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**Document Retention Schedule**

Files maintained within the Procurement Office and their retention schedules shall be as follows:

Type of Document	Length of Retention
Acquisition, Supply, and Contract Related Records	
<p>Purchase Requisitions and Purchase Orders:</p> <p>These documents may include but are not limited to price quotes, sole source forms, approvals, procurement logs, and receiving documents.</p>	6 years after acquisition
<p>Contracts and Related Records or Documents:</p> <p>These records document agreements between the County and other agencies, municipalities, entities or individuals. Types of agreements covered include contracts, purchase orders, leases, memoranda or agreement/understanding, service level agreements, etc. These files include, but may not be limited to: the supporting documentation (e.g. work statement), etc. Expiration is equal to the date the agreement expires and the final payment is made.</p>	6 years after final payment
<p>Contractors Payrolls under Construction Contracts:</p> <p>These documents may include contractor or subcontractor payroll or timesheets submitted to the EEO Officer for prevailing wage compliance and any auditing documents for verification related thereto.</p>	3 years after contract completion
<p>Solicitations Files:</p> <p>These documents may include but are not limited to documents related to the writing, issuing, responses, summaries, final award and contract.</p>	6 years after cancellation or completion of contract
<p>Bidder Records:</p> <p>These documents may include but are not limited to bidder registration forms, business cards, and contact information.</p>	3 years while active, or until superseded

Type of Document	Length of Retention
Financial and Cost Accounting Records	
<p>Invoices and Related Documents:</p> <p>These documents may include but are not limited to invoices, billings, packing slips, receivers, approvals for payment, procurement logs, documentation of petty cash, statement of reconciliations. Payments may be related to but not limited to travel expense reimbursements, inter agency billings, contracts, vendors, manual warrants, and fuel procurements.</p>	7 years from end of current fiscal year
<p>Procurement Cards and Fuel Card Program Records:</p> <p>These records pertain to County employees who are authorized to use a procurement card and/or fuel card owned by the County. Files may contain, but may not be limited to cardholder application, cardholder agreements form, cardholder acknowledgements etc.</p>	5 years from end of Active date
<p>Paid, Cancelled, and Voided Checks (other than Salary and Wages):</p> <p>These records document payments that are stopped, cancelled, undeliverable, and that need to be reissued. Files may contain signed affidavits, supporting documentation deemed necessary by the County, reissued warrants etc.</p>	7 years from end of fiscal year
<p>Year-End Closing Records:</p> <p>Documents related to the year-end closing process for financial accounts may include but are not limited to correspondence, documentation describing closeout problems and resolution, accounts payable documents, and encumbrance balances.</p>	10 years from close of fiscal year

## **Attachment 2: Purchase Requisitions & Purchase Order Process**

### **Requisition Procedure**

Purchase Request will be entered into the financial software application for electronic routing and approval.

1. Requisitioner will obtain prices of the items or services desired using either the Quotation or Formal Solicitation Process.
2. Requisitioner will enter the information obtained from the Quotation or Formal Solicitation Process into the financial software application and attach supporting documentation.
3. Requisitioner will forward electronically for review to the appropriate department personnel for approval.
4. The designated department level reviewer will review the requisition for compliance with approval requirements, accuracy and completeness. Depending on the value of the requisition and if the requisition is over Budget, the requisition may also be sent for review by: Budget, and Procurement.
5. Requisitioner should watch the requisition through the approval process to ensure that their requisition gets approved by all required approvers and answer questions from any of the approvers.
6. The Procurement Office will review and complete the purchase request, by journalizing and posting the requisition, after all approvers have completed the approval process.
7. Central Accounting will verify that procurements over \$3,500 are not to entities that are debarred by reviewing and attaching System for Award Management (SAM) reports to the Purchase Requisitions.
8. Requisitioner immediately reviews the completed purchase order, ensuring accuracy of detail, consistency with expected impact on the departmental budget, and all other relevant information. The Requisitioner creates a Change Order if any necessary changes need to be made.
9. Requisitioner will send the completed Purchase Order to the vendor when applicable.

### **Creating Purchase Orders**

1. Requisitioner will initiate the purchase request and follow all steps as listed in 2.1 for Requesting a Requisition.
2. The Purchase Order Description Detail should specify the individual items / service being ordered.

3. Requisitioner is responsible for sending a copy of the Purchase Order to the vendor, when applicable.

### **Creating Confirming Purchase Orders**

Confirming Purchase Orders should only be used in extreme situations when a Purchase Request could not be done in advance. Below is the process for obtaining a Confirming Purchase Order.

1. Requisitioner will initiate the purchase request and follow all steps as listed in 2.1 for Requesting a Requisition.
2. The Purchase Order Description Detail will state that it is a Confirming Purchase Order to inform the vendor that this is not a duplicate order.
3. Requisitioner is responsible for sending a copy of the Purchase Order to the vendor, when applicable.



### **Attachment 3: Contract Order Document Retention Procedures**

Because of the desired legal protection and formality of contracts, all vendor contracts must be approved by the appropriate County Board. These procedures cover the document retention and record keeping for Board approved vendor contracts.

1. Using Department will submit the contract draft to Corporate Counsel for legal review.
2. Legal review will work with the Using Department and vendor to finalize the contract.
3. User Department will present the final contract to the appropriate Board for approval.
4. Board Chair and Vendor will sign the contract.
5. User Department will forward a copy of the signed contract along with the board motion and supporting documentation to the Procurement Office.
6. Procurement Office will create a Contract Code in the financial software with an electronic copy of the contract, board motion and supporting documentation.
7. The Contract code will start with the letter K for contract followed by the board motion number.
8. The Contract Code will have the terms consistent with the board motion and the contract. If the two are not consistent the board motion will take priority.

## **Attachment 4: Petty Cash Procedures**

### **1 Petty Cash –Establishment of Fund for a Department**

1. To establish a petty cash fund, a Department must submit a Petty Cash request to the Finance Director detailing the necessity and purpose for the funds.
2. Before authorizing an establishment of a petty cash fund, the appropriate Department must determine who will be the custodian of the petty cash fund and the designated approvers.
3. After approval for the petty cash fund is determined, an initial funding request is entered in the Accounts Payable system written to the custodian of the petty cash fund. The payment request is approved by the petty cash approver.
4. Accounts Payable will process a petty cash funding check to the petty cash custodian.
5. The petty cash custodian will cash the check and keep the funds in a secure location.

### **2 Petty Cash –Safeguard the Cash**

1. Keep petty cash funds in a secure area such as a locked drawer or small safe.
2. Ensure segregation of duties. Custodians should not self-approve replenishments or other changes to the petty cash account.
3. Reconcile the log of petty cash expenses to the amount in the cash box at least quarterly, or monthly if the petty cash account is associated with sponsored funds.
4. In the event of theft, the custodian should notify his/her department head immediately.

### **3 Petty Cash –Document Expenditures and Replenishment Funds**

1. The department custodian is responsible for maintaining:
  - a. A log of expenses on a Petty Cash Reconciliation and Request for Replenishment Form. ([See Exhibit 5](#))
  - b. Receipts for each transaction, which may be subject to review by the Accounting Manager.
2. The custodian is responsible for replenishing the account when a petty cash fund runs low. Replenishment with submission of receipts must be done at least quarterly. If grant funds have been used, or travel reimbursements were made replenishment must be done monthly.
3. When petty cash funds are replenished, the total on the replenishment form cannot exceed the full balance of the fund.

## Attachment 5: Department Collected Quotes Procedure

Departments are authorized to obtain quotes for procurements expected to cost \$3,500.00 to \$24,999.99 in a fiscal year or contract term.

1. The requesting department needs to clearly identify the product or services needed in order to clearly communicate the product or service specifications to the vendor.
2. The requesting department needs to identify at least three or more qualified vendors that can provide the desired goods or services or equivalents that match the specifications provided. If the requesting department is unable to locate three or more qualified vendors, they may contact the Procurement Office for assistance.
3. The requesting department shall contact the qualified vendors with the specifications and request a quote for the product or services as specified.
4. The requesting department shall document all quotes in the financial system to create a requisition request. The request should include, but not be limited to:
  - All quotes received, and vendor selected for purchase
  - Description of item(s) or service to purchase
  - Address for shipment and invoicing
  - Payment Terms
5. If price quoted is determined to be reasonable and all other factors are reviewed and acceptable the Department Head or Authorized Designee shall approve the purchase request.
  - If the Department Head did not find the request to be acceptable, they can choose to decline the request and return it to the requestor for edits or cancel the request completely. Depending on the budget status the department head or budget approval may be the final step in the approval process.
6. After department level approval the financial system verifies whether the request is within budget. If the request is over budget the request will require an additional approval from the budget office.
  - If the Budget Office did not find the request to be acceptable, they can choose to decline the request and return the request back to a previous level for edits or cancel the request completely.
7. The Procurement Office will then review the purchase request to determine if it is complete, and reasonable. When all factors are determined to be acceptable it will be approved.
  - If the Procurement Office did not find the request to be acceptable, they can choose to

decline the request and return the request back to a previous level for edits or cancel the request completely.

8. Once the requisition is fully approved, the Procurement Office may journalize the requisition to create the purchase order and encumbrances.
9. The requestor is responsible for sending a copy of the purchase order to the vendor along with any additional documentation that the vendor may require to process the order.

## Attachment 6: Procurement Collected Quotes Procedure

The Procurement Office is authorized to assist departments in obtaining quotes are for procurements expected to cost \$25,000 to \$149,999 in a fiscal year or contract term.

1. The requesting department will initiate the process by requesting Administrator or Board Approval to seek quotes and complete a Request For Procurement Quote / Formal Solicitation Form ([Exhibit 6](#)).
2. The requesting department will assist the Procurement Office in writing clear identifiable specifications of the product or services needed in order to communicate the product or service to the vendor. The specifications will include any required insurance and bonding requirements that may apply.
3. The requesting department will work with the Procurement Office to identify at least three or more qualified vendors that can provide the desired goods or services that match the specifications provided and NIGP Codes.
4. The Procurement Office shall contact the qualified vendors with the specifications and request a quote for the product or services as specified.
5. The Procurement Office shall document all quotes received and create a file that includes, but not limited to:
  - All quotes received,
  - All vendor communications, question and answers
  - Descriptions of item(s) or services requested
6. The Procurement Office will share the vendor responses with the requesting department for review. If the price quoted is determined to be reasonable and all other factors are reviewed and acceptable the requesting department may request approval to award from the appropriate County Board.
7. The requesting department shall document all quotes in the financial system to create a requisition request. The request should include, but not limited to:
  - All quotes received, and vendor selected for purchase
  - Description of item(s) or service to purchase
  - Address for shipment and invoicing
  - Payment Terms
8. If price quoted is determined to be reasonable and all other factors are reviewed and acceptable the Department Head or Authorized Designee shall approve the purchase request.

- If the Department Head did not find the request to be acceptable, they can choose to decline the request and return the request back to the requestor for edits or cancel the request completely.
9. After Department Level Approval, the financial system verifies the request is within budget. If the request is over budget the request will require an additional approval from the Budget Office. Depending on the budget status the Department Head or Budget Approval may be the final step in the approval process.
    - If the Budget Office did not find the request to be acceptable, they can choose to decline the request and return the request back to a previous level for edits or cancel the request completely.
  10. The Procurement Office will then review the purchase request to determine if it is complete, and reasonable. When all factors are determined to be acceptable it will be approved.
    - If the Procurement Office did not find the request to be acceptable, they can choose to decline the request and return the request back to a previous level for edits or cancel the request completely.
  11. Once the requisition is fully approved, the Procurement Office may journalize the requisition to create the purchase order and encumbrances.
  12. The requestor is responsible for sending a copy of the purchase order to the vendor along with any additional documentation that the vendor may require to process the order.

## **Attachment 7: Formal Solicitation Procedure**

### **Phase 1: Information Gathering**

1. Determine the user base (those using the service or goods), and discuss their needs including the product/service requirements.
2. Select a group of users to consult as a guidance committee for the solicitation process.
3. Determine if an outside consultant should be involved in the process including the evaluation.
4. Check for Cooperative opportunities with equitable Cooperatives including Federal, and State surplus property.
5. Determine the basket of products that will eventually be placed on the formal solicitation.
6. Consider if consolidating similar products in the basket of products as necessary or unbundling products may be a benefit or disadvantage.
7. Ask the Department Coordinator for input on suppliers.
8. Determine if holding a pre-solicitation meeting with potential suppliers and guidance committee is necessary.
9. If applicable, test potential products, or research various options.
10. Determine method of delivery, project time tables, and invoicing time cycles.
11. Determine evaluation criteria and performance standards.
12. Establish penalties (liquidated damages), if applicable, for not meeting performance standards.
13. The using department/agency obtains approval from their appropriate Committee and then approval from the appropriate Board or the Administrator to submit a Request for Formal Solicitation.
14. The using department/agency forwards a completed Request for Procurement Quote / Formal Solicitation ([See Exhibit 6](#)) form with technical specifications, drawings or any other necessary documents to complete the solicitation to the Procurement Office.

### **Phase 2: Writing the Specifications, Review and Approvals**

1. Procurement works with Department Coordinator and prepares the final specification information into the solicitation template including a scope of work.
2. It is encouraged to use value engineering clauses in solicitations for construction projects

\$150,000 or more. Value engineering clauses encourage the contractor to identify potential changes to the solicitation which may enhance its efficiency, reliability, serviceability or economy of operation, accelerate the construction schedule, reduce cost of construction, or otherwise enhance the system benefits to the County.

3. Solicitations must be written in a manner providing full and open competition. Some situations considered to be restrictive of competition include but are not limited to:
  - a. Placing unreasonable requirements on firms in order for them to qualify to do business.
  - b. Requiring unnecessary experience and excessive bonding
  - c. Noncompetitive contracts to consultants that are on retainer contracts
  - d. Organizational conflicts of interest
  - e. Specifying only a “brand name” product instead of allowing “an equal”
4. Proposals will be written using the two envelope method where pricing will be in a second sealed envelope to be opened after the initial review.
5. After the solicitation has been finalized, submit to the following departments for approval:
  - a. User Department Head
  - b. Risk Management
  - c. Budget
  - d. Administration
  - e. Prevailing Wage will be reviewed by the appropriate staff when applicable
  - f. Information Technology – if IT equipment is being procured
  - g. Facilities Department Head – if it involves one of the County owned buildings
  - h. If federally funded, the solicitation will be made available for review and approval by the Federal awarding agency.

### **Phase 3: Issuance and While Posted**

1. Post a notice of the solicitation on the County Webpage and if requested advertise the solicitation in the local paper.
2. Post solicitation publicly for potential suppliers to review.
3. If required by the solicitation, hold a pre-bid meeting with suppliers.
4. Allow vendors a window to ask questions and post answers publicly so all potential bidders have equal access to them.
5. Post addendums publicly so all potential bidders have equal access to them.
6. Make a list of negotiable items, if applicable.
7. Gather training materials for guidance / evaluation committee.
8. Select a panel to evaluate the solicitations.



9. Time stamp the solicitations as they are received.
10. Publicly conduct the bid opening.

#### **Phase 4: Review of Responses after Opening**

1. Determine if all of the bidders provided the required documents with their solicitations. (Responsiveness)
2. Complete the evaluation of the solicitations. Evaluation team members will complete the Conflict of Interest and Evaluation Team Member Guideline Agreement as provided in [Exhibit 3](#). Evaluation team members are encouraged to include comments on evaluation forms that support the evaluation score. Evaluation Team members should know that their score cards may be requested under the Freedom of Information Act (FOIA) after the Board Awards a solicitation. All score cards requested under the FOIA will have the evaluator names will be removed to protect the evaluators' interest.
3. For Proposals, the second sealed envelope that contains pricing information will be opened after the initial evaluations are returned from the evaluation committee. The Procurement Office will calculate the combined score from the evaluation committee and the pricing for a final score.
4. Ask bidders for clarifications if needed.
5. Check references as needed.
6. Interview prospective supplier(s) if they are new to the district, visiting suppliers' locations as needed to verify qualifications.
7. Determine if the recommended for award bidder is "responsible", i.e. determine if they can adequately meet the requirements stated in the bid.
8. Negotiate with the supplier, if applicable.
9. Develop a pricing page for items that will be purchased through the contract.
10. The originating department will review the preliminary summary and make their recommendation with justification on the preliminary summary and send the preliminary summary back to the Procurement Office.
11. If federally funded, the solicitation responses may be reviewed by the Federal awarding agency or pass-through entity.

#### **Phase 5: Award**

1. Send the contract, including the pricing page, terms & conditions and signature page to Corporate Counsel for review and approval. If the supplier is providing the contract, it

should be sent to Corporate Counsel as early as possible to avoid delays.

2. At this time the Procurement Office will complete a Board Summary Form.
3. The requesting department will write board motion and submit for approval.
4. Award the contract or announce the award after Board approval.
5. Have the supplier and Board Chair sign the contract.
6. Maintain a copy of the contract at the Procurement Office. This copy will be scanned into the financial software and accessible for County Employees with access to view.
7. Publish results including the list of available products.

**Phase 6: Contract Administration**

1. Hold trainings for internal user groups if necessary.
2. Track usage and compare with projected usage.
3. Monitor invoices to insure that contract pricing is correct.
4. Track delivery times, quality, and returns to measure performance against preset standards.
5. Meet with supplier periodically to discuss performance issues and suggest remedies.
6. Refine the Solicitation process as needed.

## **Attachment 8: Pre-Bid Meeting Procedures**

Mandatory and Non-Mandatory Pre-Bid Meetings will follow the same procedures.

### Prior to the conference:

1. Procurement will review agenda for items to be covered with the department and get answers with Department Coordinator and create a sign-in sheet.
2. The Department Coordinator will make themselves knowledgeable of the project, market conditions, product lead times, and product availability.
3. The Department Coordinator will secure the site and review the plans reflect current building conditions.

### During the conference:

1. Pass around the sign in sheet, and conduct Introductions
2. Review the Scope of Work
3. Review Contractor Questions and Concerns
4. Confirm solicitation Dates / Times
5. Conduct Project Walk-Through

### After the conference:

1. Complete the Meeting Minutes and post in addendum with the meeting sign-in sheet.
2. Answer contractor questions and post answers for all to see in an addendum.
3. Re-examine the solicitation after vendor input and questions for any modifications or adjustments that may need to be made. Post an addendum and answers for all to see.
4. If Mandatory, check the sign-in sheet at the opening to those that submit solicitation to verify attendance and responsiveness.

## Attachment 9: Price Analysis Methods

The following is a list of the most common price analysis methods used to determine fair and reasonableness. The method to use will vary dependent on the commodity and individual components of the item being procured.

1. Price Competition-(3 or more bidders respond)

This method can be used when there are at least 3-bids and the difference in the top 2 solicitations is within 15% of each other. When these two conditions are met the solicitation responses will be called competitive and therefore determined fair and reasonable. If one price appears extremely low it should be verified with the bidder for understanding and checked for errors.

2. Comparable to Price sold to Federal or State Government

This method involves checking the Federal contracts pricing at GSA (U.S. General Services Administration) or the Michigan contracts through the MiDeal program. These prices are already presumed to be fair and reasonable. If a similar product or service can be found on these sites a copy of the contract pricing information and number can be used for price analysis. NOTE: Pricing differences may occur due to discounts and quantity price break points. These should be reviewed when using this method.

3. Catalog or Established Price List- (only one bidder)

If the bidder has a published catalog open the general public, not a government only catalog, pricing listed in this catalog can be used to determine fair and reasonable. The catalog must be current, within one year. A copy of the pricing page from the catalog and evidence of the date for the catalog will be kept on file. Note any pricing variations such as discounts or shipping.

4. Market Price- (traded commodities)

Where an item has an established market price, verification of an equal or lower price also establishes the price to be fair and reasonable. Sample commodities that best fit this type of price analysis would be lead, coal, silver, grains or fossil fuels.

5. Historical Prices- (limited competition)

If the buyer has a history of the purchase of the item over several years, this information, taking into account inflation factors, can be used to determine a price fair and reasonable. The historical pricing summary must be supported by appropriate documentation.

6. Comparison to a substantially similar item- (custom items)

This method is typically used for custom orders. Typically a custom product can have a base product that has a standard product price that can price analyzed separately from the customization. This base product can be analyzed using any of the methods listed above to find the price fair and reasonable. The customization process will then be analyzed.

7. Sales of the same item sold to other purchases- (no competition & no history)  
In the event that there is no competition, history, or public catalogs to verify pricing, the pricing information can be determined reasonable and fair by verifying with others that have purchased from the bidder, however documentation from other purchasers must be collected.
  
8. Independent Estimate- (no other method available)  
When none of the other price analysis methods are available, an independent estimate can be made by the County and compared to determine fair and reasonable. The calculation to determine the estimate must be documented and not involve the bidders. Use of the bidders is not an independent estimate.





## **Exhibit 2: The MPPOA Code of Ethics**

1. A member shall regard public service as a trust, giving primary consideration to the interest of the government we serve.
2. A member shall be governed by the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the organization and the public being served.
3. A member shall not seek or dispense personal favors, handling all administrative functions objectively on the basis of principle and law.
4. A member identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved and handles each administrative problem objectively and emphatically without discrimination.
5. A member at no time or under any circumstances accepts directly or indirectly, gifts, gratuities, or other things of value from suppliers which might influence or appear to influence purchasing decisions.
6. A member keeps their governmental organization informed, through appropriate channels, on problems and progress of applicable operations by emphasizing the importance of the facts.
7. A member shall strive to improve his/her knowledge of public purchasing methods, techniques, policies, practices and laws.
8. A member shall avoid unfair practices, and conduct all matters with fairness, dignity and honesty.
9. A member seeks nor dispenses personal favors and handles each administrative problem objectively and emphatically without discrimination.
10. A member shall endeavor to effectively and efficiently administer their purchasing responsibility by securing the greatest value for every tax dollar expended.
11. A member shall cooperate with all purchasing organizations engaged in activities which develop and further enhance the profession and counsel fellow procurement officers in the performance of their duties.
12. A member shall practice open competitive bidding based upon adequate and open specifications whenever practical.
13. A member subscribes to and supports the professional objectives of the Michigan Public Purchasing Officers Association.











## **Exhibit 7: Unlawful Government Unit Procurements**

Unlawful purchases for a Governmental Unit include:

1. Contributions to churches, veterans, non-profit organizations
2. Payment of funeral expenses for a person injured on government property
3. Donations to a private ambulance or EMS service not under contract with the governmental unit
4. Donations, including use of property or equipment to Little League, Scouts, Big Brothers/Big Sisters.
5. Donations to community organizations
6. Expenses for private road construction or maintenance
7. Office refreshments, picnics
8. Presents to officials and employees or retirement recognition events
9. Flowers to the sick or departed
10. Mileage of officials and employees to and from their residence to the city, township or village hall, county building or meeting rooms
11. Per Diem compensation to township supervisor, clerk and treasure on a salary basis for attending township board meetings. (Check City and Village Charters for their compensation procedures or restrictions) Extra compensation for summer tax collections unless part of the initial salary resolution or authorized within statutory procedures for an increase in salary
12. Extra compensation for special elections unless part of initial salary resolution or authorized under statutory procedures for an increase in salary.

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