

BUNCOMBECOUNTY

Procurement Manual

Version 1.0 Published

11/20/2018

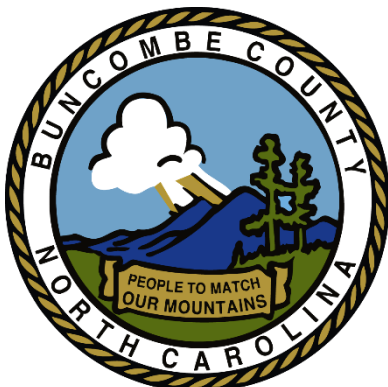
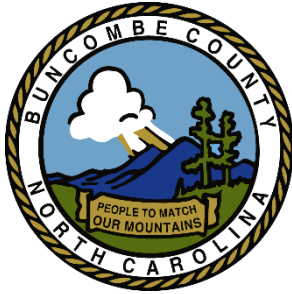


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Buncombe County, North Carolina

Procurement Policy

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1.0 Policy Information

Category & Subcategory:	Procurement/Policies and Procedures	Original Effective Date:	10/1/2013	This Revision Effective:	10/16/2018
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Persons Affected:	Eligible Buncombe County Workforce
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Approvals:	Approved By:	-	Approved By:	
	Date Approved:		Date Approved:	

Revision History

Effective Date	Version	Section	Summary of Changes	Author

2.0 Policy Purpose

This policy is intended to be a guide to all Buncombe County Government employees responsible for obtaining apparatus, supplies, materials, equipment and services. The intent is to design policies and procedures that will serve the County's needs, provide for effective, efficient and economical buying processes, and follow the legal guidelines set forth in the North Carolina General Statutes.

3.0 Roles & Responsibilities

The procurement roles and responsibilities of Buncombe County Government can largely be assigned to the following:

a. Buncombe County Procurement Division

The County's Procurement Division is responsible for:

- Policy development, revision, implementation, and monitoring;
- Administration of centralized procurement programs and processes;
- Development and provision of any required procurement-related training to county employees;
- Assisting all county employees with procurement needs.

b. All County Departments

Department Directors and their designees, Cost Center Managers, and all staff with procurement-related roles are responsible for the following:

- Conducting all purchasing activities in accordance with the applicable North Carolina General Statutes, County policies and procedures, ordinances, Federal rules and regulations, and in pursuit of the best interests of Buncombe County;
- Developing and maintaining good public, supplier, and internal relationships;
- Ensuring fair and open competition by ethical means;
- Extending honest, courteous, and impartial treatment to all interested suppliers;
- Respecting public trust and not abusing the procurement process for personal advantage or gain.

c. Standards of Conduct

i. Gifts and Favors from Suppliers

North Carolina General Statute § 133-32 addresses the legal implications of governmental employees accepting gifts and favors from suppliers. Briefly summarized, this statute states it is unlawful for any supplier who has a current contract with a governmental agency, has performed under such a contract within the past year, or anticipates bidding on such a contract in the future to give gifts or favors to any employee of a governmental agency who is charged with preparing plans, specifications, or estimates for public contracts, awarding or administering such contracts, or inspecting or supervising construction. It is also unlawful for a governmental employee to willfully receive or accept such gifts or favors.

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ii. Supplier Relations

Should a department have trouble with a supplier, concerns should be documented in an email to the Procurement Division. Correspondence should be as specific as possible, detailing the circumstances, dates, personnel involved (including titles), and phone numbers. This information will be helpful in determining if the supplier will be considered for future bid awards.

4.0 Penalties for Non-Compliance

Failure to comply with this policy may result in an audit finding and/or disciplinary action, including termination and criminal charges. Individuals and departments identified as failing to comply with Buncombe County policies shall be notified and potentially identified to county management, internal audit, and/or law enforcement, as appropriate.

5.0 Types of Purchases

Purchases must be made according to the dollar thresholds set forth by North Carolina law (see **Exhibit A – Dollar Thresholds in North Carolina Public Contracting Statutes**). Additional County policies may also apply, as shown below.

a. Goods (Apparatus, supplies, materials, or equipment)

The following thresholds are established to govern procurement of goods.

Dollar Threshold	Minimum Requirements	Approval/Signature authority
\$0 - \$4,999	Multiple quotes not required P-Card recommended Purchase Order or Contract optional	Authorized Department Staff
\$5,000 - \$29,999	Multiple quotes recommended Requisition Purchase Order or Contract	County Manager or Designee
\$30,000 - \$89,999	Informal bid process Requisition Purchase Order or Contract	County Manager or Designee
\$90,000 or greater	Formal bid process Purchase Order or Contract	County Manager or Designee BOCC Notified

i. Food Purchases

Specific guidelines exist around food purchases for meetings, please refer to the Meals and Meetings Policy. Meals should not be purchased using a procurement card while also receiving a per diem for meal expense, please refer to the Procurement Card Policy.

ii. Vehicle Purchases

The purchase of vehicles outside of the Sheriff and General Services departments should be coordinated in conjunction with the Procurement Division. Title and/or bill of sale must be received and maintained for all vehicle purchases.

iii. Buy and Sale of Real Property

The buy and sale of real property at any dollar amount must be approved by the governing board.

b. Services

Competition may be formal or informal based on the dollar amount and project (RFP, simple quotes, or other best practice method). Award should be based on the best overall, justifiable solution, which may include cost and other factors. Refer to **Exhibit B - Independent Contractor / Employee Checklist** for help in determining whether someone qualifies as an independent contractor.

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Dollar Threshold	Minimum Requirements	Approval/Signature authority
\$0 - \$4,999	Best practice based on the needs of the department Purchase Order recommended Contract may be advisable based on risk	Authorized Department Staff
\$5,000 - \$89,999	Best practice based on needs of the department Purchase Order or Contract required Contract may be advisable based on risk	County Manager or Designee
\$90,000 or greater	Solicitation or Request for Proposals required unless waived (reason for waiver must be provided) Purchase Order or Contract	County Manager or Designee BOCC Notified
Contracts with schools, universities or other agencies for student interns	Contract	County Manager or Designee
One year leases, rentals and maintenance contracts	Contract	County Manager or Designee
Multi year leases, rentals and maintenance contracts	Contract	County Manager or Designee BOCC approval required if contract does not include non-appropriations clause

For services contracts, consider the following:

- Issuance of a Request for Proposals (RFP) is the preferred method when and if a County department chooses to use a more formal competitive solicitation process.
- The procedures for advertising and proposal opening are flexible.
- Award of service contracts may be based on factors other than cost and responsiveness with such factors as vendor experience, qualifications, and solution possible taking precedence over price.

Waiver of competitive solicitation of services contracts

A Department may waive the requirement for issuance of a competitive solicitation for a services contract over \$90,000 when it is in the County’s best interest to do so. Examples of such instances include the following:

- continuum of service delivery is paramount;
- competition will not yield significant benefits;
- when only a single vendor can provide a specific service.

c. **Architects, engineers, surveyors, design and build, or construction manager at risk**

Dollar Threshold	Minimum Requirements	Approval/Signature authority
\$0 - \$49,999	Qualification-Based Selection (unless exempted) Contract	County Manager or Designee
\$50,000 - \$89,999	Qualification-Based Selection Contract	BOCC or Designee
\$90,000 or greater	Qualification-Based Selection Contract	BOCC Approval

1. **Qualification-Based Selection (QBS)**

- A Selection Committee comprised of at least 3 members must be used.
- A scoring process and criteria based on qualifications shall be used to evaluate participating firms.

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- When using construction manager at risk, prequalification of first-tier subcontractors must be determined as stated in General Statute §143-128.1.
- If the exemption of the qualification process is being used it must be noted in any advertisement or announcement.

2. **Task Orders**

Any task order issued by an architect, engineer, or surveyor shall be approved by the Board or an employee designated by the Board.

d. **Construction or Repair**

General Statute § 143-129 requires counties to obtain formal bids for construction or repair for projects of \$500,000 and above. An advertisement must run one time at least ten calendar days before the bid opening. The advertisement must list the date and time of the bid opening, mention where the specifications may be obtained, and state that the Board reserves the right to reject any and all bids.

Three bids are required and if three are not received, the project must be re-advertised at least ten days before the next bid opening. If three are still not received, a contract can be awarded by the Board of Commissioners after evaluation, to the lowest responsive, responsible bidder, taking into consideration quality, performance, and the time specified for performance of the contract.

Buncombe County requires that contractors make a good faith effort to use minority owned businesses for subcontracting needs as set forth by the Minority Business Plan. Failure to comply is grounds for rejection of bids.

Construction and repair projects should be handled by the General Services staff, along with the pre-bid conferences, bidding and award in consultation with the architect, engineer, or construction manager at risk for the project.

Dollar Threshold	Minimum Requirements	Approval/Signature authority
\$0 - \$4,999	Best practice based on the needs of the department	Authorized Department Staff
\$5,000 - \$29,999	Best practice based on the needs of the department Purchase Order or Contract	County Manager or Designee
\$30,000 - \$89,999	Informal bid process Purchase Order or Contract	County Manager or Designee
\$90,000 - \$499,999	Informal bid process Purchase Order or Contract	County Manager or Designee BOCC Notified
\$500,000 or greater	Formal bid process Contract	BOCC Approval

e. **Information Technology**

All requisitions for Information Technology related items, including but not limited to computer hardware and software, telephone systems, mobile communication devices, and security goods or services will have prior approval and involvement of the Information Technology Department.

NC Statute allows for the selection and award based on considerations other than price.

Dollar Threshold	Minimum Requirements	Approval/Signature authority
\$0 - \$4,999	Request for technology purchase through IT Department	Authorized Department Staff, IT Dept.
\$5,000 - \$29,999	Request for technology purchase through IT Department Purchase Order or Contract	County Manager or Designee
\$30,000 - \$89,999	Request for technology purchase through IT Department Informal Request for Proposals (RFP) Purchase Order or Contract	County Manager or Designee

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\$90,000 or greater	Request for technology purchase through IT Department Formal Request for Proposals (RFP) Contract	County Manager or Designee BOCC Notified
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6.0 Bidding

All bidding shall be compliant with North Carolina statutes.

When procurement requires both the purchase of goods and services, it is imperative to determine which element, whether goods or services, constitutes the larger component of cost. **The element constituting the larger portion of the procurement is the predominant aspect.** The predominant aspect must be identified in order to determine the procurement method required to fulfill the purchase.

The record of bids submitted shall be maintained. Departments should supply this record to the Procurement Manager as directed.

a. Formal Bids

A **competitive bid process** in compliance with NCGS § 143-129 must be used in the following cases:

- Purchase of supplies, materials, and equipment estimated at \$90,000 and above;
- Construction or repair contracts estimated at \$500,000 and above.

1. **Notify Procurement Manager** that a formal bidding process is required.

2. Prepare Specifications

Detailed written specifications will be prepared by the requesting Department with the assistance of the Procurement Manager or designee when needed. Refer to the section labeled “Bid Specifications” for additional information.

3. Create Bid Package or Request for Bid

A Request for Bid will be issued and will contain at a minimum the following information:

- A. The name of the requesting department.
- B. A brief description of the goods or services to be purchased.
- C. The date and time of the bid opening.
- D. The date and time of the pre-bid conference, if applicable.
- E. The name of the Procurement Manager or designee.
- F. General Conditions, applicable for a Formal Bid Proposal.
- G. Specific requirements for the goods or services to be purchased.

4. Post Advertisements

Advertisement of Bids: North Carolina General Statute § 143-129(b) requires that at least seven (7) calendar days must lapse between the date the advertisement appears and the date of the opening of formal bids. Bidding opportunities are publicized electronically using the County website.

5. Conduct Pre-bid Conference (Optional)

A pre-bid conference is a meeting between the Procurement Manager or designee, the requesting departmental staff and prospective suppliers during which the specifications will be reviewed, and/or the site toured. The Procurement Manager or designee will explain the scope and objectives and techniques of the procurement, emphasize critical elements of the bid documentation and encourage input from the suppliers. A site visit allows the suppliers to observe physical characteristics of the land or structures that are relevant to the procurement. A pre-bid conference and site visit are collectively referred to as a “Pre-Bid Conference.”

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- A. When a pre-bid conference should be held: Pre-bid conferences may be particularly advisable when the County seeks to procure goods or services that are highly technical or complex.
- B. Notice of the pre-bid conference: If a pre-bid conference is conducted, the bid documents must provide the time, date and location of the conference. The conference should be held as soon as possible after the Bid Package is issued.
- C. Attendance at the pre-bid conference: Attendance of suppliers at pre-bid conferences is encouraged but is not mandatory, unless otherwise specified in the Bid Package.
- D. Oral representations at the pre-bid conference: The Procurement Manager, designee or requesting department will make a written note of all inquiries and points of contention raised by the prospective bidders. Clarification may be provided at the pre-bid conference as long as the specifications or conditions are not altered. Oral representations made at the pre-bid conference by the Procurement Manager, designee or the requesting department will not be binding upon the County. All material clarifications of any provision of the invitation for bids, or the amendment of a specification or condition of the Bid Package, will be made only in writing as an addendum.
- E. Minimum requirements: The Procurement Manager may add any additional requirements to a pre-bid conference as is deemed appropriate.

6. Submission of Bids

Proposals for Formal Bids must comply with the following:

- A. Oral, telephone, or faxed bids are not accepted: The Procurement Manager or designated staff will not accept oral bids nor bids received by telephone, or fax, for formal bids.
- B. Bids must be sealed: Bids shall remain sealed until the date and time set for the opening.
- C. Deviations: Bids containing conditions, omissions, erasures, alterations, or items not called for in the bid may be rejected by the County as being incomplete.
- D. Bid forms must be signed: The bid forms must be signed in order to be considered a responsive, responsible bid. If a bidder is a corporation, the bid must be submitted in the name of the corporation, not the corporation's trade name. The bidder must indicate the corporate title of the individual signing the bid.
- E. Confirmation of receipt: The bidder is responsible for confirming the receipt of a bid submission.

7. Receipt of Bids

The Procurement Manager or designee will receive bids as follows:

- A. Bids must be received timely: If bid specifications indicate bids are to be delivered in person, through the postal mail, or by parcel service, bids must be delivered no later than the date and time set for the receipt of bids in the bid specifications.
- B. Bids must be kept in a secure location until opened: All bids received must be sealed and will be kept in a secure location until the time and date set for the opening of bids.
- C. Identity of Bidders confidential: Prior to the time and date of opening, the identity of the suppliers submitting bids and the number of bids received is confidential and may be disclosed only to County officials and only when disclosure is considered necessary for the proper conduct of the bidding process.
- D. Inadvertent opening of bid: If a bid is inadvertently opened in advance of the prescribed bid opening, the Procurement Manager or designee will write an explanation of the inadvertent opening on the envelope, with the bid number, time and date of opening. The envelope will be resealed and deposited with the other bids.
- E. Late Bids: Late bids will not be considered under any circumstances and will be returned unopened with a letter or email of explanation to the sender.

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8. The Opening of Bids

The Procurement Manager or designee will open formal bids according to the following procedure:

- A. Bids opened and read aloud: All bids received timely will be opened and publicly read aloud at the time and date established for such opening in the Bid Package.
- B. Bids submitted electronically: Bids received via the electronic purchasing system are closed at the determined close time. A bid tally will be run indicating the suppliers responding to the bid and their bid amounts as submitted.
- C. Bids submitted for Information Technology goods and services:
Proposals submitted for information technology goods or services, including software, telecommunications, data processing, etc., are not subject to public inspection until a contract is awarded. Therefore, there will be no public bid opening to comply with NCGS 143-129.8 for information technology related items.

9. Evaluation of Bids

The bids received timely will be examined by the Procurement Manager or designee for compliance with the requirements set forth in the Bid Package. The Procurement Manager or designee will review each bid to determine whether it has facial deficiencies that preclude it from being examined further.

10. Award

Bids shall be awarded in accordance with North Carolina General Statutes § 143-129(b) to the lowest responsive, responsible bidder taking into consideration quality, performance, and the time specified in the proposal for the performance of the contract.

b. Informal Bids

An informal bidding process will be used for the following:

- Construction or repair contracts estimated from \$30,000 to \$499,999
- Purchases of supplies, materials, and equipment estimated from \$30,000 to \$89,999

While informal bids are acceptable at these thresholds, departments may also choose to use a formal process if desired. If the estimated total dollar amount of an informal purchase is over \$80,000 for purchases of goods or over \$450,000 for construction or repair contracts, then it is recommended to use a formal bid process to prevent rebidding if all quotes received are over the formal threshold.

NCGS § 143-131 does not specify any methods for securing informal bids, however it does require awards be made to the lowest responsible bidder taking into consideration quality, performance, and the time specified in the bids for the performance of the contract. Methods of receiving quotes are at the discretion of the Procurement Manager or the requesting department designee.

State and County policy require the following for all informal bids:

- Written documentation of contacting more than one vendor to support the competitive process.
- All verbal pricing or quotes must be documented in writing.
- The record of bids shall not be subject to public inspection until the contract is awarded.

c. Bid Specifications

When using a formal or informal bidding process, specifications must be prepared. All specifications should do at least the following:

1. Identify minimum requirements;
2. Encourage competitive bids;
3. Be capable of objective review;
4. Provide for an equitable award at the lowest possible cost;
5. Identify factors to be used in evaluating bids.

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6. Specifications will be as simple as possible while maintaining the degree of exactness required to prevent bidders from supplying substandard goods or services and otherwise taking advantage of their competitors.
7. All specifications utilizing a name brand must include the term “or substantially equivalent” to avoid being restrictive and eliminating fair competition from the bidding process.

Different methods of structuring specifications include:

- Qualified products on acceptable supplier list
- Specification by architectural or engineer drawings
- Specification by chemical analysis or physical properties
- Specification by performance, purpose or use
- Specification by identification with industry standards
- Specification by samples

d. Request for Proposals (RFP)

NCGS § 143-129.8 authorizes the use of a Request for Proposals (RFP) process rather than an Invitation to Bid (ITB) in certain instances. RFP’s may be used for the following:

- Purchases of services;
- Any combination of goods or services, particularly when the services component of the purchase is greater than the goods component;
- Technology and services contracts;
- Other combinations of goods and services not best handled by NCGS 143-129 and where departments have a need for a more flexible approach.

e. Request for Qualifications (RFQ)

In instances where a Qualifications-Based Selection (QBS) is required, a Request for Qualifications (RFQ) will be used to solicit responses from interested firms and individuals. The Procurement Manager or designee should be notified to begin this process, to guide the QBS through selection, and to assist with creation of a proper RFQ.

f. Exemptions

G.S. 143-129 defines several exemptions to the competitive bidding requirements. The following categories of purchases are exempt from both the formal and informal bidding requirements established in G.S. 143-129. However, the following list is just a shorthand statement of these categories; before attempting to make purchases using these exceptions read the relevant sections of the statute contained in G.S. 143-129 very carefully as this statute provides additional guidance. Items 1) through 11) are found in G.S. 143-129 (e). Statutory guidance as to the other items is found in the statutes listed beside the item.

1. Purchases from other units of government;
2. Emergencies;
3. Group or Cooperative Purchasing Programs;
4. Change Order Work;
5. Gas, Fuel, and Oil;
6. Sole Source Purchases;
7. Information Technology Goods and Services awarded by the North Carolina Office of Information Technology Services;
8. Guaranteed Energy Savings Contracts; (See also G.S. 143-129.4)
9. State Contract Purchases;
10. Federal Contract Purchases
11. Purchase of Used Goods; (See G.S. 143-129 (e)(10))
12. Construction Management at Risk;
13. Previously Bid or “Piggybacking” Contracts; (See G.S. 143-129 (g))
14. Solid Waste Management Facilities; (See G.S. 143-129.2)

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15. Use of Unit’s Own Forces (force account work); (See G.S. 143-135 & SL 2009-250)
16. Purchases of Goods and Services from Nonprofit Work Centers for the Blind and Severely Disabled. (G.S. 143-129.5)

Most Common Exemptions

1. Emergency Purchases

NCGS § 143-129(e)(2) defines emergency purchase as “Cases of special emergency involving the health and safety of the people or their property.” This exception is used in rare circumstances, such as natural disaster or sudden and unforeseeable damage to property. In cases of emergencies, the Department Head or designee may purchase directly from any supplier, supplies or services whose immediate procurement is essential to prevent delays in work, which may affect the life, health, or safety of Buncombe County employees or citizens. The user department will exercise good judgment and use established suppliers when making emergency purchases. Always obtain the best possible price and limit purchases to those items emergency related. Not anticipating needs does not constitute an emergency.

- During working hours, the following procedure should be used for emergency purchases: An electronic requisition entered and approved by the requesting department will grant permission to the Purchasing Division to issue the purchase order. The requesting department will include in the requisition supporting documentation for the emergency purchase order: item(s) to be purchased with estimated quantities and the reason for the emergency purchase. After verifying available funds, a purchase order number will be issued for the expenditure. Should the purchase exceed the available account budget, a Request for Transfer of Funds will need to be completed immediately.

- After working hours, the following procedure should be used for emergency purchases: An electronic requisition will be entered and approved the next working day from the requesting department. The requesting department will also include any pertinent information associated with the emergency purchase, to serve as supporting documentation and will be attached to the purchase order, including but not limited to: item(s) to be purchased with estimated quantities, and the reason for the emergency purchase.

Emergency purchases, although sometimes necessary, are costly both in time and money. The use of emergency procedures will be limited and monitored for abuse.

2. State Contract Purchases

Departments may use State of North Carolina contracts to procure available items without bidding if the contractor is willing to extend to the County the same or more favorable prices, terms, and conditions. Following is a link to the state purchasing and contracting site where items can be searched for by keyword. These procurements do not require BOCC approval. <http://www.doa.state.nc.us/PandC/keyword.asp>

3. Cooperative and Group Purchasing Programs

Similar to State Contract Purchases, the County may make purchases of supplies and equipment through group purchasing programs, which another entity has already carried out a competitive process to establish contracts on behalf of multiple entities at discount prices. These procurements do not require BOCC approval.

4. Sole Source

In the rare event there is only one supplier capable of providing a particular good or service, the competitive pricing procedures outlined in this manual may be waived by the Procurement Manager. Whenever Department Heads or designees determine a need to purchase goods from a “sole source”, they will document the reason. The provisions of G.S. 143-129 will require the County Commissioners approve this sole source exception. A sole source purchase exemption applies when at least one of these conditions exist:

- a. Performance or price competition for a product is not available.
- b. A needed product is available from only once source of supply.
- c. Standardization of compatibility is the overriding consideration.

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If one of these conditions applies to the good to be purchased, then the item will be exempt from bidding and the purchase must have board approval. Contact the Procurement Manager for guidance before proceeding.

5. Piggybacking

The County can purchase, without bidding, from a supplier that has, within the past 12 months, successfully gone through the competitive bidding process for that item or service and contracted to furnish an item or service to another public agency. The supplier must be willing to supply the same item at the same or more favorable prices and other terms. The contract intended to be copied must be one that was entered into following the award of a public bidding process similar to ours.

North Carolina General Statutes § 143-129(g) allows municipalities, counties, or other subdivisions to piggyback for supplies, materials, or equipment from another governmental entity that has within the previous 12 months, completed a formal bid process, to purchase similar supplies, materials, or equipment if agreed upon by the supplier. The Statute requires approval by the Board of Commissioners and advertisement of intent to award. Federal guidelines may prohibit the option of piggybacking.

6. Grants

When the County is awarded a grant that has procurement requirements specified by the grantor, the County will follow those requirements as long as they do not violate North Carolina General Statutes or Federal Uniform Guidance.

7. Use of Federal Funds

When using federal funds, the County must follow NC Statutes as well as OMB Guidance provided in the Code of Federal Regulations, Subpart D - Post Federal Award Requirements. The thresholds for micro-purchases, small purchases, and when sealed bids are required are set by OMB Guidance provided in the Code of Federal Regulations Title 2 Vol. 1 § 200.67 and §200.88. This guidance includes but is not limited to the following requirements:

i. Micro-purchases (\$0 - \$9,999)

When practical, distribute micro-purchases among qualified suppliers.

ii. Small Purchases (\$10,000 – \$249,999)

- a. Price rate quotations must be obtained from an adequate number of qualified sources.
- b. Written procurement procedures to define number and methods for obtaining quotes.

iii. Sealed Bid Procedures Required (\$250,000 and higher)

- a. Price rate quotations must be obtained from an adequate number of qualified sources;
- b. Publicly advertised;
- c. Competitive proposals;
- d. Non-competitive proposals require written approval and justification (e.g. only one source/vendor available, inadequate competition, emergency).

iv. Documentation required (All amounts)

- a. Evidence the awarded supplier is not excluded from doing business with the Federal Government.
- b. When quotes are required, documentation that an attempt was made to contact at least three suppliers to obtain quotes.

View Exhibit C - Procurement Guidance When Using Federal Funds for further guidance.

7.0 Procurement Methods

a. Requisitions

An electronic requisition initiates the procurement cycle for purchase orders. The receipt of the request with the required information, appropriate approvals, and sufficient budget gives the Procurement Division the authority to issue a purchase order. The Department Head or designee must approve all requisitions within the requesting department.

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b. Purchase Orders

Purchase orders are required for all purchases of \$5,000 and above.

A purchase order is a contract between the County and a supplier and is not binding until accepted by the supplier. Obtaining supplies, materials, equipment or services \$5,000 and over without a purchase order is an unauthorized purchase and a violation of resolution 03-04-04, adopted April 2003 by the Board of Commissioners. **Unauthorized purchases or split purchases to avoid the \$5,000 threshold are against County policy and may result in disciplinary action.**

i. Purchase Order Requirements

1. **Submission of a requisition** using the County's electronic procurement system. Purchase orders will not be created without a properly submitted requisition.
2. **Terms and conditions** must clearly define the delivery and performance requirements of the services, supplies, or equipment.
3. **Completion of the purchase order** by the Procurement Manager or designee. The purchase order must be pre-audited, and the signatures of the Procurement Manager and Finance Director must be on the completed document to be valid.
4. **Processing invoice(s) for payment** against a purchase order requires the applicable purchase order number be indicated for the invoice and that the purchase order have sufficient balance to cover the invoice amount. Receipt of goods and/or services must be verified prior to final payment of an invoice.

ii. Blanket Purchase Orders

Blanket Purchase orders can be used when there is a recurring need for expendable goods that are generally purchased, but the exact items, quantities, and delivery requirements are not known in advance and may vary considerably. Use of this process helps to avoid the creation of numerous purchase orders and contracts for routine purchases. Blanket purchase orders can also be a useful budgetary tool, as they obligate funds and allow easy tracking of recurring purchases throughout the year. A blanket purchase order should be used if the following criteria are applicable:

1. The annual cost can be reasonably estimated;
2. The purchases are paid through invoices (though it can be done if P-Cards are used);
3. There is a single account to which the expenses should be charged.

Examples would include maintenance agreements, purchase of building/cleaning supplies, etc. Requests for blanket purchase orders must, in addition to the required information, indicate the following:

1. Items covered by the blanket purchase order and the amount should be listed in the purchase order comments;
2. If blanket purchase order should be limited to certain department employees, please include their names in the purchase order.

The issued purchase order will instruct the supplier that unauthorized purchases will not be allowed. It is the responsibility of the individual authorized to purchase under a blanket purchase order to ensure that an unspent balance remains to cover the purchases to be made for the remainder of the purchase order period.

iii. Purchase Order Cut-Off Date

Requisitions for materials, supplies, services and equipment (not included in blanket purchase orders or service contracts) for the ending current fiscal year must be submitted on or before a predetermined date provided to departments by the Finance Director. Requisitions of a routine nature that could have been scheduled prior to the cut-off date, and deemed not critical, will be processed in the new fiscal year. This procedure affords the Finance Department the opportunity to complete fiscal year end activities in a timely and proper manner and prepare for the annual audit.

c. Change Orders

- Changing, modifying, or canceling an existing purchase order can be initiated by the issuing department using the electronic procurement system.
- Approval of change orders is based on the new cumulative amount of the purchase order. Refer to the Types of Purchases section to view approval authorities.

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- Changes to a purchase order will not be processed if the scope of services has been rendered or materials have already been received.

d. Procurement Cards

Purchases less than \$5,000 should be obtained by procurement card when possible. Please refer to the Procurement Card Policy.

e. Contracts

All contracts are required to follow the Buncombe County Contracts Policy and Contracts Control Process contained within.

i. Contracts for Services

Contracts are advised for use when the terms and conditions of the County’s purchase order is not sufficient to adequately protect against possible risk, or the scope of work is too complex to be adequately detailed in a purchase order.

ii. Contracts for Goods

In most cases a purchase order is sufficient as a contract for goods. Contracts for goods should be used if the nature of purchase is high risk and is not sufficiently controlled by the terms and conditions in the purchase order.

iii. Contracts for Grants

Any grant the County awards should be entered into the County’s financial software to obligate funds, and stored in the County’s contract repository.

iv. Multi-year Contracts

Contracts that are not associated with a project ordinance, more than 12 months in length, cross county fiscal years, and require funding from subsequent county budgets require a non-appropriation clause or Board of Commissioners approval.

For example:

1. A contract runs from June – May (12 months) and the total for the entire contract is \$60,000 (\$5,000 per month). The current fiscal year funds \$5,000 and the subsequent fiscal year funds \$55,000. This contract does not require BOC approval because the term is not more than 12 months.
2. A contract runs from June – September (16 months) and the total for the entire contract is \$80,000 (\$5,000 per month). The current fiscal year funds \$5,000 and the subsequent fiscal year funds \$75,000. This contract requires BOC approval because the contract requires funding from more than one fiscal year and the term is more than 12 months.
3. A contract runs from April – June (15 months) and the total for the entire contract is \$75,000 (\$5,000 per month). The current fiscal year funds all the \$75,000. This contract does not require BOC approval because all the funding comes from the current fiscal year, not requiring funding in subsequent fiscal years.

8.0 Delivery and Performance

i. Delivery schedule

The importance of the delivery schedule may be emphasized to the supplier within the bid documents. Delivery requirements will be clearly written and fully understood by all suppliers. If several items are required by the purchase order, there may be a different delivery schedule for each item. It is necessary to clearly indicate the delivery location on the requisition.

ii. Non-performance

If a supplier fails to meet any requirements of the specifications or terms and conditions of the contract or purchase order, the supplier can be cited for non-performance. The seriousness of non-performance will be evaluated by the department and Procurement Manager based upon the circumstances of each violation.

iii. Inspection and testing

Goods and materials should be checked at the time of receipt for damage or defects. The inspection will include assuring goods comply with the specifications. If damage is found or the goods fail to comply with the specifications, the item(s) will be rejected. To protect the County’s rights in the event of a

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rejection for any reason, the supplier will be informed immediately. Reasons for the rejection must be documented in an email to the Procurement Division in a timely manner.

iv. Supplier relations

Should a department have trouble with a supplier, concerns should be documented in an email to the Procurement Division. Correspondence should be as specific as possible, detailing the circumstances, dates, personnel involved (including titles) and phone numbers. This information will be helpful in determining if the supplier will be considered for future bid awards.

v. Program Compliance Requirements

All written statements, certifications or intentions made by the Bidder will become a part of the agreement between the Contractor and Buncombe County for performance of this contract. Failure to comply with any of these statements, certifications, or intentions or with the Minority Business Plan will constitute a breach of the contract. A finding by Buncombe County that any information submitted either prior to award of the contract or during performance of the contract is inaccurate, false or incomplete, will also constitute a breach of the contract. Any such breach may result in termination of the contract in accordance with the termination provisions contained in the contract. It will be solely at the discretion of Buncombe County whether to terminate the contract for breach. In determining whether a contractor has made best faith efforts, Buncombe County will evaluate all efforts made by the Contractor and will determine compliance.

9.0 Minority, Women, and Small Business Suppliers

According to NCGS 143-129(b) the County has no authority to establish preferences of any kind and are bound by law to award to the “lowest responsible, responsive bidder, taking into consideration quality, performance and the time specified in the proposals for the performance of the contract.” However, it is the desire of the County to purchase from Minority Businesses and suppliers located within Buncombe County whenever possible. Local suppliers and Minority Business suppliers should be encouraged to compete for County business.

i. Participation Goals

The Buncombe County Government Minority Business Plan states that **annual verifiable goals** for minority business participation in construction projects (other provisions apply depending on project type & funding), procurement projects, professional, and other service projects are as follows:

- Construction – 12% overall for all minorities
- Procurement – 10% overall for all minorities
- Professional – 10% overall for all minorities
- Other Services – 10% overall for all minorities

ii. Construction projects over \$300,000

Per NCGS 143-128, for projects with an estimated cost of \$300,000 or greater that involve construction or repair to buildings, the bidder must provide, with the bid, documented proof in one of the following forms:

- **The State of North Carolina AFFIDAVIT A – Listing of Good Faith Efforts** along with the **Identification of HUB Certified / Minority Business Participation**
- **The State of North Carolina AFFIDAVIT B – Intent to Perform Contract with Own Workforce.** Other forms **must** be submitted with AFFIDAVIT A either at the time the bid is due or 72 business hours after the bid opening by the lowest responsible bidder or bidders who wish to be considered.

Failure to provide the documentation as listed in these provisions may result in rejection of the bid and will award to the next lowest responsible bidder. Buncombe County reserves the right to waive any informality, if it can be resolved prior to award of the contract, and it is in the best interest of the County to do so. For a full description of the Minority Business Forms and what must be completed to submit a responsible bid, contact the Procurement Manager for guidance.

Exhibit A – Dollar Thresholds in North Carolina Public Contracting Statutes

Requirement	Threshold	Statute
Formal Bids		
Construction or repair contracts	\$500,000 and above (estimated cost of contract)	N.C.G.S §143-129
Purchase of apparatus, supplies, materials and equipment	\$90,000 and above (estimated cost of contract)	N.C.G.S §143-129
Informal Bids		
Construction or repair contracts	\$30,000 to formal limit	N.C.G.S §143-131
Purchase of apparatus, supplies, materials and equipment	\$30,000 to formal limit	N.C.G.S §143-131
Construction methods authorized for building projects		
Separate Prime	Over \$300,000 (estimated cost of project)	N.C.G.S §143-128
Single Prime		
Dual Bidding		
Construction Management at Risk		
Minority-business enterprise requirements – Building Projects		
Projects with state funding	\$100,000 or more	N.C.G.S §143-128.2(a)
Locally funded projects	\$300,000 or more	N.C.G.S §143-128.2(a)
Projects in the informal range	\$30,000 to \$500,000	N.C.G.S §143-131(b)
Limit on use of own forces		
Construction or repair projects	Not to exceed \$125,000 (total project) or \$50,000 (labor only)	N.C.G.S §143-135
Bid bond or deposit		
Construction or repair projects	Formal bids (see above)	N.C.G.S §143-129(c)
Purchase contracts	Not Required	
Performance/payment bonds		
Construction or repair projects	Projects over \$300,000 for each contract over \$50,000	N.C.G.S §143-129(c); N.C.G.S §44A-26
Purchase contracts	Not Required	
General Contractor's License	\$30,000 and above	N.C.G.S. §87-1
Use of registered architect or engineer required		
Nonstructural work	\$300,000 and above	N.C.G.S. §133-1.1(a)
Structural repair or new	\$135,000 and above construction	
Repair work affecting life safety	\$100,000 and above systems	
Selection of architect, engineer, surveyor, or construction manager at risk		
“Best qualified” selection procedure	All contracts unless exempted	N.C.G.S. §143-64.31
Exemption authorized	Projects where estimated fee is less than \$50,000 or other projects in sole discretion of BOC	N.C.G.S. §143-64.32

Exhibit B - Independent Contractor / Employee Checklist

To assist you in deciding whether a worker is an employee or an independent contractor, complete the following questions. A worker is generally considered to have an employee relationship with the County if the questions below are answered "YES".

Complete this checklist only for individuals-sole proprietors, and partnerships. Do not complete for employees of a corporation.

NAME: _____

Circle Answer

1. Is the worker currently employed by the County or has the worker previously been an employee of the County? Position: _____	Yes	No
2. Are the hours of work established or regulated by the County?	Yes	No
3. Are tools and equipment supplied by the County? <i>Independent contractors use their own equipment.</i>	Yes	No
4. Does the worker provide their service only to the County? <i>Independent contractors may have several contracts with other companies and advertise their services in the phone book or other source.</i> List source: _____	Yes	No
5. Is the method of payment by unit of time, (i.e. hourly, weekly or monthly wage)? <i>(Independent contractors are usually paid by job in a lump sum)</i>	Yes	No
6. Is training received from or at the direction of the County - either formally or informally?	Yes	No
7. Are repairs to equipment paid by the County? <i>Independent contractors pay for their own repairs.</i>	Yes	No
8. Is the worker required to work at a specific place or to work on the County's premises if the work could be done elsewhere? <i>Independent contractors usually have a main office or other facility.</i> Office Location: _____	Yes	No
9. Does the worker submit regular oral or written reports to the County to account for their actions?	Yes	No
10. Are business and/or travel expenses directly paid by the County? <i>Independent contractors pay their own expenses.</i>	Yes	No
11. Does the County restrict the worker from accepting any other work? <i>Independent contractors may have several jobs at one time.</i>	Yes	No
12. Does the worker act in the capacity of a foreman for/or a representative of the County by hiring others, supervising them and paying them at the direction of the County?	Yes	No
13. Does the worker wear a uniform with the County logo or other means of identification, except for security tags?	Yes	No
14. Is insurance coverage (liability, health, etc.) supplied by the County?	Yes	No
15. Does the County use the worker for any odd jobs that differ from their normal activities?	Yes	No
16. Is the relationship between the County and the worker a continuing one?	Yes	No
17. Is the worker free from any liability for quitting a job before the job is completed?	Yes	No
18. Does the worker have to perform services in the order or sequence set by the County?	Yes	No

Note: Independent contractors are required to have all necessary licenses to perform the work that they are contracted to perform.

If all questions above are answered **NO**, the worker is an Independent Contractor.

If any question above is answered **YES**, explain the question and send the checklist with the contract to the Finance Department for a determination as to whether the worker is an employee or an Independent Contractor.

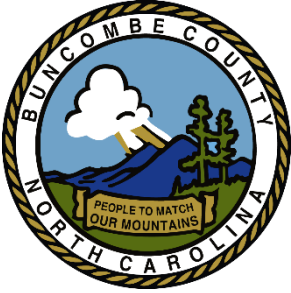
Exhibit C - Procurement Guidance When Using Federal Funds

OMB Guidance provided in the Code of Federal Regulations Subpart D - Post Federal Award Requirements, sections 200.318 through 200.326.

	Goods & Supplies	Construction/Repair	Services	
FORMAL	<ul style="list-style-type: none"> Formal bidding process required Publicly advertise Sealed Bids required Attempt to get bids from at least three bidders Award to lowest bidder Public bid opening 	<ul style="list-style-type: none"> Formal bidding process required Publicly advertise Sealed Bids required Attempt to get bids from at least three bidders Award to lowest bidder Public bid opening 	<ul style="list-style-type: none"> Request for proposals required Publicly advertise Attempt to get quotes from at least two sources Award to proposal most advantageous to the program, price and other factors considered 	\$250,000 or greater
		<ul style="list-style-type: none"> Informal quotes required 	<ul style="list-style-type: none"> Informal quotes required 	\$90,000
INFORMAL	<ul style="list-style-type: none"> Informal quotes required Attempt to get quotes from at least two sources Award to lowest bidder 	<ul style="list-style-type: none"> Attempt to get quotes from at least two sources Award to lowest bidder 	<ul style="list-style-type: none"> Attempt to get quotes from at least two sources Award to proposal most advantageous to the program with price and other factors considered 	\$10,000
NO QUOTES	<ul style="list-style-type: none"> No competitive quotes required if price appears to be reasonable 	<ul style="list-style-type: none"> No competitive quotes required if price appears to be reasonable 	<ul style="list-style-type: none"> No competitive quotes required if price appears to be reasonable 	\$0

<u>ALWAYS</u>	<u>ALLOWED EXCEPTIONS</u>
<ul style="list-style-type: none"> Document procedures Award on fixed price or not to exceed Document the awarded supplier is not excluded Contract or PO contain UG provisions Solicit M/WBE businesses when possible 	<ol style="list-style-type: none"> The item is available only from one single source. An urgent need or emergency will not permit a delay for competitive solicitation. The Federal awarding agency or pass-through allows noncompetitive proposals. from doing business with the Federal Gov.

* If seeking a contract with an architect, engineer, survivor, or CMAR the procurement method must follow the Mini-Brooks Act.



Buncombe County, North Carolina

Contracts Policy

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1.0 Policy Information

Category & Subcategory:		Original Effective Date:	[Original Effective Date]	This Revision Effective:	[Revision Effective Date]
Persons Affected:	Eligible Buncombe County Workforce				
Approvals:	Approved By:	-	Approved By:		
	Date Approved:		Date Approved:		

Revision History

Effective Date	Version	Section	Summary of Changes	Author

Title: Contracts Policy	Policy #	Revision #:	Original
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2.0 Introduction

This policy applies to all contracts entered into by the County.

3.0 Purpose

To establish a policy and procedure for creating, evaluating, executing, maintaining, managing, and retaining contracts to which the County is or will be a party. This policy is a companion to and does not replace the Procurement Policy.

4.0 Definitions

- i. **Contract:** Any agreement involving the exchange of obligation(s) or promise(s), either promise(s) to perform or an exchange(s) of something of value. Contracts are sometimes called, among other things:
 - service contracts
 - contracts for the sale of goods
 - agreements
 - memorandums of understanding
 - licenses
 - leases

Oftentimes, contractual obligations can be created by documents that are not readily identifiable as Contracts, such as:

 - grant applications
 - quotes
 - order forms
 - invoices

Contact the Legal Department with questions concerning whether a document or undertaking constitutes a Contract.
- ii. **Designee:** an individual given the authority by the County Manager or Board of County Commissioners to award and sign contracts of certain categories and dollar thresholds.
- iii. **BOCC:** abbreviation for Board of County Commissioners.
- iv. **Contract Control Process:** the established routing process for all contracts.
- v. **Certificate of Insurance:** a document that verifies a company has insurance coverage under specific conditions.
- vi. **Contract Administrator:** the person assigned for day-to-day responsibility and representation of the County regarding the specific contract.
- vii. **Handshake Deal:** an informal verbal agreement with no documentation (such agreements should be avoided).

5.0 Policies

- i. Contracts shall comply with Federal, North Carolina, and Buncombe County law. Contracts (or aspects of Contracts) inconsistent with law may be void or voidable.
- ii. No County officer or employee who is involved in making or administering a contract on behalf of the County or its subparts may derive a direct benefit from the contract except as allowed by law. A violation of this provision is not only a violation of this policy; it could subject the offending County officer or employee to criminal liability and may render the contract void. *See Generally*, N.C. Gen. Stat. (NCGS) § 14-234.
- iii. County officers and/or employees shall take into account all costs associated with a purchase or contract and shall not divide purchases or contracts for the purpose of circumventing the requirements set forth herein. The same may constitute a violation of this Policy and state law.
- iv. All contracts shall originate, be routed through, and follow the Contracts Control Process outlined in Exhibit A attached hereto; shall be reviewed by the Manager or Director of the Contract Administrator's Department or Division, Risk Management and Compliance (as indicated in Exhibit C), and the Legal Department, and shall be preaudited as required by law.
- v. Violations of the requirements set forth in this Policy should be reported to the County's Whistleblower Hotline.
- vi. Contracts that contain a scope which requires the sharing of Protected Health Information (PHI) for certain purposes, a Business Associate Agreement (BAA) must be executed in conjunction with the contract before PHI may be disclosed.

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6.0 Required Contract Elements

Contracts are required to address, at minimum, the following elements where applicable:

- i. **Scope of Work:** A detailed description of the deliverables provided by the supplier.
- ii. **Term (length of time):** A specific beginning and ending date or a project start and completion schedule.
- iii. **Maximum Amount Payable:** Specifications of the amount the contract payments cannot exceed. Uncertainty as to the amount of the final obligation under a contract does not excuse the contract from containing a maximum amount payable.
- iv. **Cancellation:** A clause defining the specific conditions under which either party has rights to terminate the contract.
- v. **Indemnification:** A clause protecting the county from legal issues related to supplier performance.
- vi. **Non-assignment:** A clause prohibiting the assignment of specific rights or of the entire contract to another party without the consent of the County.
- vii. **Governing Law:** A clause specifying that any dispute resulting from the contract shall be determined in accordance with the laws of North Carolina.
- viii. **Insurance:** A clause controlling risks by requiring contractors and supplier to have liability insurance (amounts determined on a case-by-case basis). An example of terms and conditions can be found in Exhibit D.
- ix. **Pre-audit Certification:** All contracts creating a financial obligation are required to have a pre-audit certification, in accordance with NCGS 159-28.
- x. **Non-appropriation Clause:** If a contract is not associated with a project ordinance, more than 12 months in length, cross county fiscal years, and require funding from subsequent county budgets; then a clause allowing the County to terminate the contract if funding is not available in future fiscal years or Board approval is required.
- xi. **Financial Assurance Clause:** If an agreement is with a public or non-profit organization, then a clause allowing the County the right to review the financial records of the organization must be included in the contract.

7.0 Contract Signature Authority

- i. Pursuant to North Carolina law and the annual budget ordinance, County contracts may only be signed by authorized employees. Signature authority is derived solely from the BOCC, consistent with NCGS 153A-13.
- ii. The BOCC delegates certain signature authority to the County Manager and authorizes the County Manager to delegate that authority via the Budget Ordinance.
- iii. The Manager may grant express written or electronic delegation for the signature of certain Contracts on a case-by-case basis.
- iv. Only those with properly delegated authority shall sign contracts or otherwise obligate the County. Anyone who attempts to bind the County or its divisions without properly delegated authority may be liable under NCGS§ 143-58.
- v. Buncombe County's Procurement Policy addresses signature authority for purchases and contracts by type and dollar threshold.
- vi. The Buncombe County Sheriff, Register of Deeds, and Health and Human Services Director have additional delegated authority as authorized by state law to sign contracts that fall in the scope of their authority.

8.0 Contracts without a financial obligation

The County Manager or the Manager's designee may enter into contracts that do not create a financial obligation if authorized under North Carolina law, provided that any such agreement requiring Board approval receives such approval.

9.0 Contract Control Process

The Contract Control Process is the required process that all contracts must follow (see Exhibit A), as outlined below. Some steps may not apply to Contracts that do not create a financial obligation.

a. Contract Administrator

A Contract Administrator shall be assigned by the appropriate department head for every Contract to which the County is a party. It is the duty of the Contract Administrator to ensure that a contract follows the Contract Control Process.

b. Contract Creation

- i. Contracts should be created using templates provided or approved by the Legal team. Deviations from such templates should be identified and reviewed by Legal prior to execution.
- ii. The Contract Administrator shall manage the negotiation of the contract.

c. Contract Routing, Approval, and Execution

All contracts shall be reviewed and approved by all required parties prior to execution. The Contract Administrator will

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ensure the appropriate process sequence is utilized based on availability and the nature of the contract. Any significant revisions to the draft of a contract after a review step has been completed will require a follow-up review. Steps should include:

- i. Review by the Legal department will be performed or a justification for lack of review will be provided.
- ii. Review by Risk Management or a justification for lack of review will be provided.
- iii. All contracts requiring a County Manager signature should include a Contract Status Tracking Form (Exhibit B), or equivalent information, before being sent to the County Manager.
Contracts that create a financial obligation will also require:
 - iv. Review and approval by the Manager or Director of the Cost Center from which the obligation will be incurred.
 - v. Verification by the Procurement Division for compliance with state bidding requirements prior to award.
 - vi. Pre-audit certification as required by state law.

d. Monitoring and Compliance

The Contract Administrator or other designee will:

- i. Monitor for compliance with terms and take appropriate action concerning the same;
- ii. Maintain relevant documents such as certificates of compliance;
- iii. Track important dates such as renewal and termination dates and take appropriate action concerning the same;
- iv. If required by funding source determine if supplier is subrecipient or contractor, and follow the funding source’s prescribed monitoring of subrecipients.

e. Archival

All County Contracts must be housed in the County’s central Contract Repository. It is the responsibility of the Contract Administrator to ensure contracts are stored in the appropriate repository. Contracts in the Contract Repository should be retrievable by name, the company awarded the contract, the department awarding the contract, date of the contract, and the amount.

f. Amendments

- i. All amendments must be reviewed and approved by the original signing authority.
- ii. If an amendment increases an existing contract beyond an approval threshold, then the contract as a whole must be approved at the increased dollar amount as required.
- iii. In general, all amendments modifying the term, price, and scope of contracts previously approved by the BOCC must be reviewed and approved by the BOCC.

g. Extensions and Renewals

Any contract extension, renewal, or amendment known before the execution of a contract shall be counted in calculating the total amount of that contract when considering whether BOCC approval is required. For Formal Solicitations, the Department should ask BOCC to approve the contract and authorize the exercise of all options and extensions that the Department expects to enter.

10.0 Insurance coverage for contracts

Recommended guidance for contract insurance requirements is included in **Exhibits C and D**. All contracts require a certificate of insurance prior to commencement and at any subsequent renewals of the contractor’s policies during the life of the contract. The certificate of insurance should be retained with the contract document. When a certificate of insurance is requested, it must name Buncombe County as an additional insured under general liability and possibly other coverages. Please contact Risk Management with any questions regarding “additional insureds” as this may vary by Department. The County Manager must approve any deviations in advance.

11.0 Practice Points

- i. Read the contract before signing it and only sign if the contract has been reviewed by the County Legal Department and all other appropriate departments such as Risk Management and Procurement.
- ii. Use county standard form contracts when they exist. If a standard form does not exist, consult with the Legal Department before entering into a contract.
- iii. Any written contract that creates a financial obligation must include “on its face a certificate stating that the instrument has been preaudited to assure compliance” with NCGS §159-28(a). The certificate must be signed by the Finance Director or a deputy finance officer designated by the governing board for this purpose.
- iv. Avoid contracts that include an auto renewal without any type of notice from the vendor.
- v. Avoid contracts that allow price increases without the County’s approval.
- vi. County employees should not enter into handshake or verbal agreements. Contracts should be in some written format.

Exhibit A: Contract Control Process

The Buncombe County Contract Control Process is depicted below. Note that Departmental processes may vary, but all contracts that create a financial obligation require risk, legal, and pre-audit review.

Goals of Contract Control Process:

- Ensure all contracts can be easily identified and retrieved when needed
- Provide and require use of Legal Department-approved contract templates and/or Legal review
- Establish clear roles for contract owners and specialists
- Create a consistent and structured review process across all Buncombe County Departments
- Facilitate the monitoring of contract terms

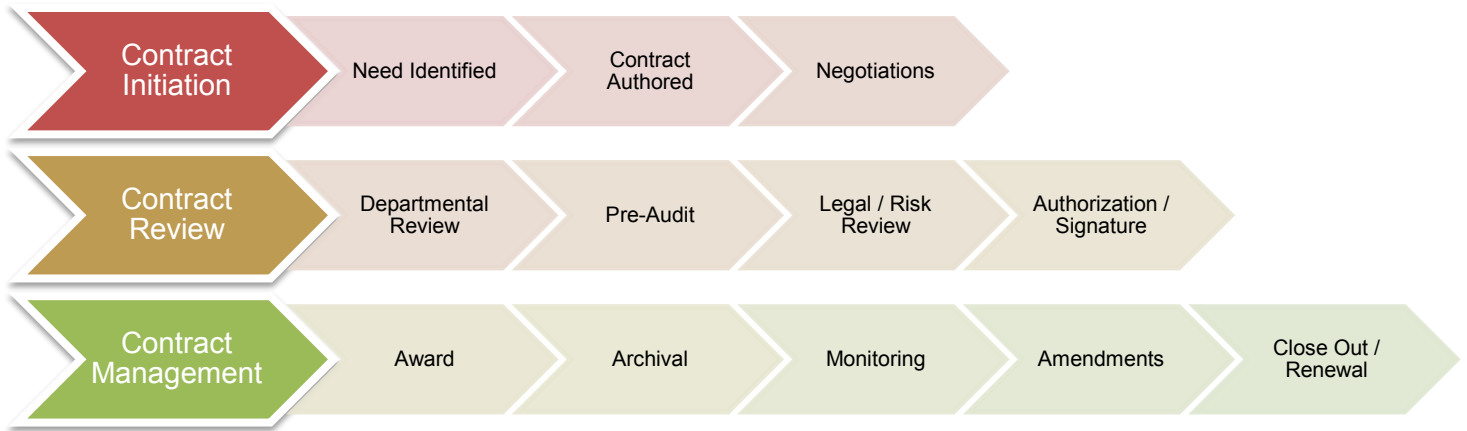


Exhibit B: Contract Tracking Status Form

All County Contracts must complete a Contract Tracking Status form. This tracking form serves as a coversheet to contracts delivered to the County Manager for signature. A sample of information required is shown below.

Contract Status Tracking Form	
Department/Program:	
Supplier Name:	
Description:	
Contract Administrator:	
Start & End Date (including potential renewals):	
Contract Value:	
	<input type="checkbox"/> This is a Contract Renewal
<u>Department Level Certification</u>	
The Contract Administrator above certifies that:	
<input type="checkbox"/> This Contract complies with NC bidding requirements and has been approved by Procurement Manager	
<input type="checkbox"/> Administrator has consulted Risk for initial review or <input type="checkbox"/> Risk Review not required (explain why below)	
<input type="checkbox"/> Administrator has consulted Legal for initial review or <input type="checkbox"/> Legal Review not required (explain why below)	
<input type="checkbox"/> This Contract has been pre-audited by the Finance Officer or will be obligated by a purchase order	
<input type="checkbox"/> This Contract has been signed by the other party	
Comments (include concerns raised by Risk, Legal, or any others):	
Signature of Contract Administrator:	
	Date:
Signature of Dept. Head (if not Contract Administrator):	
	Date:
<u>Final Legal Review</u>	
The undersigned county staff attorney does hereby certify that after a final review, this Contract appears ready for the Board Chair or the County Manger's (or her designee's) signature.	
This the day of , 20 .	Comments:

Exhibit C: Contract Insurance Requirement Guidance

The below guidance is not considered to be official policy but has been provided as a guidance for insurance requirements. The County recommends a Risk Management review for any “High Risk” or “Specialty” exposure contracts as documented in the guidance below. “Medium” and “Low” risk contracts may still be routed through the risk management review as needed.

BUNCOMBE COUNTY GOVERNMENT DEPARTMENT OF RISK MANAGEMENT RECOMMENDATIONS TO MINIMUM LIABILITY INSURANCE REQUIREMENTS

VENDOR CLASSIFICATION		Commodities Delivered by Vendor/Common Carrier	Low Risk Exposures*	Medium Risk Exposures*	High Risk Exposures*	Specialty Exposures*	Licensed Professional Consultant-Legal; Accting; Medical; Software; Architect	Public Transportation Services	Aircraft Liability Exposure
Type of Insurance									
Commercial General Liability (CGL) each	Commercial General Liability		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000*	\$1,000,000	\$5,000,000*	\$3,000,000
	General Aggregate		\$2,000,000	\$2,000,000	\$2,000,000	\$3,000,000*	\$2,000,000	\$5,000,000*	\$3,000,000*
Auto Liability- Inc BI and PD (AL)	Combined Single Limit per Accident		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000*	\$1,000,000	\$5,000,000*	NA
	Coverage for Any Auto								
Worker's Compensation & Employers Liability (EL)	Worker's Compensation		Statutory	Statutory	Statutory	Statutory	Statutory	Statutory	Statutory
	Each Employee Accident(EL)		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
	Each Employee Disease (EL)		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Professional Services	Per Claim (Errors & Omissions)		NA	\$1,000,000	\$1,000,000	\$3,000,000	\$3,000,000	\$1,000,000	NA
	Aggregate		NA	\$2,000,000	\$2,000,000	\$3,000,000	\$3,000,000	\$1,000,000	NA
Medical Professional Services	Per Claim (Always treat as high risk exposure) Higher limits may be required - Check with Risk Mgmt		NA	NA	NA	\$1,000,000*	\$1,000,000*	\$1,000,000*	NA
	Aggregate		NA	NA	NA	\$3,000,000*	\$3,000,000*	\$3,000,000*	NA
Builder's Risk	Contractor shall purchase and maintain in force insurance on entire work. Insurance shall be written on a completed value form and in an amount equal to the initial contract sum, subject to subsequent modifications of the contract sum		NA	TBD	TBD	TBD	TBD	NA	NA
Umbrella or Excess Liability	Each Occurrence		NA	NA	\$1,000,000	\$5,000,000	\$5,000,000	TBD	\$10,000,000
	Aggregate		NA	NA	\$1,000,000	\$5,000,000	\$5,000,000	TBD	\$10,000,000
Environmental/Pollution Liability	Each Occurrence		TBD	TBD	TBD	TBD	TBD	NA	TBD
	Aggregate		TBD	TBD	TBD	TBD	TBD	NA	TBD
Other Coverage as Required	Employee Dishonesty (Crime policy)								
	Cyber Liability								
	Liquor Liability								
	Waiver of Subrogation on Worker's Compensation (Party to a contract waives the right of their insurer to subrogate against the County in case of loss.)	Required	Required if available	Required	Required	Required	Required	Required	Required
	County of Buncombe and Dept Issuing Contract to be named as Additional Insureds on these coverages	CGL-AL	CGL-AL	CGL-AL	CGL-AL	CGL-AL	CGL-AL	CGL-AL	CGL
	Comments	*Low Risk Exposures		*Medium Risk Exposures		*High Risk Exposures		Specialty Exposures	
	Automobile coverage is only necessary if vehicles are used in the provision of services under the Contract and/or brought on a Buncombe County site.	Word Processing; Financial Services; Insurance Broker		Carpentry; Painting; Pool Cleaning; Movers; Catering		Large Excavation; Grading of Land over \$25,000		Asbestos Removal	
	The Per Occurrence and Aggregate limits for specified coverage should apply on a per location or per project basis.	Copying; Copier Repair; Copier Lease ; Graphics		Concrete Work; Paving Contractors; Tree Maintenance		Firework Display; Medical Services		Demolition/ Environmental Hazard	
	Worker's Comp is required if the contractor/vendor has 3 or more employees. Owner Waiver is acceptable for a Sole Proprietor, Partners, or LLC that has no employees.	Microfilm Services; Consultant under \$10,000		Minor Excavation; Grading of Land <\$25,000; Trade Contractors; Sign Painting; Window Cleaning- 1 story		Hi Tech Installation; Roofing > \$25,000; Water Remediation		Heavy Construction Projects	
	Professional Liability may be required on a risk depending on nature of services provided by contract.	Classroom Instruction; Software design		Fork Lift Repair; Fire Extinguisher Testing		Temporary Employment Services		Sensitive Equipment	
	*A combination of Umbrella/Excess and primary limits may be used to provide coverage for the amount shown.	Small low risk repair or Service jobs		Electrical Repair; Refrigeration; Pest Control		Road Contractor; Building Construction			
	Contractor agrees to endorse County of Buncombe and (Issuing Dept) as Additional insureds on CGL and AL.	Minor Landscaping; Title Search Firm		HVAC; Plumbing; Roofing; Employee Assistance Program		Major Landscaping Projects			
	Contract language should make Contractor responsible for sub-contractors carrying the same limits.	Sports Instructors		Janitorial; Welding; Elevator Maintenance		Environmental Hazard			
	Certificate Holder shall read: County of Buncombe - *ATTN: Contract Manager* at issuing department's address								

PROPERTY - Contractor shall not be obligated to maintain property insurance on Contractor's furnishings, fixtures, equipment and personal property. All furnishings, fixtures, equipment, and property of every kind and description of Contractor and of persons claiming by, through, or under Contractor which may be located on County property shall be at the sole risk and hazard of Contractor and no part of loss or damage to such property from whatever cause shall be the responsibility of, charged to, or borne by the County.

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Exhibit D: Example Insurance Terms and Conditions

1. Insurance:

Insurance. Contractor agrees their insurance policies shall be endorsed evidencing the minimum insurance coverage and limits set forth below prior to the County's signing of this Agreement. The insurance coverage and limits set forth below shall be deemed minimum coverage limits and shall not be construed in any way as a limitation on Contractor's duty to carry adequate insurance. All policies of insurance shall be primary insurance and non-contributory with respect to all other available sources. The minimum insurance coverage which the Contractor shall procure and maintain at its sole cost and expense during the term of the Agreement is as follows:

Worker's Compensation. Coverage at the statutory limits in compliance with applicable State and Federal laws. Contractor shall ensure that any subcontractors also have workers compensation coverage at the statutory limits.

Employer's Liability. Coverage with minimum limits of \$1,000,000 each employee accident and \$1,000,000 each employee disease.

Commercial General Liability. Insurance covering all operations performed by the Contractor with a minimum limit of \$_____ per occurrence with a \$_____ aggregate. Coverage shall not contain any endorsement(s) excluding nor limiting Product/Completed Operations or Contractual Liability. Buncombe County shall be named as an additional insured under the policy.

Professional Liability. Insurance covering the Contractor for acts, errors, or omissions in performance of the Agreement with a minimum limit of \$1,000,000 per claim with a \$2,000,000 aggregate. The policy shall remain in effect two (2) years following expiration or termination of this Agreement and shall provide for a retroactive date no later than the inception date of this Agreement.

Business Automobile Liability. Insurance covering all owned, non-owned, and hired vehicles used in performance of this Agreement. The minimum combined single limit per occurrence shall be \$1,000,000 and shall include uninsured/underinsured motorist coverage per N.C. Gen. Stat. § 20-279.21.

Medical Professional Liability. Covering Contractor's acts, errors, or omissions in rendering of or failure to render professional health care services in performance of the contract in an amount no less than \$_____ per claim with \$_____ in the aggregate for the duration of this Agreement. If policy is of a claims made type, such coverage shall be for a minimum of five (5) years following expiration or termination of this Agreement and shall provide for a retroactive date no later than the inception date of this Agreement.

Crime. Policy covering acts of employee dishonesty, forgery or alteration and computer fraud with minimum limit of \$1,000,000 per loss. The policy shall include coverage for all directors, officers, agents and employees of the Contractor.

- a. The bond or policy shall include coverage for extended theft and mysterious disappearance.
- b. The bond or policy shall not contain a condition requiring an arrest and conviction.

Cyber Liability. Providing third party coverage to include security, privacy, regulatory action, event management for all affected persons whose confidential information was compromised or was reasonably likely to have been compromised, cyber extortion, and crisis fund insurance. This policy shall carry a minimum limit of \$_____. If policy is of a claims made type, such coverage shall be for a minimum of two (2) years following expiration or termination of this Agreement and shall provide for a retroactive date no later than the inception date of this Agreement.

Property. Contractor shall not be obligated to maintain property insurance on Contractor's furnishings, fixtures, equipment and personal property. All furnishings, fixtures, equipment, and property of every kind and description of Contractor and of persons claiming by, through, or under Contractor which may be located on

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County property shall be at the sole risk and hazard of Contractor and no part of loss or damages to such property from whatever cause shall be the responsibility of, charged to, or borne by the County.

Umbrella/Excess Liability. If the underlying liability policy limits are less than those required, Contractor may provide an excess or umbrella policy to meet the required limits of insurance. The excess or umbrella policy shall extend coverage over the underlying _____ liability policy(s). Any additional insured under any policy of the underlying insurance will automatically be an additional insured under this insurance.

2. Additional Insurance Provisions:

If the Contractor maintains higher limits than the minimums shown above, the County requires and shall be entitled to coverage for the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the County.

The Contractor shall provide the County with certificates of insurance on an approved form, evidencing the above amounts. Buncombe County and _____ (only BCSO, maybe HHS and ROD – ask Legal) shall be named as additional insureds under the commercial general liability policy. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under the Contract and remain in effect for the duration of the Agreement.

Each insurance policy required above shall state that coverage shall not be canceled, except with written notice to the County, delivered in accordance with the policy provisions. All insurance shall be procured from reputable insurers authorized and qualified to do business in North Carolina with a rating of A- VII or better as determined by A. M. Best Company and shall be in a form acceptable to the County.

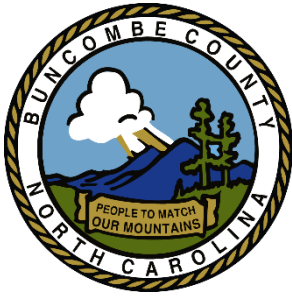
Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that Buncombe County and _____ (only BCSO, maybe HHS and ROD – ask Legal) are additional insureds on insurance required from subcontractors.

Waiver of Subrogation: Contractor hereby grants to County a waiver of any right to subrogation which any insurer of said Contractor may acquire against the County by virtue of payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

The limits of coverage under each insurance policy maintained by the Contractor shall not be interpreted as limiting the Contractor’s liability and obligations under this Agreement.

Nothing in this section is intended to affect or abrogate Buncombe County’s governmental immunity.

(LEGAL TO PROVIDE SEPARATE SECTION FOR INDEMNIFICATION AND HOLD HARMLESS)



Buncombe County, North Carolina

Procurement Card Policy

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1.0 Policy Information

Category & Subcategory:	Purchasing/Procurement Cards	Original Effective Date:	9/16/2008	This Revision Effective:	4/10/2018
Persons Affected:	Eligible Buncombe County Workforce				
Approvals:	Approved By:	County Manager	Approved By:	Finance Director	
	Date Approved:		Date Approved:		

Revision History

Effective Date	Version	Section	Summary of Changes	Author
9/16/2008	1.0		Original version adopted by the Board	
11/20/2012	1.1		Amended by the Board	
4/10/2018	2.0		Updated references, general administrative updates, and added additional risk controls	Policy Review Group

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2.0 Purpose/Introduction

The purpose of a procurement card program is to provide an efficient, cost-effective method of purchasing and paying for goods and services costing less than \$5,000. By using a procurement card (P-Card), the traditional requisition-to-check process and cost is greatly reduced. Employees who have been issued P-Cards may now initiate a transaction in-person, by telephone or by the internet, within the limits of this Policy.

Benefits of the Procurement Card Program

- Transactions are completed quickly and conveniently
- Lower processing costs and less paperwork
- Increased control of expenditures through complete and timely reporting
- Allows cardholder to purchase by phone and internet
- Reduces delivery time
- One monthly payment to one merchant (P-Card provider)
- Improved cash flow management

3.0 Applicability

This policy is applicable Countywide to all personnel who are assigned a P-Card or review P-Card transactions. Department Directors may enact additional requirements dependent upon budget or resources available. Emergencies may preclude the applicability of policy in certain instances.

4.0 Roles & Responsibilities

Program Administrator

Centralized role responsible for all procurement card program details countywide, including requests for new enrollment, maintenance and cancellation of cards and service as the liaison between the County's P-Card provider and Buncombe County. The Program Administrator works with departments in setting up Users and Cardholders as well as troubleshooting and answering department inquires.

Board Appointed Positions

Person(s) appointed by and reporting to the Governing Board, (i.e., County Manager, Finance Director, and Clerk to the Board).

Cardholder

Buncombe County personnel who have been issued a procurement card and are authorized to make purchases in accordance with this Policy.

Department Director

Person who acts as steward of card activity and who shall maintain active involvement with the transactions for his/her department. The Department Director has authority to authorize the issue of a card and may terminate the use of a card as well as invoke disciplinary action when appropriate. The Department Director or their designee acts as reviewer and approver for all department P-Card transactions, excluding their own. As approver, the Department Director or designee has the responsibility of:

- knowing that the purchase was made for legitimate County business
- knowing that the purchase was for a public purpose
- reviewing each receipt and making certain all documentation is appropriate

Reviewer

Personnel who are responsible for reviewing and reallocating cardholder transactions in the reallocation system. Each cardholder may be assigned a reviewer.

Designee

The staff member chosen by the Department Director to act on their behalf during their absence or at appointed times for certain duties or responsibilities.

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5.0 Related Policies

Purchasing Procedures Manual
Travel Policy
Gift Card Policy
Gift Card Procurement Procedure
Electronic Payments Policy and Procedures Manual

6.0 Definitions

Procurement Card (P-Card)

A credit card issued by the County's procurement card vendor. Also known as a procurement card.

Transactions

A transaction is created when a purchase is made using a P-Card.

Reconciliation/Reallocation

The process of assigning the correct General Ledger Account for each transaction in the reallocation system to assure all transactions post to the correct expense account.

Transaction Limit

- a. **Single Transaction Limit** is the maximum amount of a single transaction: \$4,999.99.
- b. **Monthly Transaction Limit** is the maximum amount of transactions during the billing cycle as determined by the Transaction Limit Tier.

Split Transactions

Transactions that together exceed the maximum amount of a single transaction and were split into more than one transaction to avoid being over the single transaction limit. Split transactions are a violation of the procurement card policy and **are not allowed**.

Available Funds

Remaining balance of the Monthly Transaction Limit on an individual's P-Card.

Merchant Category Codes (MCC)

A series of codes that are used to permit, restrict or block certain merchant types. If a cardholder attempts to use their card at a merchant that has been blocked, the charge will be rejected.

7.0 General Provisions

Requesting a Card

Department heads may propose personnel to be cardholders by completing the Procurement Card Request form. In an effort to prevent fraud, the P-Card provider may request a cardholder's date of birth or other personally identifying information prior to card issuance. Request forms should be forwarded electronically to the Finance Department, attention Program Administrator, for processing.

Each P-Card will have the employee's name and department embossed on it and shall **ONLY** be used by that cardholder. **NO OTHER PERSON IS AUTHORIZED** to use that card. A violation may result in cardholders having their card revoked and disciplinary action taken. Cardholders are responsible for all purchases charged on their card.

Transaction limits are established in tiers, with lower tiers having a lower transaction limit. A transaction limit tier should be specified on the Procurement Card Request Form in accordance with the need of the employee.

Any desired increase in a transaction limit for an existing procurement card holder must be requested in writing by a Department Director to the Program Administrator. The table below provides guidelines for selecting a transaction limit tier based on general employee roles:

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Transaction Limit Tiers

Tier	Employee Role	Monthly Limit
1	Infrequent usage of procurement card; items purchased are not of a critical nature to operations; other procurement methods can be utilized to meet needs if limit is reached.	\$1,000
2	Infrequent usage of procurement card; items typically purchased may be of a higher value. Expected needs of role would be limited at Tier 1.	\$5,000
3	Frequently makes purchases for entire cost center, program, or multiple employees; responsible for supplementing critical activities with procurement card. Expected needs of employee would be limited at Tier 2.	\$10,000
4	Acts as primary purchaser for large cost center(s) and/or Tier 3 would be an unreasonable limitation. Also applies to cards that are used as an electronic payment method for suppliers in instances where procurement card is the most reasonable option.	Greater than \$10,000

Monthly limits beyond Tier 3 must be requested in writing by a Department Director to the Program Administrator and authorized by the Finance Director and the County Manager/Assistant County Manager.

The Finance Department shall maintain records of all procurement card requests, limits, cardholder transfers and lost/stolen/destroyed card information.

Preaudit

Cardholders shall follow all procedures set forth by the County for the preaudit of procurement card transactions in accordance with North Carolina Administrative Code (20 NCAC 03.0409 and 20 NCAC 03.0410) and the Buncombe County Electronic Payments Policy and Procedures Manual.

Training

Employees that are cardholders or verify P-Card transactions must review the Procurement Card Policy and receive training from the Finance Department before they can carry out these duties. Recurring training is also required on the schedule established by the Procurement Card Program Administrator; failure to complete recurring training will result in loss of P-Card.

Terms and Conditions

Each cardholder must acknowledge they have read this policy and agree to adhere to the terms within by submitting a signed copy of the Buncombe County Procurement card Program Acknowledgement Letter and Employee Agreement Form.

New cardholders will receive an email at the time the card is requested with instructions and a link to the Policy. Current cardholders will be required to acknowledge and sign as their cards expire and will receive the same email. Before picking up their new card, the cardholder's acknowledgement must be on file with the Program Administrator.

Reporting

A report detailing P-Card activity for Board of Commission members and Board Appointed Positions will be made available online, at a minimum semi-annual frequency, to the Public and the Board of Commissioners.

8.0 Card Security

It is the responsibility of cardholders to safeguard their P-Cards and account numbers to the same degree they safeguard their personal credit information. Cardholders shall not allow anyone else to use their card, including supervisors and co-workers. A violation of this trust may result in cardholders having their card revoked and disciplinary action taken.

Lost or Stolen Card

Loss or theft of a card should be reported immediately to the Program Administrator, the cardholder's immediate

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supervisor and the procurement card vendor. Cardholders should keep the customer service phone number in a safe place separate from the card for quick reference in the case of a lost card.

Cardholder Transfers

If a cardholder moves from one division to another within the same County Department, a new card is not required. If a cardholder moves from one Department to another, a new card is required. The Department Director must contact the Program Administrator when either event occurs.

Name Change

Changes to a cardholder's name should be reported to the Program Administrator in writing by the cardholder's Department Director so a new card can be requested.

Inactive Cards

Periodically P-Cards shall be reviewed for inactivity. Cards that show no activity within a twelve-month period may either be deactivated or have their transaction limit reduced.

Employee Terminations and Retirement

Upon separation from Buncombe County due to dismissal, retirement, or resignation, cardholders shall surrender their P-Card and P-Card invoices to their supervisor. The Program Administrator shall be notified immediately by the supervisor to terminate the employee's P-Card.

9.0 Purchasing Guidelines

The P-Card is designed to be an enhancement to the County's purchasing policy and payment process. It does not replace requirements to comply with existing State or County laws, regulations, or policies and procedures regarding purchasing and/or travel.

The P-Card is simply a corporate credit card issued to Buncombe County employees. The P-Card can be used at any merchant that accepts credit cards.

Buncombe County Policy states that *all* purchases \$5,000 or greater require a Purchase Order.

Transaction Limits

The monthly maximum credit limit on any single P-Card is set by the Transaction Limit Tier. The single transaction limit cannot be greater than **\$4,999.99**. Transactions that cost more than this amount cannot be broken into smaller purchases (split transactions) to meet the single transaction limit. Violations may result in card cancellation, disciplinary action taken, a possible Audit finding, and/or a reference to the violating department in the external auditor's Management Letter. A single transaction of more than \$4,999.99 may be possible by encumbering funds with a Purchase Order prior to the purchase and getting authorization from the Program Administrator. A lower single or monthly transaction limit may be assigned to your P-Card based on available budgets or as directed by your Department Director.

Authorized P-Card Use

P-Cards may be used at any merchant that accepts credit cards. Cardholders must comply with the County's purchasing and travel policies and procedures when using the P-Card. The total value of a transaction shall not exceed a cardholder's single purchase limit. Examples of appropriate uses include purchases of:

- Materials
- Equipment
- Supplies
- Accommodations
- Airfare
- Training/Conference Registrations

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Unauthorized P-Card Use

Cardholders must comply with the County’s purchasing policies and procedures when using the P-Card.

Examples of unauthorized use include, but are not limited to:

- Personal purchases of any kind
- Purchases over the cardholder’s transaction limits
- Transactions split to avoid or circumvent the single purchase limit
- Cash refunds or advances, money orders, or wire transfers
- Meals, except as specifically authorized by Department Director (See Meals and Meeting Expenses Policy)
 - If a meal is authorized by the Department Director, tips charged on the P-Card cannot be in excess of 20%.
 - Your P-Card is not to be used for meals while travelling. Per the travel policy, travel meals will be covered by a per-diem rate
- Gasoline for vehicles
- Entertainment expenses
- Use of card by anyone other than the cardholder
- Fines or traffic tickets
- Gift cards (except by the Gift Card Liaison; refer to the Gift Card Policy)
- Controlled substances such as alcoholic beverages or tobacco products
- Electronics and Information Technology equipment and subscriptions not in accordance with the Procurement Manual

Cardholders shall be personally responsible for any expenditures on their card and shall provide, when requested, information about any specific purchase. This does not include disputed charges or fraudulent charges.

If the P-Card is accidentally used by the cardholder for a personal purchase, the cardholder shall immediately notify the Program Administrator in writing and provide payment via check or money order to “Buncombe County, NC” for the exact amount of the purchase. Habitual accidental use of the P-Card may result in the revocation of the card or other appropriate disciplinary action.

Online Accounts or Memberships

Many online vendors offer business or enterprise accounts. Employees shall defer to using any such account as directed by the Procurement Manager. Cardholders should avoid adding County P-Cards to online accounts that may also be used for personal purchases in addition to County purchases.

Required Backup or Documentation

When purchases are made, the cardholder shall retain the receipt. For cardholders who do not reallocate their own transactions, all receipts must be turned in immediately to their Reviewer for reconciling purposes. If the information below is not on the receipt provided by the merchant, the cardholder must write the information on, or attach it to, the receipt.

- Merchant name and address
- Date of transaction
- Card number charged (partially encrypted)
- Quantity and description of item(s) purchased to include the departmental purpose served by the purchase if the business purpose is not clear (description must be decipherable by anyone reading the receipt)
- Amount charged to card
- Account codes for reallocating charges
- Reference Meals and Meetings Policy for additional documentation which may be required for food purchases authorized by Department Director

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Lost Receipt

If the cardholder misplaces or loses the receipt a Missing Receipt Memo must be completed and signed by the cardholder’s department director. The Missing Receipt Memo (Exhibit A) shall be attached to the transaction for reallocation.

Allocation of Charges

All transactions are to be allocated within five business days of the transaction date. Cardholders that do not reallocate their own transactions should give receipts/invoices to the reviewer as soon as the charge is made. Repeated failure to allocate transactions in a timely manner may result in cancellation of P-Card.

Returns and Exchanges

The cardholder is responsible for contacting the merchant when goods, equipment or supplies purchased with the P-Card are not acceptable (incorrect, damaged, defective, etc.) and for arranging a return for credit or exchange. If items are returned for credit, the cardholder is responsible for obtaining a credit receipt from the merchant and retaining that receipt with the supporting documentation. If items need to be exchanged, the cardholder is responsible for returning the items to merchant and obtaining a replacement as soon as possible.

Disputed Transactions

Each cardholder or reviewer is responsible for resolving any disputed item directly with the merchant. If resolution is not possible, the employee or their supervisor should attempt to dispute the transaction via the County’s credit card vendor or contact the Program Administrator for assistance.

Retention of Receipts/Invoices

All P-Card receipts/invoices are to be scanned and retained in electronic format via the appropriate document management system. Retention schedules for NC county governments state that the minimum retention for general receipts/invoices is three years. However, certain transactions, such as those associated with a grant or project, may be subject to retention requirements greater than three years. Departments are responsible for implementing a process to retain receipts that are subject to such requirements.

Merchant Category Codes (MCC)

Each merchant that accepts credit cards has a standard code assigned to it that defines the category of goods or activity they are involved with. Buncombe County has restricted certain types of MCC’s to comply with established purchasing policies and procedures. If a cardholder feels their transaction is inappropriately denied due to the MCC, please notify the Program Administrator.

10.0 Audits

All P-Card activity is subject to routine monitoring and audits to determine compliance with terms and conditions of the P-Card program. The overall audit objective is to ensure proper management controls are maintained over the authorization and use of the P-Card, to provide feedback for process improvements, and to focus on potentially fraudulent, improper or abusive purchases.

11.0 Identifying and Reporting Fraudulent, Improper, or Abusive Activity

With the common goal to provide citizens of Buncombe County with an honest, effective and efficient County government, it is the cardholder’s duty to report all suspected instances of fraud and abuse to the Internal Auditor or appropriate management. Should the cardholder be uncomfortable with reporting to the Internal Auditor or management, the cardholder may report it confidentially through the County’s Whistleblower Hotline toll-free at 1-866-908-7236.

Fraudulent Purchases

Use of a P-Card to acquire goods or services that are unauthorized and intended for personal use or gain constitutes a fraud against the County.

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Improper Purchases

P-Card transactions that are intended for County use but are not permitted by law, regulations, or County policy generally are considered improper. P-Card purchases must be delivered directly to a place where official County business is conducted.

Abusive Activity

Purchases of authorized items at terms (e.g. price, quantity) that are excessive, are for a questionable government need, or both are considered abusive. Costs and quantities should be reasonable and comparable for similar goods and services.

12.0 Penalties for Misuse

A cardholder who makes unauthorized purchases or carelessly uses a P-Card may be liable for the total dollar amount of such purchases, plus any administrative fees charged in connection with the misuse. The Cardholder will also be subject to disciplinary action which may include termination and criminal charges.

13.0 Questions/Contact Information

Questions regarding issues not addressed in the Policy and Procedures Manual should be addressed to the P-Card Program Administrator.

Program Administrator can be reached by calling the Finance Department at 828-250-4130.

Exhibit A – Missing Receipt Memo

Buncombe County Purchase Card Missing Receipt Memo

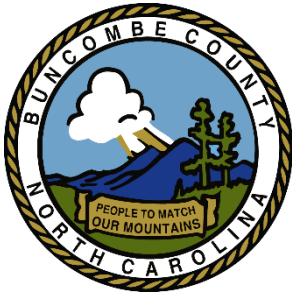
The following p-card transaction has a missing receipt:

Card Holder Name	
Transaction Date	
Transaction #	
Vendor	
Transaction Amount	

Please outline the purchase with as much detail as possible:

I am aware these charges have occurred to the card listed and verify the transaction is valid.

X	X
Director	Date



Buncombe County, North Carolina

Meals and Meeting Expense Policy

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1.0 Policy Information

Category & Subcategory:	Expense/Meals and Meetings	Original Effective Date:	4/10/2018	This Revision Effective:	4/10/2018
Persons Affected:	Eligible Buncombe County Workforce				
Approvals:	Approved By:	County Manager	Approved By:	Assistant County Manager	
	Date Approved:		Date Approved:		

Revision History

Effective Date	Version	Section	Summary of Changes	Author

2.0 Introduction

Buncombe County’s policy on food purchasing is designed to ensure public funds used to purchase food for meetings is done so with thoughtful attention to cost effectiveness and appropriate scenarios.

3.0 Purpose

To establish a policy which establishes guidelines for the appropriate purchase of food for County activities and events. This policy does not address food purchases related to business travel. Refer to the County Travel Policy for this guidance.

4.0 Definitions

- 4.1 **Food**
Food refers to meals, snacks, and beverages.
- 4.2 **Department Director**
Director of a given department with authority to make budgetary decisions. Examples include Planning Director as well as elected officials who head departments, such as the Sheriff and Register of Deeds.
- 4.3 **Designee**
Staff member chosen by the Department Director to act on their behalf during their absence or at appointed time for certain duties or responsibilities.

Title: Meals and Meeting Expense Policy	Policy #: n/a	Revision #: 1
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5.0 Applicability

This policy applies to all Buncombe County departments, including staff support of boards or commissions during or outside of regular business hours. Department Directors may enact additional requirements dependent upon budget or resources available.

Exceptions – The County recognizes that there may be emergency or extenuating circumstances which merit provision of food for meetings, though not previously planned (e.g., extended public hearing on business-critical topic). These exceptions should be approved by a Department Director. In these situations, County staff should document and store description of the event and justification for the exception with the receipt or invoice for the purchase.

6.0 Roles and Responsibilities

This policy has been approved by the County Manager. The Finance Department has delegated authority for the management, storage, and communication of this policy.

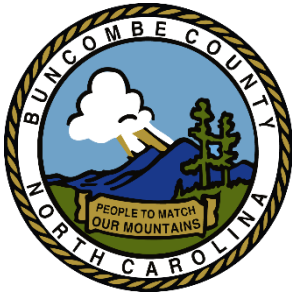
7.0 Policy

When meetings of an administrative nature are held that are directly related to the business of the County, the cost of meals or light refreshments may be paid from budgeted funds with approval from a Department Director or their designee. Food and refreshments may be purchased with budgeted funds for one or more of the following purposes or activities: (the following are examples and not an exhaustive list):

- a. Meetings of the Board, advisory committees, public officials, and community members in supporting and collaborating in program success.
- b. Trainings, workshops, webinars and seminars.
- c. Countywide employee events (i.e. Employee Appreciation or United Way Campaign). Such events must be open to all County employees.
- d. Retreats of departments or other units, or events to recognize a class or unit of employee.
- e. Working lunches when that is the reasonable time available for all parties to attend the meeting.
- f. Meetings with community members regarding collaboration and partnership in the community.

Those planning for food expenses should consider the following principles:

- *Appropriateness*: Meals should be necessary and integral to the business meeting, not a matter of personal convenience. The provision of food for gatherings of employees on a daily basis is not considered an appropriate use of funds. Food may be provided at meetings of employees on an occasional basis. Staff lunches, where work can be conducted during other times of the workday, regular staff meetings, and personal celebrations (i.e., birthday, retirement, or baby shower celebrations) do not qualify as appropriate activities. Expenditures should be limited to food and non-alcoholic beverages.
- *Cost Effectiveness*: The expenditure of budgeted funds for food and refreshments should be cost-effective and reasonable. Generally, meal costs should be no more than local GSA per diem meal rates, and light refreshments should be no more than the cost of half of a lunch per diem per attendee. Breakdown of per meal rates can be found at the GSA site at: <https://www.gsa.gov/travel/plan-book/per-diem-rates/meals-and-incidentals-expenses-mie-breakdown>. Those planning these events should get as close an estimate as possible to the actual number of expected attendees. If the meeting is scheduled more than two weeks in advance, ask for an RSVP and this should guide the purchase of food.
- *Documentation* – Meetings must have an agenda and an accurate attendance list should be submitted at the close of the meeting. This documentation should be attached to the receipt or invoice for such purchase and stored in an otherwise conspicuous location for access upon request. Refer to the Food Purchasing Procedure for specific direction.
- *Special Accommodations* – Dietary needs will be met with a one-week advanced notice and will be accommodated with the same consideration for cost effectiveness as outlined above.



Buncombe County, North Carolina

Gift Card Policy

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1.0 Policy Information

Category & Subcategory:	Gift Cards	Original Effective Date:	4/30/2018	This Revision Effective:	4/30/2018
Persons Affected:	Eligible Buncombe County Workforce				
Approvals:	Approved By:	County Manager	Approved By:	Finance Director	
	Date Approved:		Date Approved:		

Revision History

Effective Date	Version	Section	Summary of Changes
TBD	1.1	3.0 & 6.0	<ul style="list-style-type: none"> Added definition of “grant funded” Included grant-funded uses as authorized in general, removed statements of specific grant-funded programs

2.0 Introduction/Purpose

The purpose of this document is to establish a policy for requesting and issuing gift cards and to ensure proper handling and accountability of these cards. Gift cards are recognized as a cash-equivalent and are susceptible to potential misuse and unnecessary risk exposure. The intent of this policy is to minimize or eliminate these risks while maintaining the integrity of program requirements.

3.0 Definitions

Gift Card: A gift card is defined as any prepaid stored-value money card issued by a retailer or a bank to be used as an alternative to cash for purchases.

Grant-funded: Funded by revenues awarded or allocated from another party for a designated purpose. Examples include grants secured through competitive process (e.g., Nurse Family Partnership, START) or legislated allocations (e.g. TANF Block Grant, Social Services Block Grant).

Title: Gift Card Policy	Policy #: n/a	Revision #: 1
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4.0 Applicability

This policy applies to all Buncombe County cost centers, programs, and employees. Department Directors may enact additional requirements dependent upon budget or resources available.

5.0 Related Policies and/or Statutory References

Below are references to relevant policies, procedures, and/or statutory references:

5.1 **NCGS 159-32. Daily Deposits**

5.2 **NCGS 159.28. Budgetary Accounting for Appropriations**

5.3 **IRS TAM 200437030:** In summary, gift cards are treated same as cash and are taxable income when provided to employees because their value is apparent.

5.4 **Buncombe County Procurement Card Policy**

5.5 **Buncombe County Gift Card Procurement Procedure**

6.0 Policy

6.1 Gift cards shall not be purchased for or given to any employee.

6.2 No gift cards shall be provided as payment for goods or services. Gift cards provided to suppliers in this manner could be considered a kickback as no invoices can be tied to the gift card in the general ledger.

6.3 Gift cards shall not be used for personal purchases or personal gain.

6.4 Gift cards shall not be acquired with a procurement card. Please refer to the Buncombe County Procurement Card policy.

6.5 Some programs have known circumstances that the usage of gift cards results in the best delivery of services. These applications are authorized by the Board of County Commissioners and are limited to the following:

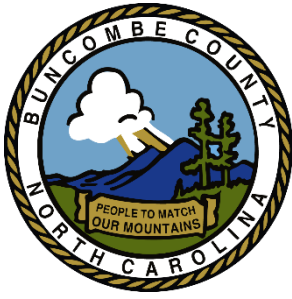
- Grant-funded programs and uses.
- Health and Human Services: Disbursements from client trusts, emergency assistance, foster parent appreciation, and food assistance contingency.
- Buncombe County Service Foundation: Supplements to cover incidental needs for foster children and families.

Any usage of gift cards outside of the circumstances noted above is not permissible without prior authorization from the Buncombe County Board of Commissioners.

6.6 The methods of procuring any Gift Cards shall be constrained to the process outlined in the Gift Card Procurement Procedure.

7.0 Policy Non-Compliance

7.1 Compliance with this policy shall be regularly monitored by all authorized expenditure approvers within the County and by the County Finance department. Violations of this policy may result in disciplinary action (including termination and criminal charges), possible Audit finding, and a write-up in the Management Letter for the violating cost center or department.



Buncombe County, North Carolina

Travel Policy

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1.0 Policy Information

Category & Subcategory:	Travel	Original Effective Date:	9/16/2008	This Revision Effective:	4/10/2018
Persons Affected:	Eligible Buncombe County Workforce				
Approvals:	Approved By:	County Manager	Approved By:	Assistant County Manager	
	Date Approved:		Date Approved:		

Revision History

Effective Date	Version	Section	Summary of Changes	Author
9/16/2008	1.0		Adopted by Board of Commissioners	
11/20/2012	1.1		Amended by Board of Commissioners	
4/10/2018	2.0		Revisions by Policy Review Group	Policy Review Group

2.0 Purpose/Introduction

The purpose of this policy is to establish a uniform policy that is consistent with the business objectives of Buncombe County. It provides the guidelines for the authorization and reimbursement of travel expenses incurred by employees when travel is necessary to conduct business on behalf of the County.

It is the County’s policy to reimburse employees for reasonable expenses incurred when traveling for official County business, including meetings, conferences, trainings, workshops, and seminars. Travel may be local, in state, out-of-state, foreign and/or overnight.

3.0 Definitions

3.1 Department Director

Director of a given department with authority to make budgetary decisions. Examples include Planning Director as well as elected officials who head departments, such as the Sheriff and Register of Deeds.

Title: Travel Policy	Policy #: n/a	Revision #: 2
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- 3.2 **Designee**
Staff member chosen by the Department Director to act on their behalf during their absence or at appointed time for certain duties or responsibilities.
- 3.3 **M&IE**
Meals and incidental expenses such as laundry and room service, tips for services and other fees that may be associated with travel.
- 3.4 **Per Diem**
Daily allowance for M&IE.
- 3.5 **GSA**
US General Service Administration. Web Site for Per Diem rates: <https://www.gsa.gov/travel/plan-book/per-diem-rates>
- 3.6 **Passengers**
Can be staff members; staff from other governing agencies and municipalities; and clients of Buncombe County departments. All passengers using County or Rental Vehicles must be on official County business.

4.0 Applicability

These policy and procedures are applicable to all Buncombe County employees. Department Directors may enact additional requirements dependent upon budget or resources available. Emergencies may preclude the applicability of policy in certain instances.

5.0 Roles and Responsibilities

The County realizes that in the course of providing services and professional development to its employees that staff travel can be a necessity. The County’s responsibility for cost effectiveness should be the guiding principle when considering decisions involving employee travel. Employee travel should be via the most economically viable alternatives and consistent with good business practices.

Employee travel and associated expenses will be authorized only in circumstances that are clearly consistent with the mission of the County. It will be the responsibility of each Department Director, or their designee, to ensure that all employee travel meets this objective and all reimbursements are made for reasonable business expenses in connection with the authorized travel as defined in this policy.

6.0 Policy

Travel Request

All requests for travel must be approved in advance by the applicable Department Director, or their designee. The County Manager/Assistant County Manager and the Department Director must approve foreign travel.

Please refer to the Buncombe County Travel Procedures regarding specifics for expense management and travel reconciliation. These procedures will outline the mandatory requirements for travel reconciliation.

PER DIEM MEAL ALLOWANCE AND INCIDENTAL EXPENSES

Overnight Travel

Ideally, per diem will be requested in advance of travel when possible. If this is not possible, travelers may request to be reimbursed for meals and incidental expenses (M&IE) for overnight travel based upon Federal per diem rates in accordance with GSA. The per diem rate is based upon the city/county where travel is located. Meal receipts are not required and should not be submitted with trip documentation. Incidental expenses include laundry, room service, tips for services and other fees.

Note: If neither the city nor county is listed, then the standard rate for that state applies. This rate is subject to change and will be posted on the GSA web site.

Buncombe County’s policy for Per Diem is as follows:

- First and last day of travel equals 75% of daily M&IE
- Full allowance for all other days

P-Cards should not be used to pay for meals for which an employee received per diem. See the P-Card policy for details.

Title: Travel Policy	Policy #: n/a	Revision #: 2
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Day trip travel reimbursement

The County will reimburse an employee for lunch per diem rate when traveling out of county on business in which a return to the county for lunch would be time and cost-prohibitive. The County will reimburse only the registration or meeting fee when lunch is included in the cost of the course/seminar/meeting.

When a day trip creates an extended workday, where the traveler:

- a. Departs before 6 a.m., breakfast can be reimbursed at one-third the per diem rate for the location to which the traveler is going.
- b. Returns home after 7 p.m., dinner can be reimbursed at one-third the per diem rate for the location from which the traveler is returning.

Generally, these meals are taxable as wages to the employee because travel must be away from home overnight to be excluded.

LODGING AND TRANSPORTATION

Transportation expenses shall be reimbursed based on the most economical mode of transportation that reasonably meets the official travel needs.

The use of a P-Card for Booking for Lodging and Air Travel will be required unless the Department does not have access to a P-Card at the time of booking. Use of personal credit cards is discouraged for this purpose as the County is unable to recoup sales tax and P-Card rebates and this use will be at the discretion of the Department Director. Reimbursement for lodging will be limited to the GSA rate for that location or the rate actually paid, if lower, unless such accommodations are not available. An exception would be if the traveler is attending a conference and [the conference hotel or other hotel sponsored by the conference charges a higher conference rate.](#)

Accommodations should only be made at a venue that is a legally established provider of lodging. Those employees booking accommodations should consult the local government rate at the lodging establishment and compare with other available rates when booking. Booking non-refundable rates is discouraged.

Air Travel

Booking of air travel should be done using available coach rates that best suit the work schedules and budget of the Department. Employee time away from work shall be a consideration in deciding the mode of travel. Employees who choose a mode of transportation other than flying due solely to personal considerations when coach airfare is the least expensive means of travel will be reimbursed based on the least expensive cost., either airfare or actual expenses. Alternate modes of transportation cannot take away from employee’s work schedule.

Ground transportation including travel to/from the airport and place of lodging, and travel to/from place of lodging to place of business should be by the most reasonable mode of travel available taking into consideration both employee safety and schedule constraints. This includes taxi and/or shuttle services and public transportation. The use of a rental vehicle for this purpose must have the prior approval of the Department Director or their designee.

Foreign Travel

Foreign travel must be approved in advance by the County Manager, Assistant County Manager, and the Department Director. The same requirements and recommendations from Air Travel section above applies to Foreign Travel as well.

County Vehicles

County vehicles may be used for travel outside of the county when approved by the Department Director or his designee. These decisions should be made considering the department’s need for county vehicle usage. Please consult the Vehicle Usage Policy for details.

Vehicle Rental

A rental vehicle may be requested by employees for official County business. Please refer to the Buncombe County Travel Procedures for guidance on submitting a rental vehicle request. Reservations should be made as far in advance as possible to ensure timeliness of pickups by the rental car vendor.

When using a rental vehicle for travel, fuel purchases are to be made only with a “gas” credit card. Buncombe County procurement cards cannot be used for the purchase of gasoline, unless an emergency arises.

Title: Travel Policy	Policy #: n/a	Revision #: 2
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Personal Vehicles

If an employee is traveling out of county on business, the use of county vehicles or rental vehicles would be encouraged over the use of personal vehicles and the Department Director or their designee should approve the use of personal vehicles for out of county travel. The numbers of employees traveling and how many vehicles would be used as well as ADA compliance are considerations in this decision.

If an employee chooses to use their personal vehicle instead of a rental vehicle, the reimbursement will be at the standard mileage rate allowed by the Internal Revenue Service and is calculated from the employee’s regularly assigned place of work or duty station to destination.

Family Members and Personal Travel Buncombe County does not pay for or reimburse a traveler for the transportation, lodging, meals or other expenses of a traveler’s family or traveling companion(s). It is the responsibility of the traveler to identify any expenses pertaining to family or companions.

LOCAL MILEAGE FOR COUNTY BUSINESS

Travel in a personal vehicle from the office to visit a client or establishment, store, another department, post office, etc. for a work-related activity is a travel expense that would be reimbursed at the current IRS mileage rate. Travel from home to work, from office to lunch, or any other personal travel may not be claimed as local travel expense.

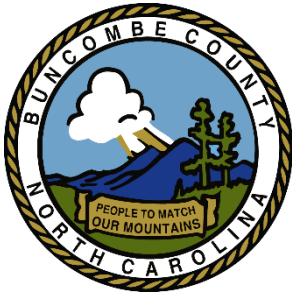
Employees whose job duties do not normally incur mileage may claim mileage for use of personal vehicle on County business in the local area, provided the Department Director or their designee approves it in advance.

If you are traveling from home to a location before going to work, you may only claim additional mileage that is more than your normal daily commute. Example: you live in Woodfin (North Asheville) and drive to Office Depot on Tunnel Road, and then to work at a County office downtown. You do not claim mileage from your home in Woodfin, to Office Depot, to work. You only claim mileage equivalent to leaving from your office and going to Office Depot.

TRAVEL FOR BOARD OF COMMISSIONERS (BOC) AND BOARD APPOINTED POSITIONS

All travel for Board-appointed positions (to include the County Manager, the Clerk, and the Finance Director) will be approved by the Chair or Vice-Chair of the BOC. The Board of Commissioners will be advised if any of these positions travel out of state or out of the country.

Any business travel by members of the BOC outside of North Carolina Association of County Commissioners (NCACC) or National Association of Counties (NACo) events will require notification to the Chair and/or Vice-Chair of the BOC prior to approval or reimbursement of said travel.



Buncombe County, North Carolina

Surplus Property Policy

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1.0 Policy Information

Category & Subcategory:	Surplus Property	Original Effective Date:	9/11/2015	This Revision Effective:	9/11/2015
Persons Affected:	Buncombe County Departments				
Approvals:	Approved By:		Approved By:		
	Date Approved:		Date Approved:		

Revision History

Effective Date	Version	Section	Summary of Changes	Author
9/11/15				

2.0 Introduction

At certain times, county departments may choose to remove or replace various supplies or equipment. If these used items are determined to still have value, they may be submitted as surplus property and sold to the general public via an online auction.

3.0 Purpose

To establish procedures for efficient processing and disposal of surplus property.

4.0 Policy and Procedures

A Surplus Property Form should be completed and returned via email to the Finance Department for all surplus items. It can be found on the Purchasing intranet site <http://intranet.buncombecounty.org/common/purchasing/Surplus.doc>. Delivery of surplus items should be scheduled to ensure staff is available to accept the items.

Title: Surplus Property Policy	Policy #: n/a	Revision #: 1
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a. Items in good to excellent condition

Surplus property considered to be in good to excellent condition will be offered to County departments before being offered to the public via Internet auction. Surplus items not tagged for departments may be posted for auction online at www.govdeals.com.

b. Items with no redeemable value

Items with no redeemable value will not be accepted. If a department has items with no redeemable value, complete a surplus form and forward it to the Finance Department via email. According to statute, the Procurement Manager or designee must declare appropriate items as “junk property” before being disposed of by County departments.

c. Vehicle surplus

The Fleet Manager will review the maintenance and repair records of surplus vehicles and determine whether to keep the vehicle in the fleet and surplus another vehicle that has higher maintenance costs. Surplus vehicles will be offered for public auction.

d. Pickup and transportation of surplus items

Departments are responsible for the transport of all surplus items, delivery or pick up, including any heavy lifting or equipment needed to pick up property.

e. Purchase of surplus by employees

If County employees wish to purchase surplus property for personal use they must follow the same procedures as the general public and bid on the items. Under no circumstances shall any surplus property be sold to an employee or member of an employee’s household at a private sale. Any employee that identifies an item as surplus property or is involved in the sale shall be prohibited from participating in the purchase of that property. The winning bidder must arrange for pick-up of merchandise within 10 days of notification of bid award. Be sure to read “Terms and Conditions” before bidding on merchandise.

5.0 Recommendations

It is strongly recommended that departments keep all related surplus items together. For example: attach the hardware to the furniture, keep electrical cords/cables with the correct equipment, etc. Doing so will prevent these items from being misplaced, matched to the incorrect equipment or becoming lost and will help maximize the proceeds from the sale of the items. All furniture should be assembled and in good condition.

Surplus and Junk Property Declaration Request Form

(Rev. October 9, 2013)

All pertinent information will be typed on this form.

TO: Finance Department

FROM: _____

DEPARTMENT: _____

DATE: _____

CHECK ONE BOX:

- Surplus property should be declared "Surplus" by the Purchasing Agent for items with an estimated value of less than \$5000 and by the Board of Commissioners for items with an estimated value of \$5000 or more.
- Surplus property is in serviceable condition and can be transferred to another department or stored until needed.
- Junk property is considered to be without value. You will receive notice of disposition of junk property from the Purchasing Agent.

DESCRIPTION	SERIAL NUMBER	COUNTY TAG NUMBER	CONDITION	SELECT ONLY ONE		ESTIMATED \$ VALUE
				SURPLUS	JUNK	

All surplus property is to be sent to the Purchasing Department and signed in.

Department Head signature: _____ Date _____

Received at the Finance Department by: _____ Date _____