

FORWARD

This purchasing policy and procedures manual is intended for use as a guide to the County of Yadkin's purchasing methods and practices. When used properly, the policies and procedures established herein will enable the County to obtain needed supplies, materials, equipment, and services efficiently and economically.

The understanding and cooperation of all employees is essential if the County is to obtain the maximum value for each tax and utility dollar spent. While this manual does not answer all questions related to purchasing, it does provide the foundation for a sound purchasing system.

The basic goals of the County's purchasing program are:

1. To comply with the legal and ethical requirements of public purchasing and procurement.
2. To assure vendors that impartial and equal treatment is afforded to all who wish to do business with the County.
3. To receive maximum value for each dollar spent by awarding purchase orders to the lowest responsible bidder, taking into consideration quality, performance, technical support, delivery schedule, past performance and other relevant factors.
4. To provide County departments the required goods and services at the time and place needed.
5. To professionally administer the search for sources of supplies, the development of new sources, the selection of suppliers, negotiations, commitment, follow-up, and adjustments.
6. To promote positive and effective vendor relations, cultivated by informed and fair buying practices and strict maintenance of ethical standards.
7. To effectively promote standardization of products used within and among departments in order to obtain better prices.

If the procedures and guidelines established in this manual are followed, each department can efficiently manage, control and plan its available resources to meet present and future departmental needs and help the County to meet these goals. Should you have any questions about this manual or its procedures, contact the Finance Department at 679-4338.

This is a policy adopted by the Board of Commissioners and employees, Finance and County Administration can deviate from this policy.



II. GENERAL GUIDELINES FOR PURCHASING SUPPLIES AND MATERIALS

2.1 Local Buying:

The County wants to insure that local vendors who have goods or services available which are needed by the County are included in the competitive purchasing process. The County has a responsibility to its residents, however, to insure that maximum value is obtained for each public dollar spent. The County cannot make purchasing decisions solely on the basis of vendor residence. Rather, the County will endeavor to encourage local vendors and suppliers to compete for all County business.

2.2 Planning:

Planning for purchases should be done on a short-term and long-term basis, thereby minimizing small orders and last minute purchases. Planning will also reduce the number of trips required to obtain materials and minimize clerical and supervisory time spent on documenting purchases.

2.3 Buying Proper Quality:

Quality and service are as important as price and it is the duty of the requesting department to secure the best, most economical, quality that will meet but not exceed the requirements for which the goods and/or services are intended. In some instances the lowest price does not necessarily mean the lowest cost.

III. VENDOR SELECTION

3.1 Selection Policy:

Vendors will be selected on a competitive basis. Telephone quotations, informal bids, or formal bids will be solicited by the receiving Department within accordance of North Carolina purchasing statutes. All quotes received must be attached electronically to the Purchase Requisition.

3.2 Selection Procedures:

For the procurement of supplies, materials and/or equipment and for construction or repair, the Finance Department will observe the following procedures:

- a) Items less than \$1,000 are purchased with a Procurement Card as Detailed in Section VIII 8.1.
- b) In accordance with North Carolina General Statute §143-131, purchases of less than \$30,000 will be made in the open market with or without necessary resort to invitation for bids or request for quotations. However, every effort should be given to obtain three verbal or written quotes. All quotes, regardless of degree of formality, should be attached to the Purchase Requisition.
- c) In accordance with North Carolina General Statute §143-131, a Request for Proposals (RFP) will be used for purchases of \$30,000.00 to \$89,999.99 with or without advertising.
- d) In accordance with North Carolina General Statute §143-129,

invitation for formal bids by Request for Proposals (RFP) or Invitation for Bid (IFB) will be used for purchases of \$90,000 and greater (\$1,000,000 and greater for construction and repairs). This will include advertising in the local newspaper and/or other advertising media as deemed appropriate. Sealed bids will be opened at a particular date & time specified.

3.3 New Vendor Approval Process

Prior to any purchase, Departments must complete a New Vendor Form for all vendors not established in Munis. Departments should also obtain a W-9 Form from the new vendor. New Vendor Forms shall be sent to the Assistant County Manager/Finance Officer who subject to approval will forward them to the County Manager for final approval.

IV. **PURCHASING PROCEDURES**

This section outlines the County's purchasing procedures. The procedures outlined are designed to take full advantage of a purchasing system. These procedures cover the purchase of apparatus, supplies, materials and/or equipment for items costing over \$1,000.00. Purchases for less than \$1,000.00 should be handled by purchasing card (see section 7.9). Contracts are addressed separately.

4.1 Request to Purchase:

The Purchase Requisition initiates the procurement cycle for all approved vendors. The receipt of the Purchase Requisition gives the Finance Department the authority to issue a purchase order to the recommended (and approved) vendor. The Department Director or his/her designee must approve all requests within the department. The Purchase Requisition is completed electronically in Munis. All purchases above \$1,000 must be approved by the County Manager PRIOR to the purchase of any apparatus, supplies, materials and/or equipment for items costing over \$1,000.00. A completed requisition with appropriate approvals is required for all purchases other than those identified in Exhibit A.

4.2 Service Contracts

Please see Section VII. 7.1

V. **PURCHASE ORDERS**

To be valid, a County Purchase Order must be completed and signed by the Assistant County Manager/Finance Officer or his/her designee.

5.1 The Purchase Order Process:

A purchase order is a contract between the County and a vendor and is not binding until it is fully executed by the Assistant County Manager/Finance Officer. The issuance of purchase orders by unauthorized County employees will not be recognized by the County and payment of these obligations will not be approved. Obtaining supplies, materials, equipment or services above \$1,000 without a purchase order is also an unauthorized purchase. (Except in emergency situations as outlined in Section VII. 7.2.)
Unauthorized purchases are classified as a personal expense and will be paid for



by the employee.

Finance will forward the Purchase Order to the Vendor and a copy to the receiving Department. Finance will also maintain a copy.

In order to properly process the vendor's invoice(s) for payment, the invoice must indicate the purchase order number and the appropriate budget code and be attached electronically in Munis and approved by the Department Director or his/her designee. This must be done immediately after the item(s) has been received, inspected and accepted by the using department.

VI. AVAILABILITY AND TRANSFER OF BUDGETARY FUNDS

6.1 Policy:

A request to purchase will not be processed if there are insufficient funds available in the line item budget code requested. The requesting department must complete a Funds Transfer or a Budget Amendment and it must be approved PRIOR to re-submitting the Purchase Requisition.

6.2 Authority:

The County Manager is authorized to make certain changes among operating expenditure line items in the budget of a department, (department as defined in the annual budget ordinance adopted by the Board of Commissioners).

6.3 Responsibility:

Transfer of Funds must be requested by the Department Director or his/her designee and forwarded to the County Manager BEFORE any commitments are approved against an expenditure line item which would exceed the amount budgeted for that particular line item.

Requests should be stated in even dollar increments.

The County Manager is expected to inquire about the appropriateness of any and all Department Transfer of Funds and Budget Amendments.

VII. SPECIAL PROCUREMENT PROCEDURES

7.1 Service Contracts:

The request for services (not purchasing a common product off the shelf) or the purchase of goods and services, includes but are not limited to, professional services, printed materials, general services (locksmiths, HVAC, repairs/maintenance, plumbing, etc.), attorneys, architects, engineers, surveyors and grant recipient should be submitted through the Legal Review Process and Contract Management Module in Munis. All funds for approved contracts will be encumbered through the Contract Management Module in Munis. All contracts are required to have the approval of the County Attorney/County Manager, Risk Insurance provider, Information Technology Director, Assistant County Manager/Finance Officer and Board of Commissioners/County Manager. A copy of the fully executed contract must be forwarded to the Finance Department via the Contract Management process.



7.2 Emergency Purchases:

In cases of emergencies, the Department Director or his/her designee may purchase directly from any vendor, supplies or services whose immediate procurement is essential to prevent delays in work which may affect the life, health or safety of County of Yadkin employees or citizens.

Departments shall exercise good judgment and use established vendors when making emergency purchases. Always obtain the best possible price and limit purchases to those items emergency related. **Not anticipating needs does not constitute an emergency situation.** First, determine if a true emergency does exist. Second, anticipate needs and avoid emergency situations whenever possible. Emergency orders are always costly. Vendors usually charge top prices if supplies or services must be obtained on an emergency basis.

During working hours, the following procedure should be used for emergency purchases:
Notify the Finance Department that you are preparing an emergency purchase requisition and provide all pertinent information to obtain a purchase order. The information needed will include vendor name, item(s) to be purchased, expenditure account to which the item(s) will be charged and the reason for the emergency. Proceed with the requisition process in Munis.

After working hours, the following procedure should be used for emergency purchases:
Call the County Manager's cell phone for verbal permission to purchase. On the next business day following the emergency, the department should complete a purchase requisition with a brief explanation of the reason for the emergency and submitted through the same purchase requisition process. The department should forward the confirming purchase order to the vendor.

Emergency purchases, although sometimes necessary, are costly both in time and money. The use of emergency procedures should be limited and will be monitored for abuse.

7.3 Purchase Order Cut-Off Date:

Purchase requests for materials, supplies, services and equipment for the ending current fiscal year must be received by the Finance Department no later than May 15th. Purchase requests of a routine nature that could have been scheduled prior to May 15th, and are not critical, will be denied. This procedure affords Purchasing and Accounts Payable the opportunity to complete fiscal year end activities in a timely and proper manner. Exceptions require written approval by the Assistant County Manager/Finance Officer and/or the County Manager prior to submission.

7.5 Sole Source of Supply:

In the event there is only one vendor capable of providing a particular good and/or service, the competitive pricing procedures outlined in this manual may be waived by the Assistant County Manager/Finance Officer. Whenever a Department Director or his/her designee determines to purchase goods and/or services from a "sole source", he/she



shall complete a Sole Source Justification form. Exhibit B is a sample of a Sole Source Justification form.

7.6 State of North Carolina Term Contracts:

Departments may utilize the State of North Carolina Term Contracts which have been previously bid and administered by the State of North Carolina, Department of Administration, Purchase and Contract Division whenever possible for procurement of capital and non-capital items. This system expedites the purchase of goods, offers pricing compatible with quotes received from formal and informal bids, and satisfies North Carolina General Statutes. Examples of goods on state contract are: law enforcement vehicles, office furniture, copiers, janitorial supplies, copier paper, light bulbs, etc. Contact the Finance Department with questions about which goods and services are on State Contract.

7.7 Services Contracts:

Normal competitive procedures cannot be utilized in securing professional services such as attorneys, planners, and other professionals. When an agreement between a professional service company and the County is established, a contract with a not-to-exceed amount shall be issued to satisfy accounting and statutory requirements. As with all contracts, they must be reviewed and approved by the County Attorney, the IT Director, Risk Insurance Agency, the County Manager, the Assistant County Manager/Finance Officer and the Board of Commissioners (unless contract authority has been designated to the County Manager).

Service Contracts for Architects, Surveyors, Engineers and Construction Managers are subject to NCGS 143-64.31 and require a Request for Qualifications (RFQ). A selection for these services must be made solely on qualifications and not on price. In collaboration with the County Manager, a RFQ will be prepared and issued to applicable vendors. The RFQs shall be evaluated on qualifications and submitted to the Board of Commissioners for approval. The Department and/or County Manager will have the authority to negotiate price within the guidelines established by the Board of Commissioners for that particular project. Once a price has been agreed upon, a contract will be prepared and submitted through the Legal Review/Contract Management processes. Exceptions to this requirement are subject to approval by the Board of Commissioners and the requirements set forth in NCGS 143-64.32.

The New Vendor Form should be completed and a W-9 obtained simultaneously when establishing contracts with new vendors.

7.9 Procurement Cards:

Procurement cards are a cost effective method of obtaining low cost (less than \$1,000) supply items for the County. For detailed information on the use of credit cards by County employees, please refer to the Procurement Card Procedures in Exhibit C.

VIII. COMPETITIVE BIDS

The Board of Commissioners or County Manager may require a Request for Proposals, Invitation to Bid or Request for Qualifications to be issued for any purchase of goods or



Services if it is in the best interest of the County.

8.1 Purchase of Supplies and Materials (Up to \$1,000.00):

Departments shall use the purchasing card for items costing less than \$1,000.00. If the vendor does not accept the procurement card a Purchase Requisition needs to be processed through the normal process for issuance of a purchase order. Competitive bids are not required for purchases less than \$1,000.00.

8.2 Purchases of Supplies and Materials (\$1,000.01 - \$29,999.99):

The receiving Department should obtain quotes for expenditures between \$1,000.01 and \$29,999.99 and the quotes should be attached to the Purchase Requisition following the procedures in Section 5.1. Every effort to obtain 3 quotes should be exercised and combined into one PDF and attached to the Purchase Requisition following the procedures in Section 5.1.

8.3 Informal Bids- NCGS 143-131:

This applies to purchases of supplies, apparatus, materials and equipment costing between \$30,000.00 and \$89,999.99 AND construction or repair contracts between \$30,000 and \$499,999.99.

Items in this category should be contained and detailed in the original budget adopted by the Board of Commissioners. If they are not contained in the original budget, they should be discussed with the County Manager prior to obtaining quotes.

The informal bidding process requires that competitive pricing be obtained by phone, fax, email, etc. These quotes are obtained by 3 or more sources who can supply the product(s) needed. If 3 quotes are not obtained, departments shall provide a written justification. The quotes shall be combined into one PDF and attached to the Purchase Requisition following the procedures in Section 5.1.

Construction, renovation or repair quotes shall be the responsibility of the Department Director, the contracted engineer and other County officials as deemed appropriate. Construction contracts \$300,000 and above require performance or payment bonds. The bid award will be made to the lowest responsible bidder deemed in the best interest of the County. All bids/contracts must be processed through the Legal Review Process and awarded by the Board of Commissioners. Once approved by the Board, the Department Director or his/her designee shall follow the Contract Management process in Munis.

8.4 Formal Bids- NCGS 143-129:

This applies to supplies, apparatus, materials and equipment costing \$90,000 and above AND construction or repair contracts costing \$1,000,000 and above.

Items in this category shall be contained and detailed in the original budget adopted by the Board of Commissioners. If they are not contained in the original budget, they should be discussed with the County Manager prior to initiating the formal bid process.



The Department Director or his/her designee, in conjunction with the Finance Department shall develop and prepare specifications for bidding. The County Manager may require the specifications and the RFP to be approved by the Board of Commissioners prior to issuance.

The bidding process should comply with NCGS 143-129. The RFP shall contain one point of contact during the bidding process and all correspondence shall be in writing and addenda issued as appropriate. The RFP shall be advertised within statutory guidelines and bids remain sealed until the designated date and time. The bids shall be publically opened and read aloud by the Department Director or his/her designee and bids recorded by a representative from the Finance Department. A bid tabulation sheet shall be completed that includes all responding vendors, names, addresses and dollar amount of the bids.

Once the bids are opened, the Department Director or his/her designee and a representative from the Finance Department, shall review all bid responses to determine which bid is in the best interest of the County. The Department Director or his/her designee shall make a formal recommendation of award, with supporting documentation to the County Manager. If acceptable to the County Manager, the contract award shall be presented to the Board of Commissioners for approval.

Upon the Board of County Commissioners' approval of the recommendation, the Department will initiate the purchase requisition process as outlined in Section 5.1.

Construction contracts within this range shall be the responsibility of the Department Director and contracted engineer and other County officials as deemed necessary. These officials are responsible for specification development. Construction contracts \$300,000 and above require performance or payment bonds. After the formal bidding process is completed, the bids/contracts must be processed through the Legal Review Process and awarded by the Board of Commissioners. Once approved by the Board, the Department Director or his/her designee shall follow the Contract Management process in Munis.

8.5 Statutory Thresholds in North Carolina Public Contracting Statutes
Exhibit C contains the North Carolina public statutory thresholds.

IX. SPECIFICATIONS

When goods and/or services are procured under the informal or formal bidding process, specifications must be prepared. All specifications should do at least four things:

- a. Identify minimum requirements
- b. Encourage competitive bids
- c. Be capable of objective review
- d. Provide for an equitable award at the lowest possible cost

Specifications shall be as simple as possible while maintaining the degree of exactness required to prevent bidders from avoiding supplying the goods and/or services required or otherwise taking advantage of their competitors.



All specifications utilizing a name brand must include the term "or approved equal" to avoid being restrictive and eliminating fair competition from the bidding process. A digital PDF of the specifications required will assist them in procuring the desired item(s).

Different methods of structuring specifications include:

- a. Qualified products on acceptable vendor list
- b. Specification by blueprint or dimension sheet
- c. Specification by chemical analysis or physical properties
- d. Specification by performance, purpose or use
- e. Specification by identification with industry standards
- f. Specification by samples

Specs for a truck purchase, for example, could be: White exterior/grey interior with vinyl seats, 4-wheel drive, V-8 engine, extended cab with power locks and windows.

X. DELIVERY AND PERFORMANCE

A completed and accepted purchase order by the parties concerned must produce the intended results or objectives before it can be considered a successful or completed purchase. The terms and conditions contained on the purchase order must clearly define the delivery and performance requirements of the services, supplies or equipment. The Yadkin County Purchase Order generated through Munis' Tyler Forms contains the County's required terms and conditions.

The importance of the delivery schedule will be emphasized to the vendor. Delivery requirements will be clearly written and fully understood by all vendors. If several items are required by the purchase order, there may be a different delivery schedule for each item. It is necessary to clearly indicate the delivery location on the Purchase Requisition form. All goods must be received by June 30 of each fiscal year.

10.1 Partial Deliveries:

Some purchase orders may list several items and the vendor may fulfill the purchase order by multiple deliveries, which are referred to as "partial deliveries". Upon receipt of a partial delivery, reference to the purchase order number on the receipt/invoice, scan and attach both to the invoice processing in Accounts Payable.

10.2 Non-performance:

If a vendor fails to meet any requirement(s) of the specifications or terms and conditions of the contract or purchase order, the vendor can be cited for non-performance. The seriousness of non-performance will be evaluated based upon the circumstances of each violation. Specific types of non-performance are discussed in Section XI.

XI. INSPECTION AND TESTING

Life and safety as well as successful operation of expensive equipment and supplies may depend upon how well a purchased item meets the design and performance specifications.



Goods and materials should be checked at the time of receipt for damage or defects. The inspection shall include assuring goods comply with the specifications. If damage is found or the goods fail to comply with the specifications, the item(s) shall be rejected as outlined below.

11.1 Rejection and Damaged goods:

If the condition of the delivery package indicates that the goods may be damaged, the delivery should be rejected and the vendor notified immediately.

11.2 Latent Defects:

Latent defects may be the result of damage in transit or failure of the manufacturer to conform to specifications. Consequently, it is often difficult to fix responsibility for the defective material. If specific liability for the defect cannot be determined between the carrier, the vendor, or the manufacturer, the County may file a claim against all parties. A memo attached to a photocopy of the purchase order must be forwarded to the Finance Department so all parties involved can be properly informed.

XII. VENDOR RELATIONS

The Finance Department maintains a vendor file in Munis for recording the performance of vendors the County engages in business. Should a department experience difficulties with or have a complaint with a particular vendor, document your concerns in a memo, attach a photocopy of the purchase order, and forward to the Finance Department. Be as specific as possible, detailing the circumstances, dates, personnel involved (including titles) and phone numbers. This information will be helpful in determining if the vendor shall remain on the vendor list.

If it is felt a certain vendor should be commended for its efforts, document the circumstances and forward a memo to the Finance Department.

Departments do not have the authorization to commit in writing, or verbally, future County business to vendors. If a department wishes to add a specific vendor or contractor to the bid list, the Finance Department shall be contacted.

XIII. AFTER THE ORDER

The procurement function is not accomplished by simply placing an order with a supplier. Satisfactory delivery must also be made. To insure delivery will be made when required, follow-up is necessary.

Follow-up or expediting delivery of an order is part of the procurement process and should be handled by the using department.

The Finance Department shall on a regular basis review outstanding purchase orders to determine if vendors are delinquent in shipping the items requested. The Finance Department shall contact the using department with concerns regarding delinquent deliveries.

The using department shall contact vendors concerning invoice discrepancies and shall

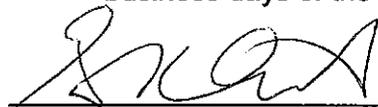
have any discrepancies resolved before submitting to Finance for payment.

XIV. EXHIBITS

- Exhibit A. Purchases Not Requiring a Completed Purchase Requisition Form
- Exhibit B. Sole Source Justification Form
- Exhibit C. Dollar Thresholds in North Carolina Public Contracting Statutes
- Exhibit D. Procurement Card Procedures Manual
- Exhibit E. Procurement Cardholder Agreement

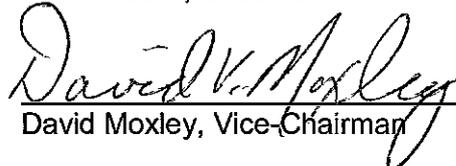
XV. REVISIONS

The County Manager is authorized to make revisions to the procedures contained in this Policy and its Exhibits as long as they are not substantive in nature or contradict the core policy. Any changes must be reported to the Board of Commissioners within ten business days of the change.



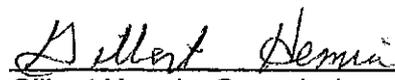
Kevin Austin, Chairman

3-4-13
Date



David Moxley, Vice-Chairman

3-4-13
Date



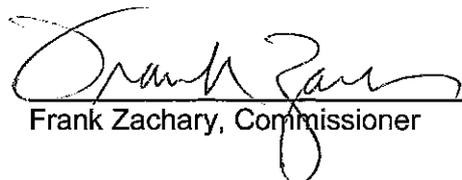
Gilbert Hemric, Commissioner

3-4-13
Date



Marion Welborn, Commissioner

3-4-13
Date



Frank Zachary, Commissioner

3-4-2013
Date



EXHIBIT A

PURCHASES AND/OR SERVICES THAT DO NOT REQUIRE A PURCHASE REQUISITION

This list is not all inclusive and the invoice entry process may be completed:

- Advertising (legal ads, radio announcements, etc.)
- Annual dues
- Civil Execution payments
- Claims payments
- Courier services
- Crisis Management payments
- Daycare payments
- Debt Service payments
- Departmental fees owed to the State
- DSS Custodial Accounts payments
- Foster Care payments
- Insurance premiums
- Medical examinations
- Memberships
- Petty cash-replenishment of funds
- Postage permits and expenses
- Refunds
- Service Contracts entered into the Munis Contract Management Module
- Subscriptions
- Tuition fees for educational purposes
- Utilities



EXHIBIT B

SOLE SOURCE JUSTIFICATION FORM

EXHIBIT B
Sole Source Justification Form

This form must be completed for all Sole Source purchase requests and submitted to Finance for approval PRIOR to submitting an Agenda item for Board of Commissioner approval.

| | |
|--|-------------------|
| Requestor: _____ | Date: _____ |
| Title: _____ | Department: _____ |
| Phone: _____ | |
| Product: <div style="border: 1px solid black; width: 200px; height: 30px; display: inline-block; vertical-align: middle;"></div> | Amount: _____ |

I am aware that NCGS 143-129 mandates that Yadkin County procure all apparatus, supplies, materials and equipment totaling \$30,000 or more by competitively bidding.

Recommended Sole Source Vendor:

Company Name: _____
Contact Name: _____
Address: _____
City, State, Zip: _____
Phone: _____

Is the recommended company the manufacturer?

Yes _____ No _____

Does the manufacturer sell the item(s) through distributors?

Yes _____ No _____

SOLE SOURCE RATIONALE

A specific contractor is the only source of the required item because (check all that apply):

_____ The required items are proprietary to the Contractor
_____ A specific item is needed:
_____ to be compatible or interchangeable with existing hardware
_____ as spare or replacement hardware
_____ for the repair or modification of existing hardware
_____ for technical evaluation or test
_____ other (provide details below)

_____ There is a substantial technical risk in contracting with any other contractor, thereby making that an unacceptable course of action (e.g., where only one contractor has been successful to date in implementing a difficult manufacturing process). In a brief explanation, provide supporting evidence of other contractors with relevant capabilities and emphasize their inability to overcome the substantial technical risk.

_____ The requested product is essential in maintaining standardization and the use of another product would require considerable time and money to implement or evaluate.

_____ The product must be compatible to existing equipment in order to operate adequately; or maintain existing warranties.

If this product is technology related, has it been reviewed and approved by Information Technology?

_____ Yes (provide documentation or the date of approval and have the IT Director sign _____

_____ No (must complete before submitting this form)

Please provide detailed information about why you need to acquire these goods:

Has your department bought these goods in the past?

Yes _____ No _____

Who was the supplier? _____

Was it competitively bid or declared sole source?

Yes _____ No _____

What was the last date and price paid for goods: _____

Why are the requested goods the only item that can satisfy your requirements? Indicate the unique features, characteristics, requirements, capabilities, etc.

Were alternative goods evaluated?

Yes _____ No _____

If yes, what were they and why were they unacceptable? Be specific.

If no, why not?

Will this purchase obligate the County to this vendor for future purposes?

Yes _____ No _____

If yes, please provide full details:

Why is the price for this purchase considered to be fair and reasonable?

What will be the financial or other impact to your department if this sole source is not approved and a competitive bid is required?

I certify that the above information is true and correct and that I have no financial or other beneficial interest in the vendor or product.

Requestor

Date

Department Director

Date

Finance Department

Date

Dollar Thresholds in North Carolina Public Contracting Statutes

Dollar limits and statutory authority current as of September 1, 2007.

| Requirement | Threshold | Statute |
|--|---|---------------------------------|
| Formal bids | | |
| Construction or repair contracts | \$500,000 <i>and above</i> (estimated cost of contract) | G.S. 143-129 |
| Purchase of apparatus, supplies, materials, and equipment | \$90,000 <i>and above</i> (estimated cost of contract) | G.S. 143-129 |
| Informal bids | | |
| Construction or repair contracts | \$30,000 to formal limit | G.S. 143-131 |
| Purchase of apparatus, supplies, materials, and equipment | \$30,000 to formal limit | G.S. 143-131 |
| Construction methods authorized for building projects | | |
| Separate Prime | Over \$300,000 (estimated cost of project) | G.S. 143-128 |
| Single Prime | | |
| Dual Bidding | | |
| Construction Management at Risk | | |
| Minority-business enterprise requirements | | |
| Building projects | | |
| Projects with state funding | \$100,000 <i>or more</i> | G.S. 143-128.2(a) |
| Locally funded projects | \$300,000 <i>or more</i> | G.S. 143-128.2(a) |
| Projects in the informal range | \$30,000 to \$500,000 | G.S. 143-131(b) |
| Limit on use of own forces | | |
| Construction or repair projects | <i>Not to exceed</i> \$125,000 (total project) or \$50,000 (labor only) | G.S. 143-135 |
| Bid bond or deposit | | |
| Construction or repair contracts | Formal bids (<i>see above</i>) | G.S.143-129(b) |
| Purchase contracts | Not required | |
| Performance/payment bonds | | |
| Construction or repair contracts | <i>Projects over \$300,000 for each contract over \$50,000</i> | G.S. 143-129(c); G.S. 44A-26 |
| Purchase contracts | Not required | |
| General contractor's license | | |
| | \$30,000 <i>and above</i> | G.S. 87-1 |
| Use of registered architect or engineer required | | |
| Nonstructural work | \$300,000 <i>and above</i> | G.S. 133-1.1(a) |
| Structural repair or new construction | \$135,000 <i>and above</i> | |
| Repair work affecting life safety systems | \$100,000 <i>and above</i> | |
| Selection of architect, engineer, surveyor, or construction manager at risk | | |
| "Best qualified" selection procedure | All contracts unless exempted | G.S. 143-64.31 |
| Exemption authorized | Projects where estimated fee is less than \$30,000 or other projects in sole discretion of unit | G.S. 143-64.32 |



EXHIBIT D:

PROCUREMENT CARD POLICIES AND PROCEDURES

Welcome to the County of Yadkin's Procurement Card Program. This Program is designed to increase productivity and cost savings through better managing of small dollar purchases. The Program brings many benefits to you, the County of Yadkin and its suppliers.

The success of the Procurement Card Program and its continuing use depends on employees' participation and cooperation. Please be sure to read and follow the Program guidelines as specified within these Policies and Procedures.

WHAT IS THE PROCUREMENT CARD?

The Procurement Card is a credit card issued by SunTrust. It is a fast, flexible new purchasing tool, which offers an alternative to the existing purchasing process. The Card provides an extremely efficient and effective method for purchasing and paying for small dollar non-capital items. The Card is to be used ONLY for official County business.

The Procurement Card will enable employees to purchase non-restricted commodities, by telephone, fax, Internet, or in person directly from suppliers. It will significantly reduce the need for issuing small dollar purchase orders and the use of many requests for payments.

The Procurement Card will be issued in the employee's name clearly indicated on the Card. The Procurement Card is a privilege and is not mandatory.

The Procurement Card Program brings many benefits to....

Cardholder – Employees will be able to obtain small dollar, non-capital supplies directly from suppliers without using a purchase order subject to an established transaction limit. This streamlines the purchasing process and will help improve turn-around time on receipt of your order. It significantly reduces the workload and processing costs related to purchase and payment.

The County of Yadkin – The Procurement Card Program provides a cost-efficient, alternative method for purchasing small-dollar supplies. Built-in Card features make the Program easy to control and manage and reduce processing costs at all levels by reducing the number of requisitions, purchase orders, invoices and checks. The Procurement Card enables all departments to focus on higher value added activities.

Supplier – The Procurement Card will be welcomed by suppliers who accept VISA. When they accept the Card for business purchases, suppliers need not send invoices to the County of Yadkin. They will receive payment directly from SunTrust.

PARTIES INVOLVED

Card Issuer – SunTrust services include issuing Visa Procurement Cards to County of Yadkin employees, and billing the County of Yadkin employees for all purchases made on the Cards.



County of Yadkin – Arranges with the Card issuer, SunTrust, to have Procurement Cards issued to approved employees and agrees to accept liability for the employees' use of the Cards.

Department Director or Designee – The County of Yadkin official who approves an employee's request for a Procurement Card. Department Director approval delegates transaction authority to the Cardholder. He/She is also responsible for reviewing and approving transactions of individual Cardholders to ensure the transactions are legitimate business expenses, classified appropriately, and in compliance with the County's Policies and Procedures.

Procurement Administrator – The central Administrator located in the County of Yadkin's Finance Department who coordinates the Procurement Card Program for the County of Yadkin and acts as the County's intermediary in correspondence with SunTrust. The Card Administrator will notify the department when the card is available for the employee to pick-up and will go over all policies and procedures of the Card at the time of pick-up.

Cardholder - An employee of the County of Yadkin who is approved by the responsible Department Director or Designee to use the Procurement Card to execute purchases on behalf of the County of Yadkin. Each cardholder will have the authority to download the monthly statement and code it for payment and processing through Munis.

Supplier – The merchant from whom a Cardholder is making a purchase.

CARDHOLDER ELIGIBILITY

The Cardholder must use the Procurement Card for **OFFICIAL COUNTY BUSINESS PURPOSES ONLY**. Misuse of the Card will subject Cardholder to disciplinary action in accordance with the County of Yadkin Policies and Procedures relating to disciplinary action, up to and including termination. The Cardholder must:

1. Ensure the Procurement Card is used for legitimate small dollar, non-capital business purposes only.
2. Maintain the Procurement Card in a secure location at all times.
3. Not allow other individuals to use his/her Procurement Card.
4. Cannot split purchases to avoid the \$1,000 limit requiring a purchase order
5. Have the Department Director or Designee approve all expenditures on the monthly statement.
6. All Cardholders who are Department Directors must forward their monthly statement and invoices to the County Manager for review and approval.
7. Obtain prior approval from the Director of Information Technology for hardware and software purchases. Obtain prior approval from any Department Director where a charge will be made to an account in another department.
8. Adhere to the purchase limits and restrictions of the Procurement Card.
9. Ensure the total transaction amount of any single transaction does not exceed the approved individual transaction limit.
10. Ensure that sales tax is included on all taxable purchases from suppliers located in North Carolina.
11. Obtain and reconcile all sales slips, register receipts, and/or Procurement Card slips to SunTrust's Cardholder statement each month.



12. Forward the monthly statement, with the original receipts to Finance within 10 days of receipt of the statement. The expense accounts shall be the amounts of the receipts less sales tax. Separate the sales tax from the actual cost of the item purchased. The total expense lines and the sales tax line will be the grand total of all receipts.
13. Attempt to resolve disputes or billing errors directly with the supplier and notify the Procurement Card Administrator if the dispute or billing error is not satisfactorily resolved.
14. Ensure that an appropriate credit for the reported disputed item or billing error appears on a subsequent Cardholder statement.
15. Do not accept cash in lieu of a credit to the Procurement Card account.
16. Immediately report a lost or stolen Card to the Card Administrator (via email or phone call on the next business day) and SunTrust immediately (24 hours a day, 365 days a year).
17. Return the Procurement Card to the Card Administrator if requested to do so for any reason, upon terminating employment with the County of Yadkin, or transferring to another department within the County of Yadkin.
18. Contact the Card Administrator if a supplier does not accept Visa or the Card does not work. The Card Administrator will work with SunTrust to encourage the supplier's participation in the program.
19. Any equipment purchase that pertains to IT (Information Technology) including but not limited to voice, data, and video purchases **MUST** be **PRE-APPROVED** by the IT Director. This would include any equipment that would need to be supported by the IT department.
20. Procurement cards may be used for conference registrations, as well as hotel reservations. However, they may NOT be used for meals while in a travelling status. The card MAY NOT be used for gasoline in personal vehicles or County vehicles.
21. Any purchase that involves a service or labor **MUST** be made thru a contract and **NOT** on a Procurement Card.

DEPARTMENT DIRECTOR OR DESIGNEE RESPONSIBILITIES

Each Department Director or Designee should:

1. Review supplier receipts and ensure that receipts are attached to the monthly statement.
2. Ensure the monthly statement and receipts are forwarded to Finance within 10 days of receipt of the statement.
3. Request the Procurement Card Administrator cancel a Cardholder's Card (e.g. terminated employees, transferring departments, loss of Procurement Card privileges) as approved by the Department Director/Designee.
4. Collect cancelled Cards from Cardholder and forward to the Procurement Card Administrator.

PROCUREMENT CARD ADMINISTRATOR RESPONSIBILITIES

The Finance department has assigned a Procurement Card Administrator who will be responsible for the over-all Procurement Card Program. Responsibilities include:

1. Serving as the County of Yadkin liaison with SunTrust.
2. Reviewing Department approved applications for completeness of required information.
3. Submitting completed application to SunTrust and receiving Procurement Cards from SunTrust.



4. Training individuals before releasing Procurement Cards.
5. Having Cardholder sign the Cardholder's Agreement signifying agreement with the terms of the Procurement Card Program.
6. Securing revoked Procurement Cards and submitting information to SunTrust.
7. Reviewing usage of Procurement Card data for appropriateness.
8. Ensuring that lost/stolen Cards have been blocked by SunTrust.
9. Forwarding supplier set up requests to SunTrust.
10. Assisting Departments with errors and emergency transactions.
11. Provide receipt to Cardholder upon request when card is returned.
12. Create monthly journal entry to post to the General Ledger, if needed.
13. Receiving and filing all monthly statements and receipts with the SunTrust's Cardholder monthly statement.
14. Calculating sales and use tax on statements to be recorded as receivable for remittance to the N.C. Department of Revenue.
15. Notifying the Department Director or Designee when the Cardholder does not submit reconciliation within 10 days of receiving the statement.
16. Maintaining all charge slips, summary forms, register receipts and monthly statements in a safe and secure location for auditor review.

PROCUREMENT CARD POLICIES AND PROCEDURES

1. Requirements for Receiving a Procurement Card

Before receiving a Procurement Card, you are required to sign The Cardholder Agreement. By signing this agreement, you indicate that you understand the intent of the Program, and will comply with all guidelines of these Policies and Procedures as well as the County of Yadkin Policies and Procedures relating to the expenditure of funds.

2. Procurement Card Use

The Card works just like your personal credit card, except all charges are paid by the County of Yadkin. Its primary purpose is for the purchase of small dollar, non-capital items used for official County business. The County of Yadkin's spending parameters for the purchase of materials, supplies, equipment not to exceed \$2,500 per month per Card unless specifically authorized by the Assistant County Manager/Finance Officer or Designee. The \$2,500 limit includes sales tax. The County of Yadkin requires that certain types of suppliers be blocked from Procurement Card use. The Card cannot be used for restaurant, entertainment or gasoline purchases unless prior approval is given by the Assistant County Manager/Finance Officer.

3. Procurement Card/Account Number Security and Storage

Cardholders should always treat the County of Yadkin Procurement 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. The only person entitled to use the card is the person whose name appears on the face of the Card. The Card may NOT be loaned to another person for any reason.

Within 10 days of receiving the statement, the Cardholders shall forward all original Cardholder statements receipts and the monthly statement to the Card Administrator



approved by the Department Director or Designee. It is the Cardholder's responsibility to get their monthly statement approved prior to turning the statement into the Card Administrator. The Procurement Card Administrator will maintain all original documentation concerning the Procurement Card Program. This documentation includes, but is not limited to, applications, Cardholder Agreements, agency billing statements, reconciliation of accounting statement, and any disputes and correspondence with SunTrust. The Card Administrator will also maintain all cancelled Cards.

4. Procurement Card Maintenance and Closure

All contact with SunTrust for Card set up, maintenance and closure (except for reporting lost or stolen cards) will be handled by the Procurement Card Administrator. The employee is responsible for calling to cancel their Card if they realize it has been lost or stolen over the weekend. During work days the employee can contact the Procurement Card Administrator in Finance to report a lost or stolen card, which in turn will be reported to SunTrust.

The Procurement Card Administrator is required to close an account if a Cardholder: (a) moves to a new job in which a Procurement Card is not required; (b) terminates employment; or (c) for any of the following reasons (which will also subject Cardholder to disciplinary action in accordance with County of Yadkin Policies and Procedures relating to disciplinary action, up to and including termination):

- a) The Procurement card is used for personal or non-work related purchases such as; the purchase of alcoholic beverages or any substance, material, or service which violates policy, law or regulation pertaining to the County of Yadkin.
- b) Purchase of software or hardware equipment without the prior approval of the Information Technology Director.
- c) The Cardholder allows the Card to be used by another individual.
- d) The Cardholder splits a purchase to circumvent the limitations of the Procurement Card or County Policies and Procedures.
- e) The Cardholder uses another Cardholder's Card to circumvent the purchase limit assigned to either Cardholder or the limitations of the Procurement Card.
- f) The Cardholder fails to attach the original receipts to the monthly summary.
- g) The Cardholder fails to provide, when requested, information about any specific purchase.
- h) The Cardholder does not adhere to the Procurement Card Policies and Procedures.
- i) From time to time a Cardholder may, in error, use the Procurement Card for a personal purchase and be required to reimburse the County of Yadkin for their personal expense. Immediate reimbursement **MUST** be made along with a memo from the employee to the Department Director stating how/why this happened with a check reimbursing payment to the County. If this happens more than once in a fiscal year, the employee will be subject to cancellation of their Procurement Card by the Assistant County Manager/Finance Officer and may not be allowed to continue to participate in the Procurement Card Program.



A request for closing a Cardholder account will be submitted to SunTrust by the Procurement Card Administrator. ***The Procurement Card must be returned to the Procurement Card Administrator immediately.***

5. Cardholder Liability

The Procurement Card will not affect your personal credit. It is your responsibility to ensure that the Card is used within stated guidelines of these Policies and Procedures. Failure to comply with the Program guidelines may result in permanent revocation of the Card, notification of the situation to management, and disciplinary action in accordance with the County of Yadkin Policies and Procedures relating to disciplinary action, up to and including termination.

6. Lost, Misplaced or Stolen Procurement Cards

Report any lost or stolen Procurement Card immediately to SunTrust representatives who are available to assist you 24 hours a day, 365 days a year. Be sure to notify your Procurement Card Administrator about the lost or stolen card at the first opportunity during normal business hours.

7. Invoice Charges different from Monthly Billing Statement

At times the invoice amount may be different from the monthly billing statement from SunTrust. This is usually due to rounding of the sales tax amount and the total invoice may be a penny difference.

For example, you have an invoice from Quill for \$102.52 and when you receive your monthly billing statement from SunTrust it shows a charge from Quill of \$102.55. This is a .03 cent charge difference. For any amounts up to \$1.00 in billing differences, either way, there is no need to research. Always go by the billing amount on the **monthly billing statement from SunTrust and code this amount on your monthly procurement summary form.** Attach the invoice to the back of your summary form. You may make a notation for your records. If you feel an error has been made in the invoice charge you should contact the vendor for a credit to your account. If you cannot get the amount corrected please contact the Procurement Card Administrator.

Follow these general guidelines when using your Card or account number to make a purchase:

- a) Determine if the intended purchase is within the established Procurement Card Policies. (i.e. transaction limits)
- b) Purchases may be made in person, by phone, fax or Internet.
- c) Obtain a copy of the charge slip, sales receipt and/or packing slips and reconcile to the SunTrust Cardholder Statement. For purchases made by phone or fax, have the vendor fax you a copy of the receipt. For Internet purchases, print a copy of the confirmation or receipt before exiting the site.
- d) Provide Cardholder statement and receipts to the Department Director or Designee for review and approval. Make sure that the original receipts are attached.



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- e) Forward the approved monthly statement and original receipts to the Procurement Card Administrator in Finance within 10 days of receipt of the statement.

NOTE: During the month of June, purchases will be restricted to facilitate Fiscal Year end closing. It is imperative that careful planning is done to ensure that appropriate levels of supplies are on hand to last until the beginning of the new Fiscal Year.

8. Erroneous Declines

There may be certain situations when a supplier receives a decline message when processing your Procurement Card transaction. If you do not know the reason for the decline, contact SunTrust for an explanation. If the decline was in error, the Cardholder should immediately contact the Procurement Card Administrator for assistance. If purchase is being made outside of normal business hours, the employee must find an alternate payment method or terminate the purchase and contact the Procurement Card Administrator during normal business hours.

9. Emergency Transactions

The County Manager and/or the Assistant County Manager/Finance Officer must approve emergency transactions costing more than \$1,000. Before the transaction the employee must submit a detailed explanation of the emergency to the Assistant County Manager/Finance Officer for approval. The employee, and the Department Director or Designee must sign the explanation prior to submitting to the Assistant County Manager/Finance Officer for final approval.

10. Credits

The supplier should issue a credit to your Card account for any item they have agreed to accept for return. This credit will appear on a subsequent statement. *Under no circumstances should an employee accept cash in lieu of a credit to the Procurement Card account.*

11. Disputes and Billing Errors

You should always attempt to resolve any disputes or billing errors directly with the supplier. In most cases, the supplier will issue a credit to the Card account. Nearly all issues can be resolved in this manner. If an agreement cannot be reached with the supplier, you should contact the Procurement Card Administrator. The total amount billed by SunTrust 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 SunTrust billing statement.

12. Sales and Use Tax

Purchases From Suppliers located in North Carolina – The County of Yadkin is NOT exempt from paying North Carolina Sales Tax, therefore, as you place an order with the supplier, you should emphasize that the purchase must include sales tax for all taxable items. Make sure that sales tax is included on all taxable transactions. A company may not be exempt from paying North Carolina Sales Tax.



Purchases from Suppliers located outside North Carolina – Some suppliers located outside North Carolina collect sales tax and remit this tax directly to the State. The individual receipt provided by the supplier should indicate whether any out-of-state sales tax has been collected at the point of sale. Some out of state suppliers do not charge North Carolina Sales Tax. It is the County of Yadkin's responsibility to file a return and remit the tax due directly to the NC Department of Revenue. The Cardholder should review all invoices carefully to verify that the sales tax has been included. If it has not been included, the Cardholder should denote this on the Monthly Procurement Card Summary Form (Attachment 2).

13. Supplier Participation

If a supplier frequently used by the County of Yadkin employees does not accept the Visa Card, SunTrust will assist in recruiting the supplier to take the necessary steps to begin acceptance of the Card. Cardholders should contact the Procurement Card Administrator when encountering suppliers who do not accept the Card.

14. Audit Assistance

The Procurement Card Administrator will review monthly statements and purchases to insure compliance with this Policy. The Internal Auditor will conduct periodic audits on your purchases to ensure compliance with the guidelines of the Procurement Card Program relating to the expenditure of funds, as well as Cardholder statements and other required documentation.

For all other questions or issues, please contact the Procurement Card Administrator in the Finance Department.



EXHIBIT E:
Procurement Cardholder Agreement

Purchasing Procedure:

With the Department Director's approval, the procurement card may be used for routine supplies, small equipment, catalog orders, conference registrations, hotel stays for required overnight travel and any other budget County approved items.

The procurement card may not be used for the following purchases:

- Any purchase over \$1,000
- Personal purchases
- Cash advances
- Phone calls
- Alcoholic beverages
- Gasoline
- Meals while in travel status

Purchases may not be divided into smaller increments in order to avoid the \$1,000 maximum.

The procurement card should be used at every opportunity when making small routine purchases, even at business where a County account is already in place.

A cardholder may not allow another person to use his or her procurement card for any reason.

If the bank rejects authorization of your procurement card, call Finance as soon as possible.

Payment Approval Procedures:

Cardholder will maintain all receipts for procurement card purchases.

Cardholder will reconcile receipts with monthly statement.

Cardholder will code purchases for payment.

Cardholder will obtain approval for purchases.

Cardholder will reimburse the County for any lost receipts and lose card privileges

Cardholder will follow County procedures or face disciplinary action, up to dismissal.

Acknowledgement:

- I have received and ready a copy of the Yadkin County Procurement Card Policy.
- I acknowledge that I am being entrusted with the Yadkin County Procurement Card to make financial commitments on behalf of Yadkin County and that I must restrict my purchases to items budgeted and approved for County use.
- I acknowledge that under no circumstances will I use the Yadkin County Procurement Card for my personal gain or make personal purchases for others or myself. NCGS 143-58.1 makes this a misdemeanor. Should I violate this rule, I will reimburse Yadkin County for all incurred charges and any fees (including attorney fees and expenses) related to the collection of the charges.
- I understand that I am subject to discipline, including dismissal.



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- I will treat the Yadkin County Procurement Card with the same care and security as if it were my personal card. I will not loan the Yadkin County Procurement Card to anyone.
 - If it is lost or stolen, I will contact SunTrust immediately, as well as the Finance Department.

I have read and understand the above agreement and will comply fully with its terms and future amendments for as long as I am a cardholder or participate in the Yadkin County Procurement Card Program.

Keep a copy of this agreement for your records.

Department: _____

Cardholder Name: _____

Last 4 digits of card: _____

Cardholder's Signature Date

Department Director's signature Date