

Little River Band of Ottawa Indians

375 River Street
Manistee, MI 49660
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Resolution # 03-0618-177

Amendment of Budget and Appropriations Regulations, R100-01:AC-01, Purchasing and Procurement

WHEREAS, the status of the *Gaá Čhíng Ziibi Daáwaa Aníshinaábek* (Little River Band of Ottawa Indians) as a sovereign and Treaty-making power is confirmed in numerous treaties, from agreements with the initial colonial powers on this land, to various treaties with the United States; and

WHEREAS, the Little River Band of Ottawa Indians (Tribe) is descended from, and is the political successor to, the Grand River Ottawa Bands, signatories of the 1836 Treaty of Washington (7 Stat. 491) with the United States, as reaffirmed by federal law in P.L. 103-324, enacted in 1994; and

WHEREAS, the Tribe adopted a new Constitution, pursuant to a vote of the membership on May 27, 1998, which Constitution became effective upon its approval by the Assistant Secretary-Indian Affairs on July 10, 1998; and

WHEREAS, the Tribal Council is authorized under Article IV, Section 7(a) to provide for the public health, peace, morals, education and general welfare of the Little River Band and its members; and

WHEREAS, the Tribe's status as a federally-recognized Indian tribe was reaffirmed and restored by Congress pursuant to Public Law 103-324, 108 Stat. 2156 (25 U.S.C. §1300k et seq.); and

WHEREAS, the Tribe adopted a new Constitution, pursuant to a vote of the membership on May 27, 1998, which Constitution became effective upon its approval by the Assistant Secretary-Indian Affairs on July 10, 1998; and

WHEREAS, the Tribal Council is authorized under Article IV, Section 7(a) to provide for the public health, peace, morals, education and general welfare of the Little River Band and its members; and

WHEREAS, the Tribal Council is authorized under Article IV, Section 7(b) to authorize and ratify agreements negotiated by the Ogema on behalf of the Tribe with federal, state and local governments, other Tribes and persons or entities; and

WHEREAS, the Tribal Council recognizes that the activities of the Tribe are sufficiently diverse that a requirement that the Ogema negotiate all contracts would be

substantially burdensome so as to allow the delegation of negotiation authority to appropriate persons within the Tribal organization; and

WHEREAS, the Tribal Council has determined that the authority to negotiate contracts is not approval or authorization to enter into contracts, and that such contracts still require appropriate review and authorization; and

WHEREAS, the Tribal Council has determined that a requirement that the Ogema execute all contracts is not unduly burdensome; and

WHEREAS, the Tribal Council has determined that in light of the review of the actions of the Tribe and the actions affecting the Tribe that, while burdensome to the Tribal Council and the Tribe's activities, all contracts should be ratified by the Tribal Council in order to be valid;

NOW THEREFORE IT IS RESOLVED THAT the Tribal Council of the Little River Band of Ottawa Indians hereby amends the

IT IS FURTHER RESOLVED THAT the Tribal Council hereby amends the *Budget and Appropriations Regulations*, R100-01:AC-01, Purchasing and Procurement as follows.

BUDGET AND APPROPRIATION REGULATIONS

Regulation # R100-01:AC-01

Chapter 1. Purchasing and Procurement

Section 1. Authority; Purpose

1-1. *Authority.* In accordance with Section 4.10 (e) of the Budget and Appropriation Ordinance, # 01-100-04, the Tribal Council hereby promulgates these rules for purchasing and procurement by the Little River Band of Ottawa Indians.

1-2. *Purpose.* This policy is intended to provide a framework for ensuring that Tribal purchase transactions are understood, and accompanying procedures are uniformly applied. Guidelines are placed to support purchasing activities of the Tribe and to create a managed purchasing system.

Section 2. General Policies

2-1. *Applicability.* This policy ~~bonds all~~ shall be followed by all Tribal Government Offices and affiliated entities, ~~with the exception of Tribal enterprises~~ and shall include purchases by the Housing Commission and Housing Department.

2-2. *Justification.* All purchase and contract actions must be justifiable and support legitimate Tribal program objectives.

2-3. *Pricing.* Purchasing and contract actions will be based on competitive pricing to the greatest extent possible and exceptions shall be documented and approved. Competitive pricing as used in this policy means obtain price quotes or bids from multiple vendors to assure the lowest price on quality goods and services.

2-4. *Purchasing Authority.* All purchases are to be made by the Purchasing Department. Purchase variances must not exceed 10% above the suggested price, excluding shipping and handling.

2-5. *Approval.* It is the intent of these policies to treat purchases as a logical group. Purchases shall not be broken or separated into smaller amounts to avoid necessary levels of approval.

2-6. *Contracts.* All purchases shall be accompanied by an original signed contract or purchase order which shall be filed with the Purchasing Department.

2-7. *Legal Review.* All contracts and purchase agreements shall be required to have a written legal review of the contract. If amendments are requested or recommended in that legal review, documentation that identifies that the Legal Department has reviewed the amendments or determined that the amendments are not required.

Section 3. ~~Authorization~~ Contract Negotiation Levels

3-1. *Monetary Authorization.* No employee ~~below the level of Program Director shall place orders or in any other way commit the Tribe~~ is authorized to bind or commit the Tribe to the purchase or any goods or services. ~~Program Directors are limited to preparing a requisition for fulfillment by the Purchasing Department. Contracts are limited to the Executive Director of Operations, Tribal Ogema, and Council.~~

3-2. *Negotiating Contracts or Purchase Requisitions.* Program Directors shall place all purchases through the Purchasing Office and shall obtain approval ~~of the Purchasing Director prior to engaging in any activity to negotiate a price, level of services, or contract with a vendor for goods or services that will are below \$5000.00~~ as set forth in this section. Program Directors shall request the Purchasing Office, after approval by the Ogema, to negotiate all purchases in excess of \$5000.01. The following value and authority levels limit authority to initiate the development of purchase requests and/or contracts.

- a. \$.00 to \$500.00, with authorization from the ~~Program Director~~ Purchasing Director, the Program Director and shall include price quotes from at least two sources.
- b. \$500.01 to ~~\$2500.00~~ \$5000.00, with authorization from the ~~Program Director and Executive Director of Operations, and one written quote~~ price Ogema, the Purchasing Director and shall require price quotes from at least three sources.
- c. ~~\$2,500.01 to \$10,000.00 with the authorization from the Program Director, Executive Director of Tribal Operations, and the Tribal Ogema with three written quotes.~~
- d. All purchases over ~~\$10,000.01~~ \$5000.01, ~~require approval with authorization by the Tribal Ogema and Tribal Council, and approval from the Tribal Council~~ the Purchasing Director and with three written quotes.

Provided that, where no vendors exist to provide quotes, or insufficient vendors exist to provide quotes, the Purchasing Director shall include a certification to that effect which shall be attached to the purchase file.

Section 4. Responsibilities

4-1. *Program Directors.* Program Directors are responsible for achieving program goals and at the same time conserving Tribal resources and maintaining accountability. Their responsibilities begin with the development of a sound program budget. As managers, their primary responsibilities in relation to purchasing are:

- a. Exercising control over expenditures, to ensure that they do not exceed amounts allotted in the budget and that they are consistent with purposes detailed in the budget.
- b. Ensuring that transactions are made with adequate planning and that emergency buying is avoided.
- c. Ensuring that all requisitions are prepared properly.
- d. Coding expenditures properly.
- e. Determining that expenditures are completed within the performance period for the grant program, which they support.
- f. Provisions of certain Tribal grants and contracts may apply policies or require practices, which lie beyond those defined in this policy. Whenever funds under a specific federal grant or contract are used for purchasing or contracting purposes, it is the

g. responsibility of the Program Director to abide by the terms and conditions of the grant or contract requirements.

g. Keeping record of all purchases made for back reference and accountability

4-2. *Purchasing Manager.* The Purchasing Manager is responsible for seeing that all purchasing activities are carried out properly and in a manner that best serves the interests of the Tribe. The Purchasing Manager is the person with primary responsibility for representing the Tribe as it enters into agreements with vendors. As such, the Purchasing Manager carries out many specific purchasing responsibilities, including:

a. Seeking competitive quotations, bids, and proposals whenever feasible, to insure that the Tribe obtains quality goods or services at reasonable prices.

b. Obtaining *or providing* the ~~Executive Director of Operations'~~ *appropriate* written approval of all purchase actions. ~~that exceed \$500.01.~~

e. ~~Obtaining the Executive Director of Operations' written approval of all contract actions that do not exceed \$2,500.00.~~

d. ~~Obtaining the Tribal Ogemas' written approval of all purchase requests submitted and contract actions that exceed \$2,500.01.~~

e. Routing invoices and purchase orders to the Accounting Department.

f. Maintaining documents regarding purchasing activities for two years.

g. Maintaining documents regarding contract activities.

h. Reviewing and monitoring all active purchase orders, noting payment terms and conditions to make sure that they are fulfilled.

i. Determining whether potential vendors are responsible, for example have resources, personnel, integrity, and overall capability to meet the Tribe's needs successfully.

j. Preparing bids and quotes for the ~~Executive Director of Operations~~ for all purchases, ~~which must be approved by Tribal Council.~~

k. Reviewing the statement of work submitted by the Program Director.

l. Purchasing goods for stock and building supplies.

m. Maintaining a vendor file.

n. Keeping all vendors aware of Tribal Purchasing Policies and Procedures.

o. *Verifying* that all purchasing requirements have been met before issuing a PO *purchase order.*

4-3. ~~*Executive Director of Operations.*~~ The ~~Executive Director of Operations~~ is responsible for overseeing employees and their purchasing actions; therefore the ~~Executive Director of Operations~~ has the power to enforce the purchasing policy as stated. In addition to that general responsibility, the ~~Executive Director of Operations~~ holds specific responsibility for:

a. ~~Approving requests for proposal issued by the Tribal employees.~~

b. ~~Approving all purchase requests submitted by directors that exceeding \$500.01 but do not exceed \$2,500.00.~~

e. ~~Approving all contracts that do not exceed \$2,500.00.~~

d. ~~Approving and obtaining Tribal Council approval, of all purchases, which exceed \$10,000.00.~~

e. ~~Recommending to Tribal Council what action should be taken on bids and request for proposals issued by the Tribe.~~

f. ~~Participating in negotiations.~~

g. ~~Obtaining the Tribal Ogemas' written approval of all contract actions that exceed \$2500.01.~~

4-3. *Tribal Ogema.* The Tribal Ogema, as the chief administrator for the Tribe, is responsible for overseeing the entire purchasing process. In addition to that general responsibility, the Tribal Ogema holds specific responsibility for:

a. Approving purchase requests and contracts submitted that exceed ~~\$2,500.01~~ *\$500.01* but do not exceed ~~\$10,000.00~~ *\$5000.00.*

b. Responsible for ~~approving~~ *executing* all contracts.

c. ~~Responsible for approving any amendments to the Purchasing Policy.~~

4-5. *Tribal Council.* The Tribal Council has final responsibility for management of the Tribe's resources. Its key responsibilities in regard to purchasing are:

a. Approving program budgets.

b. ~~Approving~~ *Ratifying* all purchases requests and contracts, ~~with the unit price exceeding \$10,000.01.~~

Section 5. Standards of Conduct

5-1. *Ethical Conduct.* It is important that high standards of conduct be maintained at all times to ensure confidence and integrity in the Tribe's purchasing process. All Tribal officers, employees, and agents who are involved in purchasing and contracting activities must follow the standard of conduct set forth below:

a. Tribal employees will refrain from participating in a purchasing or contracting action, which a conflict of interest would be involved.

b. Tribal employees will not accept gratuities, favors, or gifts of monetary value.

c. Any Tribal employee who has unknowingly obtained any benefit resulting from a purchase or contract will immediately, upon discovery, report the benefit to his or her immediate supervisor.

d. No employee of the Tribe shall knowingly use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any other person.

Section 6. Purchasing Procedures

6-1. *Request for Purchase Order.* Any purchase for goods or services on behalf of the Little River Band of Ottawa Indians must be initiated by submitting a "Request for Purchase Order" form with the following information:

a. Date: The date the request is being made.

b. Program number: Enter in the program number to which the purchase will be charged.

c. Account number: Enter in the account number from which the purchase amount will be obligated.

d. Placed by: Whom (employee) is requesting the purchase

e. Quantity: The amount of the item.

f. Description: A clear item description including catalog number, color, size or any other information that may be needed to identify the item.

g. Page number: Enter in the page number item was found if available.

h. Source: Enter complete name, address, and phone number of suggested vendor.

i. Price: Enter in the items unit price and multiplied price if ordering more than one unit.

j. Approved by: Must be signed by the proper authorized personnel. See authorization levels in this policy.

k. Justification: Reason for purchase.

6-2. *Issuance of Purchase Order.* The requisition form is sent to the Purchasing Department. Upon receiving all required authorizations a purchase order will be issued.

6-3. *Request for stock items.* In situations where the requisitioned items are in stock, the requisition may serve as an internal transfer charge. The Directors signature or pin code will serve as authorization to charge the appropriate program with the value of the goods transferred from stock to the receiving program.

6-4. *Purchasing.* The Purchasing Department shall place orders as follows:

a. All approved requisition forms shall be assigned a Purchase Order number.

- b. The Purchasing Department will match orders according to price and supplier and verify pricing.
- c. The Vendor will be phoned, faxed, or mailed. A description of the item should include color, size, and any additional information that maybe needed.
- d. The Purchase Order is then entered into the Accounting System.
- e. An original Purchase Order is printed and signed. A copy shall be routed to Program Director and the Receiving Department.
- f. Departments are responsible for maintaining copies of their own request. The purchase order number that is assigned to an order can also be used to lookup an order that may require an item to be returned or used for future orders of a similar item.
- g. All purchase orders shall identify a shipping address and an invoicing address. All invoices shall be mailed to Accounts Payable. When the invoice arrives with the goods, the invoice shall be routed to Accounts Payable.

6-4. *Bidding Process.* ~~If a bid is required,~~ All bids shall be generated in the following manner:

- a. The Program Director will provide the Purchasing Department with a description of equipment or service expectations/needs.
- b. The Purchasing Department will contact the source or sources and notify them of the opportunity to bid.
- c. Bids must be submitted in writing within a predetermined time frame.
- d. ~~With applicable authorization, a purchase order number will be issued and the purchasing process will begin.~~
- d. The following restrictions and requirements must be followed in order to obtain a fair and just bid.
 - 1. Bids must be in writing.
 - 2. All bids are confidential.
 - 3. All copies of bids shall be attached to the purchase order.

6-5. *Standing Purchasing Orders.* When business with a vendor is on a regular basis and purchases or service dollar amounts vary, it may be more cost effective to establish a standing purchase order with the vendor. A Standing Purchase Order shall be generated and maintained in the same fashion as the Purchase Order request.

6-6. *Receiving.* Shipments shall be delivered to the Receiving Department unless otherwise specified by the Purchasing Department. The procedure for receiving goods is as follows:

- a. Packing slips must be matched by the purchase order.
- b. The Receiving Department shall inspect all shipments to make assure they have been received in good condition and in the proper quantity.
- c. As shipments are received, a check mark shall be entered on the packing slip beside the item to demonstrate that the item was received.
- d. Every received order must be stamped as "received" and initialed by the receiving personnel.
- e. Once the order has been received, receipt of the order is entered into the Accounting system.
- f. The packing slip or invoice shall be forwarded to Accounts Payable for payment and closeout.
- g. Purchases will be delivered by the Receiving Department.

6-7. *Backorders.* When purchasing supplies on a daily basis, situations will occur where the entire order is not received on the same date. Such an occurrence places the order in a backorder status and the following procedure shall be followed:

- a. The Receiving Department shall be responsible for notifying the Purchasing Department that an order has been placed on backorder.

- b. The Purchasing Department will then be responsible for tracking and placing the order in a backorder status in the Accounting system.

Section 7. Adoption; Amendment; Repeal

7-1. *Adoption.* This Chapter is adopted by the Tribal Council on March 6, 2002 by resolution # 02-0306-07 and amended by resolution # 03-0618-177.

7-2. *Amendment.* This regulation may be amended by the Tribal Council, or by submission of amendments by the Tribal Ogema approved by the Tribal Council, in accordance with the Constitution and any rules set forth governing amendment of regulations of the Little River Band of Ottawa Indians.

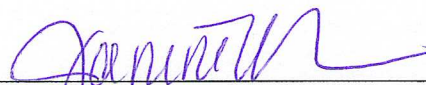
7-3. *Severability Clause.* If any provision of this regulation or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this regulation which can be given effect without the invalid provision or application, and to this end the provisions of this regulation are severable.

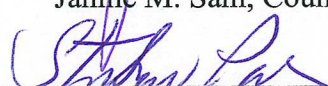
7-4. *Compliance.* In regards to compliance with this regulation, ~~substantial compliance with the 'spirit' of this regulation rather than complete compliance is acceptable~~ deviation from the requirements of this regulation must be noted and corrected. Failure to follow the requirements of this regulation may result in disciplinary action, up to and including termination from employment and action to recover expenditures resulting from unauthorized actions.

IT IS FINALLY RESOLVED THAT the Tribal Council sets the effective date of these regulations to be June 23, 2003.

CERTIFICATE OF ADOPTION

I do hereby certify that the foregoing resolution was duly presented and adopted by the Tribal Council with 7 FOR, 0 AGAINST, 0 ABSTAINING, and 2 ABSENT, at a Regular Session of the Little River Band of Ottawa Indians Tribal Council held on June 18, 2003, at the Little River Band's Community Center in Manistee, Michigan, with a quorum being present for such vote.


Janine M. Sam, Council Recorder


Stephen Parsons, Council Speaker

Attest:

Distribution: Council Records
Tribal Ogema
Tribal Court
Legal Department