

1.0 Policy Information

Category & Subcategory:	Procurement/Policies and Procedures	Original Effective Date:	10/1/2013	This Revision Effective:	10/16/2018
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

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.

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.

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

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.”

- 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.

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.
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)
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.

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.

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.
- 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 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 	
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

ALWAYS	ALLOWED EXCEPTIONS
<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.