

Approved: February 17, 2026

Resolution No. 26-369

1. **PURPOSE:** To establish a uniform basis for authorization and processing of purchasing transactions, to ensure that proper financial controls are in place for all materials and services procured by the County as well as to ensure that such acquisitions are conducted in an open and competitive manner.
2. **AUTHORITY:** Authority to establish rules and regulations in reference to the management of the interest and business concerns of the county is vested with the Gratiot County Board of Commissioners (MCL 46.11(m)).
3. **APPLICATION:** This Policy applies to contracts and transactions for the procurement of supplies, services and construction entered by Gratiot County. It shall apply to every expenditure of public funds, except in cases where another process is prescribed by state statute. When the procurement involves the expenditure of federal or state 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 public agency from complying with the terms and conditions of any grant or gift that is otherwise consistent with law and Gratiot County policy no. 2109 which sets forth procedures for acceptance of grants and gifts.
4. **RESPONSIBILITY:** The County Administrator, department heads, elected officials, and budget administrators shall be responsible for the implementation and administration of this policy.
5. **DEFINITIONS:**
  - 5.1 **“Brand name”** or “equal specification” means a specification limited to one or more 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.
  - 5.2 **“Budget Administrator”** means any person authorized to approve expenditures on behalf of a department, court, or other agency. This designation is commonly reserved for elected officials, department heads, office administrators, etc.
  - 5.3 **“Contract modification”** or “change order” refers to any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity or other provisions of any contract accomplished by mutual action of the parties to the contract.

- 5.4 **“Confidential information”** means any information which is available to an employee only because of their status as an employee of the County and is not a matter of public knowledge or available to the public upon request.
- 5.5 **“Construction”** is 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.
- 5.6 **“Contract”** means all types of agreements, regardless of what they may be called, for the procurement of supplies, services or construction.
- 5.7 **“Contractor”** refers to any person having a contract with the County or an agency thereof.
- 5.8 **“County Attorney”** means the attorney appointed and retained by the Board of Commissioners to represent the County in legal disputes and charged with rendering legal advice on County activities.
- 5.9 **“Invitation to bid”** or **“request for proposals”** means all documents, whether attached or incorporated by reference, utilized for soliciting sealed bids and/or proposals.
- 5.10 **“Public agency”** means an organization or body created by a government (federal, state, or local) and funded by taxpayer money to carry out specific functions or services for the benefit of the public.
- 5.11 **“Public funds”** refers to money or assets, regardless of source, which are collected, managed, and distributed by a government entity to fulfill its functions and benefit the general public.
- 5.12 **“Purchase”** means the act or instance of acquisition of something obtained especially for a price in money or its equivalent.
- 5.13 **“Purchasing agent”** means the designated procurement official for the County responsible for the acquisition of supplies and services, and the management and disposal of supplies.
- 5.14 **“Purchase order”** means a legally binding document issued by the County to a seller, outlining the specific types, quantities, and agreed prices for products or services. It acts as an official offer to buy, detailing delivery dates and payment terms to ensure clarity and mitigate risks of non-payment or order inaccuracies.
- 5.15 **“Responsible bidder”** means a person or entity who has the capability to perform fully the contract requirements, and the tenacity, perseverance, experience, integrity, reliability, capacity, facilities, equipment and credit which will assure good faith performance.
- 5.16 **“Services”** means work performed by a contractor and not involving the delivery of a specific product other than reports which are merely incidental to the required performance. This term shall not include employment agreements or collective bargaining agreements.

- 5.17 “***Specification***” means a 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.
- 5.18 “***Supplies***” refers to property, including but not limited to equipment, materials, printing, insurance and leases of real property, excluding land or a permanent interest in land.

**6. POLICY:**

- 6.1 Public Access to Procurement Information. Procurement information shall be a public record to the extent provided in Michigan Freedom of Information Act, being Act 442 of the Public Acts of 1976, as amended (MCL 15.231 et seq) and shall be available to the public as provided in said statute.
- 6.1.1 No confidential information shall be divulged prior to the appropriate time which would cause unfair advantage to any prospective bidder. If the bids are public, prospective bidders will be notified of the time, place, and date of the public opening and invited to attend.
- 6.1.2 When a quote/proposal is received, the time and date shall be recorded on a list of bids received. The number of quotes/proposals received, and the names of bidders is confidential information and shall not be divulged prior to the bid openings.
- 6.2 Purchasing Agent. The County Administrator is hereby appointed as the County Purchasing Agent, who shall be the County’s principal public purchasing official. In accordance with this Policy, the Purchasing Agent shall:
- 6.2.1 Procure or supervise the procurement of supplies, services, and construction needed by the County, including vendor solicitation and contract negotiation.
- 6.2.2 Sell, trade, or otherwise dispose of surplus supplies belonging to the County.
- 6.2.3 Establish and maintain programs for specifications development and contract administration, inspection, and acceptance, in cooperation with the public agencies using the supplies, services and construction.
- 6.2.4 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 those items.

6.3 Sealed Proposals/Bids:

- 6.3.1 Request for Proposals/Bids. Proposals/bids shall be solicited through a request for proposals/bids.
- 6.3.2 Specifications. All specifications shall be drafted to promote overall economy for the purposes intended and encourage competition in satisfying the County's needs while still providing a fair opportunity to all businesses.
- 6.3.3 Public Notice. Adequate public notice shall be given stating the request for proposals/bids, the date, time and location to submit bids and/or proposals, and the date and time of the public opening.
- 6.3.4 Receipt of Proposals/Bids. No proposals/bids shall be handled in a manner that permits disclosure of the identity of any offeror or the contents of any proposal to competing offerors during the process of negotiation.
- 6.3.5 Proposal/Bid Opening. All proposal/bid openings shall be open to the public.
- 6.3.6 Evaluation Factors. The request for proposals/bids shall state the relative importance of price and other evaluation factors.
- 6.3.7 Discussion with Responsible Bidders and Revisions to Proposals. Discussions may be conducted with responsible bidders who submit proposals determined to be reasonably probable of selection for award for the purpose of clarification to assure full understanding of, and conformance to, the solicitation requirements. In conducting discussions, there shall be no disclosure of the identity of competing bidders or of any information derived from proposals submitted by competing bidders.
- 6.3.8 Award. Award shall be made to the responsible bidder whose proposal/bid is determined to be the most advantageous to the County, taking into consideration price and the evaluation factors set forth in the request for proposals/ bids.
- 6.3.9 Non-construction Goods and Services: Contracts shall be awarded with reasonable promptness by appropriate written notice to the most responsible and responsive bidder whose bid and/or proposal meets the requirements and criteria set forth in the invitation for bids/proposals. No contract or purchase order shall be issued with any company or business which is in bankruptcy or receivership. In case of a tie between the lowest responsible and responsive bidders, preference shall be given to the local vendor.
- 6.3.10 Construction Projects: In awarding construction contracts over \$50,000, consideration shall be given to general contractors that have or use subcontractors whose principal place of business is located within Gratiot County. Such consideration shall be specified in the bid/proposal documents and subsequent bid/proposals shall be weighed based on the amount of the contract price that utilizes local contractors and/or subcontracts as follows:

<u>Amount of Contract Work in County</u>	<u>Percent of Bid/Proposal (In-County work)</u>
Less than \$100,000	5% (up to \$5,000)
\$100,000 to \$500,000	4% (\$4,000 - \$20,000)
More than \$500,000	3% (\$15,000 or greater)

No contract or purchase order shall be offered to any company or business that faces bankruptcy or receivership. In case of a tie between the lowest responsible and responsive bidders, preference shall be given to the local vendor.

6.4 Purchasing Limits. Any purchase not exceeding \$25,000 may be made in accordance with purchasing procedures set forth in this Section. Purchases shall not be artificially divided to constitute a legitimate purchase. The following criteria shall be considered for all purchases:

- List price of product
- Purchase terms and available discount
- Product availability
- Delivery options for product
- Quality of product and comparability to other bidder products
- Service (e.g., maintenance, warranty, etc.)

6.4.1 Purchases under \$5,000. Budget administrators may approve the purchase of goods and services for which the total cost is less than \$5,000, provided that funds are available within the department's budget (other than Personnel items).

6.4.2 Purchases between \$5,000 and \$10,000. No fewer than two businesses shall be solicited to submit written price quotations for goods and services estimated to cost between \$5,000 and \$10,000. Award shall be made to the business offering the lowest acceptable quotation. All price quotations received shall be attached to the claim submitted to accounts payable. If said claim does not have the appropriate documentation, it will not be processed and will be referred to the County Administrator for follow-up.

6.4.3 Purchases between \$10,000 and \$25,000. When purchases fall between \$10,000 and \$25,000, the budget administrator shall submit three written price quotations to the Finance Committee for their consideration.

6.4.4 Purchases greater than \$25,000. The County Administrator shall solicit sealed bids/proposals for any purchase greater than \$25,000. Bids and/or proposals shall be opened publicly and presented to the Finance Committee for consideration.

6.4.5 Open Purchases Orders. Open purchase orders shall be utilized for vendors that provide routine repetitive services. Purchase orders may be opened and closed at any time. Examples of authorized open purchase orders include oil changes, office supplies, fuel, and other similar goods and services.

- 6.4.6 Repeat 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 requoted if pricing from the original vendor remains unchanged.
- 6.4.7 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.
- 6.5 Sole Source Purchasing. A contract may be awarded without competitive bidding when the Purchasing Agent determines, after conducting a good faith review of available sources, that there is only one source for the required supply, service, or construction item. The Purchasing Agent or designee shall conduct negotiations, as appropriate, as to price, delivery, and terms. All utilities where there is a single provider (i.e., electric, water, sewer, etc.) and professional services (i.e. court appointed attorneys, court ordered detention, etc.) may be purchased without bid.
- 6.6 Emergency Procurements. Notwithstanding any other provisions of this Policy, the Purchasing Agent may make or authorize others to make emergency procurements of supplies, services, or construction items when there exists a threat to public health, welfare or safety, provided that such emergency procurements shall be made with such competition as is practicable under the circumstances. If the amount of the emergency purchase exceeds \$5,000, a report shall be filed jointly by the County Administrator and respective budget administrator at the next meeting of the Board of Commissioners setting out the nature of emergency and the necessity of the action taken pursuant to this Section.
- 6.7 Reimbursements. Any employee who purchases items on behalf of the County is eligible for reimbursement of the expenses, provided the purchase was authorized by the budget administrator and proper documentation is provided including original receipts and actual items purchased. Employees may also be reimbursed for sales tax, provided that the total cost of items purchased was less than that charged by normal, accessible county vendor. This would normally consist of using a vendor that is out of the area, has a “membership fee,” or only accepts certain types of payments such as a credit card. This must also be approved by the applicable budget administrator.
- 6.8 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.
- 6.9 Cancellation of Invitations for Bids or 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. Reasons for cancellation or rejection shall be made part of the bid file. 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 it is in the best interests of the County. Notice of cancellation shall be sent to all businesses solicited. The notice shall identify the solicitation, explain the reasons for cancellation and, where appropriate, explain that an opportunity will be given to compete on any re-solicitation or any future procurement of similar items. Reasons for rejection shall be provided upon request by unsuccessful bidders or offerors.

- 6.10 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 through cooperative purchasing programs and associations. The decision to purchase from these programs shall be made by the Purchasing Agent after consultation with the budget administrator and considering among other issues delivery, packaging, minimum order requirements, follow-up service if applicable, and product/equipment quality. Bidding requirements shall be waived if the County is able to secure favorable prices on purchases by joining with other local governments or participating with the State of Michigan or the Federal Government in purchasing. The Purchasing Agent is authorized to enter into necessary agreements or contracts on behalf of the County. Purchases are allowed through the State of Michigan Extended Purchasing Program, or MiDeal, in substitution of the normal bidding process.
- 6.11 Exempted Purchases. Professional services, intergovernmental contracts, emergency repairs, and reauthorization of contracts that have been previously approved are exempted from this policy. When it is not otherwise required by law, the Board of Commissioners may also exempt other purchases on a case-by-case basis from some or all of this policy when it is determined to be in the best interests of the County by a two-thirds (2/3) majority vote of Commissioners elected and serving.
- 6.12 Contract Requirements.
- 6.12.1 Bid, Payment, and Performance: Bid surety, payment bonds, performance bonds or other security may be required for supply contracts or service contracts in conformance with State law or as the Purchasing Agent/budget administrator deems advisable to protect the County's interests. Any such bonding requirements shall be set forth in the solicitation. All securities shall be a bond provided by a surety company authorized to do business in the State of Michigan, or the equivalent in cash, or otherwise supplied in a form satisfactory to the County Attorney.
- 6.12.2 Specified Period. Unless otherwise provided by law, a contract for supplies or services may be entered into for any period of time deemed to be in the best interests of the County and funds are available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds.
- 6.12.3 Contract Clauses. All County contracts for supplies, services and construction shall include provisions necessary to define the responsibilities and rights of the parties to the contract. The Purchasing Agent, after consultation with the County Attorney, may issue clauses appropriate for supply, service or construction contracts.
- 6.12.4 Standard Clauses and Their Modification. The Purchasing Agent, after consultation with the County Attorney, may establish standard contract clauses for use in County contracts.
- 6.12.5 Contract Change Orders. Every contract modification, change order or contract price adjustment that exceeds 15% of the total contract amount, changes the contract to the extent that it exceeds the total project budget authorized by Board of Commissioners, or requires appropriations in two or more fiscal years, shall be subject to prior approval by the County Board of Commissioners.

- 6.13 Inspection. The County Administrator, budget administrator, or the County's authorized agent will inspect or supervise the inspection of all deliveries of supplies, materials, equipment, or contractual services as previously defined to determine conformance with the specifications set forth in the order or contract. In the event the delivery is determined by the budget administrator or their authorized agent to be unacceptable or incomplete, the County Administrator, budget administrator or the County's authorized agent is empowered to reject the delivery. The Finance Director shall be promptly notified of any such rejection, and, if such a rejection is by a budget administrator or the County's authorized agent, the County Administrator shall also be promptly notified.
- 6.14 Sale of County Assets: Unless otherwise required by law, the purchasing agent shall serve as the authorized agent for the sale and disposal of all County assets including but not limited to supplies, equipment, tools, furniture, vehicles, firearms, 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 may seek the counsel of the affected budget administrator and/or the County's legal advisor to 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.
- 6.15 Purchasing Procedures: The Purchasing Agent and the Board of Commissioners shall promulgate procedures for the purchase of goods and services for County departments based upon this policy. These procedures shall be updated as necessary.
- 6.16 Appeals and Remedies: Any actual or prospective bidder, contractor, or persons providing a bid to do business with the County may appeal the decision of a budget administrator or the purchasing agent to the Board of Commissioners. Appellants are urged to seek resolution of their complaints initially with the County Administrator. An appeal 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 the bid opening or the closing date for proposals. The protest shall be submitted within seven (7) calendar days after such aggrieved person knows or should have known of the facts giving rise thereto.

In the event of a timely appeal, the Administrator shall not proceed further with the solicitation or award of a contract until the Board of Commissioners determines that the award of a contract without delay is necessary to protect the interest of the County.

7. **ADMINISTRATIVE PROCEDURES**: The County Administrator shall be responsible for the development, revision, and implementation of any associated administrative procedures not already stated in this policy.
8. **ADMINISTRATOR AND LEGAL COUNSEL REVIEW**: The County Administrator shall approve all new and amended policies as to substance. County Counsel shall approve all new and amended policies as to legal content. These approvals shall accompany draft policies and amended policies submitted to the Board of Commissioners for consideration.