



REQUEST FOR BOARD ACTION

ITEM NO. 8.

DATE OF MEETING: September 19, 2011

REQUESTED BY: Rick Benton, County Manager

SHORT TITLE: Resolution Approving Pender County Purchasing Policy

BACKGROUND: While the various County's departments do a great job at assuring tax dollars are spent wisely, in assuring purchases are made in compliance with state purchasing laws, and in following current purchasing and contracting practices, there is no formally adopted written policy. The purpose of such a policy is to assure that all County departments follow standardized local and state purchasing laws and regulations, and to assure efficiency and effectiveness in the operation of the County's functions and departments.

A draft policy is attached outlining general policies, responsibilities of staff, general processes, and minority participation goals.

SPECIFIC ACTION REQUESTED: To consider a resolution adopting the proposed Pender County Purchasing Policy.

COUNTY MANAGER'S RECOMMENDATION

Respectfully recommend approval.

RB
Initial

RESOLUTION

NOW, THEREFORE BE IT RESOLVED by the Pender County Board of Commissioners that:

the Board hereby adopts the Pender County Purchasing Policy dated September 19, 2011. The Chairman/County Manager is authorized to execute any/all documents necessary to implement this resolution.

AMENDMENTS:

MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS

YEA VOTES: Brown ___ Tate ___ Rivenbark ___ Ward ___ Williams ___

George R. Brown, Chairman Date

ATTEST Date

PENDER COUNTY PURCHASING POLICY

I General Policy

- a. The purpose of this purchasing policy is to assure Pender County conforms to State purchasing laws and regulations, and to assure efficiency and effectiveness in the operation of the County's departments and functions.
- b. The County's purchasing goal is to assure public dollars are spent wisely, to assure maximum value is received for the tax dollar, and to assure the County receives the very best products and services for every tax dollar.
- c. All officials of the County who participate in the negotiation and approval of purchases and contracts are responsible for becoming familiar with and abiding by all applicable state, county and other laws and regulations governing such activities, including but not limited to conflict of interest laws and regulations.
- d. The County Manager is the designated chief contracting officer for the County, however the Manager may delegate purchasing and contracting responsibilities to a member of the County staff.
- e. Officials involved in purchasing or negotiating contracts shall not knowingly make purchases or execute contracts when there is evidence of a conflict of interest on the part of any County official.
- f. Bid awards shall be awarded to the lowest responsible bidder, taking into consideration quality, value to the County, performance, and time specified for performance in the proposal.
- g. The County will make every effort to give preference to local vendors considering competitive pricing, quality, availability, performance, value, and compliance with County, state and federal laws governing bidding.
- h. Officials involved in purchasing shall foster competitive competition by seeking bidders, obtaining multiple bids whenever possible, and developing more than one active source of supply for various products and services.
- i. Breaking up of quantities and groups of related items for the purpose of evading State or County bidding requirements is prohibited.

II Responsibilities

- a. The County Finance Department is responsible for:
 - Providing departments with account numbers, budget information and funding availability, updated monthly budget and account reports
 - Reviewing requisitions and approving purchase orders subject to funding availability
 - Executing a pre-audit statement on every purchase and contract

- Processing invoices and making timely payments to vendors
- Implementing purchasing policies and practices
- Collaborating and coordinating purchasing activities with department managers to achieve efficient, cost-effective products and services; and to assure compliance with all local, state and federal purchasing laws and regulations

b. Department Managers are responsible for:

- Determining purchasing requirements and needs
- Collaborating and coordinating purchasing activities with the County's purchasing agent
- Researching products, prices, vendors, and preparing specifications
- Soliciting multiple bids on products and services
- Assuring staff seeks and evaluates pricing prior to making purchases
- Preparing requisitions, acquiring purchase orders, preparing contracts, and submitting purchase orders
- Assuring a pre-audit statement is executed with every purchase and contract
- Collaborating with vendors in issuing purchase orders and ordering products
- Accepting products when delivered and substantiating invoices
- Submitting invoices to Finance Department for processing
- Reconciling problems with vendors or sales
- Maintaining stock and inventory record systems

III Process

a. Purchase Orders

- Purchase orders are required for any purchase or contract over \$500. Purchases under \$500 are processed by submitting an approved invoice to the Finance Department for payment. Requisitions for proposed purchases of \$500 or greater must be submitted to the Finance Department through the County's purchasing software for purchase order approval prior to making purchases. Only after a purchase order is assigned may purchases be made.
- Department Managers or their designee shall consider competitive pricing for all purchases, services and contracts. A minimum of two bids or quotes shall be solicited for all purchase orders \$500-\$4,999. A minimum of three bids or quotes shall be solicited for all purchases \$5,000 or greater. Compliance with informal and formal state purchasing procedures shall apply to all purchases that fall within those statutory expenditure thresholds.
- Board of County Commissioners' approval of purchase orders is required for all "non-routine" expenditures exceeding \$5,000. Routine expenditures include utilities, advertising, postage, fuel, and water-sewer purchase contracts.

b. Informal Bids

- State law requires that informal bid procedures be used for purchases or lease-purchases of apparatus, supplies, materials or equipment requiring an estimated expenditure of \$30,000 to \$89,999; and for construction and repair work requiring an estimated expenditure of \$30,000 to \$499,999. All statutory requirements for informal bids shall be followed. In addition, a minimum of three bids must be secured for purchases that fall under the informal bid process. The Board of

Commissioners may waive the three bid requirement and award a bid if it determines the bidding process was competitive.

- c. Formal Bids
 - State law requires that formal bid procedures be used for purchases or lease-purchases of apparatus, supplies, materials or equipment requiring an estimated expenditure of \$90,000 or more; and for construction and repair work requiring an estimated expenditure of \$500,000 or more. All statutory requirements for formal bids shall be followed.
- d. State Contracts
 - State contracts are available to Pender County and should be considered for pricing products and purchases along with other methods and opportunities.
- e. Service Contracts
 - Service contracts fall outside the scope of State bidding requirements, however they are subject to the County's bidding policy and procedures. Services contracts are considered maintenance contracts for equipment such as computers and software, specialized electronic equipment, copiers, radios, etc. All service contracts are subject to competitive pricing and service analysis where appropriate and feasible depending on the type of service.
- f. Professional Services and Contracts
 - Professional services (legal, financial, consulting and other professions) are exempt from bidding requirements.
 - State law requires that selections for professional design services (architect, engineers, surveyors) must be made on the basis of demonstrated competence and qualifications. Requests for Qualifications shall be solicited for professional design services, and fees shall be negotiated subsequent to firm selection.
 - It is the policy of the County to seek competitive proposals for professional services where appropriate and feasible.
- g. Emergency Purchases
 - Emergency purchases may be authorized without regard to standard purchasing procedures by the County Manager or Department Head. Emergencies are defined as an immediate and present condition that requires addressing due to employee or public safety and welfare issues. A confirming purchase order shall be secured within three (3) days after an emergency purchase has occurred.
 - Emergency approval of purchase orders exceeding \$5,000 shall be approved by the County Manager in consultation with the Board Chair, with subsequent notification to the full Board.

IV Minority Participation Goals

- a. The County has adopted a policy that provides for a verifiable five percent (5%) goal for participation by minority business in the total value of work for each project for which a

building construction contract or contracts are awarded for projects in the amount of \$500,000 or more, unless the project involves State appropriations or grant funds; whereas the verifiable goal is implemented on projects in the amount of \$100,000 or more. Every effort shall be made by County officials, as well as contractors and subcontractors, to cooperate and in good faith do all things legal, proper and reasonable to achieve the goal of five percent for minority participation in construction projects.

- b. A manual of Pender County Guidelines for Recruitment and Selection of Minority Businesses is available and shall be used as a guide for achieving minority participation goals. The manual includes definitions, outreach plans, responsibilities, compliance requirements, and bidding forms.
- c. Purchasing procedures shall also comply fully with all state and federal minority participation laws and regulations as applicable.

Adopted this the 19th day of September, 2011.

George R. Brown, Jr., Chairman
Pender County Board of Commissioners

ATTEST:

Rick Benton, County Manager