**LUMPKIN COUNTY RESOLUTION NO. 2015 – 01**

**A RESOLUTION TO REVISE AND COMBINE CERTAIN EXISTING PURCHASING POLICIES AND PROCEDURES, TO INCLUDE USE OF THE LUMPKIN COUNTY PURCHASING CARD AND THE FLEET CARD INTO A SINGLE DOCUMENT**

**Whereas**, the original Purchasing Policy was amended in Resolution 2012-68 to provide increased control and oversight (the "purchasing operational procedures"), but does not recognize the present need for increased purchasing limits; and

**Whereas**, the County Purchasing Card has been created as a separate controlled entity and limited use; and

**Whereas**, the County Fleet Card has been adopted to provide for controlled use for fleet maintenance to purchase supplies and parts; it is further intended that the Fleet Card will be added into the purchasing policy; and,

**Whereas**, it has been determined that combining the purchasing policy and the purchasing operational procedures into one document;

**Now, therefore, be it resolved** that the Lumpkin County Purchasing, P-Card and Fleet Card Policy, attached as Exhibit "A" hereto, and by such reference fully incorporated herein, is hereby adopted as the policy for Lumpkin County, and the Lumpkin County Clerk is hereby ordered to provide a copy of said exhibit, as adopted, to Municipal Code Corporation for inclusion in the Lumpkin County Code.

**Resolved, adopted and effective** this 20th day of January, 2015.

_____
Chris Dockery, Chairman
Lumpkin County Board of Commissioners

Attest:

_____
Kathleen C. Walker
Clerk, Lumpkin County

# LUMPKIN COUNTY PURCHASING POLICY

*Revision: 01/20/2015*

# WITH ADDITION OF P-CARD, & FLEET CARD POLICY

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# PURCHASING POLICY

This policy shall govern all acquisitions and dispositions by Lumpkin County of commodities, equipment, and services and all related contracts and agreements. This policy supersedes and repeals all previously existing policies to the extent they are inconsistent within the provisions thereof.

## A. PURPOSE

This policy shall be construed and applied to promote its purposes which are:

1. To foster effective, fair, and broad-based competition for public procurement within the free enterprise system; and
2. To provide safeguards for the maintenance of quality, integrity, and equity in the purchase and disposition of County property.

## B. CODE OF ETHICS

This policy incorporates the "Lumpkin County Code of Ethics" adopted by the Commissioner on December 27, 2001.

## C. BUDGETED EXPENDITURES

It is the responsibility of the Department Heads and Elected Officials to ensure all purchases are consistent with and support the current approved budget prior to committing funds. Specific approval by the Board of Commissioners is required for capital purchases.

## D. AUTHORITY & RESPONSIBILITY OF PURCHASING DEPARTMENT & PURCHASING AGENT

The department shall serve all of Lumpkin County government by obtaining required commodities and services in accordance with State of Georgia law and this policy. The Purchasing Agent shall, except as otherwise specified herein, be responsible for the administration of all transactions governed by the provisions of this Policy and shall serve as the principal procurement officer of the County. Unless otherwise provided, any duties and powers of the Purchasing Agent may be delegated by him/her to subordinate purchasing agents/buyers and other employees/elected officials. The Purchasing Agent shall be subject to the authority and supervision of the Director of Finance.

## E. PROCUREMENT PROCEDURES

The Purchasing Agent is authorized to establish, implement and enforce written operational procedures relating to acquisitions subject to this Policy. Such procedures shall, to the extent consistent with applicable law and this Policy, be based upon generally accepted public purchasing principles and practices and shall become effective upon approval by the Board of Commissioners. Additionally, these procedures may be revised, as necessary, through the same process used for their initial approval.

## F. DISCLAIMER OF RESPONSIBILITY FOR IMPROPER PURCHASING

The Board of Commissioners may disclaim responsibility and liability for any expenditure or agreement for expenditure arising from a procurement made in its name, or in the name of any governmental body under its authority, by an unauthorized person or any person acting outside this Policy or the authorization or delegation as provided in this Policy. The expense of any such disclaimed transaction will become the personal liability of the individual who acted improperly.

## G. PUBLIC ADVERTISING

Operational procedures will be developed to define the requirements for public advertising to conform to all applicable provisions of the laws of the State of Georgia.

## H. BID OPENING

When sealed bids are required, they shall be opened publicly in the presence of one or more witnesses on the date and at the time and place designated in the bid package. Specific procedures for this process shall be defined in the operational procedures.

## I. PROFESSIONAL SERVICES

"Professional Services" refer to such services as legal, medical, engineering, surveying, architectural, accounting, finance, and others performed by individuals whose profession is licensed by the state or federal government.

It is the policy of this County to award contracts for professional services on the basis of demonstrated competence and qualifications at a fair and reasonable price with the ultimate selection based interest of the County and receipt of maximum value.

The Board of Commissioners will approve all contracts for accounting, architectural, legal, and management consulting services, and for all other professional services.

## J. CONSTRUCTION ACQUISITION

Construction acquisition (public works projects) shall follow the competitive sealed bid process and public advertising as described in the operational procedures.

## K. BONDING REQUIREMENTS

Operational procedures will be developed to define the requirements for bid bonds, performance bonds, and payment bonds to conform to all applicable provisions of the laws of the State of Georgia.

## L. APPROVAL OF CONTRACTS

All contracts shall be reviewed and approved as to form by County Attorney prior to execution on behalf of the County. A contract shall conform to state and federal law and to County polices and shall otherwise contain such provisions as are reasonably necessary to protect the interest of the County. All contracts must be signed by the Board of Commissioners.

# PURCHASING OPERATION PROCEDURES

## A. OVERVIEW

The Operational Procedures, as authorized by the Purchasing Policy, have been prepared to provide information and direction to the various units/departments of the County involved in the purchasing process. Its primary purpose is to communicate policies and give guidance to personnel involved in the procurement process.

This procedure will be revised and supplemented to meet new needs and conditions. Revised pages will be distributed to all holders who are responsible for keeping the procedures current. An important part of this updating process depends on the constructive comments, information, and suggestions received from the departments. Comments are encouraged.

These procedures shall govern all acquisitions by Lumpkin County of commodities, equipment, services, and all related contracts and agreements. This procedure supersedes and repeals all previously existing procedures to the extent they are inconsistent with the provisions thereof.

The following supplies and services are not covered by this Procedure:

A. Works of art for public places,

B. Printed copyright material including published books, maps, periodicals, and technical pamphlets (not including software for computer systems), except where a greater savings can be realized by a volume purchase,

C. Real property, real estate brokerage and appraising, abstract of titles for real property, title insurance for real property, and other related costs of acquisition of real property,

D. Purchases between governments and/or nonprofit organizations,

E. Dues, membership and board member fees, subscriptions,

F. Services provided directly to individual citizens and employees including reimbursements and other miscellaneous payments,

G. Utilities including but not limited to electric and water,

H. Licensed health professionals,

I. Training, travel lodging or meal expenses.

## B. APPLICATION OF FEDERAL AND STATE LAW

It is intended that this Procedure shall conform to all applicable provisions of the laws of the United States and of the State of Georgia. In the event any portion of this Procedure shall be declared invalid for its failure to conform to state or federal law, such invalidity shall not affect the remaining portions. Notwithstanding any other provision of this Procedure, the Governing Authority may enter into contracts, follow any procedure, or take any action, which is otherwise at variance with this Procedure, if required as a condition to receiving funds from the government of the United States or of the State of Georgia.

## C. PUBLIC ACCESS TO PURCHASING INFORMATION

Interested persons shall have access to information regarding Purchasing transactions of Lumpkin County in accordance with the State of Georgia Open Records Act. Requests for inspection of records must be in writing, must be reasonable, must contain sufficient information to facilitate retrieval, and must not interfere with the orderly operation of the Purchasing Office. A charge may be assessed to any persons requesting copies of records.

## D. PURCHASING RESPONSIBILITIES

It is imperative that the County continually strives to balance cost, delivery, and quality in every area of the County's operations. It is mandatory in Purchasing that the responsibility for buying materials and services be assigned to a group of people skilled in negotiating, value analysis, and other Purchasing techniques.

To achieve this overall objective, the responsibilities, authorities, and controls set forth in this procedure and related policies must be adhered to by all County employees and elected officials.

The following are the basic responsibilities of the Purchasing Department:

1. Only those persons to whom authority has specifically been delegated by the Board of Commissioners are authorized to commit County funds for materials, equipment, supplies, and services.
2. The Purchasing Agent has the responsibility for the procurement of all goods and services and to either provide the services for such procurement or give functional directions to others delegated the authority to perform such service.
3. Purchasing is responsible for initiating and maintaining effective and professional relationships with suppliers.
4. All employees involved in purchasing activities will work to maintain and enhance the County's image by their personal conduct and methods of doing business.
5. All employees engaged in purchasing activities will recognize and practice good public relations by giving all callers and visitors courteous treatment.
6. Purchasing personnel are to seek to obtain and purchase all goods at the lowest possible total end-user cost, considering the guidelines of prices, service, quality, and delivery.

7. Purchasing personnel are to inform ordering departments whenever the quality or specifications of materials ordered are inconsistent with sound purchasing practices or market conditions.
8. Purchasing personnel will negotiate the return of rejected equipment or supplies to suppliers.

## E. PURCHASING REQUIRING FORMAL SEALED BIDS

Approvals shall be in accordance with process described below. If the request is for Public Works projects or any other item that has been determined should be advertised, the request will be submitted to Purchasing no later than 12:00 noon on Wednesday for submittal to the newspaper by 12:00 noon on Friday. The advertisement will be developed in accordance with Georgia Law and submitted by the Purchasing Agent. A bid package will be developed by Purchasing in conjunction with public works, as needed, and can be picked up by interested parties. Once an approval form is received, the Purchasing staff will use the following process:

COMPETITIVE SEALED BIDDING - In most cases, the competitive sealed bid is the preferred method of source selection and should be used whenever possible, as it allows qualified, responsive bidders to compete on the basis of price. Generally, the following conditions must be met:

1. Clear and adequate specifications are available;
2. Two or more responsible bidders are willing to participate in the process; and
3. Cost of materials, supplies, equipment or project is $20,000 or greater.

Acquisitions $20,000 or more - any commodity which is expected to cost $20,000 or more shall be acquired through the competitive sealed bid process except as otherwise provided in the Procedure.

DISSEMINATION OF INVITATIONS TO BID - Public notice of an Invitation to Bid shall be advertised as required by Georgia Law. The public notice shall contain a general description of the item to be purchased, the location where documents may be obtained, and the date, time, and place of bid opening. Notice of any required bonding and insurance shall be included in the public notice. A copy of such notice shall be in the Purchasing office. Any other methods of advertisement, identified as likely to result in optimal competition, may be used in addition to required advertisement, at the discretion of the Purchasing Agent.

RECEIPT OF BIDS - No bids shall be eligible for consideration by the County unless it is placed in a sealed envelope or package and received by the Purchasing Department by the date and time specified in the Request for Bids. The Purchasing Department shall stamp all bids with the date and time of receipt, and shall be secured until the designated opening time. A bid delivered late shall, under no circumstances, be eligible for consideration by the County. Late bids shall be returned unopened to the bidder.

BID OPENING - Bids shall be opened publicly in the presence of one or more witnesses on the date and at the time and place designated in the Request for Bids. The name of each bidder, the purchase price contained in each bid, and such other information as the Purchasing Agent deems appropriate, shall be announced as the bids are opened. A record of bid information shall be recorded and available for public inspection. Prior to the opening of bids, only the number and not the names of bidders may be disclosed to interested parties.

MODIFICATION OF BIDS - Any clerical mistake which is blatantly obvious on the face of a bid may, subject to the limitations described below, be corrected upon written request and verification submitted by the bidder. A non-material omission in a bid may be corrected if the Purchasing Agent determines the correction to be in the County's best interests. Omissions affecting or relating to any of the following shall be deemed material and shall not be corrected after bid opening:

A. Price information, and
B. Any required insurance or bonding

WITHDRAWAL OF BIDS - Bids may be withdrawn, only by written request, at any time prior to the bid opening. After bids have been publicly opened, withdrawal of bid shall be based upon the following:

The bidder shall give notice in writing of his claim of right to withdraw his bid due to an error, within two business days after the conclusion of the bid opening procedure. Bids may be withdrawn from consideration if the price was substantially lower than the other bids solely due to a mistake therein, provided the bid was submitted in good faith, was a clerical mistake as opposed to a judgment mistake, and was due to an unintentional arithmetic error or an unintentional omission can be clearly shown by objective evidence drawn from inspection of original work papers, documents, and material used in the preparation of the bid sought to be withdrawn. The bidder's original work papers shall be the whole acceptable evidence of error and mistake if he elects to withdraw his bid. If a bid is withdrawn under the authority of this provision, the lowest remaining responsive bid shall be deemed to be the low bid.

BID EVALUATION - Bids shall be evaluated based on the requirements set forth in the Invitation to Bid. No criteria may be used in bid evaluation that is not specifically set forth in the solicitation.

BID CANCELLATION - An Invitation for Bids may be cancelled prior to opening date or any or all bids may be rejected in whole or in part as may be specified in the solicitation, where it is in the best interest of the County, in accordance with regulations promulgated by the Purchasing department, or as a result of improper conduct on the part of a County employee. The reason for any cancellation shall be made a part of the bid file.

BID AWARD - Responsive and Responsible Bidder(s) - Subject to approval by the Lumpkin County Board of Commissioners, bids shall be awarded to the responsible bidder(s) whose bid, conforming to the Invitation for Bid, will be most advantageous to the County, with price and other factors considered. A written award mailed (or otherwise furnished) to the

successful bidder within the time for acceptance specified in the bid shall be deemed to result in a binding contract without further action by either party.

APPROVAL OF BIDS - All bid awards shall be approved or rejected by the Lumpkin County Board of Commissioners.

REJECTION OF BIDS - Lumpkin County reserves the right to reject any or all bids if it determines such rejection to be in the best interest of the County.

DISQUALIFICATION OF BIDS - The following types of bids shall be disqualified for consideration for a bid award:

A. A bid which is incomplete in any material aspect,
B. A bid submitted without required bonds or insurance,
C. A bid submitted by a company on the Ineligible Source List

TIE BIDS - In the event two (2) responsive bids are tied for the lowest price and the other terms and conditions of the two (2) are substantially the same, the bid shall be awarded to the Lumpkin County bidder if only one of the bidders has its principal place of business in Lumpkin County. If both or neither of the tied bidders has its principal place of business in Lumpkin County, the bid award shall be made to the winner of a coin toss by Purchasing Department staff in a public session, where bidders and one or more witnesses may be present. Lumpkin County reserves the right to award a bid to an out of County business should the successful bidder be delinquent on taxes payable to Lumpkin County.

## F. CONTRACTUAL REQUIREMENTS

CONSTRUCTION PROJECTS - Construction (public works) projects shall follow the competitive sealed bid process.

BONDING - Bonds are required for construction (public works) contracts. They are required only occasionally for non-construction contracts. The requirement will be stated clearly in the solicitation document in all cases, and the bid bond must accompany the bid/proposal. Any bid or proposal submitted without the required bid bond will not be considered for award.

- BID BOND: The bond must be accompanied by a bid guarantee of not less than five (5) percent of the amount of the bid. The guarantee may in the form of Cashier's Check or Certified Check made payable to the Lumpkin County Board of Commissioners, or a Bid Bond issued by a surety company. The guarantee shall insure the execution of the contract document and the furnishing of Payment and Performance Bond. Bid bonds are not required for Public Works Projects under $20,000.00. Bid Bonds will be returned upon award of the contract.

- PERFORMANCE BOND: The successful bidder may be required to furnish a guarantee of the performance in the amount of the contract if the contract is more than: $5,000 for ROAD PROJECTS, $20,000 for PUBLIC WORKS PROJECTS: and

$40,000 for all other projects, prior to commencing work. The guarantee of performance may be in the form of Cashier's Check or Certified Check made payable to the Lumpkin County Board of Commissioners, Performance Bond, or an irrevocable Letter of Credit issued by a Bank as defined in O.C.G.A., § 7-1-4. Irrevocable Letters of Credit will not be accepted on contracts of more than $300,000.00. Performance Bonds will be returned to the contractor within thirty (30) days after the work is completed and accepted by the County.

- PAYMENT BOND: The successful bidder may be required to furnish a guarantee of payment for the protection of all subcontractors and all persons supplying labor, material, machinery, and equipment provided for in the contract, in the amount of the contract awarded, prior to commencing work. This bond is required for ROAD PROJECTS only if the contract is more than $20,000.00; all other projects require a Payment Bond regardless of the contract amount. This guarantee may be in the form of a Payment Bond, Cashier's Check or Certified Check made payable to the Lumpkin County Board of Commissioners, or by an irrevocable Letter of Credit issued by a Bank as defined in O.C.G.A., § 7-1-4. Irrevocable Letters of Credit will not be accepted on contracts of more than $300,000.00.

INSURANCE REQUIREMENTS - County Manager shall determine what types and amounts of insurance coverage are necessary for the protection of the County's interests for all acquisitions covered by this Purchasing Procedure. All sureties must be licensed to do business in the State of Georgia.

SPECIFICATIONS - All specifications shall be prepared to promote overall economy for the purposes intended and encourage competition in satisfying the County's needs and shall not be overly restrictive. This procedure applies to all specifications including, but not limited to, those prepared for the County by architects, engineers, designers, and draftsmen.

ADVERTISING - On contracts for Public Works, Purchasing will advertise once per week for up to four weeks. For Road Work, Purchasing will advertise once per week for at least two weeks in the newspaper. The advertisement must be posted in the Purchasing Department along with any specifications or plans for public inspection. When proposals are rejected and plans are subsequently changed, further advertisement is necessary.

## G. COLLUSIVE OR ANTI-COMPETITIVE PRACTICES

All bid packages shall contain a Non-Collusion Affidavit to be signed and notarized prior to award. This will ensure that each bidder has certified, in writing, that such bidder has not engaged in any collusive or anti-competitive practices in responding to a solicitation for bid.

## H. PROFESSIONAL SERVICES REQUEST FOR PROPOSAL

"Professional Services" refers to such services as legal, medical, engineering, surveying, architectural, accounting, finance, and others performed by individuals whose profession is licensed by the State or Federal government.

It is the policy of this County to award contracts for professional services on the basis of demonstrated competence and qualifications at a fair and reasonable price, with the ultimate selection based on the best interest of the County and receipt of maximum value. This is a "Quality Based Selection" process.

Unless specifically authorized by the Board of Commissioners, the selection process for professional services shall follow the same basis process as that for competitive sealed bids. The invitation will be for REQUEST FOR PROPOSAL, and pricing will not always be requested at the invitation level. The Scope of Work will include the selection criteria to be used. When the selection process for professional services is executed any way other than through sealed proposals or sealed bids, the Board of Commissioners will authorize such process and procedures. Such procedures shall permit as much competition as possible consistent with obtaining qualified persons and/or firms to perform necessary professional services. The selection process may vary for each type of professional service or according to the purpose of an individual contract.

## I. DISPOSITION OF PROPERTY

Disposition of real property owned by the County shall be conducted by public sale in accordance with § 36-9-3, Official Code of Georgia Annotated, or as otherwise provided by State Law.

Except as otherwise specifically provided by State Law, the County shall not dispose of any real property unless the Board of Commissioners has declared such real property to be surplus.

Surplus property may be sold by any means deemed most advantageous to the County under the particular circumstances, as determined by the Board of Commissioners. A sale to a private person shall be for highest net purchase price reasonably obtainable by the County. A sale to another unit of government shall be a fair and reasonable purchase price, which need not be as high as the purchase price obtainable from a private person.

## J. OPEN MARKET PURCHASES

The following are guidelines for open market purchases by the Purchasing Department. This shall not prohibit formal sealed bids when in the best interest of the County.

<u>PURCHASES $0.01 to 999.99</u>: The User shall use his/her judgment to source, supply, and determine the appropriate number of quotations to obtain. The User shall submit the request via the Request for Procurement Form located on the Employees Only website. The User must use approved vendors with existing County contracts. New vendors will only be used in extenuating circumstances.

For routine maintenance, building repairs, and planned projects, the Department Head or their designee may request to purchase items necessary to keep their department functioning, with prior approval by Purchasing, provided they ensure funds are available in the

appropriate line item budget. Purchasing has the right to substitute like items if a comparable, less costly item can be found. Purchasing also has the right to request additional justification for the expenditure. Once approved, each receiving receipt must be signed by the Department Head or their designee and coded to the correct line item before submittal to the Finance Department. A list of approved designees for each department must be on file in the Purchasing Department and approved by the Department Head.

If funds are not available, it is the Department Head's responsibility to make arrangements with the Budget & Grant Analyst to transfer funds to the appropriate line item BEFORE any purchase is made.

PURCHASES $1,000.00 to 9,999.99: The User shall get written quotations for not fewer than three (3) prospective bidders. (Exception: Proprietary items and sole source items.) If purchased as a proprietary or sole source item, it should be indicated on the Request for Procurement Form, and all supporting documents should be attached. (Approval of purchases to be made by the Budget & Grant Analyst or Finance Director prior to notification of bidders.)

PURCHASES $10,000.00 to $19,999.99: These typically require informal (non-advertised) sealed bids. (Exceptions: Proprietary items and sole source items) If purchased as a proprietary or sole source item, it should be indicated on the Request for Procurement Form, and all supporting documents should be attached. (Approval of purchases to be made by the Budget & Grant Analyst or Finance Director prior to notification of bidders.)

Whenever possible, long term contracts should be obtained for supplying consumable commodities, such as motor oil, gasoline, diesel fuel, tires, batteries, and other items for which monthly or periodic requirements can be reasonably forecasted. Contracts or purchase agreements should extend no longer than a one (1) year period. Any contracts for greater than one year shall meet the requirements of the O.C.G.A. The Purchasing Agent shall make periodic checks to assure the party under contract is not escalating his delivery price beyond current market prices.

Whenever possible, all fixed asset purchases and bids for non-consumable commodities such as office equipment and furniture, heavy equipment, and vehicles will be combined upon written request from the Purchasing Agent. This shall be done as an effort to obtain volume discounts and reduce costs for processing paperwork.

**NOTE**: *Nothing in this policy should be interpreted as to limit competition. Each is to use his/her best judgment in securing all competition reasonably available. Employees are encouraged to attain competition regardless of the amount. All purchases will be from contracts when they are available. The* ***ONLY*** *exception will be approval from the Finance Director.*

## K. FLEET MAINTENANCE

The Fleet Maintenance Clerk may purchase parts up to $2,000.00 without a purchase order. The Fleet Maintenance Clerk shall purchase certain items, such as tires, using a "Blanket Purchase Order." The Purchasing Agent shall issue the purchase orders on an "as needed" basis for their use. All purchases shall comply with the Purchasing Policy. All invoices for purchases must be submitted to Accounts Payable and the Purchasing Department not fewer than two (2) times per week. Purchase order numbers shall be shown on all requisitions, invoices, packing lists, or other correspondence referencing a purchase.

## L. EMERGENCY PURCHASES

Some purchases under maintenance and repairs may fall under the guidelines for Emergency Purchases, which is defined as the purchasing of equipment, materials, supplies, or services without obtaining bids during any emergency situation where the purchase is required to protect or preserve human life or property, or provide essential services.

In order to improve the Purchasing Department service to other departments and continue the control of purchasing, the Finance Department shall determine what the requesting department needs to purchase and why the request cannot be submitted under normal operating procedure. All emergency orders must have justification on the purchase requisition. If the Finance Department determines that the requesting Department does not have an emergency, and it is to the best interest of the County to refuse them, do so.

If it is determined by the Finance Department that there is a bona fide emergency, the following understanding must be agreed upon and information obtained:

1. The Department in question must obtain approval from the Finance Director for purchases totaling $1,000.00 to $9,999.99 and from the County Manager for purchases totaling $10,000.00 to $19,999.99. The Purchasing Agent does not have the authority to approve funds;
2. Successful Vendor's name and mailing address;
3. Name(s) and telephone number(s) of bidder(s) contracted;
4. Furnish the name of the item(s).
5. Price of item(s)
6. Discount terms;
7. F.O.B. points; and
8. Total amount of order.

If the amount is $1,000 or greater, the Department in question must indicate on the requisition the names of not fewer than three (3) vendors contacted, unless sole source or proprietary items. When obtaining quotes, the Department in question shall get the price, terms, etc., and make inform the vendors that the price is F.O.B. point of delivery. All emergency purchases of $1,000.00 to $9,999.99 must be approved by the Finance Director, and emergency purchases of $10,000.00 to $19,999.99 must be approved by the County Manager. ***NO EXCEPTIONS.***

## M. REQUEST FOR PROCUREMENT

Requests for the procurement of materials, services, and supplies should be originated via the Request for Procurement form on the Employees Only website by the Department Head or a designated employee. Once submitted, the Purchasing Agent enters the purchase requests into the financial software. The Purchasing Agent maintains the master vendor file but does not maintain the chart of accounts, does not initiate checks for expenditures, and does not issue debit memos.

The following are guidelines for procurement requests:

1. Requested items are to be clearly and completely described including technical data, sketches, blueprints, etc., when needed.
2. Sources of supply may be suggested but are not necessarily binding on the Purchasing Agent.
3. Requests for Procurement received by the Purchasing Agent should be analyzed and reviewed for clarity and completeness to ensure procurement of the correct merchandise.
4. The user department is responsible for verifying availability of budgeted funds before making a purchase. Any department exceeding their budget will be held to emergency purchases only.
5. If the user department prefers a particular brand or make of article, valid reasons for such preference must be noted on the request.
6. Any request that is not properly completed will be returned to the department for completion.
7. Nothing will be ordered without a completed Request for Procurement, unless deemed an emergency and approved by the Finance Director and/or County Manager, as necessary. ***NO EXCEPTIONS.***

## N. PURCHASE ORDERS

After the Purchase Requisitions have been completed by the Purchasing Agent and approved by either the Finance Director or Budget & Grant Analyst, a purchase order will be issued. The purchase order is completed from information on the requisition and from quotation inquiries.

1. A purchase order is created by assigning a purchase order number to a requisition and/or a copy of approved bid tabulation.
2. Vendor ships supplies to designated shipping point and mails invoice to the Finance Department, Attn: Accounts Payable.
3. Shipment is inspected by receiving Department Head for conformity to specifications.
4. Purchasing Agent verifies invoice and shipping receipt with the purchase order.
5. Department Head or personnel with written authority signs shipping receipt, submits copy of receipt to Purchasing Agent, and keeps a copy for the department files.
6. Purchasing Agent enters receiving information into file and forwards invoice and shipping receipt to Accounts Payable to be paid.

## O. PURCHASE ORDER DISTRIBUTION

Once the purchase order has been issued, a copy should be maintained in an open purchase order file in the Purchasing Department, and a copy should be sent to the requesting department to return when the item(s) are received. The requesting department should send the receiving copy of the purchase order and packing slips as proof of delivery. Purchasing should match the receiving documents to the purchase order from the open file and hold until an invoice is received. All three documents (P.O., Receiving Record & Invoice) should be forwarded to Accounts Payable for payment. All remaining documentation should be filed in the closed purchase order file in the Purchasing Department. The purchase order form will include the following:

1. Purchase order number: Number issued to requisition and given to vendor at time of order. Must appear on all invoicing and correspondence.
2. Supplier: Name and address of vendor form which items will be purchased.
3. Bill To: Address of department to where the invoice should be billed, which will always be the County Commissioner's Office, Attn: Accounts Payable.
4. Ship to: Address of receiving department where items are to be delivered.
5. Date: Date of purchase.
6. Quantity: Number of items requested.
7. Unit: Unit of measurement of the item being requested.
8. Description: Full description of item requested.
9. Unit Cost: Unit price of items being ordered.
10. Total Amount: Total amount of items being ordered.
11. Terms: Terms of purchase or payment, generally "Purchase order valid for goods and quantities listed only." All goods subject to inspection and verification.
12. By: Signature of authorized Purchasing Agent making purchase.
13. Delivery Date Requested: Date item is required to be delivered.
14. Requisition Number: Number that is assigned to requisition.

***Note:*** *The Purchase Order is produced from an approved requisition, which is prepared by the Purchasing Agent.*

## P. DEFINITIONS

1. Acquiring Office: The department, division, board, authority, or other unit of Lumpkin County Government under whose authority, on whose behalf, or for whose use a service, commodity, or real property is required or acquired or a contract or agreement relating thereto is obtained.

2. Acquisition: A transaction in which the County purchases, orders, contracts for, or otherwise agrees to obtain any commodity, service, real property or combination thereof.

3. Bid: Submission of information from a bidder which describes the bidder's commodities or services, information necessary to respond to the specifications, and other requirements set forth in a Request for Bids.

4. Brand Name or Equal Specification: A specification limited to one or more items by manufacturers' names or catalogue numbers to describe the standard of quality, performance, and other salient characteristics needed to meet County requirements, and which provides for the submission of equivalent products.

5. Brand Name Specification: A specification limited by manufacturers' names or catalogue numbers.

6. Business: Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.

7. Change Order: A written order signed and issued by the Board of Commissioners, directing the contractor to make changes, which the "Changes" clause of the contract authorizes the Purchasing Manager to order with the consent of the contractor.

8. Commodity: A discrete and distinct item of tangible personal property, including, without limitation, any such item which is intended to become an integrated part of another item of tangible personal property or of any improvement to real property.

9. Confidential Information: Any information which is available to an employee only because of the person's status as an employee of Lumpkin County and is not a matter of public knowledge or available to the public on request.

10. Consultant: A person who has expertise because of education or experiences, which uniquely qualifies him/her to provide specialized services or advice.

11. Contract: Any agreement, purchase order, lease, or other document which creates or is intended to create binding reciprocal obligations including, without limitation, any document evidencing a bid or proposal award which has been accepted by the bidder.

12. Contractor: Any person who is party to a contract.

13. Direct or Indirect Participation: Involvement through decision approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity.

14. Employee/Official: An individual drawing a salary or wages from Lumpkin County, whether elected or not; any non-compensated individual performing personal services for Lumpkin County or any department, agency, commission, council, board, or any other entity established by the executive or legislative branch of Lumpkin County; and any non-compensated individual serving as an elected official of Lumpkin County.

15. Immediate Family: A spouse, child, parents, brother, sister, mother/ father-in-law.

16. Bidder: Any person who has submitted a bid or proposal to the County, or otherwise offered to, from a contract with the County.

17. Person: Any individual or legal entity.

18. Professional Service: A service consisting in material part of advice, evaluation, planning, design, or other effort involving the exercise of judgment, discretion, and knowledge, including, without limitation, a service provided by a person whose profession is licensed or regulated by the state or federal government.

19. Public Works Projects: Any infrastructure repair, maintenance, or construction project. (Infrastructure: roads, bridges, drainage systems, pipelines, utilities, etc.)

20. Request for Procurement: A document by which a Department requests the acquisition of commodities or services.

21. Qualified Products List: An approved list of supplies, services, or construction items described by model or catalogue numbers, which prior to competitive solicitation, the County has determined will meet the applicable specification requirements.

22. Request for Bids: All information and documentation disseminated by the County to solicit bids.

23. Request for Qualifications: All information and documentation disseminated by the County to solicit qualifications.

24. Responsible Bidder: A person who has the capability, in all respects, to fully perform the contract requirements and the experience, reliability, capacity, facilities, equipment, and credit which will assure good faith performance.

25. Responsible Director: The director or acting director who has supervisory authority over a County Department and responsibility for acquiring materials, supplies, equipment, and services.

26. Responsive Bidder: A person who submitted a bid which conforms in all material respects to the requirements set forth in the invitation.

27. Services: The furnishing of labor, time, or effort by a contractor which is not intended to accomplish the delivery of a specified tangible product other than reports which are merely incidental to the required performance, including, without limitation, a professional or consulting service.

28. Specification: In connection with a Request for Bids, a list or description of the characteristics of the commodities or services which will meet the County's requirements.

29. Unit of Government: The government of the United States of America or any department, agency, or division thereof; the State of Georgia or any department, agency, political subdivision, municipal corporation, or authority thereof.

## PURCHASING CARD POLICY

### A. SCOPE

This policy applies to the use of Purchasing Cards issued by Bank of America for the purpose of purchasing goods and services for Lumpkin County Government operations.

### B. OBJECTIVE

The Lumpkin County Purchasing Card is designed to enable authorized employees to purchase supplies, materials, and services for County use. Furthermore, the Purchasing Card shall be used as a travel card to the extent that airfare, hotel, and meal expense are approved and allowable. A completed reimbursement request with copies of P-Card receipts attached must be submitted to the Finance Department for all travel related expenses. The P-Card may also be used to pay fees, dues, and memberships, when allowed electronically.

### C. PROHIBITED USE OF THE CARD

Under no circumstances is a cardholder permitted to use the P-Card for personal purchases. Using the P-Card for personal purchases will result in disciplinary action, up to and including termination from County employment and criminal prosecution. The official Code of Georgia, Annotated (O.C.G.A.), §50-5-80 states that any cardholder who knowingly uses the card for personal purchases under $500 is guilty of a misdemeanor. A cardholder who knowingly uses the card for personal purchases of $500 or more is guilty of a felony punishable by one to 20 years in prison. Supervisors or other approving officials who knowingly, or through willful neglect, approve personal or fraudulent purchases are subject to the same disciplinary actions as cardholders.

The P-Card may not be used to purchase alcohol, entertainment, or to obtain cash advances.

### D. CARDHOLDER ELIGIBILITY

Purchasing Cards are given to select employees and elected officials for County use. The following ten (10) positions are authorized to hold a Lumpkin County Purchasing Card:

A. Board of Commissioners Chairman
B. County Commissioners (4)
C. County Manager
D. Finance Director

E. Purchasing Agent
F. County Clerk
G. Deputy County Clerk

Each individual Cardholder must sign a Cardholder Agreement (see attached).

## E. CARDHOLDER LIABILITY

The Purchasing Card is a corporate charge card which will not affect the Cardholder's personal credit; however, it is the Cardholder's responsibility to ensure that the card is used within stated guidelines. Failure to comply with program guidelines may result in permanent revocation of the card, notification of the situation to management, and further disciplinary measures that may include termination.

## F. CARDHOLDER TERMINATION

The Purchasing Card Administrator may suspend or close an account if a Cardholder: (a) transfers to a new job for which a Purchasing Card is not approved; (b) violates any of the P-Card rules detailed below.

Violations:

1. The Purchasing Card is used for personal or unauthorized purposes.
2. The Purchasing Card is used to purchase alcoholic beverages or any substance, material, or service which violates policy, law, or regulation pertaining to the County.
3. The Cardholder splits a purchase to circumvent the limitations of the Purchasing Card.
4. Use another Cardholder's card to circumvent the purchase limit assigned to either Cardholder or the limitations of the Purchasing Card.
5. The Cardholder fails to provide the required receipts.
6. The Cardholder fails to provide, when requested, information about any specific purchase.
7. The Cardholder does not adhere to all of the Purchasing Card Operations and Procedures.

## G. LOST, MISPLACED, OR STOLEN PURCHASING CARDS

Immediately report a lost or stolen card to Bank of America at 1-877-859-7657 (24 hours per day, 365 days per year). In addition, during normal business hours, notify the Finance Director; the Purchasing Card Administrator should be notified in the Finance Director's absence.

## H. CREDITS

Vendors will issue all credits to the individual Purchasing Card account for any item they have agreed to accept for return. This credit will appear on a subsequent statement. Under no circumstances should a Cardholder accept cash in lieu of a credit to the Purchasing Card.

## I. UNRESOLVED DISPUTES AND BILLING ERRORS

The Cardholder is responsible for contacting the vendor to resolve any disputed charges or billing errors. If the matter is not resolved with the vendor, the Cardholder should:

A. Contact Bank of America at 1-877-859-7657 directly for assistance.

B. Mail or fax to Bank of America at 1-888-678-6046 a signed Bank of America Dispute Form to document the reason for the dispute.

C. Contact the Finance Director for assistance if an acceptable resolution is not obtained.

D. The total amount billed by Bank of America will be charged to the individual departmental accounts, and credits for disputed transactions will be posted to departmental accounts when the credit appears on the Bank of America bill.

## J. SECURITY AND STORAGE

Cardholders should always treat the Purchasing Card with at least the same level of care as one does their own personal credit cards. The card should be maintained in a secure location, and the card account number should be carefully guarded.

## K. PURCHASING CARD SET UP, MAINTENANCE, AND CLOSURE

All contact with Bank of America for Purchasing Card set up, maintenance, and closure (except for reporting lost or stolen cards) will be handled by the Finance Director, County Clerk, or Purchasing Agent.

## L. USE BY NON-PURCHASING CARD HOLDER

On occasion, it may be necessary for a Lumpkin County employee who does not hold a Purchasing Card to make purchases using a P-Card. All P-Card purchases by employees who are not P-Card holders shall obtain approval from the Finance Director. Once approved, the employee may retrieve the P-Card from the Finance Department and shall sign for receipt of the card. When the necessary purchase is complete, the employee shall return the P-Card to the Finance Department.

# FLEET CARD POLICY

## A. SCOPE

This policy applies to the use of Fleet Cards issued by Lumpkin County Government for the purpose of purchasing fuel (gasoline or diesel) for vehicles and equipment listed on the Lumpkin County Government Fixed Asset Inventory.

## B. OBJECTIVE

The primary objective of this policy is to protect Lumpkin County Government from fraud due to the miss-use or abuse of a fleet card, to establish guidelines for use, guidelines for reconciliation, and penalties for miss-use of government issued fleet cards and associated personal identification numbers (PIN).

## C. GUIDELINES FOR USE

The following are guidelines of Lumpkin County Fleet Card use:

1. A fleet card shall be assigned to each vehicle or large piece of equipment in the Lumpkin County Government fleet of vehicles/equipment. This card may only be used by authorized employees of Lumpkin County Government who have been issued a PIN to refuel fleet vehicles or equipment.
2. The fleet card shall only be used at authorized dealers as determined by the contract between Lumpkin County Government, the State of Georgia, and Write Express. (The Lumpkin County Government Office of Financial Administration will provide a list as updates warrant distribution.) If an employee must travel outside Lumpkin County, the employee should obtain a listing of authorized dealers, prior to departure, within their travel route and use those vendors to refuel the vehicle. Transactions on the card will be limited to three (3) per day with dollar limits to be established by the Lumpkin County Government Finance Department.
3. Each department head or elected official will receive a report of his/her respective department's usage and shall review the document for accuracy as well as check for patterns of high usage, which could indicate use-use or abuse of the card.
4. The Lumpkin County Government Office of Financial Administration shall be the primary contact for all fleet card issues and shall be responsible for reconciliation of the monthly statement from Wright Express. For the purposes of reconciliation, each user shall obtain a receipt at the time of sale and shall return said receipt to the Lumpkin County Government Finance Department by close of business on the first day after the end of the preceding month.
5. If an employee is found to have used the fleet card in a fraudulent manner or has abused the card for the benefit of personal gain, the employee shall be subject to reprimand (verbal or written), forced to repay the County for the fraudulent charges, and/or subject to termination. These actions are subject to review by the County Manager and the Human Resources Director.

# Lumpkin County Cardholder Agreement

Lumpkin County is entrusting you with this Purchasing Card to be used for the legitimate business benefit of the County. It represents trust in you and your empowerment as a responsible agent to safeguard and protect Lumpkin County assets.

I, _____, hereby acknowledge receipt of a Purchasing Card, card number _____, a VISA® card issued by Bank of America, which will only be used to acquire materials and supplies for Lumpkin County. I agree to comply with the following terms and conditions relating to my use of the Purchasing Card.

1. As an authorized cardholder, I agree to comply with the terms and conditions of this Agreement and with the provisions of the Purchasing Card Policy and confirm that I have read and understand its terms and conditions.
2. I understand that Lumpkin County is liable to Bank of America for all charges I make on the Purchasing Card.
3. I agree to use the Purchasing Card for authorized official business purchases only and agree not to charge personal purchases. I authorize Lumpkin County to take whatever steps are necessary to collect an amount equal to the total of the improper purchases, including but not limited to declaring such purchases an advance on my wages to the extent allowed by law.
4. If the Purchasing Card is lost or stolen, I will **immediately** notify Bank of America at 1-888-449-2273. I will also notify the Finance Director, in writing, at the first opportunity during normal business hours.
5. I understand that improper or fraudulent use of the Purchasing Card may result in disciplinary action, up to and including termination of my employment. I understand that I may face criminal prosecution as allowed by law. I further understand that Lumpkin County may terminate my right to use the Purchasing Card at any time, for any reason.
6. I agree to surrender the Purchasing Card immediately upon request, upon termination of employment for any reason, or upon position change to one not authorized to hold a Lumpkin County Purchasing Card.

Agreed and accepted this _____ day of _____, _____.

CARDHOLDER:

Signature _____ Date _____

Printed Name _____ Phone _____

Position _____

PURCHASING CARD ADMINISTRATOR or FINANCE DIRECTOR:

Signature _____ Date _____

Printed Name _____ Phone _____

Position _____

# Lumpkin County, Georgia

# Finance Department

**Date:** December 29, 2014

**Agenda Item:** Lumpkin County Purchasing, Purchasing Card, and Fleet Card Policy

**Item Description:** Updated purchasing policy and addition of purchasing card and fleet card policies

**Facts & Historical Information:**

On December 18, 2012, the revised Purchasing Policy and revised Purchasing Operational Procedures were adopted. The original thresholds that were adopted during the County's financial recovery have been kept through each revision. The County is now financially stable and has sufficient internal controls in place to monitor spending and which warrant a review and increase of certain thresholds. Staff reviewed the policies of several counties and found that our threshold is much lower. Many counties issue purchase orders at $500 or $1,500. Revising the threshold will improve efficiency and offer greater flexibility to departments. Staff would also like to combine both of the purchasing policies into one document for easier use by the end user. With the recent changes in Fleet Maintenance staffing there is a necessity for specific allowances which are outlined in the proposed policy.

In 2005, a written policy for Fleet Cards was implemented but never formally adopted. At this time, we feel it is necessary to adopt a formal Fleet Card Policy and Purchasing Card Policy, especially since the Purchasing Card Program can be expanded and offered to other departments. Having this policy in place will make expansion of the program easier for staff.

**Potential Courses Of Action:**

1. Adopt the proposed Purchasing, Purchasing Card, and Fleet Card Policy.

2. Reject the proposed Purchasing, Purchasing Card, and Fleet Card Policy.

**Budget Impact:** There is no impact to the operating budget.