

**BLOUNT COUNTY
PURCHASING DEPARTMENT**

POLICIES & PROCEDURES



Adopted July 1, 2005

PURCHASING POLICIES AND PROCEDURES BLOUNT COUNTY, TENNESSEE

I. GENERAL PROVISIONS

The purpose of these procedures is to provide for the fair and equitable treatment of all persons involved in public purchasing by Blount County, to maximize the purchasing value of public funds in procurement, and to provide safeguards for maintaining a procurement system of quality and integrity.

These procedures apply to contracts for the procurement of supplies, services, construction, and disposal of surplus property or supplies entered into by Blount County after the effective date approved by the Financial Management Committee. They shall apply to every expenditure of budgeted public funds by a County agency for public purchasing irrespective of the source of the funds, with the exception of payroll, attorney fees, County debt, and the servicing of such debt. When the procurement involves the expenditure of federal assistance or contract funds, the procurement shall be conducted in accordance with any mandatory applicable federal law and regulations. Nothing in these procedures shall prevent any County agency from complying with the terms and conditions of any grant, gift, bequest, or cooperative agreement that is otherwise consistent with law.

II. PURCHASING AGENT

The Financial Management Committee has voted to establish a separate purchasing department and has authorized a purchasing agent to oversee all duties and responsibilities relative to purchasing and to assist the Financial Management Committee in developing policies and procedures for implementing an economical and efficient purchasing system.

The purchasing agent shall serve as the principal public purchasing official for Blount County, and shall be responsible for the procurement of supplies, services, construction and the management and disposal of surplus.

The purchasing agent shall be responsible for:

- 1) The contract, purchase, or any obligation of the County for supplies, material, equipment, contractual services, rental of machinery, buildings, or equipment, transfer of materials, supplies and equipment between County offices or agencies;
- 2) Supervision of storeroom or warehouse;
- 3) Contracts for building construction and the purchase of land;
- 4) Public sale of all surplus materials, equipment, buildings and land; and
- 5) Any other created obligation of the County.

The purchasing agent may delegate authority to purchase certain supplies, services or construction items to other County employees, if such delegation is deemed necessary for the effective procurement of those items. Any designee of the purchasing agent shall exercise delegated authority in accordance with the delegation, applicable laws and these regulations.

III. PURCHASING METHODS

The Financial Management Committee, with the assistance of the purchasing agent shall establish a purchasing system for the County. Such system shall provide, among other procedures, the following:

- 1) **Formal Bid Limit.** It is the policy of Blount County to purchase goods and services estimated to cost over \$5,000.00 for General County and Education Departments and over \$10,000.00 for the Highway Department by sealed bid. Items estimated to cost more than the above limits will not be subdivided to circumvent the sealed bid requirement.
- 2) **Informal Bid Limit:** All purchases between \$2,000.00 and \$5,000.00 for General County and Education Departments may be made in the open market, but shall when possible, be based on at least three competitive quotations or prices. The informal bid limit for the Highway Department will be \$2,000.00 to \$10,000.00.
- 3) **Emergency Purchases:** Emergency purchases shall be limited to needs arising which are not normally foreseeable. Emergency purchases are made to protect the public health, welfare or safety of citizens or when immediate repair is necessary to prevent further damage to public property, machinery or equipment. A report shall be made to the Financial Management Committee of all emergency purchases.
- 4) **Sole Source Purchase:** Items which can only be procured from one source shall not be based on sealed bids. The purchasing agent shall, however, constantly seek alternate sources or alternate products for sole-source items. A record of sole source procurements shall be maintained as a public record. A report shall be made to the Financial Management Committee listing sole source vendors and the procurements made.
- 5) **Professional Services:** Contracts for legal services, auditing services by certified public accountants, and similar services by professional persons or groups of high ethical standards shall not be based upon competitive bids, but shall be awarded on the basis of recognized competence and integrity.

- 6) **Public Authorities:** Bids need not be required for services for which the rate or price is fixed by a public authority authorized by law to fix such rates or prices.
- 7) **Goods or Services Purchased Under Governmental Cooperative Purchasing Agreements:** As authorized by State Law, purchases utilizing State of Tennessee contract may be made by the purchasing agent without competitive bids. The purchasing agent shall use State Contract items when it is in the best interest of the County to do so.
- 8) **Goods or Services Purchased from other Governments:** The County may purchase materials, supplies, commodities and equipment from any federal, state or local governmental units or agency, without conforming to the competitive bidding requirements.
- 9) **Purchase of Fuel Products and Perishable Commodities:** All fuel and fuel products and perishable commodities are exempt from public advertisement and competitive bidding when such items are purchased in the open market. A report shall be maintained of all fuel purchases and perishable commodities purchases as a public record. A report shall be made to the Financial Management Committee listing vendors and procurements made.
- 10) **Public Notice:** Adequate public notice of the invitation for bids shall be given a reasonable time (not less than ten calendar days). Purchasing will decide whether to (a) insert the public notice in a newspaper of county wide circulation, or (b) post the public notice on the bulletin board in the courthouse. The notice will include a general description of the items or services to be purchased, where bid forms and specifications may be obtained, and the time and place of the bid opening.
- 11) **Bid Receipt and Opening.** All bids shall be kept secure prior to the public opening. All bids received by purchasing shall be kept in a secure box, safe, or file prior to opening. When the prescribed time and date for the bid opening arrives, the bids will be publicly opened and recorded by the purchasing agent in the presence of two witnesses. The amount of each bid, and such other relevant information as the purchasing agent deems appropriate, together with the name of each bidder shall be registered on a tally sheet and provided to vendors as requested. Bids shall be open to public inspection only after contract award.

12) Award of Bids: All bids shall be evaluated by the purchasing agent or designated purchasing employee and representatives of the using agency if requested. The contract shall be awarded based on the lowest and best bid. All bids for purchases using department of education funds shall be approved by the Blount County Board of Education.

13) Blanket Purchase Orders: Blanket purchase orders are used to reduce time and administrative costs. These purchase orders are used for repetitive purchases against a previously bid annual contract that sets a fixed price for items.

14) Payment Authorization List: Items to be paid by The Payment Authorization Form, the Request for Direct Payment Forms and Travel Reimbursement Request Forms shall be approved by the Financial Management Committee. The list of items that qualify for payment without a purchase order shall be amended only by vote of the Financial Management Committee.

IV. REQUISITION PROCESS

The purchase requisition initiates the procurement cycle. The receipt of a requisition with the necessary information and required signature gives the authority for each specific purchase. An electronic requisition can be issued with the name and/or initial as required to comply with the signature authority. A purchase order will not be issued unless authorized by a proper requisition.

The requisition will be a two-part form available from the purchasing department. The original of the requisition is to be sent to purchasing. The second copy is to be retained by the department head. Purchasing will review the requisition for the purpose of assuring that all required information is provided; whether bids are required; that the purchase will comply with the budget and that contract compliance, when applicable, is assured.

Should the need require monies in excess of the approved budget, it shall be the duty of the head of the user agency to request additional appropriation from the proper source.

All agency heads shall designate in writing to the purchasing department person(s) from their offices who may sign requisitions in the event that the agency head is not available to sign requisitions or who may issue on line requisitions.

V. PURCHASE ORDER PREPARATION

The purchase order is a five-part, numbered form which is used to authorize the vendor to supply ordered goods or services. A purchase order will not be issued unless authorized by a proper requisition that meets the above guidelines.

The purchase order copies shall be distributed as follows:

- (1) Vendor
- (2) Accounting
- (3) Purchasing
- (4) User Department
- (5) Receiving (user department)

Corrections or changes to the purchase order may be made by purchasing on a Purchase Order Change Notice form. The amount of change is limited to \$50.00 or 10% of the original purchase order price. Variances over this amount will be sent to the Financial Management Committee for approval.

The department that requisitioned the goods or services shall be responsible for the receipt, inspection and acceptance of incoming supplies and equipment. The department shall review the invoices or packing slips and certify by signature of the department head on the receiving copy of the purchase order that the items covered by the invoice/packing slip have been received in good condition and correct quantities and that payment of the purchase order is approved. All documentation will then be forwarded to accounts payable department to issue the warrant for payment.

VI. CENTRAL STOREROOM

Purchasing will establish and maintain a central storeroom for selected items such as office supplies. This method will allow purchasing to take advantage of quantity discounts. The storeroom method will also allow the county to standardize frequently used operating supplies. A department picking up office supplies will be asked to sign for the supplies on a requisition form provided by the purchasing department. Each department will be charged for the actual purchase price of the supplies once a month through the accounting system. The cost of these items will automatically be deducted from the proper supply account.

VII. SURPLUS PROPERTY

No department shall transfer, sell, trade-in, or otherwise dispose of supplies, materials, equipment, buildings or land owned by the County without written authorization of the purchasing agent. To notify the purchasing agent of surplus supplies or materials, the department head shall fill out a form describing the surplus material. If a transfer cannot be arranged, the method of disposal is by public sale of all surplus materials, equipment, buildings and land.

Surplus property which has no value or has a value of less than two hundred fifty dollar (\$250) may be declared scrap and disposed of without the necessity of bids. The purchasing agent and department head must agree in written form that the property is of no value or is of less value than two hundred fifty dollars (\$250) before disposal.

VIII. LIABILITY OF THE COUNTY

The County is not liable for the payment of such purchases made contrary to its provisions unless such item is specifically approved by the Financial Management Committee.

IX. CONFLICTS OF INTEREST

The director, purchasing agent, members of the committee, members of the county legislative body, or other officials, employees or members of the board of education or highway commission shall not be financially interested or have any personal beneficial interest, either directly or indirectly, in the purchase of any supplies, materials or equipment for the county.

No firm, corporation, partnership, association or individual furnishing any such supplies, materials or equipment, shall give or offer nor shall the director or purchasing agent or any assistant or employee accept or receive directly or indirectly from any person, firm, corporation, partnership or association to whom any contract may be awarded, by rebate, gift or otherwise, any money or other things of value whatsoever or any promise, obligation or contract for future reward or compensation.