

Introduced by the Finance Committee of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

**RESOLUTION TO EXTEND A POLICY ON COST INCREASES FOR SERVICE RELATED
CONTRACTS IN INGHAM COUNTY**

RESOLUTION # 13-439

WHEREAS, Ingham County has made substantial and necessary reductions in its services to its citizens and cuts in its work force due to the continuing decline of the economic conditions in this county and state; and

WHEREAS, the County has implemented hiring delays, hiring freezes, travel prohibitions, and employee furlough days without pay and other drastic cost savings measures in order to bring its expenditures in line with its declining revenues; and

WHEREAS, due to these cost containment measures, further service reductions were not necessary as part of the 2014 budget process; and

WHEREAS, Resolution 10-357 adopted a policy on cost increases for service related contracts in Ingham County for 2010, 2011 and 2012, which was extended through 2013 by Resolution 12-369; and

WHEREAS, Ingham County desires to continue providing guidelines for service related contracts for vendors doing business with Ingham County that reflect the current economic climate; and

WHEREAS, the Consumer Price Index's Annual Inflation rate was 2.1% for 2012 and projections are for increases of around two percent over the next few years.

THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners extends the following policy on cost increases for service related contracts in Ingham County:

- In general, annual cost increases should not exceed the Consumer Price Index's Annual Inflation rate.
- Proposed contracts with vendor cost increases that exceed the Consumer Price Index's Annual Inflation rate will receive extra scrutiny and be identified by staff as they are reviewed by the appropriate Liaison and Finance Committees of the Ingham County Board of Commissioners.
- County Staff will make this policy known to all vendors as they negotiate proposed new and renewal contracts.
- This policy will be reviewed and evaluated by the Finance Committee during the last quarter of 2016.

BE IT FURTHER RESOLVED, that if price adjustments are requested pursuant to the terms of the contract, the vendor must notify the County ninety (90) days prior to the current term's expiration date.

BE IT FURTHER RESOLVED, that prior to commencement of subsequent renewal terms, the County may entertain a request for escalation in accordance with the current Consumer Price Index at the time of the request.

BE IT FURTHER RESOLVED, that for purposes of this section, "Consumer Price Index" shall mean the Consumer Price Index-All Urban Consumers-United States Average-All Items (CPI-U), as published by the United States Department of Labor, Bureau of Labor Statistics.

BE IT FURTHER RESOLVED, that the County reserves the right to accept or reject the request for a price increase. If the price increase is approved, the price will remain firm for one (1) year from the date of the increase.

BE IT FURTHER RESOLVED, that all Invitation to Bids and Request for Proposals issued for services shall contain language referencing this policy.

BE IT FURTHER RESOLVED, that this policy will remain in effect through December 31, 2016.

BE IT FURTHER RESOLVED, that copies of this resolution will be forwarded to all Ingham County Department Heads and Elected Officials.

FINANCE: Yeas: McGrain, Anthony, Bahar-Cook, Tennis, Vickers, Schafer

Nays: None

Absent: Koenig

Approved 11/6/13