. When the contractor provides the site or design; or
 - c. When the parties have otherwise agreed with respect to the risk of differing site conditions

B. **Standard Clauses and Their Modification** - The purchasing agent, after consultation with the Legal Advisor, may establish standard contract clauses for use in County contract. If the purchasing agent establishes any standard clauses addressing the subjects set forth in Subsection (1) of this section, such clauses may be varied provided that the circumstances justify such variations.

4.3 **Contract Administration** - A contract administration system designed to insure that a contractor is performing in accordance with the solicitation or any modification under which the contract was awarded, and the terms and conditions of the contract, shall be maintained. This system may consist of meetings with receiving agencies or departments, verbal or written reports and the day to day monitoring of services being provided.

4.4 **Right to Inspect Plant** - The County may, at reasonable times, inspect the part of the plant, place of business, or worksite of a contractor or subcontractor which is pertinent to the performance of any contract awarded or to be awarded by the County. Such inspection may be used in evaluating the capacity of a contractor to perform the required work and may affect the decision to award or to continue providing services.

Section 5 **Specifications**

Specifications are to be drafted so as to promote overall economy for the purposes intended and encourage competition. This applies to all specifications developed including but not limited to those prepared for the County by architects, engineers, designers and draftsmen.

5.1 **Brand Name or Equal Specification**

- A. Use - Brand name or equal specifications shall be used when the purchasing agent determines that:
 1. No other design or performance specifications or qualified products list is available;

2. Time does not permit the preparation of another form of purchase description, not including a brand name specification;

3. The nature of the product or the nature of the County's requirements makes use of a brand name or equal specification suitable for the procurement and follow-up service, replacement parts, etc.;
 4. Use of a brand name or equal specification is in the County's best interest.
- B. Nonrestrictive use - Where a brand name or equal specification is used in a solicitation, the brand name specification is for the purpose of describing the standard of quality, performance, and characteristics desired and not intended to limit or restrict competition.

5.2 Brand Name Specification

- A. Use - Where applicable the purchasing agent may determine that only an identified brand name item or items will serve to satisfy the County's needs.

The purchasing agent shall have authority in specifying a manufacturer product over another when he determines that because of quality, performance, life cycle, costs, etc. it is in the County's best interest to specify a single manufacturer.

Should a vendor object to a specified product the burden of proof to demonstrate an equal to the specified product falls upon the challenging vendor to show his product to be equal to or better than the one specified.

- B. The purchasing agent will seek to identify sources from which the designated brand name item or items can be obtained and solicit sources to achieve whatever degree of price competition is practicable. If only one source can supply the requirement, the procurement shall be in accordance with sole source procurement methods.

Section 6 Procurement of Construction Services

Part A - Management of Construction Contracting

- 6.1 Selection of Methods of Construction Contracting Management - The purchasing agent shall have discretion to select the appropriate method of construction contracting management for a particular project. In determining which method to use, the purchasing agent shall consider the County's requirements, its resources, and the potential contractor's capabilities.

Part B - Bid Security and Performance Bonds

6.2 Bid Security

- A. Requirement for Bid Security - Bid security may be required for competitive sealed bidding for construction contracts when the price is estimated to exceed \$100,000. Bid security shall be a bond provided by a surety company authorized to do business in the State of Michigan, or the equivalent in cash, cashiers check, money order or certified check, or otherwise supplied in a form satisfactory to the purchasing agent. Nothing herein shall prevent the requirement of such bonds on construction work under \$100,000 when the circumstances warrant.
- B. Amount of Bid Security - Bid security shall be determined by the purchasing agent notwithstanding, an amount equal to at least 5% of the amount of the bid.
- C. Rejection of Bids for Non-compliance with Bid Security Requirements - When the invitation or solicitation for bids requires security, noncompliance in submitting the required security will be cause for the bid to be rejected.

6.3 Contract Performance and Payment Bonds

- A. When Required-Amounts - When a construction contract is awarded, the following bonds or security may be required as indicated in the invitation or solicitation:
 - 1. A performance bond satisfactory to the County, executed by a surety company authorized to do business in the State of Michigan or otherwise secured in a manner satisfactory to the County, in an amount equal to 100% of the price specified in the contract; and
 - 2. A payment bond satisfactory to the County, executed by a surety company authorized to do business in the State of Michigan or otherwise secured in a manner satisfactory to the County, for the protection of all persons supplying labor and material to the contractor or its subcontractors for the performance of the work provided for in the contract. The bond shall be an amount equal to 100% of the price of the contract.
 - 3. The County may hold a 10% retainage amount until the project is totally complete and accepted.
- B. Authority to Require Additional Bonds - Nothing in this section shall be construed to limit the authority of the County to require a performance bond or other security in addition to those bonds, or in circumstances other than specified in Subsection (1) of this section. Such other specific bonds may include labor and material bonds in the amount of 100% of the value of the project.

- C. Exemption - The County may allow for a contractor not to post performance bonds if the work will be short in duration and the contractor does not submit payment request until all work is completed and accepted by the County. Such agreement will be mutual and agreed to prior to award of contract or purchase order.

Section 7

Debarment or Suspension

- 7.1 Authority to Debar or Suspend - After reasonable notice to the person involved and reasonable opportunity for that person to be heard, the purchasing agent, after consulting with the Legal Advisor, is authorized to debar a person and/or Company for cause from consideration for award of contracts. The debarment shall be for a period of not more than three years. After consultation with the Legal Advisor, the purchasing agent is authorized to suspend a person from consideration for award of contracts if there is probable cause to believe that the person has engaged in any activity which might lead to debarment. The suspension shall be for a period not to exceed three months. The causes for debarment include:
 - A. Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;
 - B. Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which seriously and directly affects responsibility as a County contractor;
 - C. Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals;
 - D. Violation of contract provisions, as set forth below, of a character which is regarded by the purchasing agent to be so serious as to justify debarment action:
 - 1. Deliberate failure without good cause to perform in accordance with the specification or within the time limit provided in the contract; or
 - 2. A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment;
 - E. Any other cause the purchasing agent determines to be so serious and compelling as to affect responsibility as a County contractor, including debarment by another government entity for any cause listed in this Policy.

- 7.2 Decision to Debar or Suspend - The purchasing agent shall issue a written decision to debar or suspend. The decision shall state the reasons for the action taken and inform the debarred or suspended person involved.
- 7.3 Notice of Decision - A copy of the decision to debar or suspend shall be mailed or otherwise furnished immediately to the debarred or suspended person.
- 7.4 Finality of Decision - A decision under Section 7.1 (Decision to Debar or Suspend) shall be final and conclusive, unless fraudulent, or the debarred or suspended person within 10 days after receipt of the decision makes an appeal to the County Administrator/Auditor or commences a timely action in court in accordance with applicable law.

Section 8 **Appeals and Remedies**

- 8.1 Bid Protests (Right to Protest) - Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of a contract may protest to the County Administrator/Chief Financial Officer. Protestors are urged to seek resolution of their complaints initially with the purchasing agent. A protest with respect to an invitation for bids or request for proposals shall be submitted in writing prior to the opening of bids or the closing date of proposals, unless the aggrieved person did not know and should not have known of the facts giving rise to such protest prior to bid opening or the closing date for proposals. On the day submitted or the first business day thereafter, the County Administrator/Chief Financial Officer shall provide a copy of the protest to the purchasing agent. The protest must be submitted within seven (7) calendar days after such aggrieved person knows or should have known of the facts giving rise thereto.
- 8.2 Contract Claims
- A. Decision of the Purchasing Agent - All claims by a contractor against the County relating to a contract, except bid protests, shall be submitted in writing to the purchasing agent for a decision. The contractor may request a conference with the purchasing agent on the claim. Claims include, without limitation, disputes arising under a contract, and those based upon breach of contract, mistake, misrepresentation, or other cause for contract modification or rescission.
- B. Notice to the Contractor of the Purchasing Agent's Decision - The decision of the purchasing agent shall be promptly issued in writing, and shall be immediately mailed or otherwise furnished to the contractor. The decision shall state the reasons for the decision reached.
- C. Finality of Purchasing Agent's Decision; Contractor's Right to Appeal - The purchasing agent's decision shall be final and conclusive unless, within seven (7) calendar days from the date of receipt of the decision, the contractor mails or

otherwise delivers a written appeal to the County Administrator/Chief Financial Officer or commences an action in a court of competent jurisdiction.

- D. Failure to Render Timely Decision - If the purchasing agent does not issue a written decision regarding any contract controversy within ten (10) business days after written request for a final decision or within such longer period as may be agreed upon between the parties, then the aggrieved party may proceed as if an adverse decision had been received.

8.3 Authority of the Purchasing Agent to Settle Bid Protests and Contract Claims - The purchasing agent is authorized to settle any protest regarding the solicitation or award of a County contract, or any claim arising out of the performance of a County contract, prior to an appeal to the County Administrator/Chief Financial Officer or the commencement of an action in a court of competent jurisdiction.

Section 9

Ethics

9.1 Conflicts of Interest - It shall be unethical for any County employee to participate directly or indirectly in a procurement, service, training or other contract when the County employee knows that:

- A. The County employee or any member of the County employee's immediate family has a financial interest pertaining to the contract; or
- B. Any other person, business, or organization with whom the County employee or any member of a County employee's immediate family is negotiating or has an agreement concerning prospective employment is involved in the contract.

9.2 General

- A. It shall be unethical for any payment or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.
- B. It shall be unethical for a person to be retained, or to retain a person, to solicit or secure a County contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business.
- C. It shall be unethical for any County Employee who is participating directly or indirectly in the procurement process to become or to be, while such a County employee, the employee of any person contracting with the governmental body by whom the employee is employed.

D. The County Legal Advisor may grant a waiver from the employee Conflict of Interest provision Section 9.1 or the Contemporaneous Employment provision Section 9.2(c) upon making a written determination that:

1. The contemporaneous employment or financial interest of the County employee has been publicly disclosed;
2. The County employee will not be able to perform his/her procurement functions without actual bias or favoritism; and
3. The award will be in the best interest of the County.
4. The waiver is not in violation of any State law regarding matters of conflict of interest.

APPENDIX - DEFINITIONS

1. Approved Vendor - Vendor in good standing with the County who previously has performed services or provided goods to the County and is included on mailing lists for future Requests for Proposals, quotes or bids. Vendors may also become approved vendors by submitting a completed vendor application and meeting the County's minimum criteria to become an approved vendor or by submitting a request in writing indicating the types of goods and services the vendor is interested in bidding on.
2. Approved Vendor List - Listing of approved vendors that is updated as vendors submit applications and are added to the list. Annually, the list is reviewed for accuracy and edited to correct the list.
3. Brand Name or Equal Specification - A specification limited to items by manufacturers' names or catalogue numbers to describe the standard of quality, performance, and other salient characteristics needed to meet County requirements, and which provides for the submission of equivalent products.
4. Brand Name Specification - A specification limited to items by manufacturers' names or catalogue numbers.
5. Business - Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.
6. Construction - The process of building, altering, repairing, improving, or demolishing any public structure or building, or other public improvements of any kind to any public real property. It does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.
7. Contract - All types of County agreements, regardless of what they may be called, for the procurement of supplies, services, or construction.
8. Contractor - Any person having a contract with the County or a using agency thereof.
9. Direct or Indirect Participation - Involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity.
10. Employee - An individual drawing a salary or wages from the County, whether elected or not; any noncompensated individual performing personal services for the County or any department, agency, commission, council, board, or any other entity established by the executive or legislative branch of the County; and any noncompensated individual serving as an elected official of the County.

11. Financial Interest
 - a. Ownership of any interest or involvement in any relationship from which , or as a result of which, a person within the past year has received, or is presently or in the future entitled to receive more than \$500.00 per year, or its equivalent;
 - b. Ownership of 25 percent (25%) of any property or business, or;
 - c. Holding a position in a business such as officer, director, trustee, partner, employee, or the like or holding any position of management.
12. Immediate Family - A spouse, children, parents, brothers, and sisters.
13. Invitation for Bids - All documents, whether attached or incorporated by reference, utilized for soliciting sealed bids.
14. Person - Any business, individual, union, committee, club, other organization, or group of individuals.
15. Price Analysis - The evaluation of price data, without analysis of the separate cost components and profit as in cost analysis, which may assist in arriving at prices to be paid and costs to be reimbursed.
16. Price Data - Factual information concerning prices for items substantially similar to those being procured. Prices in this definition refer to offered or proposed selling prices, historical selling prices and current selling prices. The definition refers to data relevant to both prime and sub-contract prices.
17. Procurement - The buying, purchasing, renting, leasing, or otherwise acquiring of any supplies, services, or construction. It also includes all functions that pertain to the obtaining of any supply, service, or construction including description of requirements, selection, and solicitation of sources, preparation and award of contract, and all phases of contract administration.
18. Public Agency - A public entity subject to or created by the County.
19. Qualified Products List - An approved list of supplies, services, or construction items described by model or catalog numbers, which, prior to competitive solicitation, the County has determined will meet the applicable specification requirements.
20. Request for Proposals - All documents, whether attached or incorporated by reference, utilized for soliciting proposals.
21. Responsible Bidder of Offeror - A person who has the capability in all respects to perform fully the contract requirements, and the tenacity, perseverance, experience,

integrity, reliability, capacity, facilities, equipment, and credit which will assure good faith performance.

22. Responsive Bidder - A person who has submitted a bid which conforms in all material respects to the requirements set forth in the invitation for bids.
23. Services - The furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance. This term shall not include employment agreements or collective bargaining agreements.
24. Specification - Any description of the physical or functional characteristics or of the nature of a supply, service, or construction item. It may include a description of any requirement for inspecting, testing or preparing a supply, service, or construction item for delivery.
25. Supplies - All property, including but not limited to equipment, materials, printing, insurance, and leases of real property, excluding land or a permanent interest in land.
26. Using Agency/Department - Any department, commission, board or public agency requiring supplies, services or construction procured pursuant to this Policy.

Attachment 1

2000 GENERAL APPROPRIATIONS ACT

RESOLUTION FOR ADOPTION BY
THE MONROE COUNTY BOARD OF COMMISSIONERS

WHEREAS, Act No. 2 of the P.A. of 1968, as amended, the "Uniform Budgeting and Accounting Act," requires that the Board of Commissioners, as the legislative body of Monroe County, pass a general appropriations act setting forth the funds appropriated to defray expenditures and meet the liabilities of Monroe County for the ensuing fiscal year;

NOW, THEREFORE, BE IT RESOLVED, that the attached County Budget Resolution shall be the General Appropriations Act of the County of Monroe of the State of Michigan for the fiscal year beginning January 1, 2000 and ending December 31, 2000. An ACT to make appropriations; to provide for the disposition of all income received by the County of Monroe.

BE IT FURTHER RESOLVED, that the ACT is adopted in accordance with the attached County BUDGET RESOLUTION which is hereby deemed applicable to and adopted as part of this ACT.

This appropriation resolution is to take effect on January 1, 2000.

Dated: December 14, 1999

Dale W. Zorn,
Chairman

Geri Allen,
County Clerk

COUNTY BUDGET RESOLUTION

SECTION 1. APPROPRIATION NOT A MANDATE TO SPEND

The Budget, as submitted herein, is an all inclusive budget and the line items are not to be exceeded or altered without approval or authorization of the Board of Commissioners, the County Administrator/Chief Financial Officer, as designated herein, or by legal interpretation. The various appropriations specified in the budget represent the maximum authorization to incur expenditures for the purpose specified. It is expected that all elected and appointed County Officials shall exercise necessary judgement in the use of appropriated funds in order to achieve the objectives of their program with minimum expenditures.

SECTION 2. ALLOTMENT OF APPROPRIATION

When financial circumstances warrant, the Board may adopt a schedule for allotting the annual appropriation contained within the budget on a periodic basis of no less than one calendar quarter. Under this provision, the authorization to spend the annual appropriation provided in the budget shall be limited to the time limits and amounts established in such schedule. No elected or appointed County official shall cause obligations to be incurred against and no payment shall be made from an appropriation in excess of the limits provided in the schedule.

SECTION 3. LIMIT ON OBLIGATIONS AND PAYMENTS

No elected or appointed County Official shall cause an obligation to be incurred against and no payment shall be made from any appropriation unless there is sufficient unencumbered balance in the appropriation or allotment. Any obligation incurred or payment authorized in violation of this resolution shall be void and any payments so made illegal. Expenditures made in violation of this resolution shall be subject to the penalties specified in P.A. 621 of 1978, titled the Uniform Budgeting and Accounting Act.

SECTION 4. PROCEDURE FOR DISBURSEMENTS

Each claim against the County shall be approved by the elected or appointed County Official responsible for expenditure of the appropriation and shall specify the fund, appropriation account and the activity number assigned in the Budget in accordance with the State Accounting classification system. Such claims shall be submitted on a timely basis as directed by the Administrator/Chief Financial Officer. Claims against the County shall not be paid until approved by the Administrator/Chief Financial Officer, including utilities, rental and purchase contracts, or other claims for which the Finance Department shall deem advance payment necessary. No money shall be expended by the County Treasurer except as properly authorized pursuant to an appropriation provided for in the budget and no expenditures shall be charged directly to any contingency or general account.

SECTION 5. TRANSFER & PURCHASES

An elected or appointed County official responsible for an appropriation may upon the approval of the Administrator/Chief Financial Officer within the limits of the total appropriation, transfer funds between line items. No County Official may create a staff position or alter salaries without prior authorization of the Board of Commissioners. The purchase of supplies, vehicles, service and equipment shall be in compliance with the County Purchasing Policy adopted by the County Board of Commissioners. Establishment of salary levels and adjustments thereto shall be made in accordance with the adopted County personnel policies and negotiated labor agreements. All requisitions for supplies, materials and equipment for the operations of the County's departments and agencies shall be forwarded to the purchasing department. The Director of Purchasing is authorized to purchase all supplies, materials and equipment only after a determination has been made that sufficient monies are available within the departmental budget line item to effect the purchase.

SECTION 6. REVIEW OF FINANCIAL ACCOUNTS

On a least a quarterly basis, the Administrator/Chief Financial Officer shall review the status of expenditures and revenues as compared to the adopted budget and shall report the findings to the Board of Commissioners, noting areas which there are sufficient variations within the budget and providing recommendations where appropriate. A monthly status report of revenues and expenses shall be provided to elected and appointed County officials by the Finance Department.

SECTION 7. APPROPRIATIONS ADJUSTMENT REQUIRED

Elected and appointed County officials are responsible for maintaining expenditures within the limits of an appropriation as provided in this resolution. Should it become apparent to the official that the rate of expenditures of the appropriation shall exhaust that appropriation before the end of the budget period or allotment period, the official shall immediately take steps to reduce the rate of expenditures. The official may request a supplemental appropriation from the County Board of Commissioners who may in its discretion, approve or deny the request.

Whenever it is reported to the County Board of Commissioners that actual and probable revenues in any fund may be less than the estimated revenues upon which appropriations from such fund were based, the Board of Commissioners shall take action, which, in its sole discretion, are deemed necessary to prevent expenditures from exceeding available revenues for the current fiscal year. Such actions may include reductions or adjustments in periodic allotments and appropriations for any or all appropriations. Implementation of hiring freezes, layoff of personnel, renegotiations of labor contracts and elimination of capital outlay and capital improvement purchases, provided however, that the Department Head, elected or appointed County Official, shall be given the opportunity to review and comment on any proposed action prior to its adoption.

SECTION 8. PERSONNEL REPLACEMENT POLICY

All employee vacancies created as a result of resignation or retirement shall be filled in accordance with County Personnel Policies. Prior to filling any vacancy, the following procedures shall be followed:

1. All vacancies must be included in the Budget.
2. The Department Head shall submit a written request to the Human Resources Department to fill the vacancy.
3. The Department Head shall utilize applications that are on file in the Human Resources Office and all new hires shall be processed through the Human Resources Office.
4. The Department Head shall not promote or reassign any current employee to any vacant position until such promotion or reassignment is approved by the Administrator/Chief Financial Officer.

SECTION 9. CAPITAL EXPENDITURES

All Capital Outlay that has been approved in this budget shall be purchased in accordance with the County Purchasing Policy. The Purchasing Agent shall seek competitive bids for the approved equipment in accordance with the County Purchasing Policy. Only those items listed in the current budget will be purchased. If a department wishes to use monies designated for other items, prior approval by the Administrator/Chief Financial Officer must be obtained before any items will be purchased.

SECTION 10. DRAIN ENGINEERING EXPENSES

Expenses for the cost of the engineer positions within the Drain Commission department shall be accounted for in a separate Enterprise Fund. Expenses from this fund shall be allocated by the Drain Commissioner to the appropriate drainage district deriving the benefit of these positions. This expense shall be assessed to the appropriate drainage district and all revenue from the special assessments shall be credited to the appropriate revenue within the Drain Enterprise Fund.

SECTION 11. MAJOR BUDGETING CHANGES

The following funding changes are contained in the 2000 budget:

1. An appropriation to fund a Drug Enforcement Assistant Prosecutor position from the Prosecutor's Drug Forfeiture Account, after the expiration of the Federal Grant, effective September 30, 2000.
2. Funding is included and earmarked to fund six additional road patrol deputies from the General Fund Contingency Account upon approval of a Federal Grant application.
3. An additional \$50,000 has been appropriated from the reserves in the Delinquent Tax Revolving Fund for the Self Help Road Improvement Program.
4. The Board of Commissioners has approved an increase in the amount of the subsidy to offset the cost of overtime for security for the 2000 County Fair.
5. A reduction of one position in the County Treasurer's office to become effective upon the retirement of a current employee.
6. Funding is included to fund staffing for the Inmate Dormitory for the entire 2000 fiscal year. Revenue is anticipated from the INS for housing up to eighty INS inmates for the entire year.
7. Funding is included for two additional positions within the Information Systems Department. One position will be funded from the proceeds of a Technology Grant from the Federal Government in order to free up additional deputies to perform law enforcement duties.
8. Additional funding has been awarded to the County from the State of Michigan Office of Community Corrections in order to fund a Residential Treatment Center. Additional General Fund funding is provided in order to provide matching funds to pay for the maintenance costs of the facility.
9. Matching funds are being provided for one additional Juvenile Probation Officer and one additional Prosecuting Attorney position from the Juvenile Accountability Grant.
10. Funding has been included to upgrade a Day Report Program Monitor position to a Probation Officer position within the District Court Probation Department.

SECTION 12. GAIN SHARING POLICY

The Board of Commissioners hereby adopts the attached Gain Sharing Policy for the purpose of establishing a system for rewarding departments for exercising sound fiscal judgement and to

provide incentives for departmental managers for developing cost reductions in the management of their respective departments.