



# Greenwood County

## Policy and Procedures

<b>Title:</b> Procurement Policy	<b>Number:</b> 10.4	<b>Page:</b> 1 of 11
<b>Effective Date:</b> January 7, 2014	<b>Revision Number:</b> 2	<b>Revision Date:</b> 10/6/2015
<b>Issued By:</b> Toby Chappell, Manager <i>TLC</i>	<b>Approved by:</b> Steven J. Brown, Chairman <i>SJB</i>	
This policy supersedes any and all previous Procurement policies for Greenwood County.		

### **PURPOSE:**

To provide operating procedures for the purchase of tangible assets such as materials, supplies, equipment, software and construction. These procedures shall apply to all expenditures of public funds. These purchasing guidelines have been established to ensure compliance with state and local laws regarding the manner in which the County procures its supplies, services and other products for use. Title 5, Chapter 2 of the Code of Ordinances of Greenwood County governs the procurement of supplies and services (5-2 as amended).

### **GENERAL PROVISIONS**

The purpose of this manual is to provide for the fair and equitable treatment of all activities involved in public purchasing by the County, to maximize the purchasing value of public funds in procurement, and to provide safeguards for maintaining a procurement system of quality and integrity. This manual shall provide, but will not be limited to, the following:

- a. To consolidate, clarify, and modernize procurement by the County;
- b. To provide adequate procurement oversight by the County Council;
- c. To require the adoption of competitive procurement practices by all departments of the County;
- d. To promote increased public confidence in the procedures followed in public procurement;
- e. To ensure the fair and equitable treatment of all persons who deal with the procurement system;
- f. To provide increased economy in procurement activities and to maximize to the fullest extent practicable the purchasing values of public funds;
- g. To provide safeguards for the maintenance of a procurement system of quality and integrity with clearly defined rules for ethical behavior on the part of all persons engaged in the public procurement process;

- h. To develop an efficient and effective means of delegating roles and responsibility to the staff and various County departments with oversight of the County Manager ; and
- i. To develop procurement capability responsive to appropriate user needs.
- j. The County Procurement Officer possesses the responsibility and authority to monitor and enforce the procurement policies of the County. Violation of these policies can result in suspension or termination of purchasing privileges and/or disciplinary action in accordance with County Personnel Policy.

**REQUIREMENTS:**

Greenwood County department heads are authorized to expend County funds only for budgeted items as authorized by the annual budget. All price limits are to be viewed as total price to include all applicable taxes, fees, etc. that are assessed. Department heads may temporarily delegate this purchasing authority to a designee for the purchase of items less than \$10,000. The purchase of any item \$10,000 and over must be approved by the department head and may not be delegated.

- All County employees shall ensure that they make fiscally responsible purchases.
- All County employees are encouraged to utilize Greenwood County vendors on all purchases where local prices are competitive.

**Purchases under \$1,000 (Minimal Range):**

- Purchases under \$1,000 do not require the issuance of a requisition or purchase order. These purchases may be made using a Greenwood County purchasing card, may be billed to the County under a credit account with the vendor or may be invoiced to the County.
- The purchasing card program is intended for small one-time purchases under \$1,000. However, if numerous (more than 3) small purchases are made to the same vendor each month it is preferable that a credit account be set up with that vendor so that an Accounts Payable check can be issued to the vendor monthly. See Greenwood County Credit Card Policy for details regarding procedures and documentation for using purchasing cards.
- No written bids or verbal bids are required for purchases under \$1,000. Receipts or invoices are required and must be approved by the department head or their designee.

**Purchases \$1,000 and greater and less than \$10,000 (Routine Range):**

- Requisitions/Purchase orders are required on all purchases of \$1,000 and greater. Approval by the department head or designee is required.
- No written, formal bidding is required for purchases less than \$10,000. However, price quotes and documentation is required.

- Documentation of verbal price quotes and supporting documentation is required. Verbal offers/prices/bids shall be requested from at least three sources. Local vendors should be contacted when possible. If it is not possible to obtain pricing from three vendors, staff must note such circumstances on the bid sheet. County staff must record for each source: the vendor contact name, location and phone number, date and price.
- Written prices/bids may be provided to the County, if desired, via letter, fax or email for such items but is not required. The Procurement Officer will assist departments in locating vendors when necessary.
- The bid will be awarded to the lowest responsible bidder unless a local bidder is within 5% of the lowest bid, in which case the Procurement Officer may award to the local vendor.
- All supporting documentation of quotes must be attached electronically by the department requestor to the purchase requisition.

**Purchases \$10,000 and greater and less than \$50,000 (Informal Range):**

- Requisitions/Purchase orders are required on all purchases of items in this range, budgeted or non-budgeted (see emergency). For purchases in this price range approval by the County Manager is required.
- Documentation of written quotes/bids and supporting documentation is required for purchases in this range.
- Solicitation for offers/prices/bids shall be requested from at least three sources. Utilization of local vendors is preferred. Prices/bids may be provided to the County via letter, fax or email.
- All supporting documentation of prices from at least three vendors must be attached electronically by the department requestor to the purchase requisition. If a department is unable to obtain prices from at least three vendors, a memo signed by the department head as to the reason must be electronically attached by the requestor to the purchase requisition.
- Bid Award for purchases in this range: The requesting department will submit all documentation to the County Procurement Officer. The County Procurement Officer will present the documentation to the County Manager for his approval to award the bid to the lowest responsible bidder or unless a local vendor is within 5% of the lowest bid, in which case the County Manager may award to the local vendor.

**Purchases \$50,000 or greater (Formal Range):**

- Formal Written Requests for Proposals (RFPs) and/ or bid specification documents must be prepared.  
RFPs will be made available electronically to vendors. Every effort will be made to obtain bids from at least three vendors and to include all Greenwood County vendors.

- Advertisement on County website is required.  
All purchases where the cost is in the Formal Range shall be posted on the County Website at least five (5) business days prior to the date established for opening of bids or proposals; provided, however, that in the case of professional services, this section shall not apply. The website notice shall include a general description of the materials, equipment, or services to be purchased, how bid forms and specification may be obtained and the time and the place for the bid opening. Additionally, the County will utilize the services of the South Carolina Business Opportunity (SCBO) Newsletter, in order to reach the largest possible audience for bidding on items that we have publicized.
- Sealed Bidding will be required.  
Bids/proposals shall be delivered/submitted to the County Procurement Officer securely sealed in a package, and shall be identified on the package in accordance with bid instructions. Bids/proposals not properly sealed and identified shall not be considered and will be returned to the bidder. Bids/proposals shall be opened in public at the time and place stated in the public notices. The amount of each bid/proposal and other relevant information as may be specified, together with the name of each bidder, shall be tabulated. A tabulation of all bids/proposals received shall be available for public inspection. Emailed or faxed bids will not be accepted.

### **APPROVAL OF COUNTY COUNCIL**

County Council must approve all purchases in the Formal Range except budgeted purchases as denoted below or where an emergency exists. (See Emergency Purchases). The County Council authorizes the County Manager to approve any budgeted purchase.

Prior to issuing purchase orders for items in the Formal Range, the Procurement Officer will obtain confirmation of Council or County Manager approval. The Procurement Officer will subsequently attach to the purchase order requisition, County Council minutes showing approval of the purchases, if applicable, will not unreasonably delay the purchase.

### **BID SPECIFICATIONS**

The County Manager shall have the authority to reject any or all bids/proposals for any supplies, materials, equipment or contractual services, to waive technicalities and to make an award in the best interest of the County within the limits defined by this policy. All contracts for County improvements, material, equipment or services shall be awarded to the lowest responsible bidder; provided, however, in the case of professional services or consultants, this section shall not apply. In determining "lowest responsible bidder", the County Manager will consider, in addition to price, the ability, capacity, skill, and financial resources of the bidder to perform the contract or provide services. Additionally, whether the bidder can perform the contract or provide the services promptly without delay, the character, integrity, reputation, judgment, experiences, and efficiency of the bidder, the quality of performance, availability and adaptability of the supplies or service to the use required will also be considered. Furthermore, the ability of the bidder to provide maintenance, parts, and service, the quality and suitability of a product based on past performance, and the ability, capacity

and skill of the vendor to train personnel may be factors in awarding the contract to a bidder.

When County staff does not recommend award to the lowest bidder in Routine, Informal and Formal ranges, a full and complete statement of the reason for placing the order elsewhere shall be prepared by staff and provided to the Procurement Officer.

The County shall not accept the bid/proposal from a vendor or contractor who is delinquent in the payment of taxes or other monies due the County.

Corrections or withdrawal of inadvertently erroneous bids/proposals before bid opening, withdrawal of erroneous bids after award, or cancellation of awards or contracts based on such bid mistakes may be permitted by the County Manager where appropriate. Any bidder may, by requesting in writing, withdraw his or her bid/proposal for any reason prior to the scheduled bid opening.

After bid/proposal opening, no changes in prices or other provision of bids prejudicial to the interest of the County or fair competition shall be permitted.

All suppliers solicited shall be afforded complete, unbiased information as to the description or requirements of the goods and services including any special conditions of the expected procurement.

All bidders shall be afforded time considered reasonable by the County to provide verbal or written bids or proposals, with the exception of responses in the formal range.

All responses received shall be evaluated for price, quality, acceptability as specified, availability of goods or services, past performance, transportation or any other special cost or factors which may apply, including any special conditions or exceptions which the bidder may have stipulated.

## **OTHER PROCUREMENT ISSUES**

### **Insurance Requirements for Vendors**

- All on-site Contractors (1099 Vendors) who perform work on Greenwood County Property and the premises of Special Tax Districts utilizing County collected funding, are required to carry Workers Compensation Insurance Coverage.
- Proof of insurance (certificates) must be on file before a Purchase Order can be issued or work begun.
- Any exceptions to this requirement must be approved by the County Manager.

The requirements are as follows:

Workers Comp = Statutory Limits, Employers Liability \$100,000 minimum.  
General Liability: \$1,000,000 minimum  
Auto Liability: \$1,000,000 minimum

If selling products or a building project the general liability must include Products and Completed Operations coverage. For high risk jobs (i.e. asbestos removal) a higher limit may be required. For businesses not required by law to obtain Worker's Compensation Insurance, the cost of WC coverage on the part of Greenwood County may be factored into the bid/quoted price.

### **Sole Source Purchases**

Sole source purchases are not to be utilized exclusively for the speed of the transaction. They are to be used when only one responsible bidder can provide the goods or services that are being sought. Department heads must submit documentation/evidence of sole source to the Procurement Officer for Routine, Informal, and Formal ranges. The Procurement Officer will not issue purchase orders on sole source purchases without required documentation attached.

### **Emergency Purchases**

Ample opportunity for competitive bidding will be given in accordance with the above details of this purchasing manual and per the Code of Ordinances of Greenwood County. However, in the event of an emergency affecting the public welfare, health or safety, the purchasing provisions of this manual may be waived when, in the judgment of the County Manager, such an emergency exists, the purchase of necessary items may be made as follows:

- Upon the County Manager's declaration of an emergency, the department head should determine vendors having needed items and obtain price quotes if possible. If time and the situation allows, the department head will prepare a requisition; if time or the situation does not permit, the department head may file the required requisition after the crisis is over.
- A full report of the circumstances of an emergency purchase shall be filed by the department head and presented to the County Manager after the crisis is over.

### **Vendor/Manufacturer Rebates**

Rebate is defined as a return of all or part of an amount given in payment for a product, whether in the form of money, "free" merchandise, or future benefits based on purchases made. Examples of rebates include but are not limited to cash, credit toward future purchases, free goods (including food and beverages) and coupons.

For the purpose of this policy, rebates associated with County purchases in the form of money or property are considered items of value that individuals may not personally acquire as a result of their position.

If a County related purchase qualifies for a rebate the instructions on the rebate form must be followed including any legal requirements as follows:

#### **Process:**

1. Rebate checks should be made payable to Greenwood County. In no instance shall the rebate check be made payable to an individual. Rebate checks or reimbursements will be deposited by the Treasurer's office back

into the account and line item account from which the original purchase was made.

2. Rebates in the form of certificates or gift cards shall be returned to the Greenwood County Treasurer's office. The amounts will be deposited for future use by the department that acquired the rebate. Department heads are responsible for assuring that a procedure is in place to account for rebates in this form.
3. Rebate documentation must be kept with the originating purchase documents showing the disposition of rebates back to the County

### **State Contracts and Cooperative Purchasing ("Piggy Backing")**

The County shall have the authority to purchase supplies through other cooperative purchasing plans, such as purchasing from vendors under State contract. However, the County will obtain pricing from local vendors prior to use of State Contract. The Procurement Officer will review all purchases made under State contract \$1,000 and greater to ensure that local vendors were included in the process. All State contract purchases in the Formal Range require approval of County Council.

The County also shall be authorized to utilize a recent formal bid solicitation from another South Carolina local government. Such purchases \$50,000 and greater shall not require the formality of publication and receipt of competitive bids; however such purchases require documentation and approval of County Council.

### **Bonding**

**Bid bonds** - When deemed to be in the best interest of the County, the County Manager may require bid bonds to be submitted by vendors as part of the bidding documents. Bid bonds shall be returned to any unsuccessful bidder and the successful bidder upon execution of a contract. A successful bidder shall forfeit any bid bond upon failure to enter into a contract within ten (10) days after award, provided, however, that the County, in its uncontrolled discretion, may waive this forfeiture. The bid security should be in an amount equal to at least 5% of the amount of the bid at minimum. When the invitation for bids requires security, noncompliant requesters will be notified that their bid will be rejected.

**Performance and Payment bonds** - For all construction bids, that meet the Formal bid requirements and whenever it is deemed to be in the best interest of the County, the County Manager may require a performance and/or payment bond for the full amount of the contract from the successful bidder. Performance and/or payment bonds will be deposited by the Greenwood County Treasurer and held for the duration of the contract. Failure on the part of the contractor to complete the contract would result in forfeiture of performance bond. The performance bond shall be released upon completion of contract, provided performance is satisfactory to the County Manager in accordance with the specification and terms of the contract. Proof of the performance and/or payment bond must be submitted to the Purchasing Officer before the contract is finalized.

## **Recurring Purchases**

Requisition/purchase orders are not required for recurring purchases.

Recurring purchases are defined as pre-determined, regularly occurring, predictable, essential and repetitive expenses that arise out of the general course and scope of conducting business. Examples include utilities, copier maintenance, mobile telephone, ongoing service contracts, licensing fees, rental fees, fuel, etc..

Contracts for new recurring services must be approved by the County Manager.

## **Professional Services**

Based upon the fact that professional services are typically dependent upon traits, such as judgment and discretion, nuanced skills that are difficult to monetize, it is often not in the best interest of the County to utilize a lowest bidder format for these services. Therefore, professional services are exempt from the competitive bidding process whenever the provider is customarily employed on a fee basis rather than through competitive bidding. (Examples: architects, attorneys, accountants, auditors, appraisers, computer consultants, engineers, physicians, etc). While these services are exempt from the Request For Proposals (RFP) process, they are subject to a Request For Qualifications (RFQ) process. The RFQ process will be required any time the projected fees to be paid for the professional service would fall in the Informal Range or higher.

Any professional services falling below the informal range do not require a purchase order.

## **Request For Qualifications (RFQ)**

The RFQ process will be as follows:

1. The County will solicit RFQs via the Formal Bidding process as outlined above.
2. The review committee; consisting of the County Manager and appropriate personnel as selected by the County Manager will select the most qualified firm based on non-monetary criteria (i.e. experience performing similar projects, reputation, training, resources of the firm that can be dedicated to the project, etc.) and rank each additional firm in order of qualification.
3. Only after the selection of the most qualified has been completed will the review committee begin to discuss price.
4. If a mutually agreeable price can be reached then the most qualified firm will be selected. If a mutually agreeable price cannot be reached then the second most qualified firm will be engaged to negotiate the price of the service. This process will be repeated with the firms until a mutually agreeable price is reached. After the selection process is complete multiple year contracts are permissible; however, the continuation with the selected firm has to be continually balanced against the County's desire to have open competition for the services received.

## **Ethics**

Greenwood County employees or elected officials may not subvert the public purchasing process by directing County purchases to certain favored vendors, or to tamper with the competitive bidding or purchasing process for any reason including but not limited to rebates, kickbacks, family, friendship or gratuities.

No department will be permitted to break down purchases of supplies, materials, services, vehicles, machinery, equipment, appliances, apparatus, construction, repair and maintenance or other items for the purpose of avoiding the procedural requirements that would have applied had the items been appropriately grouped together and purchased at the same time.

No County employee or official, elected or appointed, shall knowingly provide false or misleading information to any vendor or bidder wishing to do business with the County. The purchasing process, including the sale of surplus property, shall be open to prospective bidders or suppliers, and all parties shall have equal access to pertinent information. Any information or statistics accumulated during the course of a bid process, including the value submitted, number of bids received, or the identity of the parties from whom bids have been received is considered confidential information. This information will not be disclosed until the time of bid opening due to the fact that disclosure of such information could result in a competitive advantage to one or more vendors or bidders and would not be in the best interest of the County.

No County employee or elected official may use their public position or office to obtain financial gain or anything of substantial value for personal benefit, or to benefit an organization, family member or other person with which they are personally associated. Violation of this policy will lead to disciplinary action, up to and including discharge per the County's Disciplinary Policies.

In addition, the County also requires ethical conduct from those with whom the County does business. Any effort by a vendor or bidder to influence an employee to violate the statement of ethics, as described above, will be considered grounds to dismiss or reject any current or future bids from that vendor as both an individual and corporation.

## **Procurement Responsibility**

Department heads shall ensure that prices are competitive and that local vendors are utilized whenever possible. The Procurement Officer will assist departments in conforming with the purchasing policy.

It will be the responsibility of the department head to ensure compliance with the purchasing ordinance and purchasing policy or guidelines on all purchases made by their departments. Failure to do so may result in the denial of the purchase and or disciplinary action.

The Procurement Officer will monitor all departments' compliance with the purchasing policy and report issues to the County Manager.

### **Discrimination Prohibited**

In the solicitation of bids or contracts, Greenwood County shall not discriminate because of race, religion, color, sex or national origin of the bidder or offeror.

### **Change Orders**

The Procurement Officer shall have the authority to approve all change orders and contract modifications in the Minimal range as long as the cumulative total contract does not exceed this range and the total does not exceed the budget approved by County Council.

The County Manager shall have the authority to approve all change orders and contract modifications provided that the amended cumulative total contract does not exceed the budget approved by County Council.

### **Blanket Purchase Orders**

Blanket Purchase Order: A purchase order method used as a means to set aside a budgeted sum of money to a specific vendor for a range of services and non-specific consumable supplies. Blanket Purchase Orders are fully funded (encumbered) in advance.

The range of services and supplies covered by the blanket purchase order should be defined as narrowly as possible. Blanket purchase orders have a maximum duration of one year and, regardless of the date of initiation, will expire at the end of the fiscal year in which they were initiated.

Blanket purchase orders are not, in general, appropriate in most situations. Requests for Blanket purchase orders are subject to review by the Procurement Officer to determine if a standard purchase order is more appropriate.

Blanket purchase orders are established with a maximum commitment dollar value. Requests for modification of this amount must be made in writing. Requests for increases will be reviewed by the Procurement Officer as appropriate to ensure that funds are available before approval for the increase will be given.

### **Timing of Purchases**

Large purchases that can be broken up into multiple purchases throughout the year, for example multiple vehicles or other items that are not interdependent, may follow the bidding requirements for the price range of a single item with the approval of the County Manager.

### **Unusual Circumstances**

The intent of the policy will be that the outlined procedures be followed; however, this policy also acknowledges that there are unique circumstances that may make a literal interpretation of this policy impractical. Due to the unique circumstances which may arise, that do not clearly fit into one of the categories outlined in this policy, the County Manager will use his discretion in determining the appropriate solicitation requirements that are applicable in these circumstances.

**Purchasing Process**

For Departments making a purchase in the Routine Range or Informal Range, they should obtain quotes and submit them to the Procurement Officer via the Requisition process.

For Departments making a purchase in the Formal Range, the Procurement Officer will be in charge of the sealed bid procedure. The Departments should work with the Procurement Officer to assist in providing any information needed to complete the process.

Any questions or requests for exemptions should go through the Procurement Officer first, who will assist in answering any questions and bring any items for approval to the County Manager.

**Disposition of Property**

The sale or disposition of property shall be approved by the County Manager in accordance with Section 5-2-9 of the Greenwood County Code of Ordinances.