

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

**INDEX**

	<u><b>Page</b></u>
<b>I. GENERAL</b>	<b>3</b>
A. Background	3
B. Purpose and Policy Statement	3
C. Definitions	3
<b>II. JURISDICTION</b>	<b>4</b>
A. Applicability	4
B. Authority	4
C. Responsibility for Implementation	4
<b>III. STANDARDS OF CONDUCT</b>	<b>5</b>
A. Conflicts of Interest	5
B. Unauthorized Purchases	5
C. Unconditionally Unallowable Expenses	6
D. Conditionally Allowable Expenses	6
E. Excessive Expenses	6
F. Contingency Fees	7
G. Debarred Vendors	7
<b>IV. RESPONSIBILITIES FOR PROCUREMENT</b>	<b>7</b>
A. General	7
B. Responsibilities of the purchasing department	7
C. Responsibilities of the Operating Departments	8
<b>V. MICRO PURCHASES - PURCHASING SUPPLIES AND SERVICES</b>	<b>9</b>
A. General	9
B. Prohibition of bid splitting	9
C. Procedures	9
<b>VI. SMALL PURCHASE PROCUDURES – INFORMAL PROCUREMENTS</b>	<b>11</b>
A. General	11
B. Specification Complexity Determines Procedures	11
C. Small Purchase Procedures	11
<b>VII. FORMAL PROCUREMENTS - SEALED BIDS</b>	<b>12</b>
A. General	12
B. Responsibilities	12
C. Cost Analysis	12
D. Bid Documents	12
E. Public Notice	14
F. Addenda to Bid Documents	15

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

G.	Bid Preparation	15
H.	Bidder Submissions	16
I.	Bid Opening	17
<b>VIII.</b>	<b>COMPETITIVE PROPOSALS - PROFESSIONAL OR OTHER SERVICES</b>	<b>19</b>
A.	General	19
B.	Professional Services	19
C.	Selection of Professionals	19
D.	Technical Services	19
E.	Time and Materials Services	19
F.	Procedures	20
<b>IX.</b>	<b>SOLE SOURCE – NON COMPETITIVE PROCUREMENTS</b>	<b>21</b>
A.	General	21
B.	Exemptions	21
C.	Authorization	22
D.	Cost Analysis	22
<b>X.</b>	<b>CONTRACT AWARD</b>	<b>22</b>
A.	Documentation	22
B.	General	22
C.	Contingent Fees	22
D.	Performance and Payment Security	23
<b>XI.</b>	<b>CHANGE ORDERS</b>	<b>24</b>
A.	Contracts	24
B.	Purchase Order Changes	24
<b>XI.</b>	<b>TRIBAL MEMBER PREFERENCE PROGRAM</b>	<b>24</b>
A.	Policy	24
B.	Order of Preference	24
C.	Ownership	24
D.	Proof of Ownership	24
E.	Contracting Awards	24
F.	Purchasing Procedures	25
G.	Contract Hiring	25
<b>XII.</b>	<b>AWARD AND MANAGEMENT OF PROCUREMENTS</b>	<b>25</b>
A.	Progress Payments	25
B.	Final Inspection	25
C.	Punch List	25
D.	Final Completion	26
E.	Final Payment	26

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

**I. GENERAL**

- A. Background - The Tribal Council, as the governing body of the Hannahville Indian Community establishes goals for the efficient utilization of resources. In addition, the Tribal Council expects fair and professional business practices to be employed by all Tribal departments and programs in carrying out the business affairs of the Tribe. All Tribal departments and programs shall maintain the highest level of professional care when procuring goods and services.

This procurement policy provides guidance to ensure that all concerned meet Tribal and Federal requirements when carrying out the Tribes' procurement functions.

Nothing in this policy is or shall be construed as a waiver of tribal sovereign immunity; although in certain carefully prescribed circumstances the Hannahville Indian Community may make a written partial waiver of sovereign immunity in particular contracts.

- B. Purpose and Policy Statement - To set forth responsibility, policies, and standards to ensure fairness, compliance, efficiency and professionalism in carrying out procurement and property management activities on behalf of the Tribe.

- C. Definitions - as utilized within this policy, the following terms shall mean:

- (1) Addenda to the Bid Documents: Additions or changes to the bid documents issued by during the open bidding period;
- (2) Bid: A competitive offer in which price, delivery (or project completion) and conformance to specifications will be the predominant award criteria;
- (3) Bid Closing: The date and time announced as the deadline for receipt of bids;
- (4) Bid Opening: The date, time and place set for the opening of sealed bids;
- (5) Bidding Period: The span of time starting on the date of the invitation to bid and ending on the time and date set for the receipt of bids. A minimum of fourteen (14) calendar days shall be provided, unless a lesser time is deemed to be in the best interest of the Tribe for a particular procurement;
- (6) Contract Change Order: A document authorizing a change to an existing contract;

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

- (7) Lowest Responsive Responsible Bidder: The lowest price bidder who substantially complied with all prescribed bidding procedures and requirements and who has not been disqualified by the purchasing department pursuant to this policy including Federal suspension and debarment requirements;
- (8) Proposal: A specific document which identifies the criteria, means and processes from which the Tribe will assess qualifications, determine awardee, and negotiate the terms and conditions of the agreement;
- (9) Proprietary: An item that is held under exclusive title, trademark or copyright by a private person, company or proprietary distributorship, as used in determining need for a sole source contract, order or proposal. The person or firm who claims an item or items to be proprietary must do so in writing in appropriate documents prior to any award;
- (10) Sole Source: A contract or order issued to a single source, without competition when no other source is known to exist which can provide the needed item or service;
- (11) Standardization: An established proven standard based on a necessary design, quality and physical characterization of a product;
- (12) Waiver: A written exemption from certain provisions of the Procurement Policy by the Tribal Council.

**II. JURISDICTION**

- A. Applicability - The provisions of this policy shall apply to all governmental departments and programs and employees of the Hannahville Indian Community.
- B. Authority: All procurement activities must be for allocable and allowable costs; within approved budget allocations; and done only by personnel given purchasing authority.
- C. Responsibility for Implementation - The Chief Financial Officer and his (her) appropriate designee(s) shall establish systems and procedures to carry out the provisions of this chapter; the Chief Financial Officer will review this policy periodically and make recommendations for amendment as appropriate.

**III. STANDARDS OF CONDUCT**

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

- A. Conflicts of Interest – This conflict of interest provisions in this policy are consistent with the Uniform Administrative Requirements found at 2 CFR Section 200.318(c)(1). No employee, officer, or agent of the Hannahville Indian Community may participate in the selection, award, or administration of a contract if he/she has a real or apparent conflict of interest. Such conflict would arise when:
- (1) Employee, officer, agent, or any member of his/her immediate family, his/her partner, or any organization which employs or is about to employ any of the parties indicated herein, has a material financial or other interest or a tangible personal benefit from a firm considered for a contract;
  - (2) Procuring or assisting in procuring any materials, supplies, services, property or equipment for the personal use of themselves or any other Tribal employee, committee or representative of the Tribes;
  - (3) No employee, officer, or agent, may solicit gratuities, favors, or anything of monetary value from contractors or parties to subcontracts;
  - (4) Unsolicited items of nominal value (under \$25) may be accepted but unsolicited items over \$25 shall be reported to his/her immediate supervisor to determine its disposition;
  - (5) Any employee, officer, or agent found in violation of these standards of conduct shall be subject to discipline up to and including termination as detailed in the *Hannahville Indian Community Employment Policies*.
- B. Unauthorized Purchases; Except for emergencies or other authorized exemptions stated in this procurement policy, no purchase shall be made without an authorized Purchase Order.
- (1) Such unauthorized purchases are void and not an obligation of the Tribe.
  - (2) Invoices without an authorized Purchase Order number shall be returned unpaid to the vendor.
  - (3) Any person making an unauthorized purchase will be held personally liable for the costs of the purchase or contract. Personal liability for payment will be documented and enforced unless the authorized departmental signatory and that person's immediate director accept the goods or services so acquired.

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

- (4) Numbered Purchase Orders shall be given to a vendor when ordering goods or services and not "after-the-fact" for work already done or material already purchased.
  - (5) Purchase Order shall be provided to a vendor at time of purchase; thereby verifying the purchase is authorized and enabling the vendor to invoice the Tribe and to reference the Purchase Order on the invoice.
- C. Unconditionally Unallowable Expenses - Under no circumstances should Tribal funds be authorized for the purchase of:
- (1) Alcoholic beverages;
  - (2) Personal items/services;
  - (3) Parking fines and traffic citations;
  - (4) Non-standard uniforms.
- D. Conditionally Allowable Expenses - Certain expenses are allowable with written approval from the Elected Executive Officers. Department Managers need to submit their requests through their Director. Examples are as follows:
- (1) All donation requests: cash, expenses, sponsorship fees (golf outings), award prizes; however, if Federal funds are the source for expenditures, donations are not allowable per 2 CFR Section 200.434.
  - (2) Flowers: funerals, hospitalization, Secretaries Day, Boss's Day;
  - (3) Staff morale or incentive meals;
  - (4) Special recognition dinners and awards;
  - (5) Logo clothing for staff moral or incentives (ie. polo shirts for the health center staff to wear for meetings etc, or a jackets for the culture committee members).
- E. Excessive Expenses - Prudent judgment should be used in selecting supplies necessary to perform one's job. This should be done based on the most functional to meet the need, not the most expensive. Some examples of non-prudent purchases are: expensive briefcases, expensive pen/pencil sets, and electronic devices without a clearly identified business purpose, etc.

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

- F. Prohibition Against Contingent Fees - Contractors shall not retain a person to solicit or secure a Hannahville Indian Community contract for a commission, percentage, brokerage, or contingent fee.
  
- G. Suspension and Debarment - Contracts shall not be awarded to debarred, suspended, or ineligible contractors. The Hannahville Indian Community may suspend or debar a contractor under tribal laws and/or tribal policy, as applicable. In addition to any tribal requirements, federal laws prohibiting the use of debarred, suspended or ineligible contractors apply.

**IV. RESPONSIBILITIES FOR PROCUREMENT**

- A. General - It is to the Tribes' advantage to maintain and promote good relations with suppliers. The Tribes vendor relations reflect the public image of the Tribal Organization. Both the purchasing department and other Tribal (requisitioning) departments are responsible for promoting fairness, integrity, courtesy and goodwill in their vendor relations.
  
- B. Responsibilities of the purchasing department - To perform the purchasing function efficiently and assist operating departments the purchasing department is charged with the following responsibilities:
  - (1) To serve as liaison between operating departments and vendors, interviewing vendors, arranging vendor interviews with department staff, obtaining prices, catalogs, samples and general information on commodities;
  - (2) To maintain open communications with operating departments;
  - (3) To timely coordinate department requisitions;
  - (4) Promote full and open competition on purchases;
  - (5) To purchase supplies, materials and services required by any department;
  - (6) To follow-up, expedite and resolve problems with orders as requested;
  - (7) To identify, evaluate and utilize purchasing arrangements which best meet the needs of the Tribe (i.e. cooperative purchases, blanket purchase orders, contractual agreements, etc.);
  - (8) To assist operating departments with research and recommendations in developing specifications; to review specifications for completeness of information and non-confusing, concise and competitive language;

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

- (9) To locate, establish and coordinate vendor relations and to evaluate vendor performance, bids, and responses;
- (10) To recommend revisions to purchasing procedures when necessary and to keep informed of current developments in the field of purchasing;
- (11) To act as the Tribes' agent in the disposal and transfer of surplus materials;
- (12) To prescribe and maintain all forms and records necessary for the efficient operation of the purchasing department;
- (13) To strive to obtain the highest quality goods from a responsive and responsible bidder at the price most advantageous to the Tribe, as requested by the operating departments of the Tribe.
- (14) Warranties - The Hannahville Indian Community shall not accept delivery of supplies and equipment "as is" unless the Purchasing Department has previously agreed in writing to such terms.

C. Responsibilities of the Requisitioning Departments - Requisitioning departments are charged with the following responsibilities in the purchasing process:

- (1) When authorized by the purchasing department, requisitioning departments may make direct contact with vendors for such purposes as obtaining technical information and cost estimates for planning purposes. Direct contact may also be made when so authorized in accordance with this Purchasing Policy;
- (2) To maintain open communications with the purchasing department;
- (3) To monitor and promptly inform the purchasing department of any vendor relations problems, shipping problems (i.e., damaged goods, late delivery, wrong items delivered, incorrect quantity delivered, etc.) and any other situations which should be brought to the attention of the purchasing department so that timely follow-up can be implemented and the problem resolved;
- (4) To provide at the beginning of each fiscal year, an authorized signature list to the purchasing department designating those individuals who are delegated the authority to sign Requisitions, Request for Payment forms, and sign / verify invoices eligible for payment. This authorized signature list shall be provided by the Department Director;



**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

- (5) To anticipate requirements sufficiently in advance to allow the purchasing department adequate time to obtain goods in accordance with the best purchasing practices;
- (6) To communicate and coordinate with the purchasing department prior to requesting demonstrations and pricing from vendors;
- (7) To provide detailed, accurate specifications to ensure goods obtained are consistent with expectations and requirements;
- (8) To prepare requisitions carefully and properly in accordance with this policy or other directives in order to minimize unnecessary effort required to process requisitions;
- (9) To explicitly follow emergency and sole source purchase requirements of this policy and to provide written justification to the purchasing department when such purchases may be necessary (see section IX below);
- (10) To make written recommendations as required for the lowest responsible bidder/proposer based upon specification criteria as well as performance qualification evaluation data to assist in determining lowest responsive and responsible bidder/proposer;
- (11) To include with requisitions, appropriate and conclusive specifications for the goods or services needed and detailed project cost estimates to submit to the purchasing department.

**V. MICRO PURCHASE PROCEDURES - PURCHASING SUPPLIES AND SERVICES**

- A. General - The following procedures are established to provide efficient methods for purchasing supplies and services, the aggregate dollar amount of which does not exceed the micro-purchase threshold.
- B. Bid Splitting - Bids are not to be split to circumvent the limits specified below. Operating Departments should contact the purchasing department to coordinate volume bids of repetitive items (i.e., frequent purchases of chemicals, repairs, building materials, etc.).
- C. Micro Purchase Procedures (\$10,000 goods)(\$2500 for services)(\$2000 construction)

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

- (1) Competitive quotations are not required if the price is considered reasonable. Price analysis normally consists of comparing the quoted price to prices recently paid for the same or similar items, price lists, or catalog prices. The signature of the authorized signer on the purchase order signifies the determination that the price is reasonable based on prior purchases of a similar nature or other sources of information.
- (2) Although, quotations or bids are not required, price comparison is encouraged and recommended.
- (3) The micro purchase procedures are not to be used for partial deliveries or payments.
- (4) All departments must make purchases utilizing the purchasing department and the purchase order system unless the purchase qualifies for the check request process.
- (5) Blanket Purchase Orders may be issued at the discretion of the purchasing department for certain repetitive use items or items which may be better purchased on an annual contractual basis. This is a means by which operating departments may contact the designated supplier directly to place orders within any Blanket Purchase Order restrictions.
- (6) Check Requests – For micro purchases that don't lend themselves to the purchase order process, the Check Request process can be utilized. The check request form must be completed including attachment of supporting documentation. By signature on the check request the signer is affirming the reasonableness of the costs of the micro purchase being requested. Examples of these payments are as follows:
  - (a) Travel advances or reimbursements (see travel policy for required documentation)
  - (b) Direct services payments (ie. higher education stipends, general assistance, emergency medical, etc.)
  - (c) Utilities
  - (d) Advances
- (7) Employee reimbursements for supply or other purchases are to be minimized and should not be processed via check request. Supplies should be properly planned for and procured via the purchasing department and only in emergency situations should “runs to town” be needed to procure items. In these cases such purchases should be done in coordination with the purchasing department via purchase orders or Tribal credit cards.

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

- (8) Taxes and shipping and handling may cause the \$3,000 limit to be exceeded without disqualifying the purchase from applying micro purchase procedures if these ancillary costs are considered reasonable (ie. the \$3,000 threshold is applied before the taxes/shipping & handling are added).

**VI. SMALL PURCHASE PROCEDURES – INFORMAL PROCUREMENTS**

- A. General - Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the simplified acquisition threshold of \$250,000.
- B. Specification Complexity - The complexity of the materials or services required determines whether or not a formal or informal process will be used. Standard, less complex specifications may be processed through the informal process (small purchase procedures). Simple and informal procurements generally mean discrete items or products that can be specified in a simple or straight forward manner (ie clear and simple deliverable product). Procurements with complex specifications may require a formal bidding process even if less than simplified acquisition threshold. Examples of such complicated items are construction projects with multi-disciplinary plans and specification books for numerous materials, fixtures, and equipment all to be bid at one time. This item may fit better with a sealed bid procurement. The purchasing department in consultation with the Chief Financial Officer and/or Tribal Attorney shall determine which process is most appropriate for each procurement.
- C. Small Purchase Procedures – Informal Procurement– Greater than \$10,000 but no more than \$250,000
- (1) Price/rate quotations are required to be obtained from an adequate number of sources and may be received by telephone, in person, by fax/email, or written. A written record shall be maintained by the purchasing department regarding all quotes and shall include competitive prices, names of vendors contacted, specifications and insurance requirements when applicable.
- (2) An adequate number of sources is defined generally as a minimum of 3 vendors, although in certain situations with the approval of the CFO and Tribal Attorney two sources may be sufficient.
- (3) The purchasing department shall obtain quotations or may delegate authority for such quotations to operating departments. Operating departments shall submit a requisition form to the purchasing department to obtain price/rate

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

quotations or may contact the purchasing department to request authorization to directly obtain quotations from a vendor, based on urgency of the need.

- (4) When quotations are delegated to the operating department, the requesting department shall submit a completed requisition with all required attachments. Attachments shall include competitive prices, names of vendors contacted, specifications and insurance requirements when applicable. The purchasing department shall review the attachments and may choose to contact other sources for additional quotations.
- (5) The purchasing department performs a price analysis which consists of a comparison of the quotations to each other and to other sources of pricing. The authorizing signature on the purchase order signifies the determination or reasonableness. If only one response is received due to a lack of response from other solicited vendors, a statement of reasonableness must be included in the file; the reasonableness determination being based on previous purchases, catalogs, advertisements, the purchasing agent's personal knowledge at the time of purchase or any other reasonable basis.
- (6) The purchasing department will issue a Purchase Order or shall provide an authorized Purchase Order number to the requesting department upon completion of all information.

**VII. FORMAL PROCUREMENTS – SEALED BIDS**

- A. General - Sealed bid procedures are for procurements that cost more than the simplified acquisition threshold of \$250,000 or for procurements with complex specifications even if less than the \$250,000 simplified acquisition threshold.
- B. Responsibilities - Sealed bids shall be procured by the purchasing department and/or the A&E Firms as may be employed by the Tribe in consultation with the Chief Financial Officer and Tribal Attorney.
- C. Cost Analysis - A cost or price analysis must be performed in connection with every procurement action in excess of the simplified acquisition threshold. This analysis will help substantiate the reasonableness of the quotes as well as provide a budgetary guideline for funding determination. This cost analysis is an evaluation of the separate elements that make up the contractor's total price. In the case of construction projects this will often be accomplished via the engineer's estimate of costs as presented by the A&E firm employed for the project.
- D. Bid Documents - The bid documents shall include the following:

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

- (1) Instructions and information to bidders concerning the bid submission requirements, including the time and date set for opening of bids, the address of the office to which bids are to be delivered and any other pertinent information;
- (2) Description of the purchase including, construction plans, specifications, delivery or performance schedule, and inspection and acceptance requirements, as applicable. Specifications shall not expressly or implicitly require any product by any brand name or mark, nor the product of any particular manufacturer or seller, including but not limited to: copyrighted materials; single seller of the product required and/or single manufacturer or compatible products; specification of particular brand names or products; however products may be identify by brand names so long as language including "or equal to" is contained in the bid documents;
- (3) Vendor assistance in writing specifications - There may be occasions when vendor assistance may be required in developing specifications. Contractors that develop or draft specifications, statements of work, invitation for bids or requests for proposals must be excluded from competing for such procurements;
- (4) Contract Conditions - The contract terms and conditions that will become an integral part of each contract, including:
  - (a) Firm fixed price of bid;
  - (b) Time line for completion;
  - (c) Plans and specifications;
  - (d) Contractor's performance and payment bond(s);
  - (e) Environmental and natural resources regulations;
  - (f) Payment of laborers and materialmen;
  - (g) Prevailing wage rates and reporting requirements;
  - (h) Progress payments;
  - (i) Retainage;
  - (j) Notice of Claim;
  - (k) Labor and material liens;
  - (l) Dispute resolution;
  - (m) Voluntary termination of the contract;
  - (n) Suspension of the work.
- (5) All addenda issued by the purchasing department.
- (6) Special Terms and Conditions -The purchasing department, may also establish special terms and conditions applicable to specified categories of

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

contracts. Any special terms and conditions shall be included in the bid documents and become an integral part of those contracts. Also, federal or state funded projects may require special procedures pursuant to specific regulation or funding stipulations to include: Minority/Female Business participation; Indian Preference; time allotted for advertising of bid requests; federal review of bid specifications or results prior to contract award and other terms or conditions depending upon the source of funds for the particular purchase. In addition, the funding agency may require formal bids at other dollar levels than those specified in these Administrative Rules.

- (7) By signing and returning the bid proposal form, the bidder has acknowledged acceptance of and the intent to abide by the terms and conditions.
- (8) Any exceptions to the terms and conditions must be clearly stated in writing by the bidder in the signed returned proposal. The purchasing department reserves the right to reject any bid which takes exception to the terms and conditions. Exceptions to the terms and conditions become contractual obligations only upon written acceptance by the purchasing department.

**E. Public Notice**

- (1) Distribution - Bid documents and notices of the availability of bid documents shall be posted in the Builder's Exchange(s) in the area where the contract is to be performed or mailed or otherwise furnished to a sufficient number of bidders for the purpose of securing competition. Notices of availability shall indicate:
  - (a) The date, location, and time after which bids will not be received which shall not be less than five (5) business days after posting of the public notice;
  - (b) The character of the work to be done or the items to be purchased;
  - (c) The location where plans and specifications may be obtained;
  - (d) The name, title and contact information/address of the person designated to receive bids;
  - (e) The date, time, and place that bids will be publicly opened.
- (2) Advertising – If required by funding source the formal solicitation of bids shall be advertised. An advertisement for bids shall be published at least

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

once in at least one newspaper of general circulation in the area where the contract is to be performed and in as many additional issues and publications as the purchasing department may determine to be necessary or desirable to ensure competition. All advertisement for bids shall state:

- (a) The date, location, and time after which bids will not be received which shall not be less than five (5) business days after the date of the last publication of the advertisement;
- (b) The character of the work to be done or the items to be purchased;
- (c) The location where plans and specifications may be obtained;
- (d) The name, title, and contact information/address of the person designated to receive bids;
- (e) The date, time, and place that bids will be publicly opened.

F. Addenda to Bid Documents

- (1) Changes to bid documents shall be accomplished by bid addenda. The bidder shall acknowledge receipt of all addenda issued, either with the bid or separately prior to bid opening.
- (2) Distribution - Addenda shall be sent to all prospective bidders known to have obtained the bid documents or attending any mandatory pre-bid conferences.
- (3) Time Lines - Addenda shall be issued within a reasonable time to allow prospective bidders to consider them in preparing their bids. If necessary, the purchasing department may notify prospective bidders by fax or telephone, followed by a confirming written addendum. Such notice may include an extension of the bid closing date if necessary to allow for a reasonable time period within which to respond.
- (4) Extension of Bid Opening Date - The bid opening date may be extended, at the discretion of the purchasing department, to allow consideration of the issuance of any addenda to the bid documents.
- (5) Responsibility - It shall be the responsibility of the prospective bidder to be aware of all addenda and time lines issued prior to the bid opening.

G. Bid Preparation

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

- (1) Bids shall be typed or prepared in ink and shall be signed in ink by the bidder or an authorized representative of the bidder.
- (2) Bids shall be made on the bid form provided.
- (3) Any alterations or erasures shall be initialed by the person signing the bid.
- (4) Bids shall contain a fully executed bid package, including all required documents and descriptive literature.
- (5) Bids shall include a firm fixed price.

**H. Bidder Submissions**

- (1) Identification of Bid - Bids shall be submitted in a sealed envelope appropriately marked to ensure proper identification and special handling. The purchasing department shall not be responsible for the proper identification and handling of any bids not submitted in the designated format.
- (2) Receipt of Bid - It is the bidder's responsibility to ensure that bids are received by the purchasing department or other designated individual prior to the stated bid closing time. Bids received after the stated bid closing time will not be considered and will be returned, unopened, to the bidder.
- (3) Bid Security - Bid security in the form of surety bond, cashier's check or certified check, equal to at least 5 percent of the bid price will be required for all Federally funded projects over the simplified acquisition threshold. The bid bond may be waived or modified if approved in writing from the Federal Awarding Agency in the case of Federal projects or from the Tribal Council Executive Officers for non-Federal projects. For procurements done through sealed bids for amounts below the simplified acquisition threshold, bid security may not be required, so as to not discourage competition. The bid security shall be forfeited if the bidder fails to execute the contract in full accordance of the contract requirements, terms and conditions.
- (4) Return of Bid Security - The bid security of all unsuccessful bidders shall be returned after a contract has been executed or all bids have been rejected. The purchasing department may return the bid security of unsuccessful bidders after bid opening but prior to award, if the return does not prejudice bid award and provided that the security of at least the three lowest bidders is retained pending the execution of a contract.



**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

- (5) Pre-bid Conferences may be held by the purchasing department to explain the procurement requirements or conduct site inspections. The purchasing department may require attendance at the pre-bid conference as a condition of bidding. Such conferences shall be announced to all prospective bidders in the bid documents. The pre-bid conference shall be held within a reasonable time after the bid documents have been issued, but sufficiently before bid closing to allow consideration of the conference results in preparing bids. Statements at the pre-bid conference shall not change the bid documents unless confirmed to all prospective bidders by means of a written addendum to the bid documents issued by the purchasing department.
- (6) Pre-opening Modification or Withdrawal of Bids - Bids, once submitted, may be modified or withdrawn in writing prior to the time and date set for bid closing. Any modifications shall be prepared on the bidder's letterhead, signed by an authorized officer and state that the modification supersedes the prior bid submission. To ensure the integrity of the bidding process, the envelope containing any modifications to or withdrawal of a bid shall be marked as a Bid Modification or Bid Withdrawal and include the appropriate bid number or other identification.

**I. Receipt, Opening and Evaluating the Bids**

- (1) Receipt - Upon receipt, each bid and any modification(s) shall be time-stamped or marked by hand but not opened and shall be stored in a secure place until bid opening. If bids or modifications are opened inadvertently or are opened prior to the time and date set for bid opening because they were improperly identified by the bidder, the bids or authorized modification documents shall be resealed and stored for opening at the correct time. When this occurs, documentation of this action shall be placed in the appropriate bid file.
- (2) Opening and Recording - Bids and any modifications shall be opened publicly, at the time, date and place designated in the bid documents. If witnesses are present at the bid opening, and to the extent practicable, the name of each bidder, the bid price(s), and such other information as considered appropriate, shall be read aloud.
- (3) Mistakes in Bids - Clarification or withdrawal of a bid because of an inadvertent or non-judgmental mistake in the bid requires careful consideration to protect the integrity and fairness of the competitive bidding system. If the mistake is attributable to an error in judgment, the bid may not be modified to correct the error. Bid correction or withdrawal by reason of a non-judgmental mistake due to typographical, arithmetical, miscomputation,

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

transposition or other inadvertence, is permissible but only to the extent that it is not contrary to the best interests of the purchasing department and/or the fair treatment of other bidders. The purchasing department may, at its discretion, not accept a bid in which a mistake is clearly evident on the face of the bid form but the correct content or intent is not clearly evident or cannot be substantiated from the bid face or accompanying documents.

- (4) Bid Evaluation and Award - The contract, if awarded, is to be awarded to the lowest responsive bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Consistent with the provisions of the bid documents, awards may be made by item, groups of items, or entire bid in the Tribes' best interest as determined by the purchasing department. The purchasing department reserves the right to reject or disqualify any bid or bidder not in compliance with the bid documents or for any sound documented reason. The Tribe reserves the right to reject all bids when it is the Tribes' best interest to do so. Such a determination shall be made only by the purchasing department in consultation with the Chief Financial Officer and the Tribal Attorney. Reasons for rejection or disqualifying a bid or bidder include but are not limited to:
- (a) The bidder is not responsive, that is, does not conform in all material respects to bid documents;
  - (b) The product, supply, service or construction item offered in the bid is unacceptable by reason of its failure to meet the requirements of the bid documents or permissible alternates or other acceptability criteria set forth in the bid documents;
  - (c) The bidder entity does not have sufficient financial ability to perform the contract. If a bond is required to ensure performance of a contract, evidence that the person can acquire a surety bond in the amount and type required shall be sufficient to establish financial ability;
  - (d) The bidder entity does not have equipment available to perform the contract;
  - (e) The bidder entity does not have key personnel available of sufficient experience to perform the contract;
  - (f) The bidder has repeatedly breached contractual obligations to public and private contracting agencies;

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

- (g) The purchasing department may make such investigation as is necessary to determine whether a person is qualified. If a bidder or prospective bidder fails to supply information promptly as requested by the purchasing department, such failure is grounds for disqualification;
- (h) There may be occasions when vendor assistance may be required in developing specifications. Contractors that develop or draft specifications, statements of work, invitation for bids or requests for proposals must be excluded from competing for such procurements.

**VIII. COMPETITIVE PROPOSALS - PROFESSIONAL OR OTHER SERVICES**

- A. General - Competitive proposals are used when conditions are not appropriate for the use of sealed bids. That is when a complete, adequate, and realistic specification or purchase description is not available. This procedure is used for qualifications-based procurement of professional services whereby competitor's qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation.
- B. Professional Services – Professional services shall include the services performed by independent contractors in a professional capacity, including but not limited to: legal; data processing; computer programming; planning; environmental services; economic; financial; testing; specialized management services; medical; dental; accounting; architecture; engineering; advertising; design; personnel management; general management; general government studies; other services requiring peculiar or other specialized abilities.
- C. Selection of Professional - Contracts negotiated by the Tribe for professional services must be based on demonstrated competence, professional qualifications for the services required, availability and fair and reasonable cost. The request for proposal must clearly state the evaluation criteria (technical factors) to guide the offerors in structuring their proposal.
- D. Technical/Maintenance Service - of a more technical nature, as differentiated from professional or consultant services, involve limited discretionary judgment, are also required to follow the same competitive bids or proposal processes. Lowest most responsive and responsible would be the main determining criteria. Such services would include preventative maintenance services, janitorial services, landscape maintenance, garbage disposal services, etc.

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

- E. Time and Materials – Contracts for services on a Time and Materials basis can be utilized only after a determination that no other contract is suitable. A time and material contract must include a “not to exceed” ceiling price.
- F. Competitive Proposal Procedures – The same threshold requirements as described above (micro and small purchase) apply to the bidding requirement for services; however, when procuring professional or other services through competitive proposals the operating department contracting for the professional service in coordination with the purchasing department is responsible to:
- (1) Prepare specifications including scope of work.
  - (2) Time and material - In cases where scope of work is indeterminate enough for lump sum bids, a time and material proposal can be solicited. In these cases the competitive proposals must detail the hourly rate to be charged (inclusive of wages, admin and profit) and the amount of handling cost (markup) to be applied to the actual cost of the materials;
  - (3) Request for proposals must be publicized and proposals must be solicited from an adequate number of qualified sources (adequate is generally defined as at least 3, but in certain unusual cases 2 may be acceptable if approved by the Tribal Chief Financial Officer or the Tribal Attorney);
  - (4) Review and select qualified consultants/firms based upon a combination of price and qualifications such that the proposal that is most advantageous to the project is selected;
  - (5) The purchasing department performs a price analysis to establish reasonableness. This consists of a comparison of the proposals to each other and to other sources of pricing. The authorizing signature on the contract/purchase order signifies the determination of reasonableness. If only one response is received and competition is determined inadequate (see section IX, below), a cost analysis demonstrating price reasonableness must be included in the file; the reasonableness determination being based on previous contracts, catalogs, advertisements, the purchasing agents personal knowledge at the time of purchase or any other reasonable basis.
  - (6) Provide written documentation justifying their selection of the successful Consultant / firm via memo attached to the contract;
  - (7) Obtain or prepare a Tribal Professional Services contract and submit the contract to the Tribal Attorney for review and approval, if applicable;

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

- (8) Secure and review required insurance certificates for conformance to Tribal Contract requirements;
- (9) Secure all necessary signatures on the order or contract;
- (10) The purchasing department shall ensure that all required attachments have been provided, issue a contract purchase order number, and forward copies to the Accounting Department for payment.

**IX. SOLE SOURCE – NON COMPETITIVE PROCUREMENTS**

A. General - Procurement by non-competitive proposals is procurement through solicitation of a proposal from only one source and may be used only when:

- (1) No other items are known to exist that perform the same function;
- (2) The item is held under exclusive title, trademark or copyright by a private person, company or proprietary distributorship;
- (3) The tribal purchasing policy requires the item(s) to utilize standardized parts, design or quality;
- (4) The public exigency or emergency will not permit a delay resulting from a competitive procurement, for example when necessary to:
  - (a) Preserve life, health or property;
  - (b) Assist during a natural disaster;
  - (c) Correct or forestall a shutdown of an essential public service;
- (5) The item is available only from a single source, or the awarding agency has expressly authorized in writing a noncompetitive proposal in response to a written request from the Tribe;
- (6) After solicitation of a number of sources, competition is determined inadequate.

B. Exemptions - From Competitive Bidding are allowable when the:

- (1) Contract is made with other public agencies or the federal government; (GSA);

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

- (2) Contracts made with State or Local governments through an inter-governmental agreement or inter-entity agreements where appropriate for procurement or use of common or shared goods and services (2 CFR 200.318 (e)).
- C. Authorization - The Tribal Chief Financial Officer or Tribal Attorney must, in writing, approve a sole-source procurement. Departments asserting "Emergency Justification" must provide documentation of the emergency to the purchasing department within 48 hours of the incident.
- D. Cost Analysis - The purchasing department must perform a price analysis to determine reasonableness of price. If only one response is received a statement of reasonableness must be included in the file; the reasonableness determination being based on previous purchases, catalogs, advertisements, the purchasing agents personal knowledge at the time of purchase, or any other reasonable basis.

**X. CONTRACT AWARD**

- A. Documentation of Award and Availability of Decisions
  - (1) Basis of Award - Following award, a record showing the basis for determining the successful bidder will be made a part of the bid file. The record will consist of a completed bid tabulation sheet and written justification for any rejection of low bids. Any rejection of low bids must be determined by the purchasing department as defined in these policies.
  - (2) Contract Documents - A signed purchase order or contract documents, as applicable, will be sent to the successful bidder.
- B. General – A firm fixed price contract award will be made in writing (Purchase Order will generally be issued for small and micro purchases). The Tribal legal department will either draft a contract resulting from the bid process or will review a proposed contract as supplied by either the low bidder or the A&E firm representing the Tribe if applicable. For construction contracts the general form that will be used is the AIA format as amended by the Tribe’s legal department. Such form should be included with the bid documents if it is a construction project. If Federal funds are involved in the contract, the provisions described in Appendix II to 2 CFR 200 “Contract Provisions for Non-Federal Entity Contracts under Federal Awards” must be included. Such provisions include: Termination for Cause; Equal Employment Opportunity; Davis Bacon; Contract Works Hours and Safety; Right to Inventions; Clean Air, Energy Policy and Conservation; Debarment and Suspension; Anti-Lobbying, and Recovered Materials;

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

- C. Covenant Against Contingent Fees - The Contractor shall warrant that no person or selling agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee. For breach or violation of this warranty, the Hannahville Indian Community shall have the right to annul the contract without liability or in its discretion to deduct from the contract price, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.
- D. Performance and Payment Security
- (1) Contracts greater than Simplified Acquisition Threshold - A performance bond in a sum equal to 100% of the contract price will be required for contracts when required by the funding source or when the contract is in excess of Simplified Acquisition Threshold. On a case-by-case basis this requirement may be waived as approved in writing by the Federal Awarding Agency for Federally funded projects or by the Tribal Council Executive Officers for non-Federally funded projects.
  - (2) Contracts less than Simplified Acquisition Threshold - Performance bonds for contracts under \$250,000 may be required on a case-by-case basis should the Contractor's qualifications or performance history indicate a need to limit Tribal exposure. Such a requirement will be approved by the Tribal Council Executive Officers upon recommendation from the purchasing department.
  - (3) A performance and/or payment Bond furnished by a Surety Company authorized to do business in the State of Michigan is the only acceptable form of performance security unless specified otherwise in the bid documents. The apparent successful bidder must furnish the required performance and/or payment bond within ten (10) days. Prompt submittal of the required security is required to ensure timely project initiation. Failure to furnish the requisite security prior to the deadline may result in rejection of the bid, forfeiture of bid security and bid award to the next lowest responsive bidder.
  - (4) Retainage - Unless otherwise determined by the scope of the project or other considerations, including, as required by the contract documents, retainage of 10% of the contract price of the work completed will be retained from any given progress payment such that when added to the sum of amounts previously retained will equal not more than ten (10) percent of the value of completed work except if the contract work is fifty (50) percent completed and the work is progressing satisfactorily, the retainage may be reduced or

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

eliminated on the remaining progress payments. Retainage amounts of less than 10% must be approved by the Tribal Council Executive Officers.

**XI. CONTRACT CHANGE ORDERS**

- A. Contracts - When negotiating a modification to any contract (even if contract awarded through sealed bid) that changes the scope of the work previously authorized and impacts the price, the purchasing department must use a cost analysis to determine price reasonableness. The only exception is a contract modification based on pricing terms already established in the contract document (i.e. preset unit pricing for additional quantities). This reasonableness determination is required whether the change order results in a price increase or a price decrease.
  
- B. Purchase Order Changes - When purchase orders or contracts are amended for purchases procured via micro or small purchase procedures, a costs analysis to determine reasonableness is required. The signature of the authorized signer on the purchase order signifies the determination that the price adjustment is reasonable based on prior purchases of a similar nature or other sources of information.

**XII. TRIBAL PREFERENCE PROGRAM**

- A. Policy - Consistent with Tribal Employment Rights Ordinance (TERO), it will be the policy of the Tribe when contracting or subcontracting, to the maximum extent practicable, to give preference to qualified Indian-owned enterprises, to tribal members of the Hannahville Indian Community, and, where required by federal law, to other Indians who are members of other federally recognized Indian tribes and their eligible descendants.
  
- B. Order of Preference – Where federal or other funding sources require that Indian preference be applied, tribal preference as set forth in Section 1.106 of TERO, shall not be applied.
  
- C. Ownership - Enterprises shall be considered Indian owned if it is at least 51% owned by one or more Indian(s) or an Indian tribe and has one or more of its Indian owners involved in daily business management of the enterprise and, if owned for profit, has the majority of its earnings accrue to its Indian owners. Or, the majority of the board of directors or other governing body must be Indian persons for not-for-profit enterprises.
  
- D. Proof of ownership -The firm must demonstrate that a tribal member or other Indian owns 51% or more of the partnership, corporation or other arrangement for which the application is being submitted. Such ownership must be evident in its stock ownership, partnership agreement or papers of incorporation.



**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

- E. Contract Awards will be made subject to the purchasing procedures contained in this policy and applicable federal, tribal, or state law. Bidders regardless of preference standing, must be able to reasonably provide the goods and services required by the Tribe.
- F. Purchasing Procedures - Tribal member owned firms will be placed on the Tribe's solicitation list. The purchasing department will solicit these firms for quotes whenever they are potential sources.
- G. Contractor Hiring - Prime contractors will be required to the greatest extent possible to follow the TERO when hiring workers for the project under contract. The Tribal Construction Representative or his/her designee will be responsible for ensuring that prime contractors are in compliance with the provisions of TERO.

**XIII. AWARD AND MANAGEMENT OF PROCUREMENTS**

- A. Progress Payments - At a regular time each month, the contractor will, if required by the contract documents, submit to the purchasing department a request for payment based upon an estimate of the amount completed and value of such completed work. This request will also include an estimate of the amount and value of acceptable material to be incorporated in the completed work which has been delivered and acceptably stored. Upon verification and approval of the purchasing department, the sum of these values will be referred to the "value of completed work." With these estimated as a base, a progress payment will be made to the contractor, which will be equal to the value of completed work, less such amounts as may have been previously paid, less such other amounts as may be deductible or as may be owing and due to the purchasing department for any cause and less an amount to be retained in protection of the purchasing department's interests.
- B. Final Inspection - The contractor will notify the purchasing department when the construction work on the project has been completed, all permit requirements have been satisfied and, and the final Tribal Building Inspector and occupancy inspections, as appropriate, have been completed. The purchasing department, Tribal Project Representative, or the A&E Firm will make an inspection of the project after receiving the Notification of Completion. If, at such inspection, all construction provided for and ordered under the contract is complete and satisfactory to the purchasing department and all certifications, bills, forms and documents have been submitted properly, such inspection will constitute the final inspection.
- C. Instructions to Complete the Work - If, however, at any inspection, any work in whole or in part is found unsatisfactory or that all certifications, bills, forms and documents have not been submitted properly, the purchasing department, Tribal

**HANNAHVILLE INDIAN COMMUNITY  
TRIBAL PROCUREMENT POLICY**

**Council Approved 7/11/2016  
Amended 3/4/2019**

---

Project Representative, or A&E Firm will compile a “punch list” of items need to be resolved to reach full completion of outstanding requirements for the project. At such time as the contractor fully complies and executes such instructions, the contractor will notify the Tribe in writing. The tribe will make another inspection which will constitute the final inspection provided work has been completed satisfactorily.

- D. Notice of Final Completion - Upon satisfactory completion of all work required under the contract, the Tribe will acknowledge acceptance of the work in writing.
  
- E. Submission of Final Pay Application - As soon as practicable after final inspection of the work under the contract, a final application for payment will be submitted to the Tribe. Following final acceptance of the work by the Tribe or any funding agency, final payment will be made to the contractor including the release of any outstanding retainage.
  
- F. Warranties - The contractor shall provide any commercial warranty normally offered to the public.