

~~EFFECTIVE: March 11, 2019~~

#5: Purchasing Policy

I. PURPOSE

The purpose of this policy is to establish uniform purchasing procedures for Cumberland County departments. It is the policy promulgate the various purchasing procedures to be utilized by all County departments as well as Committees that are part of the budget appropriations.

It is the responsibility of the County to make purchases of goods or services required for County operations in a manner that best secures the greatest possible economy consistent with the required grade or quality of the goods or services. All departments and employees shall adhere to the purchasing procedures and requirements in this Policy when acquiring goods or services with County funds, unless other purchasing procedures are required by state or federal law.

This Policy does not apply to travel and meal expenses (see Policy #4); employment contracts; when the County is acting as a pass through entity (i.e., restitution payments); or to purchases of goods or services funded or reimbursable by state or federal grants when the terms of the grant establish different procurement processes or requirements.

~~Except as otherwise provided by state statutes, the County shall make the purchase of goods and services as stated in this policy.~~

~~II. ROUTINE AND SMALLER PURCHASES~~

II. DEFINITIONS

- A. **Competitive Bidding:** is the transmission of an invitation to bid to at least three (3) responsible vendors or service providers that must be replied to within a stated time.
- B. **Responsible Bidder:** is a bidder that has the ability to perform the service or provide the good as described in the invitation to bid competently. All vendors bidding on equipment or fixed assets within County departments shall be an authorized dealer in the proprietary equipment being bid at the time of submitting an informal or formal bid. The vendor shall submit at time of bid proof of holding a proprietary license/certificate/vendor ID or equivalent showing their ability to participate in the bid.
- C. **A purchase** is the acquisition of an item or service with County funds. When multiple items are acquired under a single invoice, the general rule is that each distinct item is a separate purchase, but the acquisition of multiple of the same item constitutes a single purchase. Intentionally splitting up purchases to stay under a certain threshold is not permitted. Departments are encouraged to purchase routine supplies and equipment in bulk in order to maximize discounts.
- ~~A. Purchases that are routine and ongoing in nature do not require Purchase Orders. These are items that would ordinarily be purchased many times during the course of a year. Purchases made once per year, such as replacement vehicles, are not considered routine in nature. Examples of such purchases would include, but are not limited to:~~
 - ~~1. On-going utility charges including heating fuel purchases~~
 - ~~2. Electricity~~
 - ~~3. Telephone and Cell Phone bills~~
 - ~~4. Regular payments for previously approved contracted services~~
 - ~~5. Maintenance and repair contracts~~
 - ~~6. Copier bills~~

- ~~7. Postage~~
- ~~8. Travel and meeting reimbursements~~
- ~~9. Restitution payments~~
- ~~10. Equipment rental~~
- ~~11. Advertising~~
- ~~12. Dues and Subscription~~
- ~~13. Regularly occurring food purchases (CCF)~~
- ~~14. Routine cleaning supplies~~
- ~~15. Emergency repairs and maintenance~~

- ~~A. Purchases under \$100 do not require a Purchase Order. Only an approved and properly coded invoice is required for payment. Splitting up purchases to stay under this limit is not allowed. For example, placing four \$99 orders for four single new tires for a vehicle is considered an intentionally misleading act, and can warrant disciplinary action.~~
- ~~B. Any questions as to whether or not a purchase order is required should be directed to the county Finance Director. It is understood that there will invariably be purchases where no clear-cut rules exist, and in these instances, the Finance Director will do their best to find a logical and simple solution.~~
- ~~C.~~

III. PURCHASING AUTHORITY

- A. **The Board of Commissioners** (Board) is responsible for the appropriation of County funds pursuant to the County budget process. The Board has sole authority to approve purchases and bind the County in contracts for goods or services that cost \$75,000 or more, leases and other contracts involving real estate, and multi-year contractual agreements for goods and services. The Board shall approve any purchase that is not included as a line item budget item in the County Annual Budget or if an award amount is not consistent with the line item budgeted amount approved by the Board of Commissioners.
- B. **The County Manager**, per the County Charter, is responsible for the County's management functions and shall act as purchasing agent for the County when authorized under this Policy. The County Manager, or his or her designee, has authority to approve the purchase and enter into contracts for goods and services that cost between \$10,000 and \$75,000, provided that funding for the expenditure is a line item budget item in the County Annual Budget and award of the bid would be consistent with the line item budgeted amount approved by the Board of Commissioners.
- C. **Department Directors, Deputy Directors, or Captain level supervisors or above** may approve purchases for goods or services under \$10,000, provided that funding for the expenditure is a line item budget item in the County Annual Budget and award of the bid would be consistent with the line item budgeted amount approved by the Board of Commissioners.

~~III. ANNUAL TIME AND MATERIALS BID~~

- ~~—The County Manager and/or Finance Director shall have the authority to contract for professional, trades and other services or materials through a time and material bid, provided that all such contracts in excess of seventy-five thousand dollars (\$75,000) shall be approved by the County Commissioners.~~

~~IV. PURCHASES REQUIRING A PURCHASE ORDER~~

~~A. Purchases not excluded as outlined in item A.1. that exceed \$100 require an approved Purchase Order before a purchase can be made.~~

~~B. Applicable purchases between \$100 and \$999 require the approval of the appropriate Department Head before a purchase can be made.~~

~~Applicable purchases between \$1000 and \$4999 require the approval of both the appropriate Department Head and the Finance Director before a purchase can be made.~~

IV. COMPETITIVE BID PROCESS AND REQUIREMENTS

A. **No Bidding Required.** Purchases for goods or services that cost less than \$2,500 can be made after reasonable efforts are taken to compare the price and quality of the desired good or service from available sources. No competitive bidding is required.

1. The department making a purchase for goods or services under \$2,500 must submit an itemized invoice, receipts, and/or the credit card statements containing the expenditure to the Finance Department. The invoice must include a description of the good or service purchased, the amount of the purchase, the account to be charged, and the signature of the authorized official (the Department Head, Deputy Director, or Captain level supervisor or above).

B. **Informal Bid Requirements.** The following informal bidding procedures apply to purchases for goods or services that are between \$2,500 and \$10,000, unless otherwise provided under this Policy or by law.

- a. The requesting department shall obtain a minimum of three quotes for a good or service by contacting vendors or service providers that regularly provide that good or service. Solicitation of quotes can be in writing (i.e., by mail or email) or oral (i.e., by phone or in person). The department shall establish a description of the good or service requested. This description shall be provided to all prospective vendors or service providers with the deadline to respond to the request. The purchase of goods may also be made by searching internet or other sale platforms for at least three vendors that that regularly offer the good or service to be obtained and comparing the price and quality of the good sought.
- b. An *Informal Bid Form* must be completed that includes the description of the good or service sought, the name, date, and manner in which the vendors or service providers were contacted, all responses from vendors or service providers, including if no response was obtained, and the successful bidder and bid amount. This same information must be recorded on the form if a search is conducted for goods on sale platforms.
- c. The *Informal Bid Form* must be approved by the department Director, Deputy Director, or Captain level supervisor or above, and must be submitted to the Finance Department with receipts, invoices, and/or the credit card statement that contains the purchases.

C. **Formal Bid Requirements.** Purchases for goods or services that are greater than \$10,000 are subject to the following formal written competitive bidding requirements, unless otherwise provided under this Policy or by law.

- a. The County Manager, or his or her designee, may initiate the formal competitive bid process upon request from a department or County Commissioners.
- b. **Invitation to Bid.** The department requesting to purchase a good or service shall prepare an invitation to bid, which must include:

- i. The deadline for submissions (including date and time).
 - ii. Location bids must be received and manner of acceptable delivery.
 - iii. The official or employee to whom proposals should be addressed.
 - iv. A Request for Purchase (RFP) with a detailed description of the goods or services to be purchased, including the qualitative nature of the property and minimum essential characteristics and standards to which the property, equipment, or service must conform. Specifications shall be stated clearly, accurately, and completely and shall avoid unnecessary restrictions that may unduly limit the number of Bidders.
 - v. Any forms to be completed by the Bidders and instructions on the format or contents required for a bid.
- c. **Notice.** After approval from the County Manager, or his or her designee, notice of the invitation to bid shall be:
 - i. Provided directly to at least three vendors or service providers that regularly provide the good or service sought; and
 - ii. Posted on the County website at least seven (7) days prior to the submission deadline, published if required by law, and/or distributed in any other manner deemed appropriate by the County Manager, or his or her designee.
- d. **Opening Bids.** Bidders shall be required to submit sealed bids. Bids shall be opened in public at the date and time stated in the invitation to bid by the official or employee to whom the bids are addressed. Late bids may not be accepted and shall be returned to the Bidder unopened.
- e. **Bid Decision.** The successful Bidder must be approved by the authorized official or board.
 - i. When approval by the Board of Commissioners is required (i.e., for purchases of \$75,000 or more), the department requesting to purchase the good or service shall be responsible for preparing a staff report, and present and explain the contents of the report to the Board for approval.
 - ii. When County Manager approval is required (i.e., for purchases between \$10,000 and \$75,000), the department requesting to purchase the good or service shall prepare a staff report and submit the report to the County Manager prior to approval.
 - iii. Prior to approval, the County Manager, or his or her designee, may negotiate and finalize a contract for the good or service with the apparent successful Bidder.
 - iv. Purchases shall be awarded to the lowest, responsible Bidder who has submitted a bid that corresponds to and addresses the criteria, specifications, and requirements in the invitation to bid. The County may also consider the integrity, public policy compliance, past performance record, and financial and technical resources of the bidders when choosing a successful Bidder. In the case of tie bids, the County may award contracts or purchases to local Bidders or to Bidders offering commodities produced or manufactured locally, if the price, quality, availability and other factors are equivalent to other Bidders.
 - v. The County has the right to reject any and all bids when in the best interest of the County. A decision to reject all bids or award the contract or purchase to a Bidder that is not the lowest Bidder must be recorded in writing and include the reason for the decision.

- f. After the successful Bidder is approved, a copy of the contract, invoices, receipts and/or credit card statements that contain the expenditure shall be submitted to the Finance Department.
- g. Notice of the award to the successful Bidder shall be provided to all Bidders.

V. CHECK REQUESTS

- A. An accounts payable check requests may be used for the following:
 - 1. Grant payments;
 - 2. Pass through payments (i.e., restitution); and
 - 3. Reimbursements, including regularly occurring reimbursements (i.e., cell phone, dues, subscriptions, etc.), but excluding travel reimbursements.
- B. A check request shall be submitted to the Finance Department on an approved *Check Request Form*, which states the date, dollar amount to be paid, the name and address of the payee, reason for the check request, and the account to be charged. The invoice, receipt, credit card statement that contains the expenditure, or other acceptable backup documentation shall be attached to the *Check Request Form*. A separate *Check Request Form* should be used for each invoice submitted.
- C. If checks are not received by the payee, the Finance Director shall be notified immediately by submission of a *Void Check Form* and payment should be cancelled. The Finance Director, or his or her designee, may issue a new check once it has been determined that the initial check has not cleared.

~~V. USE OF REQUISITION AND PAYMENT REQUEST FORMS~~

~~Departments that choose to use their own payment request or requisition forms are free to continue to do so if they feel it best suits their needs. Because the size and functions of the individual departments vary widely within the county, there will never be "one-size-fits-all" solution for all departments. For example, the approval chain of a small department like HR does not need to be nearly as extensive as the jail. For that reason, departments are free add their own approval methods as they see fit as long as it does not interfere with the existing PO process.~~

~~VI. PURCHASES REQUIRING COUNTY MANAGER APPROVAL~~

~~Any purchase that would ordinarily require a Purchase Order and Finance Director approval and has not been specifically budgeted requires the prior approval of the County Manager before a purchase can be made. Examples would include unbudgeted vehicle purchases, remodeling of a work area, or adding a large photocopier to an area that has no budget for such an item. Any questions as to whether or not County Manager approval is needed should be directed to either the County Manager and/or Finance Director.~~

VII.VI. BIDS, AWARDS, AND CONTRACTS

- A. Purchases for goods or services which involve expenditures of less than \$15,000 can be made after price shopping has been conducted for the best all-around cost and quality for the product desired.**
- B. Purchases for goods or services which involve expenditures of \$15,000 to \$75,000, wherever possible, be based on at least three (3) quotes, and shall be awarded to the most responsive and responsible bidder.**

- C. The County may accept contract pricing for goods or services, however it is not obligated to purchase from the guaranteed rate vendor if a lower price is available.
- D. The procurement of goods or services which involves expenditures of more than \$75,000 must be done through a competitive advertised bid process and shall be awarded to the most responsive and responsible bidder.

~~VIII.~~VII. **COMPETITIVE BID PROCESS**

~~A.~~D. The County Manager shall ensure that the requesting department prepares the invitation to bid to include:

1. specifications required;
2. have notice informing the public;
3. receive sealed bids;
4. hold a public bid opening.

~~B.~~E. The bid shall be awarded to the lowest most responsive and responsible bidder that meets the specifications and submits proper bond requirements if applicable. The Board of Commissioners shall make the final decision if supporting information justifies other than the low bid be awarded.

~~IX.~~VIII. **EXEMPTION FROM COMPETITIVE BIDDING**

A. The following purchases of goods or services are exempt from the informal and formal competitive bidding requirements in this Policy.

1. **Emergency purchases:** In the case of actual emergency, with the approval of the County Manager or his or her designee, a Department Head may directly acquire any good or service when immediate procurement is essential to protecting property, life, health, or safety. The department shall submit a written report describing the expenditure and the situation causing the emergency purchase along with the invoice, receipt, or credit card statement to the Finance Department. Any purchase exceeding \$75,000 shall be submitted to the County Commissioners for retroactive approval.
2. **Sole source:** When a required good or service can only be procured from one source (i.e., proprietary equipment, controls, software, etc.), the County Manager, or his or her designee, may authorize a department to directly negotiate the procurement of goods or services with a single vendor or service provider.
3. **Purchases through the State:** With the approval of the County Manager, or his or her designee, a department may make purchases of goods or services directly through national, state, or local cooperative or collaborative purchasing agreements when using such agreements is demonstrated to be the most beneficial and cost effective manner of procuring the good or service.
4. **No Responsive or Responsible Bidders:** Where there has been competitive bidding, but no bids were received or all bids were rejected because no bidder was responsive to request for goods or services, the County Manager may authorize the requesting department to negotiate directly for the purchase. The

purchase shall be approved by the County Manager or, if in excess of seventy-five thousand dollars (\$75,000), by the County Commissioners.

B. Departments must submit a signed waiver for with itemized receipts, invoices, and/or the credit card statement that contains the expenditure to the Finance Department.

~~The competitive bid process may be waived by the Board of Commissioners or the County Manager on the following circumstances:~~

~~A. Exemption from bidding procedures--Emergency purchases.~~

- ~~1. By head of departments. In case of actual emergency, and with the approval of the county manager or finance director, the head of any using department may purchase directly any supplies, general services or improvements whose immediate procurement is essential to prevent delays in the work of the using department which may vitally affect the life, health or convenience of citizens or employees.~~
- ~~2. Recorded explanation. The head of such using department shall send to the County Manager or finance director a requisition and a copy of the delivery record together with a full written report of the circumstances of the emergency. The report shall be filed with the county manager or finance director, and where the amount of the purchase exceeds seventy-five thousand dollars (\$75,000.00), to the commissioners.~~

~~B. Exemption from competitive bidding--Cooperative purchasing; used equipment auctions.~~

- ~~1. Staff shall have the authority to join with other units of government in cooperative purchasing plans when the best interests of the county would be served thereby. The requirements of formal and informal bidding shall not apply to such cooperative arrangements.~~
- ~~2. Staff, upon the approval of the County Manager or Finance Director, shall have the ability to use a recent town or county competitive bid for the same product being purchased. The competitive bid used shall not be more than eight months old.~~
- ~~3. The County Manager and/or the Finance Director may authorize on an item by item basis, to purchase used equipment at public auction without using either formal or informal bidding procedures where the County Manager and/or Finance Director has determined it would be in the County's best financial interest.~~

~~C. Exemption from competitive bidding--Sole source.~~

- ~~1. Occasions may arise when competition among vendors is not possible for a particular purchase (example: proprietary controls/software etc) and going out to bid could yield significant cost. The County Manager and the Finance Director may approve negotiated procurement of goods or services without requiring bids if it is determined from all information submitted by the department head to the county manager that steps were taken to verify that the necessary features provided by the proposed vendor are not available from other vendors; that the use of a specific product, manufacturer or vendor is required to maintain consistency of equipment; and that no similar standard goods would reasonably satisfy the county's requirements.~~

~~D. Exemption from bidding--Negotiated Purchase~~

- ~~1. Where there has been competitive bidding either formal or informal but no bids were received or the County Manager or Finance Director has rejected all bids because the bid prices were unreasonable or none of the bids met specifications, the department~~

~~head or his/her designee may negotiate for purchases. A purchase by negotiation shall be approved by the County Manager or, if in excess of seventy five thousand dollars (\$75,000), by the County Commissioners.~~

IX. ACQUISITION OF SURPLUS PROPERTY

Periodically, County employees or departments find materials or equipment that serve their needs through Local, State or Federal surplus equipment list. The ability to obtain equipment and materials in this manner at a highly discounted or no costs to the County is worthy, if deemed appropriate, and provides a cost savings. Staff shall recognize these materials or equipment are on surplus list for a reason, and staff should be aware and be ready to justify any costs associated with repairs, rehabilitation or rebuilding of acquired equipment. This justification shall be part of the initial review prior to acquisition.

A. Department Heads, Deputy Directors, or Captain Level Supervisors or above may authorize acquisitions involving the expenditure (including costs associated with repairs, rehabilitation, or rebuilding?) of \$10,000 or less;

B. The County Manager, or his or her designee, may authorize acquisitions involving expenditures between \$10,001 and \$50,000; and

C. Acquisitions involving expenditures over \$50,001 shall be subject to recommendation by the County Manager and acceptance by the County Commissioners

X. CONFLICT OF INTERESTS

No official, officer, or employee of the County may participate directly or indirectly in the selection, award, or administration of a purchase or contract for goods and services if he or she has a real or apparent conflict of interest. A conflict of interest includes when an official, officer, or employee, or a member of their immediate family, has a financial interest in, or will receive a tangible personal benefit from, the award of the contract or purchase.

County officials, officers, and employees are prohibited from accepting or soliciting gifts, gratuities, favors, or anything of monetary value from contractors, suppliers, or parties involved in the contract or purchase. Except items of nominal value, including promotional items, honorariums for participation in meetings, and meals, may be accepted.

XI. DEPARTMENT PROCEDURES AND FORMS

Departments that choose to use their own payment request or requisition forms are free to continue to do so if they feel it best suits their needs. Because the size and functions of the individual departments vary widely within the county, there will never be "one-size-fits-all" solution for all departments. However, all approval procedures and forms must be consistent with the procedures and requirements in this Policy.

Any questions as to the applicability of the requirements or procedures in this Policy should be directed to the County Manager or Finance Director. If it is not clear how a purchase must be handled under this Policy (as it is understood that there will invariably be situations not clearly addressed by this Policy), the County Manager has discretion to require a purchasing process that is consistent with the goals and intent of this Policy and state law.

X. PROPRIETY EQUIPMENT

~~All vendors bidding on equipment, services or fixed assets within county departments shall be an authorized dealer in the proprietary equipment being bid at the time of submitting an informal~~

~~or formal bid. The vendor shall submit at time of bid proof of holding a proprietary license/certificate/vendor ID or equivalent showing their ability to participate in the bid.~~

~~XI. PAYMENT FOR GOODS OR SERVICES~~

- ~~A. Payment requests for any routine or smaller purchases as defined in section~~
~~1. Require approval from the Department, the account to be charged, and a valid invoice or payment request form.~~
- ~~B. Payment requests for any purchases requiring a Purchase Order will require~~
~~1. Purchase Order~~
~~2. Approval from the Department and/or Finance Director (on P.O.)~~
~~3. Account to be charged (on P.O.)~~
~~4. Original Invoice~~
- ~~C. Payment requests for any purchases requiring the competitive bid process will require:~~
~~1. Requisition~~
~~2. Request for Quotation Form~~
~~3. Purchase Order~~
~~4. Approval from the Department and/or Finance Director (on P.O.)~~
~~5. Account to be charged (on P.O.)~~
~~6. Original Invoice~~

~~XII. STAFF REPORTS FOR THE COMMISSIONERS~~

- ~~A. Commissioners are the only authority to bind the County in leases and long-term contractual agreements.~~
- ~~B. Staff reports will be provided for all contracts, and leases for presentation, approval and explanation at defined Commissioner's meetings.~~
- ~~C. Staff reports may be approved directly by the County Manager in these applications:~~
~~1. Copier Leases and other small office leases for equipment~~
~~2. Mileage Reimbursement Increases~~
~~3. And general housekeeping operating agreements on a case by case basis~~

~~EFFECTIVE: DECEMBER 2025~~ ~~March 11, 2019~~