



# Procurement Policy

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### 1. Purpose

This policy is intended to be a guide for anyone responsible for obtaining goods, supplies, materials, equipment, and services or disposing of surplus items for Buncombe County. The intent is to establish practices and procedures that will best serve the County’s needs; provide for effective, efficient, and economical buying processes; and adhere to all legal guidelines set forth in Federal Uniform Guidance, North Carolina General Statutes, and local Resolutions and Ordinances.

### 2. Applicability

This policy applies to all Buncombe County departments, employees, partners, alternate workers, affiliated agencies, and any individual procuring on behalf of Buncombe County. Where there is conflict with any department-specific policy, this document will supersede.

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### 3. Policy

#### 3.1. Incurring Financial Obligations

- 3.1.1. Any contract or agreement creating a financial obligation, including purchase orders, must have a signed pre-audit certification by the Finance Director.
- 3.1.2. Sufficient authorized budget must be available or made available before a financial obligation can be incurred.

#### 3.2. Procurement

##### 3.2.1. Gifts and Favors

- 3.2.1.1. County employees, partners, alternate workers, affiliated agencies, and any individual purchasing or acting on behalf of Buncombe County will not accept gifts or favors from current, past, or potential suppliers. Certain items and situations are excluded as listed in the Conflict of Interest Policy section 3.2.
- 3.2.1.2. County employees, partners, alternate workers, affiliated agencies, and any individual purchasing or acting on behalf of Buncombe County will not provide gifts or favors to current, past, or potential suppliers in any situation that could influence or interfere with the competitive bidding process for any County transaction.

##### 3.2.2. Signature Authority

- 3.2.2.1. Pursuant to North Carolina state law and the annual budget ordinance, County contracts may only be signed by authorized employees or agents of the County. Signature authority is derived solely from the Board of Commissioners.
- 3.2.2.2. The Board of Commissioners delegate certain signature authority to the County Manager, per North Carolina state law.
- 3.2.2.3. The Buncombe County Sheriff, Register of Deeds, and Health and Human Services Director have additional delegated authority as authorized by North Carolina state law to sign contracts that fall in the scope of their authority. A preaudit signature by the Finance Director is still required for any contract resulting in a financial obligation.
- 3.2.2.4. The signature authority assigned to the County Manager may be granted to other County employees or agents by the County Manager by express written or electronic consent.
- 3.2.2.5. 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 face disciplinary action.

##### 3.2.3. Thresholds

- 3.2.3.1. Purchases must be made according to the dollar thresholds as set forth by North Carolina General Statute. These thresholds are listed in the accompanying procedures.
- 3.2.3.2. Purchases made with Federal funds must be made according to the dollar thresholds outlined in Federal Uniform Guidance. These thresholds are listed in the accompanying procedures.
- 3.2.3.3. County departments, employees, partners, alternate workers, affiliated agencies, and any individual purchasing on behalf of Buncombe County shall consider all costs associated with a purchase or contract and shall not divide a transaction into multiple purchases to avoid any rules and processes.

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**3.2.4. Competitive Bidding and Solicitation**

- 3.2.4.1. Depending on the dollar amount, type of purchase, and funding source competitive bidding or solicitation may be required.
- 3.2.4.2. Guidance for when competitive bidding or solicitation is required shall be provided in the accompanying procedures.
- 3.2.4.3. When advertisement is required, bidding opportunities shall be publicized electronically using the County website.
- 3.2.4.4. The record of bids submitted shall be maintained.
- 3.2.4.5. When soliciting for competitive proposals or bids, the County shall solicit directly to vendors who provide the goods or services needed for the purchase and are certified by the State Office of Historically Underutilized Businesses (HUB) or have identified themselves as a Woman or Minority-Owned Business Enterprise (WMBE) through registration with the County. This should be done in addition to any other processes or advertisements used to identify and solicit potential participants.
- 3.2.4.6. When prequalifying bidders for construction or repair projects the County shall follow the Policy on Prequalification of Bidders for Construction or Repair Projects.

**3.2.5. Documentation**

- 3.2.5.1. Appropriate documentation must be collected, submitted, and stored for all purchases.
- 3.2.5.2. Type of documentation required for purchases may change as dollar values increase and depending on all or some of the funding sources. These requirements and additional guidance will be provided in the accompanying procedures.

**3.2.6. Purchases with Additional Guidelines**

- 3.2.6.1. Vehicles
  - 3.2.6.1.1. Purchases of vehicles must also adhere to the County's Sustainable Fleet Policy.
- 3.2.6.2. Food, Meals, and Refreshments
  - 3.2.6.2.1. 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. See the accompanying procedures for a non-exhaustive list of purposes or activities in which food and refreshments may be purchased.
  - 3.2.6.2.2. Meals should be necessary and convenient to the business meeting, not a matter of personal convenience.
  - 3.2.6.2.3. 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. When planning applicable events, attendance estimates should be as accurate as possible. See the accompanying procedures for additional guidance.
  - 3.2.6.2.4. When purchasing meals or refreshments with grant funds, it is necessary to ensure the expenditure is deemed eligible by the grantor.
  - 3.2.6.2.5. Meetings must have an agenda and an accurate attendance list. These documents should be retained in the event of an audit or request for grant

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- support. Food and refreshment purchases must have these items attached with the receipt in the County's Financial System as back-up for the payment.
- 3.2.6.2.6. Special dietary needs should be considered in advance of the meeting and met with cost effectiveness in mind.
  - 3.2.6.2.7. The County recognizes that there may be an emergency or extenuating circumstances which merit provision of food for meetings, though not previously planned (e.g., extended public hearing on business-critical topic) or for continuity of operations. These exceptions should be approved by the County Manager, an Assistant County Manager, or a Department Director. In these situations, County staff should document and store description of the event, justification for the exception, and the approval of the exception with the receipt or invoice for the purchase.
  - 3.2.6.2.8. When traveling for County purposes, eligible individuals should use per diem instead of other procurement means when purchasing meals or food related items.
  - 3.2.6.2.9. Food supplies purchased for demonstrations, for dissemination to clients as direct service, for stocking a shared kitchen or similar common area (with condiments and similar seasonings, unprepared coffee and tea) will be considered office supplies.
- 3.2.6.3. Technology
- 3.2.6.3.1. Procurement of Information Technology related items, including but not limited to computer hardware and software, telephone systems, mobile communication devices, and security goods or services shall have prior approval and involvement of the Information Technology department before the County takes possession, no matter how obtained.
- 3.2.6.4. Real Property
- 3.2.6.4.1. The purchase and sale of real property at any dollar amount must be approved by the Board of Commissioners.
- 3.2.6.5. Travel
- 3.2.6.5.1. Employees should follow the Buncombe County Travel Policy.

### **3.3. Procurement Methods**

#### **3.3.1. Procurement Cards**

- 3.3.1.1. Purchases less than \$5,000 should be obtained by procurement card when possible. A purchase order should be created for Procurement Card purchases of \$5,000 or greater. Split transaction to get under this and any threshold are not allowed.
- 3.3.1.2. Department heads may propose personnel to be procurement cardholders, in a manner outlined in the accompanying procedures.
- 3.3.1.3. Procurement cards may only be used by an employee whose name is listed on the procurement card and who has received acknowledgement from Finance of completed required recurring training.
- 3.3.1.4. Procurement Cardholders shall safeguard their cards and account numbers, including not allowing others to use their card. Employees must notify their department director and the Finance Department immediately if their Procurement Card is lost or stolen.
- 3.3.1.5. Procurement Cardholders transferring from one department to another must obtain approval from their new Department Director to keep their procurement card.

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- 3.3.1.6. Departments and Procurement Cardholders shall follow all procedures, training requirements, purchasing guidelines, and relevant laws, as outlined in the accompanying procedures.
- 3.3.1.7. Procurement Cardholders shall be personally responsible for any expenditures on their card and shall provide, when requested, information about any specific purchase, not including disputed charges or fraudulent charges.
- 3.3.1.8. Procurement Cardholders are responsible for retaining receipts and ensuring timely verification of their transactions in the County's Financial System as outlined in the accompanying procedures. Electronic retention of receipts shall suffice.
- 3.3.1.9. Upon separation from Buncombe County cardholders shall surrender their Procurement Card to their Department Director, after which their card will be terminated.
- 3.3.1.10. When traveling, meals should not be purchased using a procurement card while also receiving a per diem for meal expense, and fuel should not be purchased with a procurement card.

### **3.3.2. Contracts**

- 3.3.2.1. Contracts shall comply with Federal, North Carolina, and Buncombe County law. Contracts (or aspects of contracts) inconsistent with law may be void or voidable.
- 3.3.2.2. No County officer, employee, contract worker, alternate worker, or any individual 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.
- 3.3.2.3. All contracts shall be reviewed and approved by all required parties prior to execution as noted in the accompanying procedures.
- 3.3.2.4. All contracts shall originate, be routed through, and follow the Contracts Control Process outlined in the accompanying procedures, shall be preaudited as required by law before being executed (if applicable), and shall be stored in the County's contract management software(s).
- 3.3.2.5. 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.
- 3.3.2.6. 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.
- 3.3.2.7. If a contract requires a certificate of insurance, 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. See the accompanying procedures for contract insurance requirement guidance.

### **3.3.3. Purchase Orders**

- 3.3.3.1. When there is no signed contract between the County and Supplier a purchase order can be created to encumber funds and document the goods or services being purchased.
- 3.3.3.2. Purchase Orders shall be created for purchases of \$5,000 or more, except in certain circumstances outlined in the accompanying procedures.
- 3.3.3.3. All Buncombe County purchase orders shall be on the County approved document and form.

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- 3.3.3.4. 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. Blanket Purchase orders should not be used if the cost cannot be reasonably estimated, the purchase can not be made by an invoice or Procurement Card, or the account in which to expend charges can not be determined.
- 3.3.3.5. Change Orders which change, modify, or cancel an existing purchase order can be initiated by the issuing department using the electronic procurement system. See the accompanying procedures for additional guidance.

**3.3.4. Fuel Cards**

- 3.3.4.1. Per the County's Travel Policy, Fuel Cards, otherwise known as Gas Cards, shall be used to purchase fuel while traveling in a county-owned vehicle or a rental vehicle.

**3.4. Disposal of Surplus Property**

- 3.4.1. Under no circumstances shall any surplus property be sold to an employee, contract worker, alternate worker, public officer or member of an employee's or public officer's household at a private sale. Any employee that identifies an item as surplus property or is involved in the sale of such property shall be prohibited from participating in the purchase of that property.
- 3.4.2. Surplus property considered to be in good to excellent condition will be offered to County departments.
- 3.4.3. Items of surplus property that are not needed by other County departments and having a value of thirty thousand dollars (\$30,000) or more will be disposed of pursuant to NCGS Chapter 160A, Article 12.
- 3.4.4. The Board of Commissioners authorizes the County Manager, or Designee, to declare surplus any personal property valued at less than thirty thousand dollars (\$30,000) for any one item or group of items, to set its fair market value, and to convey title consistent with this policy. All such items of personal property will be offered for public auction via an online auction vendor without further notice.
- 3.4.5. Guidance for efficient processing and disposal of surplus property shall be provided in the accompanying procedures, including items determined to have no redeemable value.
- 3.4.6. Disposal of property purchased using Federal funds shall follow the procedures required by the funding agency.

**3.5. Gift Cards**

- 3.5.1. Only the Gift Card Liaison designated by the County's Chief Financial Officer shall purchase and distribute gift cards, to be used in coordination with the Gift Card Liaison.
- 3.5.2. Gift cards shall only be used in specific circumstances where the usage results in best delivery of services, including and limited to grant-funded programs and uses, and client assistance and support programs. Any other usage of gift cards is not permissible without prior authorization from the Buncombe County Board of Commissioners.

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**3.6. Procurement Procedures**

- 3.6.1. Procurement procedures shall be maintained by the Finance Department.
- 3.6.2. Procurement procedures will provide guidance for Buncombe County officers and employees to carry out the procurement of goods and services.
- 3.6.3. Procurement procedures shall follow all legal guidelines set forth in North Carolina General Statutes, Federal Uniform Guidance, and local Resolutions and Ordinances.

**3.7. Reports to the Board of Commissioners**

- 3.7.1. A report detailing P-Card activity for Board of Commission members and Board Appointed Positions will be made available at a minimum semi-annual frequency, to the Board of Commissioners.
- 3.7.2. A report detailing purchase orders and contracts in the amount of \$90,000 or greater that do not require governing board approval will be made available at a minimum semi-annual frequency, to the Board of Commissioners.

**4. Policy Non-Compliance**

Employees willfully violating the terms and conditions of this policy may be subject to appropriate disciplinary action, up to and including dismissal.

- 4.1.1.1. Employees willfully violating the terms and conditions of this policy may be subject to appropriate disciplinary action, up to and including dismissal.
- 4.1.1.2. Violations of the requirements set forth in this Policy should be reported to the County's Ethics Hotline.

**5. Audit**

All policies for Buncombe County may be subject to audit or review as outlined in the [Internal Auditor's Statement](#).

**6. Definitions**

- 6.1. Authorized Employee or Agent: Individual, role, or position with specific delegated authority from the Board of Commissioners or County Manager.
- 6.2. Certificate of Insurance: a document that verifies a company has insurance coverage under specific conditions.
- 6.3. Contract: By way of illustration, a contract is often considered to be any agreement involving the exchange of obligation(s) or promise(s), either promise(s) to perform or an exchange of something of value. Contracts are sometimes called, among other things:
  - service contracts
  - contracts for the sale of goods
  - agreements
  - memorandums of understanding
  - licenses
  - leasesOften times, contractual obligations can be created by documents that are not readily identifiable as Contracts, such as:
  - grant applications
  - quotes
  - order forms
  - invoices
- 6.4. Contract Administrator: the person assigned for day-to-day responsibility and representation of the County regarding the specific contract.

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- 6.5. Contract Control Process: the established routing process for all contracts.
- 6.6. 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.
- 6.7. 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.
- 6.8. Food: Food refers to meals, snacks, and beverages.
- 6.9. Gift: Anything tangible or intangible that has monetary value that can be obtained for less than “market value.”
- 6.10. 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.
- 6.11. 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).
- 6.12. Procurement: The act of acquiring goods and services needed to carry out the business of the County.
- 6.13. Procurement Card (P-Card): A company credit card issued by a third party vendor. Also known as a procurement card.
- 6.14. Public Officer: An individual who is elected or appointed to serve or represent the County, other than an employee or independent contractor of the County.
- 6.15. Reconciliation/Reallocation: The process of assigning the correct General Ledger Account for each transaction in the County’s financial system(s) to assure all transactions post to the correct expense account.
- 6.16. 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.

**7. Approval and Revision History**

Policy Origination Date:	November 20, 2018
Requires Board Approval:	Yes
Board Approval Date:	November 20, 2018
Revision History:	Prior Procurement Manual (policy) adopted via resolution on November 20, 2018. Current revisions include addition of Federal language, expanded applicability of users, clarification of existing sections, re-writes for conciseness, aligning with other County policies, removal of non-appropriation clause statement (move to procedures document), removal of procedural elements, removal of redundant statute language.

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