

Renville County

Purchasing Procedures

(Procurement Policy)



Renville
COUNTY

Service · Stewardship · Shared Responsibility

RENVILLE COUNTY PURCHASING PROCEDURES

I. Purchasing/Procurement Approval Requirements

General Guidelines

All employees authorized to make purchases are required to obtain appropriate approval for each purchase transaction.

Process

- A. All goods and services whose costs are charged to Federal Awards (CFDA grants) received by Renville County must follow the supplemental policies found in the addendum to this policy.
- B. All purchases, which equal or exceed \$10,000 in cost, must be approved by the County Board of Commissioners, prior to the purchase. At least two written quotes or bids need to be submitted to Finance for review. Purchase Orders (not quotes or bids), will be added to the Board's work session agenda, **ONLY** by Finance, when their review is complete.
- C. Purchase orders under \$10,000 which equal or exceed \$5,000 are required to be approved by the Finance Coordinator or his/her designee. Two written quotes need to be submitted before the purchase will be approved.
- D. Purchases under \$5,000 may be handled by the department. Two verbal or written quotes are encouraged.
- E. Purchases including but not limited to: utilities, consulting fees, employee reimbursements, court ordered services, JPA membership fees, software renewals, time-sensitive repairs of county equipment and vehicles, and expenses that are paid for through special assessments, fiduciary agreements, etc. will be paid with Department Head approval only and do not require Purchase Orders. The Finance Coordinator or his/her designee will make the final determination when a Purchase Order is necessary.

II. Emergency Purchases

- A. Only the County Administrator, the Finance Coordinator, or a Department Head may declare a purchase an emergency when:
 - 1. A delay in the purchase would pose a threat to life, or property.
 - 2. The delay would significantly delay completion of a project, and could not have been anticipated.
 - 3. An emergency purchase, which equals or exceeds \$10,000, must be ratified by the County Board of Commissioners at the next scheduled meeting.

III. Purchase Order Approval Requirements

General Guidelines

- A. The Purchase Order is emailed to Finance to signal a department need for materials and/or services. Purchaser needs to include proper general ledger account code on Purchase Order and submit necessary quotes or bids to Finance.
- B. Purchase Orders under \$10,000 will be assigned a number and approved by the Finance Coordinator or his/her designee when the required documentation is received.
- C. Purchase Orders equal or greater than \$10,000 will be assigned a number and added to the County Board work session agenda, by Finance **ONLY**, when the required documentation is received. The Purchase Orders will be signed by the Finance Coordinator, or authorized personnel, and stamped with the Board approval date, after approval is received at a County Board meeting.
- D. All Purchase Orders must be authorized by Department Head or authorized personnel.
- E. Copy 2 of Purchase Order must be attached to all invoices that are submitted for payment under the terms of the Purchase Order. Any variances from the original Purchase Order must be noted for Finance. Purchaser may make additional copies of Purchase Orders as necessary.

IV. Non-Low Bid Purchases

General Guidelines

- A. If the purchaser wants the County Board to award a purchase to a vendor whose price is not the lowest initial total cost, the Purchaser must write a brief explanation of those factors that led to the request, and submit it to Finance with the Purchase Order.
- B. Total cost, in addition to basic price includes transportation, storage, service, technical assistance, shipping, and all applicable taxes.

V. Formal Bidding *(Requirements follow Minnesota Statutes 471.345)*

General Guidelines

Formal bids are required for contracts estimated to exceed \$175,000* and are to be submitted in a sealed envelope or via secure electronic bidding, and in conformance with laws and statutes, opened at specified date, time, and place. This procedure applies to purchases of materials, supplies, and services, excluding the hiring of consultants.

**The provisions of M.S. 103E apply to repairs and maintenance of ditches.*

Process

- A. Purchaser will determine, in writing, the minimum requirements.
- B. Purchaser will develop the technical specifications and product quality for the purchase.
- C. Purchaser will prepare a "County Board Background" narrative, when necessary. This background must include an explanation for the purchase, funding sources, and amount.
- D. The request will be submitted to the County Board of Commissioners. If the Board approves the purchase in principle, staff may then proceed with the bidding process.
- E. Purchaser prepares the "Legal Notice", setting date and time for the bid opening, and proceeds with legal advertising in the official County newspaper or statutorily allowed website.
- F. Purchaser makes bid packages available to all interested vendors.
- G. Bids will be submitted to a designated official, and will be held confidential until the bid opening.
- H. A designated official will preside over the formal bid opening. All bids must be received prior to the bid opening date and time, at the designated location. The bids, and all documents, will be reviewed and tabulated by Purchaser.
- I. Upon County Board award, Purchaser will prepare vendor notification letters, contracts, and the Purchase Order.
- J. Purchaser is responsible for ensuring that all required securities and certificates have been received, and the work can proceed.
- K. Purchaser is responsible for ensuring a current insurance certificate and performance security are received.
- L. Copy 2 of Purchase Order must be attached to all invoices that are submitted for payment under the terms of the Purchase Order. Any variances from the original Purchase Order must be noted for Finance. Purchaser may make additional copies of Purchase Orders as necessary.

VI. Request for Proposal

General Guidelines

An RFP is a written document, which provides a description of the County's need, allowing vendors to submit competitive sales proposals.

Process

- A. Purchaser should outline the needs and/or tasks required. The use of technical data, and the manufacturer's name and/or model is permissible to help describe the quality desired.
- B. Purchaser will develop the technical specifications for the RFP.
- C. Purchaser sends the Request for Proposals to all interested vendors.
- D. Proposals will be submitted to a designated official, and will be held confidential until the RFP opening.
- E. The RFP will be reviewed and tabulated by the Department and then submitted to the County Board with a recommendation for award.
- F. Upon County Board award, Purchaser will prepare the Purchase Order, contract, and vendor letters of award, and ensure any required insurance certificate and securities are received.
- G. Copy 2 of Purchase Order must be attached to all invoices that are submitted for payment under the terms of the Purchase Order. Any variances from the original Purchase Order must be noted for Finance. Purchaser may make additional copies of Purchase Orders as necessary.

VII. Written Quotations

General Guidelines

- A. Requests for written quotations will only be obtained from responsible vendors.
- B. Unsolicited quotations are not to be considered.
- C. When it is necessary to re-quote, all vendors will be given the opportunity to submit new quotations.
- D. When obtaining quotations, the Purchaser should inform the vendor that:
 - 1. Quotations are preliminary.
 - 2. The County has no obligation to the supplier until a Purchase Order is executed.
 - 3. The County is not under any obligation to purchase the item for which the quotation is requested.
- E. A contract for the purchase of supplies, materials, or equipment, may be awarded, without regard to the competitive bidding requirements; if the purchase is made through a national municipal association's purchasing alliance, or cooperative created by a joint powers agreement that purchases items from more than one source on the basis of competitive bids or competitive quotations.

Process

- A. The Purchaser determines the minimum requirements, which must be met to accomplish the task.
- B. The Purchaser completes a verbal or written RFP or formal bidding packet, depending on the estimated dollar amount of the purchase.
- C. The purchaser prepares Purchase Order and emails to Finance with copies of at least 2 written quotes or bids, when necessary.
- D. When required documentation is received, Finance adds Purchase Order to County Board work session for consideration, when appropriate, or returns signed copy to Purchaser if County Board approval is not necessary. The Purchase Order will be signed by the Finance Coordinator, or his/her designee, and stamped with the Board approval date, after approval is received at a County Board meeting.
- E. This process applies to all purchases of materials, supplies, and services over \$5,000.
- F. Copy 2 of Purchase Order must be attached to all invoices that are submitted for payment under the terms of the Purchase Order. Any variances from the original Purchase Order must be noted for Finance. Purchaser may make additional copies of Purchase Orders as necessary.

VIII. Verbal Quotations

General Guidelines

Verbal Price Quotations will be obtained by the Purchaser.

- A. The selection of a product to meet the needs of the Purchaser may be accomplished by use of a manufacturer's name and model. Two or more qualified suppliers should be solicited. Exceptions may be made when extenuating circumstances exist.
- B. Verbal quotations may be obtained by the Purchaser, to acquire information for order placement, or for the purpose of budget preparation.
- C. When obtaining verbal quotes the Purchaser should inform the vendor that the County is soliciting competitive quotes.

Process

- A. The Purchaser determines the minimum requirements which must be met to accomplish the task.
- B. The Purchaser obtains 2-or-more verbal quotes.

- C. The Purchaser forwards Purchase Order to Finance for completion when necessary.
- D. Finance completes Purchase Order and returns a copy to the Purchaser.
- E. Copy 2 of Purchase Order must be attached to all invoices that are submitted for payment under the terms of the Purchase Order. Any variances from the original Purchase Order must be noted for Finance. Purchaser may make additional copies of Purchase Orders as necessary.

ADDENDUM

Renville County Procurement Standards Policy *(In accordance to Uniform Guidance 2 CFR § 200)*

Conflicts of Interest

No employee, officer, or agent of Renville County will participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, agent, or any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of Renville County must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts, unless the financial interest is not substantial or the gift is an unsolicited item of nominal value. Disciplinary actions will be applied for violations of such standards by officers, employees, or agents of Renville County.

Because of relationships with a parent company, affiliate, or subsidiary organization, if Renville County is unable, or appears to be unable, to be impartial in conducting a procurement action involving a related organization, Renville County will not procure with those organizations.

Procurements (Purchases) under Federal Awards

Procurement of goods and services whose costs are charged to federal awards received by Renville County are subject to all of the specific purchasing policies of the organization, including compliance of federal statutes and regulations and the terms and conditions of the federal awards. In addition, procurements associated with federal awards are subject to the following supplemental policies:

1. Renville County will avoid acquisition of unnecessary or duplicative items. Consideration will be given to consolidating or breaking out procurements to obtain a more economical purchase.
2. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
3. Renville County will consider entering into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services, and using Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
4. Renville County will award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

5. Renville County will maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

6. All procurement transactions will be conducted in a manner providing full and open competition. All prequalified lists of persons, firms, or products which are used in acquiring goods and services will be current and include enough qualified sources to ensure maximum open and free competition. Potential bidders will not be precluded from qualifying during the solicitation period.

7. All solicitations will incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated. All solicitations will also identify all requirements which the offers must fulfill and all other factors to be used in evaluating bids or proposals.

8. All necessary affirmative steps will be taken to assure minority businesses, women's business enterprises and labor surplus area firms are used when possible.

9. A cost or price analysis will be performed in collection with every procurement action in excess of the Simplified Acquisition Threshold (\$150,000) including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, Renville County will make independent estimates before receiving bids or proposals.

10. All procurement files will be made available for inspection upon request by a Federal awarding agency.

11. All contracts will require proof that the contractor has not been suspended or disbanded from doing business with any federal agency. This proof shall be by the contractor certifying in writing or a confirmation on the <https://www.sam.gov/> website.

Methods of Procurement

Renville County will use one of the following methods of procurement.

1. Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,000 (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). To the

extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

2. Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

All purchases in excess of 5,000 shall be made by obtaining oral or written quotations from at least two responsible contractors. All purchases of at least \$25,000, but less than \$100,000, shall be made by obtaining written quotations from at least three responsible vendors. All purchases of \$100,000 or more shall be made by obtaining competitive proposals from at least four responsible vendors. Sealed bids shall be utilized when required by the Federal awarding agency.

3. Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.

In order for sealed bidding to be feasible, the following conditions will be present:

- a. A complete, adequate, and realistic specification or purchase description is available;
- b. Two or more responsible bidders are willing and able to compete effectively for the business;
- c. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

If sealed bids are used, the following requirements apply:

- a. The invitation for bids will be publicly advertised and bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids;
- b. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- c. All bids will be publicly opened at the time and place prescribed in the invitation for bids;
- d. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- e. Any or all bids may be rejected if there is a sound documented reason.

4. Procurement by competitive proposals. The technique of competitive proposals is

normally conducted with more than one source submitting an offer, and either a fixed price or cost- reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- a. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
- b. Proposals must be solicited from an adequate number of qualified sources;
- c. The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
- d. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
- e. Competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

5. Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- a. The item is available only from a single source;
- b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- c. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- d. After solicitation of a number of sources, competition is determined inadequate.

Suspension and Debarment

Renville County will review all grant purchases to verify that purchases will not be made against contractors that are on the Debarment or Suspension list supplied by the Government. The appropriate Accounting Staff will review all requisition requests submitted for all grant accounts to make sure the contractor is not on the debarment list. This list is available at - <https://www.sam.gov/>. If a match is found, the purchaser will be notified directly and Accounting will not process the requisition. All results of searches will be documented or attached to the filed paperwork for verification of search.

Provisions Included in all Contracts

It is the policy of Renville County to include all of the following provisions, as applicable, in

all contracts with contractors and sub-awards (sub-recipient monitoring):

1. Remedies: All contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (currently \$150,000) shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms.

2. Termination: All contracts in excess of \$10,000 shall contain suitable provisions for termination by Renville County, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe the conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated due to circumstances beyond the control of the contractor.

3. Equal Employment Opportunity: All contracts shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

4. Davis-Bacon Act, as amended (40 U.S.C. 3141-3148): If included in the federal agency's grant program legislation, all construction contracts of more than \$2,000 awarded by Renville County and its sub-recipients shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, contractors are required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. It is the policy of Renville County to place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. Renville County shall also obtain reports from contractors on a weekly basis in order to monitor compliance with the Davis- Bacon Act. Renville County shall report all suspected or reported violations to the Federal awarding agency.

5. Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333): [Where applicable] All contracts awarded by Renville County in excess of \$100,000 for contracts that involve the employment of mechanics or laborers shall include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or

materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

6. Rights to Inventions Made Under a Contract or Agreement: Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and Renville County in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

7. Clean Air Act (42 U.S.C. 7401-7671q and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended: Contracts and sub-awards of amounts in excess of \$150,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

8. Debarment and Suspension (E.O.s 12549 and 12689): For all contracts, Renville County shall obtain from the contractor a certification, or a confirmation from the <https://www.sam.gov/> website, that neither the contractor nor any of its principal employees are listed on the Excluded Parties List System in SAM.

9. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352): For all contracts or Sub-grants of \$100,000 or more, Renville County shall obtain from the contractor or sub-grantee a certification that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Likewise, since each tier provides such certifications to the tier above it, Renville County shall provide such certifications in all situations in which it acts as a sub-recipient of a sub-grant of \$100,000 or more.

Subrecipient (pass-thru entities) Monitoring

If Renville County is acting as a pass-thru entity of Federal awards, the purchaser will be responsible to monitor the activities of the subrecipient organization (or third party contractor) to ensure that the subaward is following applicable Federal statutes and regulations and complies with the requirements of this policy.