

Updated July 1, 2016

PURCHASING POLICY



WASHINGTON COUNTY, ARKANSAS

I. INTRODUCTION

A. PURPOSE OF MANUAL

The purpose of this manual is to provide a source of information to assist all County Departments in obtaining needed supplies, equipment and services. The personnel in Purchasing are prepared to answer questions that may arise or to clarify any information contained in this manual.

B. PURPOSE OF PURCHASING

Purchasing assists in obtaining needed goods and services utilized by all County Departments at the best available price.

To maintain integrity in its relationship with the public, it is the policy of Purchasing not to accept any gifts or gratuities that may contain value from any vendor doing business with Washington County.

C. LEGAL BASIS FOR PURCHASING

Authority for making purchases is provided by A.C.A. §14-22-101 et seq. County Ordinances and County Judge's directives. This does not preclude departments from furnishing information on supplies and products and making recommendations to Purchasing.

D. RESPONSIBILITIES - PURCHASING

1. Assure compliance with Washington County Purchasing Policy.
2. Search for new sources of supplies and services.
3. Maintain up-to-date vendor files for bidding.
4. Advertise and evaluate bids and maintain bid files.
5. Determine compliance with purchasing regulations.
6. Select vendors.
7. Prepare Purchase Orders and approve Purchasing Requests from end users.
8. Assist in preparation of specifications.
9. Maintain historical performance files on vendors.
10. Maintain all contractual agreements.
11. Market and redistribute surplus assets.
12. Investigate and document complaints about merchandise and services for future reference.

13. Manage or maintain all inventory lists for all County Departments.
14. Maintain property/fleet insurance.
15. Maintain and train departments in the use of the county's procurement card.
16. Maintain cell phones for departments.
17. Prepare court orders for disposing/selling/purchasing items.
18. Hold auctions for selling of equipment per department's request.

E. RESPONSIBILITIES - OPERATING DEPARTMENTS

1. Responsible for meeting budgeting requirements. No purchases may exceed budget.
2. Provide sufficiently defined information on items to be purchased and assist in preparation of specifications.
3. Prepare and submit Purchase Requisitions.
4. Assist Purchasing with suggested sources of supplies.
5. Plan purchases to eliminate avoidable emergencies.
6. Provide technical expertise in the evaluation of specifications and bid responses.
7. Provide information on materials and vendor performance.
8. Clear invoices for payment, making sure the invoice is signed and the corresponding purchase order number is recorded. Prices must be checked by the ordering department to verify they are correct.
9. The departments shall assist purchasing with any purchases related to furniture and or equipment for inventory and insurance purposes.

II. INITIATING A PURCHASE

A. PURCHASE REQUISITION

Department end users are responsible for entering a purchase order in the SunGard System. If an end user is not able to find a vendor in the SunGard System, then a request can be emailed to Purchasing at purchasing@co.washington.ar.us. This request must include the following:

1. Vendor name, phone number, and mailing address.
2. Description of the commodity/service to be purchased, including brand and model name and number.
3. Anticipated cost.
4. Name of the office or department to which the goods are to be delivered.
5. The Fund Department Line item number (example: 10000118 2001) should be included to indicate the proper expenditure code.

Using the SunGard System each department is aware of/and responsible for their budget needs. Requisitions for purchase orders will only be approved and issued through Purchasing.

III. BIDDING PROCEDURES

A. GENERAL

"Purchase" shall mean and include not only the outright purchase of a commodity, but also the acquisition of commodities under rental/purchase, lease/purchase agreements or any other type agreement whereby the County has an option to buy the commodity and to apply the rental or lease payments on the purchase price.

B. RENTAL/LEASE

Any actual rental or lease may be bid if it is in the best interest of the County.

In order to determine what category of bidding any purchase or lease falls within, the following criteria shall be used: If a trade-in is being offered, the full purchase price shall govern the purchase procedure. If the equipment being traded is on the county inventory than a court order must be executed approving the sale and ordering the Assessor to appraise the equipment.

All lease or rental agreements must be executed through Purchasing.

The County Judge is the only person authorized to sign contracts on behalf of the County. The County Judge has designated the Purchasing Department as the administrator of such contracts.

C. PREPARING "REQUEST FOR BIDS OR PROPOSALS"

Request for Bids or Proposals (RFB) or (RFP) are prepared by Purchasing and are available to qualified vendors. Bids are also posted on the counties web site. Vendors requesting packets should be directed to our web site at www.co.washington.ar.us or the vendor may obtain the packet from the Purchasing Dept., 280 N College Ave., Suite 533, Fayetteville, AR 72701.

D. COUNTY PREFERENCE

In the purchase of commodities by competitive bidding, when the bid represents items manufactured or grown in the county or offered for sale by business establishments having their principal place of business in the County, then the bidder shall be allowed a differential of not to exceed three percent (3%) of the purchase price in determining the low bid. (A.C.A. §14-22-111) This must be requested prior to the bid opening.

E. BID OPENING

All sealed bids or proposals are opened publicly and read at the time and date specified on the RFB or RFP. Late bids will not be accepted or considered.

All sealed bids must be identified as such or they will be opened with regular mail and disqualified.

All bids must be signed

F. VENDORS' LIST

Purchasing will maintain an up-to-date vendor list.

All formal RFB forms are emailed to qualified vendors who have requested to receive bids for a particular commodity. Any vendor qualified to bid may be placed on the vendor's list by making a request in writing to Purchasing (A.C.A. § 14-22-107). Requests can be submitted to Purchasing at purchasing@co.washington.ar.us.

G. PROFESSIONAL AND/OR PERSONAL SERVICES

A.C.A. § 19-11-801 et seq. outlines the procedure that shall be followed in the procurement of legal, architectural, engineering and land surveying services. The law prohibits the use of competitive bidding for the procurement of these professional services. For personal services as set out in A.C.A § 14-22-101, the County Attorney should be consulted as to the proper procedure.

The County's process for selection of all other professional services is to evaluate the Statement of Qualifications and select the most qualified firm based on qualifications only.

The County has designed an Evaluation Form which lists the criteria on which each Statement of Qualifications may be ranked. Once the best three (3) are established, a meeting is scheduled with the firm which received the highest ranking to pursue negotiation of a contract.

If an agreement cannot be reached with the highest ranked firm, negotiations should then begin with the next highest ranked firm, etc., until an agreement can be reached.

After the selection is made and a contract has been prepared, the original Statements, a copy of the Evaluation Form and the executed contract must be forwarded to Purchasing.

H. SPLIT PURCHASE – PROHIBITED

It is expressly forbidden by law to parcel or split purchases with the intent of circumventing the more competitive bidding requirements. (A.C.A. § 14-22-104(3))

I. BID LIMITS

1. Less than \$20,000 (Open Market)

Any service or group of commodities within the same general classification, not contained in a Term Contract, which costs less than \$20,000, may be purchased at the best available price on the open market. A Purchase Order is required on all purchases.

Purchases up to \$20,000 may be made at the discretion of Purchasing.

2. \$20,000 and More

Purchases of \$20,000 and more MUST be formally advertised one time; sealed bids taken and opened not less than ten (10) nor more than thirty (30) days after date of advertisement. (A.C.A. § 14-22-104)

Sales tax should be considered in calculating the \$20,000 limitation since it is a part of the "purchase price". (Co. Atty. Opinion 95-1)

J. SOLE SOURCE PURCHASES

Purchases of \$20,000 and more from sole-source vendors are exempt from formal bidding. (A.C.A. § 14-22-106)

K. EMERGENCY PURCHASES

An emergency purchase of over \$20,000 is defined as a purchase made where property, life, health, or public safety is in jeopardy. An emergency purchase request must be signed by the department head and a letter of justification attached to the requisition. All efforts should be made by the individual offices and departments to anticipate its needs, allowing sufficient time to follow the proper and most cost-effective method of purchasing. The County Judge will issue a Court Order declaring that an emergency exists and waiving competitive bidding.

L. COOPERATIVE PURCHASING

Resolution 1989-8 dated May, 1989, authorizes Purchasing to participate in contracts awarded by the Arkansas Department of Finance and Administration, Office of State Purchasing. Other types of cooperative purchasing are also allowed. Resolution No. 2011-13, A.C.A. § 22-106 (21) and A.C.A. § 19-11-201 et seq.

M. PURCHASES EXEMPT FROM SOLICITING BIDS

The following listed commodities may be purchased without soliciting bids:

1. Perishable foodstuffs for immediate use.
2. Unprocessed feed for livestock and poultry.
3. Advanced emergency medical services provided by a nonprofit corporation and proprietary medicines when specifically requested by a professional employee.
4. Books, manuals, periodicals, films, and copyrighted educational aids for use in libraries and other informational material for institutional purposes.
5. Scientific equipment and parts therefor.
6. Replacement parts and labor for repairs of machinery and equipment.
7. Commodities available only from the federal government.
8. (a) Any commodities needed in instances in which an unforeseen and unavoidable emergency has arisen in which human life, health, or public property is in jeopardy.

(b) An emergency purchase under subdivision (8)(A) of this section shall not be approved unless a statement in writing is attached to the purchase order describing the emergency necessitating the purchase of the commodity without competitive bidding.

9. Utility services, the rates for which are subject to regulation by a state agency or a federal regulatory agency.
10. Sand, gravel, soil, lumber, used pipe, or used steel.
11. Used or secondhand motor vehicles, machinery, or equipment, except that a used or secondhand motor vehicle that has been under lease to a county when the vehicle has fewer than ten thousand (10,000) miles of use shall not be purchased by the county when it has been used ten thousand (10,000) miles or more except upon competitive bids as provided in this chapter.
12. Machinery, equipment, facilities, or other personal property purchased or acquired for or in connection with the securing and developing of industry under the Municipalities and Counties Industrial Development Revenue Bond Law, § 14-164-201 et seq., or any other provision of law pertaining to the securing and developing of industry.
13. Registered livestock to be used for breeding purposes.
14. Motor fuels, oil, asphalt oil, and natural gas.
15. Motor vehicles, equipment, machinery, material, or supplies offered for sale at public auction or through a process requiring sealed bids.
16. All goods and services that are regularly provided to state agencies and county government by the Department of Corrections various penal industries.
17.
 - (a) New motor vehicles purchased from a licensed automobile dealership located in Arkansas for an amount not to exceed the fleet price awarded by the Office of State Procurement and in effect at the time the county submits the purchase order for the same make and model motor vehicle.
 - (b) The purchase amount for a new motor vehicle may include additional options up to six hundred dollars (\$600) over the fleet price awarded.
18. Renewal or an extension of the term of an existing contract.
19. Purchase of insurance for county employees, including without limitation health insurance, workers' compensation insurance, life insurance, risk management services, or dental insurance.
20. Purchases made through programs of the National Association of Counties or the Association of Arkansas Counties.
21. Goods or services if the quorum court has approved by resolution the purchase of goods or services through competitive bidding or procurement procedures used by:

- (a) The federal government or one (1) of its agencies;
 - (b) Another state; or,
 - (c) An association of governments or governmental agencies including associations of governments or governmental agencies below the state level.
22. (a) Goods or services available only from a single source.
- (b) A purchase under this subdivision (22) shall be supported with:
- 1. Documentation concerning the exclusivity of the single source; and,
 - 2. A court order filed with the county clerk that sets forth the basis for the single source procurement.

IV. CONTRACTS

A. GENERAL

All contracts MUST be approved by the County Attorney, before they will be signed by the County Judge. (A.C.A. §§ 14-22-112; 14-14-1102; Washington County Code 2-192)

The County Judge is the only person authorized to sign contracts on behalf of the County. The County Judge has designated the Purchasing Department as the administrator of such contracts.

Purchasing maintains contract files containing copies of contracts for all types of services for all County departments.

The original of every contract/agreement must be filed with the County Clerk, therefore, all contracts/agreements must be sent to Purchasing to assure compliance with regulations.

The Comptroller's Office will not process any voucher for payment of contractual services unless the contract is contained in the contract files maintained by Purchasing.

Washington County Elected Officials and/or Department Heads are fully responsible to notify the Purchasing Department of any new or amended contract/agreement between their department and Washington County. Once the Purchasing Department receives a contract/agreement, it will be reviewed by the County Attorney for the County Judge's approval. The Purchasing Department will then assign a contract number, file with the County Clerk, and remit a copy to the initiating department.

B. CONTRACT INFORMATION

All contracts must conform to the following:

1. Washington County may not contract with another party:
 - a. For a period of time which continues past the end of a fiscal year unless the contract allows cancellation by the County upon 30-days written notice whenever there are no funded appropriations for the contract. (Standard non-appropriation clause)
 - b. To pay any penalties or charges for late payment or for any other reason.
 - c. To indemnify, defend, or hold harmless any party for any liability and damages.
 - d. Upon default, to pay all sums to become due under a contract.
 - e. To pay damages, legal expenses or other costs and expenses of any other party (indemnity and hold harmless agreements).
 - f. To continue a contract once the equipment has been repossessed.
 - g. To conduct litigation in a place other than Washington County, Arkansas
 - h. To agree to any provision of a contract which violates the laws or constitution of the State of Arkansas.

2. A party wishing to contract with Washington County must:
 - a. Remove all language from its contract, which grants to it any remedies other than
 - The right to possession
 - The right to all payments which the party has earned under the contract.
 - The right to expenses of de-installation
 - The right to expenses of repair to return the equipment to normal working order, normal wear and tear excluded.
 - The right to recover only amounts due at the time of repossession and any unamortized non recurring cost as allowed by Arkansas law.
 - b. Include in its contract that the laws of the State of Arkansas govern the contract.
 - c. Acknowledge in its contract that contracts become effective when awarded by the County.
 - d. The County has a standard addendum that shall apply to all contracts; a copy of such is attached hereto.
3. Washington County may contract with another party:
 - a. Leased equipment shall name lessor as a payee on any loss casualty insurance policy covering the same.
 - b. To lease/rent any equipment for a period of time which continues past the end of a fiscal year provided that in the event funds are not appropriated for the equipment described in the agreement, the County may, upon 30-days written notice to the vendor/lessor, cancel the agreement.

C. TERM CONTRACTS/AGREEMENTS

A Term Contract is an agreement issued by Purchasing and approved by the County Judge for a vendor to supply goods or services to the County for a specific price and specific period of time. It may bind either one department or all purchasing entities of the County. Any department affected by the contract will be notified in writing.

The Elected Official/Department Head must immediately notify Purchasing in writing of any contract cancellations or changes.

Departments requesting goods or services under term contract may do so by submitting such to Purchasing.

D. MAINTENANCE SERVICE/AGREEMENTS

Departments needing equipment maintenance/service may request such by contacting Purchasing by email at purchasing@co.washington.ar.us.

ADDENDUM

1. Notwithstanding anything herein to the contrary, if any party is required to take legal action to enforce the provisions of this contract, then the prevailing party shall be entitled to recover all costs and expenses, including attorney's fees.
2. Notwithstanding anything herein to the contrary, no indemnification or arbitration provisions shall be effective.
3. Notwithstanding anything herein to the contrary, Arkansas law shall apply and venue shall lie in Washington County, Arkansas.
4. Notwithstanding anything herein to the contrary, Washington County shall not be obligated to pay any interest nor is it by the execution of the agreement herein as it is prohibited from doing such by Arkansas law.
5. Notwithstanding anything contained in this Agreement to the contrary, if the Washington County Quorum Court fails to appropriate funds for subsequent periods within the term of this Agreement, the County shall not be obligated to make payments beyond the then current fiscal appropriations period.

The Company agrees, as a vendor to the County, to abide by all applicable Federal, State and Washington County statutes, regulations and rules, including but not limited to Equal Employment Opportunity and Drug-Free Workplace laws.

The Company's only remedy shall be to terminate this Agreement at the end of the period which notice is given and take possession of any equipment owned by the Company. Company shall be entitled, however, to any payments and other payments due and owing during any previous period.

WASHINGTON COUNTY, ARKANSAS

(COMPANY)

BY: _____
MARILYN EDWARDS, County Judge

BY: _____

V. PURCHASE ORDERS

A. PREPARATION AND ISSUANCE

All purchases require a Purchase Order issued by Purchasing and signed by the Purchasing Agent. (Ord.No.77-11)

The Purchase Order must include:

- Vendor's Copy
- Ordering Department's Copy
- Purchasing Department's Copy

B. CANCELLATION OF PURCHASE ORDERS

The ordering department must submit an email to purchasing@co.washington.ar.us stating the reason that a Purchase Order is to be voided.

VI. CONTRACTORS

A. GENERAL

Contractors must agree to comply with applicable provisions of Federal, State and local law and regulations, including without limitation County Purchasing Policy.