

TRANSPORTATION AUTHORITY OF CALHOUN COUNTY PURCHASING POLICY

INTRODUCTION

The Transportation Authority of Calhoun County (TACC) Purchasing Policy prescribes procedures for the purchase of supplies, equipment, and services according to the estimated cost of procurement. Prior to TACC's Designated Recipient status and staff hiring, including an Executive Director, the Board of Directors will procure essential needs, proceeding under FTA guidelines.

DEFINITIONS

- A. Micro Purchases. Goods valued at \$10,000 or less for federally funded procurements may be purchased without obtaining competitive quotations.
- B. Small Purchases. An acquisition of supplies, services, and construction in the amount of \$49,999.99 or less must follow small purchase procedures.
- C. Petty Cash. A cash fund of a fixed amount established by an advance of funds, without charge to an appropriation from an agency designated employee, for disbursement as disbursement is needed from time to time in making cash payments for relatively small purchases.
- D. Blanket Purchase Agreement. A simplified method of filling anticipated repetitive needs for supplies or services by establishing accounts with qualified suppliers.

COMPETITION AND PRICE REASONABLENESS

- A. Purchases Under \$25.00 (Petty Cash). Small purchases not exceeding \$25 may be accomplished without quotations from vendors which have historically offered the lowest pricing. The individual authorized to make purchases using cash shall furnish to the petty cash designated employee the following information:
 - 1. Description of item(s) purchased.
 - 2. Unit price and extensions.
 - 3. Supplier's name and address.
 - 4. Cash discounts, if any.

- B. Micro Purchase Procedures. Purchases estimated to cost \$10,000 or less are considered micro purchases and may be accomplished with at least one quote from vendors which have historically offered the lowest pricing. The Board of Directors shall rely on catalog pricing, prior record of pricing, and expertise in the local market areas to determine price reasonableness. DBE vendors shall be afforded maximum opportunity practical to participate.

Funds are not to be expended prior to obtaining the required signatures.

The following procedures apply to micro-purchases:

1. Competition. Micro-purchases should be distributed equitably among qualified suppliers.
2. Prohibited Divisions. Procurements may not be divided or reduced in size merely to come within the micro-purchase limit.
3. Documentation. The only documentation required is that the price is fair and reasonable and a description of how the determination was made.

- C. Small Purchases. For purchases with an estimated value greater than \$10,000 but less than \$50,000, a minimum of three written quotations are to be requested by the Board. Efforts are to be made to include DBE vendors.

- D. Formal Purchases. Purchases with an estimated value of \$50,000 or more must be treated as formal purchases, per the Michigan Revised Code, and typically require the use of competitive bidding or competitive negotiation procedures.

- E. Purchases Over \$100,000. Purchases of more than \$100,000 require the Board of Directors approval.

- F. Price Reasonableness. Reasonableness of a proposed price may be determined by comparison of the proposed price with:

- Prices found reasonable on recent previous purchases
- Current price lists
- Catalogs
- Advertisements
- Similar items in a related industry
- Industry indices

Adopted: January 28, 2025