

Purchasing Policy

- I. **Policy Statement:** This Policy is established by the County Board of Commissioners to set standards for the purchase of goods and services with Public Funds such that the County is able to maximize the value of the public tax-dollar while preserving and enhancing public trust. The use of public funds *must* comply with all applicable laws and regulations of Grand Traverse County, the State, and grant requirements.

The Policy applies to the use of all Public Funds for all boards, departments, and agencies for which the County Board is responsible for the appropriation of funds, irrespective of the source of funds.

- II. **Statutory Authority:** The Board of Commissioners may establish rules and regulations to manage the interest and business of the County under Public Act 156 of 1851 [MCLA 46.11 (M)]. The County Administrator, is responsible for the purchase of all books, stationery, materials and supplies required by the County, or its officers and agents, except where the Board of Commissioners directly enters into a contract of purchase, and provides for payment in a resolution authorizing such contract of purchase.
- III. **Related Procedures:** Procedures for Purchasing, Procedures for Procurement Card Use
- IV. **Historical Application:** Fully Rescinds and Replaces Grand Traverse County Procurement Policy: #202.100 Purchasing
- V. **Exclusions: The following exclusions apply:**

- A. The general terms of a contract or agreement between the County, other governmental entities, or non-profit organizations are not subject to these policy requirements for purchases that are considered routine.
- B. In the event of an Emergency, the County Administrator is statutorily enabled to authorize and effectuate the necessary purchases, which must then be ratified by the Board.
- C. Professional services (legal, consulting, architectural/engineering, design services, etc.), may be excluded from the bidding process in instances in which the comparison of pricing would not adequately reflect a comparison of the quality of the service that is being provided.
- D. Computer equipment approved in the budget or approved by the Board of Commissioners.

VI. Implementation Authority:

- A. The County Board authorizes the County Administrator or designee to effectuate the creation of any procedures necessary to implement the Policy.

VII. Policy Standards: The following standards shall apply to all purchases.

A. The County Board appoints the County Administrator or designee as the Purchasing Director for the County.

B. Purchasing of all supplies and equipment will be completed with the intent and outcome to ensure best price, quality, and best value for the County.

C. The County is a tax-exempt entity and shall not pay sales tax.

- i. Grand Traverse County, as a Michigan Municipal Corporation, is exempt from sales tax as provided in Act 167 of Public Acts of 1933. MCL 205.54(7); MSA 7.525(4)(7), and the Michigan Sales and Use Tax Rule, 1979 MAC Rule 205.79, provide that sales to the United States government, the State of Michigan, and their political subdivisions, departments and institutions are not taxable when ordered on a Purchase Order and paid for by warrant on government funds. In the alternative, the government may claim exemption at the time of purchase by providing the seller with a signed statement to the effect that the purchaser is a governmental entity. This position was affirmed by the Michigan Department of Treasury through its Revenue Administrative Bulletin 1990-32, approved on October 11, 1990. The County's tax exempt certificate is available online: www.gtcountymi.gov/DocumentCenter/View/7909

D. Failure to Follow Policy: The County shall not be responsible for the costs of goods and services ordered or purchased by any County official or employee that are not obtained in accordance with this policy. Contracts negotiated outside of this policy will be considered invalid and non-binding.

E. Conflict of Interest: All employees and officials shall comply with the proscriptions on conduct contained in MCL 15.322, Public Officers and Employers, contracts of Public Servants with Public Entities.

F. Sole Source: A sole source provider may be utilized when there is only one qualified/available vendor for the required goods or services. All Sole Source purchases must be approved by the County Administrator.

G. Eligible Expenses: The County will pay for eligible items and services which are necessary to conduct County business.

H. Ineligible Expenses: Items which are considered **not-necessary and will not be paid by the County include:**

- i. Subscriptions to non-professional organizations or media, except in instances deemed necessary by the County Administrator to perform the functions of a position or service.
- ii. Reimbursement or payment for delivery charges and tipping (combined) exceeding 20% of the total cost of the service.

- iii. The purchase of food and refreshments must be for a public purpose, and not an individual, department, or private group purpose. Refreshments for employees use during normal working hours is considered personal, not for a public purpose, and improper.

Permitted Expenses include:

- Staff only refreshments are permitted for Martin Luther King, Jr. Training Day, Employee Recognition Programs, or annual employee wellness activities which promote employee morale and are intended to encourage healthy behaviors.
- I. All expenses which will modify existing County-owned facilities must be approved by Facilities Management in coordination with the County Administrator.
- J. **Documentation:** Each purchase made, no matter the amount, must have adequate documentation to describe the purchase as stated in the Purchasing Procedures. Purchases made where adequate documentation does not exist will not be paid by the County.
- K. **Local Vendors:** Purchases from Grand Traverse County vendors will be encouraged whenever possible.
 - i. Grand Traverse County vendors shall be given the opportunity to meet the lowest bid price when their bid is within 5% of the lowest bid and meets all specifications of the bid requirements.
- L. **Online Purchases:** All online purchases shall meet the standards included within this Policy.
- M. **Gratuities, Personal Benefits, and Kickbacks:** It shall be a violation of this Policy for any person to offer, give or agree to give any County employee or former County employee, or for any County employee or former County employee to solicit, demand, accept or agree to accept from another person, a gratuity, personal benefit, or kickback in connection with any purchasing or contracting decision.

VIII. Purchasing Guidelines: The Board of Commissioners has established the following requirements for purchases. Additional guidance related to the process of meeting these Guidelines is defined in the "Procedures for Purchasing."

| Total Purchase Amount | Purchasing Process | Approving Entity |
|------------------------|---|--|
| Up to \$999.99 | Invoice / Receipt | Department Head |
| \$1,000 to \$4,999.99 | Three Verbal Quotes | Department Head |
| \$5,000 to \$24,999.99 | Three Written Quotes Purchase Order & in budget Expenditure report to Board | Department Head and County Administrator The County Administrator may, at his or her discretion, also request Board approval. |

| | | |
|-------------------|--|---|
| \$25,000 and over | Competitive bid (sealed bids, proposals, or qualifications) Purchase Order/Contract | Department Head, County Administrator, Board Approval, and Purchase Order |
|-------------------|--|---|

IX. Policy Review: This Policy shall be reviewed at least every three years by the County Administrator or designee.