

Leech Lake Band of Ojibwe

Purchasing Department

Policy and Procedure Manual

**Purchasing Manual
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**Leech Lake Band of Ojibwe
Purchasing Department**

Mission Statement

To ensure integrity, economy, efficiency and accountability; to provide quality service through effective teamwork; to fulfill the purchasing needs of the Leech Lake Band of Ojibwe in a professional, responsive and timely manner and in accordance with the Leech Lake Band of Ojibwe Procurement Policies and applicable Tribal, Federal, and State Laws.

Leech Lake Band of Ojibwe Procurement Manual

Purpose:

This manual provides instruction, practices, procedures and responsibilities for the economical and efficient management and control of supplies and equipment in support of the Leech Lake Band of Ojibwe's programs. It is the intention of the Leech Lake Band of Ojibwe to incorporate in this manual relevant requirements of Federal funding sources including Federal Acquisition Regulations, OMB circular A-87, A-102, A-133 (*incorporated herein by reference*) and specific grantor requirements for programs administered by Tribes. The Policies and Procedures are not intended to conflict with Federal Laws or Regulations. In the event of a conflict, Federal Laws or Regulations will apply. Entities not specifically required to follow federal acquisitions regulations should still be governed by the purchasing concepts of sound business practices and maximum competition.

Applicability:

This manual shall apply to all programs, projects and accounting entities using the Leech Lake Band of Ojibwe finance and accounting system.

Exceptions:

By realizing their special needs and the role they fill for the Leech Lake Band of Ojibwe, the following are authorized to act independent of the provisions of Purchasing Services, but in keeping with generally acceptable sound business practices and with maximum practicable competition in all such contracting.

1. Leech Lake Band of Ojibwe owned and operated businesses utilizing the Leech Lake Band of Ojibwe finance and accounting system (items for resale only).
2. Student Organizations

It is the duty of those responsible for governing these transactions to:

1. Document compliance with the Approval and Purchasing Authority Policies (Leech Lake Band of Ojibwe Purchasing Policy (Sec.# 111B-112B).
2. Ensure availability of budgeted funds.
3. Establish and have Tribal Council approved, formal written procedures for these transactions which follow generally acceptable sound business practices, ensure maximum practicable competition, and document adherence to these procedures and practices, and
4. Submit completed requisition to Purchasing for Purchase Order processing.

Cost Principals:

OMB Circular A-87, “Cost Principles for State, Local and Indian Tribal Governments”, establishes the principles for determining costs applicable to grants, contract, and other agreements. In order for the Leech Lake Band of Ojibwe to meet Federal requirements it is necessary to identify and correctly allocate unallowable expenses as defined in A-87. All departmental expenditures, both direct and indirect costs are a part of the indirect cost rate calculations, therefore it is important that all employees understand and consistently follow the stated guidelines.

According to OMB Circular A-87, “ The test of allowability of costs under these principles are:

1. They must be necessary and reasonable for proper and efficient performance and administration of Federal awards.
2. Be allocable to Federal awards under the provision of this (A-87) Circular.
3. Be authorized or not prohibited under Federal, State, and Local Laws and Regulations.
4. Conform to any limitations or exclusions set forth in these principles, Federal Laws, Terms, and Conditions of the award, or other governing regulations as to types or amounts of cost items.
5. Be consistent with Policies, Regulations and Procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
6. Be accorded consistent treatment.
7. Be in accordance with generally accepted accounting principles.
8. Not be included as a cost or used to meet cost sharing or matching requirements of any Federal award in either the current to prior period, except as specifically provided by Federal Law or Regulation.
9. Be the net of all applicable credits.

In other words, we can only report expenses if they are:

1. Reasonable- A prudent person would have purchased the item and paid that price.
2. Allocable- Expenses are at least partially applicable to a grant/contract agreement.
3. Consistently Treated- Expenses for similar purposes must be treated the same way (throughout Leech Lake Band of Ojibwe) under similar circumstances.
4. Allowable- The expense must be allowable or not specifically excluded as specified by government regulations or by the contract/grant/cooperative agreement requirements.

If an expense cannot meet the above criteria, it is NOT eligible for inclusion in the indirect cost rate regardless of its purpose.

Unallowable Expenditures:

Some examples of unallowable expenditures, which are not payable from any Leech Lake Band of Ojibwe Special Revenue funds, are:

1. Expenditures for employee social or recreational functions- where no business is conducted nor business objectives are present (for example: individual retirement farewells, or employee recognition programs, picnics, or memorial services; Christmas or other holiday related parties and employee functions).

2. Gifts of any type for personal life events or for holidays (for example: for condolence, congratulations, or birthdays).
3. Dues for membership in social, non-professional organizations.
4. Charitable contributions or donations.
5. Fines and penalties (for example: parking fines, and returned check charges).
6. Personal expenses (for example: personal phone calls, personal use of photocopy machines, supplies for home or personal use such as briefcases).
7. Alcoholic beverages are unallowable regardless of funding source.

Purchase Procedure Objectives:

The following procedures are intended to accomplish these objectives:

- Maximizing competition through solicitation of quotations, bids or proposals.
- Establish evaluation and review procedures to assure that the Leech Lake Band of Ojibwe does not buy duplicate or unnecessary items.
- Insure fair and accurate description of goods and services.
- Use appropriate contractual relationships between the Leech Lake Band of Ojibwe and vendors.
- Conduct cost and price analysis and establishment of price reasonableness to the Leech Lake Band of Ojibwe.
- Monitor purchase orders and contracts to assure the performance required under the purchase agreement.
- Assure inclusion of standard contract clauses and provisions desired by the Leech Lake Band of Ojibwe.
- Provide preferential consideration to Indian, Minority, Small and Women owned businesses.

Contacts:

Direct any general questions about this policy to your division's administrative office. If you have questions about specific issues, call the following offices:

Subject	Contact	Telephone number
<i>Bid Solicitation and Dollar Threshold</i>	Purchasing	(218)-335-3649
<i>Contracting for Services</i>	Purchasing	(218)-335-3649
<i>TERO Compliance</i>	TERO	(218)-335-8374
<i>Contract Interpretation</i>	Legal Department	(218)-335-3673
<i>Classification of Independent Contractor vs. Employee</i>	Human Resources Payroll Controller	(218)-335-3698 (218)-335-3643 (218)-335-3635
<i>Verify Budget/Funds available</i>	Accountant/ Budgeting	(218)-335-3635
<i>Inquires from the IRS or other Taxing Agencies</i>	Payroll	(218)-335-3634
<i>Insurance</i>	Risk and Insurance	(218)-335-3661
<i>Tax Reporting, Independent Contractor</i>	Controller	(218)-335-3635
<i>Tax withholding, Wage Reporting</i>	Payroll	(218)-335-3643
<i>Vendor Payments/Miscellaneous Payment Processing</i>	Accounts Payable	(218)-335-3651

Definitions:

Numerous terms are used in the procurement of goods and/or services. Listed below are definitions of some commonly used terms and phrases.

Addenda	Additions to a contract written or issued prior to execution of a contract which modifies the bidding document by additions, deletions, clarifications or corrections.
Alternate Bid	An amount stated in the bid to be added to or deducted from the amount of the bid base of the corresponding change in the goods or services, as described in the bidding documents.
Back Order	An acquisition, or part thereof, which has been suspended pending availability of the item ordered.
Base Bid	The sums stated in the bid for which the bidder offers to provide goods or services described in the bidding documents as the base to which goods may be added or deleted for sums stated in alternate bid.
Bid	A complete and properly signed proposal to provide goods or services or designated portion thereof for sums stated therein, submitted in accordance with the bidding documents.
Bid Bond	A bond issued by a Surety to the owner of the project in lieu of a required cash deposit. The cash deposit (usually 10% of the bid amount) is subject to full or partial forfeiture if the contractor is the low bidder and fails to either execute the contract or provide the required Performance or Payment Bond.
Bid List	A List of vendors maintained by the Purchasing Department, listing vendors by the product or services they sell.
Bidder	A person or entity that submits a bid or proposal.
Bidding Documents	Documents including but not limited to the advertisement or invitation to bid. Instructions to bidder, bid forms, proposed contract documents, including any addenda issued prior to receipt of bids.
Blanket Purchase Order	A purchase order issued to a vendor, for a prescribed period of time and a set amount of money, to allow the individuals authorized on the order to secure inexpensive, repetitive items directly from the vendor as needed.
Brand Name or Equal	A specification that uses one or more manufacturer's brand names or catalog numbers to describe the standards or quality, performance, and other characteristics needed to meet requirements of a solicitation and which provides for the submission of equivalent products.
Capital Expenditure	The cost of an asset including all cost to place in service with a total value exceeding \$5,000.00.
Change Order	A written amendment to an original purchase order authorizing a change in the work or an adjustment in the contract sum or contract time, or cancellation of parts or all of a purchase order.
Confirming Order	A purchase order mailed or faxed to a vendor for confirmation of a verbally placed purchase order. <i>For Confirmation Only, Do not</i>

	<i>Duplicate Order</i> ” should be written on ALL confirming orders to avoid duplicate shipment.
Conflict of Interest	A situation in which an individual or any part of his or her family or business associates, either; 1) has existing or potential financial or other material interest that impairs or might appear to impair the individual’s independence and objectivity of judgment in the discharge or responsibility to the Leech Lake Band of Ojibwe, or; 2) may receive a financial or other material benefit from knowledge of information confidential to the Leech Lake Band of Ojibwe. (See also “Conflict of Interest” section 100.6 of the Leech Lake Band of Ojibwe Personnel Policy.)
Contract	A legal agreement that establishes the rights and duties of the contracting parties and that constitutes a relationship giving each the right to seek a remedy for breach of those duties.
Cost Analysis	The review and evaluation of the separate cost elements and proposed profit/fee of an offeror’s proposal.
Cost and Pricing Data	All facts, at the time of the price agreement, the seller and buyer would reasonably expect to affect price negotiation. Cost and pricing are data requiring certification. Cost and pricing are factual, not judgmental data, and therefore verifiable.
Emergency Purchase	A purchase made in an exigency, often made under special procedures, designed to meet the urgency.
Employee	A person paid through the Leech Lake Band of Ojibwe’s payroll department to perform a service for the Tribe. In these cases, the Tribe controls what needs to be done, as well as how, when and where it will be done. The person is normally provided the tools and facilities in which to perform the function, and is not a risk for profit or loss in this capacity.
Equipment	An item having a value of \$1,000.00 and/or more or with a life expectancy of one (1) year or more.
FOB (Free On Board)	A term used in conjunction with an identified physical location to determine; the point at which title for the shipment passes from the seller to buyer.
Formal Bid	Process through which purchases exceeding \$100,000.00 is advertised to encourage maximum vendor participation.
Independent Contractor	An individual hired to perform a specific service. Commonly referred to as a consultant, freelance, contractor, etc., he or she is the master of his or her own time. Usually, a contractual relationship exists whereby the independent contractor is responsible for all aspects of the means and methods of the job. He or she is fully liable for any job related actions, and is not eligible for employee benefits. There are 20 factors identified by the IRS that are used to determine whether sufficient “control” is present to establish an employer-employee relationship or an independent contractor-client relationship. Also, Leech Lake Band of Ojibwe may require proof of adequate insurance from independent contractors.

Indian Preference	Preference is given to Indian Owned enterprises and Indian Organizations, (see Indian Preference).
Informal Bid	The process of soliciting vendor quotations to generate competition on purchases ranging from \$2,500.00 to \$99,999.99. Depending on acquisition cost, quotations may be verbal or written and will be maintained in the Purchase Order Files.
Invitation for Bid (IFB)	The process of publicizing needs, inviting bids, conducting public bid openings, and awarding a contract to the lowest responsive and responsible bidder; the preferred method of procurement.
Invoice/Receipt	The seller's bill of sale for goods or services sold or rendered, specifying type of goods or service, quantity, price, and terms of sale. The Leech Lake Band of Ojibwe Accounts Payable Department pays by invoice/receipt.
IRS Form 1099 Misc.	A form used to report non-employee compensation (as well as certain other types of payment not discussed herein).
Open to Buy Purchase Order	A written agreement used only for the purchase of items required for the immediate completion of a project in process.
Payment Bond (also called Labor & Material Bond)	A type of Surety that guarantees that employees, subcontractors, and suppliers that perform work or supply materials to a project will be paid.
Performance Bond	A type Surety that guarantees that the contractor will perform according to the terms of the contract.
Price	All costs plus any fee or profit involved in the acquisition of a good or service.
Price Analysis	The process of examining and evaluating a proposed price without evaluation its separate cost elements and proposed profit/fee.
Purchase Order	A written agreement used to obtain goods and/or services from external sources. Once accepted, it has the legal force of a bidding contract.
Purchase Requisition	An internal document by which a department requests and identifies goods or services needed to the Purchasing Department. A purchase requisition is NOT A PURCHASE ORDER.
Request for Information (RFI)	This term is used when a requesting entity is in need of new or additional information concerning: 1) what type of product or services a vendor offers; or 2) the availability of a specific type of product or service in the marketplace. RFI's are not to include pricing. An RFI does not obligate the requesting entity to an order.
Request for Proposal (RFP)	Unlike bids, which are awarded to the lowest responsible bidder, RFP's may be evaluated on other predetermined factors that have a value to the Leech Lake Band of Ojibwe. The RFP process is used to purchase goods or services when cost is not the sole determining factor, and/or specifications cannot be developed to be precise enough to determine the best value.

Request for Quotation (RFQ)	A process used to solicit competitive quotes from vendor generally used for commodity and personal service procurement. The procurement is awarded to the lowest and most responsive bidder meeting the minimum requirements.
Responsible	Term used to describe one of the principal criteria that a contractor must meet in order to be eligible for the award of a particular contract. A contractor generally is deemed to be responsible if it; has adequate financial resources to perform the contract; is capable of complying with the proposed performance record; has a satisfactory record of integrity; has the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them; has the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and is otherwise qualified and eligible to receive an award. (FAR 9.1)
Responsible Bidder	A bidder whose bid conforms to the terms and conditions of the IFB. (FAR 14.301).
Simplified Acquisition Procedures	The method prescribed in FAR Part 13 for making purchases of supplies or services.
Sole Source Acquisition	A contract for the purchase of supplies or services that is entered into or proposed to be entered into by an agency after soliciting and negotiating with only one source (FAR 6.003).
Specification	A description of the technical requirements for items or materials, which includes precise measurements, tolerances, materials, quality control requirements and other requirements that control the processes of the contractor.
Statement of Work (SOW)	A document that defines service contract requirements in clear, concise language identifying specific work to be accomplished.
Tax Payer Identification Number (TIN)	Corporation and/or Partnership Identification Number issued by the Federal Government for use on Tax Returns and Payroll Deposits. Individuals use social security number.
Technical Analysis	The examination and evaluation by personnel having specialized knowledge, skills, experience, or capability in engineering, science, or management of proposed quantities and kinds of materials, labor, processes, special tooling facilities and associated factors set forth in a proposal in order to determine and report on the need for and reasonableness of the proposed resources assuming reasonable economy and efficiency. (FAR 15.305)

Position Equivalency Chart	RTC	Business Corporation	Gaming
		Executive Administrative Assistant	Administrative Assistant
		Administrative Officer	Officer Manager
		Store Asst. Manager/ Supervisor/ Procurement Clerk	Assistant Departmental Manager/Purchasing Manager
	Program Manager	Store Manager	Shift Manager/Departmental Manager
	Division Director	Directors-Business Corporation	Assistant Gaming Controller/General Managers/Directors
	Deputy Director	Vice-President	Gaming Controller
	Executive Director	CEO	Executive Director
	Tribal Council	Tribal Council	Gaming Commission
	<p>The Gaming Executive Director or Gaming Controller must sign off on all requisitions within the \$2,500-<\$50,000 levels.</p>		

Provisions

Copeland Act:

All contracts and sub-grants for construction or repair shall include a provision for compliance with the Copeland “Anti-Kickback” act (18USC847) as implemented in the Department of Labor regulations (20CFR, Part 3).

This act provides that each contractor or sub-grantee shall be prohibited from inducing, by any means, any person employed in the construction, completion or repair of public works, to give up any of the compensation to which he is otherwise entitled. It shall be the responsibility of the Project Director of any such contract to report any suspected or reported violations to the Compliance Officer. The Compliance Officer shall be responsible for reporting any suspected violations to the funding agency.

Davis-Bacon Act:

When required by the funding agency legislation, all construction awarded in excess of \$2,500 shall include a provision for compliance with the Davis-Bacon Act (40USC276 a to a7) as implemented by the Department of Labor Regulations. It shall be the responsibility of the Tribes’ Compliance Officer to determine if funding agency regulations require Davis-Bacon Act, and to obtain copies of current prevailing wage determinations. A copy of these wage determinations shall be placed with specifications for each solicitation, and the award of the contract shall be conditioned upon acceptance of the wage determination.

It shall be the responsibility of the Project Director to interview the employees of the contractor on a periodic basis during the construction project, to determine if the provisions of the Davis-Bacon Act are being followed. Written verification of these interviews shall be submitted to the Compliance Officer for inclusion in the office file. The Compliance Officer shall report all suspected or reported violations immediately to the funding agency. In addition, the Project Director is responsible for obtaining copies of weekly payrolls from the contractor, and for verifying that pay rates comply. These copies shall than be maintained in the official grant or contract file.

Contract Work Hours and Safety Standards Act:

Where applicable, all contracts awarded by the Leech Lake Band of Ojibwe in excess of \$2,000 for construction contracts and in excess of \$2,500 for service contracts which involve the employment of mechanics or laborers, shall include a provision for compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40USC327-330) as implemented by the Department of Labor Regulations (29CFRm Part 5). Under section 103 of the Act, each contractor shall be required to compute wages of every mechanic and laborer on the basis of a standard workday of 8 hours and a standard workweek of 40 hours. Work in excess of these standards is permissible provided the worker is paid at a rate of not less and 1 ½ times the basic rate of pay for all hours worked in excess of 8 hours/day or 40 hours/week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in a surrounding or under working conditions that are unsanitary, hazardous or dangerous to his/her health as determined under construction, safety and

health standards promulgated by the Secretary of Labor. It shall be the responsibility of the Project Director to document any violations, take any necessary action, and report them to the Compliance Officer in writing. These requirements do not apply to the purchase of supplies or materials ordinarily available or transportation or other sorts of contracts.

Reporting and Patent Rights:

Any contract involving research, development, experimental or demonstration work shall include provision which explain the requirements and regulations of the funding agency pertaining to reporting and patent rights with respect to any discovery or invention which arises or is developed under such a contract. It shall also contain any requirements or regulations of the funding agency with regards to copyrights and rights to data.

Access to Records:

All contract shall include a provision to the effect that the Executive Director of the Leech Lake Band of Ojibwe, the head of the funding agency or the Comptroller General of the United States, or their authorized agents, shall have access to any books, documents, papers and record of the contractor which are directly pertinent to that specific contract, for the purpose of making audit, examination, excerpts and transcripts. This provision shall also require contractors to maintain records for a period of three years after final payment is made and all other pending matters closed.

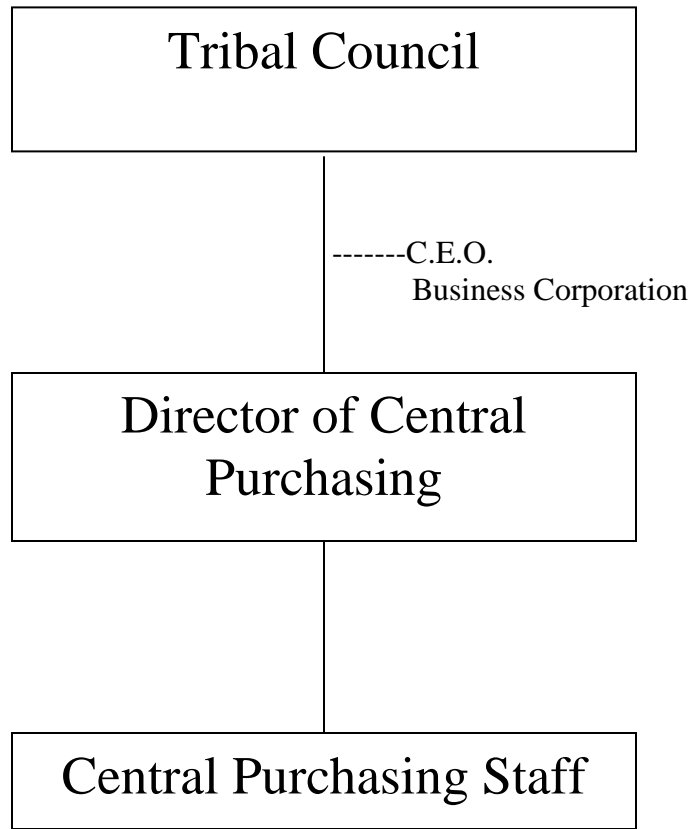
Environmental Provisions:

All contracts, sub-contracts and sub-grants of amounts in excess of \$100,000 shall contain a provision which requires compliance with all applicable standards, orders or requirements issued under section 306 of the Clean Air Act (42USC1857) and Clean Water Act (33USC1368), Executive Order 11738, and Environmental Protection Agency regulations which prohibit the use under non-exempt Federal contracts, grants or loans for facilities included on the EPA List of Violating Facilities. The provision shall require reporting of violations to the funding agency and to the USEPA Assistant Administrator for Enforcement.

Energy Conservation:

All contracts shall recognize mandatory standards and policies relating to energy efficiency contained in energy conservation plans issued in compliance with the Energy Policy and Conservation Act.

**Leech Lake Band of Ojibwe
Purchasing Department
Organizational Chart**



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Legal and Ethical Conduct

Subject: Authorities

Number: 110.B

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Legal and Ethical Conduct

Policy:

It is the policy of the Leech Lake Band of Ojibwe to comply with the laws governing its operation and to conduct its affairs in keeping with the highest moral, legal, and ethical standards. All staff responsible for buying is required to sign the "Code of Ethics" form.

Compliance with the law (including anti-bribery and anti-trust laws or other applicable regulatory laws) means not only following the law but conducting Tribal business in such that the Leech Lake Band of Ojibwe will deserve and receive recognition as a good and law-abiding citizen, alert to its responsibilities in all areas of good citizenship. Even where the law does not apply, applicable standards of ethics and morality relate to our activities and require the same diligence and attention to good conduct and citizenship.

Illegal and unethical practices include the following:

- Engaging in price fixing arrangements;
- Bid rigging acts;
- Agreements with competitors to divide or allocate markets or customers;
- Falsifying of accounting records;
- Intentional misrepresentation to the auditors;
- Bribery; or illegal kickbacks.
- Use of the Purchasing system for personal use or gain.

Conflict of Interest:

Loyalty and the practice of good business ethics are part of the obligation of employees to their employer. One aspect of this is the requirement that an employee refrain from engaging in personal activities which injure or take advantage of the Tribe. Employees may not make personal profits out of their positions.

Conflict of interest is most likely to occur when the employee is employed for personal gain by another firm, directly or as a consultant; has a direct financial interest in another firm; has an immediate family financial interest in another firm; or is a director or an officer of another firm.

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In order to avoid conflicts of interest, any business enterprise in which a Tribal employee has significant proprietary interest or control must receive approval from the Controller in advance of establishing a business relationship with the Leech Lake Band of Ojibwe.

A significant proprietary interest or control is presumed to exist whenever an employee or a member of the employee's family own 10% or more of the assets of an unincorporated organization or 10% or more of the outstanding stock of a corporation.

Full disclosure of the background surrounding a real or potential conflict should be made in writing to the Purchasing Director prior to making the commitment or initiating the activity, which poses a possible conflict.

The Conflict of Interest policy is also defined in the Personnel Policy Manual (see Sec.#100.5). All Purchasing personnel must sign a conflict of interest agreement upon taking a job with the Leech Lake Band of Ojibwe and annually thereafter.

Gifts:

Mutual respect between Supplier and Buyer has always been and always will be an important factor in business. It is to be encouraged between the two parties where it can be of advantage to both. There is nothing questionable or unethical in lunching with the Supplier, either to give the salesman a better opportunity to present his or her case or to cultivate a business relationship, provided the employee accepts such invitations as they would from any other person and keep themselves free from obligation. Employees must not become obligated to any Supplier and shall not participate in any transaction in which they may personally benefit. No gifts, beyond those of an advertising nature and insignificant value (\$25.00 or less aggregate value), generally distributed to all potential customers shall be accepted by any Tribal employee. Gifts received, which are unacceptable according to this policy, shall be forwarded to Purchasing and returned to the donors.

Entertainment:

Tribal employees shall not accept purely social entertainment offered or sponsored by Suppliers. Entertainment is not construed to mean an occasional business meal or a function where the Tribe stands to benefit from the Supplier association.

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Purchases for Employees

Policy:

Purchasing staff will not negotiate or request special pricing or discounts on the behalf of any Leech Lake Band of Ojibwe employee, private individual or conduct any personal purchases. Any discounts or special programs offered to the staff by the vendor will not be processed through purchasing channels.

Note:

The offer of incentives or discounts by vendors to staff will not be considered in the award of any contract or agreement and may violate Legal and Ethical Conduct.

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Tribal Approval Authority

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Tribal Approval Authority

Policy:

This policy authorizes specific officers and employees to authorize disbursement vouchers and purchase requisitions.

Procedure:

When a detailed budget has been approved, and the Controller and/or designated Accountant has verified that a particular expenditure has been included in the approved Budget, the following approval limitations apply:

<u>Position:</u>	<u>Approval Limits:</u>
Program Manager	0-\$500
Division Director	\$2,500
Executive Director or Deputy Director	\$50,000
Full Tribal Council	Over \$ 50,000

In the absence of inclusion in an approved, detailed budget, the following limits apply:

<u>Position:</u>	<u>Approval Limits:</u>
Division Director	0-\$500
Executive Director or Deputy Director	\$5,000
Executive Director and one Council Member	\$10,000
Full Tribal Council	Over \$10,000

For purposes of the policy “Approval Authority” refers to authority that is in all instances:

- a. Subject to applicable budget restrictions and the availability of funds.
- b. Subject to compliance with Purchasing Policies and Procedures.
- c. In observance of the Legal and Ethical Conduct Policy.

A master list of all persons authorized to sign or approve purchase requisitions, purchase orders, contracts, disbursement vouchers, and invoices with signature samples will be maintained by Purchasing.

Note: Only original signatures (no signature stamps) will be permitted.

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Delegation of Authority

Purpose:

To define delegation of approval authority for Requisitions, Disbursement Vouchers and Travel Documents.

Policy:

All delegated administrative authority must be in writing by the Division Director. In general, the following have been delegated approval authority, subject to the scope of authority defined for each position. Persons in an interim position shall have the approval authority of that position. Persons in an acting position shall have the approval authority of that position only if the delegation has been specified. When approval authority is delegated, the duration and dollar amount of the delegation must be approved, in writing, by the Executive Director. The signed delegation shall be distributed to the Purchasing and Accounts Payable Departments.

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Gaming Approval Authority

Subject: Authorities

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Gaming Approval Authority

Policy:

This policy is to authorize specific officers, managers, and employees to authorize disbursement vouchers and/or purchase requisitions as outlined in the table below:

Procedure:

This procedure is intended to allow for the timely and efficient processing and/or approvals of the purchasing requisitions associated with the daily operational functions of the individual departments and/or organizations.

The limits of authority for the **Capital Signatory Approval** is \$250,000, if the Tribal Council and/or Gaming Commission approved the current fiscal year's budget, at the time they approved the organizational operating budget.

In absence of an approved capital budget, all capital acquisitions in excess of \$50,000 must be approved by the Tribal Council or Gaming Commission.

Original signatures are required; signature stamps are not considered as appropriate method of signatory authority operational or capital acquisitions.

The signatory levels for operational expenses are as follows:

<u>Position:</u>		Approval Limits
		<u>Amount up to:</u>
<i>Business Corp.</i>	<i>Gaming</i>	
Exec. Admin. Asst.	Admin. Asst.	\$100
Admin. Officer	Officer Manager	\$250
Store Asst. Mgr./ Supv. Procurement Clerk	Asst. Dept. Mgr. Purchasing Clerks	\$1,000
Store Manager	Shift Mgr. Departmental Mgr.	\$2,500
Directors- Business Corp.	Asst. Gaming Controller General Mgrs./ Directors	\$5,000

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Vice President	Gaming Controller	\$25,000
CEO	Executive Director	\$50,000
Tribal Council	Gaming Commission	>\$50,000

The Gaming Executive Director or Gaming Controller must sign off on all requisitions within the \$25,000-<\$50,000 levels.

Delegation of Authority

Purpose:

To define delegation of approval authority for Requisitions, Disbursement Vouchers and Travel Documents.

Policy:

All delegated administrative authority must be in writing by the Division Director. In general, the following have been delegated approval authority, subject to the scope of authority defined for each position. Persons in an interim position shall have the approval authority of that position. Persons in an acting position shall have the approval authority of that position only if the delegation has been specified. When approval authority is delegated, the duration and dollar amount of the delegation must be approved, in writing, by the Executive Director. The signed delegation shall be distributed to the Purchasing and Accounts Payable Departments.

Gaming Approval Authority- Capital Acquisitions

Policy:

This policy is to authorize those Capital Expenditures not budgeted for in the budgets set forth for the daily operations. Common examples of these types of expenses include: building remodeling and/or renovation, automobiles and equipment, furniture and fixtures.

Procedure:

This procedure is intended to ensure the necessity of the capital acquisition, based on current business trends and future business plans, as well as to ensure that there is adequate cash available for the purchases at the time of the capital requisition.

All capital/equipment- related items with a cost exceeding \$500 are to be immediately tagged with an identification tag by the receiving department, and all receiving documents are to be forwarded to Accounting for addition to the fixed asset system and payment.

Original signatures are required; signature stamps are not considered an appropriate method of signatory authority.

There is to be 3 signatures on each capital acquisition for the respective entities:

Business Corporation

1. Store Manager or Division Director making request
2. CEO
3. Gaming Controller

Gaming

1. Division Director or General Manager making request
2. Executive Director
3. Gaming Controller

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Purchasing Authority

Policy:

This policy authorizes specific officers and employees to enter into contractual and other commitments on behalf of the Leech Lake Band of Ojibwe. The following designations of authority are intended to recognize the scope of responsibilities for officers and employees, control the creation of unauthorized or unintended liabilities, and maintain the orderly conduct of business affairs. This policy also provides a review procedure for certain types of contracts.

All purchase agreements must be documented and approved pursuant to approval Authority (Sec.#111.B) before merchandise is ordered or contractor begins work.

For purposes of this policy, the term “Contract” mean any purchase agreement, whether written or oral, which creates an obligation to perform.

For purposes of this policy “General Authority” and “Limited Authority” refers to authority that is in all instances:

1. Subject to applicable budget restrictions and the availability of funds.
2. Subject to compliance with Purchasing Policies and Procedures.
3. In observance of the Legal and Ethical Conduct Policy.

Designation of General Authority:

The Leech Lake Band of Ojibwe Chairman and Secretary Treasurer, “when authorized by the Reservation Business Committee”, can sign any and all contracts, without regard to the duration, types and/ or amounts of the obligations under such contracts, after contract approval pursuant to provisions of Approval Authority (Sec.#112.B).

Designation of Limited Authority:

The following employees have limited authority to sign the following types of contracts:

The LLBO Executive Director or Deputy Director, shall have the authority to sign contracts that do not exceed \$5,000 and whose period of performance does not exceed 24 months, after contract approval pursuant to provisions of Approval Authority (Sec.#111.B)

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The Purchasing Director has authority to sign Purchase Orders and maintenance agreements, which normally are entered into in the conduct of such Purchasing duties, after contract approval pursuant to the provisions of Approval Authority (Sec. #111.B)

Bug o nay ge shig School Board may designate in writing, by resolution, other employees with contracting authority in amounts determined annually, limited to \$100,000 in the normal conduct of their official duties. Purchases in excess of \$100,000 require full Tribal Council approval.

Review Procedure:

Employees with contracting authority, when obtaining goods and services shall follow procurement procedures prescribed in the Purchasing Policies. In such cases, it is the responsibility of those with designated contracting authority to maintain and forward to the Purchasing Department, a documentation file showing compliance with established purchasing procedures.

Prior to execution of any contract described herein, the employee responsible for such contract's subject matter will cause the contract to be reviewed by the Contract Review Board.

The Purchasing Department, will review each such contract to confirm that:

1. Funds are available for any obligations contemplated by the contract.
2. In cooperation with the Risk and Insurance Manager, determine if insurance or similar coverage is required for insurable risks presented by the contract.
3. Appropriate approvals have been obtained.

The Leech Lake Band of Ojibwe Legal Counsel will review each such contract in order to confirm that the contract accomplishes the intended purposes and does not present any burdensome or unintended liability risks.

The Purchasing Director and Legal Counsel will endeavor to conduct their review on a timely basis. The LLBO employee responsible for a contract's subject matter will provide, whenever possible, a reasonable period of time for such review.

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Purchasing Responsibility:

The selection of suppliers is the responsibility of the Purchasing Department. However, Purchasing respects the technical expertise of the LLBO staff therefore, vendor suggestions by requesting departments will be considered whenever they are competitive with other sources and when delivery requirements or other unique requirements can be met.

In discharging it's responsibilities, Purchasing may:

1. Initiate, conduct, and conclude negotiation for the purchase of goods and services for the Leech Lake Band of Ojibwe.
2. Obligate the Leech Lake Band of Ojibwe for the purchase of goods and services subject to Leech Lake Band of Ojibwe Purchasing Policy.
3. Recommend changes in quality, quantity, or type of material requisition and suggest suitable alternatives.
4. Develop and support standard specifications and processes for goods and services to provide improved service, quality pricing and reduced administrative costs.
5. Maintain adequate documentation of purchase transaction and procurement contracts for archival and audit purposes.
6. Ensure that purchase orders and contracts are subject to appropriate review and approval, and contain all necessary information, terms, and conditions, and signatures to protect the Leech Lake Band of Ojibwe and comply with applicable Policies and regulations.
7. Develop and establish new sources of supply and promote the use of Indian owned and disadvantaged suppliers whenever possible.

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Unauthorized Commitments

Policy:

The primary responsibility of the Purchasing Department is to assure the proper, prompt and responsive purchasing of all supplies, equipment, and services for the various Leech Lake Band of Ojibwe divisions in accordance with approved Purchasing Policies and Procedures.

The Leech Lake Band of Ojibwe will not be obligated for supplies, equipment, or services, except those legal obligations created through approved Purchasing Policies and Procedures.

Exceptions:

Exceptions to this policy must be approved by the Executive Director and documented with a memo signed by the respective Division Director. The memo should:

- Describe the nature and circumstances of the purchase.
- Explain why normal procedures were not followed.
- Describe what actions have been taken to prevent the situation from recurring.

Discipline:

The following progressive discipline is established for making purchases that have not received the appropriate reviews and approval:

- **First Offense**- provide written justification for not complying with Purchasing Policies and Procedures to Purchasing Director and/or Executive Director, could lose purchasing privileges and authority depending upon severity of infraction.
- **Second Offense**- provide written explanation to Executive Director, Purchasing Director and CEO of Business Corporation for not complying with Purchasing Policies and Procedures. Will lose purchasing authority 60 to 90 days depending upon severity of infraction.
- **Third Offense**- provide written explanation to Executive Director, Purchasing Director, CEO of Business Corporation and Secretary Treasurer of the Tribal Council for not complying with Purchasing Policies and Procedures. May lose purchase authority for more than 90 days. May lose purchasing authority for 90 days or more and is grounds for suspension or termination depending on severity.

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- ***Fourth Offense***- provide written explanation to Purchasing Director, CEO of Business Corporation, Executive Director, and Secretary Treasurer and Tribal Chairman justifying not abiding by Purchasing Policies and Procedures. May lose purchasing authority for 90 days or more and is grounds for suspension or termination depending on severity.

Dollar Limits and Purchase Requirements

Policy:

Procurement transactions and the rules that govern how they are managed are based upon aggregate dollar amount and type of purchase. The guidelines are as follows:

Purchases for \$100,000 and greater amounts; the invitation for Bid Process:

Purchasing transactions exceeding \$100,000 require competitive sealed bidding utilizing the Invitation for Bid (IFB) process. (Sec. 170.E; Competitive Sealed Bidding)

Submission of split requisitions in an attempt to circumvent the bidding process is not permitted. Violators may be subject to disciplinary action.

Purchases for \$100,000 and greater amounts; The Request for Proposal Process:

Purchasing transactions exceeding \$100,000, in which it is determined by Purchasing not to be advantageous or practical to use the sealed bidding process, may be purchased through the use of sealed competitive proposals. This is the Request for Proposals (RFP) process. (Sec. 171.E; Competitive Sealed Proposals)

Purchases from \$10,00 to under \$100,000:

Purchasing transactions from \$10,000 to under \$100,000 shall be made with as much competition as is practical and deemed necessary by Purchasing. A minimum of three written quotations will be obtained. Supporting documentation and price quotations are maintained as part of the purchasing file.

Purchases greater than \$2,500 to under \$10,000:

The procurement of goods and services in amounts greater than \$2,500 and under \$10,000 shall be made with as much competition as is practical and deemed necessary by the Purchasing Director.

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This may include verbal or written quotations from two or more vendors. These quotations may be obtained by either the responsible buyer or the requisitioning department and are subject to review and approval by Purchasing.

Supporting documentation and price quotations are maintained as part of the purchasing file. In all competitive procurement, the award is made by the Purchasing Department to the vendor with the lowest price for the goods or service that conforms to specifications and other requirements.

Purchases of \$2,500 and Less:

Purchasing transactions of \$2,500 or less are not subject to the competitive process.

Splitting Purchases:

Purchasing transactions are not to be artificially divided or fragmented in order to meet the lesser requirements of lower dollar transactions.

Confidentiality of Price and Other Information:

Price and other confidential information provided by vendors shall not be shared with competitors by any individual involved in the process. This includes requisitioner, reviewers and purchasing staff.

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Sole Source/Single Source

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Sole Source/ Single Source

Policy:

Products and services may be procured without competition if there is documentation that there is only one source available.

Procedure:

Submission of cost and specifications data will be required by the requesting department in conjunction with the Purchasing Department. Sole Source procurement shall be avoided whenever possible.

Written justification is required on all Sole Source determinations. They shall be approved by either the Purchasing Director or the Executive Director.

Examples of Sole Source procurement include, but are not limited to:

- Products where compatibility with existing systems, equipment, or accessories is absolutely necessary for function, serviceability, warranty or cost.
- For trial or evaluation products or services.
- For public utilities and services.

Examples of Single Source procurement include, but are not limited to:

- Unique services, such as advertising, in which circulation, billboard location, audience demographics and other factors make each provider different.
- Rental of certain facilities in which location is an important factor.

Completing a Sole Source justification form and submitting it to the Purchasing Department will provide the documentation necessary to identify Sole Source procurements.

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Tribal Emergency Purchases

Policy:

Emergency purchases are those requiring immediate action as the result of unforeseen circumstances. “Emergency” is defined as:

A threat to the safety, health or welfare of students, staff or the public.

The Purchasing Director or designee may make or authorize others to make emergency procurement of equipment, goods or services. This will only be in instances of a true emergency, as defined above. In such instances, price competition is less important than the quick and safe resolution to the emergency. The normal quotation process may be waived. Full back-up materials and justification must be provided to the Purchasing Department as soon as possible to substantiate the purchase. This information will be made a part of the file.

Procedure:

1. All purchase of materials and/or services must be made according to Leech Lake Band of Ojibwe purchasing policy with the exception of documented emergency acquisitions approved by the Executive Director or designee.
2. During normal working hours purchases of materials and/or services must be accomplished through and with the prior approval of Leech Lake Band of Ojibwe Purchasing Department, whether the purchase be standard, sole source, or deemed a public emergency.
3. For those emergencies occurring during normal working hours and the estimated amount of expenditure is less than \$2,500, authorization may be obtained by the respective Division Director or designee by submitting a completed Purchase Requisition along with written justification/documentation on nature of emergency directly to the Purchasing Department.
4. For those emergencies occurring during normal working hours and the estimated amount is greater than \$2,500, authorization must be obtained by the respective Division Director or designee by submitting a completed Purchase Requisition with supporting documentation and the Executive Director’s signature.

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5. For those emergencies occurring after normal working hours, on holidays, or on weekends, when the estimated amount of the expenditures is less than \$10,000, authorization may be obtained from the respective Division Director. Notification, documentation, and a completed Purchase Order Requisition must be forwarded to Purchasing on the next regular workday.
6. For those emergencies occurring after normal working hours, on holidays, or on weekends, when the estimated amount of the expenditure is greater than \$10,000, authorization must be obtained from the respective Division Director and Executive Director. Payment will be initiated as in paragraph 4, above, with the Disbursement Request or Purchase Requisition signed by the department head and countersigned by the Executive Director.

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Gaming Emergency Purchases

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Gaming Emergency Purchases

Policy:

Emergency Purchases are those requiring immediate action as the result of unforeseen circumstances. “Emergency” is defined as:

A threat to the safety, health, or welfare of students, staff or the public.

The Purchasing Director, or designee may make or authorize other to make emergency procurement of equipment, goods or services. This will only be in the instances of a true emergency where there exists a threat to the safety, health or welfare of students, staff or public. In such instances, price competition is less important than a quick and safe resolution to the emergency, and the normal quotation process may be waived. Full back-up materials and justifications must be provided to the Purchasing Director as soon as possible to substantiate the purchase, and this information will be made a part of the file.

Note:

- a. A department’s failure to plan, does NOT constitute an emergency.
- b. It is required, to notify the Executive Director and/or Gaming Controller of any/all emergencies that arise at the gaming facilities, irregardless of the circumstances.

Procedure:

1. All purchase of materials and/or services must be made in accordance of LLBO purchasing policy, with the exception of documented emergency acquisitions approved by the Executive Director and/or the Gaming Controller.
2. During normal business hours, purchases of materials and/or services must be accomplished through and with prior approval of LLBO Purchasing Department, whether the purchase is a standard purchase, sole source, or deemed a public emergency.
3. For emergencies occurring during normal business hours, the requisition, complete with necessary approvals and the written justification/documentation on the nature of the emergency, must be sent directly to the Purchasing Department for addition into the file. These approval limits are as follows, and;

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- a. The estimated amount of the expenditure is less than \$1,000, authorizations must be obtained from the General Manager, Shift Manager, or Departmental Manager and approved by the Purchasing/Procurement staff.
 - b. The estimated amount of the expenditure is greater than \$1,000, authorization must be obtained for the General Manager, and/or Shift Manager and approved by the Executive Director and/or Gaming Controller.
4. For emergencies occurring outside of normal business hours, on holidays, and/or weekends, there shall be proper notification made to management, as identified in note above. All documentation must be submitted to the Purchasing Department for addition into the file the next business workday. The approval limits are as follows, and;
- a. The estimated amount of the expenditure is less than \$2,500, authorization must be obtained from the General Manager, Shift Manager, or Departmental Manager and approved by the Purchasing/Procurement staff.
 - b. The estimated amount of the expenditure is greater than \$2,500, authorization must be obtained from the General Manager and/or Shift Manager and approved by the Executive Director and/or Gaming Controller.

Determining Independent Contractors

Purpose:

The primary purpose of this Policy and Procedure statement is to guide the Leech Lake Band of Ojibwe in three areas:

1. To properly classify employees, consultants and independent contractors
2. To properly establish, maintain and execute consulting arrangements with non-LLBO individuals/organizations
3. To properly establish and execute employee consulting arrangements

The responsibility of the Controller and Secretary/Treasurer is to review and make the final determination of Independent Contractor status.

Policy:

An individual is considered an employee when the division or department for which services are performed has the authority to control and direct the individual who performs the service. This includes the results to be accomplished as well as the detail and means by which they are to be accomplished. The employer does not have to actually direct the manner in which the services are provided; having the right to do so is sufficient. Employee status is also characterized by the furnishing of equipment or supplies, providing a place to work and having the authority to discharge. Regularity, continuity and exclusivity also help to determine whether the relationship is that of an Independent Contractor or employee.

The IRS defines an Independent Contractor or Consultant as someone who provides professional advice or services. Generally, they are individuals who are in business for themselves, offer services to the public and have an investment in facilities. An Independent Contractor may be subject to the control or direction of another individual with respect to work objective, but not with respect to the means of and methods for accomplishing these objectives.

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Receipt of Services Performed

Policy:

Services that are received will also be inspected or reviewed by the user division to determine that the work was done in accordance with the specifications on the Purchase Order or Contract.

Procedure:

Complete a “Progress Payment Approval Form” or “Certification of Completion Form” and forward with invoice to the Purchasing Department.

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Indian Preference

Policy:

Indian owned businesses shall have the maximum practicable opportunity to participate in supplying goods and services to meet our purchase needs in a manner consistent with the efficient performance of contracts and in accordance with applicable Tribal and Federal Laws. The Leech Lake Band of Ojibwe shall, to the greatest extent feasible, provide preference to Indian- owned economic enterprises and Indian organizations and shall, to the extent feasible, maintain and/or refer to lists of qualified Indian supply sources on file with the Purchasing Department.

Indian Preference:

The following information must be submitted to the Leech Lake Band of Ojibwe for consideration of eligibility for Indian Preference:

1. Evidence showing the full extent of Indian ownership, control, and interest.
2. Evidence of structure, management and financing affecting the Indian character of the enterprise.
3. Evidence that the vendor has the technical, administrative, and financial capability to perform contract work of the size and type involved.
4. Completion of certification of the "LLBO Application for Certification as an Indian Preference Firm" (see Sec.#122.B)
5. If a construction contract is in excess of \$25,000 or more, the contractor must agree to abide by the Leech Lake Band of Ojibwe Tribal Employment Rights Ordinance (see sec.#).
6. Refer to Sec. # 204.H for vendor qualifications.
7. Conflict of Interest Statement as required. Disclosure may not disqualify firm/person from consideration.

Indian Preference Allowance:

Allowances for Indian Preference shall be administered in the following manner with regard to procurements, if the bid is no more than “X” higher than the total bid price of the lowest responsive and responsible bid from qualified bidders:

Table I Schedule of Indian Preference Allowance	
Bid Parameter	Allowance
	“X” = the lesser of-
When the lowest responsive bid is less than \$100,000	10% of bid or \$9,000
When the lowest responsive and responsible bid is:	
At least \$100,000, but less than \$200,000	9% of that bid or \$16,000
At least \$200,000, but less than \$300,000	8% of that bid or \$21,000
At least \$300,000, but less than \$400,000	7% of that bid or \$24,000
At least \$400,000, but less than \$500,000	6% of that bid or \$25,000
At least \$500,000, but less than \$1 million	5% of that bid or \$40,000
At least \$1 million, but less than \$2 million	4% of that bid or \$60,000
At least \$2 million, but less than \$4 million	3% of that bid or \$80,000
At least \$4 million, but less than \$7 million	2% of that bid or \$105,000
At least \$7 million or more	1% of that bid, with no dollar limit.

Indian Preference for sealed bids or competitive proposals shall be awarded to the qualified Indian-owned economic enterprise or organization as follows:

Sealed Bid Guidelines:

Restricting Solicitations, the invitation may be restricted to qualified Indian-owned economic enterprises and Indian organizations if the Leech Lake Band of Ojibwe has a reasonable expectation of receiving the required minimum number of bids from them (see below). The Leech Lake Band of Ojibwe shall solicit bids

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from non-Indian as well as Indian-owned economic enterprises or organizations or organizations if the Leech Lake Band of Ojibwe decides not to restrict the solicitation; or an insufficient number of qualified Indian-owned economic enterprises or organizations submit bids in response to a solicitation; or a single bid is not accepted.

Restricted Solicitations:

If the solicitation is restricted to Indian-owned economic enterprises and organizations, and two or more (or a greater number determined by the Leech Lake Band of Ojibwe as stated in the invitation) qualified Indian-owned economic enterprises or organizations submit responsive and responsible bids, award shall be made to the qualified enterprise or organization with the lowest responsive and responsible bid. If equal low bids are received, award shall be made by drawing lots or a similar random method. If fewer than the minimum number of qualified Indian-owned economic enterprises or organizations submit responsive and responsible bids, all bids shall be rejected, and the Leech Lake Band of Ojibwe shall cancel the solicitation and re-solicit, inviting bids from non-Indian as well as Indian-owned economic enterprises or organizations. The Leech Lake Band of Ojibwe may accept a single bid received from a responsive and responsible bidder, subject to Federal grantor approval, in unusual circumstances, such as if the Leech Lake Band of Ojibwe determines that, based on a cost or price analysis, the bid price is fair and reasonable, or Leech Lake Band of Ojibwe determines that the process of re-soliciting would subject the project to higher costs, or unexpectable delays.

Unrestricted Solicitations:

If the solicitation is not restricted to Indian-owned economic enterprises and organizations, award shall be made to the qualified Indian-owned economic enterprise or organization with the lowest responsive and responsible bid, if the bid is within the maximum total contract price established for the specific project, and the bid is within the specified range of the Allowance Table. If equal low bids are received from qualified Indian-owned economic enterprises or organization, award shall be made by drawing lots or a similar random method. If no responsive and responsible bid by a qualified Indian-owned economic enterprise or organization is within this range, award shall be made to the lowest responsive and responsible bidder.

Competitive Proposal Guidelines:

Generally the Leech Lake Band of Ojibwe shall invite or otherwise solicit Indian-owned economic enterprises and Indian organizations to submit a statement of

intent to respond to a Request for Proposals (RFP) limited to Indian-owned firms. If responses are received from more than one qualified Indian firm, Leech Lake Band of Ojibwe shall restrict the RFP to qualified Indian-owned economic enterprises and Indian organizations. If the solicitation results in fewer than two responses from qualified Indian firms submitting a statement of intent or proposal to perform the contract at a reasonable cost, then the Leech Lake Band of Ojibwe shall have the option to re-advertise the solicitation. A mechanism for fairly and thoroughly evaluating the technical and price proposals shall be established before the solicitation is issued. Proposals shall be handled so as to prevent the disclosure of the number of offerors, identity of the offerors, and the contents of their proposals.

Evaluation of Factors:

The RFP shall clearly identify the relative importance of price and other evaluation factors and sub-factors, including the weight given to each technical factor and sub-factor.

Negotiations:

Situations where negotiations are deemed necessary, they shall be conducted with offerors who submit proposals determined to have a reasonable chance of being selected for award, based on evaluation against the technical and price factors as specified in the RFP. Such offerors shall be accorded fair and equal treatment with respect of any opportunity for negotiation and revision of proposals. The purpose of negotiations shall be to seek clarification with regard to and to advise offerors of the deficiencies in both the technical and price aspects of their proposals so as to assure full understanding of and conformance to the solicitation requirements. No offeror shall be provided information about any other offeror's proposal, and no offeror shall be assisted in bringing its proposal up to the level of any other proposal. Offerors shall not be directed to reduce their proposed prices to specific amounts in order to be considered for award. A common deadline shall be established for receipt of proposal revisions based on negotiations.

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Award:

After evaluation of proposed revisions, if any, the contract shall be awarded to the responsive and responsible firm whose qualifications, price and other factors considered, are the most advantageous to the Leech Lake Band of Ojibwe, provided that the price is within the maximum total contract price established for the specific property or activity. For solicitations restricted to qualified Indian-owned economic enterprises or Indian organizations, if two entities submit acceptable proposals, award shall be made to the qualified Indian-owned economic enterprises or Indian organizations with the best proposal, provided that the price is within the maximum total price established for the specific property or activity. If fewer than two of Indian-owned economic enterprises or Indian organizations submit acceptable proposals, Leech Lake Band of Ojibwe may accept the sole proposal received, subject to Federal grantor approval, in unusual circumstances, such as when Leech Lake Band of Ojibwe determines that the delays caused by re-soliciting would cause higher costs, or where Leech Lake Band of Ojibwe determines that the acquisition is that of an emergency nature and the proposal has a fair and reasonable price.

Architect/Engineer Services:

Architect/Engineer services in excess of the small purchase limitation may be obtained by either the competitive proposals method or qualifications-based selection procedures. Sealed bidding shall not be used to obtain architect/engineer services. Under qualifications-based selection procedures, competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. These procedures shall not be used to purchase other types of services even though architect/engineer firms are potential sources.

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Contract Review Board

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Contract Review Board

Policy:

The purpose of this policy is to inform all divisions within the Leech Lake Band of Ojibwe of the standard operating procedures of the Leech Lake Band of Ojibwe Contract Review Board. Ten (10) working days shall be allowed for the review process from the date of receipt by the CRB.

Scope of Review:

The CRB shall review actions outlined in these procedures to ensure that the proposed acquisition, when properly executed, will:

1. Comply with established Leech Lake Band of Ojibwe policies, procedure and regulations;
2. Reflect sound business judgment;
3. Comply with all applicable Tribal, Federal and State Laws;
4. Be in the best interest of the Leech Lake Band of Ojibwe.

Actions to be reviewed:

The following actions shall be reviewed by the CRB:

1. All proposed contracts;
2. All proposed contract terminations for convenience or terminations for default;
3. All contract modifications.

Board Membership:

The CRB shall be consisted of four (4) individuals representing the following departments:

1. Controller's office
2. Purchasing
3. Legal
4. Risk and Insurance Management

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Review Board Process:

Request for CRB Meeting: The requesting Division shall provide “Contract Review Board Request Form” along with the “Independent Contractor Worksheet”, “Independent Contract Award Summary”, “Employee-Vendor Conflict of Interest Disclosure Form” (if applicable), “Independent Contractor Agreement”, “Requisition”, and required file documentation to Purchasing. Original and three (3) copies of the document(s) shall be provided for review.

Scheduling:

The CRB shall meet at least on a bi-weekly basis. Upon receipt of a CRB Request Form and all required documentation, purchasing shall schedule the CRB meeting, identify time and place, notify all participants and distribute copies of the documentation to be reviewed. Purchasing shall maintain a file of CRB actions, findings, minutes and comments.

Meeting Preparations:

Each CRB member shall ensure that a qualified replacement is provided if they are unable to attend; thoroughly review the documents prior to the meeting making written notes of concerns and other questionable items and provide comments, suggestions, and recommendations, as appropriate, to improve the document and bring it into compliance with established policy, procedure and regulation. Purchasing shall call and conduct the meeting of the CRB.

Conduct of Meeting:

CRB members shall discuss the action under review including any questions or problems identified by individual members. The Requestor may be present to explain or clarify any issues. Recommendations shall be provided along with approval/disapproval of the reviewed action. The CRB decision must be unanimous

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Minor Changes:

Minor changes involving grammar or typing mistakes may be corrected and the action may be released without further CRB review.

Major Changes:

Major changes shall result in the action being *disapproved* by the CRB and sent back to the requisitioner for revision or correction. Examples of major changes include non-compliance with regulatory requirements, substantial deficiencies in the solicitation document, or an unsupported award recommendation. Changes that are major in nature will require a subsequent review.

Re-Submissions:

If, at the completion of the CRB review, it is concluded that the solicitation/contract must be revised before it can be released, the CRB shall disapprove the release and recommend appropriate changes to the requisitioner. The requisitioner may revise the action, as appropriate, and request a subsequent review. At the time the document is re-submitted, the new request shall be identified as a *Re-submission* in large letters at the top of the "CRB Request Form" and the cause of the earlier rejection should be appended to the form to expedite the second review.

Documentation of Findings:

The approval, disapproval or conditional approval of the document by the CRB shall be reflected on the Contract Review Form under ***Review Board Findings***. Each CRB member shall affix his or her signature and date to denote approval and concurrence with the decision.

When the CRB disapproves an action in the CRB Review Form shall identify those findings of specific elements, which did not comply with established acquisition policy, procedure or regulation. The findings shall be attached to the Contract Review Form. Other CRB recommendations may be appended thereto, as necessary.

Conditional approval shall be granted by checking the appropriate block, signature by participating reviewers, and identifying all conditions, in writing,

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which must be completed before the action is released. The requisitioner shall comply with the CRB recommendations and make the required revisions. No further CRB review will be required prior to release.

The *minutes* of each CRB shall be the findings and documentation contained in or accompanying the Contract Review Form and any written CRB member comments on the action be reviewed. Each CRB member shall note, in writing, any questions, problems, irregularities deficiencies and omissions in the documentation identified during their review of the action. Purchasing is responsible for recording the minutes.

These findings will be discussed and resolved or result in a finding of disapproval or conditional approval. The resolved and unresolved issues which the CRB requires to be addressed by the requisitioner shall be documented, in writing, by the Purchasing representative.

Any restrictions or limitations placed upon the action under review by the CRB shall be indicated on the CRB record. The reasons for disapproval of any action shall be entered on the Contract Review Form and returned to the requisitioner for action and re-submission. Each re-submission will require a new record. A copy of the completed CRB approval form shall be retained in Purchasing. The original shall be placed in the contract file.

Effective Date:

The procedure outlined herein supersedes all previous procedures and becomes effective upon issuance and will be followed until revised or canceled.

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Changes and Additions

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Changes and Additions

Policy:

Additions, deletions and modifications to policies and procedures will be necessary from time to time to maintain consistency in practice and changes in applicable regulations upon which the policies and procedures are based. The Leech Lake Band of Ojibwe Tribal Council must approve any and all Policy and Procedure changes. All divisions/programs are encouraged to submit suggestions for changes in Policies and Procedures.

Procedure:

Any Tribal employee involved in the procurement process may submit requests for changes to the Purchasing Policy and Procedures. Such recommendations should be prepared in draft form referencing the current Policy and Procedure or indicating the areas being considered and be submitted to the Purchasing Director. These suggestions will be reviewed by those individuals responsible (Risk and Assessment Committee) for changes and updates to the policies and revisions made where applicable.

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Requisition Processing

Subject: Purchasing Documents and Procedures

Number: 130.C

Issued:

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Requisition Processing

Policy:

The requests for purchase of supplies, equipment or services are submitted on a Purchase Requisition. The Purchase Requisition must contain specific information about the item/service(s) required, including funding source, account number, price, justification of need and authorizing signature(s). The Purchase Requisition is LLBO internal use only.

Procedure:

Before any item can be entered into the Leech Lake Band of Ojibwe Purchase Order system, a Purchase Requisition Form must be completed, approved and signed by an authorized employee. (APPENDIX A)

The Purchase Requisition Form must include:

1. **Date:** Enter the current day's date MM-DD-YY
2. **Contract:** Indicate whether there is a contract in place for vendor, attach contract if applicable
3. **Blanket Purchase Order:** Indicate if this is a request for a Blanket Purchase Order. (list items to be purchased or commodity type, and list-authorized signatures in "Description" area, attach additional sheet(s) if necessary.)
4. **Dates to be covered by Blanket P.O.:** List dates P.O. is valid
5. **Requisitioner:** Enter the requisitioner's author, department, telephone number and fax number
6. **Date Required:** Enter the date required MM-DD-YY. DO NOT enter ASAP.
7. **Suggested Vendor(s):** Enter suggested vendor(s) name and attach additional sheets if required
8. **Address:** Enter vendor's address, telephone and fax numbers
9. **Item number:** Enter the vendor item number (Product name) if applicable
10. **Account number:** Enter the budget account number. Incomplete or inaccurate account number will necessitate returning the form for clarification and may cause delay in issuing the purchase order
11. **QTY:** Enter the item quantity requested
12. **AMT:** Enter the amount for each item
13. **Description:** Enter description of item/service to be purchases
14. **Total:** Enter the amount of each item (1x2)

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- 15. TOTAL:** Enter **TOTAL** amount of order
- 16. Fax order to Vendor:** Indicate whether the P.O. is to be faxed to the Vendor
- 17. Prepayment Check with Order?:** Indicate if prepayment is required and attach supporting documentation
- 18. Justification:** Enter the narrative justification supporting the acquisition
- 19. Attachments:** Indicate any attachments that accompany requisition, **ATTACH ALL QUOTES RECEIVED PERTAINING TO THIS ACQUISITION**
- 20. Requisitioner:** The signature of the requisition author is required here
- 21. Authorizing Signatures:** If an approved detailed budget is in place. See Purchasing Authority (Sec.113.B)

IMPORTANT:

ALL REQUISITIONS REQUIRE COMPLIANCE WITH PURCHASING POLICIES AND MAY INVOLVE THE RFQ, RFP OR IFB PROCESS. PLEASE CALL THE PURCHASING DEPARTMENT IF ASSISTANCE IS NEEDED.

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Specifications

Subject: Purchasing Documents and Procedures

Number: 131.C

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Specifications

Policy:

Specifications for the procurement of goods or services shall be written by the Requisitioning Division (with the assistance of the Purchasing Department, if necessary). These specifications shall be written in order to insure satisfaction with the product or service, yet general enough to insure competition. Brand name or equal specifications may be utilized when Purchasing determines that the use of brand name or equal specifications is advantageous to the Leech Lake Band of Ojibwe and:

1. No existing specifications are available
2. Time does not permit the preparation of specifications
3. The nature of the product make the use of brand name or equal specification suitable for procurement
4. A brand name or equal specification shall include a description of the particular design, function, or performance characteristics that are required, unless the Purchasing Department determines that the brand names in the specifications are commonly known

If a consultant is used to develop specifications, the consultant shall provide to the Leech Lake Band of Ojibwe a general statement to be included in their recommendations that reads as follows: “ No direct or indirect benefit is to be realized by (the consultant) from the Leech Lake Band of Ojibwe using these specifications or awarding a bid based upon them.”

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Source Selection

Subject: Purchasing Documents and Procedures

Number: 132.C

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Source Selection

Policy:

Internal Sources: All procurement should look first to other Leech Lake Band of Ojibwe Divisions and Operations as our first source of supply.

Preferred Vendors: Indian and Minority Business Enterprises. All procurement, regardless of dollar value, must be conducted in a manner, which provides, to the maximum extent practical, open and free competition among preferred suppliers.

Procedure:

The Purchasing Department maintains a list of vendors by category. This list is updated with vendor names, addresses, telephone numbers, and categories on an on-going basis. The use of Preferred Vendors shall be considered in all procurement activities. This list is utilized to notify vendors of Requests for Proposals and Invitations for Bid on various goods and services.

Prospective vendors request to be added to the bid list by returning a Completed Vendor Registration form to the Purchasing Department. The form outlines the company name, address and telephone number, as well as the categories of service of products that they have to offer. Removal of a vendor from the bid list may be for failure to respond to more than three consecutive notices to bid, for failure to perform after an award of a bid, or for other reasons that show the bidder to be a non-responsive or non-responsible bidder. The removal of a bidder from the bid list will only be after review and approval by the Purchasing Director. In those categories in which there are no vendors on the bid list or a very limited number, the buyer shall be responsible for researching and creating a list of potential sources. The requisitioner, consultants, directories of suppliers and trade journals and publications are some of the sources available to provide this information.

Unauthorized Vendors: The Leech Lake Band of Ojibwe will contract only with individuals, businesses, etc., that have not been debarred, suspended or declared ineligible from doing business with Tribal, Federal, State and Local governments.

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Collusion and Price Fixing: In the process of securing quotations, proposals or bids, if some form of collusion appears the Purchasing Department shall protect the Leech Lake Band of Ojibwe. If a form of price rigging is suspected, the factual circumstances shall be referred to Law Enforcement for investigation.

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Purchasing Documents

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Purchasing Documents

Policy:

The Purchase Order is a legal and binding agreement.

The *Purchase Order (PO)* is a contract issued by Purchasing and has the signature of an authorized employee of the Purchasing Department.

The *Purchase Requisition form* is the internal document used by the requisitioner to authorize a Purchase Order. The necessary information is provided on the form by the requisitioner to enable the Purchasing Department to generate a PO. The Requisition form is not to be used to place orders. Departments shall complete a purchase requisition and submit to purchasing allowing adequate time for processing and delivery.

The *Disbursement Voucher* is used to request a check. Disbursement Vouchers may be used for the following:

1. Reimbursements, receipt(s) must be attached. Taxes are not reimbursable.
2. Magazine subscriptions where payment is required in advance.
3. Conference Registration where payment is required in advance, (a copy of the approved Travel Advance must be attached).
4. Honorarium requests.

Departments shall complete a disbursement voucher with attached supporting documentation and submit to Accounts Payable according to the A/P Processing schedule. A disbursement voucher will not suffice when a PO should be used.

Remember: Requisitions generate Purchase Orders and Disbursement Vouchers generate checks.

A Requisition shall include; a complete description, part number and/or catalog reference, quantities and correct prices, quantity price, extensions and a requisition grand total. A preferred vendor(s) is also permitted. The budget account number to be charged must also be included. All of the above should be present on the requisition before it is presented for approval. Refer to Requisition Processing Section for complete details.

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Types of Purchase Orders

Subject: Purchasing Documents and Procedures

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Types of Purchase Orders

Policy:

Purchase orders are written agreements issued to a vendor for the purchase of goods and/or services. Once a purchase order has been issued, no additions or substitutions can be made. A new purchase order must be requested to accommodate these changes.

Procedure:

The Purchase Order may spell out terms, conditions, and delivery information and other contract information, including pricing or discounts from published lists for a specific period of time. A “Not to Exceed” amount and “Valid from (date to date)” is listed on the Blanket Purchase Order and Open to Buy Purchase Order documents as a method of monitoring and control. Additional controls relative to maximum one-time purchases or single item costs may also be included.

Standard Purchase Orders are one-time commitments to vendors for the purchase of goods or services. The purchase order conveys information such as quantity, description and price of the goods or services ordered and payment terms.

Blanket Purchase Orders are used to serve the needs of the requisitioner and to reduce paperwork on items bought repetitively. They may be used for commodity type purchases such as, maintenance supplies, food, utilities or routine maintenance repair and services. If the number of items, such as repair parts or food products is too lengthy to list, a group or class of commodities can be named on the Blanket Purchase Order. No equipment or items requiring Asset tagging are permitted. The amount of competition needed on a Blanket Purchase Order varies according to aggregate cost, commodity, service and/or delivery as well as location of the supplier to the requisitioner. A decision as to the level of competition needed shall be made by the buyer in consultation with the Purchasing Director.

Open to buy Purchase Order may be used only for the purchase of items required for the immediate completion of a project in process (for example: repairs), and should be limited to items of supplies and repairs that, because of their nature, take on the connotation of being an emergency. Under no circumstances is this type of purchase to be used for the purchase of equipment, sensitive items or routine purchases where a standard Purchase Order can be placed. Only one Open to buy Purchase Order will be issued per vendor per

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budget line item, it may not exceed \$100.00 and will be valid from date of issue not to exceed 30 days. These orders must be closed out and reconciled before a new order will be issued.

Requests for Blanket and Open to buy Purchase Orders must include the following information:

1. Authorized signatures, Purchases made by unauthorized persons shall become the liability of the individual who initiated them and will not be paid by Tribal funds.
2. Not to exceed amount.
3. Expiration Date.

Responsibilities of the Division/Department:

The requestor is responsible for:

1. Reviewing the Purchase Order when it is delivered and notifying the Purchasing Office of any errors or changes.
2. Keeping track of goods ordered, remaining dollar balances of BPO's and returning of defective merchandise.
3. Checking shipment for hidden damage upon receipt of delivery from Central Receiving and/or vendor and reporting any damage or shortages to the Purchasing Department and Delivery agent at that time. (See sec.# 120.B)
4. Verifying receipt of ordered equipment, material, commodities or services by submitting a signed receiving report to Accounts Payable.

Strict adherence to the dates set forth on the Purchase Order along with the monitoring of the unused portion shall be the sole responsibility of the Division/Department initiating the requisition.

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Terms and Conditions

Subject: Purchasing Documents and Procedures

Number: 135.C

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Terms and Conditions

Policy:

The Terms and Conditions of the Purchase Order are to give the Leech Lake Band of Ojibwe legal protection in all procurement actions. (*See sample 110A* for the Terms and Conditions document.)

Procedure:

Any time a supplier presents their terms and conditions as part of a sale, an authorized Purchasing Staff member is required to negotiate any conflicts that may exist between the suppliers terms and conditions and the Leech Lake Band of Ojibwe terms and conditions. Legal Counsel will be asked for assistance as required. An authorized Purchasing staff member must approve the Suppliers Terms and Conditions if they are to become part of the procurement action.

LEECH LAKE BAND OF OJIBWE TERMS AND CONDITIONS OF PURCHASE ORDER

CONTRACT OF SALE - This is an offer by the Leech Lake Band of Ojibwe acting through its Office for Purchasing Services (hereinafter called "Leech Lake"), to the Vendor to form a contract of sale. In making this offer, Leech Lake expressly limits the acceptance of said offer by Vendor to the following terms and conditions and the terms and conditions and other provisions set forth on the face of this Purchase Order. Leech Lake does not accept any prior offers from Vendors relating to the materials or services named herein which may be contained in Vendors quotations, correspondence, specifications or discussions. The entire agreement between Leech Lake and Vendor relating to the purchase and sale of the materials or services described on the face hereof is expressly set forth in this Purchase Order offer, and no modification or addition to this Purchase Order shall be of any force or effect unless it is in writing and signed by a authorized purchasing agent of Leech Lake, and no modification of or addition to this Purchase Order shall be effected by any failure of either party to reject any form of acknowledgment or Purchase Order containing different or additional provision. Acceptance by Vendor of this offer by Leech Lake may be signified by Vendor's transmittal and Leech Lake's receipt of the attached acknowledgment copy of this Purchase Order, signed by an authorized representative of Vendor, or by commencement of performance hereunder. The failure of either party to enforce any rights shall not constitute a waiver of such right or any other rights under this Purchase Order.

1. SPECIFICATIONS: As used herein, the word "Specifications" shall mean the specification, qualities, nature, type properties, amounts, assortments and other descriptions of and requirements for the materials, articles and/or services (hereinafter called "Merchandise") as stated on the front of this Purchase Order and in the Request for Quotation (if any) pursuant to which this Purchase Order is issued.

2. INSPECTION AND ACCEPTANCE: All Merchandise shall be received subject to the right of inspection and rejection by Leech Lake. Merchandise which is defective or not in accordance with the Specification will be held for thirty days for the Vendor's instruction at Vendor's risk and expense; and if Vendor so directs will be returned at Vendor's expense, or to treat it in any manner consistent with law. Payment for Merchandise by Leech Lake prior to inspection shall not constitute acceptance thereof and is without prejudice to any and all claims which Leech Lake may have against Vendor.

3. CANCELLATION FOR NON-PERFORMANCE: If Vendor fails to supply the Merchandise as specified or fails to conform to these Terms and Conditions, Leech Lake reserves the right; addition to other remedies) (a) to purchase the Merchandise from another source and (b) to cancel this Purchase Order with respect to merchandise not shipped.

4. FORCE MAJEURE: This Purchase Order is subject to cancellation or changes on written notice to the Vendor in the event of causes beyond Leech Lake's reasonable control, including without limitation acts of God or war, fires, earthquakes, floods, strikes, labor troubles, riots, curtailment or operation due to governmental orders or rulings, and the like,

5. CANCELLATION FOR CHANGES FOR CONVENIENCE: For its convenience, Leech Lake may cancel this Purchase Order in whole or in part or may change the Specification or other terms and conditions dealing with quantities, shipment procedures or times or places of performance, by notice in writing to the Vendor specifying the date upon which such cancellation or change shall become effective and the extent to which such performance hereunder shall be canceled or changed. Leech Lake and Vendor shall act in good faith to attempt to agree upon such lump sum or other compensatory financial agreement, in lieu of the price or prices elsewhere specified in this Purchase Order as the parties mutually agree is fair and equitable under the circumstances; such agreement shall be subject to the written approval of any governmental authority concerned with this Purchase Order or the Merchandise.

6. CANCELLATION FOR CONFLICT OF INTEREST: This order is subject to cancellation if there is found to be a CONFLICT OF INTEREST between a Leech Lake employee and Vendor. A CONFLICT OF INTEREST is deemed present for many reasons, including, but not limited to: (1) a Leech Lake employee and/or his or her spouse or un-emancipated and/or minor children own 10% or more of the assets of an unincorporated organization or 10% or more of outstanding stock of a corporation; (2) an employee receiving any personal financial advantage or compensation with any transaction in which Leech Lake might have an interest.

7. SHIPPING AND ROUTING: Shipping Terms are F.O.B. Leech Lake Band of Ojibwe unless otherwise stated on the face of the Purchase Order. Leech Lake reserves the right to specify a specific delivery location. Any shipments delivered to another location than specified will be the responsibility of the Vendor to have redelivered to the specific location or reimburse Leech Lake for any charges in moving the merchandise to the specific location. All Merchandise must be forwarded by the route taking lowest reasonable transportation rate in accordance with any special shipping instructions. Otherwise the difference in freight rate and extra cost of transportation will be Vendor's.

8. EXTRA CHARGES: No additional charges of any kind, including charges for boxing, packing, transportation or other extra will be allowed unless specifically agreed to in writing by authorized Purchasing Staff of Leech Lake.

9. PATENTS, COPYRIGHTS AND TRADEMARKS: Vendor warrants that the Merchandise does not infringe or violate any letters, patents, copyrights, trademarks or the like, and does not unlawfully disclose or make use of any trade secrets and covenants and agrees to hold harmless, defend and indemnify Leech Lake, and its agents, employees, successors, assigns, customers and users, against any all claims, demands or suits and related damages, liabilities, costs and expenses (including attorney's fees) arising out of any infringement or violation or unlawful use or disclosure of trade secrets. Vendor shall promptly report to Leech Lake, in reasonable written detail, each notice or claim of infringement of patent, copyright, trademark or trade secret, related Order or the Merchandise. Vendor shall promptly furnish to Leech Lake at its request all evidence and information in the possession or control of Vendor pertaining to such suit or claim. Such evidence and information shall be furnished at the expense of the Vendor. Vendor's obligations hereunder shall survive acceptance of the Merchandise and payment therefore by Leech Lake.

10. WARRANTIES; NON-WAIVER; SET-OFF: Vendor expressly warrants all Merchandise is in accordance with the Specification; is fit for the purpose for which similar materials and article are ordinarily employed, free from defects in materials and/or workmanship, and merchantable, and was not manufactured and is not being priced or sold in violations of any Federal, State or Local Law, including without limitation those relating to health and safety. Such to set-off any amount owing from the Vendor to Leech Lake against any amount owing from Leech Lake to the Vendor.

11. APPLICABLE LAW: The Leech Lake Band of Ojibwe is a sovereign nation and nothing in this contract is a waiver of the Band's sovereign immunity. The parties recognized that from time to time during the effectiveness of this agreement, disagreements may arise over interpretation of either or both parties' responsibilities. In the event disagreements do arise, the parties to this agreement will attempt to informally and amicably resolve the dispute. In the event such informal dispute resolution processes are not successful, both parties to this agreement consent to suit in the Tribal Court of the Leech Lake Band of Ojibwe. The court will utilize the Uniform Commercial Code, as it presently codified under Minnesota Statute Sections 336.1-101 et seq., and, to the extent applicable, Tribal law first, federal law second, and state law third.

12. INDEMNIFICATION: Vendor agrees to hold harmless, defend and indemnify Leech Lake against any and all claims, demands or suits by any persons and against related damages, liabilities, costs and expenses (including attorney's fees), which may arise out of this Purchase Order or the use, possession or ownership of the Merchandise related thereto, caused or contributed to by either: (a) the actions or omissions (whether or not negligent) by the Vendor or Vendor's agents or subcontractors including without limitation such acts or omissions to act, incident to the presence of the Vendor, its agents, and subcontractors upon Leech Lake premises in the course of performance under this Purchase Order; or (b) defective, unsafe or non-conforming Merchandise supplied by Vendor or Vendor's agents or subcontractors; or (c) Vendor's use and possession of Leech Lake's property as designated in Section 17 below. The term "Leech Lake" as used in this section includes Leech Lake and its agents, employees, successors, customers and users.

13. INSURANCE: Vendor will carry insurance to indemnify Leech Lake against any claims for loss, damages or injury to property or persons arising out of the performance by Vendor or its employees, agents or subcontractors under this Purchase Order and use, misuse or failure of any equipment or Merchandise used by the Vendor or its employees or agents, and shall provide certificates of such insurance to Leech Lake.

14. TAXES: Leech Lake is exempt from Federal Excise Tax - IRS Rev. Proc. 83-87, 1983-2 CB 606. And Minnesota State Sales and Use Tax - Section 297A.25, Subd. 11, Minnesota Sales and Use Tax Law.

15. ASSIGNMENT: The Vendor agrees that it will not assign this Purchase Order without prior written consent of Leech Lake.

16. SALE OR BANKRUPTCY OF VENDOR'S BUSINESS: If, during the life of this Purchase Order, the Vendor disposes of its business by sale, transfer, force of law or by any means to another party, all obligations are transferred to such purchaser. In the event, the new owner (s) may, in Leech Lake's absolute discretion, be required to submit a performance bond on the amount of the balance of the Purchase Order. In the event of any suspension of payment or the institution of any proceedings by or against Vendor, voluntary or involuntary, in bankruptcy or insolvency, or under the provisions of the Federal Bankruptcy Act. Or for the appointment of a receiver or trustee or an assignee for the benefit of creditors of the property of Vendor, Leech Lake shall have, in addition to the rights stated in the preceding sentences, the right to cancel this Purchase Order forthwith.

17. LEECH LAKE'S PROPERTY: All equipment or materials (including without limitation informational material) furnished by Leech Lake and all jig, fixtures, dies, tools and patterns charged by the Vendor to Leech Lake shall, unless otherwise agreed in writing, be the property of Leech Lake and shall be returned to Leech Lake at its written request. The Vendor will not use such equipment, material, jigs, tools and patterns in any business except its business with Leech Lake under this or other Purchase Orders.

18. OTHER LAWS AND REGULATIONS: Vendor shall comply with all applicable Tribal, Federal, State and Local laws and regulations. If this order is funded by the federal government, vendors are required to comply with all applicable laws.

19. BLANKET PURCHASE ORDERS: Blanket Purchase Orders are valid only for date and amounts listed. Leech Lake shall provide a list of signatures authorized to sign for merchandise/services under each agreement. Any deviations to dates, amounts or signatures, unless specified in writing, shall be considered unauthorized and invoice will not be honored.

20. COPYRIGHT OWNERSHIP: Copyright ownership rights to any works developed specifically for Leech Lake under this Purchase Order is hereby transferred and assigned to the Leech Lake Band of Ojibwe.

21. PAYMENT: Seller shall be paid after receipt of properly prepared invoice in accordance with Buyer's invoicing instruction for materials and supplies delivered to and accepted by Buyer or proper agreement upon receipt of goods or services to be paid in accordance with and according to the prices negotiated in the Purchase Order. Any adjustment in Seller's invoice due to shortages, rejection or other failure to comply with the provision of the order may be made by Buyer before payment. Discount period shall commence after the latest of final acceptance, delivery, receipt of any required documentation, or receipt of invoice. Delays in receiving invoice, errors or omission on invoice, or lack of supporting documentation required by the terms of the purchase order, will be cause for withholding settlement without losing discount privilege. **Invoices must reference Purchase Order number** and be accompanied by transportation receipt, if transportation is payable as a separate item. Invoices shall be mailed immediately after each shipment to: Leech Lake Band of Ojibwe, ATTN.: Accounts Payable- 6530 Hwy 2 NW, Cass Lake MN, 56633.

Purchasing Manual

Evaluation and Loan of Equipment

Subject: Special Circumstances

Number: 150.D

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Purchasing Department

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Evaluation and Loan of Equipment

Policy:

All equipment brought in for loan or evaluation purposes shall have prior authorization by the Requestor, Division Director and Purchasing.

Procedure:

This prior approval shall be noted by signatures in the appropriate lines, on a Requisition form clearly marked "*For Evaluation Purposes only*". In addition, the **Requisition shall also state** that "*All costs associated with the delivery, installation, evaluation and return of the equipment shall be borne by the vendor. All risk for damage and/or loss of the equipment shall also remain with the vendor.*"

The requisition shall be used to issue a Purchase Order that states the same terms as the requisition. This will be provided to the vendor prior to delivery of the equipment. Loan or evaluation of equipment should in no manner constitute a preference for that equipment or imply that it will result in an order for the purchase. Purchasing has the responsibility to subject the purchase of all equipment to a competitive process as well as to negotiate all terms and conditions, price, warranty and service with the vendor.

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Gaming Evaluation and Loan of Equipment

Subject: Special Circumstances

Number: 151.D

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Gaming Evaluation and Loan of Equipment

Policy:

All equipment and/or displays provided by suppliers/vendors for loan and/or evaluation purposes must be authorized by the requesting Departmental Manager, General Manager and approved by the Executive Director and/or Gaming Controller, prior to a purchase order being issued by the Purchasing Department.

Procedure:

This policy is specifically established to ensure that any equipment and/or displays brought into a gaming facility is done so for business reason. In addition to the specific requisition, the requesting Departmental Manager should have the following information attached to the requisition for review, and the requisition should clearly state "For Evaluation Purposes only".

1. Documentation about the supplier and that any equipment/display to be evaluated, as well as the specific goal of the trial. Within this documentation, the Departmental Manager should note other vendors/suppliers and their equipment/display considered, and outline the justification for his/her decision. Whenever possible, due diligence of open competition should be a part of the purchasing process and equipment/display evaluations.
2. A project plan, outlining the delivery and/or installation dates, as well as all anticipated costs associated with this equipment/display. The different types of expenses could include: delivery charges, consulting and/or training expenses associated with the evaluation start-up, monthly operating expenses, and/or expenses associated with the removal of the equipment/display from the facility. It is the purpose of an evaluation for Leech Lake Gaming to avoid these types of expenses, while the vendor/supplier gets the opportunity to showcase their product in a live environment. Consequently, the majority of the expenses above should be borne by the vendor/supplier during the evaluation period. The plan must also state if Leech Lake Gaming is responsible for providing insurance coverage on the equipment/display, or if the supplier will bear this responsibility, a copy of their insurance certificate should also be attached.
3. The project plan needs to specify, in addition to itemized costs, who will bear the cost of each item (Leech Lake Gaming or supplier/vendor), it should also specify the duration for the evaluation period, the goals for the evaluation and the criteria for assessing if the trial results are positive or negative.

Purchasing Manual

Gaming Evaluation and Loan of Equipment

Subject: Special Circumstances

Number: 151.D

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4. The Purchasing Department, upon receipt of all required documentation, will issue a purchase order for the anticipated costs associated with the evaluation, and this purchase order should also clearly state that it is “For Evaluation Purposes only”.
5. At the conclusion of the evaluation period, the results of the evaluation, as they relate to the original goals described above, shall be documented. If applicable, a formal requisition be submitted via the regular purchasing procedure (see Sec.# 112.B), with the evaluation results attached.
6. As business research (due diligence), a project plan, and evaluation criteria, must be performed and submitted by the requesting Departmental Manager prior to the equipment/display being initially evaluated onsite. The results of this evaluation, along with all proper approvals, would be an allowable exemption to the bid requirements for the acquisition of this equipment/display.
7. The completed purchase order for acquisition of this equipment must have all evaluation results and approvals attached to it. Purchasing, at its discretion, may negotiate additional terms, conditions, warranty and service with the vendor.

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Purchases made with Grant Funding

Subject: Special Circumstances

Number: 152.D

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Purchases made with Grant Funding

Policy:

Purchases made with grant funding will follow all applicable guidelines as outlined in the granting agency's letter of award. For Federal grants this may include, but is not limited to the following guidelines as detailed in the OMB Circular A-102, A-87, and A-133.

Procedure:

The responsibility for advising the Purchasing Department of any grant-related purchasing restriction or requirements shall remain with the requesting department.

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Trade-in of Equipment

Subject: Special Circumstances

Number: 153.D

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Trade-in of Equipment

Policy:

The purpose of this policy is to inform all divisions within the Leech Lake Band of Ojibwe of the procedures to be followed when requesting to trade-in capital/non-capital equipment. These procedures are to be used when a department has identified the need to purchase from a vendor source and has current ownership of equipment for which the vendor has agreed to offer a trade-in allowance.

Procedure:

If the cost of the new equipment is under \$1,000 (*not LLBO tagged*), a Purchase Requisition form must be submitted indicating the cost of the new equipment, trade-in allowance offered by the vendor, and the resultant net purchase price.

If the cost of the new equipment is under \$1,000, but the cost of the existing equipment was valued in excess of \$1,000 (*LLBO tagged*), the Purchase Requisition must be submitted with information as listed above, along with a memorandum indicating the following information regarding the trade-in equipment:

1. Equipment description
2. Make/Model numbers
3. Serial numbers
4. LLBO tag number
5. Approximate date of purchase
6. Condition of equipment (e.g. good, fair, poor, or inoperable)
7. Original cost of equipment

All tribal divisions will contact the Property Department will in advance of any trade-in transactions to assure that all regulations are followed and any agency approvals are received.

Purchasing Manual

Equipment Leases

Subject: Special Circumstances

Number: 154.D

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Equipment Leases:

Purpose:

To outline the Leech Lake Band of Ojibwe policy for leasing or renting of equipment, property or other items available on a rental or lease basis.

Policy:

Lease agreements are negotiated by the Purchasing Department for the Leech Lake Band of Ojibwe. Divisions/Departments are expressly prohibited from entering into such agreements independently. The Purchasing Department is responsible for maintaining a record of all leases entered into by the Leech Lake Band of Ojibwe.

Procedure:

Equipment, which is furnished for the Leech Lake Band of Ojibwe use by outside agencies on a rental or lease basis, whether for a definite or indefinite period, will be covered by a purchase order. In the case of lease equipment, the department will clearly mark the requisition "Lease Equipment" and specify whether it is a new or renewal lease.

The "Request for Lease Approval" must be submitted to and approved by the Purchasing Department before the lease is signed. For Approval Authority see section # 111.B.

Purchasing Manual

Procurements at Auction

Subject: Special Circumstances

Number: 155.D

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Procurements at Auction

Policy:

A Leech Lake Band of Ojibwe division having knowledge of an auction may elect to participate. The Division/Program shall:

1. Survey the needed items being offered at Auction to ascertain their condition and usefulness
2. Determine a fair market value for new like items through informal quotes
3. Determine the fair market from similar items considering age and useful life
4. Estimate repair costs and delivery cost, if any, of the desired items

Using this information, the Division/Program shall determine the maximum price that it can pay for each item desired. At the Auction, the Division/Program shall not exceed the maximum price so determined.

Procedure:

Joy

Purchasing Manual

Competitive Sealed Bidding (IFB) Process

Subject: Large Purchases

Number: 170.E

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Competitive Sealed Bidding (IFB) Process

Policy:

Purchases of goods and services in the aggregated amount of \$100,000 and over may be awarded by a process of competitive sealed bidding.

Procedure:

Invitation for Bid

The Invitation for Bid shall include the following:

- Instructions and information to bidders concerning the bid submission requirements, including time and date for receipt of bids, the address of the office to which they are to be delivered and any other information.
- The purchase description, evaluation factors, delivery or performance schedule, and such inspections and acceptance requirements.
- The contractual terms and conditions, including warranty and bonding or other security requirements applicable to the procurement.

Bidding time

The bidding time is the period of time between the date of distribution of the Invitation for Bids and the time and date for receipt of bids. In each case a bidding time shall be set that affords bidders a reasonable time to prepare the bids. A minimum of 14 calendar days shall be provided unless a shorter time is deemed necessary for a particular procurement as determined by Purchasing.

Bidder Submissions

The Invitation for Bids shall provide a form or format in which the bidder shall include the bid price and in which the bidder shall sign and submit with all other necessary submissions. Telegraphic, telephone and facsimile transmissions are not acceptable for sealed bidding purposes.

Public Notice

Adequate public notice of the Invitation for Bid or notices of the availability of the Invitation for Bid shall be mailed or otherwise furnished to a sufficient number of bidders for the purpose of securing competition. Advertisement in a general publication newspaper of statewide distribution.

Bidders Lists

The Purchasing Department shall compile a list of bidders that express interest in providing products or services to the Leech Lake Band of Ojibwe. Bidders that fail to respond to Invitations for Bid on three consecutive procurements of similar items may be removed from the bidders list. Prospective bidders currently meeting criteria for inclusion on the list may be reinstated at their request. Names and addresses on the bidders list shall be available for public inspection, provided these lists are not used for private promotional commercial or marketing purposes.

Pre- Bid Conferences

Pre-bid meetings may be conducted to explain the procurement requirements. They shall be announced to all prospective bidders known to have received an Invitation for Bid. The conference shall be held long enough after the announcement has been issued to allow bidders to become familiar with the document, but sufficiently before bid opening to allow consideration of the conference results in preparing their bid. Generally the receipt of bids will be no sooner than 7 calendar days after the pre-bid conference. Any exceptions must be gained in writing and approved by the Purchasing Department. Nothing stated at the conference shall change the Invitation for Bid unless a change is made by written amendment.

Amendments to Invitations for Bid

Amendments to Invitations for Bids shall be identified as such and shall require that the bidder acknowledge receipt of all amendments issued. The amendment shall reference the part of the Invitation for Bid that it amends.

All addenda shall be identified as such and shall be sent to all bidders that have acknowledged receipt of the bid. The addendum shall require that the bidder acknowledge the receipt of the addendum. Addenda shall be issued within a reasonable amount of time for potential bidders to consider them in the preparation of their bids. If the time and date set do not permit sufficient time for bid preparation, the date and time of the bid opening shall be extended either in the addendum or by telephone, fax or telegram.

Withdrawal and Modification of Bids

A bidder may modify or withdraw its bid at any time before bid opening if the modification or withdrawal is received before the time and date set for bid opening in the location designated in the Invitation for Bid for receipt of bids. All documentation relating to a withdrawal or modification of a bid shall be kept as part of the procurement file.

Late Bids

Anything received after a Bid opening is null and void. (A bid, withdrawal of a bid, or modification of a bid is late if it is received at the designated location of the bid opening after the time and date of bid opening.) A late bid, late withdrawal of a bid, or late modification of a bid shall be rejected. Bidders submitting bids that are rejected as late shall be notified as soon as practical. All documents concerning a late bid shall be retained in the procurement file.

Receipt of Bids

Bids and bid modifications shall be received by appropriate purchasing staff, marked with the date and time of receipt and stored unopened in a secure location, until the bid opening. Bids shall be opened publicly at the time, date, and location advertised in the bid document. The name of each bidder, the bid price and other pertinent information shall be read aloud and recorded. A bid abstract shall be made available to the public for review.

Inspection of Bids

Only after formal award of the bid, shall the bids be made available for public inspection. Information deemed proprietary in nature by the bidder and approved as such by purchasing, shall not be included in the materials available for public inspection.

Mistakes and Informalities in Bids

Mistakes in bids may be corrected by modification or withdrawal as outlined in sections above, if discovered prior to the bid opening. After bid opening, a bid submitted in error of judgment, may not be corrected. A bid may be withdrawn pursuant to the following sections:

- Minor formalities in a bid may be waived if the Purchasing Director deems it advantageous to the Leech Lake Band of Ojibwe
- A bid may be withdrawn after bid opening only if the mistake is clearly evident to the Purchasing Director or if the bidder establishes evidence to the Purchasing Director's satisfaction, clearly showing a mistake was made
- Mistakes shall not be corrected after award of the bid

Any withdrawals or corrections to a bid permitted or denied after the bid opening shall have a written determination by the Purchasing Director, that is include in the procurement file.

Bid Evaluation and Award

The bid shall be awarded to the lowest responsive and responsible bidder whose bid meets, in all material respects, the requirements and criteria as defined in the Invitation for Bid. The amount of any applicable transaction privilege or use of tax is not a factor in determining the lowest bidder. A contract may not be awarded to a bidder submitting a higher quality item than designated in the bid document unless the bidder is also the lowest bidder as determined by the criteria outlined above.

Tie Bids

Tie bids are defined as instances of identical pricing from responsive and responsible bidders that meet all requirements as set forth in the bid documents. Tie bids may be awarded by drawing lots or any other random choice manner. Care shall be taken by the buyer to ascertain that the bidders meet all requirements as outlined in the bid document before declaring a tie bid situation. Records and methods of determining the successful bidder shall be maintained in the procurement file for all tie or apparent tie bids.

Single Bids

In instances of only one bid being received, a determination must be made by Purchasing that the price submitted is fair and reasonable and that other prospective bidders had time to respond or that re-solicitation is not possible due to time constraints. In those instances, an award may be made. If it is determined in writing by the Purchasing Department that the need for the product or service continues and that the acceptance of the sole bid is not advantageous to the

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Competitive Sealed Bidding (IFB) Process

Subject: Large Purchases

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Leech Lake Band of Ojibwe, then the procurement may be conducted in a manner as defined by the Purchasing Director.

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Competitive Sealed Proposals (RFP) Process

Subject: Large Purchases

Number: 171.E

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Competitive Sealed Proposals (RFP) Process

Policy:

Purchases of goods and services in the aggregate amount of \$100,000 and over that cannot be awarded by a process of competitive sealed bids shall be procured through the use of a Request for Proposal process.

Procedure:

The Request for Proposal shall include the following:

- Instructions and information to proposers concerning the submission requirements, including time and date for receipt of proposals, the addresses of the office to which they are to be delivered and any other information
- The purchase description, evaluation factors, delivery or performance schedule, and such inspection and acceptance requirements
- The contractual terms and conditions including warranty and bonding or other security requirements applicable to the procurement

Proposal Time

The proposal time is the period of time between the date of distribution of the Request for Proposal and the time and date for receipt of proposals. In each case, a proposal time shall be set that affords proposers a reasonable time to prepare proposals. A minimum of 14 calendar days shall be provided unless a shorter time is deemed necessary for a particular procurement as determined by the Purchasing Department.

Proposal Submissions

The Request for Proposals document shall provide a form or format in which the proposer shall include all pertinent information relative to the process. The proposer shall sign and submit all necessary information called for in the Request for Proposal document.

Public Notice

Adequate public notice of the Request for Proposal or notices of the availability of the Request for Proposal shall be mailed or otherwise furnished to a sufficient number of proposers for the purpose of securing competition. Advertisement in a

general newspaper of statewide distribution may be used for sealed competitive proposals.

Pre-Proposal Conferences

Pre-proposal meetings may be conducted to explain the procurement requirements. They shall be announced to all prospective proposers known to have received a Request for Proposal. The meeting shall be held long enough after the Request for Proposal has been issued to allow proposers to become familiar with the document, but sufficiently before receipt of proposals to allow consideration of the conference results in preparation of their proposal. Generally the receipt of proposals will be no sooner than 7 calendar days after the pre-proposal meeting. Any exceptions must be granted in writing and approved by the Purchasing Department. Nothing stated at the conference shall change the Request for Proposal unless a change is made by written amendment.

Amendments to Request for Proposals

Amendments to Request for Proposals shall be identified as such and shall require that the proposer acknowledge receipt of all amendments issued. The amendment shall reference the part of the Request for Proposal that it amends. Amendments shall be issued within a reasonable amount of time for potential proposers to consider them in the preparation of their proposals. If the time and date set does not permit sufficient time for proposal preparation, the date and time of the proposal opening shall be extended in the form of an addendum.

Withdrawal and Modification of Proposals

Withdrawal or modification of proposals is acceptable if the notification of withdrawal or modification is received prior to the deadline for receipt of the proposals at the designated location. All documentation relating to a proposal withdrawal or modification shall be kept as part of the procurement file.

Late Proposals

A proposal, a request for withdrawal of proposal, or a modification of proposal is late if received at the designated location of the proposal receipt after the time and date listed in the Request for Proposal. Late proposals, late withdrawal of proposals, or late modification of a proposals shall be rejected. Proposers submitting proposals that are rejected as late shall be notified as soon as practical.

All documents concerning a late proposal shall be retained in the procurement file.

Receipt of Proposals

Proposals and proposal modifications shall be received by appropriate Purchasing staff, marked with the date and time of receipt, and stored unopened in a secure location until the proposal meeting. Proposals shall be opened publicly at the time, date, and location advertised in the proposal document. The name of each proposer and other pertinent information shall be read aloud and recorded. Pricing information, if part of the Request for Proposal, is not read aloud or recorded.

Inspection of Proposals

Only after formal award of the proposal, shall the proposals be made available for public inspection. Information deemed proprietary in nature by the proposer and approved as such by the Purchasing Department shall not be included in the materials available for public inspection.

Mistakes and Informalities of Proposals

Mistakes in proposals may be corrected by modification or withdrawal as outlined in sections above, if discovered prior to the proposal opening. After proposal opening, a proposal submitted in error of judgment may not be corrected. A proposal may be withdrawn pursuant to the following sections:

- Minor informalities in a proposal may be waived if the Purchasing Director deems it advantageous to the Leech Lake Band of Ojibwe
- A proposal may be withdrawn after proposal opening only if the mistake is clearly evident to the Purchasing Director or if the proposer establishes evidence clearly showing a mistake was made.
- Mistakes shall not be corrected after award of the proposal.

Any withdrawals or corrections to a proposal permitted or denied after the proposal opening shall have a written determination that is included in the procurement file.

Proposal Evaluation and Award

The award will be made to the most qualified proposer, based upon review and recommendations of a committee of individuals that score responses to the Request for Proposal document based upon published grading criteria.

Single Proposals

In instances of only one proposal being received, a determination must be made by the Purchasing Department that the proposal submitted is fair and reasonable and that other prospective proposers had time to respond or that re-solicitation is not possible due to time constraints. In those instances, an award may be made. If it is determined in writing by the Purchasing Department that the need for the product or service continues and that the acceptance of the single proposal is not advantageous to the Leech Lake Band of Ojibwe, then the procurement may be conducted in a manner as defined by the Purchasing Director.

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Public Review of Bids

Subject: Large Purchases

Number: 172.E

Issued:

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Public Review of Bids (Does not apply to Gaming)

Policy:

Formal Sealed Bids and Sealed Proposals are considered public information and as such, are open for review pursuant to the following guidelines:

Procedure:

Process

Formal sealed bids are opened publicly and the name of the bidder, amount of the bid and other related information deemed relevant by the buyer is announced and recorded. This record shall be open to public inspection. The actual bid documents and related materials shall not be open to public review until after contract award.

Formal Sealed Proposals are opened publicly with only the names of the proposers announced and recorded. All other information including pricing, shall not be open to the public for review until after contract award.

Proprietary Information

Certain information relative to the procurement process can be deemed proprietary in nature and not open for public review. This proprietary information must be clearly marked as such by the bidder/proposer and if possible, submitted in a separate sealed envelope. This information will be considered proprietary and not open to public review, unless deemed otherwise by the Purchasing Director. The final decision as to whether this information is proprietary lies with the Purchasing Director.

Review of Bids or Proposals

Requests for information or review of the documents shall be made to the Purchasing Director or his or her designee. An appointment to review the file shall be made with the Purchasing Director or buyer at a mutually convenient and reasonable time. The reviewer shall not take possession of any of the documents in the file. All proprietary information shall be removed from the file prior to the review. All reviewers must sign a reviewers log sheet that becomes a part of the original bid file.

Purchasing Manual

Receipt of Goods

Subject: Receiving

Number: 180.F

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Receipt of Goods

Policy:

The Physical receipt of all goods will be the responsibility of the Receiving Department or designated individual. The receiving department will inspect goods for conformity with specifications on purchase orders. Quantities will be verified by counting, weighing or measuring. Receipt and acceptance of a shipment will be documented on the receiving copy of the Purchase Order or Receiving Report, with copies being routed to the Purchasing, Property and requisitioning department.

Purpose:

To outline responsibilities and procedures for the receipt and storage of materials and supplies, and processing of damage and other contractual claims arising from purchasing transactions.

Procedure:

1. The Receiving Department is responsible for the receipt and distribution of all goods delivered through Central Receiving
2. After receiving and inspecting purchased materials, the Receiving Department will contact the appropriate delivery point and obtain appropriate signatures on the corresponding receiving documents
3. The Receiving Department will be responsible for completing the receiving form for all deliveries routed through Central Receiving and forwarding the form to Accounts Payable for payment processing
4. The Receiving Department will inspect shipments for obvious damage, irregularities or other discrepancies. However, the requisitioning department is ultimately responsible for the acceptance of the merchandise and should advise the Purchasing Department, in writing immediately upon delivery of any damages, irregularities, non-conformity with specifications, or other discrepancies (see Materials Return Policy Sec. #181.F).
5. The Receiving Department has limited storage facilities available. Requisitioning departments should contact the department supervisor to arrange for unusually large shipments or shipments that may need to be stored for an extended period of time before being picked up by the department.

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Direct Shipments

Subject: Receiving

Number: 181.F

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Direct Shipments

Policy:

To outline responsibilities and procedures for accepting delivery of goods shipped directly to departments.

Procedure:

Departments are responsible for the proper handling of all shipments not delivered through Central Receiving. Individuals accepting direct shipments should follow these basic guidelines:

1. Do not sign the freight bill until after inspecting all incoming boxes or cartons.
2. Verify the number of cartons listed on the freight bill with the actual number of cartons received.
3. If a carton appears damaged:
 - a. Insist that it be opened and jointly inspected before the driver leaves.
 - b. Note any damages in writing on the freight bill and have the driver sign your copy.
 - c. Notify the Purchasing Department immediately to arrange for damaged merchandise to be returned for proper replacement or credit.
 - d. Retain all damaged cartons and packing materials.
4. If upon further inspection, there appears to be problems with the shipment (shortages, incorrect items, etc.) notify the Purchasing Department immediately to arrange for return for proper replacement or credit.
5. Complete receiving form and forward completed form to Accounts Payable.

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Materials Return

Subject: Receiving

Number: 182.F

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Materials Return

Policy:

To outline responsibilities and procedures for returning damaged or incorrect materials received.

Procedure:

It is the responsibility of the Purchasing Department to arrange the filing of all claims for damaged materials, and to initiate requests for replacement shipments.

The returning of any supplies or materials to the vendor, whether resulting from damage, mis-shipment, or other reasons, should be arranged through the Purchasing Department to assure applicable credits or refunds are received.

Requisitioning departments should notify the Purchasing Department immediately of any problems with delivery and provide the following information:

1. Vendor name and purchase order number
2. Date received
3. A list of the items damaged or affected by differences, irregularities or non-conformity with specifications, and a detailed description thereof
4. Condition of the parcel(s) upon receipt
5. Location of parcel(s)

After arrangements have been made with the Purchasing Department to return the items to the vendor, the items may be delivered to Property/Receiving. The Purchase Order reference number or RMA # must be prominently displayed on all items being processed for return.

EXCEPTIONS:

GOODS MAY BE RETURNED FOR IMMEDIATE EXCHANGE DIRECTLY TO THE VENDOR. THE EXCHANGE SHOULD BE FOR THE SAME ITEM (S) AT THE SAME PRICE (S).

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Disbursement Voucher Processing

Subject: Vendor Payment

Number: 190.G

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Disbursement Voucher Processing

Policy:

The Disbursement Voucher is used for:

1. Reimbursement requests
2. Honorarium requests
3. Check requests

Purchasing Policies and Procedures apply to all acquisitions regardless if using the Purchase Requisition or Disbursement Voucher.

Procedure:

Before a check can be processed a Disbursement Voucher must be completed, approved and signed by an authorized employee (APPENDIX B).

The Disbursement Voucher must include:

1. **Date:** Enter the current day's date MM-DD-YY
2. **Name:** Enter payee name
3. **Address:** Enter payee's address
4. **Social Security Number:** If an individual, enter payee social security number and attach completed W-9 form
5. **Service Performed:** Describe the type of service rendered (speaker, host, etc.)
6. **Description:** Enter description of item/service purchased
7. **Account Number:** Enter the budget account number. Incomplete or inaccurate account number will necessitate returning the form for clarification and may cause delay in issuing the check
8. **Amount:** Enter the amount to be paid for each line item
9. **Total:** Enter the total amount to be paid
10. **Check sent to Payee?:** Indicate whether the check is to be sent to the payee
11. **Requisitioner:** The signature of the requisition author is required here
12. **Authorizing Signatures:** If an approved detailed budget is in place. See Approval Authority section (Sec. #111.B)

IMPORTANT:

DO NOT USE THIS FORM IF REQUESTING A PURCHASE ORDER.

Purchasing Manual

Payment Processing

Subject: Vendor Payment

Number: 191.G

Issued:

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Payment Processing

Policy:

Accounts Payable processes payments for Purchase Order transactions. The process involves many elements:

1. Processing timely payments to vendors, verifying pricing and terms of the Purchase Order and Processing and Receiving documents
2. Monitoring vendor statements and investigating invoicing or payment errors, notify the Purchasing Department of pricing and quantity differences
3. Requesting and processing credit memos
4. Providing assistance and direction to departments and Purchasing to settle disputes with vendors arising from payment transactions
5. Providing follow-up services on outstanding invoices to ensure payment in a timely fashion
6. Resolving problems that may arise from payment deductions from vendor invoices
7. Ensuring refunds are applied to the proper accounts

Remember:

Requisitions generate Purchase Orders and Disbursement Vouchers generate checks.

Payment does not occur when a purchase order is issued. Payments are made only when Accounts Payable receives an invoice. All procurement whether made through the requisition or disbursement voucher process is subject to the Leech Lake Band of Ojibwe Purchasing Policies.

Procedure:

Immediately upon receiving an invoice directly from the vendor, verify appropriate Purchase Order number and forward original invoice, receiving report, (if applicable) to the Leech Lake Band of Ojibwe Accounts Payable Department for payment processing.

THE LEECH LAKE BAND OF OJIBWE WILL NOT PAY ANY INVOICE THAT DOES NOT HAVE A RECEIVING REPORT OR PROGRESS PAYMENT APPROVAL FORM, ON FILE IN THE ACCOUNTS PAYABLE DEPARTMENT.

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Payment Processing

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Employee Reimbursements

Purpose:

In an emergency situation, a department may need to make a purchase with personal funds and receive reimbursement from LLBO.

Policy:

Reimbursements to staff may be made only under extraordinary circumstances. All requests for reimbursements must contain a detailed explanation/justification for the reimbursement in the "Description" portion of the Disbursement Voucher. Employees who circumvent the purchasing guidelines will be denied reimbursement. Please contact the Purchasing Department with any questions.

Departments are cautioned to check with Purchasing before committing to a vendor with the intention of being reimbursed by the Leech Lake Band of Ojibwe. Final approval for any reimbursement shall be left to the discretion of the Purchasing Director and the Controller's office.

Reimbursements cannot be made, under any circumstances, for services rendered (i.e. guest speaker fees, musicians, caterers), construction/renovations expenses, sales tax and travel or travel related expenses, except as may be noted in the Leech Lake Band of Ojibwe Travel Policy.

Recipients will receive a check in the mail delivered to their home mailing address.

Purchasing Manual

Relations with Vendors

Subject: Miscellaneous

Number: 200.H

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Relations with Vendors

Policy:

The highest standards of business ethics and conduct should be applied by all Leech Lake Band of Ojibwe employees in relations with Suppliers. When making decisions affecting supplies, employees shall not obligate either themselves or the Tribe to a supplier. In conducting business with suppliers, employees are also expected to act fairly and objectively and in the best interest of the Tribe. Fairness to suppliers is promoted by the following means:

1. By giving all salespersons a fair, prompt and courteous hearing on any subject that is justified by the nature of their products or service.
2. By keeping competition open and fair.
3. By discouraging revisions of bids after submission and insisting on receiving the best price initially and holding the bidder to it.
4. By keeping buying specifications fair and clear and not including impractical or unnecessary specifications.
5. By showing consideration for the vendors' difficulties and cooperating with them to the fullest extent possible.
6. By not soliciting quotes from a potential supplier unless we are willing to use that supplier should the offer be acceptable in quality, price and delivery terms and service. Qualifications of a supplier will be determined before a quotation.
7. By not bargaining with bidders. Ensure that each bidder's quoted price is compared with other bids submitted under the same conditions.
8. By keeping prices confidential and not divulging those prices to competitors.

In cases when the appropriate Purchasing staff is not already providing the communication interface with suppliers, employees should consult with the Purchasing Department, if questions arise relative to these relational guidelines.

Purchasing Manual

Interdepartmental Relations

Subject: Miscellaneous

Number: 201.H

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Interdepartmental Relations

Policy:

Communications between the requisitioning division and the Purchasing Department is a mutual responsibility.

The Requisitioner shall inform the Purchasing Department when:

1. An item specification is being developed for planned procurement action;
2. Specific vendors are requested to be added to a bid list;
3. Procurement action is planned involving a potential sole or single source of supply;
4. Sources of supply need to be identified for a specific item or commodity;
5. Supplier services or products are not in compliance with specification or explanation.
6. They have communicated with suppliers (provide the Purchasing Director with any notes, reports and correspondence).

The Purchasing Department shall provide the Requisitioner:

1. Assistance in developing item specification;
2. Information relative to sources of supply;
3. The service of requesting quotation and managing the bid process for the selection of the best source of supply;
4. The service of establishing and conducting negotiations with successful bidders;
5. An interface to suppliers for information prior to, and during the purchasing process;
6. Information relative to price, quality and delivery of a requisitioned item during the purchasing process.

Information including notes, reports and correspondence, communicated between Suppliers and Requisitioners, pertaining to negotiations or purchase decisions, shall be maintained by the Purchasing Department. Requisitioners and purchasing staff members are encouraged to consult with one another regarding specialized needs, materials, specifications and general information. The Purchasing Department will arrange supplier conferences; obtain product information and other pertinent item and supplier data when requested.

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Professional Organizations

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Professional Organizations

Policy:

The meeting and publications of professional organizations tend to stimulate improvement. Therefore, it is a policy of the Purchasing Department to participate actively. Selected organizations of particular interest are those that educate through the exchange of practices, unite the profession in common problem resolution, sponsor educational seminars and provide mutually beneficial associations of customers and suppliers. Purchasing personnel are encouraged to join professional groups, which foster self-improvement, product or applications knowledge and increase performance effectiveness.

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Records Retention

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Records Retention

Policy:

- Formal bids for Construction and Request for Proposals for architects, engineers and related professionals: Supporting documentation and summaries for the process are kept indefinitely. Submittals from non-successful bidders and proposers are kept for three years from completion of the project.
- Formal bids and Requests for Proposals: Supporting documentation and summaries for the process as well as additional back-up materials are kept for three years after close of the fiscal year in which they were received.
- Purchase Orders, Requisitions and Vendor Invoices are kept for seven years after close of the fiscal year in which they are processed.
- Leases, Contracts and other agreements are maintained for a period of seven years after expiration date of the agreement.
- Disclosure of Substantial Interest forms are kept for three years after close of the fiscal year in which they were received.

Records will be kept longer if audits were not performed in a timely manner. In this case, these records will be maintained for a period of three years after completion of that audit.

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Vendor Registration

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Vendor Registration

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