

SECTION VI - PROCUREMENT POLICIES AND PROCEDURES

This policy provides guidance for the procurement of goods and services in compliance with procurement provisions of the County and the State of Georgia statutes. The goal of this policy is to establish, foster, and maintain the following principles:

- Consideration of the County's best interest in all transactions;
- Purchasing without prejudice by seeking to obtain the best value from the most qualified responsible bidder; and
- To subscribe to and work with honesty and truth in purchasing.

All departments of the County including the constitutional offices are subject to these procurement policies.

This Section includes Subsection I for General Policies, Subsection II for Specific Policies, and Subsection III for Specific Procedures.

SUBSECTION I - GENERAL POLICIES

A. FULL AND OPEN COMPETITION

The County shall make every effort to obtain high quality goods and services at the best possible price. All procurement procedures will be conducted in a fair and impartial manner with avoidance of any impropriety. All qualified vendors have access to County business. No bidder will be arbitrarily or capriciously excluded from providing goods and services to the County. Competition shall be sought for all procurement to the maximum extent possible. The conditions of all contracts shall be made clear in advance of the competition. Specifications shall reflect the needs of the County.

The County's procurement system shall encourage full and open competition on all purchases and sales.

The operation of the County's procurement system and surplus property disposal system shall be based upon competitive bidding whenever possible.

It is the responsibility of the Purchasing Department to ensure that an adequate selection of bidders is solicited for every bid to achieve optimum competition. This responsibility includes using various advertising methods when sources may be limited and personally contacting potential bidders either via phone, mail, e-mail or fax if deemed necessary.

B. INTEREST OF COUNTY OFFICIALS OR EMPLOYEES IN EXPENDITURE OF PUBLIC FUNDS

No official or employee of the County will have an interest directly or indirectly (e.g., a financial gain) in any transaction with, sale to, work for, or contract with the County or any department of the County or service involving the expenditure of public funds in violation of ethical conduct. The County shall not contract with, or purchase from, a vendor who is a member of the immediate family having a financial interest with that vendor (i.e. owner, director or officer) of a County Commissioner, County Administrator, County Attorney, County Clerk, Purchasing Director, Department Head, HR Director, or any Finance Department staff. The County shall not use a vendor for services in an operating department who is a member of the immediate family of an employee of that operating department. Individuals serving on the following boards are exempt from this policy if

they are not covered as full time county employees or members of the Board of Commissioners

- Airport Authority
- Board of Elections & Voter Registration
- Board of Equalization
- Board of Family & Children Services
- Board of Health
- Board of Tax Assessors
- Development Authority
- Gordon/Floyd Development Authority
- Highland Rivers Community Service Board
- Historic Preservation Commission
- Historic Society
- Hospital Authority
- Library Board
- Limestone Valley RCDC Agency
- Northwest Georgia Regional Commission
- Planning & Zoning Board
- Region One Emergency Medical Services Council
- Regional Planning Board for MH,DD, & AD
- Tallatoona Community Action Partnership

C. GIFTS AND GRATUITIES

Officials or County employees are not authorized to accept gifts or gratuities from any individual, company, firm or business establishment that is a vendor to the County or is marketing the County with regard to future purchases. Limitations should not be interpreted so as to prohibit acceptance of social courtesies such as meals and holiday gifts that contribute to good public relations or to prohibit employees from obtaining loans from established lending institutions.

D. DISCLAIMER OF RESPONSIBILITY

The County will not be responsible for a purchase made by any County employee, County official, or an employee of any department utilizing public funds who fail to follow these procurement policies and procedures.

It shall be considered a "breach of duty" on the part of any employee who procures goods or services not consistent with the procurement policies contained herein. Any breaches shall be reported to the County Administrator, Finance Director, or Constitutional Officer, if applicable.

The Board of County Commissioners may disclaim responsibility and liability for any expenditure or agreement for expenditure arising from a procurement of goods and services made in its name, in the name of any governmental department under its fiscal authority, by an unauthorized person or any person acting outside these policies. The cost of any such disclaimed transaction will become the personal liability of the individual who acted improperly.

SUBSECTION II – SPECIFIC POLICIES

A. CENTRALIZED PROCUREMENT CONTROL

The County will maintain a centralized procurement control system whereby all County purchases will be coordinated by the Purchasing Department. However, the County's Purchasing Director may delegate to personnel within a user department the authority to purchase certain commodities or services if such delegation is deemed advantageous to the County or is necessary for the effective procurement of those items.

B. BUDGET ALLOCATION

Unless a budget appropriation is available, no procurement shall occur which obligates the County to pay for goods or services. Each respective department head or designee has the responsibility for reviewing budget authorization and availability prior to beginning the procurement process. Exceptions shall be made only for emergency purposes (see paragraph N below).

C. PROCUREMENT THRESHOLDS

Generally, all County procurement shall be subject to the following procurement thresholds:

- Purchases estimated to cost \$1,000 or less shall obtain an electronic requisition and purchase order.
- Purchases estimated to cost between \$1,001 and \$4,999 shall obtain three quotes via written, telephone, e-mail, or fax. The requisition form shall contain details including date, vendor name, quote, and terms.
- Purchases estimated to cost between \$5,000 and \$19,999 shall obtain three written quotes.
- Purchases estimated to cost \$20,000 or greater shall obtain formal sealed bids or proposals. This procurement method shall include written specifications, two weeks of advertising, public bid opening, and approval by the Board of County Commissioners in a public meeting.

Procurement for certain professional services such as engineering, architectural, legal, and audit services are exempted by state law from bidding requirements and may be subject to exemption from these policies and procedures (O.C.G.A. 36-91-20(c)).

D. OPERATIONAL SUPPLIES, SMALL EQUIPMENT, AND CAPITAL EQUIPMENT THRESHOLDS

Operational supplies purchases are defined as an item that cost \$1,000 or less and have a useful life less than one year.

Small equipment purchases are defined as an item that cost between \$1,001 and \$19,999 and have a useful life of more than one year.

Capital equipment purchases are defined as an item that cost \$20,000 or more and have a useful life of more than one year.

E. STATE OF GEORGIA PROCUREMENT CONTRACTS

The County is authorized to use any State of Georgia statewide contracts through the Georgia Department of Administrative Services, in lieu of obtaining quotes or issuing competitive sealed bids when it is to the economic advantage of the County (O.C.G.A. 50-5-100). The state contract price may be used to establish the maximum price for a good or service.

F. SOLE SOURCE PROCUREMENT

Sole source procurement is permissible if a required good or service is available from only a single supplier. A requirement for a particular proprietary item does not justify sole source procurement if there is more than one potential bidder for that item or service. The County Administrator may approve sole source procurement when there is a clear and compelling reason that sole source is justified.

G. PUBLIC WORKS CONSTRUCTION

The Georgia Local Government Public Works Construction Law (O.C.G.A. 36-91-1) establishes the basic requirements that all counties must follow when hiring private contractors to perform construction projects other than road construction that cost more than \$100,000 to ensure that public works contracts are awarded in a fair and competitive manner. The County shall issue formal sealed bids for all public works construction contracts estimated to cost \$25,000 or more, or in other words, the County will be more restrictive than state law.

H. ROAD CONSTRUCTION

O.C.G.A. 32-4-63(1) outlines state law regarding road construction projects that all counties must follow when hiring private contractors to perform road construction or maintenance projects that cost more than \$20,000. The County shall issue formal sealed bids for road construction or maintenance projects estimated to cost \$20,000 or more that will be performed by private contractors.

I. REQUIRED BONDS

BID BOND

The Purchasing Director may require a bid bond or other bid security in the amount of at a minimum of 5% of the submitted bid for any County project to protect the County if the selected bidder fails to execute an awarded contract. The bid bond, if required, shall be submitted at the time the bid is submitted. If a bidder fails to accompany the submitted bid with the required bid bond or bid security, the bid may be rejected as non-responsive. If the selected bidder fails to execute an awarded contract, the bid bond amount will be retained by the County to pay for the expenses of rebidding the project. This bond can take the following forms: cash, certified check, irrevocable letter of credit, or an insurance product from a company authorized to do business in the state of Georgia.

PERFORMANCE BOND

The Purchasing Director may require a performance bond in the amount of 100% of the submitted bid for any County project to provide the County reimbursement if the selected bidder fails to complete the project according to the contract. The

performance bond, if required, shall be submitted after being awarded the bid. If the selected bidder fails to complete the project according to the contract, the performance bond may be called and the amount recovered will be retained by the County to complete the project. This bond can take the following forms: cash, certified check, irrevocable letter of credit, or an insurance product from a company authorized to do business in the state of Georgia.

PAYMENT BOND

The Purchasing Director may require a payment bond in the amount of 100% of the submitted bid for any County project to protect the County and the contractor's subcontractors and suppliers. The payment bond, if required, shall be submitted after being awarded the bid. If the awarded contractor fails to pay any of his subcontractors or suppliers who assist in the project, the subcontractors and suppliers seek recovery against the payment bond, not the County. This bond can take the following forms: cash, certified check, irrevocable letter of credit, or an insurance product from a company authorized to do business in the state of Georgia.

J. PUBLIC BID OPENINGS

All formal sealed bids will be publicly opened and recorded by the Purchasing Director at the time and place included in the invitation for bids or proposals.

K. FORMAL BID AWARDS

The Purchasing Director and the user department director, if applicable, shall recommend to the Board of County Commissioners the award of all formal sealed bids. Only the Board of County Commissioners shall award such bids in a public meeting.

L. CANCELLATION OR REJECTION OF BIDS OR PROPOSALS

The Board of County Commissioners reserves the right to cancel any outstanding formal sealed bids prior to the opening of the bids and also reserves the right, after the bid opening but prior to the award of a bid, to reject, in whole or in part, any bids or proposals. Any cancellations or rejections should be consistent with these procurement policies and procedures.

M. CHANGE ORDERS

The County may make written changes to the plans, specifications, scheduling, and performance period of any contract. However, any changes that increase the total dollar amount of the original contract or makes a material change to the scope of the project shall be approved by the Board of County Commissioners in a public meeting.

N. EMERGENCY PURCHASES

An emergency purchase is one in which a situation exists where inventory, supplies, equipment, etc. are depleted and would hamper County operations or a when a threat to public health, safety, or property exist and goods or services are needed. Emergency purchases are allowed when using the procedures in Section III

O. VENDOR QUALIFICATIONS AND RESPONSIBILITIES

Any potential vendor desiring to conduct business with the County shall adhere to vendor relations requirements included in Subsection III of this document.

P. LOCAL BIDDER PRIVILEGE

Because bids awarded to "local" vendors contribute to the Gordon County tax base and promote the local economy, the Gordon County Board of Commissioners has determined that, under certain circumstances, such "local" vendors shall be provided an additional privilege when bidding against non-local vendors.

If a "local" vendor's bid shall meet all specifications and is not more than four percent (4%) more than the lowest responsive and responsible bidder, the lowest bidding "local" vendor shall be given one (1) business day from the opening of such bids in which to notify the Purchasing Director that it agrees to match the low bid submitted by any non-local vendor. If such "local" vendor shall not agree to match the low bid, then the next lowest "local" vendor, if any within this specified category, shall be given one (1) business day there from to notify the Purchasing Director that it agrees to match the low bid submitted by any non-local vendor, and so on until all "local" vendors who fall within the specified category have had an opportunity to match the low bid.

This privilege or preference shall not apply to road construction or public works projects otherwise governed by Georgia Law or to the purchase of any other goods and/or services, for which such preference is prohibited by Georgia Law.

A "local" vendor for purposes of this section shall be defined as a vendor maintaining a physical presence within Gordon County, including, but not limited to the maintenance of one (1) or more offices within Gordon County with continuous employment of not fewer than two (2) persons at such office(s) for more than six (6) months prior to the submission of such bid. The mere maintenance of a post office box within Gordon County shall not qualify a vendor as "local" for purposes of this policy.

Q. SALE OF SURPLUS COUNTY PROPERTY

COUNTY EQUIPMENT AND VEHICLES

Annually, or on an "as needed" basis, the Board of County Commissioners, in a public meeting, may declare unneeded County equipment and vehicles as surplus County property and authorize the County Administrator to dispose of the surplus County equipment through public auction or formal seal bids.

The Board of County Commissioners may authorize, in a public meeting, a donation of surplus County equipment or vehicles to another public entity located within the County in lieu of a public auction or formal seal bids.

COUNTY-OWNED REAL PROPERTY

O.C.G.A. 36-9-3(a)(1) outlines state law regarding the sale of County-owned real property other than real property used for roads that all counties must follow when disposing of County-owned real property.

COUNTY-OWNED REAL PROPERTY USED FOR ROAD PURPOSES

O.C.G.A. 32-7-3 outlines state law regarding the sale of County-owned real property used for road purposes that all counties must follow when disposing of this type of property.

R. LOANING OF COUNTY EQUIPMENT

County-owned equipment and vehicles shall not be used for personal reasons. County equipment may be loaned to contracted parties where in-kind work will benefit the County and proof of insurance can be obtained.

SUBSECTION III – SPECIFIC PROCEDURES

A. ORGANIZATION

The authority for centralized purchasing in the County is placed with the County Administrator who may delegate a portion of that authority to the Purchasing Director. The Purchasing Director may, in turn, authorize employees within the Purchasing Department or any other department within the County to perform the necessary procedures to procure supplies, materials, equipment, and services.

B. SCOPE

These procedures shall apply to all purchases of supplies, materials, equipment, and services including repairs that involve public funds. The purchasing procedures herein supersede and repeal all previously existing ordinances and procedures to the extent that they are inconsistent with these provisions.

C. EMPLOYEES APPROVED FOR PROCUREMENT

- The Purchasing Department will maintain a list of County employees who are authorized by their department head to requisition goods and services. Employees not on the list who request purchase orders will not be allowed to continue until authorization from their department head is obtained.
- Department heads must submit a list of persons in their departments authorized to process requisitions.
- Department heads must update the list as changes occur.
- Department heads shall inform their employees as to the individuals within their department who are authorized to process requisitions.

D. GENERAL PURCHASES

All purchases are subject to the Purchasing Department's approval. The department requesting a purchase which is deemed to be an inappropriate item or service, by the Purchasing Department, may obtain a further review from the Finance Director. All departments shall use the MUNIS accounting finance system, when possible, for the requisition of needed items and services. Items and services shall not be purchased without a purchase order first being issued.

E. RECURRING PURCHASES

Recurring purchases such as utilities, debt service, repairs, contracted services (e.g., printing, exterminations, propane, waste services, security monitoring, advertising, postage and metering) are exempted from these policies. Blanket purchase orders may

be issued to cover recurring expenses for similar items when it is deemed necessary in order to allow departments to continue to provide or maintain current levels of service. Blanket purchase orders may be subject to annual formal sealed bidding procedures for purchases such as recurring repairs and maintenance expenses.

F. COUNTY CREDIT CARD PURCHASES

Purchases made by the County's credit card should be infrequent and used primarily for travel related expenses such as reserving hotel rooms, renting vehicles, fuel purchases when traveling, and for certain Internet purchases. Normal purchasing procedures shall apply when using the County's credit card. The credit card is simply a payment method. Under no circumstances shall the County's credit card be used for personal purchases, even to be reimbursed later by the employee.

G. EMERGENCY PURCHASES

- If an emergency occurs, the user department will contact the vendor to acquire the needed item(s).
- The vendor must supply the item or items and the correct documentation (invoice).
- After the emergency situation is taken care of, the user department must prepare a purchase requisition containing detailed information on the item(s) purchased, the reasons for the emergency, and as to the choice of vendor.
- The purchase requisition shall be clearly labeled "EMERGENCY" and shall be signed by the department head, if appropriate.
- The requisition form must then be forwarded to the Purchasing Department with the invoice and any other appropriate information.
- The Purchasing Director will then contact the vendor and issue a purchase order number or the using department may enter a requisition and receive a purchase order to deliver to the vendor.
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H. VENDOR RELATIONS

- Potential vendors should be instructed to contact the Purchasing Department.
- Once a bid process is under way, no further contact or correspondence regarding the purchase is allowed between the user department, any employee, or any elected official and the potential vendor until the bid is awarded to ensure that all bidding information is consistent.
- In no instance will quotations received from one vendor during bidding or other negotiations be divulged to other vendors prior to bid opening. After bid opening, all vendor quotations are public information.
- Offers of gifts from vendors should be reported to the Purchasing Department immediately.
- No informal agreements are to be made with vendors, only the Purchasing Department will make formal agreements with vendors.

I. NORMAL PURCHASING PROCEDURES (\$1 to \$19,999)

- All departments must submit a requisition to the Purchasing Department. The required price quotes must be submitted in the note section of the requisition. It is the responsibility of the requesting department to determine the estimated cost of the requisitioned item or service, when the price of the requisition items or service may increase, and if other charges are to be added to the invoice (i.e., freight, fuel adjustment or other miscellaneous charges). Each is to be noted on the requisition.
- The Purchasing Department will verify the department's budget authorization and availability of funds to purchase the requested item(s) or service.

- The Purchasing Department will then, if funds are available, release a purchase order to the user department.
- The user department must then issue the assigned purchase order to the vendor.
- The user department will then arrange the delivery as to time and place desired.
- When delivered, the department must check the items against the purchase order and retain a delivery ticket or send this document to the Finance Department.
- The invoice shall then be delivered to the Finance Department to be matched with the purchase order form, receiving document and processed.
- Where appropriate, warranty forms shall be maintained in a "warranty file" in the user department.

J. FORMAL SEALED BIDS PROCEDURE (\$20,000 and greater)

- Formal sealed bids shall be used when the following conditions exist:
 - There are clear specifications;
 - Basis of award is price (as related to quality desired);
 - There are several bidders who can provide the product or service;
 - There is more than one (1) brand or product that meets the requirements or the specified brand can be obtained through more than one (1) source;
 - There is adequate time to advertise or solicit bids.
- The Purchasing Director will check the department's budget authorization and availability of funds to purchase the requested item or service.
- If authorized, an invitation to bid document will be produced by the Purchasing Director. The bid specifications will be written so as not to exclude nor favor any vendor whenever possible.
- The invitation to bid will be advertised in the County's legal organ for a minimum period of once a week for two weeks prior to the designated bid opening or in accordance with state law. Public works construction contracts are required to be advertised for four consecutive weeks in accordance with Georgia Local Government Public Works Construction Law (see Subsection II (G)).
- Every opportunity will be made to have the competitive bidding open to as large a number of bidders as is practically possible. A minimum of three vendors will be contacted to submit sealed bids, if available. The following process will be used to ensure competitive bidding:
 - Advertisement in local and surrounding area newspapers;
 - Area yellow pages searched to locate possible vendors;
 - Referencing of past bid/proposal files to locate vendors;
 - Internet searches for appropriate vendors;
 - Placement of bid/proposal announcement on the County's website.
- When bids are received, they will be stamped as to date and time they arrived.
- At the time and place specified in the invitation to bid, the bids will be opened publically and read aloud in the presence of a representative of the Purchasing Department. Bidders are not allowed to alter bid packages in any way after they have been opened at the bid opening time. Late bids will not be accepted.
- The Purchasing Director will evaluate all submitted bids on the basis of the lowest responsive bid and responsible bidder. A responsive bid is one that meets all bid specifications and requirements of the bid document. A responsible bidder is one who is capable to best deliver the product or service indicated in the bid package, has a favorable past performance of delivery, and positive references. The Purchasing Director and the user department will evaluate the technical aspects of the product or service to determine if it meets the bid specifications. After the evaluation is completed, a recommendation will be made to the Board of County Commissioners for their consideration of awarding the bid. The Board of County Commissioners specifically reserves the right to accept or reject any or all bids and to waive any technicalities and formalities.
- The successful bidder will be contacted and a purchase order will be released.

K. FORMAL SEALED PROPOSALS (\$20,000 and greater)

- Formal sealed proposals will be handled and processed in the same manner as formal sealed bids. This process may be used when clear specifications are not available or when a service is required.
- In this procurement method, qualifications will be primary and price may or may not be used in the evaluation of the proposals. The basis of award is the criteria outlined in the proposal. At the public opening, only the names of the companies offering the proposals will be read. Because negotiations are still possible, the contents of the proposal will not be released until the item or service has been evaluated and awarded. It is the Purchasing Department's responsibility to determine the method of purchase and to select the bid or the proposal method that is in the best interest of the County.

L. SPECIAL ISSUES

- Vendors performing a service for the County shall provide proof of workers compensation insurance and general liability insurance. When the Purchasing Director determines that it is in the best of interest of the County, he may waive the workers compensation insurance and general liability insurance requirements. In these instances, the vendor shall sign a release and indemnity waiver form.
- Any in-County vendor performing a service for the County shall also provide proof of a valid business license and be current on all County taxes and fees.
- All conditions being equal, the in-County vendor will be awarded the bid in the case of a tie. In the case of multiple in-County ties or multiple out-of-County ties, the decision will be determined by drawing.
- If alternates are offered in the bidding/proposal process, a full explanation of how the alternative will meet the required specifications shall be submitted with the bid/proposal. The County shall reserve the right to accept or reject any or all of the alternative proposals.
- In certain situations that involve highly technical solutions, a mandatory pre-bid conference may be required. If so required, only bids from those potential bidders in attendance will be considered.
- In the event a bidder is awarded a bid or proposal by the Board of County Commissioners and the selected bidder fails to fulfill the conditions of the award, the Purchasing Director shall have the authority to award the bid to the second most responsive and responsible bidder without rebidding. If the second bidder cannot fulfill the conditions of the award, the Purchasing Director shall have the authority to award the bid to the third most responsive and responsible bidder without rebidding. If the third bidder cannot fulfill the conditions of the award, the Purchasing Director will rebid the item or service.
- Vendors will be required to sign a form that states that they agree to the terms and conditions contained in the bid/proposal package as well as applicable federal, state, and local laws.
- Each vendor shall sign a form indicating that no act(s) of collusion have taken place in the bid/proposal process.
- If a bidder has a grievance regarding these bidding procedures or their application, the bidder must first file a written grievance with the Purchasing Director for a resolution within 10 days of the bid award. If the Purchasing Director cannot resolve the grievance in a satisfactory manner to the bidder, the bidder may appeal to the Board of County Commissioners.

M. PURCHASE ORDERS AND CHANGES

If additional items and/or services are needed for a previously issued purchase order or additional charges will increase the purchase threshold level to a higher level, the original purchase order will need to be cancelled and a new requisition must be created for the revised amount. The new requisition shall have the appropriate bidding or quotation documentation.

N. VIOLATIONS OF PURCHASING PROCEDURES

All employees are expected to follow these purchasing policies and procedures. If not follow, disciplinary actions may result.