

PURCHASING PROCEDURE

INTENT:

It is the intent of the governing authority of the county to establish regulations and procedures to provide for an efficient and fiscally responsible system for the purchase of materials and services necessary for the effective operations of the county government and to ensure the administration of such system is in accordance with the highest ethical and fiscal standards and applicable laws.


A. APPROVAL OF PURCHASES

The annual budget adopted by the Board of Commissioners serves as *approval* for all purchases and contracts set forth in the budget. The Board of Commissioners must approve any additional funds through a budget amendment.

B. PURCHASE POLICY

- Up to \$500
Authorized personnel of county agencies may issue orders directly to vendors for goods and services with a purchase order
- Purchases under \$500 to \$2,500
Authorized personnel of county agencies may receive purchase orders with approval by Chairman
- Purchases from \$2,500 to \$10,000
Purchases between \$2,500 to \$10,000 require the approval of the Board of Commissioners with a requirement of at a minimum, bids by telephone, direct mail, fax, e-mail or catalog comparison before issuing of purchase order.
- Purchases from \$10,000 to \$15,000
Purchases greater than \$10,000 and not more than \$15,000 require the approval of the Board of Commissioners with a requirement of sealed bids to be delivered with at least 48-hour response time allowed. The county clerk will open all such bids at the announced hour, record the results, and pass copies of the appropriate department head for action. Solicitation of these bids may be through legal advertisement, direct mail, telephone, fax or e-mail.
- Purchases over \$15,000
Purchases of goods and services over \$15,000 are typically accomplished by formal bid advertisement. Formal bids are advertised in at least one circulated newspaper.
Sealed Bids must be properly identified and received on time.
Bids are awarded to the most responsible and responsive bidder in accordance to specifications.

- **Sole Source Procurement**
A contract may be awarded, without competition, when the Board of Commission determines there is only one source for the required supplies, equipment, service, construction
- **Emergency Procurement**
Emergency Procurement may be required for supplies, equipment, services, and or construction, when there exists a threat to public health, welfare, or safety, provided that emergency procurement shall be made with such competition as is practicable under the circumstances.
- **EXCEPTIONS**
Purchases from contracts established by the State or any agency of the State eliminate the need for bids for county materials, supplies and equipment.

Note: The  is not covered under this policy as it is under the direction of the DTF Control Board and receives and disburses their DTF grant fund monies.


Carter County

POLICY STATEMENT 3007	DATE August 15, 2005
TITLE: Procurement of Goods and Services	PAGE 1 OF 9

I. INTRODUCTION

GBI employees and supervisors are authorized to procure goods and services in their official capacities for the furtherance of GBI operations. In order to procure the goods or services, the appropriate approvals must be obtained through the employee's chain of command and the Finance Office, if applicable, and the funds must be available.

II. PURCHASING – GENERAL

- A. All information technology (IT) related purchases equal to or greater than \$2,500.00 must be submitted on a Purchase Order Request Form (Attachment A) through the chain of command to the GBI Finance Office. The requested items(s) will be purchased competitively according to applicable state guidelines through Finance working in conjunction with the affected Division.
- B. All IT items costing less than \$2,500.00 are not subject to mandatory competitive bid.
- C. All non-IT related requests for purchases equal to or greater than \$5,000.00 must be submitted on a Purchase Order Request Form through the chain of command to the GBI Finance Office. The requested items(s) will be purchased competitively according to applicable State Guidelines. Certain exceptions are listed further in this policy.
- D. All non-IT items under \$5,000.00, are not subject to mandatory competitive bid.
- E. GBI employees should make diligent efforts to ensure that the GBI facilitates a competitive purchasing environment and receives a

reasonable price for products. Even in circumstances when competitive bids are not mandated, employees are encouraged to seek at least 3 quotes from separate vendors. When these non-mandatory quotes are obtained from multiple vendors, they are to be documented on a "Bidder's Response Form" (Attachment B) and/or included with the Purchase Order Request Form that is forwarded to Finance.

- F. Equipment items will be accurately and appropriately identified as an asset and/or capitalized as needed, according to applicable laws, accounting requirements, and GBI policies. GBI Staff Services will maintain the inventory and asset management records for equipment items.
- G. Completed and signed Receiving Forms must be sent to the Finance Office no later than 10 days from when the goods are received. The Receiving Forms may also be sent attached to the invoice requesting payment.
- H. All invoices, requests for payment, or other documentation related to procurement or invoicing must be forwarded from the work unit, through the chain of command, to the Finance Office within 15 days of receipt. Unless otherwise prevented, the GBI will pay vendors within 30 days.

III. PURCHASING: METHOD OF SELECTION AND METHOD OF PROCUREMENT

- A. Depending upon the item(s) to be purchased, statewide contracts, agency contracts or mandatory sources (Ex. DOAS Supply Services, Georgia Correctional Industries [GCI], Georgia Enterprises) may regulate and control the vendor that the GBI utilizes to obtain a product. Employees unsure of whether the needed item is covered by one of these mandatory sources should contact the Finance Office prior to initiating the transaction regardless of the method by which the item will be purchased (Ex. Miscellaneous Expense Form, Purchasing Card, etc.).
- B. State Contracts are set up and maintained by DOAS State Purchasing. Agency Contracts may be set up by the GBI with approval and

coordination from DOAS provided State Purchasing Rules are followed during the set up of the initial contract. Upon request, the Finance Office will facilitate the initiation of Agency Contracts.

C. Competitive Bids (Open Market Purchase Method)

1. During the bid process, GBI operational employees that will be considered end-users are prohibited from communicating with potential vendors in any way. Any communication with vendors during this time frame must be through a purchasing professional dealing with the procurement process. If an end-user is contacted by a vendor during this time frame, the employee should inform the vendor that they cannot communicate with them and refer the potential vendor to a purchasing professional. Communicating with a potential vendor during this time frame may disqualify the vendor.
2. Depending upon the dollar amount, the following procurement requirements must be met.
 - a. \$5,000-9,999 6 bids total with 3 minority bids
 - b. \$10,000-49,999 10 bids total with 5 minority bids
 - c. \$50,000-99,999 15 bids total with 7 minority bids
3. If the required number of bids cannot be obtained, an explanation must be provided and filed with the original Purchase Order.

IV. LARGE DOLLAR PURCHASES AND CONTRACTS

- A. In most cases, complex or large dollar procurements must be undertaken by the GBI Finance Office in conjunction with DOAS State Purchasing and take longer to process due to mandatory procedures, documentation and additional levels of approval that must be obtained. Employees needing to engage in these types of purchases should be aware of the time issues involved and be aware that requests for purchases in this category will take considerable time.

- B. The GBI will independently process the purchase of non-IT items costing less than \$50,000. Larger purchases must be processed through DOAS State Purchasing unless a specific exception applies or blanket approval has been received.

V. PURCHASES OF PROFESSIONAL SERVICES OR OTHER INTANGIBLE ITEMS

- A. Requests for the purchase of Professional Services (i.e. consultants) expected to equal or exceed \$2,500 will be forwarded through the employee's chain of command to the Finance Office.
- B. All professional services agreements, contracts, or other arrangements must be documented and approved in advance. Required documentation, at a minimum, includes the following:
 - 1. Statement of Work
 - 2. Scope of Project
 - 3. All Associated Costs
 - 4. Desired results
 - 5. Applicable timelines
 - 6. Method and timeline of payment

VI. SOLE SOURCE AND SOLE BRAND PROCUREMENTS

- A. Due to the nature of GBI needs, many times the required items require that the Sole Source and/or Sole Brand Method be employed.
- B. A Sole Source is a vendor who is the only source for the product: the vendor is the only manufacturer, and/or authorized distributor of the requested product.
- C. A Sole Brand is a product that must be of a certain make or brand and no substitutions will do.

D. For Sole Source or Sole Brand purchases, the following documentation must be submitted to the Finance Office along with the Purchase Order Request Form.

1. A letter from the suggested vendor specifying why the vendor is the sole brand or source for the desired product. Examples include explaining why the suggested product is of a proprietary nature or why the vendor is the only licensed or approved manufacturer or dealer.
2. A letter from the end user or operational personnel specifying why the sole brand or sole source product is operationally necessary. An example of a justifying reason is that the item includes operational or safety requirements as determined by GBI management or end users and the suggested brand or source is the only available vendor that provides the critical operational or safety feature.
3. A completed Sole Source and/or Sole Brand Form (Attachments C and D) as applicable. In many cases, the only manufacturer is also the only distributor, in which case the purchase falls under both sole brand and sole source. In these instances, both forms will generally be required. The Sole Source/Brand Forms are a requirement of State Purchasing.

E. Unless of an emergency nature operationally, the GBI will list sole source and/or sole brand procurements on the State Registry for a limited period of time announcing that it is the GBI's intent to procure the item as a sole source/sole brand.

VII. CONTRACTUAL OR OTHER ARRANGEMENTS FOR REPAIRS, MAINTENANCE, OR SERVICE

- A. All contracts or annual agreements for repairs, maintenance, or services must be submitted on a Purchase Order Request Form through the employee's chain of command to the Finance Office, **regardless** of the dollar amount. Examples of the recurring costs included in this section are annual contracts or agreements for

building or lawn maintenance. In the event a work unit or division wishes to renew a contract, to cancel a contract, or encounters material problems with a service provider or vendor, the work unit must complete a GBI Contract/Agreement Modification Form (Attachment E) and submit it through the chain of command to the Finance Office.

- B. Isolated service calls or repairs for which the office/work unit receives an invoice may be handled with purchasing cards or by submitting a miscellaneous expense form with the invoice attached.

VIII. MISCELLANEOUS EXPENSE FORMS

- A. The Miscellaneous Expense Form (Attachment F) can be used to request and grant operational, supervisory, and budgetary approval for appropriate expenditures. Since modifications to the form occur periodically, employees should always use the current Miscellaneous Expense Form located on the GBI LAN.
- B. The Miscellaneous Expense Form should be used to pay invoices for less expensive items when the procurement process was initiated and completed at the work unit. This form should also be used when the goods or services have been received and the invoices are in possession of the GBI. Funding must be available and supervisory approval must be obtained prior to making any purchase. Provided that the State purchasing rules are followed, funding is available, and all necessary approvals have been obtained, the use of the Miscellaneous Expense Form could be permitted for any item.

IX. VISA PURCHASING CARDS

- A. Use of the Visa Purchasing Card is encouraged to purchase supplies, small equipment, and other less expensive items. The Finance Office will administer the Visa Purchasing Card program including applications and approvals. More detailed information is available in the Purchasing Card Manual (Attachment G). Cardholders must comply with the requirements in the Purchasing Card Manual including using all appropriate forms.

- B. Funding must be available and supervisor approval must be obtained prior to any purchase. Non – IT items for less than \$5,000 not otherwise specifically prohibited in the Purchasing Card Manual (ex: weapons, equipment over \$1,000, computers, excluded purchases, etc.) may be purchased using the Visa Purchasing Card. The purchase of items costing \$5,000.00 or more may not be purchased with the VISA Purchasing card. IT-related items costing less than \$2,500 may be purchased using the Visa Purchasing Card, unless otherwise prohibited.
- C. All cardholders will have a \$5,000 monthly limit and a \$4,999.99 single transaction limit. Under special arrangements, and if operational needs dictate, certain cardholders may receive an increased monthly limit; however, all state purchasing rules must still be followed. Cardholders cannot exceed \$4,999.99 in total to any one vendor in a given card cycle.
- D. The Visa Purchasing Card cannot be used for the following:
 - 1. Cash Advances
 - 2. Travel or Entertainment Expenses
 - 3. Motor Vehicle Fuel
 - 4. Professional Services
 - 5. Personal Purchases
 - 6. Equipment over \$1,000 included on inventory
 - 7. Weapons
 - 8. Computers
- E. Improper use of the Visa Purchasing Card can result in the revocation of the Visa Purchasing Card. In the event of a lost or stolen card, the cardholder must notify his/her immediate supervisor and the Finance Office immediately.

X. UTILITIES

- A. Invoices for basic utilities will be sent directly to the GBI Finance Office and paid accordingly.
- B. Work unit supervisors must always notify Finance and Staff Services of any changes in facility arrangements including change in service, location, or need.
- C. With the exception of basic utilities such as gas, water, and electric bills, all other invoices associated with a GBI facility should be billed and sent directly to the applicable GBI work unit. These invoices must then be approved and submitted through the chain of command to the Finance Office with a completed Miscellaneous Expense Form. The work unit should provide the Social Security Number or Federal Identification Number for the vendor seeking payment.

XI. LEASES

All leases must be processed through Staff Services. Staff Services will verify funding availability with the Finance Office and process the facility/lease arrangements according to State Guidelines.

XII. SPECIAL APPROVALS

- A. In addition to routine purchasing requirements, some items require special approvals. The Finance Office will coordinate obtaining these approvals with the appropriate State Entity. If requested, work units and divisions must provide the necessary information and assistance to the Finance Office to obtain these approvals.
- B. All vehicle purchases must receive special approval from the Office of Fleet Management. Vehicles must be purchased under applicable state guidelines and in concert with DOAS State Purchasing and the Office of Fleet Management.
- C. Generally, all purchases greater than or equal to \$50,000.00 require special approvals and must be processed through DOAS State Purchasing.

XIII. FILES

The Finance Office will maintain the original files including final purchase orders, vouchers, and other documentation.

Attachments – 7
08-12-05 (chl)