

# **BAY COUNTY LIBRARY SYSTEM**

## **PURCHASING POLICY**

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## TABLE OF CONTENTS

### GENERAL PURCHASING POLICY

Preface.....	1
Purpose .....	1
Application .....	1
Public Access to Procurement Information .....	2
Centralized Purchasing.....	2
Use of Vendor Credit Cards/Charge Cards.....	2
Ethics in Public Procurement .....	3
Debarment or Suspension .....	5
Discrimination.....	6
Qualifications-Based Selection .....	7
Sales Tax Exemption.....	9
Vendor Master File and Log Book.....	9
Local Vendors .....	9
Minority/Women Businesses .....	10
Sole Source Procurements .....	10
Emergency Procurements .....	10
Capital Asset Tags.....	10
Labor-Management Cooperation Agreements/Prevailing Wages .....	11
Methods of Construction Management.....	11
Construction Contract Change Orders .....	13
Blanket Purchase Orders .....	14
Computer Hardware/Software .....	14
Cell Phones and Pagers .....	14
Maintenance Contracts .....	15
Insufficient Funds .....	15

<b>Procurement Records .....</b>	<b>15</b>
<b>Travel Expenditures.....</b>	<b>16</b>
<b>Petty (Imprest) Cash Purchases .....</b>	<b>16</b>
<b>Minute Purchases .....</b>	<b>17</b>
<b>Small Purchases .....</b>	<b>18</b>
<b>Medium Purchases .....</b>	<b>20</b>
<b>Large Purchases.....</b>	<b>22</b>
<b>Exemptions.....</b>	<b>23</b>
<b>Request for Invitation to Bid .....</b>	<b>24</b>
<b>Review of Bid Prior to Public Release.....</b>	<b>24</b>
<b>Bid Package Preparation.....</b>	<b>24</b>
<b>Bid Package Distribution and Public Notice.....</b>	<b>25</b>
<b>Walk Throughs and Pre-Bid/Proposal Conferences .....</b>	<b>26</b>
<b>Bid Submission and Opening .....</b>	<b>26</b>
<b>Evaluation of Bids and Recommendation of Successful Bidder .....</b>	<b>27</b>
<b>Bid Award .....</b>	<b>28</b>
<b>Low Tie Bids.....</b>	<b>29</b>
<b>Extension of Dates.....</b>	<b>29</b>
<b>Bid Protest Procedure .....</b>	<b>30</b>
<b>Cancellation of Invitations/Requests for or Rejection of     Quotes/Bids/Proposals.....</b>	<b>31</b>
<b>Appendix.....</b>	<b>32</b>

## **PREFACE**

The most common and simplistic definition of purchasing is buying and everyone knows what buying involves. However, governmental purchasing, whether at the local, state, or federal level, is very different and far more complex than buying that occurs in the private sector. Unlike everyday consumer buying, governmental purchasing involves the expenditure of taxpayers' money to obtain products and services that the government will use to deliver public services. The legal requirements of governmental purchasing complicate the seemingly simple task of procuring needed products and services. As a result, this critical support function has evolved into a highly controlled and accountable process that is governed by a myriad of laws and ordinances, rules and regulations, judicial and administrative decisions, procedures and practices.

The following policy identifies the various policies and procedures generally accepted throughout government and tailored to the Bay County Library System's specific needs in the procurement of its products and services.

## **PURPOSE**

The purpose of this Policy is to provide for the fair and equitable treatment of all persons involved in public purchasing by the Bay County Library System, to maximize the purchasing value of public funds in procurement, to provide safeguards for maintaining a procurement system of quality and integrity, to inform and provide guidance to all individuals involved in public purchasing regarding the application of the policies and procedures to be adhered to in the procurement of products and services, and to ensure that expenditures are incurred and recorded timely in compliance with the annual budget as adopted by the Bay County Library System Board of Trustees via their General Appropriation Budget Act Resolution and any amendments to the annual budget as approved by the Bay County Library System Board of Trustees.

## **APPLICATION**

This Policy applies to contracts for the procurement of supplies, services, and construction entered into by Bay County Library System after the effective date of this Policy. It shall apply to every expenditure of public funds by the Bay County Library System for purchasing irrespective of its source. When the procurement involves the expenditure of Federal or State assistance or contract funds, the procurement shall be conducted in accordance with any applicable mandatory Federal or State law and regulations, which are not reflected in this Policy. Nothing in this Policy shall prevent the Bay County Library System from complying with the terms and conditions of any grant, gift, or bequest, which are otherwise consistent with law.

## **PUBLIC ACCESS TO PROCUREMENT INFORMATION**

Procurement information shall be a public record to the extent provided in Act 442 of the Public Acts of 1976 (Michigan Compiled Laws (MCL) 15.231 et seq.), as amended, and shall be available to the public as provided in said statute.

## **CENTRALIZED PURCHASING**

Purchasing shall be centralized within the Finance Department as per the resolve of the Board of Trustees in compliance with the Optional Unified Form of County Government Act, PA 139, 1973 Article 5.302(63), Section 13(b) which states:

“THE DEPARTMENT OF FINANCE SHALL supervise the execution of the annual Bay County Library System budget and maintain expenditure control; perform all central accounting functions; collect monies owing to the Bay County Library System not particularly within the jurisdiction of the Bay County Treasurer; purchase supplies and equipment required by the Bay County Library System; and perform all investment, borrowing, and debt management functions except as done by the Bay County Treasurer.”

In accordance with this Policy and under the direct supervision of the Assistant Director, the Financial Assistant in Charge of Purchasing shall serve as Bay County Library System’s principal public purchasing official for the procurement of supplies, services, equipment, and construction needed by, as well as the disposal, by way of selling via competitive bids, trading, auctioning, or scrapping of surplus supplies and equipment belonging to Bay County Library System.

Consistent with this Policy and with the approval of the Assistant Director, the Financial Assistant in Charge of Purchasing may adopt operational procedures relating to the execution of his/her duties and may delegate authority to purchase certain supplies, services, equipment, or construction items to other Bay County Library System employees, if such delegation is deemed necessary for the effective and efficient procurement of those items.

## **USE OF VENDOR CREDIT CARDS/CHARGE CARDS**

No Employees will apply for or hold a vendor credit card/charge card in the name of the Bay County Library System for the use of purchasing goods and or services. The Finance Department on behalf of the Bay County Library System will apply for and hold vendor credit cards/charge cards in the name of the Bay County Library System when it is deemed to be more efficient and or effective way of purchasing goods and or services. All vendor charge cards/credit cards will be held in the Finance Department and can be checked out for the use of purchasing goods and or service in accordance

with the Purchasing Policy. The vendor charge card/credit card must be returned to the Finance Department by the end of the workday, the day it is checked out.

### **ETHICS IN PUBLIC PROCUREMENT**

All Bay County Library System employees and (public servants) shall conduct themselves in conformity with 1968 PA 317, MCL 15.321 et seq.; MSA 4.1700 (51) et seq. This Act establishes standards in respect to governmental decisions and conflicts of interest arising out of the solicitation, negotiation, or approval of contracts between public servants and public entities such as the Bay County Library System.

## **I. ETHICAL STANDARDS OF CONDUCT**

### **A. CONFLICT OF INTEREST**

1. It shall be unethical for any employee to participate directly or indirectly in a procurement where the employee knows that:
  - a. The employee or any member of the employee's immediate family has a financial interest pertaining to the procurement; or
  - b. Any other person, business, or organization with which the employee or any member of an employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.
2. It shall be unethical for, and this Policy prohibits, employees of the Bay County Library System from acting as a vendor of Bay County Library System. This prohibition shall not apply to part-time County employees who are paid for working an average of thirty (30) hours or less per week pursuant to Public Act 317 of 1968, as amended (MCL 15.321, et seq).
3. It shall be unethical for any current employee of the Bay County Library System who is participating directly or indirectly in the procurement process to be or become employed by any person or firm contracting with the Bay County Library System.
4. It shall be unethical for any current employee of the Bay County Library System to use a Bay County Library System Purchase Order or their Bay County Library System influence to obtain goods or services for themselves or others at Bay County Library System prices or at a discount, which could not otherwise be obtained.

### **B. CONFIDENTIAL INFORMATION AND COLLUSION**

1. Confidential Information. It shall be unethical for any employee, former employee, to knowingly use confidential information for actual

or anticipated personal gain or for the actual or anticipated personal gain of any other person.

2. Collusion. It shall be unethical for two (2) or more vendors, suppliers or bidders to collude with the intent to defraud the Bay County Library System by submitting prices, quotes, or bids that are identical or nearly identical or submitting prices, quotes, or bids that will favor one or more vendors, suppliers, or bidders.
  - a. When for any reason collusion or other anti-competitive practices are suspected among any bidders or vendors, a notice of the relevant facts shall be transmitted to the State Attorney General.

## II. ADMINISTRATIVE SANCTIONS

### A. EMPLOYEES

1. The Board of Trustees or Bay County Library System Director may impose on a Bay County Library System employee, for any violations of the ethical standards of conduct set forth in this section, any one or more of the following administrative sanctions as allowed for in the applicable labor agreement, personnel policy, or State statute.
  - a. Oral or written warnings or reprimands;
  - b. Suspension from work, with or without pay, for specified periods of time; or
  - c. Termination of employment.
2. Disallowed Expenditures. Michigan Statutes prohibit our employees from using funds under the employee's official care for personal gain or benefit. Therefore, Bay County Library System employees are prohibited from expending Bay County Library System Funds for flowers, plants, fruit baskets, expressions of sympathy, etc. except as authorized specifically by statute. The Finance Department will disallow expenditures made in violation of this policy.

### B. NON-EMPLOYEES

1. The Board of Trustees or Bay County Library System Director may impose on a non-employee for any violation of the ethical standards of conduct set forth in this section, any one or more of the following administrative sanctions:
  - a. Written warnings or reprimands;
  - b. Termination of contracts, or;

- c. Debarred or suspended from conducting business with the Bay County Library System for specified periods of time.

### III. CRIMINAL PENALTIES

To the extent that violations of the ethical standards of conduct set forth in this section constitute violations of the State Criminal Code they shall be punishable as provided therein. Such penalties shall be in addition to the administrative sanctions set forth in this section and/or any civil sanctions. Criminal, civil, and administrative sanctions against employees or non-employees, which are in existence on the effective date of this Policy, shall not be impaired.

### IV. RECOVERY OF VALUE

The value of anything transferred or received as the result of a violation of any of the ethical standards of conduct set forth in this section by any employee or non-employee shall be recovered from said employee or non-employee.

## **DEBARMENT OR SUSPENSION**

**AUTHORITY TO DEBAR OR SUSPEND.** After reasonable notice to the person(s)/vendor(s) involved and reasonable opportunity for that person to be heard, the Assistant Director, after consulting with the Bay County Library System's Legal Counsel and the Bay County Library System Director, is authorized to debar a person/vendor, for cause, from consideration for award of contracts. The debarment shall not be for a period of more than three (3) years. After consultation with the Bay County Library System's Legal Counsel and the Bay County Library System Director, the Assistant Director is authorized to suspend the person(s)/vendor(s) from consideration for award of contracts if there is a probable cause to believe that the person(s)/vendor(s) has engaged in any activity which might lead to debarment. The suspension shall not be for a period exceeding three (3) months. The causes for debarment include:

1. Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;
2. Conviction under state and federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects his/her/their responsibility as a Bay County Library System contractor;
3. Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals;

4. Violation of contract provisions, as set forth below, of a character which is regarded by the Assistant Director to be so serious as to justify debarment action:
  - a. Deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contracts; or
  - b. A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment.
5. Any other cause the Assistant Director determines to be so serious and compelling as to affect his/her/their responsibility as a Bay County Library System contractor, including debarment by another governmental entity for any cause listed in this policy; and
6. For violation of the ethical standards set forth in the ETHICS IN PUBLIC PROCUREMENT section of this policy.

The Assistant Director shall issue a written decision to debar or suspend. The decision shall state the reasons for the action taken and inform the debarred or suspended person(s)/vendors(s) involved of their rights concerning judicial or administrative review. A copy of the decision shall be mailed or otherwise furnished immediately to the debarred or suspended person(s)/vendors(s), the Bay County Library System Board of Trustees, and the Bay County Library System Director.

A decision to debar or suspend shall be final and conclusive unless fraudulent, or the debarred or suspended person(s)/vendors(s), within ten (10) days after receipt of the decision, makes an appeal to the Bay County Library System Board of Trustees or commences a timely action in court in accordance with applicable law.

### **DISCRIMINATION**

Any individual or business entity providing goods and/or services to the Bay County Library System shall be required to comply with current provisions of the Americans with Disabilities Act (ADA) (the Equal Opportunity Act for Individuals with Disabilities 42 USC 12101 et seq.), Equal Employment Opportunities (42 USC 2000e), Section 504 of the Rehabilitation Act of 1973, as amended (29 USC 794), the Elliot-Larsen Civil Rights Act (MCL 37.1201 et. seq.), and the Michigan Handicappers' Civil Rights Act (MCL 37.1101 et seq.). Such individual or business entity shall not discriminate against any individual with respect to hire, tenure, terms, conditions or privileges of employment because of a handicap that is unrelated to the individual's ability to perform the duties of a particular job position, or because of race, color, religion, national origin, age, sex, height, weight, or marital status. Breach of this covenant shall be regarded as a material breach of any transaction or agreement between the Bay County Library System and the individual or business entity. The Bay County Library System shall vigorously enforce this covenant

through use of sanctions available within the Bay County Library System Purchasing Policy or legal action.

### **QUALIFICATIONS-BASED SELECTION**

Qualifications-Based Selection (QBS) has received national and state attention in the public sector through legislation for many years. In 1972, the federal government enacted Public Law 92-582 (The Brooks Selection Bill) covering the selection of architects and engineers based on qualifications. In 1987, the Michigan Legislature passed House Concurrent Resolution #206, which provided a documented understanding of the process. Qualifications-Based Selection which is a fair and rational procedure that facilitates the selection of a design professional on a basis of qualifications and competence in relation to the scope and needs of a particular project shall be used for obtaining architectural, engineering, land surveying, and other related professional design services on Bay County Library System public projects. The QBS process, as outlined in the publication, Qualifications-Based Selection of Design Professionals by Qualifications-Based Selections, Inc., or a modified version thereof suitable to the project being undertaken will include all or some of the following steps:

1. The Bay County Library System Board of Trustees identifies the general scope of the work.
2. A selection schedule is established.
3. A list of design professional firms is developed.
4. Qualification documents are requested.
5. Qualification documents are evaluated.
6. A short list of firms to be interviewed is composed.
7. Interviews are conducted.
8. Firms are ranked for selection.
9. A contract is negotiated with the top ranked firm.
  - a. If an agreement cannot be reached, those negotiations are ended and negotiations are begun with the second ranked firm, and so on down the line, until agreement is reached and a firm selected.
10. All firms involved receive post-selection communications.

Qualifications-Based Selection may be used for the selection of other, non-federally funded, professional services as deemed appropriate by the Assistant Director. These other, non-federally funded, professional services shall include, but not limited to, the following:

1. Financial Advisors.
2. Construction Managers.
3. Attorneys/Bond Counsel.
4. Underwriters.
5. Auditors - Certified Public Accountants.
6. Third Party Administrators.
7. Environmental and Geo-technical Services.
8. Architects.
9. Consultants.
10. Surveyors.
11. Engineers.
12. Appraisers.

When deemed appropriate to utilize the QBS process in the selection of professional services, this process shall be carried out through the establishment of a QBS Committee. This Committee will be charged with the responsibility of implementing the QBS process at a level commensurate to the project at hand and to provide a recommendation to the Bay County Library System Board of Trustees. The composition of the QBS Committee shall consist of the following individuals or their designee:

1. Library Director.
2. Assistant Director
3. The Financial Assistant in Charge of Purchasing
4. Any other individual who could provide valuable input and be beneficial to the selection process as identified by the three (3) previous named individuals, such as the Director of Administrative Services, etc.
5. When deemed appropriate any member of the Bay County Library System Board of Trustees shall participate.

## **SALES TAX EXEMPTION**

The Bay County Library System shall not be charged or pay sales tax. The Bay County Library System, as a Michigan Constitutional Corporation, is exempt from sales tax per Act 167 of Public Acts established in 1933. Per Section 4 of the General Sales Tax Act, MCL 205.54(5); MSA 7.524(5), and Michigan Sales and Use Tax Rule, 1979 AC, R205.79 provides 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.

Under above referenced documents, the State of Michigan maintains that the Bay County Library System is not required to have a sales tax exemption number and that unless a purchase is paid for by warrant on governmental funds (with a Bay County Library System check), the seller does not have to exempt the sale. The issuance of a Bay County Library System Purchase Order or a Michigan Sales Tax Exemption Certificate does not, by itself, mandate the seller to exempt the sale. Therefore, all departments, divisions, and Managing Librarians shall utilize Bay County Library System's Purchase Order and accounts payable system to the fullest extent possible when purchasing and paying for tangible personal property while still adhering to the other provisions within this Purchasing Policy.

## **VENDOR MASTER FILE AND LOG BOOK**

### A. VENDOR MASTER FILE

A Vendor Master File shall be maintained by the Finance Department that will serve as its source document to be used by all responsible employees and officials in the procurement process. Those vendors interested in being placed on the Vendor Master File must complete and file a standard questionnaire, developed by the Financial Assistant in Charge of Purchasing in the Finance Department. The Finance Department will develop and maintain the Vendor Master File by reviewing the Doing Business As (DBA's) filings with the County Clerk, through solicitations from various trade and professional publications and associations, vendor representatives, product conferences, by annually mailing requests for updated information from current vendors, and recommendations from employees.

## **LOCAL VENDORS**

The purchasing profession does not advocate providing local vendors preferential treatment in the awarding of bids, contracts, or Purchase Orders. Therefore, in order to preserve the integrity of Bay County Library System's procurement system, and to promote fair and pure competition for the Bay County Library System's business, local vendors shall not be provided a preferential status in the procurement of goods or services for the Bay County Library System.

## **MINORITY/WOMEN BUSINESSES**

When required, pursuant to the federal Office of Management and Budget Circular 102, Grants and Cooperative Agreements with State and Local Government, the Common Rule for Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments and State of Michigan, Public Act 428 of 1980, affirmative steps will be implemented to seek out, solicit and use minority-owned firms, women's business enterprises when purchasing goods or services with federal funds.

## **SOLE SOURCE PROCUREMENTS**

A contract may be awarded without competition when the Financial Assistant in Charge of Purchasing determines, in writing, after conducting a good faith review of available resources, and upon the concurrence of the Assistant Director, that there is only one source for the requested product or service. The Financial Assistant in Charge of Purchasing will conduct negotiations, as appropriate, as to price, delivery, and terms. A record of sole source procurements will be maintained as a public record that lists each vendor's name, the amount and type of each purchase, and a listing of the item(s) procured from each vendor.

## **EMERGENCY PROCUREMENTS**

Notwithstanding any other provision of this policy, when there exists a threat to the public's health, welfare, safety, or a threat of deterioration of a critical departmental service the Financial Assistant in Charge of Purchasing, upon the concurrence of the Assistant Director, may make emergency procurements of products or services; or in a circumstance when an emergency condition arises during a time, e.g., after regular business hours, when the procedures outlined in the exemption section under "Large Purchases" are not practicable, the Managing Librarian/Department Head, may procure only those products or services minimally required to alleviate the emergency condition provided that such emergency procurements shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of a particular vendor shall be included in/on the procurement file/paperwork. As soon as it is practicable, a record of each emergency procurement shall be made and it shall set forth the vendor's name, the amount and type of each purchase, a listing of the item(s) procured from each vendor.

## **CAPITAL ASSET TAGS**

It shall be the responsibility of the Finance Department to assign a permanent, pre-numbered Bay County Library System asset tag to any item purchased deemed by them to be an item necessary to be inventoried and controlled. The asset tag shall be assigned at the time the purchase is made and shall be noted on the Purchase Order. The asset tag shall be sent to the applicable department along with the department's copy of the Purchase Order. It shall be the department's responsibility to attach the asset tag to the asset.

## **LABOR-MANAGEMENT COOPERATION AGREEMENTS/PREVAILING WAGES**

Unless prohibited by law, the Board of Trustees may designate projects for \$15,001 or more a prevailing wage standard or labor-management cooperation agreement shall be advantageous to the Bay County Library System and shall be employed.

## **METHODS OF CONSTRUCTION MANAGEMENT**

The selection of an appropriate method to manage a construction project should depend on factors such as: the method of the construction to be procured, the uncertainties which may be involved in the construction; and the extent to which the Bay County Library System or the Contractor is to assume the risk of the cost of performance of the construction contract. The various methods differ in the degree of responsibility assumed by the contractor.

The objective when selecting an appropriate method to manage a construction project is to obtain the best value in the needed construction, in the time required, and at the lowest cost to the Bay County Library System. In order to achieve this objective, the Bay County Library System, before choosing a construction method, should review those elements of each alternative method that directly affect the cost, time, risk, and profit incentives bearing on the performance.

Among the factors to be considered are:

1. The type and complexity of the construction;
2. The difficulty of estimating performance costs such as the inability of the Bay County Library System to develop definite specifications, to identify the risks to the contractor inherent in the nature of the work to be performed, or to establish clearly the requirements of the project;
3. The amount and type of financing available;
4. The administrative costs to both parties;
5. The degree to which the Bay County Library System must provide technical coordination during the construction project and a realistic appraisal of the availability, qualifications, and experience that the Bay County Library System personnel can bring to the project;
6. The availability of outside consultants;
7. The effect of the choice of the method of management of the construction project on the amount of competition to be expected;
8. The stability of material prices or wage levels;
9. The urgency of the construction;

10. The length of construction;
11. The size, scope, complexity, and economics of the project;
12. The location of the project and whether a contractor's site may be used;
13. The results achieved on similar projects in the past and the methods used;  
and
14. The extent to which the Bay County Library System's requirements and the ways in which they are to be met are known.

The following are the most common methods of construction management, which are not all mutually exclusive and may be combined on one project:

1. SINGLE PRIME CONTRACTOR. The single prime contractor method of contracting is typified by one business, a General Contractor, contracting with the Bay County Library System to timely complete an entire construction project in accordance with plans and specifications provided by the Bay County Library System. Often these plans and specifications are prepared by a private architectural firm under contract with the Bay County Library System. Further, while the General Contractor may take responsibility for successful completion of the project, much of the work may be performed by specialty contractors with whom the prime contractor has entered into contracts.
2. MULTIPLE PRIME CONTRACTORS. Under the multiple prime contractor method, the Bay County Library System or Bay County Library System's Agent contracts directly with a number of specialty contractors to complete portions of the project in accordance with the Bay County Library System's plans and specifications. The Bay County Library System or its Agent may have the primary responsibility for successful completion of the entire project, or the contracts may provide that one of the multiple prime contractors has this responsibility.
3. DESIGN-BUILD OR TURNKEY. In a design-build or turnkey project, a business contracts directly with the Bay County Library System to meet the requirements as described in a set of performance specifications by constructing a facility to its own plans and specifications. Design responsibility and construction responsibility both rest with the design-build contractor. This method can include instances where the design-build contractor supplies the site as part of the package.

4. CONSTRUCTION MANAGER. A Construction Manager is a person experienced in construction that has the ability to evaluate and to implement plans and specifications as they affect time, cost, and quality of construction; and the ability to coordinate the design and construction of the project, including the administration of change orders. The County contracts with a qualified Construction Manager to act for the County in the construction project as specified in the Construction Management Contract. At times the Construction Manager may become a single prime contractor, or may guarantee that the project will be completed on time and will not exceed a specified maximum price (Guaranteed Maximum Price - GMP). At such times the Construction Manager will become responsible, just as any single prime contractor, to complete the project at or below the specified price.
5. CONSTRUCTION CONSULTANT. The Construction Consultant is a person that shall serve as agent of the Bay County Library System, providing pre-construction and construction administration services by assisting and providing administrative support to the Bay County Library System in connection with a construction project. The Construction Consultant accepts the relationship of trust and confidence established between it and the Bay County Library System. The Construction Consultant agrees to furnish its best skill and judgment to perform its services in the most expeditious economical manner consistent with the stated interests of the Bay County Library System and with the staff organization of the Construction Consultant.
6. SEQUENTIAL DESIGN AND CONSTRUCTION. Sequential design and construction denotes a method in which design of substantially the entire structure is completed prior to beginning the construction process.
7. PHASED DESIGN AND CONSTRUCTION OR FAST-TRACK CONSTRUCTION. Phased design and construction denotes a method in which construction is begun when appropriate portions have been designed, but before substantial design of the entire structure has been completed.

### **CONSTRUCTION CONTRACT CHANGE ORDERS**

During the course of a construction project it may become necessary to modify the scope of the project in varying degrees depending on each individual circumstance. By modifying the scope of the project it will necessitate amending the construction contract via a change order. Construction contract change orders may be approved by the Bay County Library System Board of Trustees after consultation with the architect, engineer, consultant, or a qualified individual involved with and has knowledge of the project and the requested modification, and that the Bay County Library System Board of Trustees is satisfied with the rationale provided for the requested change.

## **BLANKET PURCHASE ORDERS**

Blanket purchase orders may be issued when the Financial Assistant in Charge of Purchasing determines, after consultation with the requesting department and/or branch that the issuance of a blanket purchase order will result in procurement efficiencies or in a financial benefit to the Bay County Library System. Blanket purchase orders shall not exceed twelve (12) months and shall terminate at the end of each fiscal year. Blanket purchase orders will be available for the purchase of materials and supplies that will be purchased on a frequent or repetitive basis. Blanket purchase orders shall not be used for the purchase of equipment.

## **COMPUTER HARDWARE/SOFTWARE**

The Bay County Library System has recognized the need to review and control the purchasing of computer hardware and software. All Bay County Library System Branches/departments requesting computer hardware and/or software shall submit their Purchase Requisitions to the Information/Technology Department.

The Information/Technology Department must review all Purchase Requisitions regardless of funding source. In order to produce efficiencies in the procurement of computer hardware and/or software, to enhance employee productivity, and to receive financial benefits from excellent pricing, the Information/Technology Department shall purchase computer hardware and/or software at or below the prices that have been negotiated for federal Government Service Administration (GSA) contract pricing or the State of Michigan, Department of Management and Budget, Extended Purchasing Program or Bay County, when applicable.

Once the need has been identified, the Information/Technology Department will check with the Assistant Director to see if there is money in the budget to support the purchase. If the purchase requires a purchase order number, the Information/Technology Department will obtain quotes in accordance with the Purchasing Policy and forward the Purchase Requisition to the Finance Department to obtain a purchase order number. The Information/Technology Department has the option of placing the order or let the Finance Department place the order.

## **CELL PHONES/PAGERS**

The Bay County Library System has recognized the need to review and control the purchasing/leasing of Cell Phones and Pagers. All Bay County Library System Branches/departments requesting Cell Phones and Pagers shall submit their requests to the Information/Technology Department.

The Information/Technology Department must review all requests regardless of funding source. In order to produce efficiencies in the procurement of Cell Phones and Pagers, to enhance employee productivity, and to receive financial benefits from excellent pricing, the Information/Technology Department shall purchase Cell Phones and Pagers at or below the prices that have been negotiated for federal Government Service Administration (GSA) contract pricing or the State of Michigan, Department of Management and Budget, Extended Purchasing Program or Bay County, when applicable.

Once the need has been identified, the Information/Technology Department will check with the Assistant Director to see if there is money in the budget to support the purchase. If the purchase requires a purchase order number, the Information/Technology Department will obtain quotes in accordance with the Purchasing Policy and forward the Purchase Requisition to the Finance Department to obtain a purchase order number. The Information/Technology Department has the option of placing the order or letting the Finance Department place the order.

### **MAINTENANCE CONTRACTS**

Generally, no full, preventative, or time and material maintenance contracts shall be purchased on equipment that has a replacement value of less than one thousand dollars (\$1,000) unless deemed financially beneficial by the Managing Librarian/Department Head or Bay County Library System Assistant Director.

Equipment having a replacement value in excess of one thousand dollars (\$1,000) shall be eligible for coverage under a full, preventative, or time and material maintenance contract as deemed appropriate by the Managing Librarian/Department Head or Bay County Library System Assistant Director.

### **INSUFFICIENT FUNDS**

If the balance in an identified budget account number or budget category (as required in the annual General Appropriation Budget Act Resolution) is insufficient to accommodate the purchase, the department shall be required to submit to the Finance Department an appropriate budget adjustment form. No Purchase Order shall be assigned or placed until a budget adjustment in a sufficient amount to accommodate the order has been entered into the system or has been approved by the Bay County Library System Board of Trustees.

### **PROCUREMENT RECORDS**

All determinations and other written records, such as purchase requisitions/orders and bid files, pertaining to the solicitation and/or awards of bids issued by the Bay County Library System shall be maintained by the Financial Assistant in Charge of Purchasing within the Finance Department.

All procurement records shall be retained and disposed of by the Bay County Library System in accordance with the records retention schedules and guidelines as determined by the Assistant Director.

### **TRAVEL EXPENDITURES**

For all Employees who will be traveling on business for the Bay County Library System and who will be incurring business related expenses associated with their travels should refer to the Bay County Library System, Standard Travel Policy, for guidance.

### **PETTY (IMPREST) CASH PURCHASES**

**(PURCHASES COSTING LESS THAN \$50)**

**Prior to using Petty Cash for a purchase, all Employees will check with the Finance Department to see if an account has been set up and to see if there is a charge card or account number to use. This will help in avoiding paying sales tax.**

All items of expense with a value of fifty dollars (\$50) or less may be purchased with cash. These cash acquisitions can be advanced and/or reimbursed to the employee through the petty (imprest) cash fund maintained by each branch within the Bay County Library System upon submission of a Bay County Library System Petty Cash Voucher.

The Petty Cash Voucher must be completed in its entirety before the Bay County Library System finance department can honor it. The Petty Cash Voucher requires the following information to be supplied in addition to a sales slip, invoice, or some other document that can support the purchase and be attached to the Petty Cash Voucher, if applicable.

1. Date purchased/advanced.
2. Amount advanced.
3. Vendor purchased from.
4. Item(s) purchased.
5. Cost per item purchased.
6. Total price paid.
7. Department and/or branch name.
8. Account number(s) and related amount to be charged.
9. Employee who made the purchase/received advance.

The Bay County Library System's Finance Department and/or branch may advance up to fifty dollars (\$50) from petty cash to any employee to facilitate the purchasing needs of the branch and/or department upon receipt of a Petty Cash Voucher authorizing an advance to be granted. Such advance must be expended within the working day the advance was granted. By the end of the working day the employee shall return to the custodian of the petty cash fund any unspent cash remaining after the procurement, along with a completed Petty Cash Voucher and all support documents as identified above. The total of the remaining cash returned and the Petty Cash Voucher must equal the total amount advanced.

The Bay County Library System's Finance Department and/or branch which maintain a petty (imprest) cash fund shall not honor a Petty Cash Voucher unless all the required information requested on the Petty Cash Voucher is supplied. Periodically, when their funds are nearly depleted, and by utilizing the Petty Cash Vouchers they have honored, the branch and/or departments shall replenish their petty cash funds by completing, and forwarding to the Finance Department/Accounts Payable, a Petty Cash Reimbursement Request for processing identifying the various departmental budgets and amounts to be charged.

### **MINUTE PURCHASES**

#### **(PURCHASES COSTING LESS THAN \$250)**

Providing for the adequate and proper controls over the procurement of products or services to ensure that Bay County Library System dollars are being expended in compliance with adopted budgets and to detect or to prevent irregularities in the procurement functions would necessarily require Purchase Orders to be produced for all procurements. However, a determination needs to be made regarding the efficiency and cost effectiveness of controlling every purchase made by the Bay County Library System through the issuing of Purchase Orders. The question needs to be asked as to whether the value of the benefit received is greater than the cost incurred in controlling every purchase.

It is the opinion of the Board of Trustees that the cost of issuing Purchase Orders on purchases, whether for products or services, costing less than two hundred and fifty dollars ((\$250) is greater than the benefit the Bay County Library System will receive. Therefore, for the procurement of products or services costing less than two hundred and fifty dollars (\$250), the following shall apply:

1. Purchase Orders shall not be required.
2. Departments and/or branches can place the order or purchase the product(s) or service(s) directly, or utilize the Financial Assistant in Charge of Purchasing for purchasing assistance.
3. Three (3)-phone quotations shall not be required prior to procurement.

However, all departments and/or branches are encouraged to implement the prudent person philosophy when placing an order. This philosophy dictates that a department shall carry out this function with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character with like aims.

Since there will not be a Bay County Library System Purchase Order number assigned to these purchases, the ability of the Finance Department to facilitate the processing of invoices or problem resolution associated with these purchases is greatly diminished. In order to ensure expeditious processing of invoices or problem resolution, it is essential that the department and/or branch placing the order informs the vendor that it is critical that the following information be clearly and accurately identified on the face of the invoice:

1. Name of the person who placed the order.
2. Department and/or branch that placed the order.
3. Proper mailing address where the invoice should be mailed.

If the vendor is not willing to identify items one (1) and two (2) above on the face of the invoice, the proper mailing address should be that of the ordering department; otherwise, the invoice can be sent to the Finance Department/Accounts Payable. Invoices sent directly to the Finance Department without proper department and/or branch identification will be immediately returned to the vendor noting the Finance Department's inability to forward to the ordering department and/or branch for processing, thus delaying payment.

### **SMALL PURCHASES**

#### **(PURCHASES COSTING \$251 BUT LESS THAN \$750)**

Any department and/or branch requiring the acquisition of products or services costing two hundred and fifty one dollars (\$251) or more, but less than seven hundred and fifty dollars (\$750) shall obtain quotes and place the order directly.

- A. The requesting department and/or branch shall prepare and forward an original, completed Purchase Requisition along with any supporting documentation to the Financial Assistant in Charge of Purchasing in the Finance Department for processing. The Purchase Requisition shall contain the following information:
  1. Requesting department and/or branch name.
  2. Date of requisition.
  3. Vendor name and Vendor number (if known)
  4. To whom or where the product or service is to be delivered.

5. The proper budget account number(s) to be charged and their current budget balance(s).
  6. Name of requesting individual.
  7. Signature of authorizing individual.
  8. Quantity.
  9. Product/item number and description of goods and/or service, as detailed as possible.
  10. Individual cost of each item (if known).
  11. Total cost, including shipping and freight charges
  12. All quote information, as needed.
- B. When a department and/or branch decides to place an order, the department and/or branch shall do so according to the following:
1. Order from the master vendor list of approved vendors.
  2. Purchase all office supplies from the Board of Trustees designated contract vendor, subject to availability.
  3. One phone quote is sufficient for purchases costing two hundred and fifty one dollars (\$251) but less than seven hundred and fifty dollars (\$750) or when it is determined that there is an emergency condition or there is only a sole source provider to purchase the products and/or services. In the event a department and/or branch is claiming an emergency or sole source condition, the procedures identified in the exemptions section under "Large Purchases" must be adhered to. Phone quotes must be documented as to the name of company and salesperson contacted, unit price of the product and/or service requested, quantity ordered, time and date of the call and any other pertinent information.
    - a. Quotes shall include freight charges and exclusive of sales tax. When obtaining quotes, the vendor must be questioned concerning any freight or additional charges and these items should be identified separately on the Purchase Requisition.
  4. Obtain a Purchase Order number from the Financial Assistant in Charge of Purchasing and provide it to the selected vendor for inclusion on the vendor's invoice.
    - a. Vendors shall not fill an order for two hundred and fifty one dollars (\$251) or greater unless they are provided a Purchase Order number.

- 5. Verify that the vendor can and will deliver. Some purchase situations may require that the Bay County Library System either pick up or arrange for special delivery of the order.
- C. Orders may be phoned or faxed to vendors.
- D. The Financial Assistant in Charge of Purchasing in the Finance Department will be available to answer questions and/or provide direction regarding these purchases.

**MEDIUM PURCHASES**

**(PURCHASES COSTING MORE THAN \$751 BUT LESS THAN \$15,000)**

Although Competitive Sealed Bidding is the procedure universally preferred in governmental procurement, consideration of the time and cost involved dictates that a less formal procedure be used for medium purchases.

This Purchasing Policy provides that purchases, including professional services, not exceeding fifteen thousand dollars (\$15,000) may be made in the open market without a formal written bid, and further provides that these purchases, when practicable, shall utilize competitive oral or written requests for quotations. All such purchases shall be made cooperatively by the Financial Assistant in Charge of Purchasing in the Finance Department and the Department and/or Branch designee.

The requesting department and/or branch shall prepare and forward an original, completed Purchase Requisition along with any supporting documentation to the Financial Assistant in Charge of Purchasing in the Finance Department for processing. The Purchase Requisition shall contain the same information as outlined for "Small Purchases," Section A, Items 1 through 12.

In utilizing the medium purchases procedures, the following shall apply:

- 1. Award shall be made to the vendor providing the greatest value for the cost while meeting the minimum needs of the Bay County Library System.
- 2. Requisitions shall not be artificially divided so as to constitute medium purchases.
- 3. If any Department and/or Branch foresees a need for products or services of a like or similar nature, costing more than fifteen thousand and one dollar (\$15,001) in aggregate within a fiscal year, it shall arrange for Competitive Sealed Bidding, even though the products and services individually may be under the fifteen thousand and one dollar (\$15,001) bid-threshold.
- 4. Departments and/or Branches within the Bay County Library System, shall combine requirements for like or similar commodities expected to be needed

in the foreseeable future (usually a fiscal year) and arrange for Competitive Sealed Bidding.

5. When previous experience indicates a reasonable expectation that combined requirements from all Departments and/or branches, for a product or service, will exceed the bid threshold within a fiscal year, the Assistant Director shall solicit requirements from all users of this product or service, and cause specifications and bid documents to be developed, and shall arrange for Competitive Sealed Bidding.
6. In order to reduce the paperwork associated with numerous medium purchases, Blanket Purchase Orders shall be used whenever practicable. This determination shall be made by the Financial Assistant in Charge of Purchasing after consulting with the requesting department and/or branch.
7. The Financial Assistant in Charge of Purchasing shall be responsible for obtaining the quotations required by this procedure. In instances where it is more practicable, the Financial Assistant in Charge of Purchasing may delegate the obtaining of quotes to the requesting department and/or branch. This shall not absolve the Financial Assistant in Charge of Purchasing from the responsibility of having proper quotes on file prior to issuing a Purchase Order, as required by this procedure, or from assuring that acceptable value is being obtained.
8. At least three (3) oral or written quotes are required, with the exception of an emergency condition or sole source provider. In the event a department and/or branch is claiming an emergency or sole source condition, the procedures identified in the exemption section under "Large Purchases" must be adhered to. Quotations received via photo facsimile (FAX) machines and e-mail shall be accepted as written quotes required by this procedure. The Purchase Order shall be placed after the receipt of the quotes.
9. On occasion, good business judgment or common sense may dictate deviations from the requirements outlined in Item 8 of this section. In this instance, the reason(s) for the deviation shall be documented by the Financial Assistant in Charge of Purchasing on the Purchase Requisition and such deviations shall not violate any other requirement of the Purchasing Policy.
10. Emergency purchases shall be exempt from some of the provisions of this policy. A request and explanation of the reasons for the declaration of an emergency shall be documented by the requesting department and/or branch such declaration and forwarded to the Financial Assistant in Charge of Purchasing who in turn will forward the request to the Assistant Director. The Assistant Director shall decide whether or not the request is warranted and instruct the Financial Assistant in Charge of Purchasing to act accordingly. The request and explanation shall be retained in the quote file. This provision shall be used only if there is imminent danger to the health or

welfare of the citizens of the County, or threat of deterioration of a critical service.

11. Documentation of a sole source provided for a required product and/or service shall be retained in the quote file by the Financial Assistant in Charge of Purchasing.
12. The Financial Assistant in Charge of Purchasing, assisted by the Department and/or branch designee from the requesting department shall have the responsibility for selection of the vendor.
13. Information regarding quotes can be found:
  - a. In the quote file kept by the Financial Assistant in Charge of Purchasing; and/or
  - b. Attached to the back of the Purchase Requisition/Order.

## **LARGE PURCHASES**

### **COMPETITIVE SEALED BIDS**

#### **(PURCHASES COSTING \$15,001 OR MORE)**

Competitive Sealed Bids shall be solicited for products or services that meet one of the following requirements:

- The product or service being procured has an individual cost of fifteen thousand and one dollar (\$15,001) or more.
- 
- When the requirements of a Department and/or Branch, or the combined requirements of all Departments and/or Branches, for products or services of a like or similar nature has an aggregate cost fifteen thousand and one dollar (\$15,001) or more within a fiscal year.

The following section outlines the exemptions, elements, processes, and procedures for competitive sealed bids.

#### **A. EXEMPTIONS**

The Bay County Library System Purchasing Policy provides that no procurement of products or services equal to or over fifteen thousand and one dollar (\$15,001) shall be made without soliciting competitive sealed bids, except:

1. When cooperative purchases with other public entities are made.
2. When contracts of other local units of government or other public entities are used, if the Contractor extends the identical terms and conditions to the Bay County Library System, provided that the contract has been awarded through procedures substantially similar to those required by the Bay County Library System Purchasing Policy.
3. When there is only a sole source for the required products or services.
4. In the event of the existence of an emergency procurement condition.
5. In the procurement of architectural, engineering, legal, landscape architectural, or land surveying services.
6. In the procurement of services of an independent Certified Public Accountant selected to audit the Bay County Library System's books/operations.
7. In the procurement of consultant, advisor, or other professional services as identified by the Bay County Library System Board of Trustees.

By exempting the procurement of products or services in an emergency (Item No. 4) and entering into contracts for professional services (Items No.5, No.6, and No.7) allows the Bay County Library System to remain in compliance with Public Act 167 and 168 of 1993.

In the event when a Department and/or Branch requests an exemption from soliciting competitive sealed bids for the procurement of products or services for reasons of a sole source supplier or an emergency condition, the following shall occur:

1. The requesting department and/or branch shall submit, to the Assistant Director in the Finance Department, a Purchase Requisition which shall contain, in addition to the same information as outlined for "Small Purchases" Section A, Items one (1) through twelve (12), an attestation signed by the authorizing department official that the named vendor on the Purchase Requisition is the sole supplier of the requested product or service or; in the case of an emergency procurement condition, that the condition existing within the requesting department and/or branch is causing an emergency situation and identify the consequences that will occur if the product or service is not purchased posthaste.
2. The Assistant Director, upon receipt of the Purchase Requisition, and after discussion with the requesting Department and/or branch, shall either initial and date his affirmation of the Department' and/or branch attestation or indicate in a signed and dated statement on the Purchase Requisition his/her reasons for disagreement.

3. The Purchase Requisition is then ready for consideration and final decision.
4. In a situation that required a Department Head or Managing Librarian, to make an emergency procurement(s), the above items one (1) through three (3) shall still occur, although after the fact, within two (2) business days of the emergency condition.

**B. REQUEST FOR INVITATION TO BID**

The Department and/or Branch requesting the products or services that require competitive sealed bids be solicited shall present the request to the Assistant Director, which includes the following:

1. A brief description of the goods and/or services to be bid.
2. Source of funding for the expenditure (budget, grant, etc.).
3. The account number to which the expenditure is to be charged.
4. Specifications for the equipment and/or service.
5. Specific requirements that shall be adhered to by each bidder.
6. Other pertinent information.

**C. REVIEW OF BID PRIOR TO PUBLIC RELEASE**

The Assistant Director shall request any additional information from the requesting department and/or branch pertaining to the products and/or services and shall submit a draft of the Request for Proposal to the Director for review and final approval.

**D. BID PACKAGE PREPARATION**

After the draft of the Request for Proposal is approved by the Assistant Director and Director, a final formal Request for Proposal shall be prepared by the Assistant Director, in conjunction with the Department and/or Branch. The Request for Proposal shall include:

1. Invitation to Bid
2. Specifications
3. Requirements of Bidders
4. General Conditions
5. ADA Assistance

6. Insurance requirements

7. Applicable Bid Forms

E. BID PACKAGE DISTRIBUTION AND PUBLIC NOTICE

The Assistant Director will distribute the Request for Proposal to all applicable vendors who are included on the Bay County Library System's Vendor Master File. The Assistant Director shall publish in The Bay City Times, and any other pertinent publication, a notice inviting sealed competitive bids, for one day, preferably in a Sunday and/or Saturday publication. There shall be an interval of at least five (5) days between the date of the final notice and the bid opening. The notice shall include the following, when applicable:

1. Brief description of the product(s) or service(s) to be bid.
2. Place where bid documents, including specifications are available.
3. Request for Proposal Identification Number.
4. Cost, if any, of bid documents.
5. Date and time the bids are due.
6. All walk through(s) and/or pre-bidders conference(s) as determined by the Assistant Director and the Department and/or branch.
7. Telecommunication Device for the Deaf (TDD) information and an Americans with Disabilities Act (ADA) statement that auxiliary aids and services are available upon request.

In addition to the public notice, the Assistant Director shall notify all vendors who have indicated an interest in furnishing the requested products and/or services to the Bay County Library System.

In the event that the original Request for Proposal needs to be amended, an addendum will be mailed and/or faxed to all vendors who previously received a copy of the original Request for Proposal by the Assistant Director.

F. WALK THROUGHS AND PRE-BID/PROPOSAL CONFERENCES

When it has been determined that a walk through or pre-bidders/proposal conference is necessary, the Assistant Director shall include language within the Request for Proposal identifying the following:

1. The date, time, and location of the walk through or pre-bidders/proposal conference.
2. Whether or not potential bidders/proposers attendance is mandatory.
3. That potential bidders/proposers will not be compensated for their attendance.
4. That written and verbal questions will be accepted and addressed, with the Bay County Library System's preference that as many questions as possible be in writing in advance of the date of the walk through or pre-bidders proposal/conference.

If attendance by potential bidders/proposers is mandatory and a prospective bidder or proposer does not attend but does submit a bid or proposal, said bid or proposal shall be disqualified and returned unopened accompanied by a memo explaining why the bid or proposal was returned and not considered for the award.

All potential bidders or proposers shall sign-in at the location of either the walk through or pre-bidders/proposal conference and provide all the information requested on the sign-in form provided by the Assistant Director.

#### G. BID SUBMISSION AND OPENING

Sealed bids are to be received and retained by the Assistant Director in the Finance Department until the date and time for the bid opening, as specified in the Public Notice/Request for Proposal. The sealed bid envelope shall be marked with a date stamp identifying the date (month/day/year) the bid was received in the Finance Department. The time of the day the sealed bid envelope arrived, if not automatically imprinted, will be manually written on the lines provided by the date stamp and initialed by the employee of the Finance Department who received the bid. Sealed bids are also accepted in person at the location of the bid opening up until the time specified by the Public Notice/Request for Proposal.

Bids received after the date and time specified in the Public Notice/Request for Proposal shall be disqualified and returned unopened accompanied by a memo explaining why the Request for Proposal was returned and not considered for the award. After receipt in the Finance Department, bids may be withdrawn up to the scheduled time for opening upon presentation of proper identification, as determined by the Assistant Director. A formal written request for withdrawal must be made to the Assistant Director, who shall file the request in the Request for Proposal file. Bids shall be opened promptly at the time designated in the Public Notice/Request for Proposal by the Assistant Director or any other individual as designated by the Assistant Director, Director or Bay County Library System Board of Trustees. The Assistant Director shall open and review the bid(s) and reads aloud the name of the bidder(s), the amount of the bid(s), and any other pertinent information contained in or omitted from the bid(s). The Assistant Director shall initial and date each bid after

he/she has reviewed it and proceed to forward it to all individuals present at the bid opening for them to review, initial, and date.

Bidders and the public are encouraged to attend bid openings, and may examine the bid documents after all bids have been opened all pertinent information has been recorded.

#### H. EVALUATION OF BIDS AND RECOMMENDATION OF SUCCESSFUL BIDDER

Following the bid opening, the Assistant Director presents the results of the bid opening to the Director with an analysis identifying the best low/high qualified bidder and a recommendation as to which bidder to award the bid. The term “low/high qualified bidder” means a bidder whose bid conforms in all material respects to the Request for Proposal, who has the capability in all respects to perform the requirements, and who by its integrity and reliability gives reasonable assurance of good faith performance for the financial benefit of the Bay County Library System. In determining the lowest/highest qualified bidder, the Assistant Director may, after the bid opening, enter into discussions with any responsible bidder who submitted a proposal which is determined to be reasonably susceptible of being awarded the bid, to obtain additional information regarding the bidders ability to perform or to clarify a bidders proposal to assure the Assistant Director that the bidder(s) has a full understanding of and can conform to the requirements of the Request for Proposal. Bidders shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals. Such revisions may be permitted, after the bid opening and prior to awarding, for the purpose of obtaining best and final offers. In conducting the discussions, there shall be no disclosure of any information derived from proposals submitted by competing bidders.

No bidder is permitted to alter the dollars bid after the opening.

A voluntary or negotiated reduction/increase in price from lowest/highest qualified bidder can be accepted after the opening of the bid, provided such reduction/increase does not result in the modification or deletion of any conditions or specifications contained in the bid documents.

#### I. BID AWARD

1. The bid shall be awarded directly to the successful bidder by the Assistant Director upon the following criteria being met:
  - a. The product or service for which the Request for Proposal was written is included and funded in the current years adopted/amended budget.
  - b. The lowest/highest qualified bid received by the Bay County Library System, for which the bid will be awarded, is either equal to or less/greater than the amount budgeted for this procurement/sale in the current year adopted/amended budget.

- c. Utilizing the Notice of Intent to Award form, the Assistant Director shall notify the Bay County Board of Trustees, the Director, and all bidders of his/her intent to award the bid to the lowest/highest qualified bidder as soon as results are analyzed. Said notice shall include the names and addresses of all bidders, their respective bid(s), reason(s) for disqualifying certain bidders and for awarding the bid to a bidder other than the lowest/highest qualified bidder.
    - d. If concerns or opposition from the Bay County Library System Board of Trustees and/or Director, inclusive of an unresolved bid protest being filed by a bidder in accordance with the procedures outlined in Section I, to the Intent to Award arise within ten (10) working days from the date of the Notice of Intent to Award, said concerns or opposition shall be communicated to the Assistant Director in writing and the Assistant Director shall be precluded from awarding the bid and shall follow the procedures outlined in Subsection (2) immediately below.
  2. If the bid cannot be directly awarded to the successful bidder by the Assistant Director because the criteria in Subsection (1) immediately above could not be met, then:
    - a. The recommendation from the Assistant Director is forwarded to Finance Committee for their consideration and action who in turn will forward their recommendation to the Bay county Library System Board of Trustees for awarding.
    - b. Utilizing the Notice of Recommendation, the Assistant Director shall notify all bidders, as soon as it is practical, of his recommendation to the Finance Committee of the Board of Trustees.
    - c. If a Bid Protest form has been filed by a bidder in accordance with the procedures outlined in Section L relative to the Notice of Recommendation within the time allotted for such filing, the Assistant Director shall communicate such protest to the Finance Committee prior to their action on his/her recommendation. The Finance Committee must then decide, after reviewing the Bid Protest and listening to the testimony of the Assistant Director and the protesting bidders, whether:
      1. To accept the recommendation of the Assistant Director and follow Subsection 2. (a) above and Section L. (4), or
      2. To take no action on the Assistant Director's recommendation and follow Section L. (4).

3. The Assistant Director shall notify all bidders of the final action taken by the Bay County Library System Board of Trustees, by preparing and mailing to them a Notice of Bid Award.
4. The execution of the Notice of Bid Award is made by the Assistant Director to the lowest/highest-qualified bidder through one of two procedures:
  - a. By facilitating the execution of a formal contract between Bay County Library System and the successful bidder, supported by a performance and payment bond, if required, when periodic payments are made for work performed pursuant to a Contract and prior to completion of all the work, (e.g., construction work), or
  - b. By issuing a Bay County Library System Purchase Order.

#### J. LOW TIE BIDS

At the discretion of the Bay County Library System Board of Trustees, award shall be made in any permissible manner that will discourage tie bids. If no permissible method will be effective in discouraging tie bids, then the award shall be made by drawing lots.

#### K. EXTENSION OF DATES

As a result of extenuating circumstances, it may be necessary for the Bay County Library System to either extend the date which bids are due to be received by the Bay County Library System or the date to which all bids are to be valid. In either case, it shall be the responsibility of the Assistant Director to inform all parties concerned, via oral and written communications, of the Bay County Library System's intent on extending the relevant date, inclusive of any other pertinent date(s) that will change, along with the reasons for the extension.

If the date, which the bids were to be received has been extended, along with all the other pertinent dates, the dates identified in Subsection G of this section, "Bid Submission and Opening," shall be those identified in the above stated communication.

If the date to which all bids were to be valid needs to be extended, all bidders will have the right to withdraw their bid from consideration. A formal written request for withdrawal must be made to the Assistant Director, who shall file said request in the Request for Proposal file.

#### L. BID PROTEST PROCEDURE

The following process will be used to allow bidders to officially lodge a protest regarding any phase of the bid process including but not limited to specification preparation, bid solicitation, award, or disclosure of information marked confidential in the bid or offer:

1. Bidders must obtain and complete a Bid Protest form identifying the substance and reason for the protest. The Bid Protest form can be obtained from the Assistant Director in the Bay County Library System Finance Department.
2. The bidder must file the protest within ten (10) working days from the date of the Notice of Recommendation by submitting the completed form to the Assistant Director.
3. The bidder must file the protest the earlier of the day prior to the Bay County Library System's Finance Committee meeting, or within ten (10) working days from the date of the Notice of Recommendation by submitting the completed form to the Assistant Director. The protesting bidder(s) may address the Finance Committee at the meeting where the Committee will consider the recommendation of the Assistant Director.
4. Within seven (7) working days of the filing of the bid protest form, the Assistant Director, after consultation with the Director, shall prepare and send, via certified mail through the U.S. Postal Service, a response to the bid protest filed under either Subsection (2) or (3) of this section.
5. If not satisfied with the response of the Assistant Director regarding the bid protest filed under Subsection (2) of this section, the bidder(s) may address the Finance Committee by requesting the Assistant Director place their protest on the agenda of their next scheduled meeting. Said request must be in writing and received in the Finance Department or postmarked within seven (7) working days from the date of response to the protestor. The protestor must clearly identify on the envelope "BID PROTEST."

The Assistant Director shall upon written request make available to any interested party information submitted that bears on the substance of the protest except where information is proprietary, confidential, or otherwise permitted or required to be withheld by law or regulation.

The Bay County Library System Board of Trustees or the Assistant Director shall not award any bid until the protest has been settled, unless the Bay County Library System Board of Trustees or the Assistant Director makes a written determination that the award of the bid without delay is necessary to protect substantial interests of the Bay County Library System.

M. CANCELLATION OF INVITATIONS/REQUESTS FOR OR REJECTION OF QUOTES/BIDS/PROPOSALS

An Invitation for Quotes/Bids, a Request for Proposal, or any other solicitation may be canceled, or any or all bids, quotes, or proposals may be rejected in whole or in part as may be specified in the solicitation, when it is for a good cause and in the best interest of the Bay County Library System. The reason(s) for the cancellation or rejection shall be made part of the specific procurement file. Each solicitation issued by the Bay County Library System shall state that the solicitation may be canceled and that any quote, bid, or proposal may be rejected in whole or part for good cause when in the best interests of the Bay County Library System. A Notice of Cancellation shall be sent to all vendors solicited. The notice shall identify the solicitation, provide the reason(s) for cancellation, and, when appropriate, identify that an opportunity will be given to all vendors to resubmit a quote, bid, or proposal, on any resuscitations or any future solicitations of similar items. A Notice of Rejection shall be sent to all bidders or offerors whose bids(s), quotes(s), or proposal(s) were rejected enumerating the reasons for rejection.

## APPENDIX

### GLOSSARY

**Bid Protest Form.** A form filed by a bidder lodging a formal protest regarding the bid process.

**Blanket Purchase Order.** A purchase order issued to a vendor for a specific dollar amount, without identifying the items to be purchased or their value, that can be used by a department and/or branch to purchase materials and/or supplies that will be purchased on a frequent or repetitive basis.

**Centralized Purchasing.** The function of procuring products and services for the entire Bay County Library System by a single Department.

**Collusion.** A secret agreement between two or more parties to defraud the Bay County Library System.

**Debarment.** To prevent or prohibit, for a period of time not exceeding three (3) years, from participating in quoting or bidding on Bay County Library System needs, or providing products and/or services to the Bay County Library System.

**Defraud.** To deprive the Bay County Library System of a right or property by deceit, treachery, or breach of confidence in order to gain some unfair or dishonest advantage.

**Discrimination.** The act of unjustly making a distinction without merit, favoring one person over another.

**Embezzlement.** The act of fraudulently obtaining Bay County Library System money or property for one's own use.

**Emergency Procurement.** The purchase of a product or service where there exists a threat to the public's health, welfare, or safety without having to abide by the requirements of the Bay County Library System's Purchasing Policy.

**Employee.** A non-related person, whether appointed or selected through a personnel selection procedure receiving a salary, wages, or other compensation from the Bay County Library System or a non-compensated, or minimally compensated person who is performing personal services for the Bay County Library System.

**Gratuity.** A payment, loan, subscription, advance deposit of money, services, or anything of more than nominal value, present or promised, tangible or intangible in

the nature of gifts, favors, entertainment, discounts, passes, transportation, accommodations, hospitality, or offers of employment.

**Highest Qualified Bidder.** A Bidder who submitted the highest responsive bid, relative to the procurement of Bay County Library System property, who met all the requirements and specifications set forth in the request for proposal.

**Immediate Family.** Is a Spouse, Child, Stepchild, Parent, Current Step-parent, Grandparent, Grandchildren, Parent-in-law, Son-in-law, Daughter-in-law, Sister, Brother, Sister-in-law, Brother-in-law, or a permanent member of the employee's family.

**Large Purchase.** Purchases costing \$15,001 or more.

**Low Tie Bids.** Are low responsive bids from responsible bidders that are identical in price and which meet all the requirements and specifications set forth in the Request for Proposal.

**Lowest Qualified Bidder.** A bidder who submitted the lowest responsive bid, relative to selling a product and/or providing a service to the Bay County Library System, who met all the requirements and specifications set forth in the request for proposal.

**Medium Purchase.** Purchases costing \$751 or more, but less than \$15,000

**Minute Purchase.** Purchases costing less than \$250.

**Non-Employee.** A person who is not an employee as defined in this Purchasing Policy.

**Notice of Bid Award.** A notice sent by the Assistant Director notifying all bidders of the final actions taken, either by the Assistant Director or the Board of Trustees regarding a bid award.

**Notice of Cancellation.** A notice sent by the Assistant Director notifying all bidders of a cancellation of a Request for Proposal(s), Invitation(s) for Bids/Quote(s), or any other solicitation.

**Notice of Recommendation.** A notice sent by the Assistant Director, when he/she cannot directly award the bid, notifying all bidders of his/her recommendations, regarding the awarding of a bid, to the Board of Trustees, for their action.

**Notice of Rejection.** A notice sent by the Assistant Director to all bidders whose bid(s), quote(s), or proposal(s) were rejected enumerating the reasons for rejection.

**Petty (Imprest) Cash Purchase.** Purchases costing less than \$50.

**Proprietary.** Pertaining to property or ownership rights (e.g., trade secrets).

**Prime Contractor.** A person who has a contract with the Bay County Library System to build, alter, repair, improve, or demolish any public structure or building, or other real public improvements of any kind to any public real property.

**Prudent Person Philosophy.** A employee shall carry out its ability to independently purchase products and services within the parameters of the Purchasing Policy with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character with like acts.

**Purchase Order Number.** A number put on the Purchase Requisition document which authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

**Purchase Requisition.** A document prepared by a requesting department and/or branch used to initiate and facilitate the purchase of products or services by detailing the specific information regarding the product or service which they wish to purchase.

**Qualified Based Selection (QBS).** An objective, flexible procedure for obtaining architectural, engineering, land surveying, and other related and non-related procedures.

**Request for Proposal.** A document used to solicit sealed competitive bids for products and services costing more than \$15,001, which identifies all the requirements and specifications relative to the product or service the Bay County Library System wishes to purchase.

**Sanction.** A penalty for disobedience or violations

**Small Purchase.** Purchases costing \$251 or more, but less than \$750.

**Sole Source.** Only one supplier of a requested product or service.

**Suspension.** To prevent or prohibit, for a period of time not exceeding three (3) months, from participating in quoting or bidding on Bay County Library System needs, or providing products and/or services to the Bay County Library System.