



BALDWIN COUNTY COMMISSION

| POLICY # <u>3</u> . <u>7</u> _ | | |
|---------------------------------------|----------------------------|---------------------------|
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| | May 18, 2004 | Book 35, pg. 193 |
| | February 19, 2008 | Page 26 |

POLICY STATEMENT

The purpose of these purchasing policies and procedures is to establish a legal and orderly method of buying goods and services for the County of Baldwin. These policies and procedures shall apply to all Baldwin County employees, officers, officials, and agents when buying any goods or services for the County of Baldwin.

PROCEDURAL REQUIREMENT

In order to carry out this policy, the following steps must be taken:

1. No officer, ~~or~~ employee, officials, or agents, of the County shall be financially interested, either directly or indirectly, in any contract or purchase of any goods, materials, equipment, or contracted service furnished to or used by any Department, Board or Agency of the County Government.
2. No officer or employee of the County may accept or receive, directly or indirectly, money, entertainment, gift or any promise, obligation or contract for future reward or compensation (above nominal intrinsic value or except as otherwise allowed by applicable laws, rules and

[regulations](#)) from any person, firm, or corporation to which any contract or purchase order may be awarded.

FORMS/ATTACHMENTS/EXHIBITS

Exhibit 1. Baldwin County Supply Requisition

General Guidelines

A. Only those employees that are classified Baldwin County employees, who have been designated by the Supervisor can pick up goods to be used by the County. Full time permanent employees (not probationary) of the County of Baldwin, in good standing, are eligible for this task. Upon pick up of the goods, the employee must note the Purchase Order Number on the Receiving Ticket.

B. IN ALL PURCHASING SITUATIONS except those governed by the State Bid Law, price comparisons are to be obtained as described below, to ensure the County received quality merchandise at the lowest possible price.

C. The following buying limits for goods and services shall be used to determine how price comparisons are to be made:

| <u>Amounts</u> | <u>Requests</u> | <u>Method of Pricing</u> |
|--------------------|-----------------|--|
| \$0 - \$250 | | Vendors used most frequently will have open Purchase Orders each month for authorized employees to use as needed. The Supervisor in Charge will also sign each Receiving Ticket. |
| \$251 - \$1,000 | Written | 3 phone prices or Written Quotations. (All 3 must reflect on Requisition or Invoice) |
| \$1,001 - \$14,999 | Written | 3 Written Quotations (All must be attached to the Requisitions) |
| \$15,000 plus | Written | Sealed Bid (as mandated by State Code) |

*Exemption - Equipment parts and repair of vehicles due to break down **unless required by vendor.**

*Exemption - Equipment parts and repair of heavy duty off-highway construction equipment and of all vehicles with a gross vehicle weight rating of 25,000 pounds or greater.

\$0 - \$1,000 No verbal or written Quotations Required

\$1,001 - \$15,000

3 Verbal or Written Quotations, when possible

\$15,001 plus

Sealed Bid (as mandated by State Code)

Upon no condition or circumstance will a purchase be split or invoiced separately in order to make a purchase qualify for a lower expenditure category. All specifications and vendors' prices shall include freight charges FOB Baldwin County destination. All vendors shall be advised at the time prices are obtained that the freight charges quoted will be the maximum paid by the County and under no circumstances will additional freight charges be paid.

D. All Receiving Tickets, Invoices, Purchase Requisitions must be turned in to the designated department representative as soon as possible after purchase (preferably daily, but in no case longer than 5 days after purchase). The entire account number being charged shall be plainly marked on the ticket, invoice or Purchase Requisition. Buyer must sign the ticket, invoice or purchase requisition legibly (if signature is unreadable, print name under signature).

E. Baldwin County has only one (1) billing address, which is as follows:

Baldwin County Commission
312 Courthouse Square, Suite 11
Bay Minette, AL 36507
ATTN: Accounts Payable

This address can also be located on the Purchase Order.

F. When grant purchases are made, the name of the grant, grant account number and the amount to be charged must be plainly marked on the ticket, invoice, or Purchase Requisition.

G. The incorporated municipalities of the State of Alabama are specifically exempted from the payment of Alabama Sales Tax on purchases of tangible personal property. Since a specific exemption is provided by law, a certificate of exemptions is not needed. (Section 40-23-4(11), Code of Alabama 1975, as amended.)

Emergency Purchases

A. Emergency Purchase of goods or services may be made by the Purchasing Officer/Clerk or in their absence, the Department Head when delivery is critical to the operation of the department and when normal purchasing procedures cannot be followed. The term "**emergency**" signifies a situation which has suddenly arisen and requires speedy action.

B. For items within his/her purchasing range, the Supervisor must secure verbal approval from the Purchasing Officer/Clerk before such emergency purchase. Upon receipt of the goods, a purchase requisition shall be submitted to the Purchasing Officer/Clerk, signed by the Designated Department Representative, along with the receiving ticket.

C. The County Commission has the authority to let contracts under the State Bid Law (purchases or contracts \$15,000 and above) without advertisement in emergency situations when public health, safety, or convenience is involved. Such emergencies must be declared in advance of the purchase. The County Commission shall declare the existence of the emergency during a regularly held Commission Meeting in advance of the purchase. Declaration of Emergency does not eliminate the sealed bid process, in amounts over \$15,000; it only eliminates the period of advertisement.

D. Non-business hour purchases and other unique small purchases may be made without a purchase order if approved by proper Department Officials. These purchases will be monitored by the Clerk/Treasurer and Purchasing Officer to insure that these purchases are not excessive and circumventing the Purchasing Policies.

Special Request and Conditions

A. Under no circumstances are purchases to be made unless they are **budgeted** items with available funds in the current year budget.

B. It is the responsibility of the Supervisor/Department Head to develop procedures which will ensure all purchasing regulations are followed.

C. Competitive pricing is not required if goods are available only through a single vendor or have uniform prices wherever bought. Sole Source purchases shall be approved by the Purchasing Officer prior to purchase. The documentation for Sole Source must be adequate to withstand state requirements.

D. For the purchase or lease of personal property only, a resident person, firm or corporation, whose bid is no more than three (3%) percent greater than the lowest bid, may be the successful bidder and the contract may be awarded to such resident responsible bidder. A resident vendor is defined as one who has a place of business within the County of Baldwin. It is the policy of the County to purchase from a resident vendor whenever possible.

Procedures

A. Purchases of \$0 - \$14,999

1. A Purchase Requisition must be submitted by an employee requesting a purchase through the designated County Representative to the Purchasing Department. Written quotations must be attached to the Purchase Requisition. (See General Guidelines Chapter 2/Item C).

2. Purchase order copies are distributed to the following: Purchasing, Accounts Payable, Vendor, Designated Department Representative.

B. Purchase of \$15,000 and above

1. The Competitive Bid Law is codified at Article 3, Sections 41-16-50 thru 41-16-63, Code of Alabama 1975.

(A) The Bid Laws have been interpreted by the courts and by the state attorney general's office to mean that like items purchased by the County, in excess of \$15,000 in a year, must be processed by competitive bid.

(B) All bidders must furnish a bid bond on any contract exceeding \$10,000; provided that bonding is available for such services, equipment, or materials. A designated amount may be established in the bid documents by the Purchasing Officer for items that are unit of measure.

(C) Bond in a responsible sum for faithful performance of the contract, with adequate surety, may be required in an amount specified in the advertisement for bids.

(D) The following are commodities that are exempt from competitive bid.

- * Purchases of Utility services where no competition exists or rates are fixed by law.
- * Purchases of election supplies.
- * Contracts for services of attorneys, physicians, architects, teachers, superintendents of construction, artists, appraisers, engineers, consultants, certified public accountants, or other individuals possessing a high degree of professional skill where the personality of the individual plays a decisive part.
- * Contracts of employment in the regular civil service.
- * Purchases of products made or manufactured by the blind or visually handicapped under the direction or supervision of the Alabama Institute of the Deaf and Blind.
- * Purchases of maps or photographs purchased from a federal agency.
- * Purchases of manuscripts, maps, books, pamphlets and periodicals.
- * Selection of paying agents and trustees for any security issued by a public body.
- * Contractual services and purchases of commodities for which there is only one vendor or supplier.
- * Contractual services or purchases of personal property, which by their very nature are impossible to award by competitive bidding.
- * Purchases of products where the price of such products is already regulated and established by state law.
- * Contracts for furnishing of fiscal or financial advice or services.
- * Purchase of Insurance.
- * Purchases made by individual city or county schools from moneys other than those raised by taxation or received through appropriations from state or county sources.
- * Contracts relating to industrial development.
- * Purchase of equipment, supplies or materials needed, used and consumed in the normal and routine operation of any waterworks system, sanitary sewer system, gas system, or electric system, or any two or more thereof, that are owned by municipalities, counties or public corporations, boards or authorities that are agencies, departments or instrumentalities of municipalities or counties and no part of the operating expenses of which system or systems have, during the then current fiscal year, been paid from revenues derived from taxes or from appropriations of the state, a county or a municipality.
- * Repair of construction equipment and all vehicles for which parts or service is of a specialized nature.

2. The State and Baldwin County bid list is to be used whenever possible. NOTE: The State bid

should state in writing that the contract was let for the benefit of municipalities as well as the state. When using the State Bid, accompanying the requisition should be a copy of the cover, each item page and the vendor page, specification page.

3. Purchases shall not be split in order to avoid the requirements of the bid law.
4. All bids will be opened in a public meeting. A tabulation sheet will be prepared after the bid opening to establish low bidder.
5. The Purchasing Officer or his designee is required to attend each bid opening. Department heads, other staff members, vendors and the general public are invited and are welcome to attend bid openings.
6. The Purchasing Officer will discuss at a prearranged meeting bid results of items offered with the using department.
7. Any bid received after the appointed time of opening will be returned, unopened, to the Bidder. The clock located in the Commission Chambers shall be used as the official time clock. No other time will be considered.
8. All bids, together with all documents pertaining to the bid or award of a contract, shall be retained and made part of a file or record for a period of seven (7) years.
9. At the bid opening, the Purchasing Officer may question any bidder as to the validity of his bid; however, no one representing the County shall make any commitment to a bidder as to a purchase prior to the awarding by Commission and the issuance of a purchase order.
10. In the event only one bid is received, the County may reject the bid and negotiate the purchase provided the purchase price is lower than the bid price. The County may further reject any bid if the price is deemed excessive or the quality of the product is deemed inferior. Should the County solicit bids and receive none, the Purchasing Officer will send out a second request for bids.

If upon the second request, no bids are received, the Purchasing Officer may then negotiate.

11. The County reserves the right to reject any or all bids and to waive any informalities.

PROCEDURES FOR SEALED BIDS

(Purchases of \$15,000 or greater)

1. The Purchasing Manual will be referenced on a regular basis to ensure that compliance is maintained with the Purchasing Manual.
2. At least 10 days will be allowed from the date the bid packages are mailed to the bid opening

date.

3. The bid package shall clearly indicate the person to contact in cases when the vendor may have questions.
4. The following sources should be utilized in developing bid specifications:
 - A. State and/or City Bid specifications
 - B. Internal staff

The practice of having vendors participate in formulating the specifications shall be avoided when possible.

5. The bid package must be received by US Mail, Federal Express, etc., by the date specified in the bid package. Walk-in bids are acceptable, but must be turned in by the bid deadline. The walk-in bids shall be date and time stamped.
6. Prior to the mailing of the bid package, the Department Head requesting the procurement must approve the acceptability of allowing substitutes for the items being bid. The acceptability of substitutes (Yes or No) should be clearly stated in the bid package.
7. The yellow pages will be reviewed and utilized when preparing the vendor bidder list. The Purchasing Officers vendor files will be checked along with any persons that have verbally requested copies.
8. The following should be followed for advertising bids in the local newspaper.

| <u>Projected Bid Price</u> | <u>Procedure</u> |
|--|--|
| A. \$15,000 and above for Materials, Supplies & Equipment | A. No advertising in the newspaper is required. Bid shall be advertised by posting notice thereof on a bulletin board maintained outside of the Purchasing Office and in any other manner and for any length of time as may be determined. However, the Purchasing Officer may advertise in a newspaper if deemed necessary to obtain good competition. Ala. Code 41-16-54 (a) |
| B. \$50,000 to \$499,999 Public Works | B. The bid shall be advertised once a week for three consecutive weeks in a newspaper of general circulation in the county or counties published locally. Ala. Code 39-2-2 (a) |
| C. \$500,000 and above Public Works | C. The bid shall be advertised once in three newspaper of general circulation throughout |

the state. Ala. Code 39-2-2 (a)

9. There shall be no changes in the bid specifications starting 48 hours prior to the scheduled bid opening. This should be clearly indicated in the bid package.

Exception: On building construction and road or bridge projects, the Architect or Engineer may answer questions, issue clarifications and make minor additions and subtractions, which do not involve a major change in the scope of the work, up to 8 hours prior to bid opening.

NOTE: Affected articles can be found in Appendix A.

Maintenance, Rental, Lease, and Lease Purchase Contracts

- A. All contracts for leases, lease purchases, rental agreements or maintenance agreements must be signed by the Chairman after Commission approval regardless of the amount of the lease or agreement; and all such documents shall be attorney approved.
- B. All leases, lease purchases, rental agreements or maintenance agreements are subject to bid law if amount exceeds \$15,000.
- C. Upon approval by the Commission, the Purchasing Officer will issue a purchase order.

Prepayment Purchases

- A. All purchases of goods or services requiring prepayments will be directed to the Clerk Treasurer.
- B. The Department Head will send a Purchase Requisition along with any completed order blank, registration form, etc., to the Clerk Treasurer.
- C. Department Head is required to forward the original receiving ticket to the Clerk Treasurer to place behind the payment voucher.

Reoccurring Monthly Charges (utilities, telephone, rent etc.)

- A. Payment of reoccurring monthly charges and reimbursement for approved travel is an accounting procedure and not a function of the Purchasing Division; therefore, no purchase order will be needed for these payments. Procedures for payment will be implemented by the Accounting Division.

Construction Contracts

- A. Licenses Required

All bidders, to the best of their knowledge and belief, must be in compliance with all applicable Federal, Alabama State, County and Municipal Laws, regulations, resolutions and ordinances. In particular, if applicable, all bidders must be licensed and permitted in accordance with Title 10, Chapter 2A, Article 8, Division 2 (dealing with Out-of-state corporations doing business within Alabama), Title 34, Chapter 8 (dealing with general contractor Licensing for businesses which construct or superintend the construction of any building, highway sewer, grading or any improvement or structure costing \$50,000 or more) Title 40, Chapter 12 (dealing with privilege licenses and store licenses), Title 40, Chapter 14 (dealing with permitting, franchise tax and other taxation of corporations conducting business in this state), and Title 40, Chapter 23 (dealing with sales and use tax), Code of Alabama 1975, as amended; provided, the bidder is not exempted from the above mentioned Code Sections elsewhere in the Code. All bidders bidding should be prepared to timely submit non confidential evidence or documentation supporting the fact they are presently licensed and permitted under the applicable above mentioned Code Sections, suitable to, and upon request by, the Baldwin County Commission. Such non confidential evidence or documentation may be submitted with the bid.

B. Plans and Specifications Required

1. On any construction project costing \$50,000 or more, all engineering plans, specifications, and estimates, shall be prepared by, and the construction executed under the direct supervision of a professional engineer or registered architect.

C. Advertisement

1. Any construction project costing \$50,000 to \$499,999 shall be advertised once each week for three consecutive weeks in a newspaper of general circulation in the County. Any construction project costing \$500,000 or more shall also be advertised once in three newspapers of general circulation throughout the state.
2. The advertisement shall be posted on a bulletin board maintained in the Commission Administration Building and the Budget/Purchasing Building located in Bay Minette.
3. Invitations to bid for construction projects will be advertised in the Gulf Coast Newspapers, the Mobile Register, Montgomery Advertiser and Birmingham News for three consecutive weeks.

D. Bid Guaranties

All bidders shall furnish a bid bond on any contract in excess of \$10,000 provided that bonding is available for the services, equipment or material. In cases where bonding is not available, a certified check payable to the Baldwin County Commission will be required. The amount of the guarantee shall be for an amount not less than five (5%) percent of the estimated cost or of the contractor's bid but not more than \$10,000, unless special circumstances require a greater amount.

E. Performance Bond

Any person, firm, or corporation entering into a contract with the County for the repair or construction of any public building, public work, highway, or bridge shall provide a performance bond, material and labor bond equal to one hundred (100%) percent of the contract price. Bonds are not required on contracts of less than \$50,000 by Section 39-1-1, but a bonding requirement may be imposed by the County under Alabama Code Section 41-16-58.

F. Insurance Requirements for Contractors

Any person, firm, or corporation entering into a contract with the County will carry Compensation and Comprehensive General Liability Insurance in an amount deemed appropriate by the County but never less than \$1 million per occurrence and \$2 million aggregate. The Certificate of Insurance shall name the County as additional insured.

Promulgated Rules

With prior discussion and review with department heads during a scheduled meeting the Purchasing Department may, with approval of the County Commission, promulgate any rule or rules necessary for the implementation of this policy.

Penalties/Sanctions/Disciplinary Action

Violators of state law are subject to all applicable penalties, sanctions and disciplinary actions as set forth in applicable laws, rules and regulations, including, but not limited to, State Bid Laws, Alabama Ethics Rules and the Baldwin County Handbook.

APPENDIX A

Article 3 Section 41-16-50

Contracts for which competitive bidding required; manner of awarding contracts generally; award of contracts to resident bidders, negotiation of contracts; joint contracts.

Article 3 Section 41-16-51

Contracts for which competitive bidding not required generally; governing bodies or instrumentalities of counties, municipalities and certain state and local institutions to establish and maintain purchasing facilities and procedures for competitive bidding in operation and management of institutions, facilities, etc., under supervision and control thereof; contracts entered into in violation of article void, penalty.

Article 3 Section 41-16-52

Expenditures for repair or lease of heavy duty off-highway construction equipment may be made without regard to provisions of article.

Article 3 Section 41-16-53

Letting of contracts without public advertisement authorized in case of emergencies affecting public health, safety, etc...

Article 3 Section 41-16-54

Advertisement for and solicitation of bids; bids to be sealed; opening of bids; bids, etc., to be retained and to be open to public inspection; when purchases or contracts may be made in open market; contracts not to be split to avoid requirements of article; certain partial contracts declared void.

Article 3 Section 41-16-55

Effect of agreements or collusion among bidders in restraint of competition; knowing participation in collusive agreement.

Article 3 Section 41-16-56

Effect of advance disclosure of terms of bid

Article 3 Section 41-16-57

Awarding of contracts generally; preference to be given to Alabama commodities, firms, etc., in contracts for purchase of personal property or contractual services; rejection of bids; records as to awarding of contract to be open to public inspection; maximum duration of contracts for purchase of personal property or contractual services.

Article 3 Section 41-16-58

Bond for faithful performance of contract may be required.

Article 3 Section 41-16-59

Assignment of contracts.

Article 3 Section 41-16-60

Conflicts of interest of members or officers of governing bodies or instrumentalities of counties, municipalities and certain state and local institutions generally; making of purchases or awarding of contracts in violation of article.

Article 3 Section 41-16-61

Institution of actions to enjoin execution of contracts entered into in violation of article.

Article 3 Section 41-16-62

Provisions of article not applicable to certain municipal contracts.

Article 3 Section 41-16-63

Provisions of article cumulative.

FORMS/ATTACHMENTS/EXHIBITS

Requisition Form

RELATED POLICIES

POLICY #8.12: Processing Voucher Payments