

**GREENE COUNTY  
PURCHASING POLICY MANUAL**

**Effective**

**Revised July 20, 2020**

## Table of Contents

### Article 1 – GENERAL INFORMATION

Purpose.....	5
Application.....	5
Definitions .....	5

### Article 2 – ORGANIZATION OVERVIEW

Who We Are .....	11
Where we are Located.....	11
Who to Contact.....	11
Responsibilities and Objectives.....	11

### Article 3 – ETHICS

Ethical Conduct.....	15
Conflict of Interest .....	15
Equal Opportunity .....	15
Gifts and Favors .....	16
Benefit from Confidential Information.....	16

### Article 4 – PURCHASING REGULATIONS

Legal Requirements .....	17
Local Government Budget and Fiscal Control Act .....	17

### Article 5 – METHODS OF PROCUREMENT

Formal Bids .....	18
Informal Bids.....	23
Decentralized Purchasing.....	24
Direct Purchases .....	24
Purchase or Lease of Information Technology Goods and Services.....	25
Piggybacking .....	25
Term Contracts / Price Agreements .....	26
Card Programs .....	27
Professional Services .....	31
Sole Source .....	32
Special Exceptions.....	32

Article 6 – GENERAL PURCHASING PROVISIONS

Bond Requirements .....35  
When Bonds Are Required.....35  
Errors in Bids and Bid Withdrawal.....35  
Lowest Responsive, Responsible Bidder.....35  
Minority and Women Owned Business Enterprise (MWBE).....36  
Negotiating with Bidders .....36  
Predominant Aspect Rule .....37  
Public Record .....37  
Rejecting Bids .....37  
Specifications.....38  
Vendor Applications.....39  
Vendor Relations .....39  
Local Buying.....39  
Debarment and Suspension of Funding .....40

Article 7 – PURCHASING SYSTEMS

MUNIS .....41  
Procurement Programs.....41

Article 8 – CONSTRUCTION CONTRACTING

Formal Bids .....42  
Informal Bids.....45  
Selection of Architect, Engineer or Surveyor.....46

Article 9 – SURPLUS PROPERTY

Surplus Property .....48

Article 10 – CONTRACT ADMINISTRATION

Written Agreement Required .....49  
Review and Approval .....49  
Mandatory Contract Terms.....50  
Process .....53

Article 11 – EXCEPTIONS

Exceptions .....55

Article 12 – EMERGENCY PURCHASES

Emergency Purchases .....56

Article 13 – YEAR END PURCHASING CUTOFF

Year End Purchasing Cutoff.....58

Article 14 – UNIFORM GUIDANCE

Uniform Guidance.....59

**Article 1**  
**GENERAL INFORMATION**

**I. PURPOSE**

This manual is a resource for Greene County employees to become familiar with the policies and procedures for procuring goods and services. An understanding of how the Purchasing Office conducts its business can provide the foundation for a solid partnership between the Purchasing Office and its internal customers. The policies provided in this manual were established to ensure the fair and equitable treatment of all persons involved in public purchasing, to maximize the purchasing value of public funds, and to provide safeguards for maintaining a procurement system of quality and integrity. Following these procedures assures compliance with the North Carolina Local Government Budget and Fiscal Control Act.

**II. APPLICATION**

This policy applies to contracts for the procurement of materials, apparatus, supplies, and equipment entered into by the County after the effective date of this policy. It also applies to expenditure of public funds by County agencies regardless of the source of funds. Contracts funded with federal grant or loan funds must be procured in a manner that conforms with all applicable Federal laws, policies, and standards, including those under the Uniform Guidance (2 C.F.R. Part 200).

**III. DEFINITIONS**

**Addenda/Addendum**

Additional requirements, specifications, or instructions to the originally issued Invitation to Bid or Request for Proposals. All contents of the addenda are incorporated into the original document.

**Appropriation**

An authorization granted by the County Board of Commissioners to make expenditures and to incur obligations for specific purposes.

**Authorized Representative/Designee**

Personnel designated by the Department Head to interact with the Finance Office and also authorized to enter requisitions.

**Bidder**

Any person, firm, partnership, corporation, association, or joint venture seeking award of a public contract or subcontract with Greene County, or its agents.

**Commodity**

Tangible goods, wares, and merchandise which are movable in trade.

**Contract**

A legally binding document which specifies and defines the performance requirements and expectations for a purchase or project administered by the County, or its agents.

**Contractor**

The person, firm, partnership, joint venture, corporation, or association, who performs a trade or service agreement at any level with the County or for its agents.

**Decentralized Purchasing**

County policy authorizing departments to purchase goods and services under \$500 in value without submitting a requisition to the Finance Office so long as it is in the department budget.

**Discrimination**

An action or series of activities which sets apart or causes separate and unequal treatment of a person or group of persons solely on the basis of their age, gender, ethnic background, national origin, veteran's status, and/or disability. Acts of discrimination are illegal in the performance of purchases and/or projects for the County.

**Emergency**

An unforeseen circumstance that requires the purchase of goods and/or services that is present, immediate and existing involving the health and safety of the people or their property.

**Encumbrance**

Expenditure commitments created by purchase orders or contracts that have been issued, but for which no goods or services have been received. The purpose of the encumbrance is to put a “hold” on those budgeted funds so they will be available at the appropriate time to pay for the goods and services.

**Formal Bid**

Procedure required for the purchase of materials, apparatus, supplies, and equipment over \$90,000 or construction and repair over \$500,000 pursuant to NCGS §143-129 by sealed competitive bid. They must be advertised and opened in public. Award will be made to the lowest responsible bidder(s) taking into consideration quality, performance, and the time specified for the performance of the contract. The Board of Commissioners must make final award.

**Good Faith Effort**

The activities of bidders for County projects designed specifically to obtain participation of Minority and Women Business subcontractors in their projects. Such activities shall be documented and verified for the County when Minority and Women Business Development goals for a County project are not achieved.

**Historically Underutilized Businesses (HUB)**

A program responsible for ensuring maximum utilization of minority, socially and economically disadvantaged, and women owned firms in all areas of County procurement.

**MUNIS**

The automated financial system used for processing and recording all of the County’s procurement and financial activity.

**Informal Bid**

Procedure used for expenditures for purchase of apparatus, supplies and equipment over \$5,000 and under \$90,000 or construction projects over \$30,000 and under \$500,000. Pricing may be obtained via telephone, facsimile, email or in writing. Regardless of how the quotes are obtained, documentation of the information should be kept for complete County records. It is the policy of the County to attempt to obtain at least two (2) competitive quotes.

**Invitation to Bid (ITB)**

Process used to request the cost of specified items by providing detailed specifications in advance. It is the mandatory method for purchase of commodities that fall under state bid statute. Usually indicates that a sealed bid procedure is being used. With an ITB, there is no negotiation and little to no flexibility in terms of what products will meet requirements. Invitations to Bid are not used for services.

**Minority Business Enterprise (MBE)**

For contracts administered by Greene County, a minority is defined as a citizen or lawful permanent resident of the United States who is a member of one of the following ethnic groups, is perceived as such in normal business practices, and whose business is owned and controlled at a minimum of 51% by a minority. (African-American; Asian-American; Native-American; Hispanic-American).

**Piggybacking**

Purchases from a person or entity that has, within the past twelve (12) months, contracted to furnish an item or service to the federal government, any federal agency, any state government or agency, or any other local government. The prior contract must be one that was entered into following a public bid process substantially similar to the one the County uses. Contracts made under this exception must be approved by the Board of Commissioners. Notice of intent to use the piggyback method must be given at least 10 days before the contract is approved by the Board of Commissioners.

**Procurement Card**

Credit card issued by a financial institution in the name of Greene County to an individual employee of the County.

**Purchase Order (PO)**

A form generated by the Purchasing Office for County expenditures over \$500. It serves as a legal contract document to a vendor to order goods and services and encumbers the funds to pay the invoice upon receipt.

**Offer**

This term may refer to a proposal, quote, or bid submitted in response to a Request for Proposal (RFP), Request for Quote (RFQ), or Invitation to Bid (ITB).

**Request for Proposal (RFP)**

A request written as a performance specification, outlining the desired result and asking the responders to propose a method of reaching that result. RFPs are usually service oriented and allow greater flexibility in how the contract is awarded.

**Request for Quote (RFQ)**

Informal quote for expenditures below the formal limit. Vendors may quote on items via telephone, fax, email or informal written quotations.

**Request for Qualifications (RFQ)**

Method mandated by NCGS § 143-64.31 for “best qualified” selection procedure of architect, engineer, surveyor or construction manager at risk.

**Requisition**

A written or electronic request from a using department to the Purchasing Office to obtain specific goods or services.

**Small-Dollar Purchase**

The purchase of an item(s) for less than \$1,000. Procurement Cards may be used for these purchases.

**Sole Source**

When performance or price competition for a product is not available; when a needed product is available from only one source of supply; or when standardization or compatibility is the overriding consideration. Pursuant to NCGS § 143-129(e)(6), purchases under this exception must be approved by the Board of Commissioners.

**Specifications**

The parameters, requirements, and instructions that define the exact item or service that is desired and provides the basis for comparing bids. Specifications are generally incorporated into a contract, by reference, to become the successful bidder’s legal obligations under the contract.

**State Contract**

A contract established by the North Carolina Department of Administration through the Division of Purchase and Contract intended to cover all normal

requirements for a commodity or contractual service for a specified period of time based on estimated quantities.

**Surplus Property**

Obsolete or worn out materials and equipment which will be disposed of in conformance with state statutes and competitive conditions, including when necessary, newspaper advertising, electronic bids, and sealed bids.

**Vendor**

A seller who exchanges goods and/or services for money.

## **Article 2 ORGANIZATION OVERVIEW**

### **I. WHO WE ARE**

The Finance Office is the central buying office responsible for making general purchases of products and services required by all departments within Greene County.

### **II. WHERE WE ARE LOCATED**

The Finance Office is located in the Administration Department of the Greene County Government Complex:

Greene County  
229 Kingold Blvd.  
Snow Hill, NC 28580  
Attn: Finance Officer

### **III. WHO TO CONTACT**

Purchasing activity is the responsibility of the Finance Office. Listed below are names, phone numbers and email:

Beverly Stroud  
Finance Officer  
beverly.stroud@greencountync.gov

### **IV. RESPONSIBILITIES AND OBJECTIVES**

#### **A. Responsibilities**

It is the Finance Officers responsibility to ensure that all purchases are made in accordance with the Policies of Greene County and with North Carolina law. Successful purchasing requires active cooperation between the Finance Department and the County departments served. Each entity has fundamental requirements for this mutually cooperative endeavor. The Finance Office has the responsibility to:

1. Purchase or lease, for the use of the County and its agencies, boards, and commissions, all supplies, materials, and equipment needed;
2. Ensure all contracts or purchases are in accordance with the County standard procedures and North Carolina law;
3. Make emergency purchases, leases, or contracts for supplies, materials, equipment, and services for County Departments;
4. Assist in the development of standard specifications for all supplies, materials, or equipment purchased through the Finance Department, with the cooperation of the Departments;
5. Handle the day-to-day functions as it relates to Purchasing; and,
6. Be a resource to County departments regarding purchasing policies, rules and laws.

## **B. Objectives**

1. To conduct business with integrity, fairness and dignity so as to maintain public trust and reduce the government's exposure to criticism and legal action;
2. To secure the proper materials, equipment, and services at the appropriate quality and quantity, on a timely basis, as efficiently as possible, and at the lowest possible cost;
3. To conserve public funds by obtaining the best products and services for the dollars spent;
4. To provide all customers with quality service in a manner that is courteous, responsive, accessible, and seamless;
5. To maintain continuity of supply to support on-going service, operations and construction schedules;
6. To furnish timely information to management and appropriate departments covering market conditions and trends, and the possible effect on supply and price; to work with department heads on budget estimations to assure needed purchases are properly included in the budget at appropriate costs.

7. To assure vendors that impartial and equal treatment is afforded to all who wish to do business with the County;
8. To secure, whenever possible, competitive prices on purchases;
9. To establish specifications which will encourage competition and accurately describe the equipment, materials, and services needed; and,
10. To be receptive to changes in material and requirements and new products and procedures.

### **C. Departmental Responsibilities**

The policy of Greene County is that departments will:

1. Accept the authority of the Finance Department;
2. Put forth an effort in good faith to comply with these policies and established procurement procedures without reservation or evasion;
3. Prepare acceptable specifications that define the quantity and quality of goods and services needed to perform a specific function without undue influence or personal preference;
4. Allow the time necessary for the Finance Department to select a vendor and for the vendor to deliver;
5. Receive and inspect items delivered and report vendor performance good or bad;
6. Cooperate with Finance in the process of fulfilling departmental requisitions; and,
7. Work with Finance to promote good will between the County and its vendors.

### **D. Purchasing Function for County Departments**

1. For purchases exceeding \$499.99, initiate a purchase requisition to purchase specified supplies, materials, and equipment. **Purchases must not be split in order to stay below the \$500 purchase order limit;**

2. Determine needed quantity and general type or character of supplies, materials, and equipment; and, date by which the delivery is required;
3. Anticipate the needs in advance and initiate requisitions allowing adequate time for the process;
4. Refuse to accept any shipment or delivery that fails to meet the terms of the purchase;
5. Report any failure to deliver by the designated time to the Finance Department;
6. Make all non-emergency purchases through the Finance Department during normal business hours whenever possible;
7. Advise the Finance Officer of any change in plans or programs that may affect the purchase or use of supplies, materials or equipment; and,
8. Advise the Finance Officer of the appropriateness and suitability of commodities, equipment and services furnished.

**Article 3**  
**ETHICS IN COUNTY CONTRACTING**

***Ethics Statement***

***“The Purchasing staff is governed by the highest ideals of honor and integrity in all public and professional relationships in order to merit the respect and inspire the confidence of Greene County and the public we serve.”***

**I. ETHICAL CONDUCT**

The policies of Greene County require that all business shall be transacted in compliance with law and shall be conducted in conformance to the highest ethical standards. The proper operation of government requires that public employees be independent, impartial, and responsible to the citizens, and that the public positions not be used for personal gain.

**II. CONFLICT OF INTEREST**

The policies of Greene County prohibit business transactions with their respective officials and employees, either directly or indirectly. This policy is fully applicable to the Finance Office. It is a misdemeanor for a public official to benefit from contracts with the unit for which he/she works or represents, NCGS § 14-234.

**III. EQUAL OPPORTUNITY**

It is the policy of Greene County to: (1) provide minorities equal opportunity to participate in all aspects of the County contracting and purchasing program, including but not limited to, participation in procurement contracts, professional and other service contracts, and construction contracts; (2) prohibit discrimination against any person or business in pursuit of these opportunities on the basis of race, color, sex, religion, disability or national origin, and to conduct its contracting and purchasing programs so as to prevent any discrimination and to resolve all claims of such discrimination.

#### **IV. GIFTS AND FAVORS**

It is a misdemeanor to give or to receive gifts and/or favors in the context of contracting, NCGS § 133-32. This law applies to any officer or employee who prepares plans, specifications, awards, or administers contracts. Greene County's policy is that no employee shall engage in any transaction which is incompatible with the proper discharge of his or her official duties in the public interest or would tend to impair independent judgment or action in the performance of official duties.

#### **V. BENEFIT FROM CONFIDENTIAL INFORMATION**

It is unethical and unlawful for any employee or former employee knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person, NCGS § 14-234.

## Article 4 PURCHASING REGULATIONS

### I. LEGAL REQUIREMENTS

Statutory provision for purchasing by local governments and regulations thereof are contained primarily in North Carolina General Statutes, Chapter 143 (multiple sections, but generally GS § 143-129 through § 143-135). Other specific duties, responsibilities, and authorities are contained in GS Chapters 14, 44A, 66, 75, 87, 105, 153A, 160A and 159, the Local Government Budget and Fiscal Control Act. By virtue of these statutes, the County is empowered to enter into the purchasing of materials and the contracting of services. The County Board of Commissioners has full budget and signature authority for all contracts. The authority to sign contracts for normal operation supplies and service contracts has been delegated to the County Manager or his designee, the Finance Officer and Department Heads.

### II. LOCAL GOVERNMENT BUDGET AND FISCAL CONTROL ACT

Under the Local Government Budget and Fiscal Control Act, all contractual obligations must be supported by an appropriation that authorizes the expenditure. Appropriations are detailed in the annual budgets approved by the County Board of Commissioners. **All contracts and purchase orders must also contain a signed statement by the Finance Officer indicating that it has been pre-audited as required by the Act.**

At the time the obligation is incurred, there must be an unencumbered balance remaining in the appropriation sufficient to pay the obligation in the current fiscal year. **The Departments are responsible for ensuring that funds are available before submitting a requisition to Finance.**

**Article 5**  
**METHODS OF PROCUREMENT**

**FEDERAL GRANT/LOAN PURCHASES & CONTRACTS**

Contracts funded with federal grant or loan funds must be procured in a manner that conforms with all applicable Federal laws, policies, and standards, including those under the Uniform Guidance (2 C.F.R. Part 200)-See Article 14.

**NON-FEDERAL GRANT/LOAN PURCHASES & CONTRACTS**

The type of product or service being solicited and the dollar amount determines the method of solicitation used, and the method of solicitation determines what type of response a vendor/contractor should submit.

**I. FORMAL BIDS (\$90,000 or more)**

The purchase of apparatus, supplies, materials or equipment for expenditures of \$90,000 or more are secured through the competitive sealed bid process governed by the North Carolina statutes. Greene County will issue an Invitation to Bid or a Request for Proposal on all formal bids. Construction and Repair purchases of \$500,000 or more are addressed in Article 8, Construction.

**A. Invitation to Bid (ITB)**

An “ITB” or *competitive sealed bid* is a written request for specifically defined goods or services.

**1. Legal Requirements/Policies**

Contracts subject to the public bidding requirement set forth in NCGS § 143-129 must be entered into in accordance with the following procedures:

a. Public Advertisement – Bids for contracts \$90,000 or more must be evidenced by advertisement at least seven (7) full days before the time specified for the opening of such proposals by electronic means on the Greene County website. The advertisement must contain, at a minimum:

- 1) The time and place specifications may be obtained;
- 2) The time and place bids/proposals will be opened; and,

3) A statement reserving the County's right to reject any or all bids.

b. All bids must be submitted in a sealed opaque envelope or package to ensure prices and terms will not be disclosed.

c. All bids must be opened in public and the board or governing body shall award the contract at a meeting, whether regular, special, or emergency.

d. Award shall be made to the "lowest responsible bidder or bidders, whose bid meets the requirements and criteria set forth in the Invitation for Bids, taking into consideration quality, performance and the time specified in the proposal for the performance of the contract." In the event the lowest responsible bids are in excess of the funds available for the project or purchase, the governing body is authorized to enter into negotiations with the lowest responsible bidder or bidders above mentioned, making reasonable changes in the specifications as may be necessary to bring the contract price within the funds available, and may award a contract to such bidder.

e. All contracts must be executed in writing.

f. The successful bidder may be required to post a performance bond in the amount of 100% of the total bid price to the County. Performance bonds are due prior to contract execution as a guarantee of the faithful performance of the terms and conditions of the contract. Performance bonds are required for construction or repair contracts for projects over \$500,000 per NCGS §143-129(c) and for each contract from any contractor or construction manager at risk over \$50,000 per NCGS §44A-26; and, must be in the form of a bond, certified check, or cash.

g. There is no minimum number of bids required for apparatus, goods, supplies and equipment. If only one response is received, it can be opened and awarded based on a determination that the prices are fair and reasonable.

## **2. Purchasing Procedures**

The formal bid process may take up to ten (10) weeks to complete once a request has been received, therefore, planning and scheduling is of the utmost importance.

a. Written specifications must be prepared. Good, clear specifications are an essential aspect of competitive bidding. Quality and service can be as important as price; therefore, specifications are needed that will fulfill, but not exceed the requirements for which the items and/or services are intended. Specifications are prepared by the ordering department with input from the Finance Officer to ensure that the products purchased meet the need. Brand names or equal should only be used when no other description would be equally satisfactory.

b. A pre-bid conference may be scheduled to review specifications, pertinent terms and conditions, and to answer vendor questions pertaining to the bid process.

c. Addenda are prepared, if necessary, due to a change in the bid specifications, or for additional clarification and sent via US Mail, email or fax to all vendors on the original bid list, and any other vendor for who has requested such notification.

d. All bids are opened and the total dollar amount with the corresponding name of the company submitting the bid is read aloud. Documentation of all bids received is retained in the Finance Office files and is available for public inspection upon request. Greene County determines if certain bids are acceptable or need clarification. Before the lowest responsive, responsible bidder can be determined, a thorough evaluation of all bids is conducted after the bid opening. No statement about the apparent successful bidder is required at bid opening. Any deviation or omission in a bid is reviewed on a case-by-case basis to determine the responsiveness of the bid.

e. Bids shall be evaluated based on the requirements and specifications set forth in the Invitation for Bid, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery and suitability for a particular purpose. No criteria may be used in bid evaluation that is not set forth in the Invitation for Bid. Greene County

reserves the right to waive formalities and technicalities and to make awards according to the best interest of the County.

f. A recommendation for award is submitted to the Board of Commissioners at a regularly scheduled meeting. The governing body may accept or reject any or all bids.

g. The execution process for contracts (order of obtaining signatures) should be:

- 1) Vendor/Contractor
- 2) County Attorney, if applicable
- 3) Finance Director or Assistant Finance Director
- 4) Department Head, County Manager or Board of Commissioners Chairperson (pursuant to Article 10, Contract Administration)

## **B. Request for Proposal (RFP)**

An “RFP” is a written request issued with a scope of work, general terms and conditions, and selection criteria. Requests for Proposal are typically used for service or technology contracts; or, where specifications cannot be easily described in concrete terms and/or factors other than price need to be considered.

### **1. Legal Requirements/Policies**

a. RFPs can legally be used for contracts that are subject to state competitive bidding statutes as long as the statutory procedures are incorporated into the RFP process. If an RFP is used for a contract subject to the competitive bidding requirements, it must be:

- 1) Advertised;
- 2) Proposals must be sealed; and,
- 3) No negotiations may be conducted after the proposals are opened.

b. RFPs can also be used for contracts that are not subject to the competitive bidding requirements, particularly service contracts. For

these contracts, the RFP procedure can be structured to include negotiations following receipt of the proposals, or a separate sealed bid procedure based on new specifications developed after reviewing initial proposals.

c. RFPs shall be solicited from an adequate number of qualified sources.

d. The award shall be made to the responsible bidder(s) whose proposal is most advantageous to the County considering price and other factors.

## **2. Purchasing Procedures**

Service Contract solicitation, negotiation, award and execution are accomplished by the following procedures:

a. The requesting department provides initial specifications and the statement of work. The Finance Office works with the department to refine the specifications and evaluation criteria, and prepares or reviews the final RFP.

b. An advertisement for Proposals is placed at least one (1) week before the time specified as the deadline for proposals (generally, 3-6 weeks is allowed for preparation of proposals).

c. If needed, a pre-proposal conference will be scheduled to review pertinent terms and conditions and answer vendor questions pertaining to the RFP process.

d. Addenda are prepared, if necessary, due to a change in the RFP specifications, or for additional clarification and sent via US Mail, email or fax to all vendors on the bid list.

e. A selected individual or committee evaluates the proposals and discussions may be conducted with responsible Proposers for the purpose of clarification to assure full understanding and conformance to the solicitation requirements.

f. The individual or committee recommends award of a contract.

g. Award shall be made to the responsible Proposer whose proposal is determined to be the most advantageous to the County, taking into consideration price and the evaluation factors set forth in the RFP.

h. The Execution process for contracts (order of obtaining signatures) should be as follows:

- 1) Vendor/Contractor
- 2) County Attorney, if applicable
- 3) Finance Director or Assistant Finance Director
- 4) Department Head, County Manager or Board of Commissioners Chairperson (pursuant to Article 10, Contract Administration)

## **II. INFORMAL BIDS**

Informal Bids are required for any purchase of apparatus, supplies, materials, or equipment that requires an expenditure of more than \$500 but less than \$90,000 and Construction and Repair projects less than \$500,000. North Carolina statutes do not specify any particular method for securing informal bids; therefore, any otherwise legal method is acceptable. There are a number of ways to obtain informal bids:

### **Quotations**

Informal purchases are accomplished by written quotations via fax, email or verbal means.

#### **1. Legal Requirements/Policies**

a. While the law does not specify a minimum number of informal quotes, the general policy of Greene County has been to obtain at least two (2) informal quotes.

b. NCGS § 143-131 does require that contracts in the informal bidding category be awarded to the “lowest responsible bidder, taking into

consideration quality, performance, and the time specified in the bids for performance of the contract.” It is the duty of the person or department entering into the contract to keep a record of all quotes submitted, provided that such records shall **not** be subject to public inspection until the contract has been awarded. If the department obtains the quote, the quotations must be submitted with the requisition.

c. It is the policy of Greene County that expenditures for commodities totaling \$500 or more are issued on a Purchase Order.

## 2. Purchasing Procedure

a. To initiate the purchasing process, the department enters a Requisition through the MUNIS system requesting the purchase of identified commodities.

b. To facilitate the purchase, a using department may provide Purchasing with written quotations from at least two (2) vendors; or, an explanation of a verifiable reason competition is not available.

c. The Finance Officer will approve the ultimate selection or may obtain other competitive bids when it deems necessary.

## III. DECENTRALIZED PURCHASING

The County policy affords departments the opportunity to purchase items without a purchase order **only** when the expenditure is less than \$500. The department may make the purchase after seeking appropriate competitive quotes without the involvement of the Finance Office. All purchases \$500 or more must have a purchase order issued through the Finance Office (centralized purchasing).

## IV. DIRECT PURCHASES

Certain supplies, materials and equipment or services may be secured directly by County departments including the following:

- 1) Advertising
- 2) Dues
- 3) Food Purchases (subject to 10% local requirement)
- 4) Governmental Publications
- 5) License Renewals
- 6) Subscriptions
- 7) Travel & Training

## **V. PURCHASE OR LEASE OF INFORMATION TECHNOLOGY GOODS AND SERVICES**

Any purchase, lease or contract services related to Information Technology must be approved by the Greene County Manager.

## **VI. PIGGYBACKING**

NCGS § 143-129 allows local governments to purchase without a separate bidding procedure from any supplier that has, within the past twelve (12) months, contracted to furnish the item at issue to (1) the federal government or any federal agency, (2) the state of North Carolina or any agency or political subdivision of the state, or (3) any other state or agency or political subdivision of that state.

This exception applies to the purchase of apparatus, supplies, materials, or equipment within the formal bidding requirements (\$90,000 or greater). It cannot be used for construction or repair contracts, or contracts in the informal range.

### **A. Legal Requirements/Bid Law**

The “piggybacking” exception, codified as NCGS§ 143-129(g) states that the following requirement must be met:

- 1.) Price and other terms and condition of the contract must be at least as favorable as the prior contract;

- 2.) The contract must be one that was entered into following a public, formal bid process “substantially similar” to the one set forth in NCGS § 143-129;
- 3.) The County Boards of Commissioners must approve all piggyback purchases at a regularly scheduled meeting;
- 4.) Notice of intent to award the contract without bidding must be publicly advertised no less than ten(10) days prior to the Commissioners meeting at which the contract is scheduled to be awarded; and,
- 5.) Purchases may be made under the Piggyback authority only when the responsible officials determine it to be in the best interest of the County (suggesting that some effort should be made to determine that the price and terms offered by the supplier are as good as or better than those that could be obtained through bidding).

## **B. Procedures**

Before recommending a contract under the piggybacking exception to the Board of Commissioners, the Department and/or Purchasing Agent should ensure the following:

1. Proof of the contract, verifying the existence of the contract and that the contract is not more than twelve (12) months old;
2. Proof that the prior bid was the result of a public, formal bid process. The key aspects should be public advertisement and sealed competitive bids; and,
3. Any modifications to the original contract are not outside the scope of what was originally bid or would substantially increase the price. The vendor can provide more favorable terms or prices than those offered under the original contract.

## **VII. TERM CONTRACTS / PRICE AGREEMENTS**

When a Department has a recurring requirement for specific items over a given time period, but the exact quantities and delivery time cannot be predicted, a

Blanket Purchase Order is established. A term contract/price agreement allows a single competitive procurement to meet these needs rather than repetitive requisitions being used.

## **VIII. CARD PROGRAMS**

### **A. Procurement Cards**

The procurement card program was established to provide a more rapid turnaround of requisitions for low dollar value goods, and to reduce paperwork and handling costs. Those who have been issued procurement cards may initiate transactions in-person, by telephone or via the internet within the established limits of the policy and procedures. The established limit for PCard use is purchases less than \$1,000. (Refer to *Administrative Procurement Card Policies and Procedures*)

### **B. Fleet Fuel Cards**

The fleet fuel card program was established to provide a uniform method of purchasing fuel for County vehicles. The Fleet Program Administrator (County Manager) is responsible for administration of the program. A Fleet Fuel card is issued for each County-owned vehicle. The card is to remain secured inside the vehicle.

A Fleet Fuel Personal Identification Number (PIN or Driver ID) should be issued to each County employee approved to drive County-owned vehicles. Each driver is responsible for using the appropriate PIN to fuel vehicles as necessary. Fleet fuel cards are restricted to purchases of **fuel only**. Drivers may be held personally liable for any other charges incurred on the card (i.e., automated car washes, etc.)

Use of this card described in Section VIII for personal use will subject the user to disciplinary action including dismissal.

### **C. County Credit Card**

The county has one credit card account with a \$25,000 limit for business related travel and other expenditures. The outstanding balance of any credit purchases must be liquidated within 30 days. An employee may check out the county credit card in the finance office by signing their name, the date, and listing a brief business purpose for the use of the card. The following outlines the acceptable uses of such credit cards. Use of the county credit card information is a privilege that the county may withdraw at any time, with or without cause.

- 1) The employee in possession of the county credit card or the card information is solely responsible for all purchases on the card and for ensuring that the card is not used by unauthorized personnel. Card numbers may not be distributed or copied and should not be stored in online accounts. The card may not be transferred to another employee without following the proper sign-out process in the finance office. **IN THE EVENT THE CARD IS MISPLACED OR STOLEN THE EMPLOYEE SHOULD NOTIFY THE FINANCE OFFICE IMMEDIATELY, OR DURING NON-BUSINESS HOURS REPORT IT TO FIRST CITIZENS BANK AT 1-888-323-4732.**
- 2) Any credit card the county issues directly to an employee must be used for business purposes only, and for purposes in conjunction with the employee's job duties. Employees with such credit cards shall not use them for any other non-business purpose. Non-business purchases are considered any purchases that are not for the benefit of the county or involved in transacting business for the county.
- 3) Business-related travel expenses such as airfare, baggage fees, taxi fees and lodging while on county approved business travel may be purchased on the county credit card as long as these purchases are consistent with the county's travel and expense reimbursement policy. Food and beverages are NOT to be charged on the county credit card as the county reimburses these expenses on a per diem basis. Gasoline for use in personal vehicles is also NOT to be charged on the county credit card.
- 4) **Before any credit card transaction is made**, it is the employee's

responsibility to ensure that the expense is authorized in the current year budget resolution and that there are sufficient moneys remaining in the departmental budget to cover the expense.

- 5) For proper management of the credit card limit the employee should notify finance prior to making any purchases on the county credit card over the amount of \$1,000.
- 6) Purchases on the county credit card are not exempt from the county purchasing policies and must have a corresponding purchase order as required.
- 7) The Finance Officer and/or the Department Head may approve purchases made on the credit card.
- 8) Purchases made by credit card should only be to vendors who will not accept other forms of payment. To the greatest extent possible membership dues, tuitions, and registrations should be paid in advance by check through accounts payable.
- 9) If any employee uses a county credit card for a **personal** purchase in violation of this policy, the cost of such purchase will be considered an advance of future wages payable to that employee, and will be deducted in full the employee's next paycheck and future paychecks in accordance with state and federal laws. In addition to financial responsibility any purchases made in violation of this policy may result in disciplinary action up to and including termination of employment. The county does not pay for purchases of alcohol beverages or tips in excess of 18% (these items will be considered **personal** and will be reimbursable by the employee who signed for such purchases). Repeated use of the county credit card to purchase personal items may result in revocation of future credit card privileges. If an employee uses the County credit card accidentally, the employee should self-report the error as soon as it is recognized to the Finance Officer. The County will deduct that amount from during the next paycheck.

- 10) If any employee uses the county credit card for a ***business-related*** purchase that is *not within the scope of the employee's duties* or authorization to make, the cost of such purchases will be the financial responsibility of the employee unless approval is obtained from the County Manager in writing to approve the purchase. The cost of any unapproved purchases will be considered an advance of future wages payable to that employee, and will be deducted in full the employee's next paycheck and future paychecks in accordance with state and federal laws. In addition to financial responsibility any purchases made in violation of this policy may result in disciplinary action up to and including termination of employment.
- 11) Fuel purchases should be made on county issued fuel cards for use in county vehicles only. Any personal items, including fuel dispensed into personal vehicles, charged to the fuel card will be treated as a personal purchase as defined in letter (i.) above.
- 12) **Original** receipts for credit card purchases must be turned in to finance within three (3) business days of the purchase or return from a business trip. The employee in possession of the credit card information is responsible for obtaining the receipt from the vendor if lost, misplaced or not received. Failure to provide copies of credit card receipts may result in revocation of future credit card privileges. The following documentation must be provided for items charged to the county credit card:

### **Meal Expenses**

- Detailed receipt; credit card transmission summary is not sufficient
- Names of people in attendance (if a large group can state "advisory board", etc.)
- County business purpose for the meal

### **Hotel Expenses**

- Booking/confirmation receipt

- Detailed receipt upon checkout
- Description of conference/meeting attended that required overnight stay

**Registration Expenses**

- Description of conference/meeting attending

**Online supply/general expenses**

- Detailed order showing items purchased and total charged; order summary is not sufficient
- County business purpose for purchase-brief description of use of items that are not general-purpose supplies (i.e. promotional items, purchased for grant, meeting supply-purpose of meeting, location purchasing furniture item for, sample of brochure/printed material, etc.)

**Local retail purchases**

- Detailed receipt showing items purchased and total charged; credit card transmission summary is not sufficient
- County business purpose for purchase-brief description of use of items that are not general-purpose supplies (i.e. promotional items, purchased for grant, meeting supply (purpose of meeting), location purchasing furniture item for, etc.)

**Shipping expenses (*non-metered*)**

- Brief description of what was shipped and to whom

**IX. PROFESSIONAL SERVICES**

**Architect, Engineer or Surveyor**

Major architectural, engineering and surveying service contracts are managed by the County Manager with review by the Finance Office. The Board of Commissioners will pre-approve the project and will ultimately select the firm or individual to provide these services. Selection of a firm to provide these services is based on the qualifications of the firm and individuals to perform the desired

services in accordance with NCGS § 143-64.31-34 which states that local governments are required:

1. To announce all requirements for architectural, engineering, and surveying services;
2. To select firms qualified to provide such services on the basis of demonstrated competence and qualification for the type of professional services required, without price information; and,
3. To negotiate a contract for these services at a fair and reasonable fee with the best qualified firm.

## **X. SOLE SOURCE**

Sole Source purchases are exempt from formal bidding for purchase contracts “when performance or price competition for a product is not available; when a needed product is available from only one source of supply; or when standardization or compatibility is the overriding consideration.”

### **A. Legal Requirements/Internal Policies**

The following requirements must be met:

1. Contracts in excess of \$90,000 made under the sole source exemption must be approved by the Board of Commissioners (authority cannot be delegated); and,
2. The Board of Commissioners must keep a record of purchases made under this exception (and the School of Government (SOG) recommends that such record include a written justification for use of the exception).

### **B. Procedure**

Upon determination that there is only one source practicably available to meet the County’s needs and the sole source purchase has been approved by the appropriate authorities, a contract may be negotiated and awarded to that source without competitive bidding.

## **XI. SPECIAL EXCEPTIONS**

There are several statutory exemptions from the competitive bidding requirements. The following apply to Greene County procurement activity:

### **A. State Contract Participation**

Local Governments can purchase from state contract vendors under the exception contained in NCGS § 143-129(g) or by participating in state contracts under the rules established by the North Carolina Department of Administration through the Division of Purchase and Contract.

State contracts may be utilized when determined to be the most favorable method of procurement for any given item based on price and terms.

The North Carolina State contract database can be accessed from the NC Department of Administration website: [www.doa.state.nc.us/pandc](http://www.doa.state.nc.us/pandc)

### **B. Cooperative Purchasing**

Purchases made through a competitive bidding group purchasing program, which is a formally organized program that offers competitively bid purchasing services at discount prices to two or more public agencies, are exempt from the North Carolina competitive bid laws.

### **C. Emergencies**

The formal bidding statute provides that bidding is not required “in cases of special emergency involving the health and safety of the people or their property.” The essential elements for an emergency to be exempt under the statute are:

1. The emergency must be present, immediate and existing;
2. Harm cannot be averted through temporary measures; and,
3. The emergency cannot be self-created (due to a failure to take precautions).

### **D. Purchases from other governmental units**

The competitive bidding statutes do not apply when the contract for the purchase of apparatus, supplies, materials or equipment is from any federal agency, or any other governmental unit within the United States (i.e. municipalities, counties, schools, housing authorities).

#### **E. Contracts established by the State or any agency of the State**

The North Carolina Statutes allow purchases from contracts established by the State or any agency of the State, if the contractor is willing to extend the same or more favorable prices, terms and conditions as established in the original contract. No governing board approval is needed to enter into a contract under this provision.

#### **F. Purchase of Used Equipment**

The purchase of used equipment is exempt from the bidding statutes. The County may purchase used equipment at a private auction or may purchase by any means it deems appropriate. This exception does not include remanufactured or refurbished items, re-fabricated materials or demonstration equipment.

**Article 6**  
**GENERAL PURCHASING PROVISIONS**

**I. BOND REQUIREMENTS**

Bonds or other security instruments may (at the option of Purchasing) be requested for supply or service contracts required by the North Carolina State Purchasing Statutes to protect the County's interest. Any such bonding requirements shall be set forth in the solicitation. Bid or performance bonds shall not be used as a substitute for a determination of a bidder's responsibility.

**II. WHEN BONDS ARE REQUIRED**

The formal bid statute requires the County to obtain a bid bond, performance bond and a payment bond for construction or repair projects in the amount of \$500,000 or more. For each separate contract exceeding \$50,000 (i.e. plumbing, electrical, general, HVAC) a performance and payment bond is required. Bonds cannot be waived.

**III. ERRORS IN BIDS AND BID WITHDRAWAL**

Withdrawal of inadvertently erroneous bids and return of bid deposit may be permitted where appropriate, for construction or repair projects; or for the purchase of apparatus, supplies, materials or equipment within seventy-two (72) hours after bid opening. Request for withdrawal must be made in writing directed to the County Manager.

**IV. LOWEST RESPONSIVE, RESPONSIBLE BIDDER**

Award of contracts is made to the lowest responsive, responsible bidder taking into consideration quality, performance and the time specified for the performance of the contract.

1. "Responsible" refers to the bidder and "responsive" refers to the bid.
2. A bid is "responsive" if it substantially conforms to the specifications. If it has a "material variance" then it does not substantially conform. A material variance

is one that, if allowed, would give one bidder an unfair competitive advantage over others.

3. The bidder is “responsible” if they have the skill, judgment and integrity necessary to the faithful performance of the contract, as well as sufficient financial resources and ability.

4. A determination that the lowest bidder is not responsible applies only to a particular bid. Broad findings are not permissible.

5. All information should be verified and accurate records kept including the sources of pertinent information.

## **V. MINORITY AND WOMEN OWNED BUSINESS ENTERPRISE (MWBE)**

The County is committed to promoting equal opportunities for all and to eliminate prohibited discrimination in all forms. For purposes of this section, prohibited discrimination means “discrimination against any person, business or other entity in contracting or purchasing practices on the basis of race, color, sex or national origin”.

All County departments are encouraged to seek out MWBE firms for participation in procurement of goods and services.

## **VI. NEGOTIATING WITH BIDDERS**

The formal bidding statute allows negotiation with bidders only in one situation: when all bids exceed the “funds available for the project”. In this case, the County may elect to negotiate with the lowest responsible bidder and make reasonable changes in the plans and specifications as necessary to bring the contract price within the amount of funds available.

“Reasonable changes” means minor changes that are unlikely to make a difference in the positions of the bidders, so as to make re-advertisement with revised specifications unnecessary.

If significant changes including major increase or decrease in quantity of material, or in the overall design, approach, or method are made compared to the original specifications, the project should be re-advertised.

## **VII. “PREDOMINANT ASPECT” RULE**

Some contracts involve both a service and the purchase of tangible property. In these cases, the “predominant aspect” rule is applied in determining the best approach for obtaining the service and goods.

If the service component of the contract is the predominant aspect of the contract (in terms of relative costs or importance to the contracting unit) the contract is characterized as a service and a Request for Proposals (RFP) should be used.

If the purchase of supplies or equipment is the predominant aspect of the contract, an Invitation to Bid (ITB) should be used.

## **VIII. PUBLIC RECORD**

Formal bids received in response to an ITB are subject to public inspection once they are opened and must be made available for inspection, subject to reasonable limitations necessary to maintain their integrity and to properly conduct the bidding procedure. Custody of the bids must be maintained to avoid any possibility that bids might be altered or that portions might be misplaced or removed.

There is only one exception to the rule that formal bids are public record once they are opened. State statutes provides an exception for information contained in a bid that meets the definition of a trade secret under state law, and such must be designated at the time the bid is submitted.

Informal bids are not subject to public inspection until **after** the contract is awarded. Information shall not be disclosed verbally or otherwise, in order to maintain confidentiality, until after the award.

## **IX. REJECTING BIDS**

NCGS § 143-129 reserves the right to the County Board of Commissioners to reject any and all formal bids. This authority for Greene County has been delegated to the County Manager.

**A. State and Local Legal Provisions for Rejecting Bids include:**

1. Bids may not be rejected for the purpose of evading the provisions of the competitive bid statutes; and,
2. Bids are not rejected under circumstances that give the appearance of favoritism, corruption or unfairness.

**B. Process**

To properly reject all bids under the competitive bidding laws, the individual circumstances of that bid process needs to be examined carefully. An internal decision making process to determine the factors and to ensure bids are rejected fairly should always be conducted by the Finance Office. If uncertainties remain about a particular situation, the County Attorney should be consulted.

A memorandum requesting the rejection of all bids should be addressed to the Finance Officer who will, in turn, submit the request to the County Manager. The memo should state the Bid/Proposal Name, the reason for the request, and any supporting documentation should be attached.

**X. SPECIFICATIONS**

Specifications form the basis of the competitive bidding process and of the resulting contract. All specifications shall be drafted so as to promote overall economy for the purposes intended and to encourage competition in satisfying the County's needs. Specifications shall not be unduly restrictive.

Brand Name "or Equal" specifications may be used when it is determined that:

1. No other design or performance specification or qualified products list is available; or,
2. Time does not permit the preparation of another form of purchase description not including a brand name specification; or,

3. The nature of the product or the County's requirement makes use of a brand name "or equal" specification suitable for the procurement; or,
4. The use of a brand name "or equal" specification is in the County's best interest.

## **XI. VENDOR APPLICATIONS**

Sourcing of vendors is accomplished through means such as references, internet, referrals, recommendations and direct requests.

All vendors are required to complete a **W-9 form** in order to become a vendor of the County.

Completed **W-9 forms** do not officially register, certify, approve or guarantee opportunity for business with the County. Vendors are responsible for checking advertisements and the web site for bid opportunities.

## **XII. VENDOR RELATIONS**

Interaction between vendors (and prospective vendors) and representatives of the County is essential for a professional and effective purchasing program. Good vendor relations are valuable business assets, established through mutual confidence. The purchasing Department expects vendors, by timely offerings and advice, to supply adequate information concerning materials, equipment, facilities, methods or ideas which we need to make proper, efficient purchasing decisions.

## **XIII. LOCAL BUYING**

According to NCGS § 143-129(b) the County has no authority to establish preferences of any kind and is bound by law to award to the "lowest responsible bidder, taking into consideration quality, performance and time specified in the proposals for the performance of the contract." However, it is the desire of the County to contract with vendors and contractors located within Greene County whenever possible. The Finance Office shall update a list of new local vendors and contractors; and, encourage departments to obtain quotes from local vendors when appropriate.

#### **XIV. DEBARMENT AND SUSPENSION OF FUNDING**

In order to ensure effective and efficient administration and maintain the integrity of Greene County's purchasing practices, it is the policy of the County to conduct business legally and only with responsible vendors. Toward this end, Greene County shall have the discretion to exclude from participation in its procurement transaction and activities any vendor who appears on any suspended, excluded or debarment list issued by any agency of any Federal, State or local government.

**Article 7**  
**PURCHASING SYSTEMS**

**I. MUNIS**

The automated financial system, MUNIS, is used for processing all Greene County Purchase Requisitions and Purchase Orders. Contact the Finance Department to enter a purchase order. Training is available upon request.

**II. PROCUREMENT PROGRAMS**

The Finance Office is actively researching electronic commerce initiatives to enhance the way procurement activities are conducted.

**A. Greene County Website**

[www.greencountync.gov](http://www.greencountync.gov)

Greene County's website provides information on how to do business with the County, Department listings, and news of County interest.

**B. Online Catalogs/Ordering**

The County is currently using internet online catalogs and ordering capabilities for office supplies (designated Contract vendor) and other operational supplies as needed. Each Department Head authorizes designated employees as users to access and place orders through the internet contract catalog.

The Finance Office continues to expand its program of ordering goods through selected vendors' internet catalog and ordering capabilities.

## **Article 8 CONSTRUCTION CONTRACTING**

All construction or repair projects that involve expenditures of \$30,000 or more must comply with the prescribed formal or informal competitive bidding procedures of North Carolina General Statutes. The procedure depends on the amount of the contract as outlined below.

*Note: Building Construction contracts are typically handled by the County Manager*

### **I. FORMAL BIDS (\$500,000 or more)**

For all building projects that cost more than \$500,000, separate specifications must be drawn for each of the following four (4) branches of work:

1. Heating, ventilating, air conditioning and accessories and/or refrigeration for cold storage
2. Plumbing and gas fittings and accessories
3. Electrical wiring and installation
4. General work relating to the erection, construction, alteration or repair of the building(s) that is not included in the first three (3) branches of work

The statutes list five (5) competitive bidding methods from which to choose for construction of building projects estimated to cost more than \$500,000:

#### **1. Separate Prime Bidding**

Separate bids must be received for each of the categories of work (listed above) for which specifications are prepared. Each contractor is directly liable to the County and to the other contractors for fully performing its contractual duties and obligations in accordance with the plans and specifications. A separate contract is awarded for each of the listed branches of work.

#### **2. Single-Prime Bidding**

In single-prime contracting, the contractors bid on performing all the work required by the project for a specified price. The selected contractor hires and supervises the subcontractors used for various parts of the work. Bidders

under the single-prime approach must identify in their bids the subcontractors they intend to use for the four (4) branches of work. One contract is awarded to the prime contractor.

### 3. Dual Bidding

Single-prime and Separate-prime bids can both be accepted for a construction project. If this method of solicitation is used the contract can be awarded to either the lowest responsible single-prime or the lowest responsible separate-prime bidders. The dual bid process requires a staggered bid opening process under which bids from separate-prime contractors are received but not opened one (1) hour before the single-prime bids are received, at which time both sets of bids are opened.

### 4. Construction Management at Risk

Under the construction management (CM) at risk system, the CM (1) provides construction management services for a project throughout the pre-construction and construction phases, (2) is a licensed general contractor, and (3) guarantees the cost of the project. Services may include preparation and coordination of bid packages, scheduling, cost control, value engineering, bid evaluation and construction administration. A key aspect of the CM at risk system generally is that the CM selects and contracts directly with the subcontractors. The County awards one (1) direct contract with the CM. Construction Management at Risk services must be procured using the qualification-based (Request for Qualifications) selection procedures required for architects, engineers and surveyors.

### 5. Alternate Contracting Methods

The State Building Commission may authorize methods of contracting not generally authorized under the Statutes. Applications for project specific approval requires majority vote of commission members present and voting. Justification that the alternative contracting method is necessary must be demonstrated to the commission.

## **Legal Requirements**

Contracts for the erection, construction, alteration or repair of a building or buildings must be entered into in accordance with the following procedures:

### 1. Public Advertisement

An advertisement inviting proposals must be placed at least seven (7) full days before the time specified for the opening of proposals on the Greene County website. Advertisements must contain:

- The time and place specifications will be available;
- The time and place bids will be opened; and,
- A statement reserving the right to reject any or all bids.

2. Bids must be submitted in a sealed opaque envelope or package to ensure prices and terms will not be disclosed.

3. Three (3) bids must be received in order to award a contract. If less than three (3) bids are received, the project must be advertised again. The original bids received are not opened and returned to the bidders (unless bidder authorizes the agent to hold sealed bid for new opening date/time). If separate-prime bids are received, a complete set (one of each branch) counts as one (1) bid.

4. Bids must be accompanied by a five percent (5%) bid deposit or bid bond.

5. Bids must be opened in public at the time and place specified in the advertisement.

6. The governing board must award the contract.

7. If awarded, a written contract must be executed.

8. The contractor must provide performance and payment bonds for 100 percent (100%) of the contract amount before any work begins (for each contract exceeding \$50,000).

9. Minority Business Participation Requirements – The law requires the County and the contractors to make a good faith effort to use minority businesses in construction or repair projects. The statutes list ten (10) activities from which bidders may choose in carrying out their obligations and each activity is assigned points.

All bidders must identify on their bids the minority businesses that they will use on the project and the total dollar value of the bid that will be performed by minority businesses. They must also include an affidavit listing the good faith efforts they have made.

After bids are received, the apparent lowest bidder must provide additional information within a time period specified in the bid document. This bidder must provide either:

- a. An affidavit describing the portion of the work to be executed by minority businesses, expressed as a percentage of the total contract amount; or,
- b. Documentation of good faith efforts to meet the goal, including any advertisements, solicitations, and evidence of other specific actions demonstrating recruitment and selection of minority businesses for participation in the contract.

10. Administration, Enforcement, Reporting – The County is required to submit reports on each building project to the Department of Administration. The reports must include:

- a. The verifiable percentage goal (Greene County has established a verifiable percentage goal of 15%)
- b. The minority business utilization achieved, the good faith efforts guidelines or rules used, and the documentation accepted by the County from the successful bidder; and,
- c. The utilization of minority businesses under the various construction methods authorized under NCGS §143-128.

The subject reports must be prepared in the specific format determined by the Department of Administration and submitted upon completion of each project.

## **II. INFORMAL BIDS (\$30,000 - \$499,999.99)**

An informal bidding procedure may be used for construction or repair contracts involving the expenditures of \$30,000 or more, but less than \$500,000.

## **Legal Requirements**

The Statutes do not specify procedures for advertising and receiving informal bids or require a specific number of bids before a contract can be awarded. The County may choose to use a formal or informal process to solicit bids for construction projects less than \$500,000.

1. Performance and payment bonds are required for each contract that exceeds \$50,000.
2. Contracts must be awarded to the “lowest responsible bidder, taking into consideration quality, performance and the time specified for the performance of the contract.”
3. Minority participation must be solicited for any subcontracting and efforts must be documented. Upon completion of the project, a report must be submitted to the Department of Administration, Office of Historically Underutilized Business. The report must include the type of the project, total dollar amount of the project, dollar value of minority business participation on each project, and documentation of efforts to recruit minority participation.

### **III. Selection of Architect, Engineer or Surveyor**

Pursuant to NCGS §133-1.1(a), plans and specifications for public projects must be prepared by a registered architect or engineer when (1) new construction or repairs involving major structural or foundation changes with expenditures totaling \$135,000 or more, (2) repairs not involving structural or foundation changes with expenditures totaling \$300,000 or more, and (3) work affecting life safety systems when the expenditure is \$100,000 or more.

#### **Legal Requirements**

Selection of a project designer; use of a registered architect or engineer is governed by North Carolina General Statutes which states the following requirements:

1. All requirements for architectural, engineering and surveying services must be announced and obtained through a Request for Qualifications (RFQ) process.

2. Selection of qualified firms to provide services must be on the basis of demonstrated competence and qualifications for the type of professional services required, without regard to the firm's fee, other than unit price information.
3. Contracts can be negotiated at a fair and reasonable fee with the best-qualified firm.

Exemption of the RFQ process is only authorized when the estimated fee is less than \$30,000. In compliance with NC General Statute, the Board of Commissioners must adopt a Resolution for **each** exempted project.

The County Manager, or his designee, may award Architect, Engineer or Surveyor contracts unless projects involve new buildings of substantial size and cost. If the construction is related to a new building of substantial size and cost, the Board of Commissioners will award the professional services contract.

## **Article 9**

### **SURPLUS PROPERTY**

The Finance Office is responsible for administering the sale and disposal of surplus equipment, materials and supplies. Each department shall report all surplus or obsolete equipment, materials and supplies to the Finance Office using the Surplus Property Form.

Disposition may be accomplished by any of the following means:

- 1) Transferring to other departments;
- 2) Trade-in on new equipment (as established in NCGS § 143-129.7);
- 3) Sale by public auction (electronically via GovDeals.com, or IAAI.com for vehicles and auto parts);
- 4) Private negotiation and sale;
- 5) Advertising for sealed bids
- 6) Negotiated offer and upset bid

When surplus, obsolete or worn out materials or equipment is sold, it will be done through arrangements by the Finance Office in conformance with North Carolina State statutes and competitive conditions, including when necessary, newspaper advertising, electronic advertising, and sealed bids. Other departments will have the opportunity to acquire surplus items before disposal, if appropriate.

The Finance Department must be notified of all dispositions of equipment that are on the fixed asset inventory list.

**Article 10**  
**CONTRACT ADMINISTRATION**

Contract Administration is intended for internal use of Greene County only and is not intended to infer benefits to nor is it to be relied upon by parties contracting with the County. Such parties are encouraged to seek advice from their own legal counsel. The purpose is to establish the criteria for documenting all County obligations, liabilities and rights with regard to other parties and to create and maintain an efficient and uniform process in the administration of these responsibilities. It is intended to ensure that such matters are handled in a manner that is consistent with excellence in the stewardship of County funds. Adherence to this policy will also ensure that County purchasing and other applicable policies are upheld and will help ensure that the County obtains the most proficient and cost efficient product and/or service providers. In order to reduce paper flow and administrative costs contracts will be consolidated when appropriate.

**I. WRITTEN AGREEMENT REQUIRED**

Except for emergency situations, as designated by the County Manager, any consideration of any kind given by or to the County must be subject to a written agreement that reasonably sets forth the responsibilities and rights of the parties to the agreement. "Consideration" includes but is not limited to: services, money, personal or real property and time donations – defined as "anything of value given by one or both parties to the other".

**II. REVIEW AND APPROVAL**

All County contracts should be reviewed or prepared by the County Attorney. This requirement may only be waived by the County Attorney or County Manager.

### **III. MANDATORY CONTRACT TERMS**

#### **A. Pre-Audit Certificate**

Whether or not a contract requires expenditure of County funds, it must contain a pre-audit certification signed by the County Finance Director or Assistant Finance Director. This statement shall read: *“This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.”*

#### **B. Non-appropriation Clause**

Non-appropriation clauses must be included in any County contract requiring expenditure of County funds and entered into for terms longer than the then current fiscal year.

#### **C. Insurance**

Unless waived in writing by the County Manager or Safety and Risk Director in consultation with the County Attorney, all County contracts must include insurance provisions and certificates with minimum limits as referenced as recommended by the County Attorney.

The County shall be named as an additional insured and it is required that coverage be placed with an “A” rated insurance company acceptable to the County. The contract should provide that the County must be added as an additional insured as evidenced by an endorsement attached to the insurance certificate. The contract must also provide that failure to include the required insurance certificates may be cause for contract rejection or termination.

Any insurance-related issues or exceptions must be presented to and approved by the Safety and Risk Director.

**D. Reimbursable Expenses**

Normal Reimbursable Expenses such as reproductions, travel, long distance telephone and fax transmission may be considered in addition to the contract expense. The agreement must include a “not to exceed” amount; and, will become part of the total contract cost.

**E. Professional Services**

The following clause must appear in all Professional Services agreements and contracts – including Architects, Engineers or Surveyors:

“Except with the Owner’s knowledge and consent, the Architect, Engineer or Surveyor shall not engage in any activity or accept any employment, interest or contribution that would reasonably appear to compromise the Architect, Engineer or Surveyor’s professional judgment with respect to this Project. The Architect, Engineer or Surveyor shall disclose any business or personal relationship with any member of the Board of County Commissioners or their employees or agents.”

**F. Signature Authority**

All contracts must be signed by the correct party as indicated below, unless otherwise specifically authorized in writing by the Board of Commissioners (BOC) or County Manager. The Board of Commissioners and the County Manager may periodically assign contract signing authority. The Contract Administrator and County Attorney will be notified in writing of any such assignment of authority.

**Contracts that require expenditure of County funds/receipt of funds by County:**

Permitted Signatory Party	Aggregate Monetary Commitment Levels (over the entire term of the contract)
Department Head	up to \$15,000
County Manager	up to \$89,999.99
Chairperson of BOC	above \$89,999.99

## **Contracts that do not require expenditure of County funds or receipt of funds:**

If the contract does not involve an expenditure of County funds or receipt of funds, the County may still be at financial risk and/or have potential liability. Therefore, unless a signature authority has been delegated in writing to a Department Head by the BOC or the County Manager, the contract must be signed by the County Manager or Chairperson of the BOC.

## **G. Subsequent Contract Addendums/Modifications**

If a fully executed contract subsequently needs an addendum and/or modification, the Department should complete a new Contract Control Sheet with all the current information. The original Contract Control Number must be included on the new Contract Control Sheet in order to identify which contract is being amended. Significant changes in contract terms and conditions may be cause for additional County Attorney review.

## **H. Memorandums of Understanding/Agreement (MOU/MOA) Related to Grant Applications**

A MOU/MOA is a legal document outlining the terms and details of an agreement between parties, including each parties' requirements and responsibilities. The MOU/MOA is often the first stage in the formation of a formal contract. It is given weight in a court of law should one party fail to meet the obligations of the memorandum. A Resolution must be processed to request authority from the Board of Commissioners for a Department Head to sign on behalf of Greene County for this type of agreement. The request would be considered for adoption at a regularly scheduled meeting.

## **I. Premature Termination of Contracts**

If a contract needs to be terminated prematurely, the Department should promptly notify the Contract Administrator and forward detailed documentation stating the reasons for the termination request. A copy of the Contract Control Sheet should be attached. Absolutely no contract is to be terminated prematurely without written authorization from the Contract Administrator and/or the County Attorney. Wrongful termination of a contract can have serious adverse consequences to the

County. Properly terminated contracts will be removed from the contract files and any remaining encumbrances (if applicable) will be canceled.

#### **IV. PROCESS**

The Department Manager, or its designee, is responsible for notifying the Contract Administrator (appointed by the County Manager) of the need for a contract. On certain occasions, the County Attorney may approve the use of a generic form contract that may be used by the department as a proposed initial draft. There will also be occasions where the County Attorney must draft initial contracts.

The Contract Administrator will determine if the nature of the contract requires certain bid procedures to be followed and will be responsible for implementing such procedures. The Contract Administrator shall then send the proposed contract to the County Attorney for review. In some instances, a Department Manager, or other personnel, may have consulted with the County Attorney in order to prepare the contract documents. In this case, the Department Manager, or other personnel, should notify the Contract Administrator in order to alleviate duplication of efforts.

County Attorney will be responsible for reviewing the contract on a timely basis for legal sufficiency, based upon the assumption that all business terms stated (ie, pricing, payment terms, products/services specified) are acceptable from a business perspective. The County Attorney shall make any necessary legal adjustments or revise the contract, if necessary, and forward the contract to the Contract Administrator for implementation.

The Contract Administrator is responsible for:

1. Obtaining all necessary signatures.
2. Forwarding a copy of the executed contract to the applicable Department(s). This process could take up to two (2) weeks to complete. Departments should plan ahead so that ample time is allowed for completion of the process.
3. Assigning a Contract Control Number
4. Encumbering funds with the appropriate method in financial software system, MUNIS.

6. Maintaining all original County contracts in a file located in Finance Department.

A copy of the Contract Control Sheet will accompany the contract copy returned to the department. The Contract Control Sheet will note the Contract Control Number assigned and a purchase order number for funds that are encumbered (if applicable).

**Article 11**  
**EXCEPTIONS**

Unless prohibited by law, the Greene County Board of Commissioners may by Majority vote, not apply this manual to a specific situation.

## Article 12

### EMERGENCY PURCHASES

In cases of emergencies, the Department Head or his/her designee upon verbal approval of the County Manager and/or Finance Officer may purchase directly from any vendor, supplies or services whose immediate procurement is an emergency. An emergency is defined as a purchase that is essential to prevent delays in work that may affect the life, health, or safety of the County's employees or citizens. Not anticipating needs does not constitute an emergency situation.

The department shall exercise good judgment and use established vendors when making emergency purchases. First, determine if a true emergency as defined above does exist. Second, anticipate needs and avoid emergency situations whenever possible.

Emergency purchases, although sometimes necessary, are costly both in time and money and may cause budget overages and violations of the processes required under the Local Budget Fiscal and Control Act. The use of emergency procedures should be **limited** and will be monitored for abuse.

The following process should be used for emergency purchases:

- **During working hours** - Forward the requisition for processing to the Finance Officer with all information needed to generate purchase order such as vendor name, item(s) to be purchased with quantities, line item to which the item(s) will be charged and the reason for the emergency purchase. After verifying available funds, a purchase order will be sent at once to the vendor. If the purchase order exceeds the account balance, a Line Item Transfer Request will need to be completed as soon as possible.
- **After working hours** - The Department Head should verify that they have adequate funds available. The Finance Officer should be notified the next working day by 9:00 am and a purchase order obtained if needed.

Call-in requests for the express processing of purchase orders will be used for emergencies that require immediate purchase to mitigate further costs or damage to county property or public safety. A purchase order will be generated immediately and approved by the Finance Officer.

The County Manager will be notified of all emergency purchase orders generated and approved by the Finance Officer.

## **Article 13**

### **YEAR END PURCHASING CUTOFF**

Purchase requests for materials, supplies, services and equipment (not included in blanket purchase orders or service contracts) for the ending current fiscal year must be requested no later than June 1st. Purchase requests of a routine nature that could have been scheduled prior to June 1st, and are not critical, will be returned to the department for purchase in the new fiscal year. All other requisitions must be signed by the County Manager after June 1st. This procedure affords the finance department the opportunity to complete fiscal year end activities in a timely and proper manner.

## Article 14

### UNIFORM GUIDANCE

#### I. Purpose

The purpose of this policy is to establish guidelines that meet or exceed the procurement requirements for purchases of goods (apparatus, supplies, materials, and equipment), services, and construction or repair projects when federal funds are being used in whole or in part to pay for the cost of the contract. To the extent that other sections of procurement policies and procedures adopted by Greene County are more restrictive than those contained in this policy, local policies and procedures shall be followed.

#### II. Policy

- A. **Application of Policy.** This policy applies to contracts for purchases, services, and construction or repair work funded with federal financial assistance (direct or reimbursed). The requirements of this Policy also apply to any subrecipient of the funds.

All federally funded projects, loans, grants, and sub-grants, whether funded in part or wholly, are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards (Uniform Guidance) codified at 2 C.F.R. Part 200 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds.

- B. **Compliance with Federal Law.** All procurement activities involving the expenditure of federal funds must be conducted in compliance with the Procurement Standards codified in 2 C.F.R. § 200.317 through § 200-326 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds. Greene County will follow all applicable local, state, and federal procurement requirements when expending federal funds. Should Greene County have more stringent requirements, the most restrictive requirement shall apply so long as it is consistent with state and federal law.

- C. **Contract Award.** All contracts shall be awarded only to the lowest responsive responsible bidder possessing the ability to perform successfully under the terms and conditions of the contract.
  
- D. **No Evasion.** No contract may be divided to bring the cost under bid thresholds or to evade any requirements under this Policy or state and federal law.
  
- E. **Contract Requirements.** All contracts paid for in whole or in part with federal funds shall be in writing. The written contract must include or incorporate by reference the provisions required under 2 C.F.R § 200.326 and as provided for under 2 C.F.R. Part 200, Appendix II.
  
- F. **Contractors' Conflict of Interest.** Designers, suppliers, and contractors that assist in the development or drafting of specifications, requirements, statements of work, invitation for bids or requests for proposals shall be excluded from competing for such requirements.
  
- G. **Approval and Modification.** The administrative procedures contained in this Policy are administrative and may be changed as necessary at the staff level to comply with state and federal law.

### III. **General Procurement Standards and Procedures:**

Either the Purchasing Department or the Requesting Department shall procure all contracts in accordance with the requirements of this Section of the Policy.

- A. **Necessity.** Purchases must be necessary to perform the scope of work and must avoid acquisition of unnecessary or duplicative items. The Purchasing Department and/or the Requesting Department should check with the federal surplus property agency prior to buying new items when feasible and less expensive. Strategic sourcing should be considered with other

departments and/or agencies who have similar needs to consolidate procurements and services to obtain better pricing.

- B. Clear Specifications.** All solicitations must incorporate a clear and accurate description of the technical requirements for the materials, products, or services to be procured, and shall include all other requirements which bidders must fulfill and all other factors to be used in evaluating bids or proposals. Technical requirements must not contain features that restrict competition.
- C. Notice of Federal Funding.** All bid solicitations must acknowledge the use of federal funding for the contract. In addition, all prospective bidders or offerors must acknowledge that funding is contingent upon compliance with all terms and conditions of the funding award.
- D. Compliance by Contractors.** All solicitations shall inform prospective contractors that they must comply with all applicable federal laws, regulations, executive orders, and terms and conditions of the funding award.
- E. Fixed Price.** Solicitations must state that bidders shall submit bids on a fixed price basis and that the contract shall be awarded on this basis unless otherwise provided for in this Policy. Cost plus percentage of cost contracts are prohibited. Time and materials contracts are prohibited in most circumstances. Time and materials contracts will not be used unless no other form of contract is suitable and the contract includes a “Not to Exceed” amount. A time and materials contract shall not be awarded without express written permission of the federal agency or state pass-through agency that awarded the funds.
- F. Use of Brand Names.** When possible, performance or functional specifications are preferred to allow for more competition leaving the determination of how to reach the required result to the contractor. Brand names may be used only when it is impractical or uneconomical to write a clear and accurate description of the requirement(s). When a brand name is

listed, it is used as reference only and “or equal” must be included in the description.

- G. Lease versus Purchase.** Under certain circumstances, it may be necessary to perform an analysis of lease versus purchase alternatives to determine the most economical approach.
  
- H. Dividing Contract for M/WBE Participation.** If economically feasible, procurements may be divided into smaller components to allow maximum participation of small and minority businesses and women business enterprises. The procurement cannot be divided to bring the cost under bid thresholds or to evade any requirements under this Policy.
  
- I. Documentation.** Documentation must be maintained by the Purchasing Department and/or the Requesting Department detailing the history of all procurements. The documentation should include the procurement method used, contract type, basis for contractor selection, price, sources solicited, public notices, cost analysis, bid documents, addenda, amendments, contractor’s responsiveness, notice of award, copies of notices to unsuccessful bidders or offerors, record of protests or disputes, bond documents, notice to proceed, purchase order, and contract. All documentation relating to the award of any contract must be made available to the granting agency upon request.
  
- J. Cost Estimate.** For all procurements costing \$250,000 or more, the Purchasing Department and/or Requesting Department shall develop an estimate of the cost of the procurement prior to soliciting bids. Cost estimates may be developed by reviewing prior contract costs, online review of similar products or services, or other means by which a good faith cost estimate may be obtained. Cost estimates for construction and repair contracts may be developed by the project designer.
  
- K. Contract Requirements.** The Requesting Department must prepare a written contract incorporating the provisions referenced in Section II.C of this Policy.

- L. Debarment.** No contract shall be awarded to a contractor included on the federally debarred bidder's list.
- M. Contractor Oversight.** The Requesting Department receiving the federal funding must maintain oversight of the contract to ensure that contractor is performing in accordance with the contract terms, conditions, and specifications.
- N. Open Competition.** Solicitations shall be prepared in a way to be fair and provide open competition. The procurement process shall not restrict competition by imposing unreasonable requirements on bidders, including but not limited to unnecessary supplier experience, excessive or unnecessary bonding, specifying a brand name without allowing for "or equal" products, or other unnecessary requirements that have the effect of restricting competition.
- O. Geographic Preference.** No contract shall be awarded on the basis of a geographic preference.

#### **IV. Specific Procurement Procedures**

Either the Purchasing Department or the Requesting Department shall solicit bids in accordance with the requirements under this Section of the Policy based on the type and cost of the contract.

- A. Service Contracts** (except for architectural/engineering professional services) and **Purchase Contracts costing less than \$10,000** shall be procured using the Uniform Guidance "micro-purchase" procedure (2 C.F.R. § 200.320(a)) as follows:
  1. The contract may be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable.
  2. To the extent practicable, purchases must be distributed among qualified suppliers.
- B. Service Contracts** (except for architectural/engineering professional services) and **Purchase Contracts costing \$10,000 up to \$90,000** shall be

procured using the Uniform Guidance “small purchase” procedure (2 C.F.R. § 200.320(b)) as follows:

1. Obtain price or rate quotes from an “adequate number” of qualified sources (a federal grantor agency might issue guidance interpreting “adequate number,” so the Requesting Department should review the terms and conditions of the grant award documents to confirm whether specific guidance has been issued).
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
3. Cost or price analysis is not required prior to soliciting bids.
4. Award the contract on a fixed-price basis (a not-to-exceed basis is permissible for service contracts where obtaining a fixed price is not feasible).
5. Award the contract to the lowest responsive, responsible bidder.

**C. Service Contracts** (except for architectural/engineering professional services) and **Purchase Contracts costing \$90,000 and above** shall be procured using a combination of the most restrictive requirements of the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) and state formal bidding procedures (G.S. 143-129) as follows:

1. Cost or price analysis is required prior to soliciting bids.
2. Complete specifications or purchase description must be made available to all bidders.
3. The bid must be formally advertised in a newspaper of general circulation for at least seven full days between the date of the advertisement and the date of the public bid opening. Electronic-only advertising must be authorized by the governing board. The advertisement must state the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the governing board the right to reject any or all bids only for “sound documented reasons.”
4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
5. Open bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed. A minimum of 2 bids must be received in order to open all bids.

6. Award the contract to the lowest responsive, responsible bidder on a fixed-price basis. Governing board approval is required for purchase contracts unless the governing board has delegated award authority to an individual official or employee. Any and all bids may be rejected only for “sound documented reasons.”

**D. Service Contracts** (except for architectural/engineering professional services) **costing \$250,000 and above** may be procured using the Uniform Guidance “competitive proposal” procedure (2 C.F.R. § 200.320(d)) when the “sealed bid” procedure is not appropriate for the particular type of service being sought. The procedures are as follows:

1. A Request for Proposals (RFP) must be publicly advertised. Formal advertisement in a newspaper is not required so long as the method of advertisement will solicit proposals from an “adequate number” of qualified firms.
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
3. Identify evaluation criteria and relative importance of each criteria (criteria weight) in the RFP.
4. Consider all responses to the publicized RFP to the maximum extent practical.
5. Must have a written method for conducting technical evaluations of proposals and selecting the winning firm.
6. Award the contract to the responsible firm with most advantageous proposal taking into account price and other factors identified in the RFP. Governing board approval is not required.
7. Award the contract on a fixed-price or cost-reimbursement basis.

**E. Construction and repair contracts costing less than \$10,000** shall be procured using the Uniform Guidance “micro-purchase” procedure (2 C.F.R. § 200.320(a)) as follows:

1. The contract may be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable.
2. To the extent practicable, contracts must be distributed among qualified suppliers.

**F. Construction and repair contracts costing \$10,000 up to \$250,000** shall be procured using the Uniform Guidance “small purchase” procedure (2 C.F.R. § 200.320(b)) as follows:

1. Obtain price or rate quotes from an “adequate number” of qualified sources (a federal grantor agency might issue guidance interpreting “adequate number,” so the requesting department should review the terms and conditions of the grant award documents to confirm whether specific guidance has been issued).
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
3. Cost or price analysis is not required prior to soliciting bids, although price estimates may be provided by the project designer.
4. Award the contract on a fixed-price or not-to-exceed basis.
5. Award the contract to the lowest responsive, responsible bidder. Governing board approval is not required.

**G. Construction and repair contracts costing \$250,000 up to \$500,000** shall be procured using the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) as follows:

1. Cost or price analysis is required prior to soliciting bids (this cost estimate may be provided by the project designer).
2. Complete specifications must be made available to all bidders.
3. Publicly advertise the bid solicitation for a period of time sufficient to give bidders notice of opportunity to submit bids (formal advertisement in a newspaper is not required so long as other means of advertising will provide sufficient notice of the opportunity to bid). The advertisement must state the date, time, and location of the public bid opening, and indicate where specifications may be obtained.
4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
5. Open the bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed. A minimum of 2 bids must be received in order to open all bids.
6. A 5% bid bond is required of all bidders. Performance and payment bonds of 100% of the contract price is required of the winning bidder.

7. Award the contract on a firm fixed-price basis.
8. Award the contract to the lowest responsive, responsible bidder. Governing board approval is not required. Any and all bids may be rejected only for “sound documented reasons.”

**H. Construction and repair contracts costing \$500,000 and above** shall be procured using a combination of the most restrictive requirements of the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) and state formal bidding procedures (G.S. 143-129) as follows:

1. Cost or price analysis is required prior to soliciting bids (this cost estimate should be provided by the project designer).
2. Complete specifications must be made available to all bidders.
3. Formally advertise the bid in a newspaper of general circulation for at least seven full days between the date of the advertisement and the date of the public bid opening. Electronic-only advertising must be authorized by the governing board. The advertisement must state the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the governing board the right to reject any or all bids only for “sound documented reasons.”
4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
5. Open the bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed and in paper form. A minimum of 3 bids must be received in order to open all bids.
6. A 5% bid bond is required of all bidders (a bid that does not include a bid bond cannot be counted toward the 3-bid minimum requirement). Performance and payment bonds of 100% of the contract price is required of the winning bidder.
7. Award the contract on a firm fixed-price basis.
8. Award the contract to the lowest responsive, responsible bidder. Governing board approval is required and cannot be delegated. The governing board may reject and all bids only for “sound documented reasons.”

**I. Construction or repair contracts involving a building costing \$300,000 and above** must comply with the following additional requirements under state law:

1. Formal HUB (historically underutilized business) participation required under G.S. 143-128.2, including local government outreach efforts and bidder good faith efforts, shall apply.
2. Separate specifications shall be drawn for the HVAC, electrical, plumbing, and general construction work as required under G.S. 143-128(a).
3. The project shall be bid using a statutorily authorized bidding method (separate-prime, single-prime, or dual bidding) as required under G.S. 143-129(a1).

**J. Contracts for Architectural and Engineering Services costing under \$250,000** shall be procured using the state “Mini-Brooks Act” requirements (G.S. 143-64.31) as follows:

1. Issue a Request for Qualifications (RFQ) to solicit qualifications from qualified firms (formal advertisement in a newspaper is not required). Price (other than unit cost) shall not be solicited in the RFQ.
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided for under 2 C.F.R. § 200.321.
3. Evaluate the qualifications of respondents based on the evaluation criteria developed by the Purchasing Department and/or Requesting Department.
4. Rank respondents based on qualifications and select the best qualified firm. Price cannot be a factor in the evaluation. Preference may be given to in-state (but not local) firms.
5. Negotiate fair and reasonable compensation with the best qualified firm. If negotiations are not successfully, repeat negotiations with the second-best qualified firm.
6. Award the contract to best qualified firm with whom fair and reasonable compensation has been successfully negotiated. Governing board approval is not required.

**K. Contracts for Architectural and Engineering Services costing \$250,000 or more** shall be procured using the Uniform Guidance “competitive proposal” procedure (2 C.F.R. § 200.320(d)(5)) as follows:

1. Publicly advertise a Request for Qualifications (RFQ) to solicit qualifications from qualified firms (formal advertisement in a newspaper is not required). Price (other than unit cost) shall not be solicited in the RFQ.
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
3. Identify the evaluation criteria and relative importance of each criteria (the criteria weight) in the RFQ.
4. Proposals must be solicited from an “adequate number of qualified sources” (an individual federal grantor agency may issue guidance interpreting “adequate number”).
5. Must have a written method for conducting technical evaluations of proposals and selecting the best qualified firm.
6. Consider all responses to the publicized RFQ to the maximum extent practical.
7. Evaluate qualifications of respondents to rank respondents and select the most qualified firm. Preference may be given to in-state (but not local) firms provided that granting the preference leaves an appropriate number of qualified firms to compete for the contract given the nature and size of the project.
8. Price cannot be a factor in the initial selection of the most qualified firm.
9. Once the most qualified firm is selected, negotiate fair and reasonable compensation. If negotiations are not successful, repeat negotiations with the second-best qualified firm.
10. Award the contract to best qualified firm with whom fair and reasonable compensation has been successfully negotiated. Governing board approval is not required.

## **V. Exceptions**

Non-competitive contracts are allowed **only** under the following conditions and with the written approval of the federal agency or state pass-through agency that awarded the federal funds:

- A. Sole Source.** A contract may be awarded without competitive bidding when the item is available from only one source. The Purchasing Department and/or Requesting Department shall document the justification for and lack of available competition for the item. A sole source contract must be approved by the governing board.
- B. Public Exigency.** A contract may be awarded without competitive bidding when there is a public exigency. A public exigency exists when there is an imminent or actual threat to public health, safety, and welfare, and the need for the item will not permit the delay resulting from a competitive bidding.
- C. Inadequate Competition.** A contract may be awarded without competitive bidding when competition is determined to be inadequate after attempts to solicit bids from a number of sources as required under this Policy does not result in a qualified winning bidder.
- D. Federal Contract.** A contract may be awarded without competitive bidding when the purchase is made from a federal contract available on the U.S. General Services Administration schedules of contracts.
- E. Awarding Agency Approval.** A contract may be awarded without competitive bidding with the express written authorization of the federal agency or state pass-through agency that awarded the federal funds so long as awarding the contract without competition is consistent with state law.