

Franklin County Purchasing and Contracting Policy

<u>Table of Contents</u>	<u>Page No.</u>
Introduction	2
Purchasing Guidelines and Summary	2
<i>Definition of Responsibilities</i>	
Finance Officer Responsibilities	3
Department and Employee responsibilities	3
Departmental Staff responsibilities	3
Salesperson’s responsibilities to the County	4
Conflicts of Interest	4
Gifts and Favors	4
E-verify	4
Iran Divestment Act	4
<i>General Purchasing Practice and Methods</i>	
Request for Payment	5
Procurement Card	5
Purchase Orders	5
Open Purchase Orders	5
<i>Special Procurement</i>	
Electronic Equipment	5
Copy Paper	6
Vehicle Fuel	6
Emergency Purchases	6
Capital Asset Items	6
Travel and Training	6
<i>Building/Equipment Repair</i>	
Buildings	7
Vehicles	7
Electronic Equipment	7
Maintenance Agreements	7
Written Contracts	7
Franklin County Outreach Plan for Minority Business Participation	7
County Purchase Processes	8
Standard of Award	8
Informal Quotes less than \$5,000	8
Informal Quotes \$5,000 to \$29,999	8
Informal Quotes or bids of \$30,000 to \$89,999 (Purchases and Services)	8
Formal Bid Requirements	9
Change Orders	9
Request for Proposals Process (RFP)	10
RFP Evaluation	10
Transfer of Funds between Line Items	10
Request for Qualifications (RFQ or QBS)	11

Franklin County Purchasing and Contracting Policy

Introduction

This purchasing policy is intended for use as a guide to the Franklin County purchasing methods. When used properly, the policies will enable the County to obtain needed materials, equipment, supplies, and services efficiently and economically. While this manual does not answer all questions related to purchasing, it does provide the foundation for a sound purchasing policy.

The basic goals of the County’s purchasing program are:

1. To comply with the legal requirements of public purchasing and procurement.
2. To assure vendors that impartial and equal treatment is afforded to all who wish to do business with the County.
3. To receive maximum value for each dollar spent by awarding purchase orders to the lowest responsible, responsive bidder, taking into consideration quality, performance, technical support, delivery schedule, past performance and other relevant factors.
4. To provide County departments the required goods, equipment and services at the time and place needed and in the proper quantity and quality.
5. To promote good and effective vendor relations, cultivated by informed and fair buying practices and strict maintenance of ethical standards.

Purchasing Guidelines & Summary

*Refer to Contract Management Policy for contracting requirements and process

Amount Of Purchase	Appropriate Procedure
Less than \$250.00	Request for Payment Method Invoice submitted Procurement Card
\$250.00 to less than \$5,000.00	PO Required. Quotes Not Required
\$5,000 to \$ 29,999 Purchases and Services	Informal bids or quotes (verbal, fax, email, written) (3) Three quotes, or State Contract Purchase Order required
\$30,000 to \$89,999 Purchases and Services	Informal/Formal Quotes (written, faxed or email) (3) Three quotes or State Contract Purchase Order required General Statute 143-131
Equipment costing \$90,000 and above (includes lease to purchase items)	Formal Bid Procedures Board of Commissioners award construction contracts Written contract required General Statute 143-129
Construction and/or renovation in the informal range =>\$30,000 and < \$300,000 General Statute 143-131	Good Faith Efforts County Outreach Dispute Resolution (\$15,000 or more) Written Contract required
Construction and/or renovation => \$300,000 General Statute 143-128	Formal Bid Procedures Minority Business Reporting (HUBSCO) Dispute Resolution Written Contract required

Departments receiving non-county funds must also follow the purchasing guidelines established by the funding agency if these requirements are different from the County’s procedures.

Definition of Responsibilities

Departmental Staff responsibilities:

- To facilitate the involvement of local vendors in the County's purchasing process.
- Impartial judgments in the selection of vendors which are based on product quality, price, warranty, and performance and vendor delivery, service, and performance.
- Complying with all County purchasing procedures, North Carolina General Statutes covering procurement and disposal, and federal government requirements for grant funds.
- Contact Finance Department for formal bid packets and quotation requests.
- Contact Finance Department for the formal bid process, including advertising for bids, notifying vendors, accepting bid proposals, opening bids, tabulating bids, and serving as the primary resource for questions from vendors.
- Finance Department will review and prepare of all purchase orders.
- Upon request, the Finance office is available to assist departments in locating the best source for supplies, materials, and equipment.
- Departmental staff shall conduct negotiations with vendors concerning prices, bids, terms, deliveries, and adjustments.
- The Departmental staff will conduct the informal bid process when required. Finance Office will assist when requested.
- The Finance office will ensure all state laws and local policies are met.

The Finance Officer Responsibilities

Under the Local Government Budget and Fiscal Control Act, all contractual obligations must be supported by an appropriation that authorizes the expenditure. As required by General Statute 159-28(a), the Finance Officer will pre-audit all obligations of funds and execute the pre-audit certification.

Pre-audit Process:

1. Finance Director must certify that there are sufficient funds available before purchase. If Finance Director approves a purchase when no funds are available, he/she and their bond can be held personally liable.
2. Purchases made without meeting pre-audit requirement are not valid.
3. UNC School of Government's states in order to meet pre-audit requirement, all individuals are required to obtain a purchase order before ordering. – Not after.
4. Individuals incurring an obligation without the Finance Officer's pre-audit certification can be held personally liable.

Disbursement Process:

1. Must be performed before a local government can pay an invoice or bill.
2. Finance Director or Deputy Finance Officer should check to see that the goods or services were delivered.
3. The Finance Officer must verify that the pre-audit process was properly performed.
4. Make sure that there is still sufficient funds available.
5. If an Officer or Individual pays out or causes to be paid out any funds in violation, he and the sureties on his official bond are liable for any sums so disbursed.

Department and employee responsibilities

- It is the responsibility of each department to requisition goods and services in such a way as to allow time for competitive bidding, ordering, and delivery of materials. Exceptions shall be made only on rare occasions, and at the discretion of the Finance Officer or County Manager.
- For any new vendor, the finance department must obtain a completed W-9 (Request for Taxpayer Identification and Certification) form from the vendor before an invoice or purchase order can be processed.
- It is the responsibility of the department head or his designee, in consultation with the Finance Office, to obtain these goods based upon competitive bids and to give consideration to product price, value, quality, performance, and delivery.
- While the Department Head may delegate minor purchases to employees, he/she is still responsible for ensuring such purchases are made according to the provisions of this policy.
- It is the responsibility of all Franklin County employees to comply with all rules and regulations set forth herein. As directed by the County Manager, any employee deliberately violating the policy regarding unauthorized purchases shall be held personally accountable for the purchases. Violation of the purchasing policy may result in disciplinary action, up to and including dismissal.

The Departmental Staff responsibilities to salespersons and vendors are to:

- Encourage good County/vendor relations.
- Encourage local business participation by notifying known in-County vendors of opportunities to bid.
- Conduct business with vendors in a professional manner that promotes honesty and fairness.
- Accept, and in some cases require samples from vendors to be used for testing. A fair trial shall be given to all samples and the outcome of the testing shall be presented to the vendor, in general terms.
- Make every effort to be available for appointments during normal business hours.
- Arrange interviews between salespersons and department heads when requested.
- Keep on file vendor information, catalogs, samples, price quotes, etc. to aid in purchasing.
- In order to protect the County's rights in the event of rejection, for whatever reason, the vendor shall be informed immediately. Reasons for the rejection must be documented in memo form and forwarded to the finance department within 24 hours. The department shall ask the Finance Department to void the purchase order and notify the vendor of the reason for the rejection.

The salesperson's responsibilities to Franklin County are to:

- Understand the needs of Franklin County and try to find the right product at the right price, quality, and quantity that benefits the County as a whole.
- Conduct themselves in a professional manner: being honest about the supplies and products they represent.
- Honor purchase orders generated as a result of providing price quotes on specified items and quantities.

Conflicts of Interest

County employees and officers who are involved in making contracts on behalf of Franklin County are governed by North Carolina General Statute 14-234 Conflict of Interest Law, which prohibits direct benefit from said contracting. Violation of the statute is a Class 1 misdemeanor. There are exceptions to the Statute for small jurisdictions. As defined by the Statute, Franklin County is classified as a small jurisdiction.

Gifts and Favors

General Statute 133-32 Gifts and Favors statute makes it a misdemeanor to give and receive gifts in the context of contracting. Franklin County states this provision in the Personnel Policy (Article 5, Section 2):

1. No official or employee shall accept any gift, favor, loan, service, promise, or thing of value that may tend to influence that employee in the discharge of duties.
2. No official or employee shall grant any improper favor, service, or thing of value in the discharge of duties.
3. Gratuities shall be refused by all County officials and employees.
4. Departmental staff may accept samples from vendors for the purpose of testing.

Everify

The North Carolina General Assembly passed legislation (HB786) on September 4, 2013 requiring the local governments of North Carolina to impose compliance of the E-Verify requirements for contracts in formal ranges of procurement and construction. These requirements are part of Article 2, Chapter 64 in the North Carolina General Statutes. The E-verify Affidavit will be part of the bid document package.

Iran Divestment Act

In 2015 legislative session, the North Carolina General Assembly enacted the Iran Divestment Act ([S.L. 2015-118; SB455](#))² ("the Act") which prohibits state agencies and local governments from entering into contracts with an entity that has been identified by the North Carolina State Treasurer as being engaged in certain investment activities in the Iranian energy sector. The State Treasurer's Office is required to publish a list of entities it has identified as engaging in these activities and must update the list every 180 days. An entity identified on the Treasurer's list (called the "Final Divestment List") is prohibited from contracting with a state agency or any local governments.

Local governments must require contractors to certify they are not on the list and that they will not use subcontractors who are on the list. Departments must check with either the Finance office or the County Attorney Office to verify the current update and the selected vendor or contractor is not on the list.

Any existing contract with a person added to the Iran List while the contract is still in effect will be allowed to expire in accordance with the contract's terms.

General Purchasing Practice and Methods

Franklin County practices decentralized purchasing for purchase of goods in departments. All purchases of \$250 and greater require a purchase order. The County policy requires departments to seek quotes and competition for purchases \$5,000 and over. Purchase of goods may not be split to avoid the policy. Dividing contracts or purchases in order to evade procedures is prohibited under NC G.S. 143-133.

All purchase order requisitions are required to be approved by the assigned authority within the department and therefore is responsible to make sure policy is followed.

Following the departmental requisitions approvals, purchase requisitions are thoroughly looked at by the purchasing agent. Only requisitions meeting the requirements will be processed by the Finance Officer for approval. After final processing of the requisition and the purchase order is system generated, only then is the user department authorized to purchase the goods or service.

Request for Payments:

Departments will process payments using the request for payment form. The department shall list the purchase order number, vendor name, vendor number, account number, break out the appropriate sales tax amount, and list the total amount to be paid. The department shall include a detailed invoice of the purchase and the packing slips showing the goods were received.

• Procurement Card

The procurement card program is available to most approved departmental employees. The department head must request and authorize an employee's participation. All procurement cards are issued in the participating employee's name. Procurement cards are only for official County business. Department Heads are responsible for the reconciliation of the monthly statement and submittal of detailed receipts.

Process:

- A. Procurement cards will be issued to authorized employees at the request of department head.
- B. The employee must sign the "Cardholder's Agreement" verifying agreement to conditions of use. (Exhibit G)
- C. When the card is issued to an employee, the employee and department must sign the enrollment form (Exhibit H) indicating approval. The department head or his/her designee will encumber funds equivalent to the total dollar limits set for each division.
- D. Card limits will be determined on a departmental basis by the Finance Officer.
- E. Departments heads shall personally approve any purchase made on their department's behalf. Any unauthorized and undocumented purchases will be the responsibility of the department head or employee responsible.

Use of purchasing card:

The cardholder will retain vendor's receipts, records of telephone orders and/or copies of mail orders and file for future reconciliation of the purchase card statement. The satisfactory receipt of goods or services is the responsibility of the purchasing cardholder. User must have an approved purchase order before obligating the County.

Payment of purchasing card charges:

The cardholder will match invoices and receipts with the monthly statement they receive. Undocumented transactions (transactions turned in to be paid without receipt) are not allowed. Any disputed transactions are to be referred to Finance Department.

The cardholder will complete the Purchasing Card Payment Authorization Form (Exhibit I) and attach to the statement. The form will be used to summarize the purchases by budgetary account number. The department head or his/her designee will review the reconciled statement, approve the Purchasing Card Payment Authorization Form and return the statement, receipts and form to Finance and Administration within five (5) days from receipt of statement.

• Purchase Order

Purpose: To provide a legal document that places an obligation on both the County and the vendor. When properly endorsed by the Finance Officer, as tracked in the financial system software, the purchase order obligates the County to

purchase the items listed at the prices stated. The vendor is obligated according to the terms and prices stated on the purchase order to deliver the goods or services. The purchase order provides specifications for goods and services ordered and shipping and billing information.

Appropriate Use of the Purchase Order: Any purchase of goods or service over \$ 250.00 requires a purchase order.

- **Open Purchase Orders**

Open purchase orders may be used for repetitive purchases when the County's standard three quotes aren't required or quotes have been obtained and in affect over a period of time. Generally, the quote requirement is exempt when using a state contract or other cooperative purchase contract; or the product has been standardized by the Board of Commissioners.

At other times the Finance Officer may waive the County requirement and only when the waiver is not in conflict with a more stringent state or federal requirement. Rather than issuing a purchase order for each purchase, one purchase order with a dollar limit is issued for a period of three months or longer. Departments should follow standard purchase order procedures.

Blanket Purchase Order:

The finance department can issue blanket purchase orders to selected vendors for the procurement of certain commonly purchased items as long as it is in accordance with NC General Statutes.

Requests for blanket purchase orders must, in addition to the required information, indicate the following: items covered by the blanket purchase order, a Not to Exceed (NTE) amount in the appropriate column, and an attached listing of all personnel approved to purchase from the blanket PO. It is the responsibility of the individual authorized to purchase under a blanket purchase order to insure that an unspent balance remains to cover the purchase to be made. Any purchase that exceeds the purchase order amount by 10% will be classified as an unauthorized purchase. Purchases made by personnel not authorized by a purchase order request will be classified as a personal expense and will be paid by the employee.

Special Procurement

- **Electronic Equipment**

The Information Technology Services Department will purchase or authorize the purchase of all computers, peripherals, printers, cell phones and all other electronics. The IT Department will then be responsible for entering the Purchase Order or instructing the department to enter the information. The IT Department will setup and install equipment in the appropriate departments if necessary.

- **Vehicle Fuel**

The County also maintains the Wright Express gas cards for an alternate method of purchasing fuel for county vehicles. Each county vehicle has a Wright Express gas card issued. The card should stay with the vehicle at all times and be kept in the glove box or console. Regular grade fuel is the standard for most vehicles in the county, and the approved type for purchase. The cards do not allow non fuel purchases and personal purchases should never be made.

Employees authorized to drive a county vehicle must have a county issued personal Wright Express pin number. Pin numbers are issued after the Finance Office receives a request from the Department Head. Gasoline purchased in any other manner is not approved by the County.

- **Emergency Purchases**

Occasionally purchases need to be made on an emergency basis. An emergency is defined as a situation that occurs and if not immediately corrected would jeopardize; the health, safety, and/or property of citizens, the health and safety of County employees, and/or the property of the County. If emergency purchases are needed during business hours, begin Purchase Order procedures immediately and contact the Finance Office for PO approval. When emergency purchases occur during non business hours, contact the Finance office immediately the next business day.

- **Capital Asset Items**

A capital asset item is any equipment, furniture, or apparatus that has an acquisition cost of \$5,000 and an expected useful life of more than one year.

Local governments and public authorities are required by General Statute 159-26 (b) (8) to maintain "a ledger or group of accounts in which to record the details relating to the general fixed assets of the unit or public authority."

The NC General Statutes that involve purchasing requirements of local governments can be found on line at <http://www.ncleg.net/gascritps/Statutes/Statutes.asp> or on page 12 of this document. Departments should always review State Contract pricing to ensure the best possible price is obtained. The link to this web site is www.doa.state.nc.us/pandc. Departments are encouraged to give local vendors the opportunity to bid on county purchases.

- **Travel and Training**

Please refer to the Franklin County Travel Policy for full details. The policy can be located in the employee Administrative Manual.

Buildings/Equipment Repair

Repair services for County buildings or equipment that are not covered by maintenance agreements shall be obtained by the following procedures:

1. Contact the Facility Management Director for all building maintenance and repair.
2. An estimate of the repair work shall be necessary before proceeding with the repairs.
3. If emergency repairs are needed, Emergency Purchases procedures should be followed.
4. For all electronic equipment repairs and maintenance, contact the IT Department.

If repair is needed due to an accident, the department is responsible for following the County's Accident and Reporting procedures. All County and statutory requirements must be followed when repairs are needed.

- **Buildings**

The Public Buildings department should be contacted for most building repairs. Public Buildings will assess the need or problem and recommend the best course of action to correct the problem(s).

- **Vehicles Maintenance**

Procedures for outsourcing vehicle and equipment repairs and routine maintenance, such as oil changes, tire rotation, body repair, engine rebuilding, air condition repairs, pumps, or any other item needing service shall be handled by the department in need.

- (a) The county will competitively bid vehicle maintenance services when deemed necessary. County agencies are expected to have their vehicle serviced at the contracted vendor with the exception of the Water and Sewer Department and Economic Development Office. The contract will be for a five year term.

The Water and Sewer Department and Economic Development should obtain quotes on major repair items for various vendors.

- **Electronic Equipment**

When maintenance or repair is needed for all electronic equipment other than leased copiers, including but not limited to computers, printers, cell phones and telephones, the IT department should be contacted. The IT department will either repair, service or make arrangements for outsourcing the repair.

When a leased copier requires maintenance, the department should use the contact information located on the copier.

- **Maintenance Agreements**

Departments should follow these guidelines for all maintenance agreements:

1. Maintenance agreements are a form of contract. They should be competitively bid when possible.
2. Purchase order procedures should be followed.

The IT department will evaluate all maintenance agreements for technology equipment.

Written Contracts

All written contracts must be approved by the County Attorney's Office. Once the County Attorney has approved the contract, it should be sent to the County Manager for approval. Once the County Manager has approved the contract, it will be forwarded to the Finance Director to complete the pre-audit process. Once the pre-audit has been issued, the contract will be forwarded to the department to execute.

Franklin County Outreach Plan for Minority Businesses Participation

In accordance with G.S. 143-128.2, the County has established goals for minority participation in single-prime bidding, separate-prime bidding, construction manager at risk, and alternative contracting methods, on Franklin County's building construction or repair projects in the amount of \$300,000 or more. The formal range requires the contractors to complete the Good Faith Outreach for minority business solicitation.

In addition to the formal bid range (over \$300,000) requirement, projects in the informal range of \$30,000 to \$300,000 require the County to solicit minority participation in contracts for the erection, construction, alteration or repair of any building awarded pursuant to this section. The public entity shall maintain a record of contractors solicited and shall document efforts to recruit minority business participation in those contracts pursuant to North Carolina General Statute 143-131 (b). The informal range of \$30,000 to \$300,000 requires the County to perform the Good Faith Outreach.

Franklin County has a current verifiable goal of 10 percent for minority participation for building construction or repair projects.

The complete policy, Franklin County Outreach Plan for Minority Businesses Participation for Building Construction, Maintenance and Repair can be located in the County Clerk's office.

County Purchase Processes (Purchase Orders are required for purchases of \$250.00 and up)

Standard of Award:

Franklin County follows statutory requirements for awarding contracts, as stated in North Carolina General Statutes 143-129 and identified as the "lowest, responsive, responsible bidder; taking into consideration quality, performance and the time specified in the proposals for the performance of the contract.

All quotes must be attached to the requisition. If there is documentation that further explains or supports the particular purchase, it may be attached either as a document or fully explained on the requisition.

The purchase order must be generated with all approvals prior to ordering or purchasing goods and services, or binding the county in anyway.

When grant funds, by either the State or Federal Government, are used for any project or purchase, the strictest requirement will be met when compared to the County requirement.

Informal Quotes less than \$5,000:

For purchases less than \$5,000, quotes are not required by the County. The department is required to key a Requisition into the county's financial software. The purchase order must be generated with all approvals prior to ordering or purchasing goods and services, or binding the county in anyway. The department will maintain a quote/bid log for a period of one year including: date, firm, contact name and information, price and other terms.

Informal Quotes \$5,000 to 29,999:

For purchases of \$5,000 or more, the County requires staff to seek three quotes if possible. Quotes may be received by fax, email or phone. If taking quotes by phone, the county staff must write a written record, including the contact name and number of the one providing the quote. The department will maintain a quote/bid log for a period of one year including: date, firm, contact name and information, price and other terms.

If the department is not able to get the three quotes, the department must include in the requisition notes the efforts made to meet the requirement. The Finance Office will determine if the intent for competition was met. The County Manager or Finance Officer may grant a waiver to the County's three quotes for the affected purchase if deemed appropriate.

The purchase order must be generated with all approvals prior to ordering or purchasing goods and services, or binding the county in anyway. All quotes must be attached to the requisition. If there is documentation that further explains or supports the particular purchase, it may be attached either as a document or fully explained in the requisition NOTES area.

Informal Quotes or Bid of \$30,000 to \$89,999 Purchases and Services

The County may use written informal quotes or bids, and formal bid processes for purchase of goods or repair, maintenance, and construction. It is the County's goal to seek bids from at least three vendors for both informal and formal solicitations.

The informal process does not require advertisement, but the County may opt to advertise any solicitation should they desire. Informal quotes and bids are sought in writing and may be accepted by fax, email, or mail. The County is encouraged to use diligence in notifying local vendors of bid or quote opportunities. The standard of award applies and shall be awarded to the lowest responsible, responsive bidder, taking into consideration quality, performance, and the time specified in the bids for the performance of the contract.

When the County is soliciting quotes and bids for building maintenance and repair, or construction beginning at \$30,000 up to the County's formal limit of \$300,000, the purchase order must be generated with all approvals prior to ordering or purchasing goods and services, or binding the county in anyway. All quotes must be attached to the requisition. If there is documentation that further explains or supports the particular purchase, it may be attached either as a document or fully explained in the requisition NOTES area. The County Manager must approve any construction contract over \$30,000 before the purchase order can be issued.

Formal Bid Requirements

The County complies with the N.C.G.S. 143-129, which is classified as Formal Bids.

A formal bid is required when:

1. The expenditure is \$90,000 or more for the purchase of apparatus, supplies, materials, and/or equipment.
2. The estimated expenditure is \$300,000 (Franklin County Threshold) or more for construction and/or repair projects.

In accordance with N.C.G.S. 133-1.1(a), the use of a registered architect or engineer is required for the following work:

- Nonstructural Work \$300,000 and above
- Structural repair or new construction \$135,000 and above
- Repair work affecting life safety systems \$100,000 and above

Process:

1. The requesting department shall contact the Finance Office authorizing the purchase, construction or repair work.
2. The Finance staff or a designated representative will review and modify (as needed) the specifications submitted by the requesting department to develop specifications.
3. Specifications for certain construction or repair projects shall be prepared by a licensed architect/engineer firm as defined in GS 133-1.1.
4. The County Manager or a designated representative will review the specification documents prepared by the licensed architect/engineer firm to ensure all state and local requirements have been met.
5. The County Manager or a designated representative shall solicit bids utilizing one of the authorized competitive sealed bid methods which best fits the county's needs. The County Manager or a designated representative shall ensure that all state and local requirements are met, including advertising, bonding requirements, pre-bid conference, sealed bids, minimum number of bids (construction and repair), maintaining records, and public opening of bids.
6. For bids in the formal range, consideration will be given to conduct a pre-bid conference for potential bidders/vendors, to answer questions.
7. For construction projects estimated to cost \$300,000 or more the county may, but is not required, to pre-qualify its contractors. This is normally performed with the design architect or engineer for the project.
8. The bid shall be advertised in a newspaper of general circulation in Franklin County at least seven (7) full days elapsing between the day the ad appears and the bid opening date. In addition, the County may use the State's Interactive Purchasing System and other media outlets for contractors and minority vendors.
9. Sealed bids are received and opened in public at the time, place and date specified in the advertisement. Bids received after the advertised time and date shall not be considered.
 - a. Three bids are required for construction or repair contracts in the formal range. For construction or repair contracts, if three bids are not received, a second advertisement shall be made, after which a contract may be awarded

even if fewer than three bids are received.

b. For purchase contracts in the formal range, Franklin County seeks three bids. When three are not received, the sealed bid process may be repeated as a re-bid.

10. The County Manager or a designated representative and the requesting department shall review all bids to ensure that the specifications have been met.

11. The County Manager or a designated representative shall recommend award of contracts to the lowest responsible bidder or bidders, taking into consideration quality, performance and the time specified in the proposals for the performance of the contract.

12. The County Manager may make recommendation to the County BOC to reject bids and re-advertise to receive bids.

13. Use of the county's contracts is required for all projects. Contracts are prepared for review by all concerned (Department Head, County Attorney, and the Finance Officer). Standard Form Contracts by an architect or engineer are not recommended but may be utilized **only** after review and approval by the County Attorney.

14. An agenda action form is prepared by the requesting department and submitted for the Board of Commissioners' consideration for all contracts greater than \$100,000. The Board of Commissioners shall approve or disapprove contract as appropriate.

15. The County Manager is authorized through the budget ordinance to execute contracts for construction repair projects that do not require formal bidding.

Change Orders:

In order to change, modify, or cancel an existing purchase order, the user department must initiate a Change Order Form (Exhibit C) with the Department Head's or his/her designee's approval. All pertinent information needed to make changes should be completed. The change order is to be forwarded to the Finance Department for review and approval.

Contracts awarded by the Board of County Commissioners where change orders are required must be approved by the Board of Commissioners before payment.

Change orders will not be allowed:

That would alter the procurement procedures that were used in the original process. (i.e., from informal to formal).

After the scope of services have been rendered or materials have been received.

Would increase a blanket purchase order.

Would add additional items to the purchase order.

Transfer of funds between line items request:

AVAILABILITY AND TRANSFER OF BUDGETARY FUNDS:

Department Heads may request a Transfer of Funds which allows the moving of appropriations between departmental line items. Transfer of Funds will not be allowed for the purpose of making it possible to spend all appropriations or over expenditure of funds. Exhibit D is a sample Request for Transfer of Funds Form.

Authority:

The County Manager is authorized to make certain changes among operating expenditure line items in the budget of a department when he/she feels the change would be in the best interest of the County. The County Manager or Finance Director will make the departments aware on any change made in appropriations during the fiscal year.

Responsibility:

Transfer of Funds must be requested by the Department Head or his/her designee and approved by the County Manager before any commitments are approved against an expenditure line item which would exceed the amount budgeted for that particular line item. The department should complete the request and submit it to the Finance Office. The Finance Office is expected and authorized to inquire about the appropriateness of any and all Request for Transfer of Funds. After review and approval of the Request, the Finance Director will forward the request to the County Manager for final approval.

Requests should be stated in even \$50 increments (i.e. \$50, \$100, \$150, etc.).

Request for Proposal Process (RFP)

The County uses RFPs as a competitive process or as an alternative to the standard bidding process. Typically, RFPs are used in situations where (1) detailed specifications cannot be or are difficult to develop; (2) when obtaining a goal or providing a solution to a problem/issue is the main objective and (3) purchase of information technology goods and services.

- a. Notice of the request for proposals shall be given in accordance with G.S. 143-129(a)
- b. The County shall advertise the RFP opportunity in a newspaper of general circulation in Franklin County, with at least seven (7) full days elapsing between the day the ad appears and the proposal due date. In addition, the County may use the State's Interactive Purchasing System and other media outlets.
- c. The proposals are received and recorded, however there is no public bid open. Proposals submitted under this section shall not be subject to public inspection until the contract is awarded pursuant to G.S. 143-129.8.
- d. Contracts shall be awarded to the person or entity that submits the best overall proposal as determined by the awarding authority. Factors to be considered in awarding contracts shall be identified in the requests for proposals. The "best value" process as stipulated in G.S. 143-135.9 may be used to award the contract. The term "best value procurement" means the selection of the contractor based on a determination of which proposal offers the best trade-off between price and performance, where quality is considered an integral performance factor.
- e. County staff may negotiate with any proposer in order to obtain a final contract that best meets the needs of the county. Negotiations allowed under this section shall not alter the contract beyond the scope of the original request for proposals in a manner that:
 1. Deprives the proposers or potential proposers of a fair opportunity to compete for the contract; and
 2. Would have resulted in the award of the contract to a different person or entity if the alterations had been included in the request for proposals.

Proposals submitted under this section shall not be subject to public inspection until the contract is awarded pursuant to G.S. 143-129.8.

RFP Evaluation

- (a) *Selection committee.* The County Manager or the designee will work with the department head that has primary responsibility for the items/services being procured and will determine the selection committee chairperson and members. The size of the selection committee is dependent on the nature and scope of the project.
- (b) *Evaluation criteria.* Evaluation criteria are the factors used to determine which proposal best meets the requirements identified in the RFP. In establishing effective evaluation criteria, a department must clearly identify the factors relevant to its selection of a vendor for the specific service or need sought. Evaluation criteria should reflect the department's minimum needs and should not be so restrictive as to limit competition. Evaluation criteria often encompass such factors as price or cost, technical excellence, management capability, personnel qualifications, experience and past performance. While price or cost must be included and will be a factor, price or cost need not be the deciding factor in all acquisitions.
- (c) *Evaluation of responses.* Responses should be evaluated based on predefined criteria. In most cases, the evaluation criteria are to be published in the RFP document with response information to include enough details to evaluate the criteria.
- (d) *Evaluation document* – The evaluation tool is an unbiased evaluation of all responses weighted against the criteria identified.
 1. The review committee considers all the criteria sought, and places an importance to the project and assigns the ranking point.
 2. Each individual RFP is then graded against the stated criteria with a value of 1 through 3:
 - i. Doesn't meet criteria point = 1 point
 - ii. Meets criteria point = 2 points
 - iii. Exceeds criteria point = 3 points

3. Scoring is calculated by multiplying the criteria point value with the individual criteria grade, then totaling each RFP score. If a tie occurs, the County will offer interviews with the firms scoring the highest tied .

4. Oral presentations or demonstrations may be needed in certain cases for clarifications or if additional information is needed. These sessions will be conducted using the following guidelines:

- i. All members of the evaluation committee should be present during oral presentations and interviews.
- ii. Time limits for oral presentations will be equal in length.
- iii. Interviews are to be conducted and controlled by the selection committee chairperson.

Request for Qualifications – RFQ or OBS

The North Carolina General Statute (NCGS) 143-64.31 requires local government to announce all requirements for architectural, engineering, surveying, construction management at risk services, design build, and other alternative construction delivery methods.

The County must select firms qualified to provide such services on the basis of demonstrated competence and qualification for the type of professional services required without regard to fee other than unit price information at this stage, and thereafter to negotiate a contract for those services at a fair and reasonable fee with the best qualified firm. The method is known as Qualified Base Selection and usually announced through Request for Qualifications.

Pursuant to NCGS 143-64.32, the County may in writing exempt particular projects from NCGS 143-64.31. The proposed projects, where an estimated professional fee is in an amount less than fifty thousand dollars (\$50,000) may be considered for this exemption.

DOLLAR THRESHOLDS IN NORTH CAROLINA and FRANKLIN COUNTY			
Public Contracting Statutes			
Dollar limits and statutory current as of July 1, 2017			
Requirement	Statute Threshold	County Threshold	Statute
Formal bids			
Construction or repair contracts	\$500,000 and above (estimated cost of contract)	\$300,000 and above	General Statute 143-129
Purchase of apparatus, supplies, materials, and equipment	\$90,000 and above (estimated cost of contract)	Same as State	General Statute 143-129
Informal bids			
Construction or repair contracts	\$30,000 to formal limit	Three quotes beginning at \$ 2,500 PO required at \$250.00	General Statute 143-131
Purchase of apparatus, supplies, materials, and equipment	\$30,000 to formal limit	Three quotes beginning at	General Statute 143-131

		\$2,500	
Construction Methods Authorized for Building Projects			
Separate Prime Single Prime Dual Bidding Construction Management at Risk	Over \$300,000 (estimated cost of project)	\$300,000 and above	General Statute 143-128(a1)
Design Build (specific procedures)			General Statute 143-128.1A
Design-Build Bridging (specific procedures)			General Statute 143-128.1B
Public Private Partnership (specific procedures)			General Statute 143-128.1C
Minority-business enterprise requirements			
Building projects			
Projects with state funding	\$100,000 and more	Same as State	General Statute 143-128.2(a)
Locally funded projects	Over \$300,000		General Statute 143-128.2(a)
Projects in the informal range (County Outreach)	\$30,000 to \$300,000	Same as State	General Statute 143-131 (b)
Outreach, Good Faith, Participation Goals (Contractor)	\$300,000 and over	Same as State	General Statute 143.128.2(a)
Limit on use of own forces			
Construction or repair contracts	Not to exceed \$500,000 (total project cost) or \$200,000 (labor only cost)	Same as State	General Statute 143-135
Bid bond or deposit			
Building Construction & Repair \$500,000 >	Formal bids (see above) 5% of bid due with sealed bid	\$300,000 and above	General Statute 143-129(b)
Purchase contracts	Not required	County option	
Performance/payment bonds			
Construction or repair contracts	Project over \$300,000 Each contract > \$50,000	Same as State	General Statute 143-129(c); General Statute 44A-26
Purchase contracts	Not required	County option	
General contractor's license			
	\$30,000 and above	Same as State	General Statute 87-1
Use of registered architect or engineer required			
Nonstructural work	\$300,000 and above	All same as State	General Statute 133-1.1(a)
Structural repair or new construction	\$135,000 and above		
Affecting Life and Safety Systems	\$100,000 or more		
Selection of architect, engineer , or surveyor			
"Best qualified" selection procedure	All contracts unless exempted		General Statute 143-64.31
Exemption authorized	Only projects where estimated fee is less than \$50,000		General Statute 143-64.32

XIV. EXHIBITS

- Exhibit A. Examples of Purchases Not Requiring a Completed Request to Purchase Form
- Exhibit B. Request to Purchase Form
- Exhibit C. Change Order Form
- Exhibit D. Request for Transfer of Funds Form
- Exhibit E. Vendor Performance Evaluation Form
- Exhibit G. Cardholder's Agreement Form

Exhibit H. New Cardholder Enrollment Form

Exhibit I. Purchasing Card Payment Authorization Form

EXHIBIT A

EXAMPLES OF PURCHASES NOT REQUIRING A PURCHASE ORDER.

Advertising (legal ads, radio announcements, etc.)
Annual dues
Claim payments
Insurance premiums
Medical examinations
Land purchases (BOC must approve)
Professional services (i.e. accounting, legal)
Refunds
Rental of buildings (BOC must approve)
Tuition fees for educational purposes
Utilities

COUNTY OF FRANKLIN CHANGE ORDER

PURCHASE ORDER NUMBER: _____

DATE OF PURCHASE ORDER: ____ / ____ / ____

PLEASE CANCEL THIS PURCHASE ORDER

PLEASE REISSUE WITH CHANGES AS INDICATED BELOW

REVISIONS

LINE NUMBER	INITIAL QUANTITY	REVISED QUANTITY	DESCRIPTION	INITIAL ACCOUNT NUMBER	REVISED ACCOUNT NUMBER	INITIAL PRICE	REVISED PRICE	COMMENTS

AUTHORIZED SIGNATURE: _____ DATE: ____ / ____ / ____

**TRANSFER REQUEST
FISCAL YEAR 2017-2018**

**Account
FROM**

**Account
TO**

AMOUNT

JUSTIFICATION:

COUNTY MANAGER SIGNATURE

FINANCE DIRECTOR

EXHIBIT E

VENDOR PERFORMANCE EVALUATION FORM

Please take a moment to complete this vendor performance evaluation and return to the purchasing section
Your prompt response is appreciated

Vendor: _____ Purchase Order No.

Date Promised: ___/___/___ Actual Delivery Date: ___/___/___

Date Ordered: ___/___/___

Department Responding:

Details or Remarks:

- Continually suggests cost-savings possibilities
 - Has competitive prices
 - Holds backorders to a minimum
 - Anticipates our needs
 - Supplies current catalogs
 - Is prompt and accurate on technical assistance
 - Advises of any potential trouble
 - Promptly replaces rejected items
 - Is courteous and helpful
 - Has a sincere desire to serve
 - Delivers without constant follow-up
 - Expedites and handles all orders courteously
 - Has knowledge of products and industry
 - Keeps abreast of new product developments
 - Provides specified quality products
 - Handles complaints promptly
 - Delivers on or before agreed upon time
 - Produces adequate packaging
 - Identifies or marks packages correctly
 - Makes courteous deliveries
 - Provides proper and accurate delivery receipts
 - Accurately packs shipment lists with containers
 - Purchase order quantities are over or short
- Overall rating: rate this vendor for this purchase on a scale of 1-10 with (1) indicating unacceptable performance.

Unacceptable satisfied extremely satisfied
1 5 10

Quality of item
Service
Delivery
Comments:

EXHIBIT G

CARDHOLDER'S NAME: _____

CARDHOLDER'S AGREEMENT

I, _____, agree to the following regarding my use of the County of Franklin Purchasing Card Program:

- I understand that I am being entrusted with access to the County's VISA Purchasing Card Program to make financial commitments on behalf of the County, and will restrict my purchases to County of Franklin activities.
- I understand that under no circumstances will I use the County's Purchasing Card Program to make personal purchases for myself or for others.
- I will not permit another person to use the County of Franklin's Purchasing Card issued to me. Any such purchases made with my card will be considered to be made by me and my responsibility.
- I will be responsible for the safekeeping of the County of Franklin's Purchasing Card issued to me and, if lost or stolen, I will report its' loss immediately to my supervisor and the Finance Department.
- I understand that my personal credit will not be affected by any use of the County of Franklin's Purchasing Card.
- I understand that in the event of termination of my employment with the County of Franklin, my final paycheck will be retained subject to the return of the County of Franklin's Purchasing Card and any outstanding receipts to my supervisor.
- I will follow the established procedures for using the County's Purchasing Card Program. Failure to do so may either result in revocation of my use privileges or other disciplinary actions by the County of Franklin.
- I have attended the Purchasing Card workshop and understand the requirements for using the County of Franklin's purchasing card.
- I agree that, if I have been issued a purchasing card in connection with the County of Franklin Purchasing Card Program, I will return the purchasing card to the County upon termination of my Purchasing Card Program privileges.
- I agree that should I violate the terms of the Agreement and use the County's Purchasing Card Program for personal use or gain that I will reimburse the County of Franklin for all incurred charges and any fees (including attorneys' fees and expenses) related to the collection of these charges.
- *The use of the County of Franklin's purchasing card to procure goods and services for other than the official use of the County of Franklin is fraudulent use. An employee guilty of fraudulent use will be dismissed for detrimental personal conduct and will be subject to legal action.*

I have read, understand and agree to the conditions above:

Sign: _____

Date: _____

Accepted by Finance Department: _____

CARD RECEIPT DOCUMENTATION:

Card Account Number: _____

Date Issued to Cardholder: _____

Cardholder's Signature: _____

EXHIBIT H

**COUNTY OF FRANKLIN'S PURCHASING CARD
NEW CARDHOLDER ENROLLMENT FORM**

EMPLOYEE'S ORGANIZATIONAL INFORMATION

Company Name: COUNTY OF FRANKLIN

Address: 113 Market Street
LOUISBURG, NORTH CAROLINA 27549

Contact Person: Jamie Holtzman.
Finance Director
919-496-3182

Department : _____

Division: _____

EMPLOYEE/CARDHOLDER INFORMATION

Name: _____

CARD LIMITS

Daily \$ _____

Monthly \$ _____

Per Transaction \$ _____

Daily Number of Transactions: _____

Monthly Number of Transactions: _____

APPROVALS

Department Head: _____

