

STEVENS COUNTY, KANSAS PURCHASING PROCEDURES

EFFECTIVE DATE: MARCH 14, 2022
SUPERSEDES ANY PRIOR PROCEDURES

STEVENS COUNTY, KANSAS PURCHASING POLICY

GOALS, OBJECTIVES AND PRINCIPLES

The goal of the purchasing policy is to obtain needed goods and services at the lowest ultimate cost consistent with prevailing economic conditions, appropriate standards of quality and continuity of service while establishing and maintaining a reputation for openness, fairness and integrity. Simply stated, this means to obtain the right quality, in the right quantity, at the right time, at the right price and from the right source.

Embodied in the above statement are the three main objectives of the public purchasing process which must be weighted and balanced together to achieve value in procurement.

EFFECTIVENESS. The quality of the goods and or services procured, the units and quantities procured and the method of procurement are appropriate to the needs of the organization.

EFFICIENCY. The time and effort expended from definition of need through final delivery and the costs associated with acquiring the needed goods or services are reasonable in order to achieve good value.

ECONOMY. The prices paid for goods and services reflect savings of taxpayer dollars for product and service improvements and represent the best possible prices at the time of purchase in consistency with the requirements of the purchasing procedures.

To achieve a balance among these objectives, all employees of Stevens County involved in the procurement process shall subscribe to and work toward the following principles:

To consider the best interests of the county in all transactions and to carry out the county's policies and procedures.

To purchase without prejudice, seeking to obtain the maximum value for each dollar expended in accordance with established county quality standards.

To strive consistently for knowledge of materials, supplies, and services required by the county and to establish practical methods for acquiring them.

To be receptive to competent counsel from colleagues and to be guided by such counsel without impairing the responsibility of elected officials, department heads and staff to perform the assigned duties of their respective positions.

To foster honesty and truth in buying and to avoid conflicts of interest, unethical practices or the mere appearance thereof.

ETHICS

The purchasing function not only serves the public interest, but also the interests of government agencies, bidders, contractors, the Board of County Commissioners and all others who directly or indirectly are involved in the conduct of county business. Public purchasing is a public trust which must balance the twin objectives of procuring needed goods and services while protecting the integrity of the county.

Public employees must perform their duties impartially to insure fair, competitive access to the county's procurement process by responsible contractors. They should conduct themselves in such a manner as to foster public confidence in the integrity of the county's procurement process. To do so, it is essential that all county employees involved in the procurement process observe high ethical standards in the performance of their duties.

RESPONSIBILITIES

Agency, department and office directors are responsible for ensuring that their employees are fully familiar with federal, state and local laws, regulations and procedures regarding the purchase of commodities, materials, equipment and services for use in their agency, department or office and that those employees fully comply with the provisions of those laws, regulations and procedures. It is also the responsibility of agency, department or office directors to ensure that the purchasing policy and procedures are applied uniformly and consistently to all purchases made and to ensure that the specifications and requirements submitted for procurement provide for maximum competition among the vendors providing the required goods and services and to plan purchases to allow sufficient time for compliance with the purchasing policy and procedures. As used in this document, the term "department head" shall also include agency heads, directors and elected officials.

AUTHORITY TO PURCHASE AND CONTRACT

The division of any total purchase to lower the individual portions of a purchase to a lower, less restrictive level of formal or informal competitive bidding is prohibited.

Purchases of goods and services in excess of \$5,000.00 shall require formal, advertised, competitive bidding and approval by the Board of County Commissioners.

Proposed purchases in excess of \$500.00 shall first be submitted to the Office of the County Counselor for review before presentation to the Board of County Commissioners to determine the anticipated funding source, required notices if any and scheduling if required.

CONTRACT SIGNATURE AUTHORITY

All contracts originally awarded by the Board of County Commissioners, with the exception of term and supply contracts, require the signature of the Chairman of the Board of County Commissioners.

All contracts awarded by an agency board following their own administrative procedures may be signed by the Chairman of that board.

Any contract for professional services awarded in accordance with these purchasing procedures may be signed by the County Commissioners.

CHANGE ORDERS

Changes during the performance of a contract are accomplished by the issuance of a change order, modification, stop work or termination notice or by a renewal or extension of a contract.

TYPES OF PROCUREMENT PROCEDURES

The competitive procedures most commonly used by Stevens County to contract for goods and services fall into two categories: competitive sealed bidding and competitive quotations.

COMPETITIVE SEALED BIDDING

Competitive sealed bidding is considered the preferred method of procurement. In connection with the letting of county contracts, the commissioners have recognized this method as a valid exercise of the police power. Legislation governing the competitive bidding process is designed to invite competition, guard against favoritism and corruption while securing the best work or goods at the lowest practicable price.

The competitive bidding process calls for public openings on the date and at the time and place designated in the bid invitation. It must be emphasized that all requirements in regard to the time, place and method of procedures should be adhered to strictly. Public bid openings

reduce the possibility of collusion and favoritism and foster public confidence in the procurement process.

Elements of Competitive Bidding

The competitive bidding process will embody the following elements:

1. An invitation for bids which contains instructions to the bidders including the description and specifications of the needed goods or services, all applicable contractual terms and conditions and a statement of the time, date and place for receipt and opening of bids. Assistance by professional services may be required and are to be provided by a member of a profession which is licensed and regulated by the state of Kansas.
2. Adequate and reasonable public notice of the public notice that meets or exceeds statutory regulations.
3. A statement of the bid opening procedures.
4. The criteria for the evaluation and acceptance of bids.
5. Rules regarding the correction or withdrawal of bids.
6. The procedures for the awarding of bids and the criteria for cancellation or modification of awards.

Competitive Quotations

Quotations are written or verbal statements of prices, terms of sale and description of goods or services offered to the county by a prospective contractor. Quotations from multiple firms shall be used as documentation of purchases. All quotations obtained by departments or offices for such purposes require competitive written quotations.

While departments are authorized to obtain competitive quotes for some purchases, the ultimate purchasing decision is the responsibility is of the county commission and the authority for awarding the contract resides with the county commission.

Vendor relationships

It is essential to develop and maintain goodwill between the county and its suppliers. The reputation of the county can be enhanced and promoted by:

1. Giving all sales persons a full, fair, prompt and courteous hearing.

2. Keeping competition open and fair.
3. Drafting specifications to be fair, accurate and clear.
4. Maintaining consistent buying policies and principles.
5. Observing strict truthfulness in all transactions and correspondence.
6. Respecting the confidentiality of confidential or proprietary information.
7. Avoiding the creation of obligations to any vendor.

Bid Categories

\$0 - \$500 - Approval by department head and subject to budget authority. Each purchase of goods or services shall be considered in view of quality, reliability and reasonable price.

\$501 - \$5,000 -- Approval by department head subject to budget authority and a minimum of three (3) written price quotes shall be obtained. The department head shall review quotes submitted and approve the best quotation, taking into consideration price, quality, terms of delivery and other relevant considerations. A file of these quotes shall be maintained by the department head to document compliance with the purchasing policy.

If the procurement in this price range involves a purchase specifically approved by the Board of County Commissioners during the annual budget preparation process, the department head may approve the lowest responsible bid, taking into consideration conformity to the written specifications, quality, terms of delivery other conditions imposed in the written specifications and any other relevant considerations.

If the procurement involves the purchase of goods or services related to departmental needs which were not specifically included in the annual budget proposal, the department head shall obtain approval of the purchase from the Board of County Commissioners. The County Commissioners shall base their approval upon review of compliance with the purchasing policy procedures, available department budget authority and demonstrated need for the goods or services to be purchased.

Material and Equipment over \$5,000 -- Written specifications for purchases over \$5,000 in value shall be prepared and provided to potential vendors. Those specifications shall adequately describe the goods or services to be procured along with minimum performance standards and any other necessary criteria so that a reasonable and responsible bidder will be fully informed of the needed goods or services. The specifications may impose delivery deadlines or require that time of delivery or date of completion be included in the bid proposal. The specifications shall also require that sealed bids be submitted by a date and time certain. A public notice to request bids for the proposed purchase shall be published in the official county newspaper as required by state law and at least fifteen (15) days before the date and time for acceptance of sealed bids. Sealed bids will be publicly opened at the date and time listed in the notice and will be acted

upon by the Board of County Commissioners following appropriate review. The Board reserves the right to reject any and all bids.

It is recognized that the County Health Department often must purchase medicine and drugs in large quantities to meet community needs and for this reason, purchase cost limitation are waived for such purchases. The County Health Department may also utilize sole source purchasing for drugs, vaccines and medicines.

The Public Works Director has previously been authorized to make bulk purchases of gasoline, diesel fuel and motor oils for the county and the purchase costs limitations are waived for such purchases. The Public Works Director may also utilize sole source purchasing for bulk purchases.

Building and Construction Projects over \$5,000

Written plans and specifications shall be prepared by qualified, licensed, professional architects and or engineers as appropriate for the proposed building or other construction project. The written planes and specifications shall adequately describe the building or construction project so that a reasonable and responsible bidder will be fully informed of the work to be performed. Written plans and specifications for the work to be performed shall be filed at the office of the County Clerk and at any other county office designated by the Board of County Commissioners at least thirty (30) days before the opening of bids and shall be available for public inspection. A notice of bid letting shall be published in the official county newspaper as required by law at least fifteen (15) days before the date and time for acceptance of sealed bids. The notice shall clearly state the time, date and place when bids will be publicly opened. The Board of County Commissioners will act upon the bids received following an appropriate review by the project architect or engineer. The Board reserves the right to reject any and all bids. The contract shall be awarded to the lowest responsible bidder unless the Board of County Commissioners deem the bid proposal is too high, in which case the Board shall reject all bids and re-advertise for bids as provided by this purchasing policy. No contract shall be awarded in an amount in excess of the cost estimate of the project architect or engineer. Subject to state law, the Board may negotiate with the lowest responsible bidder prior to awarding a contract and may award a contract amount lower than the original bid amount. The successful bidder shall be required to submit all bonds and sureties required by the specifications and applicable state law including the statutory payment bond and the construction performance bond.

Rejection of Bids: The Board of County Commissioners reserves the right to reject any and all bids.

Lowest Responsible Bidder: The County Commissioners will construe the lowest or best bid to take into consideration not only price and quality, but also the financial responsibility, facilities and equipment to perform the task, the skill and experience, previous performance, integrity and reliability of the vendor or contractor along with any other matter reasonably affecting the ability of the bidder to effectively perform the contract.

Out of State Bidders: To the extent permitted by federal law and regulations whenever the county lets bids for contracts for the erection, construction, alteration or repair of any public building or structure or any addition thereto or for any public work or improvement, or for any purchase of goods, merchandise, materials or equipment of any kind, the contractor domiciled outside the state of Kansas, to be successful, shall submit a bid the same percent less than the lowest bid submitted by a responsible Kansas contractor as would be required of such Kansas domiciled contractor to succeed over the bidding contractor domiciled outside Kansas on a like contract let in such contractor's domiciliary state in accordance with K.S.A. 75-3740a.

Exceptions to Competitive Bidding:

The following procurements are statutorily exempt from the competitive procurement process.

1. Sheriffs Department covert vehicles and equipment. K.S.A. 45-221(a)(5)
2. Contracts for mental health services or services for the mentally retarded between a governing board and a "for profit corporation" providing such services. K.S.A. 19-4007
3. Acquisitions of library materials for the direct use and benefit of the public. K.S.A. 12-12225(c).

The competitive procurement process may be waived:

1. In defined emergencies and documented in accordance with the emergency purchases section of the procedures.
2. For sole source procurement and documented and approved in accordance with the sole source purchases section of these procedures.
3. For procurement of goods and services which are available from or through other governmental entities, including joint construction projects authorized by the county commissioners and inter-governmental agreement, and when the other governmental party to the agreement is administrating the project or program.
4. For exact replacement of a plant component, part or sub-assembly when exact replacement is necessary to avoid excessive modification to plant operation systems and it is determined by the County Commissions that the component, part or sub-assembly is only available through a single authorized distributor.
5. For seminar registrations and professional membership dues and fees.
6. For purchases of local utility services for county owned or operated facilities.
7. For utility relocation payments negotiated in accordance with resolutions adopted by

the Board of County Commissioners.

8. For postage expense when billed by a vendor at the currently prevailing postage rates established by the U.S. Postal Service.
9. For professional services that require specific certifications or qualifications.
10. Under other documented and justified circumstances approved by the Board of County Commissioners.

Emergency Purchases

Emergency purchases will be allowed when critical county operations will be severely affected in an adverse manner unless immediate action is taken to remedy the situation, or a disaster creates a threat to public health, welfare or safety.

The Board of County Commissioners or any department head, agency or office director may declare an emergency situation as defined above and make emergency purchases of materials, equipment or services with or without benefit of the competitive purchasing process.

Emergency purchases made in accordance with this procedure will be documented in writing by the person declaring the emergency situation and submitted to the Board of County Commissioners with a confirming requisition signed by the appropriate agency, department head or office director.

Certain purchases not meeting the criteria for an emergency under this procedure, but which may be deemed as urgent will be expedited by the Board of County Commissioners upon notification of such circumstance and submission of a requisition. In such circumstances, the Board of County Commissioners may elect to secure informal competition rather than formal bids to respond to any extenuating circumstances.

BIDDING REQUIREMENTS

Bonds:

Three types of bonds will be required by the county in the competitive procurement process. Those bonds along with their utilization are summarized as follows:

1. Bid bonds will be required as a guarantee to ensure that a firm or individual awarded a contract will subsequently enter into the contract with the county.
2. Performance bonds will be required as a guarantee to ensure that a firm or individual that has entered into a contract with the county will complete the project within the terms of the agreement.

3. A Statutory Bond for labor and material payment will be required for all contracts exceeding \$100,000 entered into by the county for the purpose of making public improvements, constructing any public building or making repairs to public buildings. The bonds are required by K.S.A. 60-1111 and insure the payment of all indebtedness incurred for labor furnished, materials, equipment or supplies used or consumed in connection with, or in or about the construction, improvement or repairs. These bonds are issued in favor of the state of Kansas and are filed with the district court.

The above bonds require the appointment of a Kansas resident agent and must be issued by an acceptable bonding company licensed to do business in the state of Kansas.

Checks or other security deposits shall not be accepted in lieu of the above bonds unless specifically approved by the Board of County Commissioners or otherwise allowed by Kansas statute prior to the publication and distribution of the bidding documents.

Bid Bonds, when required will be equal to five percent (5%) of the total amount bid while performance and statutory labor and material payment bonds will be written in an amount equal to one hundred percent (100%) of the awarded contract.

Construction projects estimated to cost \$100,000 or more require all the above bonds. Bid security for other purchases may be required by applicable statute or at the discretion of the Board of County Commissioners.

Insurance:

Certificates of insurance shall be provided by the successful bidder to assure that the county's insurance program will not be called upon to respond to losses from claims resulting from the contractor's operations, products, activities or services for the county and to which the contractor is financially capable of responding.

Construction and service contractors will provide evidence of commercial general liability, worker's compensation and automobile liability coverage.

Professional services and environmental contractors will provide evidence of professional liability, commercial general liability, worker's compensation and automobile liability coverage.

The certificate of insurance shall be issued to:

Board of County Commissioners
Stevens County, Kansas

The certificate will evidence a thirty (30) day cancellation clause and the inclusion of the

Board of County Commissioners, Stevens County, Kansas, its officers, commissions, agents and employees as additional insureds.

Depending on the services requested in the procurement, additional or specialty coverage or specific limits of coverage may be required at the discretion of the Board of County Commissioners. The amounts and types of insurance required will be detailed in the bidding or purchasing document.

Sole Source Purchases

A sole source purchase is an award of contract for goods or services to the only known source for the required goods or services as occasioned by the unique nature of the requirement, the vendor, market conditions or the impracticality of obtaining competitive proposals. A sole source cannot be justified on the basis of quality or price as quality can be a subjective evaluation based on individual opinion and price considerations must be evaluated by competitive bidding. If there is more than one product or service that will perform essentially the same functions under essentially the same conditions as the requested product or service, then a sole source exemption to the competitive purchasing policy is deemed not to exist.

A sole source purchase may be requested by a department head. It is the responsibility of the requester to fully justify the requested sole source purchase. The Board of County Commissioners will review the request and if the aggregate cost of the sole source request is less than \$2,000, they will provide the department head with their opinion as to the requested purchase. If the aggregate cost is \$2,000 or greater, the Board of County Commissioners will make the purchasing decision.

ADDITIONAL STATUTORY REQUIREMENTS

In addition to the general purchasing statute, several other state statutes govern purchasing and contracting by county governments. Agency, department and office directors and employees involved in the purchasing or contracting functions are advised to be familiar with the provisions of these statutes. Listed below are a few, but not all, of the most commonly referenced statutes:

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| 1. Bridges | K.S.A. 68-1101 et seq.
K.S.A. 68-1413 et seq. |
| 2. Budget law | K.S.A. 79-2925 et seq. |
| 3. Cash basis law | K.S.A. 10-1101 et seq. |
| 4. County Buildings | K.S.A. 19-214 et seq.
K.S.A. 19-1594 et seq.
K.S.A. 19-2108 et seq. |

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| 5. Preferential Bidding | K.S.A. 75-3740a
K.S.A. 79-2804 et <i>seq.</i> |
| 6. Real estate acquisition or sale | K.S.A. 68-521 |
| 7. Roads | K.S.A. 68-704 |
| 8. Statutory bonds | K.S.A. 60-1110 et <i>seq.</i> |