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DEFINITIONS
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For the purpose of this Manual, the following words shall have the following meanings:

**Acceptance** - A copy of the purchase order sent to the vendor. The vendor signs this copy, states the date of delivery and sends back the copy to the Finance Department.

**Alternate bid** - (1) A response to a call for alternate bids; (2) A bid submitted in knowing variance from the specifications. Such a bid is only acceptable when the variance is deemed to be immaterial.

**Alternate bid, call for** - An invitation for bid for a single need that can be filled by commodities of varying materials, dimensions or styles. Bidders may submit one or more bids for each material, style, etc. and the award will be made based on an assessment of what is best for the County, taking price as only one factor involved.

**Award** - Presentation of a purchase agreement or a contract to a selected bidder; the acceptance of a bid or proposal.

**Backorder** - That portion of an order which a vendor cannot deliver at the scheduled time, and which he has re-entered for shipment at a later date.

**Bid** - An offer as a price whether for payment or acceptance; a quotation specifically given to a prospective purchaser upon his request, usually in competition with other offerors. Also an offer by a buyer or a seller as at an auction.

**Bid bond** - An insurance agreement in which a third party agrees to be liable to pay a certain amount of money in the event the specific bidder, if his bid is accepted, fails to sign the contract as bid.

**Bid deposit** - A sum of money or check deposited with and at the request of the County, in order to guarantee the bidder (depositor) will, if selected, sign a contract as bid. If the bidder does not sign the contract, he forfeits the amount of the deposit.

**Bid opening** - The process through which the contents of bids are revealed for the first time to the County, to the other bidders and usually to the public.
**Bid security** - A guarantee in the form of a bond or deposit that the bidder, if selected, will sign the contract as bid. Otherwise, the bidder (in the case of a deposit), or the bidder or his guarantor (in the case of a bond) will be liable for the amount of the bond or deposit.

**Bidder list** - A list maintained by the Finance Department setting up names and addresses of suppliers of various goods and services from whom bids, proposals and quotations can be solicited.

**Blanket purchase order** - A purchase arrangement in which the purchaser contracts with a vendor to provide the purchaser's requirements for an item(s) or a service on an "as required" and often over the counter basis. Such arrangements set a limit on the period they are to be valid, and the maximum amount of money that may be spent at one time, or within a period of time.

**Bond** - An obligation in writing binding one or more parties as surety for another.

**Brand name specification** - A specification limited to one or more items by manufacturer's name or catalog number.

**Brand name or equal specification** - A specification limited to one or more items by manufacturer's names or catalog numbers to describe the standard of quality, performance and other salient characteristics needed to meet County requirements and which provides for the submission of an equivalent product.

**Business** - Any corporation, partnership, individual, sole proprietorship, joint stock company joint venture or any other private legal entity.

**Cash discount** - A discount from the purchase price allowed to the purchaser if he/she pays within a specified period.

**Certificate of non-collusion** - A statement signed by a bidder and submitted with his/her bid to affirm that the bid is made freely and without consultation with any other bidder.

**Change order** - A written order signed by the Purchasing Manager, requisitioning department representative and the contractor which adds to or deletes from the purchase order contract in any way which affects the dollar amount of the contract.

**Claim** - The aggregate of the operative facts which serve as a basis for a demand for payment, reimbursement or compensation for injury or damage under law or contract; the assertion of such a demand.
Collusion - A secret agreement or cooperation between two or more persons to accomplish a fraudulent, deceitful or unlawful purpose.

Competition - The process by which two or more vendors vie to secure the business of a purchaser by offering the most favorable terms as to price, quality and service.

Competitive bidding - The offer of prices by individuals or firms competing for a contract privilege or right to supply specified services or merchandise.

Competitive negotiations - A technique for purchasing goods and services usually of a technical nature, whereby qualified suppliers are solicited, negotiations are carried on with each supplier, and the best offer (in terms of performance, quality of items, price, etc.) as judged against proposal evaluation criteria is accepted; negotiated award.

Confidential information - Any information which is available to an employee only because of the employee's status as an employee of this County, and is not a matter of public knowledge or available to the public upon request.

Confirming order - A purchase order issued to a vendor listing the goods or services and terms of an order, placed verbally or otherwise in advance of the usual purchase document.

Conflict of interest - A situation wherein an individual as part of his/her duties must make a decision or take action which will affect his/her personal interests.

Contract - All types of County agreements, regardless of what they may be called, for the procurement of supplies, services or construction.

Contractor - Any person having a contract with a department/court of the County.

Cooperative purchasing - The combining of requirements of two or more political entities in order to obtain the benefits of volume purchases and/or reduction of administrative expenses.

Department - A unit of the County that requisitions items through the Finance Department.

Disadvantaged business - A small business which is owned or controlled by a majority of persons, not limited to members of a minority group, who have been deprived of the opportunity to develop and maintain a committed position in the economy because of social disadvantages.

Emergency - An eventuality that (1) cannot reasonably be seen, (2) demands correction by immediate action, and (3) threatens either economic conditions, the law or public safety.
Employee - An individual drawing a salary from the County whether elected or not, and any non-compensated individuals 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 this County.

Equipment - Personal property of a durable nature which retains its identity throughout its useful life.

Evaluation of bid - The process of examining a bid after opening to determine the bidder's responsibility, responsiveness to requirements, and other characteristics of the bid relating to the selection of the winning bid. Also called tabulation of bids.

Formal advertising - The placement of a notice in the newspaper or other publication, according to legal requirements, to inform the public that the County is requesting bids on specific purchases that it intends to make.

Formal bid or offer - Bid which must be forwarded in a sealed envelope and in conformance with the prescribed format, to be opened at a specified time.

Goods - Anything purchased other than services or real property.

Identical bid - A bid that agrees in all aspects with another bid.

Ineligible bidder - A supplier who by reason of financial instability, unsatisfactory reputation, poor history of performance, or other similar reasons cannot meet the qualifications for placement on the bidder list or for award.

Informal bid - An unsealed, competitive offer conveyed by letter, telephone, telegram, facsimile or other means.

Invitation for bid - All documents whether attached or incorporated by reference, utilized for soliciting sealed bids. No confidential or proprietary data shall be solicited in any invitation for bid.

Invoice - A list of charges or costs presented by a vendor to a purchaser, usually enumerating the items furnished, the unit and total cost, and a statement of the terms of the sale.

Late bid or proposal - A bid or proposal which is received at the place designated in the invitation for bid after the hour established by the invitation as the time which all bids or proposals must be received.
Lowest responsible bidder - That bidder who was awarded a contract because his/her bid in unit price, total cost of operation, or value per dollar is lower than any other bidder, whose reputation, past performance, and business and financial capabilities are such that they would be judged by the County to be capable of satisfying the County's needs for this specific contract. Virtually the same as lowest and best bid, lowest responsive and responsible bidder, and most advantageous bid, price and other factors considered.

Minority firm - Any business which is more than 51% owned by any minority or member of a protected class.

Multiple award - The award of separate contracts to two or more bidders for the same commodities in situations where the award of a single contract would be impossible or impracticable.

No bid - A response to an invitation for bid stating that the respondent does not wish to submit a bid. It usually operates as a procedural device to prevent barring from the bidder list for failure to submit bids.

Nonresponsive bid - A bid that does not conform to the essential requirements of the invitation for bid; nonconforming bid, unresponsive bid.

Official – All person serving the County in any public capacity, whether elected or appointed.

Order - A request or command issued to a supplier for goods or services at a specified price.

Payment (labor and material) bond - A contract of guarantee executed subsequent to award by a successful bidder to guarantee to the County that the contractor will pay all labor and material costs.

Penalty clause - A clause in the contract specifying the sum of money to be paid if the contractor defaults on the terms of his/her contract, particularly with respect to time.

Performance bond - A contract of guarantee, executed subsequent to award by a successful bidder, to protect the County from loss due to his/her inability to complete the contract as agreed.

Performance record - Record to indicate a supplier’s ability to keep delivery promises and reliability together with consistency of quality of the products.

Petty cash - Funds set aside as a cash reserve for expenditures made in accordance with established policies and controls.
Prequalification of bidders - The screening of potential vendors in which the County considers such factors as financial capability, reputation, management, etc., in order to develop a listing of bidders to qualify to bid on County contracts.

Procurement - The process of obtaining goods or services including all activities from the preparation and processing of a requisition through receipt and approval of final invoice for payment. The acts of preparing specifications, making the purchase, and administering the contract are involved.

Purchase order - A purchaser's written document used to formalize a purchase transaction with a vendor. A purchase order, when given to a vendor, should contain statements as to the quantity, description, and price of the goods or services ordered; agreed terms as to payment, discounts, date of performance, transportation terms, and all other agreements pertinent to the purchase and execution by the vendor. Acceptance of a purchase order constitutes a contract.

Purchase requisition - A form used by departments to request the Finance Department to purchase goods or services from vendors.

Purchasing Manager - An administrator who resides in the Finance Department and whose job includes soliciting bids for purchases and making awards of purchase contracts; buyer.

Qualified bidder - A bidder determined by the County to meet minimum standards of business competence, reputation, financial ability and product quality for placement on the bidder list.

Quotation - A statement of price, terms of sale and description of goods or services offered by a vendor to a prospective purchaser; the stating of the current price of a commodity; the price so stated.

Receiving report - A form used by a receiving function to inform others of the receipt of goods purchased.

Request For Proposal - All documents, whether attached or incorporated by reference, utilized for solicitation of proposals.

Responsible bidder or offeror - A person who has the capability in all respects to perform fully the contract requirements and the tenacity, perseverance, experience and integrity, reliability, capacity, facilities, equipment and credit which will assure good faith performance.

Responsive bidder - A bidder whose bid conforms in all material respects to specifications and terms set up by the County in the invitation for bid.
Scrap - Property that has no value except for basic material content.

Sealed bid - A bid which has been submitted in a sealed envelope to prevent dissemination of the contents before the deadline of all bids; usually required to assure fair competition among bidders.

Sole source purchase – A noncompetitive procurement process used when an item or service is only available from a single source; an emergency situation exists and time does not allow for competition; competition is determined to be inadequate after completion of initial solicitation process; or in the case of Federal awards, the funding source has provided written approval of the procurement.

Solicitation - The process of notifying prospective bidders that the County wishes to receive bids on a set of requirements to provide goods or services. The process might consist of public advertising, the mailing of invitations for bid, the posting of notices or telephone calls to prospective bidders.

Specifications - Any description of the physical or functional characteristics, or of the nature of supply, service or construction item. It may include a description of any requirement for inspecting, assisting or preparing a supply, service or construction item for delivery.

Surplus property - Inventory not required by one department or all departments at the present time or in the foreseeable future.

Term contracting - A technique in which a source or sources of supply are established for a specified period of time, usually characterized by an estimated or definite minimum quantity with the possibility of additional requirements beyond the minimum, all at a predetermined unit price.

Terms and conditions - A phrase generally applied to the rules under which all bids must be submitted, and the terms that are included in most purchase contracts, which are often published by purchasing authorities for the information of all potential bidders.

Testing - A phase of inspection involving the determination by technical means of the physical and chemical properties of items or compounds thereof, requiring not so much the element of personal judgement as to application of recognized and established scientific principles and procedures.

Unit price - The price of a selected unit of goods or services.
Unit price extension - The calculation of the total price of goods multiplying the price per unit by the number of units purchased.

Unsuccessful bidder - An offeror whose bid is not accepted for reasons of price, quality, failure to comply with specifications, etc.

Vendor - A supplier.

Waiver of bid - A process, usually statutory, whereby the County Purchasing Department may procure items without formal bidding procedures because uniqueness of circumstances related to that procurement action.
SECTION 2

GENERAL
### SECTION 2

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Approved by BOC on: 2/20/2018  
Effective Date: 2/20/2018  
Supersedes: 11/21/2006

For the purpose of recognizing and discharging its obligation to taxpayers, to using agencies and to vendors, it is hereby declared to be the policy of the County of Kalamazoo to provide, through good public administration, a modern and comprehensive purchasing program based upon accepted principles and sound procurement practices wherein, through full competition on the basis of a fair and equal opportunity to all qualified persons and firms interested in selling to the County, each County department and court (hereinafter referred to as department) may obtain the supplies, goods, materials and equipment needed in its operations at competitive prices, consistent with suitable quality, time factors and probability of performance.
MCLA 46.13b provides in part that..."The controller shall make all purchases of books, stationery, materials and supplies which may be required by the County or its officers and agents, the purchase of which is not otherwise provided by law, and no contract or order for the purchase of any such materials or supplies shall be valid or binding upon the County nor shall the County be liable for the purchase price thereof, except upon the written order of the controller. This provision shall not apply to any contract or purchase which may be ordered by the board of commissioners at any regular, adjourned, or special session thereof, wherein payment is provided by the resolution authorizing such contract or purchase."
SECTION 2

GENERAL

2.03 Purpose of Purchasing

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The purpose of the purchasing function of the Finance Department is to provide a centralized agency to coordinate purchasing for all departments, provide equipment, materials, supplies and services at economical prices by seeking competition; and to evaluate the most advantageous proposals while taking into account the needs and best interest of County government.
SECTION 2

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The goals of the purchasing function of the Finance Department shall be:

A. To provide goods and services at the lowest possible cost for the quality needed in order to contain expenses for the citizens of Kalamazoo County;

B. To serve departments in a friendly, helpful and expeditious manner as possible;

C. To work with other agencies and jurisdictions in a cooperative manner whenever possible to purchase goods and services at a lower cost;

D. To work with minority contractors and vendors to assist them in sharing, where cost effective, in the purchases made by the County in accordance with Section 8 of this Manual;

E. To work with all vendors interested in doing business with the County; meeting with them and providing them a full, equal opportunity to bid on County projects and supplies in accordance with Section 11 of this Manual.
SECTION 2

GENERAL

2.05 Standards of Conduct

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A. No employee, Elected Official or employee of an Elected Official, or any other County public servant shall be a party, directly or indirectly, to any contract or purchase order between him/herself and the County, except as provided in subsection C below.

B. No employee, Elected Official or employee of an Elected Official, or any other County public servant shall directly or indirectly solicit any contract between the County and (1) him/herself; (2) any firm (meaning a co – partnership or other unincorporated association) of which he/she is a partner, member or employee; (3) any private corporation in which he/she is a stockholder owning more than 1% of the total outstanding stock of any class where such stock is not listed on the stock exchange, or stock with a present total market value in excess of $25,000 where such stock is listed on a stock exchange, or of which he/she is a director, officer or employee; or (4) any trust of which he/she is a beneficiary or trustee; nor shall he/she take any part in the negotiations for such a contract or purchase order or the renegotiation thereof or amendment thereto or in the approval thereof; nor shall he/she represent either party in the transaction, except as provided in subsection C below.

C. Subsections A & B above shall not apply to an employee, Elected Official, employee of an Elected Official, or any other County public servant who is paid for working less than an average of 25 hours per week for the County if he/she promptly discloses his/her pecuniary interest in the contract or purchase order to the County Board of Commissioners or such other County body which has power to approve the contract, which disclosure shall be made a matter of record in its official proceedings; and if the contract or purchase order is approved by a vote of not less than two-thirds (2/3) of the full membership of the County Board of Commissioners or such other County body, without the vote of the elected official making the disclosure.

D. The following practices are also specifically forbidden:

1. Using information available to an employee solely because of his County position for personal profit, gain or advantage.

2. Directly or indirectly furnishing estimating services, or any services or information not available to all prospective bidders to any person bidding on, or who may reasonably be expected to bid on, a contract with the County.
3. Providing confidential information to persons to whom issuance of such information has not been authorized, except in accordance with the Freedom of Information Act.

4. Accepting, taking or converting to one's own use products of any kind in the course of or as a result of inspections of such products or the facilities of the owner or possessor.

5. Using a position or status in the County to solicit, directly or indirectly, business of any kind or to purchase supplies or equipment at special discounts, or upon special concessions for private use from any person who sells or solicits sales to the County.

E. No person, firm or corporation transacting or intending to transact business with the County shall attempt to influence any employee in order to gain advantage for themselves.

F. No person, firm or corporation transacting or intending to transact business with the County shall, directly or indirectly, enter into any arrangement or agreement with any other person, firm or corporation which tends to or does lessen or destroy free competition in the procurement of supplies or services by the County.

G. The following standards of conduct apply to all purchasing/contract activities carried out pursuant to, or under, programs funded with Federal Grants.

1. No County employee, officer or agent shall participate in the selection, or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved.

   Such a conflict would arise when:

   a. The employee, officer or agent,

   b. Any member of his/her immediate family,

   c. His/her partner, or

   d. An organization which employs, or is about to employ, any of the above, has a financial or other interest in the person, firm or corporation selected for award.
2. No County employee, officer or agent shall either solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to sub-agreements.

3. For purposes of this Section, the term "immediate family" means: wife, husband, son, daughter, mother, father, brother, brother-in-law, stepbrother, sister, sister-in-law, stepsister, son-in-law, daughter-in-law, mother-in-law, father-in-law, aunt, uncle, niece, nephew, grandparents, stepparents, stepchild, and grandchild.

4. All other provisions of the "Kalamazoo County Purchasing Policies and Procedures Manual", shall also apply to purchasing/contract activities carried out pursuant to, or under, programs funded with federal grants, except that if such other provisions are in conflict with the specific provisions of this Section, the provisions of this Section shall control.

5. Any County employee, officer or agent who violates the provisions of this Section shall be subject to discipline as provided in the "Kalamazoo County Government Personnel Policies".
SECTION 3

RESPONSIBILITIES OF PURCHASING
SECTION 3

RESPONSIBILITIES OF PURCHASING

3.01

Responsibilities

The responsibilities and duties of the purchasing function of the Finance Department shall be as follows:

A. To identify and become acquainted with the needs of all departments and to make all purchases required for all departments, in accord with this Purchasing Manual.

B. To purchase all items meeting the department's requirements on the basis of the lowest price commensurate with quality and service.

C. To identify the source and availability of needed products to discourage uniform bidding, thereby endeavoring to obtain as full and open competition as possible on all purchases and sales of surplus commodities.

D. To consult with departments as needed in the preparation of specifications and in maintaining and identifying new vendors for inclusion on the bidder list.

E. To keep informed of developments in the fields of purchasing, prices, market conditions and new products.

F. To provide, when necessary, testing of various purchases including arrangements with other organizations which may have testing services available; to keep abreast of literature available in the field of testing.

G. To prescribe for use such forms as may be reasonable and necessary to accomplish the purchasing function.

H. To make use of all opportunities to buy in bulk so as to take full advantage of volume purchasing discounts.

I. To join with other units of government in cooperative purchasing when the best interests of the County will be served.

J. To advise in the formulation of policies and procedures of the County, including proposed amendments, changes, additions or deletions to this Purchasing Manual.

K. To dispose of all surplus materials and equipment on a competitive basis.
L. To maintain a bidder's file composed of vendors willing and able to conduct business with the County and to remove vendors from the bidder file in accord with procedures specified in Section 11 of this Manual.

M. To establish and maintain records of commodities, usage, market conditions, inventory levels, storage capacities and other information that facilitates the procurement function.

N. To maintain contact with and interview current and potential suppliers of County supplies and services.

O. To issue all purchase orders, issue all formal bids and reconcile invoices with goods received in accord with other sections of this Manual and good internal control.

P. To maintain a physical inventory of all County assets (personal property.)
SECTION 4

PURCHASE ORDER PROCEDURES
SECTION 4

PURCHASE ORDER PROCEDURES

4.01

Requisitioning and Purchase Orders

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Except as may otherwise be noted in this Manual, the following shall constitute the requisitioning and purchase order procedures for the County:

A. For purchases of supplies and services $2,000 (single item or total order) or less, the following procedures shall apply:

1. Go to the vendor and pick up the merchandise and invoice. Enter invoice into County’s accounts payable software system using an appropriate account number.

2. For out-of-town vendors, call the vendor and order the service or merchandise. After receiving the service or merchandise and the invoice, enter invoice into County’s accounts payable software system using an appropriate account number.

3. Items under $20 can be purchased using Petty Cash.

B. Products, supplies and services over $2,000 (single item or total order) must be requisitioned using the County’s requisitioning software system.

C. The requisition must be approved by the Department Head or someone authorized by the Department Head.

D. In accordance with Section 5 of this Manual, the requisitioning department may specify a vendor or consult with the Purchasing Manager, provided the Purchasing Manager reserves the right to place the order with another vendor and the department shall be informed. This is because:

1. The Purchasing Manager may be aware of another vendor who can supply the same or equal product at a lower price.

2. County policy is to give minority vendors equal opportunity for County business and a minority vendor may be able to provide the same or equal product at the same price.
3. The Purchasing Manager may be aware of previous nonperformance by the vendor specified on the requisition.

E. Bids may be taken on some products, supplies or services or competitive prices sought. Departments should consult Section 5 for guidelines.

F. Incomplete requisitions may be returned to the department for additional information.

G. If there are not sufficient funds for purchase, the requisition will be returned to the department for a change of funds or transfer of funds. No purchase order will be written unless sufficient funds are available in the account indicated.

H. Purchase orders are written from the requisition. The P.O. consists of four (4) copies as follows:
   #1 - Vendor Copy
   #2 - Acceptance Copy
   #3 - Department File Copy
   #4 - Receiver Copy

I. When the item(s) ordered is received, the product quality and the quantities received must be checked by the department. Any difference in quantities ordered and quantities delivered should be noted on the Receiver copy. When the order is complete, the Receiver copy is signed by an authorized individual and returned to the Finance Department.

J. Invoices for regular purchase orders are to be sent by the vendor to the receiving department.

K. On occasion an emergency arises and a P.O. number will be issued over the phone. A requisition must be entered into the County’s requisitioning software system within one business day.

L. The County will not be responsible for any merchandise or service if a purchase order is not issued for items $2,000 or more.

M. All capital items ordered with General Funds or Law Enforcement Funds in excess of $2,000 must be programmed and budgeted in the current year Capital Improvement budget in accordance with the Capital Budget Policy.

N. All capital items will be tagged by the Finance Department when they are received and an inventory kept.
O. All requisitions for supplies and/or services to be procured with grant funds must be approved by Finance Department Accounting staff before purchase orders are written.
SECTION 4

4.02 Acceptability of Invoices without A Purchase Order

Approved by BOC on: 2/20/2018  Effective Date: 2/20/2018  Supersedes: 11/21/2006

The County is not responsible for payment of any invoice if a purchase order number has not been issued, except in the following instances:

A. Prepaid travel, travel expenses and conference registration
B. Reimbursement for contractual services
C. Tuition reimbursement
D. Telephone and utility invoices
E. Prepayment for subscriptions and dues
F. Uniform allowances
G. Child care costs
H. Insurance invoices
I. Court costs, attorneys, court reporters, visiting judges, expert witnesses and jury fees
J. Copy machine maintenance and lease payments
K. Canvas Board expenses
L. Body transport
M. Flags for veteran burial
N. Items under $2,000 (single item or total order)
O. Maintenance agreements
SECTION 4

PURCHASE ORDER PROCEDURES

4.03

Product Standards

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A. Departments shall procure recycled products and supplies.

B. All solicitation of bids by or for any department involving any consumable type of products, e.g. office supplies and paper products, shall:

1. Specify products made from high content recycled materials whenever available and when fiscally responsible, or

2. Request alternate bids be given for products made from recycled materials which include the postconsumer content of the item(s) as well as pricing considerations.

C. Purchases of recycled materials shall be fiscally responsible but need not be based solely upon the lowest price available in light of offset costs from the reduced usage of materials.

D. The cost factor or purchase price for recycled products, or for more environmentally responsible items, should be consistent with a suggested variance of 10% above the market expense for similar non-recycled or less environmentally responsible items. Additional costs should be counter balanced by savings from improved usage procedures.

E. Recycled materials is defined as products made with an identifiable percentage (1% to 100%) of postconsumer material content or of discarded virgin materials salvaged from the industrial waste stream. High content recycled materials contain a minimum of 50% of postconsumer material.

F. Departments can be assisted by the Purchasing Manager in locating acceptable recycled materials for use in their operations.

G. Products shall be purchased in their less processed state when applicable, e.g., unbleached paper.

H. All departments shall purchase consumable items that are recyclable at the time of their disposal.
I. All departments shall attempt to purchase consumable items in containers which are themselves recyclable, or even better, returnable.

J. All departments shall purchase office equipment and machines that provide for the use of consumable items in an environmentally responsible manner, e.g., copy machines that accommodate two-sided copying.
### SECTION 4

**PURCHASE ORDER PROCEDURES**

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Whenever there is a significant change in a contract, a change order shall be effected. The change order shall be filed in the bid file, if applicable, and copies supplied to the using department and vendor.

Changes in contracts shall be permitted when:

A. The County adds to or deletes from the original contract, thereby effecting a change in price or time period

B. Insufficient information on costs of goods or services was available at the time a purchase order was written

C. Additions to or deletions from the contract amount are necessary because of time constraints in delivery of goods, inability of the supplier to provide quantities needed or additional needs of the department.
When it becomes necessary to terminate or cancel a purchase order, the department shall return the Receiver copy of the purchase order to the Finance Department, with the notation "Cancelled" and an authorized signature affixed. The vendor shall be notified by the using department of the cancellation or termination. Purchase orders may be terminated for the following reasons:

A. Default on the part of the contractor. Examples are: failure to deliver or perform work on schedule; failure to meet specifications; fraud; collusion or conspiracy; failure to meet insurance requirements; or for insurance to be cancelled. Before a contract is terminated, every possible effort should be made to work out a satisfactory adjustment.

B. Because of the possible inconvenience to and financial hardship on the contractor/vendor when contracts are cancelled, it shall be the policy of the County to cancel contracts for their own convenience only in extenuating circumstances.

Reasons for cancelling may be:

1. Unavailability of funds
2. Change in requirements
3. Discontinuance of the project for which goods or services were intended.
### PURCHASE ORDER PROCEDURES

#### Invoice Processing

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Invoices for purchase orders shall be submitted to the receiving department by the vendor. The department, on receipt of goods or services, submits the signed copy of the purchase order, with any changes in quantities from the contract amount noted, to the Finance Department. Invoices for goods ordered on Blanket Purchase Orders shall be submitted to the using department for payment.
SECTION 5

PROCUREMENT AND BID PROCESS
SECTION 5 | PROCUREMENT AND BID PROCESS
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5.01 | Purpose

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The purpose of the procurement and bid process is to acquire quality goods and/or services at the lowest possible cost by requiring vendors to submit competitive bids in accord with certain predetermined specifications.
SECTION 5  PROCUREMENT AND BID PROCESS

5.02  Procurement Procedures

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Generally the procurement procedure to be used is determined by the dollar amount of the procurement as follows:

A. Purchases from $0.01 to $1,999.99:
   1. Purchases in this dollar amount do not have to be by competition. Vendor selection and pricing should be reviewed annually for convenience and other qualitative factors.

B. Purchases from $2,000 to $4,999.99:
   1. Purchases in this dollar amount shall be by competition. A minimum of two (2) quotes are required to process a purchase requisition. The quotes can be obtained verbally or in writing. If a department wished to use specific vendors without obtaining quotes, departments must provide justification for the single vendor (i.e. vendor already has plates for printing; vendor is familiar with equipment, etc.)

C. Purchases for $5,000 to $19,999.99:
   1. All purchases in this dollar amount shall be by competition; refer to Section 5.04 and 5.05 (formal or informal.) All requests for bids (a minimum of three (3) quotes) shall be by written form and all responses shall be in writing.
   2. The Purchasing Manager may delegate responsibility for taking of bids to the requisitioning department by written authorization, provided the procedure of taking bids is in accordance with all provisions of the Purchasing Manual.

D. Purchases for $20,000 and up:
   1. Purchases shall be by formal "Invitation for bid", "Request for Proposal" or Negotiation (in accord with Section 5.07) issued by the Finance Department.
   4. Advertisement for any or all bids in this category in the newspaper or appropriate trade publications shall be at the discretion of the Purchasing
Manager or in accord with Federal and/or State statutes, rules, regulations or guidelines, if applicable.

3. Requisitions, purchase orders and/or contracts shall not be split into segments in order to avoid having to go to bid.
SECTION 5
PROCUREMENT AND BID PROCESS

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A. Taking of bids may be waived by County Board action when it is determined that such waiver would be in the best interests of the County.

B. In the event of a bona fide emergency, as defined in Section 1, the Purchasing Manager may waive the procedural requirements specified in subsection 5.02 for purchases under $75,000.00.

1. Even in emergency situations, informal telephone solicitations shall be sought whenever possible.

2. A complete record of the emergency purchase shall be documented in writing and forwarded to the Finance Department for procedural post-audit.

C. Competition may be waived if the procurement meets the sole source purchase definition in Section 1. A department must seek approval for a sole source purchase in advance of that purchase by providing a written justification to the Purchasing Manager. The Purchasing Manager will substantiate the request and provide a written response either approving or denying the request. Documentation pertaining to a noncompetitive procurement will be maintained by the requesting Department and the Finance Department in accordance with record retention schedules and in the case of Federal awards, in accordance with the OMB Common Rule, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

D. Exceptions to the bidding process consist of federal contract arrangements, state contract arrangements, and County group purchasing arrangements.
SECTION 5  
PROCUREMENT AND BID PROCESS

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A. In this form of bid, bidders are solicited by Request for Quotation or telephone (in the case of emergencies).

B. The bid form will describe the goods or services required, applicable terms or conditions, other criteria of importance and indicate the date bids must be received.

C. Care should be taken with informal bids so that no confidential information obtained from one bidder is revealed to another.
SECTION 5

PROCUREMENT AND BID PROCESS

5.05

Formal Solicitation of Bids

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A. The types of formal bid solicitations are:

1. Invitation for Bid (IFB)
2. Request for Proposal (RFP).

B. Procedures for soliciting formal bids:

1. The bid solicitation is emailed directly to each bidder appearing on the qualified bidders list. In accord with Section 5.02, the Invitation for Bid may also be published in a newspaper of general circulation in the County and/or appropriate trade journals. Construction bids may also be placed at the Builders Exchange of Kalamazoo.

2. The County will actively seek bids from local companies by utilizing local lists and advertising from local organizations such as the Chamber of Commerce, Southwest Michigan First, minority and women-owned businesses and other business and labor associations.

3. A file shall be maintained for each bid solicitation which shall contain a copy of the Invitation for Bid, list of the vendors that the Invitation for Bid was sent to, and as bids are received, the sealed bid envelope.

C. If it becomes necessary to make changes in the specifications or any other part of the bid document, a written addendum shall be emailed to all bidders who must acknowledge receipt of said addendum in writing on their bid form.

D. If necessary, bids may be cancelled prior to the bid opening date. Any bids received shall be returned unopened to the bidders.

E. The bid opening may be postponed, if necessary, to allow bidders to revise their bids if an addendum has been sent out, or for the convenience of the County. If a bidder has already submitted his/her bid when the bid opening has been postponed because of an addendum to the original Invitation for Bid, the bid may be returned to the bidder for appropriate changes or the changes may be submitted in a separately sealed envelope.
F. Bid document contents:

1. The Invitation for Bid will consist of the following:
   A. Description of what is being bid
   B. Directions on when, where and how to submit the bid document
   C. Exemption from federal and state taxes statement
   D. County payment procedures
   E. Withdrawal of bid instructions
   F. Length of time that bid must be held after bid opening
   G. Instructions on alternate bids
   H. Type of contract to be issued
   I. What to do if no bid is submitted
   J. Indemnification statement
   K. Termination of contract provision
   L. Waiver
   M. Specifications
   N. Bid submission form
   O. Insurance language
   P. Non-discrimination language

2. In addition, the following may be included under the conditions specified:

   In accord with federal and state statutes, Performance Bonds and Payment (Labor and Material) Bonds are required in the following instances:
A. Construction contracts exceeding $25,000 where federal funds are involved.

B. All construction contracts exceeding $50,000 (in accord with MCLA 129.201-211). These bonds shall be paid for by the contractor and are required for all construction, alterations and/or repairs of any public building, public work or improvement. The bonds shall be for not less than 25% of the contract amount and shall be through a surety company authorized to do business in the State of Michigan. Said bonds shall be payable to the County and shall be filed in Finance Department. No contract shall be awarded until said bonds have been received and cancellation of said bonds shall be cause to cancel the contract.

C. Construction contracts less than $50,000, or $25,000 when federal funds are involved shall be at the discretion of the Finance Department.

G. Receipt, opening and tabulation of bids:

1. Bids may be received by mail or messenger. At time of receipt they shall be date and time stamped and filed until time of bid opening. Bids received after the time and date specified in the Invitation for Bid shall not be opened, unless it can be shown that the delay in delivery was the responsibility of the internal mail organization of the County.

2. Opening of bids:

A. Bids are opened in the place designated in the Invitation for Bid immediately after the time, and on the date specified. Bid openings shall be open to the public.

B. Bids are opened, read aloud and recorded by representatives of the Finance Department.

C. Bids opened by mistake due to improper identification will be rejected, resealed and returned to the bidder.

3. Tabulation of bids:

A. Bid tabulation is the recording of bids and bidding data for the purpose of comparison, analysis and record keeping. The tabulation may be
completed at the bid opening or, if the bid is complicated, as soon after the bid opening as possible.

B. In the case of a discrepancy between a unit price and extension, the unit price shall govern. Any corrections necessary are made and initialed by the tabulator.

C. The completed tabulation becomes part of the bid file.

H. Bids shall be awarded to the bidder who is the lowest responsible bidder who submits the responsive bid most advantageous to the County.

Evaluation of bids according to these criteria shall be as follows:

1. In determining responsibility of the bidder, the following factors may be considered:

   A. Financial responsibility of the bidder

   B. Past record of transactions with the bidder

   C. Experience necessary to conform to the specifications of the bid document

   D. Adequacy of equipment

   E. Ability to complete the work within the time specified

   F. Adherence to Local Reinvestment Policy

   G. Other pertinent considerations.

2. In determining a responsive bid, the following factors may be considered:

   A. The bid must be in substantial conformance with the bid solicitation;

      i. Void of contravening terms

      ii. Void of gratuitous addition
ii. Void of unilateral mistakes or obvious errors in calculating or presenting figures.

B. If required, the appropriate compliance reports and/or insurance documents must be filed. The bidder must meet Equal Employment Opportunity Commission compliance, if applicable.

3. In determining the most advantageous bid, the following factors may be considered:

   A. Lowest price
   
   B. Conformance to specifications:
      
      i. Higher quality than that specified does not necessarily mean the bid should be accepted, unless the price is equal to another bid which does meet specifications
      
      ii. Specifications other than those in the IFB may disqualify the bidder
      
   C. Responsibility of the bidder
   
   D. Other factors as may be determined by the Finance Department.

4. In the event of tie bids where specifications are met by both bidders, the award may be made to the local bidder, by drawing lots publicly or to a minority vendor, if such was one of the tie bids.

J. The following are reasons for rejecting bids:

   1. Failure of the bidder to respond to the requirements of the Invitation for Bid.
2. Bids received at the place designated after the time and date specified in the Invitation for Bid will be rejected unless the bid was sent through the U.S. Mail and it can be shown that receipt was delayed by mishandling by the County.

3. Mistakes and errors:
   A. Bids that contain corrected errors or erasures are rejected unless the erasures and corrections are initialed by the person who prepared the bid. Such corrections shall be noted at the time of reading the bid.
   B. If the bidder discovers that he has made an error after the bid was submitted but before the time of opening, the bid may be withdrawn. If time permits, a new, corrected bid may be submitted.
   C. Corrections generally cannot be made once bids are opened. Exceptions to this are obvious errors (e.g., where a decimal point is misplaced or extensions of unit prices have been miscalculated). Corrections in these instances will be made by the Finance Department and the corrections initialed.
   D. If the bidder makes an unintentional mistake or error in judgement which is not correctable under A, B or C above, and if the bid is so low that the bidder will incur severe loss if the bid is accepted and a contract awarded, the County may permit the bid to be withdrawn without penalty. Such withdrawal must be accompanied by documented evidence of the error and potential loss so that the awarding authority can make a determination which will be fair and equitable to all bidders and the public.

4. Technical irregularities:
   A. The waiver of any deviation which gives a bidder unfair advantage over his competitor shall not be permitted. If the waiver does not impair the bidding system, alter the requirements of the solicitation or offer an unfair advantage, then a waiver may be acceptable.
   B. Any irregularity which involves the legal status of the bid will be submitted to County Corporation Counsel for a determination.
5. Unless specifically requested, any alternate bid, or any changes, insertions or omissions to the terms and conditions, specifications or any other requirement of the bid may be considered non-responsive, and may be rejected.

6. Only one bid received may result in rejection of the bid. Single bids are indicative of poor market conditions or restrictive specifications. If it is decided to proceed with the sole bidder, negotiations should be considered and a price analysis done to determine the reasonableness of the bid.

7. Failure of the bidder to certify the following shall result in rejection of the bid:
   A. (Non-collusion) - That prices were arrived at independently, without consultation, communication or agreement, for the purpose of restricting competition as to any matter relating to such prices with any other offeror or with any competitor.
   B. (Conflict of Interest) - That no County employee or official shall benefit directly or indirectly in any contract or purchase resulting from the bid.
   C. (Contingent Fee) - That the bidder has not employed or retained any company or person to solicit or secure a contract and has not paid or agreed to pay any company, person or firm any fee commission, etc., contingent upon or resulting from the award of the potential contract.

8. When a solicitation covers a number of different items, a bid may contain some irregularity on one or more of the items bid. The bid may be accepted for evaluation and those items which are nonconforming to the solicitation may be rejected; providing that in so doing, it would not give the bidder an unfair advantage or alter other requirements of the solicitation.

K. All bid documents, bid specifications, bids received, bid tabulation, evaluations and memos shall be maintained as a permanent record and made available to bidders, the public and review by County officials.

L. Sometimes bidders may be required to submit proprietary information, trade secrets and the like with their bids which they do not want used or disclosed for any purpose other than evaluation of the bid. The use and disclosure of such information may be restricted provided the bidder identifies the information as "confidential," and follow the procedures outlined in the Michigan Freedom of Information Act (MCLA 15.231 et seq.).
M. The acceptance or rejection of bids and the selection of the successful bidder shall be determined by the department in consultation with the Finance Department, in accordance with the policies and procedures as outlined in this Manual. Some bid awards may be made by the Board of Commissioners.
Disputes concerning the bid process which cannot be resolved by discussion with the vendor may be appealed. The steps of the appeal process are as follows:

A. Any prospective bidder or any bidder aggrieved in connection with the solicitation or intended award may file a protest in writing with the Purchasing Manager.
   1. Any protest concerning the terms, conditions, specifications or other provisions of a solicitation must be filed prior to the deadline for submission of bids.
   2. Any protest concerning an intended or prospective award of contract must be filed within ten (10) working days after the bid opening date.

B. The Purchasing Manager shall issue a decision in writing within ten (10) working days after receipt of such protest or notice of other controversy. A copy of that decision shall be mailed or otherwise furnished to the aggrieved party and shall state the reasons for the action taken.

C. If the aggrieved party is not satisfied with the decision of the Purchasing Manager, an appeal may be filed with the County Controller in writing within ten (10) working days of the receipt of the Purchasing Manager’s decision.

D. The Controller shall issue a decision, in writing within ten (10) working days of receipt of the appeal, unless the parties agree to a longer period of time. The decision of the Controller shall be final and conclusive and a copy of that decision shall be mailed or otherwise furnished to the aggrieved party, and shall state reasons for the action taken. If necessary or desired, the Controller may listen to verbal presentations by the aggrieved party and/or the Purchasing Manager. In the absence of a written decision by the Controller in the time specified, the decision of the Purchasing Manager shall stand.

E. In the event a protest or appeal is filed within the time limits specified, the Purchasing Manager shall not proceed further with the solicitation, award or performance involved until:
   1. The time for filing an appeal has expired; or
   2. The controversy has been resolved; or
3. It has been determined by the Controller that continuation of the procurement is necessary to protect substantial interests of the County.
SECTION 5

PROCUREMENT AND BID PROCESS

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A. When the supply or service to be procured by the County does not lend itself to a formal bid procedure, negotiations may be entered into with qualified vendors. Examples of this type of procurement would be:

1. Design and development of a communications network
2. Contracting for professional services
3. Any situation where the approach to implementation will vary from vendor to vendor and does not lend itself to specifications developed by the County.

B. Requests for Proposals (RFP’s) may be issued to qualified vendors describing the work to be performed and inviting interested vendors to submit a proposal and cost estimate. After receiving the proposals, negotiations as described below may be entered into with some or all of the vendors who submitted proposals.

C. Negotiations may be entered into with qualified vendors without first issuing Requests for Proposals, especially when only two or three firms appear capable of providing the needed service.

D. Negotiations should be conducted in the following manner:

1. Individually with each qualified offeror
2. With detailed minutes kept of each session
3. With proposal evaluation criteria applied to each offeror's proposal, such criteria to measure how well an offeror's approach meets desired performance requirements, thus permitting an evaluation of the difference between those characteristics and what the offeror proposes to do and evaluating each proposal against objective norms.
4. With the objective of obtaining a contract which is most advantageous to the County in terms of factors such as period of performance, type of contract, quality of the service or items being purchased and price.
E. Proposals submitted by competing firms are not disclosed to the public or to
competitors until after the contract has been awarded.
SECTION 6

TYPES OF PURCHASE ORDERS
### SECTION 6

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<th>TYPES OF PURCHASE ORDERS</th>
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<th>Regular Purchase Orders</th>
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Regular purchase orders (P.O.'s) are used for ordering supplies and services. The procedures for use are outlined in Section 9.
SECTION 6

6.02 Confirming Purchase Orders

Approved by BOC on: 2/20/2018 | Effective Date: 2/20/2018 | Supersedes: 11/21/2006

A. Confirming purchase orders are used in situations where the department needs the supply within the next 48 hours and cannot wait for normal procedures. Some examples would be: repair parts needed, repair work to be done on equipment, machinery, supplies out of stock and needed.

B. The department calls the Purchasing Department for a P.O. number or enters the requisition in the County’s requisitioning software systems and gets a P.O. number. If the requisition is not entered into the County’s requisitioning system immediately, **it must be entered within one working day of the request for a confirming P.O. number.** If the price is known, Purchasing prepares the P.O. as outlined in Section 4.01. If the price is not known (as in repair of equipment), Purchasing waits for the price to be called in by the department or estimates a price for processing of the purchase order.
SECTION 6

TYPES OF PURCHASE ORDERS

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A. Contractual purchase orders are used for fixed price, fixed time period purchases such as gasoline, laundry service, milk, etc. Generally the supply or service has been bid and a fixed price has been determined.

B. The purchase order is issued from a departmental requisition. Most contractual P.O.'s expire on December 31, but will be reissued if:

1. The bid period extends beyond that time; and
2. There are sufficient funds in the fiscal year budget.
Blanket purchase orders are used for repetitive purchases such as automotive parts, hardware, supplies, etc. and those situations when exact quantities and dollar amounts cannot be determined, such as food purchases, law books and election supplies.

Because blanket purchase orders provide the least amount of internal control, their use should be limited. Blanket Purchase orders must have a “not to exceed” amount for annual purchases.
SECTION 7

CAPITAL EQUIPMENT AND DISPOSAL OF SURPLUS
SECTION 7  

CAPITAL EQUIPMENT AND DISPOSAL OF SURPLUS

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Approved by BOC on: 6/17/2020  
Effective Date: 6/17/2020  
Supersedes: 2/20/2018  

All movable items of a permanent nature costing $5,000 or more are considered capital equipment. Included in this are furniture and office equipment. The Purchasing Manager shall be responsible for tagging all capital equipment and maintaining an inventory file.

This shall be accomplished as follows:

A. After a piece of capital equipment, as defined above, has been received by a department, the department shall notify the Purchasing Manager of the following:

1. The nature of the piece of equipment
2. The location of the equipment
3. The serial number or model number, if such exists.

B. After receipt of the above information, the Purchasing Manager shall issue an identification number and supply a tag containing the number to the department. This tag shall be placed on the equipment in such a manner as to provide easy identification.

C. If any piece of capital equipment is transferred to another department or building, or placed in storage, the Purchasing Manager shall be notified of the transfer.
SECTION 7 | CAPITAL EQUIPMENT AND DISPOSAL OF SURPLUS

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A. The Finance Department shall be responsible for disposal of all County equipment and property which is declared surplus.

B. The Purchasing Manager shall first notify all departments of any equipment declared surplus in the event another department can make use of the equipment.

C. If the equipment cannot be utilized by another department, it shall be sold by public auction or sealed bid. If it is to be sold by sealed bid, the type of equipment, place it can be viewed and time and date of receiving bids shall be included in the bid document. A minimum bid accepted may be determined for each item.

D. In some cases it may be in the best interest of the County to trade-in surplus equipment on new equipment which may be purchased. This determination shall be made by the Purchasing Manager in consultation with the affected department.

E. In the event the equipment declared surplus is of no value because of a deteriorated condition which renders it useless, it shall be declared scrap and disposed of by the Purchasing Manager by whatever means is in the best interests of the County.

F. All equipment disposed of shall have County identifications tags removed and the tags sent to the Purchasing Manager, noting how the item was disposed of.
SECTION 8

MINORITY BUSINESS POLICY
### MINORITY BUSINESS POLICY

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It shall be the policy of the County of Kalamazoo that minority business enterprises, as hereinafter defined, shall have the maximum feasible opportunity to participate in providing goods and services to the County.
SECTION 8

MINORITY BUSINESS POLICY

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For the purposes of this policy, a minority business enterprise shall include minority owned and operated businesses and women owned and operated businesses.

A. A Minority Business Enterprise (MBE) is a business entity in which 51% or more of the voting shares and interest in the business is held by minority individuals, and that the minority owner(s) has an acceptable level of management, investment and control of the company, is involved in the day-to-day operations of the business and has the power to make policy decisions. An individual will be classified as a minority if that person is either black, Hispanic, American Indian or Alaskan native, or Asian or Pacific Islander and if that person is accepted as a member of the minority community.

B. A Women Business Enterprise (WBE) is a business entity in which 51% or more of the voting shares and interest in the business is held by a female(s) and that the female(s) has an acceptable level of management, investment and control of the company, is involved in the day-to-day operations of the business and has the power to make policy decisions. A firm may not be classified as both a women owned and minority owned business enterprise.
A. The Finance Department shall maintain a file of minority business enterprises and the type of goods and services offered. A Directory of minority business enterprises shall also be published and up-dated periodically.

B. In order to be listed as a minority business enterprise or women business enterprise, a Minority Business Enterprise Certification form shall be completed by the business and submitted to the Purchasing Manager for approval. This form shall contain sufficient information to make a determination that the business is a legitimate minority business enterprise or women business enterprise. The determination of certification shall be made in accordance with regulations as published in 49 CFR Part 23, Code of Federal Regulations.

C. If at any time the County has reason to believe that any person or firm has fully and knowingly provided incorrect information or made false statements in the filing of the Minority Business Enterprise Certification in order to be qualified as an minority business enterprise or women business enterprise, the firm shall be removed from the list of bidders and the matter may be referred to Corporation Counsel.

D. The Finance Department will notify qualified minority business enterprises when bids or quotations are solicited. The Minority Business Enterprise Directory will be made available to departments so that they may contact minority business enterprises when they request quotations.

E. The Finance Department will work with minority business organizations to actively recruit minority business enterprises for the bidders file and will provide assistance in methods and procedures for submitting bids.

F. The Finance Department will make use of other Minority Business Directories. These shall include, but not be limited to: City of Kalamazoo's MBE Directory; State of Michigan's Minority Business Directory; Directory of Minority and Women Vendors, Western Michigan University; National Minority Business Directory (published by the National Minority Business Campaign).
SECTION 9

CONTRACTS
SECTION 9

9.01 General

Approved by BOC on: 9/15/2020  Effective Date: 9/15/2020  Supersedes: 10/1/2019

Kalamazoo County Government recognizes that contracts play a vital role in business transactions. A contract establishes the legal rights and obligations of each party, sets out the expectations for each party, and addresses how issues that may arise will be handled.

In order to ensure that Kalamazoo County Government has established the necessary framework for protection under the law, contracts shall be required for services that exceed $5,000 in annual expenditures with any given vendor. The County Administrator is authorized to approve services contracts up to $75,000 and facility maintenance/improvement contracts up to $150,000 unless those contracts are deemed to be sensitive in nature by the County Administrator. Contracts which exceed this amount or have been deemed sensitive in nature by the County Administrator must be approved by the Board of Commissioners unless this authority has been previously delegated or specified by statute.

Department Heads and Elected Officials are responsible for operating within their budgets and shall not request approval for any contract which exceeds their budget. All contracts shall be reviewed by the appropriate departments, including but not limited to Finance and Corporation Counsel, prior to submission to the County Administrator or Board of Commissioners for final approval.

It is recognized that certain emergent situations may arise which require services to be provided prior to the formal contract approval. Approval to proceed in these situations is make by the County Administrator/Controller and/or their designee.
SECTION 9

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Contract administration refers to the management of post-award activities to ensure that the contractor's performance is in accordance with contractual commitments and that all obligations and requirements of the County and applicable statutes are fulfilled.

The following are areas included in contract administration:

A. Follow-up and expediting contracts and purchase orders

B. Inspecting and testing products

C. Negotiation of changes and modifications

D. Administering terminations or cancellation

E. Settlement of claims, controversies and disputes

F. Invoice processing

G. Assuring compliance with special provisions such as Performance and Payment Bond requirements and insurance requirements.
A well–managed and controlled receiving and inspection program provides the means of monitoring and documenting the performance of suppliers, reporting complaints and taking timely action to ensure compliance with the specifications.

A. In the absence of a central receiving function, it shall be the responsibility of the department to inspect goods received as to quantity and quality. Materials received which do not meet departmental specifications shall be returned to the vendor, the supplier advised of the deficiency(s) and a period of time specified for making needed corrections. This initial contact shall be made by the department after consultation with the Purchasing Manager. If satisfaction is not received, the Purchasing Manager will make further contact with the vendor. Differences in quantities ordered and quantities received shall be noted on the Receiver copy of the purchase order. It shall be the department's responsibility to report to the Purchasing Manager whenever there are problems with service, delivery, quality or quantity of supplies. Continued nonperformance by a vendor may result in the vendor's name being removed from the County's bidders list (see Section 11).

B. When testing of products is needed which is beyond the capability of the County, the Purchasing Manager in consultation with the department, shall make arrangements with local laboratories or colleges to test the products. The Purchasing Manager reserves the right to require the vendor to submit randomly-selected samples to an appropriate national testing organization in order to verify suitability to County needs.

C. If a supplier cannot deliver the item specified at the price bid when bids or quotations have been solicited, it may be necessary to re-solicit or purchase the item on the open market, or to accept the next lowest bid. The defaulting supplier may be assessed the difference in cost between the original contract price and the repurchase price, if it is higher.
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Disputes over interpretation, misunderstandings and performance of a contract or purchase order, which cannot be resolved by mutual agreement between the department and the vendor, shall be referred to the Purchasing Manager. The grievance procedure as established in Section 5.06 shall be followed.
SECTION 9  CONTRACT ADMINISTRATION

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Approved by BOC on: 5/18/2021  Effective Date: 5/18/2021  Supersedes: 2/20/2018

A. Performance and Labor & Material Bonds shall be required, as established in Section 5.05,F,2.

B. The lowest responsible bidder shall be required to submit a certificate of insurance in the minimum amounts specified in the bid documents before award of contract is made. The insurance shall name the County as additional insured for the duration of the job. Insurance requirements are for the protection of the County, and failure to maintain insurance while a contractor for the County, shall be grounds for cancelling the contract.

C. All vendors who provide goods and services to Kalamazoo County government by contract, shall as a condition of providing goods and services, adhere to all Federal, State and local laws, ordinances, rules and regulations, and policies, if applicable, prohibiting discrimination in regard to persons to be served and employees and applicants for employment including, but not limited to, the following:

The Elliott-Larsen Civil Rights Act, 1976 PA 453, as amended.
The Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended.
SECTION 10

COOPERATIVE PURCHASING
### SECTION 10  COOPERATIVE PURCHASING

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It shall be the intent of Kalamazoo County to enter into cooperative purchasing arrangements with other governmental jurisdictions whenever the best interests of the County are served.
### SECTION 10

#### COOPERATIVE PURCHASING

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The purpose of cooperative purchasing is to:

A. Seek lower prices through combined requirements and larger volume

B. Attempt to create a demand large enough to encourage the manufacture of new or modified products which are not otherwise commercially available

C. Assist in reducing duplication of work done in such areas as preparing specifications, soliciting bids and testing products.
SECTION 10  

COOPERATIVE PURCHASING

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Through continuing contact and dialogue with other governmental entities, the County shall seek to purchase cooperatively whenever possible. The following conditions shall apply whenever the County enters into cooperative ventures in purchasing:

A. Each party to the purchasing contract shall agree to the specifications, terms and conditions of the product or service to be purchased cooperatively.

B. The jurisdiction which assumes administrative responsibility for the particular commodity or service being cooperatively purchased shall conduct its purchasing operations according to the principles of open competition.

C. Purchasing and bidding shall be done in compliance with the procedures established in this Policy Manual.

D. Purchase orders or contracts entered into as a result of cooperative purchasing shall be issued by the County for the goods it will receive and pay for.

E. Participation in one purchase or contract does not require participation in subsequent procurement actions or other contracts.

F. Each participant in a cooperative purchasing venture must agree to abide by all contractual requirements, including prompt payment of invoices.

G. All participants in a cooperative purchasing venture must agree to abide by the result of bids and secure their requirements from the lowest responsible bidder meeting the specifications outlined in the bid solicitation.

H. Any governmental unit with an existing contract shall complete that contract before participating in cooperative purchasing for the same commodity or service.
SECTION 11

BIDDERS LIST
The bidders list will contain the name and address of potential bidders/vendors, arranged by commodity provided. A bidder may qualify for inclusion under more than one commodity.
To be placed on the County bidders list a vendor will be required to complete a Bid List Application form.
SECTION 11

BIDDERS LIST

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Removal from the bidder file shall take place after one or more of the following takes place:

A. No response to invitation for bid

B. No order placed with bidder in five (5) years or more

C. No request to be kept active

D. Being in violation of State or Federal law, or County policy

E. Failure to comply with Affirmative Action guidelines as outlined elsewhere in this Manual

F. Non-performance of part or all of a contract.

G. Debarred or suspended or otherwise is excluded from, or is ineligible for participation in Federal Assistance Programs, under Executive Order 12549, "Debarment and Suspension."
SECTION 11  

BIDDERS LIST  

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A. The bidder should be informed that he/she is being removed from the list.

B. Reasons for removal from the bidder list shall be in writing and maintained in the files in the Finance Department. County departments dissatisfied with the performance of a bidder/vendor shall notify the Purchasing Manager in writing, and this information shall be kept on file, and at the discretion of the Purchasing Manager, may be used to remove the bidder/vendor from the bidder list.

C. When a vendor has been removed from the file for inactivity, a written notice to the Finance Department, stating the vendor would like to be considered for future bids shall be sufficient to be reinstated as an active bidder.

D. The County will reinstate a bidder upon written notification that the debarment or suspension has been lifted.

E. Suspension from future bid lists will be left to the discretion of the Purchasing Manager, but suspension should be for no more than one year or until needed corrections are made.
SECTION 12

LOCAL REINVESTMENT AND REGIONAL PARTNERSHIP POLICY
SECTION 12  LOCAL REINVESTMENT AND REGIONAL PARTNERSHIP POLICY

12.01 General Statement of Intent

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The purpose of this policy provision is to ensure companies with a local presence or who employ local workers the broadest access to and participation in contracts and purchases made by the County, recognizing the benefit of taxpayers’ money being spent to support the community from where it came.

The dual goals to be served Include:

a. To promote job growth and economic development within the county and region.

b. To ensure cost competitiveness and efficient use of resources.
Local ties to the community, including a physical presence and employment of county/regional residents, is one criterion on which companies will be evaluated in determining their suitability to perform a job in the competitive bidding process. Furthermore, all reasonable effort will be made to include local participation in the competition for County contracts and purchases. * This policy will not contradict any competitive bidding requirement of the Federal, State or local (including County) government and is not intended to reduce competition or provide preferential treatment.

*Sentence in bold will be included in all formal written requests for competitive bids, proposals and qualifications.
SECTION 12  LOCAL REINVESTMENT AND REGIONAL PARTNERSHIP POLICY

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The County will:

A. Actively seek bids from local companies by:
   1. Utilizing local lists and advertising from local organizations such as the Chamber of Commerce, Southwest Michigan First, minority and women-owned, and other businesses and labor associations.
   2. Periodically conducting informational sessions to ensure local companies understand county contracting and bidding procedures.

B. To the extent feasible, consciously separate purchases and contracts into the most economically feasible, efficient and cost-effective size for bidding to enable a larger number of (local) bidders, when it is in the County’s interest to do so.

C. Support, promote and encourage the use of Michigan Works and other similar organizations for bidders seeking work with the County as a part of their recruitment practices. Work with Michigan Works to develop a streamlined approach for maximum utilization.
SECTION 12 | LOCAL REINVESTMENT AND REGIONAL PARTNERSHIP POLICY

12.04 | Measurement and Continuous Improvement


The County will:

Determine and track percentage of contracts/purchases/jobs awarded to companies with local/regional presence and yearly report this information to the public and Board of Commissioners.

Periodically confer with other governmental units and business interests and organizations to learn of their experiences and best practices so that we may continually improve the effectiveness of this policy.
SECTION 13

RESPONSIBLE BIDDER POLICY
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Approved by BOC on: 06/16/2015  Effective Date: 06/16/2015  Supersedes: 10/03/2006

This responsible bidder policy is a set of guidelines that a contractor must follow, and a set of qualifications a contractor must possess, in order to construct or renovate for Kalamazoo County. The purpose of this policy is to assist the County in awarding building construction contracts of $50,000 or more to the “lowest responsible bidder.” The requirements of this policy, including any obligation of contractors to respond to the Responsibility criteria and other criteria as listed, shall be incorporated into all documents used to solicit construction project bids or establish bidder qualifications. The County can refuse to hire any contractor who does not meet the requirements of this policy. Furthermore, the County may reject any bid proposals, which, in the County’s opinion may contain inaccurate information. The County reserves the right to accept or reject a bid or combination of bids.

The County’s role in selecting a contractor(s) on construction projects shall be determined from the lowest responsible bid on the construction project(s) that meet the requirements of this policy.
SECTION 13 RESPONSIBLE BIDDER POLICY

13.02 Definitions

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Construction Project – the labor and material necessary for the construction, renovation, repair or improvements to real property, except repair in emergency situations, which requires solicited bids so that the work, when complete, shall be ready for service for its intended purpose and shall require no other work to be a completed system or component.

Lowest Responsible Bidder – a responsible contractor with the lowest cost bid that satisfies the requirement of all local, state and federal laws; this policy; any bid documents used to solicit bids; and any other guidelines and specifications required for the construction project. Submitted bids must breakout labor costs from material and equipment costs.

Responsible Contractor – any contractor or sub-contractor who is sufficiently qualified to satisfactorily perform a construction project as determined by the county, based on:

1. Contractor or sub-contractor evidence of qualifications or lack thereof as described in this policy;
2. The contractor or sub-contractor’s compliance with all applicable local, state and federal laws and;
Kalamazoo County Government seeks to ensure the integrity, responsibility and competence of firms interested in bidding upon construction projects. Contractors/Professionals proposing to bid on construction projects of $50,000 and above, shall be required to establish proof of their capacity, competence, and responsibility, as provided herein, before being permitted to bid. Contractors/Professionals who submit information to Kalamazoo County for evaluation shall have a continuing obligation and duty to supplement, and/or otherwise update, any information, which ceases to be accurate between the time submitted and the time a determination is made on the qualification of the Contractor/Professional. A Contractor/Professional shall be disqualified if it submits incorrect or fraudulent information. Contractors/Professionals deemed in compliance with the below criteria will be required to recertify annually:

1. General information about the bidder’s company, address, phone and email contact information.

2. A confirmation that all sub-contractors, employees and other individuals working on the construction project will maintain current applicable licenses with the Michigan Bureau of Construction Codes and Fire Safety and as may otherwise be required by law for all licensed occupations and professions.

3. Verification that the bidder is in compliance with all applicable state and federal laws regarding the hiring of non US Citizens.

4. Evidence of a worker’s compensation Experience Modification Rating (“EMR”). Contractors and Subcontractors who exhibit an EMR of more than 1.0 based on a three-year average will be disqualified.

5. Written verification of their bonding capacity equal. The written verification must be submitted by a licensed surety company rated (“B+” or better) in the current A.M. Best Guide and qualified to do business within the State of Michigan.

6. A list of all litigation and arbitrations currently, pending and within the past five (5) years, including an explanation of each. Evidence of satisfactory resolution of claims filed by or against the bidder asserted on projects of the same or similar size within the last five (5) years. Any claim against the bidder shall be deemed to have been satisfactorily resolved if final judgment is rendered in favor of the bidder or any final
judgement rendered against the bidder is satisfied within ninety (90) days of the date the judgement became final.

7. Disclosure of any debarment by any federal, state or local governmental unit and/or findings of non-responsibility or non-compliance with respect to any public or private construction project performed by the bidder, and/or any violations of any state, federal or local laws, including OSHA violations, violation of any state or federal prevailing wage laws, workers’ compensation or unemployment compensation laws, rules or regulations, issued to or against the bidder within the past five years.

8. Proof of insurance, including certificates of insurance, confirming existence and coverage of at least one million dollars per occurrence for liability, property damage, and workers’ compensation.

9. Statement verifying the existence of a Fitness for Duty Program (drugs and alcohol) of each employee working on the proposed jobsite.

10. Assurance that the bidder is an equal opportunity employer and does not discriminate on the basis of race, sex, age, religion, national origin, marital status, a person’s political affiliation, sexual orientation, gender identity, height, weight, or disability.

The bid documents for a construction project shall require any contractor or sub-contractor bidding on the project or any part of the construction project, to submit with its bid, written responses and other information demonstrating its ability to responsibly provide the services requested. The list set forth below shall in no way limit any additional criteria that the County may deem relevant for purposes of making a determination of contractor responsibility. Any such criteria deemed relevant by the County that is in addition to the items listed below shall be specified in the bid documents together with the requirements of this policy. For each separate bid package of a construction project, the County may accord such weight as it deems appropriate to the responsibility criteria and any other criteria included in the bid list is not intended to be all inclusive or exhaustive:

1. A statement of determination of the number of Kalamazoo County residents that each contractor/sub-contractor employs or expects to employ on the project; and (b) what percentage of their workforce can be drawn significantly from area residents because it’s a goal of the County to utilize, in its construction activities, local residents as much as is economically feasible while retaining the high quality of construction required for its construction activities. The County will consider, in evaluating which bids best serve the interest of the County, the extent to which bidders are able to achieve this goal.
2. A statement regarding the bidder’s staffing capabilities and labor sources including sub-contractors and a verification from the bidder that construction workers will not be misclassified, nor will independent contractors be used on site in violation of state and federal law.

3. Documentation of an on-going MIOSHA-approved safety-training program for employees used on the proposed job site and any contractor performing work on or around electrical equipment shall implement a NFPA 7OE training program as required by OSHA, to prevent workplace injuries and fatalities due to shock, electrocution, arc flash, and arc blast.

4. A list of the bidder’s last three contracts, including dates, clients, approximate dollar value, and size. Documentation from these previous projects, including but not limited to all costs relating to the bidder’s timeliness, performance, quality of work, extension requests, contractual fines and penalties imposed (including proof of such fines and penalties), liens filed, history of claims for extra work and any contract defaults with an explanation of the reason for the default and how the default was resolved.

5. Information on any apprenticeship training programs utilized by the bidder, if apprentices are used on the job site.

6. Information regarding if the bidder maintains, participates in, and has a membership with/in any trade association or organization involved with training and safety classes.

7. Evidence of experience with construction techniques, trade standards, quality workmanship, project scheduling, cost control, management of projects of comparable size/complexity, and building codes by documenting the bidder’s ability and capacity to perform the project. The bidder must identify those portions of the project it reasonably believes will be sub-contracted in the names of the sub-contractors.

8. Evidence that the applicant has financial resources to start up and follow through on the project(s) and to respond to damages in case of default as shown by written verification of their bonding capacity. The written verification must be submitted by a licensed surety company rated (“B+” or better) in the current A.M. Best Guide and qualified to do business within the State of Michigan.

9. Ability to provide references from individuals or entities the bidder has worked for within the last five (5) years including information regarding the records of performance and job site cooperation.
10. Statement as to whether the bidder provides health insurance and retirement benefits to its employees and ability to provide documentation upon request.

11. Evidence of any quality assurance program used by the bidder and the results of any such program on the bidder’s previous projects.

12. A warranty statement regarding labor and material.

13. Assurance that all construction work for this project shall proceed economically, efficiently, continuously and without interruption.
**SECTION 13**

**RESPONSIBLE BIDDER POLICY**

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<th>13.04</th>
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Approved by BOC on: 06/16/2015  Effective Date: 06/16/2015  Supersedes: 10/03/2006

In the event the amount of the lowest bidder’s bid appears disproportionately low when compared with estimates undertaken by or on behalf of the County and/or compared to other bids submitted, the County reserves the right to inquire further of the apparent lowest bidder to determine whether the bid contains mathematical errors, omissions, and/or erroneous assumptions, and whether the apparent lowest bidder has the capability to perform and complete the contract for the bid amount.
SECTION 13

RESPONSIBLE BIDDER POLICY

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This Policy is intended to be read and implemented in conjunction with the Kalamazoo County Local Reinvestment and Regional Partnership Policy. If a conflict arises between this Policy and the Kalamazoo County Local Reinvestment and regional Partnership Policy, the provisions of this Policy shall control.
SECTION 13

RESPONSIBLE BIDDER POLICY

13.06 Suspension or Revocation

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The County may, for good cause, disqualify or suspend a contractor for a specified period of time or revoke the contract. Causes for disqualification, suspension or revocation shall include, but not be limited to, one or more of the following:

1. Inaccurate or misleading statements on the contractor’s qualification statements.
2. Declared in default by the County.
3. Adjudged to be bankrupt.
4. Performance, in connection with contract work, becomes unsatisfactory to the County.
5. Contractor’s license becomes suspended or revoked.
An applicant may appeal all or part of any adverse determination in regards to its Responsible Bidder application by filing a written appeal that specifically states the word “Appeal,” with the Chairperson of the Kalamazoo County Board of Commissioners, at 201 West Kalamazoo Avenue, Kalamazoo, MI 49007. This appeal must identify the reason(s) why the Board of Commissioners should reverse the adverse decision(s) and must be filed within thirty (30) days of the adverse decision(s).