

VIII. PURCHASING POLICIES FOR CAMPBELL COUNTY

Originally adopted the 18th day of April, 2005.

First amendment adopted the 29th day of June, 2009.

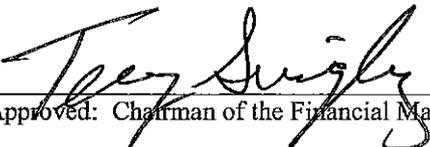
Second amendment adopted the 16th day of November, 2010.

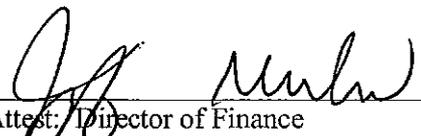
Third amendment adopted the 22nd day of February, 2011.

Fourth amendment adopted the 26th day of May, 2011.

Fifth amendment adopted the 27th day of June, 2011.

Sixth amendment adopted the 18th day of July, 2011.


Approved: Chairman of the Financial Management Committee


Attest: Director of Finance

PURCHASING REGULATIONS

1.1 LEGAL REFERENCES - See attached addendum.

1.2 PURCHASES LESS THAN \$10,000.00

All purchases in an amount of less than \$10,000.00 may be made by the Purchasing Agent and the Finance Director in the open market without being formally bid. Informal bids for purchases in an amount greater than \$5,000.00 but less than \$10,000.00 will be obtained unless the purchase is to be made in conformity with Sections 1.4 Purchases Of Used Or Secondhand Items, 1.5 Purchases From Governmental Entities, 1.6 Purchases At Publicly Advertised Auctions, 1.7 Contracts For Professional Services, 1.8 Purchases From Tennessee State Contract Pricing, 1.9 Purchases From Local Government Pricing, 1.10 Sole-Source Purchases, or 2.3 Emergency Purchases as defined herein; preferably three (3) informal bids will be obtained, but at least two (2) informal bids will be obtained. Informal bids may be obtained by telephone, soliciting informal quotations, contacting sales representatives, or other methods deemed appropriate and approved by the Purchasing Agent. Informal bids will be awarded to the low, responsive, responsible bidder.

Purchase requisitions for purchases estimated to cost more than \$5,000.00 but less than \$10,000.00 shall be accompanied by a "Record of Informal Bid Solicitation" preferably reflecting quotes from at least three (3) vendors, but in all situations must reflect quotes from a minimum of two (2) vendors unless the purchase being requisitioned is to be made in conformity with Sections 1.4 Purchases Of Used Or Secondhand Items, 1.5 Purchases From Governmental Entities, 1.6 Purchases At Publicly Advertised Auctions, 1.7 Contracts For Professional Services, 1.8 Purchases From Tennessee State Contract Pricing, 1.9 Purchases From Local Government Pricing, 1.10 Sole-Source Purchases, or 2.3 Emergency Purchases as defined herein.

Purchases estimated to cost more than \$10,000.00 shall not be subdivided in order to circumvent the requirement for competitive procurement; splitting purchase orders to circumvent the bidding process is illegal. Changes in scope of an original purchase estimate shall be documented through the preparation of a change order document to accompany the submittal of any supplemental purchase requisitions necessary to achieve the revised scope estimate. All change orders must be approved and signed by the Purchasing Agent/Finance Director to be effective. Change orders increasing the original project cost must be accompanied by an approved purchase order to be effective.

1.3 PURCHASES EXCEEDING \$10,000.00

Advertised Procurement (Competitive Procurement)

All purchases of more than \$10,000.00 in amount will require advertised procurement, which includes the following essential elements.

1. Preparation of Invitation for Bids (IFB) containing clear specifications to permit and promote competition.
2. Solicitation of such number of representative bidders as is deemed necessary to assure such full and free competition as is consistent with the procurement of the required supplies or services.
3. Provision of adequate time for submission of bids consistent with size and type of the planned procurement.
4. Posting of the bid invitation in a place open to the public and inserted at least once in a newspaper of countywide circulation at least five days prior to the bid closing date.
5. Public opening of received bids.

6. Technical evaluation shall be made by the requisitioning party, Purchasing Agent and other professionals (such as engineers, architects, etc.) as to the acceptability of the bids. Such recommendation made by the requisitioning party, Purchasing Agent and other professionals will be evaluated by the Financial Management Committee.
 7. Award of the bid by the Financial Management Committee to that responsible bidder whose bid, conforming to the invitation to bid, will be most advantageous to the county, price and other factors considered.
- 1.4 **PURCHASES OF USED OR SECONDHAND ITEMS**
As authorized by state law, TCA 12-3-1003, Counties are authorized to purchase used or secondhand goods, equipment, materials, supplies, or commodities from private individuals and entities without public advertisement and competitive bidding so long as the County documents the general range of the value of the item to be acquired through a listing in a nationally-recognized publication, or through an appraisal by a licensed appraiser, and so long as the price to be paid for the item to be acquired is within 10% of the documented price range in the nationally-recognized publication or by the licensed appraiser.
- 1.5 **PURCHASES FROM GOVERNMENTAL ENTITIES**
As authorized by state law, TCA 12-3-1005, Counties are authorized to purchase, trade, or receive as a gift any used or surplus personal property (non-real estate property) from another governmental entity without public advertisement and competitive bidding, upon approval of the governing bodies of each governmental entity involved in the transaction. Governmental Entities include Counties, Cities, Metropolitan Governments, State Government, Federal Government, and any Instrumentality of the foregoing.
- 1.6 **PURCHASES AT PUBLICLY ADVERTISED AUCTIONS**
Purchases of new or used items at Publicly Advertised Auctions are authorized by the provisions of TCA 12-3-1006 and are to be performed in accordance with the written procedures established by the County Legislative Body as specified in the "Resolution to Establish Written Procedures Governing Purchases at Publicly Advertised Auctions" approved on December 20, 2004, copy attached and incorporated herein by reference.
- 1.7 **CONTRACTS FOR PROFESSIONAL SERVICES**
As authorized by state law, TCA 12-4-104 and TCA 12-4-115, contracts by Counties for legal services, fiscal agent, financial advisor or advisory services, educational consultant services, energy-related services that include both engineering services and equipment and have as their purpose the reduction of energy costs in public facilities, and similar professional persons or groups of high ethical standards, shall not be based upon competitive bids, but shall be awarded on the basis of recognized competence and integrity. The prohibition against competitive bidding in this section shall not prohibit any County from interviewing eligible persons or groups to determine the capabilities of such persons or groups.
- 1.8 **PURCHASES FROM TENNESSEE STATE CONTRACT PRICING**
As authorized by state law, purchases through State of Tennessee contracts and price agreements meet the legal requirements for formal competitive bids and will be exempt from limitations provided in these purchasing policies. Departments should utilize state contract items whenever they provide a savings to the county, taking into consideration availability, location of supplier, delivery time, shipping charges, minimum orders, etc. when compared to locally available items.
- 1.9 **PURCHASES FROM LOCAL GOVERNMENT PRICING**
As authorized by state law, purchases through the formal bid awards performed by other Local Governments meet the legal requirements for formal competitive bids and will be exempt from limitations provided in these purchasing policies. Departments should utilize bid pricing obtained by other Local Governments to expedite the purchase process whenever they provide a savings to the county. Consortium/group bidding should be considered whenever possible to increase buying power and achieve better pricing.

1.10 SOLE-SOURCE PURCHASES

Sole source procurement is any action that limits the purchasing agent to one source of supply. A sole source justification letter can initiate this action by specifying a brand name or particular model number without specifying “or equal” characteristics, by means of a restrictive specification written around a particular product, or by specifying “no substitutions” on the requisition. Sole source procurements should be limited to situations where a supplier has an exclusive capability to provide an item, or to situations where the county is utilizing a particular product and the interfacing of the items to be solicited must conform to the items all ready in use. The fact that an item has been used satisfactorily is not justification for its procurement to the exclusion of others of similar or equal performance, quality, or design. Personal preference will not justify purchase of an item to the exclusion of others that would serve the intended purpose. The determining factor in preparing specifications shall be requirements of the county, not personal preferences of county employees. A sole source justification letter from the supplier along with a sole source justification letter from the requisitioning party shall accompany the requisition giving reasons justifying the particular source for the procurement. It is the requisitioning party’s responsibility to “prove” a sole source provider situation exists. This is most easily accomplished by supplying a documented unresponsive solicitation record as an attachment to the requisitioning party’s justification letter. Reasons given must be factual – no opinions, belief, or personal preferences.

1.11 CONFLICT OF INTEREST

Purchases of all supplies, materials, equipment, contracts for labor or services and leases are void if the Finance Director, Purchasing Agent, County Commissioners, other County Officials, or other County Employees have an interest in said purchases, contracts, or leases. The County shall not be liable for any such purchase, contract or lease.

Tennessee Code Annotated Section 5-21-121 provides the “. . . The Director, Purchasing Agent, Members of the Committee, members of the County Legislative Body, or other officials, employees, or members of the Board of Education or Highway Commission shall not be financially interested or have any personal beneficial interest, either directly or indirectly, in the purchase of any supplies, materials or equipment for the county.”

“No firm, corporation, partnership, association, or individual furnishing any such supplies or equipment shall give or offer nor shall the Director or Purchasing Agent or any assistant or employee accept or receive, directly or indirectly, from any person, firm, corporation, partnership, or association, to whom any contract may be awarded, by rebate, gift, or otherwise, any money or other things of value whatsoever, or any promise, obligation, or contract for future reward or compensation.”

All vendors solicited/engaged to perform and/or provide goods and/or services must submit a “Vendor Certification of Eligibility and Non-Collusion Form”, copy attached and incorporated herein by reference. The purpose of this form is to assure and document that no conflict of interest exists and the pricing submitted is free of any collusion. This form also serves as the mechanism to require full disclosure of any family relationship between respondents to solicitation processes and the requisitioning parties.

Additionally, all requisitioning parties must submit a “Requestor Certification of Full Disclosure Form”, copy attached and incorporated herein by reference. The purpose of this form is to require full disclosure of any family relationship between requisitioning parties and respondents to solicitation processes.

In those situations where a respondent acknowledges the existence of a family relationship to the requisitioning party, and/or in those situations where a requisitioning party acknowledges the existence of a family relationship to the respondent, the acknowledged relationship shall be reported to the applicable Department Head and/or the Financial Management Committee by the Purchasing Agent and/or the Finance Director. Purchase requisitions received which involve acknowledged family

relationships representing a direct conflict of interest as defined in TCA 12-4-101 shall not be processed.

2.0 PURCHASE PROCEDURES

After deciding there is a need for items to be acquired and confirming the availability of budgeted funds, requisitions shall be issued for all requested purchases.

2.1 PURCHASE REQUISITIONS

Purchase requisitions must be issued for all items with the exception of monthly recurring expenses, such as: telephone, utilities, etc. Purchase requisitions shall be completed appropriately by each department inclusive of vendor name and address, delivery location, description of goods and/or services to be obtained, quantity to be obtained, unit price for each item, extended price for each item, total dollar value of the requisition, and the appropriation line item to be utilized for the requisition. Purchase requisitions must be issued in a timely manner to allow sufficient time to secure competitive bids, if applicable. Purchase requisitions for purchases estimated to cost more than \$5,000.00 but less than \$10,000.00 shall be accompanied by a "Record of Informal Bid Solicitation" preferably reflecting quotes from at least three (3) vendors, but in all situations must reflect quotes from a minimum of two (2) vendors unless the purchase being requisitioned is to be made in conformity with Sections 1.4 Purchases Of Used Or Secondhand Items, 1.5 Purchases From Governmental Entities, 1.6 Purchases At Publicly Advertised Auctions, 1.7 Contracts For Professional Services, 1.8 Purchases From Tennessee State Contract Pricing, 1.9 Purchases From Local Government Pricing, 1.10 Sole-Source Purchases, or 2.3 Emergency Purchases as defined herein. Purchase requisitions for items estimated to cost more than \$10,000.00 shall not be subdivided in order to circumvent the requirement for competitive procurement; splitting purchase orders to circumvent the bidding process is illegal. Bids shall be taken on all items or groups of items costing \$10,000.00 or more. Changes in scope of an original requisition estimate shall be documented through the preparation of a change order document to accompany the submittal of any supplemental purchase requisitions necessary to achieve the revised scope estimate. All change orders must be approved and signed by the Purchasing Agent/Finance Director to be effective. Change orders increasing the original project cost must be accompanied by an approved purchase order to be effective. All departments shall use a five (5) part requisition designed by the Department of Finance and route as follows:

White Copy (Original) is to be used as a potential attachment to purchase orders at the discretion of the Purchasing Agent and/or Finance Director.

Green Copy is retained by the Department of Finance and placed in an outstanding requisition file until the merchandise is received and the department notifies the Department of Finance of receiving their merchandise.

Yellow Copy is retained by the Department of Finance and filed numerically for future reference.

Pink Copy is returned to the department requesting the merchandise and should be attached to the approved purchase order and retained for future reference.

Gold Copy is retained by the requesting department and filed numerically for future reference.

2.2 PURCHASE ORDERS

The Purchase Order is the official acceptance of the bid offer or other offer, which consummates a contract. At the time the completed purchase order is mailed/delivered, the county enters into a contract with the vendor. Therefore, it is important that bids be carefully considered and purchase orders properly prepared. After the best bid is determined, the Purchasing Agent and the Finance Director shall prepare a five (5) part purchase order and route as follows:

White Copy (Original) is issued or mailed/delivered to the vendor receiving the order.

Green Copy is retained by the Finance Department and placed in an outstanding purchase order file alphabetically by vendor, by department, by fund until the merchandise is received and the department notifies the Department of Finance of receiving their merchandise.

Yellow Copy is retained by the Department of Finance and filed numerically for future reference.

Pink Copy is returned to the department requesting the merchandise and should be attached to the requisition and retained for future reference.

Gold Copy is the receiving report copy and is sent to the department receiving the merchandise, to be held until the merchandise is received. Upon completion of the order or contract, the gold copy may be signed by the department head and forwarded to the Finance Director along with any invoice and/or shipping documents.

2.2.1 Changes to Purchase Order

Changes to purchase orders shall follow the same procedures as if a new purchase order is being issued. No employee shall have the authority to change a purchase order or contract unless it is approved by the Purchasing Agent and Finance Director in accordance with regular purchasing procedures. All change orders must be approved and signed by the Purchasing Agent/Finance Director to be effective. Change orders increasing the original project cost must be accompanied by an approved purchase order to be effective.

2.2.2 Follow-up and Expediting Orders

The Purchasing Agent shall be responsible for follow-ups, expediting of orders, and price discrepancies.

2.2.3 Blanket Purchase Orders

Blanket purchase orders may be issued to vendors supplying materials on a continuing monthly basis. A specified amount will be placed on the purchase order determined by the Elected Official/Department Head, Purchasing Agent and the Finance Director.

2.2.4 Confirmation of Purchase Orders

At times it will be necessary to take price quotes over the phone and issue orders over the phone. Only the Purchasing Agent and the Director of Finance can authorize such purchases and provide the purchase order number. Purchase orders will be mailed/delivered and marked "CONFIRMING ORDER, DO NOT DUPLICATE."

2.2.5 Purchases Auditing Procedure

The Purchasing Agent shall prepare a suspense file for all purchases of \$9,000 or more and less than \$10,000. Such suspense file shall be maintained by the Purchasing Agent for a period of not less than sixty (60) days for comparison of such purchases to the receipt of any additional purchase requisitions relating to the same project/purpose as the originally authorized purchase order. The intent of this procedure is to determine if the requisitioning party is attempting to split orders to circumvent the formal bidding process.

2.2.6 Purchases Audit Reporting

Should the Purchasing Agent reach a determination that orders appear to have been split in an effort to circumvent the formal bidding process, the Purchasing Agent shall not prepare a purchase order for the additional requisitioned item and the Purchasing Agent shall in written form notify the Requisitioning Department Head and the Finance Director of the apparent attempt to circumvent the formal bidding process by the intentional splitting of orders.

2.3 EMERGENCY PURCHASES

Each department will be issued five (5) emergency purchase orders signed for approval by the Purchasing Agent and the Finance Director. Accompanying each of these emergency purchase orders will be an emergency purchase justification form. This form must be completed and attached to each emergency purchase order when used. If an emergency exists during normal working hours, the Department of Finance shall be notified and direction shall be provided by the purchasing agent as to the proper steps to be taken. If the emergency occurs when the Department of Finance is closed, the department should use one of the aforementioned emergency purchase orders. The first of the five (5) emergency purchase orders shall be for an amount not to exceed \$100.00 to be used for emergency purchases of up to \$100.00, the second of the five (5) emergency purchase orders shall be for an amount not to exceed \$250.00 to be used for emergency purchases of greater than \$100.00 but not greater than \$250.00, the third of the five (5) emergency purchase orders shall be for an amount not to exceed \$500.00 to be used for emergency purchases of greater than \$250.00 but not greater than \$500.00, the fourth of the five (5) emergency purchase orders shall be for an amount not to exceed \$1,000.00 to be used for emergency purchases of greater than \$500.00 but not greater than \$1,000.00, the fifth of the five (5) emergency purchase orders shall be for an unlimited amount to be used for emergency purchases of greater than \$1,000.00. Each elected official/department head is responsible for the security of these emergency purchase orders. Specifically, as it relates to the unlimited emergency purchase order, the expressed intent for the utilization of this purchase order is to accommodate emergencies of such magnitude that injury, loss of life, or significant financial loss would occur if left unattended for a matter of hours. Once an emergency purchase order has been used and filed with the Purchasing Agent and the Finance Director, the attached emergency purchase justification form will be reviewed for validity by the Purchasing Agent, Finance Director and/or the Financial Management Committee. Upon concurrence of the validity of the use of emergency purchase orders for purchases of not greater than \$1,000.00 by the Purchasing Agent and Finance Director, or upon concurrence of the validity of the use of emergency purchase orders for purchases of greater than \$1,000.00 by the Financial Management Committee, new emergency purchase orders for the appropriate amount will be signed and issued to the applicable department to replace the used emergency purchase orders.

2.4 PURCHASING CALENDAR

In order to receive volume discounts and to minimize delivery problems, the Purchasing Agent, in conjunction with elected officials/department heads, shall review the needs of each department and determine when purchases will be needed. From this information, a purchasing calendar shall be prepared indicating when certain items will be bid and when specification information will be needed to solicit such bids. For items not included on the purchasing calendar, department heads should allow two (2) to four (4) weeks for bidding (depending on items to be purchased) plus estimated delivery time.

2.5 BASIC PRINCIPLE OF PURCHASING

The Basic Principle of purchasing is to develop an organized purchasing system. An organized purchasing system contains three (3) essential elements: (1) adequate planning of the County's needs, (2) development of minimum specifications to facilitate performance of an appropriate solicitation process, and (3) receipt of informal bids, proposals, and/or formal bids from as many bidders as possible to effectuate acquisition of items that best serve the County's needs.

2.6 ACCOUNTS PAYABLE

2.6.1 Outstanding Purchase Order File

Upon issuance of a purchase order, the second/green copy of the purchase order shall be maintained in an "outstanding purchase order" file alphabetically by vendor. A copy of the purchase order shall be maintained in the file until the order is fully paid or cancelled. At any time a review of this file shall indicate the amount of outstanding purchase orders issued by the county. Whenever an invoice is received, the outstanding purchase order copy shall be removed from

the outstanding purchase order file and attached to the invoice, receiving report, packing slip or bill of lading for making payment.

2.6.2 Receiving Invoices

All invoices are to be mailed or delivered directly by the vendor to the Department of Finance office and all invoices will be date stamped accordingly. Invoices not mailed or delivered directly by the vendor to the Department of Finance shall be returned to the vendor unpaid, and such invoices shall not be paid until such time the invoices are received directly by the Department of Finance from the vendor. All invoices with the exception of monthly recurring expenses, such as: telephone, utilities, etc. are to include the applicable purchase order number. Invoices received not including a purchase order number shall be reviewed against the outstanding purchase order file and a determination shall be made as to the existence of an applicable authorized purchase order. If no outstanding purchase order exists relating to the received invoice, the purchase shall be considered an unauthorized purchase and may result in the return of, delayed payment of, or non-payment of items provided without the prior receipt of a fully executed purchase order. Invoices are logged and reviewed for compliance with applicable purchasing procedures; compliant invoices are forwarded to the appropriate department for approval. If the invoices are not returned within three (3) working days, the department concerned shall be contacted to determine if the merchandise has been received and the status of approval for payment. Invoices must be verified as to the price bid or quoted as it appears on the purchase order along with any delivery/freight charges. Invoices received which are non-compliant with approved purchasing procedures and policies may result in the return of, delayed payment of, or non-payment of the items acquired in a non-compliant manner.

2.6.3 Verification for Payment

Upon receiving an "Approved for Payment" copy of an invoice, inclusive of any receiving report, packing slip or bill of lading, verification of quantity, price, and any exceptions noted shall be made. After complete verification, payment may be made considering cash discounts, cash flow, and cash investments.

2.6.3.1 Detailed Invoice Review

The detailed composition of all invoices shall be reviewed by the Accounts Payable Bookkeeper Manager. Such review shall insure all invoices include: an invoice date, invoice number, vendor information, purchase order number reference, defined quantities, item descriptions, unit prices, extended prices, delivery charges, discounts, and total invoice amount.

2.6.3.2 Material Invoice Review

In addition to the procedures defined in Section 2.6.3.1, the Accounts Payable Bookkeeper Manager shall review all invoices of \$5,000 or more with the Purchasing Agent prior to payment of such invoices. The intent of this review is to cause the Purchasing Agent to be aware of all scheduled material accounts payable payments and to allow the Purchasing Agent to correlate scheduled material invoice payments with any items that may be contained within the suspense file maintained by the Purchasing Agent in accordance with Section 2.2.5.

2.6.4 Freight Charges

In taking bids, prices received from bidders should include all freight charges. Therefore when issuing purchase orders, the statement that bid prices includes freight charges should be included. For those purchases for which the price does not include freight, the purchase order shall state that all shipping and handling charges shall be "Prepaid" and added to the invoice. The order will be considered "F.O.B. Destination." Every effort shall be made to avoid "freight collect" shipments.

2.6.5 Paid Files

Upon payment of county obligations one copy of the warrant shall be stapled to the invoice along with the outstanding purchase order copy, outstanding requisition copy, receiving copy, and shipping documents. This shall be filed alphabetically by vendor by fund and maintained in a file cabinet for future use and for auditing.

2.6.6 Partial Payments

Whenever there is to be a lengthy delay in receiving all of the merchandise purchased, or whenever cash discounts are offered, a partial payment may be made for the portion of the order that has been received. The outstanding purchase order copy shall reflect the partial payment amount, and the amount due on the order when completed. Each purchase order issued for instructional materials shall include the notation "absolutely no back orders".

2.6.7 Payments

After complete verification, payment shall be made by issuing a county warrant.

3.0 BIDDING PROCEDURES

3.1 WHAT SHALL BE BID

Any singular item or combination of like items costing, or estimated to cost, more than \$10,000.00 for all funds shall be bid using a sealed bid process unless the purchase is to be made in conformity with Sections 1.4 Purchases Of Used Or Secondhand Items, 1.5 Purchases From Governmental Entities, 1.6 Purchases At Publicly Advertised Auctions, 1.7 Contracts For Professional Services, 1.8 Purchases From Tennessee State Contract Pricing, 1.9 Purchases From Local Government Pricing, 1.10 Sole-Source Purchases, or 2.3 Emergency Purchases as defined herein.

3.2 NEED EVALUATION AND BASIC SPECIFICATIONS

Each department shall determine its needs and submit a purchase requisition with the minimum specifications either on the requisition or attached to the requisition; the department must consider the amount of the available appropriation authority and must not exceed its budget.

3.3 SPECIFICATIONS

Quality is as important as price. Quality buying or value analysis is defined as the purchase of goods, supplies, materials, equipment, or services which fulfill but not exceed the requirements for the intended purpose at the lowest price. Specifications should adequately and clearly define the minimum requirements of the item to be purchased in order to receive the maximum number of bidders. When the Purchasing Agent and/or Finance Director have to develop and prepare the bid specifications, they are to be given not less than ten (10) working days.

3.3.1 Detailed Specifications

Detailed specifications will be developed for all projects and all biddable items.

3.3.2 Specifications Using Manufacturer's Brand Name, Catalog, and/or Model Number

Generally, using this type of specifications is adequate. However, if more than one manufacturer's product meets the specifications, the minimum features to be accepted shall be specified and the provision "or equal" or similar qualifying words shall be part of the specifications.

3.4 FORMAL BIDDING PROCEDURES

3.4.1 Solicitation for Bids

3.4.1.1 General Requirements

Bids shall be solicited from all qualified sources deemed necessary to assure such full and free competition as is consistent with the procurement of the required supplies or services.

3.4.1.2 Method for Soliciting Bids

The Purchasing Agent shall mail or deliver invitations for bids to prospective bidders and shall also display copies of the invitation or notices.

3.4.1.3 Paid Newspaper Advertising

Announcements of proposed procurements will be inserted as paid advertisements in newspapers when the estimated cost of the item(s) to be purchased amounts to \$10,000.00 or more.

3.4.1.4 Copy of Invitation to Requisitioning Office

A copy of each invitation for bid shall be furnished to the requisitioning party for inspection and appraisal.

3.4.1.5 Record of Distribution

A record shall be kept of the distribution of bid invitations.

3.4.2 Receipt and Care of Bids

3.4.2.1 General Requirements

Bids shall be received, handled, and protected in a manner that will prevent fraud and preserve the integrity of the competitive bidding system.

3.4.2.2 Bid Depository

As bids are received and recorded, they shall be delivered to the Purchasing Agent and/or the Finance Director. The Purchasing Agent shall place the received bids in a locked file until the official time of the bid opening.

3.4.2.3 Sealed Bids Not to Be Opened

Bids shall not be opened, read, or in any manner made public until the time set for opening, except for the reason set forth in 3.4.2.4 below.

3.4.2.4 Identification of Sealed Bids

A bid received without proper identification on the envelope as to the bid invitation under which bid has been submitted may be opened for identification purposes. The bid shall be resealed immediately, and no information obtained from the bid shall be disclosed. An explanation of why the bid was opened, signed by the person who opened it, shall be placed on the envelope.

3.4.2.5 Date of Receipt Marked on Envelope

Each bid envelope shall be time stamped or have written on it in ink, the date and hour of actual receipt. The notation shall be signed by the person entering the information on the envelope.

3.4.2.6 Late Bids, Modification and Withdrawals

A. Information concerning the normal time for mail delivery shall be obtained by the purchasing agent from the local postmaster or his authorized representative to determine whether the bidder mailed the bid in sufficient time to expect delivery by the closing date. When time permits, such information shall be obtained in writing.

B. Modifications by telephone shall not be permitted.

C. Bids may be withdrawn at any time up to the time of the official bid opening. Bids may not be withdrawn after the official bid opening.

3.4.2.7 Telephone or Oral Bids

No oral or telephone bids shall be accepted before or after the bid opening.

3.4.2.8 Hand Carried Bids

A late hand-carried bid, or any other late bid, shall not be accepted.

3.4.2.9 Notification to Late Bidder

All formal bid invitations specify a date, hour, and location of the public opening for the bid. Each vendor shall be responsible for seeing that his bid arrives in time to be considered. Incorrect filing, mailing, or lateness resulting from the United States Post Office or other mail carrier shall not be an excuse and such bids shall not be accepted. The bidder shall be notified of his late bid and the late bid shall be retained in the file unopened.

3.4.3 Signing and Submission of Bids

3.4.3.1 General Requirements

In order to receive consideration, bids shall be filled out, executed, and submitted in accordance with the instructions accompanying the invitation to bid and/or the bid form, and in sufficient time to reach the designated office at or before the time fixed for the opening of bids.

3.4.3.2 Signing of Bids

Bids shall be signed by bidders prior to submission. Signatures in lead pencil are acceptable but shall be discouraged. Corporate name, trade names, or partnership titles may be stamped or typewritten, but the actual signature of the authorized representative of the bidder shall appear on the bid. The signatures shall be followed by the title of the signer. The Purchasing Agent and/or the Finance Director shall question any incomplete business name or signature deficiency.

3.4.3.3 Bids Submitted in Envelopes

Bids and written modification of bids shall be required to be submitted in sealed envelopes. Unsealed bids will not be accepted.

3.4.3.4 Telephone or Oral Bids

No oral or telephone bids shall be accepted before or after the bid opening.

3.4.3.5 Faxed Bids

Faxed bids may be accepted at the discretion of the Purchasing Agent and/or the Finance Director on or before the sealed bid opening date.

3.4.4 Opening Bids

3.4.4.1 General Requirements

At the time fixed for opening, all bids received shall be publicly opened and read aloud by the Purchasing Agent and/or the Finance Director.

3.4.4.2 Date and Time of Bid Opening

Each bidder shall be requested to submit a bid in a sealed envelope at a specified date and time.

3.4.4.3 Date to Read

Generally, only the following data should be read aloud:

- A. Name of bidder
- B. Discount terms
- C. Delivery terms
- D. Quantity offered
- E. Price on each item and totals
- F. Any bid conditions or qualifications

3.4.4.4 Recording of Bids

Bids may be recorded as they are opened and read, or after they are read. However, when there are a large number of bids, the bids should be recorded as they are opened and read. Bids shall be recorded on bid tabulation forms prescribed by the Purchasing Agent and Finance Director.

3.4.4.5 Bidders Not to Handle Bids

Bidders, their representatives, or any spectators in the bid room shall not be allowed to handle the bids after they have been opened. They may be allowed to inspect such bids when in the hands of a county representative. Bidder's representative will answer any questions asked as to the contents of a bid received.

3.4.4.6 Discussing Merits of Bids

The relative merits of bids shall not be discussed by the person opening the bids. No statements shall be issued at a bid opening having bearing on the award, the possibility of a re-advertisement, mistakes in bids, etc. No oral instructions shall be given to bidders any time during the opening. Protests of bidders and inquires regarding the award of the bid shall be referred to the Purchasing Agent and/or the Finance Director after the completion of the bid opening procedure.

3.4.5 Evaluation of Bids

3.4.5.1 General Requirements

Bids shall be evaluated to determine the lowest and best responsive bid. Because various factors in addition to price may have to be considered in determining the lowest and best bid, the evaluation of bids by the Purchasing Agent and/or the Finance Director calls for the exercise of good judgment in order to make fair and impartial decisions, along with the knowledge of basic rules and regulations.

3.4.5.2 Abstraction Price Information

Extensions of unit prices shall be checked for accuracy. In case of error, the unit price shall govern, and the correct extension thereof shall be entered on the abstract. Where a few major items are involved, the total price shall be shown on the abstract. For a long list of miscellaneous items, unit prices shall be abstracted, except when the Purchasing Agent and/or the Finance Director require that the abstract contain extensions of unit prices for broader comparison purposes.

3.4.5.3 Public Inspection of Abstract

After bids have been evaluated and the award made, the abstract shall be made available for public inspection.

3.4.5.4 Selection of the Best Bid-Basis for Award

The best bid is the lowest bid meeting the specification. When the best bid is not the lowest bid received, a memo of justification shall be written by the Purchasing Agent and/or the Finance Director and placed in the appropriate bid file. Each bid shall be carefully evaluated as to

quality, price, delivery, and service, and the report shall give complete details on why the low bid should be waived. The final decision for the lowest and best bid rests with the Financial Management Committee. Copies of rejected bids with reasons shall be filed with other bids.

3.4.5.5 Equal Low Bids – Tie Bids

Quality and service being equal, identical bids shall be decided in favor of the local vendor. If identical bids are received, and no local vendor preference is relevant, the tie will be broken by a telephone call to the tying bidders advising of the tie, and determining if the tying bidders wish to participate in an impromptu supplemental sealed bid submittal process revising their original bid. If none of the tying bidders wish to participate in an impromptu sealed bid submittal process, determine if the tying bidders wish to evenly split the bid award. If not, a coin flip by the Purchasing Agent or the Finance Director may be used to determine the tying bidder to be selected.

3.4.6 Bid Files Open to the Public

Bid files are considered public information and available for inspection or duplication in accordance with the Public Information/Open Records Policy of the Finance Department.

3.4.7 Rejection of Bids

The County reserves the right at any and all times to accept or reject any and/or all bids in whole or in part. If a bidder does not bid in accordance with the bid conditions and/or bid specifications the Purchasing Agent and/or the Finance Director may disqualify the bid. Reasons for rejection or disqualification of bids will be noted on bid forms.

3.4.8 Removal of Bidder from Official Bid List

If a bidder does not perform in accordance with the bid conditions or specifications, or if it is found that the bidder intentionally violated these policies and regulations, and/or if the vendor fails to submit a bid on three successive invitations, the Purchasing Agent and/or the Finance Director may remove the vendor from the official bid list until the violations are remedied.

3.4.9 Bonds

3.4.9.1 Bid Bonds – Deposits of Good Faith

In cases of large bids or contracts, the Purchasing Agent and/or the Finance Director may require a bid bond not to exceed 10% of the total bid. A certified check, cashier's check, or properly executed bond shall accompany the bid proposal. The check shall be made payable to Campbell County. Deposits of the bidders are held until award of the order or contract, and the deposit of the successful bidder is held until the successful bidder has completed delivery or service and/or, if required, provides a performance bond.

3.4.9.2 Performance Bond

A performance bond is used to insure performance of contracts in the time and manner prescribed and to save, indemnify, and keep harmless the County against loss. In cases of large construction contracts bid proposals shall require 100% performance bonds.

3.5 INSURANCE AND RISK MANAGEMENT

3.5.1 Vendor Certification of Insurability

All approved vendors performing work on county property must provide a copy of a current Certificate of Liability Insurance. This requirement is to be considered in conjunction with the other required items in Section 3.6.7. Proof

of additional types of insurability may be required from time to time to be determined on a project by project basis. The minimum insurability requirements established by Tennessee State Law shall be complied with on all projects.

3.5.2 Claim Reporting Procedure

All insurance claims should be reported to the County Mayor's Office, the Finance Department, the applicable insurance broker and/or provider, and any other applicable officials. All incidents must be reported, as soon as possible.

3.5.3 Yearly Review

Each year the Finance Director, Purchasing Agent, Budget Analyst and Insurance Broker shall review the insurance coverage for all areas of the county system. This review shall cover, but not be limited to, current coverage, possible improvements in coverage, estimated cost, method or purchasing, and recommendations. Upon the completion of this annual review an analysis and recommendation for insurance renewals or changes will be presented to the Insurance Committee for evaluation and further recommendation to the County Commission for final approval.

3.6 SPECIAL AREAS

3.6.1 Vendor Discounts

Vendor Discounts shall be considered in determining the low bidder, if these discounts are illustrated as part of the original bid submittal.

3.6.2 Splitting Orders

No County Official, Department Head or Employee shall split an order, divide the items to be purchased, or use similar practices to avoid the sealed bidding procedures. Purchase requisitions for items estimated to cost more than \$10,000.00 shall not be subdivided in order to circumvent the requirement for competitive procurement; splitting purchase orders to circumvent the bidding process is illegal.

Changes in scope of an original requisition estimate shall be documented through the preparation of a change order document to accompany the submittal of any supplemental purchase requisitions necessary to achieve the revised scope estimate. All change orders must be approved and signed by the Purchasing Agent/Finance Director to be effective. Change orders increasing the original project cost must be accompanied by an approved purchase order to be effective.

The Purchasing Agent shall prepare a suspense file for all purchases of \$9,000 or more and less than \$10,000. Such suspense file shall be maintained by the Purchasing Agent for a period of not less than sixty (60) days for comparison of such purchases to the receipt of any additional purchase requisitions relating to the same project/purpose as the originally authorized purchase order. The intent of this procedure is to determine if the requisitioning party is attempting to split orders to circumvent the formal bidding process.

Should the Purchasing Agent reach a determination that orders appear to have been split in an effort to circumvent the formal bidding process, the Purchasing Agent shall not prepare a purchase order for the additional requisitioned item and the Purchasing Agent shall in written form notify the Requisitioning Department Head and the Finance Director of the apparent attempt to circumvent the formal bidding process by the intentional splitting of orders.

3.6.3 Purchase/Project Completion Timeline

All formal and informal solicitations for the (1) the purchase of \$5,000 or more of materials/supplies, (2) the purchase of \$5,000 or more for an equipment item, and/or (3) the performance of a construction project in the amount of \$5,000 or more are to include a notification requiring all respondents to submit a purchase/project completion timeline with their quote/bid proposal. The purchase/project completion timeline submitted by respondents in association with and/or accompaniment of quote/bid proposals shall at a minimum include the date the purchase/project can begin once an approved purchase order is issued notifying the vendor to proceed and the date the purchase/project will be completed thereafter.

Although the intent of the requirement for inclusion of a purchase/project completion timeline is to establish known scheduling information for managerial purposes, the evaluation of submitted purchase/project completion timeline information may also be used in the determination of the “best” quote/bid proposal, especially in those situations where a substantial difference exists in the purchase/project completion timeline submitted by the various respondents.

3.6.4 Tennessee State Fire Marshal Approval

Solicitations shall not be performed on any construction projects requiring State Fire Marshal approved plans until such time Campbell County Government receives or is provided notification that such plans have officially been approved by the Tennessee State Fire Marshal’s Office.

3.6.5 Grouping of Requests

All County Officials, Department Heads and Employees shall make every effort to group requisitions for the purpose of avoiding repeat requisitions and to receive the best price. In order to achieve this initiative, items to be purchased must be anticipated well in advance.

3.6.6 Use of Highway Department Resources

The Campbell County Highway Department will be provided the first opportunity to perform Site Development, Roads, Paving, etc. on County Projects prior to these items being solicited to be performed by others.

3.6.7 Contracts

The contract, purchase, or any obligation of the county for supplies, materials, equipment, contractual services, rental of machinery, buildings, or equipment, transfer of materials, supplies, and equipment between county offices or agencies; supervision of storeroom or warehouse; contracts for building construction and the purchase of land; public sale of all surplus materials, equipment, buildings and land; and any other created obligation of the county shall be the responsibility of the Purchasing Agent and the Finance Director.

3.6.8 Sale of Surplus Property

Whenever surplus property of the county is to be sold, the Finance Director shall prepare a detailed list of items to be sold and public auction procedures for recommendation to the Financial Management Committee, Board of Education, or County Commission. The Financial Management Committee, Board of Education, or County Commission shall approve a time and method for selling these surplus items. It is asked that each department, at least once a year, report stocks of materials which have become obsolete or worn and no longer useful to their operation. Surplus items, which still have utility, may be transferred from one department to another. Other dilapidated items shall be disposed of accordingly.

3.6.9 Cooperative Procurement

The Purchasing Agent and/or the Finance Director may participate in, sponsor, conduct, or administer a cooperative procurement agreement with one or more other public bodies or agencies of the United States for the purpose of combining requirements to increase efficiency or reduce administrative expenses.

3.6.10 Vendor Listing and Required Vendor Information

The Purchasing Agent shall compile a list of vendors. The list shall be divided according to the type of merchandise or service each vendor sells and/or provides. This list may be modified from time to time in conjunction with procedure number 3.4.8. When bid solicitations are performed, approved vendors shall be solicited, and/or be provided a copy of the bid notification, and/or a copy of the bid specifications.

In order to be an approved vendor all vendors must complete and provide an executed "Vendor Acknowledgement Letter", copy attached and incorporated herein by reference, and each vendor must complete a W-9 Form denoting the vendor tax identification number and mailing address.

The purpose of the Vendor Acknowledgement Letter is to document that vendors are aware of the purchasing procedures of Campbell County Government, and to provide documentation as to their agreement that no goods and/or services will be provided to any department, agency, or division of Campbell County Government without prior receipt of a fully executed purchase order. Further, this form provides acceptance and acknowledgement by the vendor that any sales made to any department, agency, or division of Campbell County without prior receipt of a fully executed purchase order may result in the return of, delayed payment of, or non-payment of items provided without the prior receipt of a fully executed purchase order.

3.6.11 Survivability of Policies and Procedures

The general purpose of the purchasing policies and procedures stated herein is to achieve open, full and free competitive purchasing as contemplated by State and/or Federal Law, and the purchasing policies and procedures set forth herein shall be interpreted to achieve such purpose. If and to the extent any portions of any policies and/or procedures set forth herein should be in conflict with any laws, rules or regulations of the State of Tennessee and/or the United States of America, then any such applicable laws, rules and regulations shall take precedence over such policies and procedures set forth herein; provided, however, that in such event any other policies and procedures as stated herein shall otherwise remain in full force and effect and shall be interpreted to achieve the intents and purposes set forth herein.