



I. PURPOSE

The purpose of this purchasing policy and procedures manual is to 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.

Compliance by all employees is essential if the County is to obtain the maximum value for each dollar spent while purchasing goods and services in a legal and ethical manner.

The 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 336-849-7569.

1.1 Federal Uniform Guidance:

For any contracts for goods, services, construction or repair work funded through federal financial assistance, refer to ***Appendix A, Federal Uniform Guidance***, within this policy manual. Appendix A applies to any subrecipient of federal funds as well.



1.2 Approval and Modification

Changes to this policy may be needed to comply with updates in state and federal law. Any changes must be approved by the Board of Commissioners before becoming effective.

II. GENERAL GUIDELINES FOR PURCHASING SUPPLIES AND MATERIALS

2.1 Local Purchasing:

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 Purchasing 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 and Yadkin County Policy. 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) Purchases more than \$1,000 with a Procurement card must have prior approval from the department director.
- c) 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.

- d) 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.
- e) 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 (\$500,000 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 Finance Officer 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 8.1). 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.

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 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 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.**

The receiving Department will forward the Purchase Order to the Vendor. A copy of the Purchase Order should be held at the Department placing the order. Unauthorized purchases are classified as a personal expense and will be paid for by the employee.

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.

The County Manager is expected to inquire about the appropriateness of any and all Department Transfer of Funds and Budget Amendments. Any requests should be stated in even dollar increments.

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 and Finance Officer and subsequently the Yadkin County Board of Commissioners. . 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 Finance Officer and/or the County Manager prior to submission.

7.4 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 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. Appendix C is a sample of a Sole Source Justification Form.

7.5 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.

7.6 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 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.

7.7 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, and procurement cardholder agreement please refer to the Procurement Card Procedures in Exhibit E.

7.8 Special Circumstances

An exigent situation may arise when the County Manager or Finance Officer shall be allowed to deviate from policy for purchasing services or essential goods for the County. These circumstances are rare and shall follow all laws under North Carolina General Statutes.

VIII. PROCUREMENT METHODS

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. Performance and payments bonds are required for one hundred percent of the contract price for each contract costing \$50,000 or more that is part of a construction project costing \$300,000 or more.

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 \$500,000 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. Performance and payments bonds are required for one hundred percent of the contract price for each contract costing \$50,000 or more that is part of a construction project costing \$300,000 or more.

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

Appendix B 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

**Specifications 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.

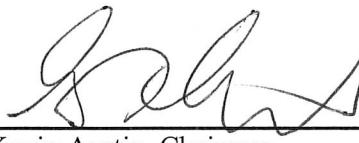


XIV. APPENDICES

- Appendix A: Federal Uniform Guidance**
- Appendix B: Dollar Thresholds in North Carolina Public Contracting Statutes**
- Appendix C: Sole Source Justification Form**
- Appendix D: Procurement Cardholder Manual and Agreement**

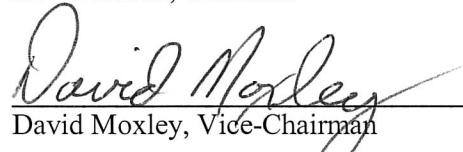
XV. REVISIONS

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

12/1/2020
Date



David Moxley, Vice-Chairman

12/1/2020
Date



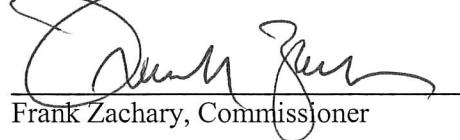
Gilbert Hemric, Commissioner

12/1/2020
Date



Marion Welborn, Commissioner

12/1/2020
Date



Frank Zachary, Commissioner

12/1/2020
Date



Appendix A Federal Uniform Guidance

This policy is enacted to establish guidelines that meet procurement requirements for the purchase of goods, services and construction or repair projects, when federal funds are utilized. This policy applies when federal funds are used in whole or part to pay the cost of the contract.

I. Application

This policy applies to contracts for goods, services, construction or repair work funded through federal financial assistance. The federal assistance may be direct or indirect and includes but is not limited to, direct grants, FEMA disaster assistance grants, USDA grants or loans, and the Highway Planning, Research and Construction Program. Policy requirements also apply to any subrecipient of federal funds.

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

A. Federal Compliance

Yadkin County will follow all local, state and federal procurement requirements when spending federal funds. Federal Procurement Standards, codified in 2C.F.R. §200.317 through §200-326 will direct compliance measures involving all procurement activities with federal funds unless otherwise directed by the federal agency or state “pass-through” agency that awarded the funds.

B. Awarding of Contracts

When solicited by Yadkin County or required by law, contracts shall be awarded to the lowest responsive bidder possessing the ability to perform the terms and conditions successfully. The County will consider record of past performance, contractor integrity, compliance with public policy, financial and technical resources.

C. Contract Requirements

All contracts paid fully or partially with federal funds, shall be in writing and must include by reference, provisions required under 2 C.F.R Section § 200.326 and as provided for under 2 C.F.R. Part 200, Appendix II.

D. No Evasion

Contracts will not be divided to drive cost under bid thresholds or to evade requirements under federal and state law or this policy.

E. No Contractor Conflicts of Interest

Any contractors, suppliers or designers who assist in development or drafting of requirements, specifications, statements of work, invitation of bids or proposals, are excluded from competing for such requirements.



F. Approval and Modification

This policy will need to be changed by staff when necessary to comply with state and federal law. However, any policy changes must be approved by the Board of Commissioners before becoming effective.

II. General Procurement Standards with Federal Funds

A. Necessity

All purchases must be necessary to perform the scope of work. Purchases must avoid acquisition of duplicative and unnecessary items to avoid stock piling. Department heads will consult with the Finance Officer and check with the federal surplus property agency prior to buying new items when feasible and less expensive. Sourcing should be considered with other departments or agencies who have similar needs to combine procurements and services in order to obtain better pricing.

B. Clear Specifications

All solicitations must include clear, articulate and accurate descriptions of technical requirements for the materials, products and services to be procured. It must also include all other requirements which bidders must fulfill and all other factors to be utilized when evaluating bids or proposals. Any technical requirements must not contain features restricting competition.

C. Notice of Federal Funding

All bid solicitations must acknowledge the use of federal funding for the contract. All bidders or offerors must acknowledge funding is contingent upon compliance with all terms and conditions of the funding award.

D. Compliance by Contractors

All solicitations must inform prospective contractors that they will need to comply with all applicable federal laws, regulations, executive orders, FEMA requirements, and terms and conditions of the funding award.

E. Fixed Price

Solicitations must state that the bidders shall submit bids on a fixed price basis and that the contract shall be awarded on this basis unless otherwise provided for in this Policy. Cost plus percentage of cost contracts are prohibited. Time and materials contracts are prohibited in most circumstances. Time and Materials (Cost-Plus) contracts will not be used unless no other form of contract is suitable and the contract includes a "Not to Exceed" amount. A Time and materials contract shall not be awarded without written permission from the federal agency or state pass through agency that awarded the funds.

F. Use of Brand Names

When possible, performance or functional specifications are preferred to allow for more competition leaving the determination of how to reach the required result to the contractor. Brand names may be used only when it is impractical or uneconomical to write a clear and accurate description of the requirement(s). When a brand name is listed, it is used as reference only and "or equal" must be included in the description.



G. Lease versus Purchase

Under some circumstances, it may be necessary to perform an analysis of lease versus purchase alternatives to determine the most economical approach. *This comparison is necessary for most FEMA financial assistance programs following an emergency or major disaster declaration.*

H. Dividing Contract for Minority Businesses and Women Business Participation.

Procurements may be divided into smaller components to allow maximum participation of small and minority businesses and women business enterprises, if economically feasible. The procurement cannot be divided to bring the cost under bid thresholds or to evade any requirements under this Policy.

I. Documentation

Documentation must be maintained by the Requesting Department detailing the history of all procurements. The documentation should include procurement method used, contract type, basis for contractor selection, price, sources solicited, public notices, cost analysis, bid documents, addenda, amendments, contractor's responsiveness, notice of award, copies of notices to unsuccessful bidders or offerors, record of protests or disputes, bond documents, notice to proceed, purchase order, and contract. All documentation relating to the award of any contract must be made available to the granting agency upon request.

J. Cost Estimate

For all procurements costing \$150,000 or more, the Requesting Department shall develop an estimate of the cost of the procurement prior to soliciting bids. Cost estimates may be developed by reviewing prior contract costs, online review of similar products or services, or other means by which a good faith cost estimate may be obtained. Cost estimates for construction and repair contracts may be developed by the project designer.

K. Contract Requirements

The Requesting Department must prepare a written contract incorporating the provisions referenced in Section VII of the County's Purchasing Policy.

L. Debarment

No contract shall be awarded to a contractor included on the federally debarred bidder's list. Prior to preparing the contract, the Requesting Department must verify that the contractor is not on the federally debarred bidder's list.

M. Contractor Oversight

The Requesting Department receiving the federal funding must maintain oversight of the contract to ensure that contractor is performing in accordance with the contract terms, conditions, and specifications.

N. Open Competition

All solicitations shall be prepared in a way to be fair and provide open competition. The County shall not restrict competition by imposing unreasonable requirements on bidders, including but not limited to unnecessary supplier experience, excessive or unnecessary bonding; specifying a brand name without allowing for "or equal" products, or other unnecessary requirement that have the effect of the restricting competition.



O. Geographic Preference

No contract shall be awarded on the basis of a geographic preference.

III. Specific Procurement Procedures with Federal Funds

A) Service Contracts (except for Architectural/Engineering Professional Services) Construction/Repair/Facility Improvement/Renovation

Micro-purchase threshold: Up to \$10,000 (defined in 2 C.F.R. 200.67)

Shall be procured using the Uniform Guidance “micro-purchase” procedure (2 C.F.R. §200.320(a))

Procedure:

- Bidding is not required
- All price must be considered reasonable and fair
- To the extent practicable, purchases must be distributed among qualified suppliers
- Contract must be in writing (this could be in the form of a purchase order)

B) Purchase Contracts

Service Contracts (except for Architectural/Engineering Professional Services)

\$10,000 up to \$90,000

Shall be procured utilizing the Uniform Guidance small purchase procedure (2 C.F.R. §200.320(b))

Procedure:

- Price or Cost analysis is not required to solicit bids
- Obtain written price quotes from no less than two (2) suppliers or sources
**Check with specific grant. Some agencies require more than two (2) quotes*
- Take affirmative steps to solicit quotes from M/WBE vendors as required by posting on the State’s IPS site and the HUB Site
- Award the contract as a fixed price. A “Not to Exceed” basis is permissible for service contracts only where obtaining a fixed price is not feasible.
- Contract to be awarded to the lowest responsible and responsible bidder
- Contract must be in writing (purchase contracts may be in the form of a purchase order; service contracts and construction repair require a use of contract template)
- Cooperative purchasing program as an exception to the bidding cannot be used

**If less than two (2) bids are received, the advertisement must be reposted. If upon re-advertisement only one bid is received, the bid can be accepted and opened.*



C) Service Contracts (\$90,000 up to \$250,000)

Purchase Contracts (\$90,000 and above)

Shall be procured using a combination of the most restrictive requirements of the Uniform Guidance Sealed Bid Procedure (2 C.F.R. §200.320(c)) and NC State bidding procedures (G.S. 143-129).

Procedure:

- Price or Cost Analysis is required prior to soliciting bids
- Specifications or a purchase description must be available to all bidders
- Must be advertised publicly (electronic advertising is authorized)
**Legal Notice must reserve the Board of Commissioners the right to reject any or all bids for "sound documented reasons."*
- Take affirmative steps to solicit quotes from M/WBE vendors as required by posting on the State's IPS site and the HUB Site
- Solicit from an adequate number of known suppliers
- Bids must be sealed
- Award the contract as a fixed price. A "Not to Exceed" basis is permissible for service contracts only where obtaining a fixed price is not feasible.
- Contract to be awarded to the lowest responsible and responsible bidder
- Contract must be in writing (purchase contracts may be in the form of a purchase order; service contracts and construction repair require a use of contract template)
- Cooperative purchasing program as an exception to the bidding cannot be used
- Must be approved by the Board of Commissioners

**If less than two (2) bids are received, the advertisement must be reposted. If upon re-advertisement only one bid is received, the bid can be accepted and opened.*

D) Service Contracts (except for Architectural/Engineering Professional Services)

\$250,000 and above

Shall be procured using a combination of the most restrictive requirements of the Uniform Guidance Sealed Bid Procedure (2 C.F.R. §200.320(c)) and the state of North Carolina bidding procedures (G.S. 143-129).

Procedure

- Price or Cost Analysis is required prior to soliciting bids
- Specifications or a purchase description must be available to all bidders
- Separate Specification should be drawn for the HVAC, electrical, plumbing, and general construction work as required by G.S. 143-128(a).
- Shall be bid utilizing separate-prime, single-prime or dual bidding method as required under G.S. 143-129(a1)



- Must be advertised publicly (electronic advertising is authorized)
**Legal Notice must reserve the Board of Commissioners the right to reject any or all bids for "sound documented reasons."*
- Take affirmative steps to solicit quotes from M/WBE vendors as required by posting on the State's IPS site and the HUB Site
- Solicit from an adequate number of known suppliers
- Good Faith Minority Business Enterprise Requirements/Affidavits must be submitted
- All bids must be sealed and in paper form
- Public Bid Opening
- Three (3) sealed bids must be submitted before opening
- 5% bid bond (a bid that does not contain a bid bond cannot be counted toward the three (3) bid requirement)
- Performance and payment bonds for 100% of contract price
- Contract to be awarded on a firm-fixed price basis
- Contract to be awarded to the lowest responsible and responsible bidder
- Must have a written contract with federal provisions included
- Requires Board of Commissioners Approval
- Board of Commissioners may reject any and all bids for sound documented reasons

**If less than three (3) bids are received, the advertisement must be reposted. If upon re-advertisement only one bid is received, the bid can be accepted and opened.*

E) Construction, Facility Improvement and Renovation

\$500,000 and above

Shall be procured using a combination of the most restrictive requirements of the Uniform Guidance Sealed Bid Procedure (2 C.F.R. §200.320(c)) and NC State bidding procedures (G.S. 143-129).

Procedure:

- Price or Cost Analysis is required prior to soliciting bids (the cost estimate may be provided by the project designer)
- Specifications or a purchase description must be available to all bidders
- Separate Specification should be drawn for the HVAC, electrical, plumbing, and general construction work as required by G.S. 143-128(a).
- Shall be bid utilizing separate-prime, single-prime or dual bidding method as required under G.S. 143-129(a1)
- Must be advertised publicly (electronic advertising is authorized)
**Legal Notice must reserve the Board of Commissioners the right to reject any or all bids for "sound documented reasons."*
- Take affirmative steps to solicit quotes from M/WBE vendors as required by posting on the State's IPS site and the HUB Site
- Solicit from an adequate number of known suppliers
- Good Faith Minority Business Enterprise Requirements/Affidavits must be submitted



- All bids must be sealed and in paper form
- Public Bid Opening
- Three (3) sealed bids must be submitted before opening
- 5% bid bond (a bid that does not contain a bid bond cannot be counted toward the three (3) bid requirement)
- Performance and payment bonds for 100% of contract price
- Contract to be awarded on a firm-fixed price basis
- Contract to be awarded to the lowest responsible and responsible bidder
- Must have a written contract with federal provisions included
- Requires Board of Commissioners Approval
- Board of Commissioners may reject any and all bids for sound documented reasons

**If less than three (3) bids are received, the advertisement must be reposted. If upon re-advertisement only one bid is received, the bid can be accepted and opened.*

F) Architectural and Engineering Services

Professional Services with fees under \$10,000 may be exempt using the exemption process authorized under G.S. 143-64.32

Under \$250,000

Shall be procured utilizing state requirements G.S. 143-64.31

Procedure:

- Issue a Request for Qualifications
- Advertisement: Solicit only
- Take affirmative steps to solicit quotes from M/WBE vendors as required by posting on the State's IPS site and the HUB Site
- Evaluate qualifications of respondents based on evaluation criteria developed by requesting department
- State licensing requirements apply
- Respondents must be ranked based on qualifications and then best qualified firm selected
- Price cannot factor into evaluation
- Preference may be given to in-state firms (cannot be given to local firms)
- Once firm is selected fair and reasonable compensation can be negotiated. If negotiations are not successful, repeat negotiations with the second-best qualified firm
- Contract awarded to the best qualified firm with whom fair and reasonable compensation has been negotiated
- Must be a fixed price or not to exceed contract for services
- Contract must include federal contract provisions

**Do not have to re-advertise if only one response is received*

G) Architectural and Engineering Services



\$250,000 and above

Shall be procured utilizing Uniform Guidance Competitive Proposal procedure (2 C.F.R. §200.320(d)(5))

Procedure

- Issue a Request for Qualifications
- Advertisement: Solicit only
- Take affirmative steps to solicit quotes from M/WBE vendors as required by posting on the State's IPS site and the HUB Site
- RFQ must clearly identify the evaluation criteria and the weight of each criteria utilized
- Proposals must be submitted by and “adequate number of qualified sources” (the individual federal grantor agency may issue guidance on number of sources)
- Must have a written method for conducting technical evaluations of proposals and selecting the best qualified firm
- Consider all responses to the publicized RFQ to the maximum extent practical
- Evaluate qualifications of respondents based on evaluation criteria developed by requesting department
- Respondents must be ranked based on qualifications and then best qualified firm selected
- Preference may be given to in-state (but not local) firms provided that granting the preference leave and appropriate number of qualified firms to compete for the contract given the nature and size of the project
- Price cannot factor into evaluation
- Once firm is selected fair and reasonable compensation can be negotiated. If negotiations are not successful, repeat negotiations with the second-best qualified firm
- Contract awarded to the best qualified firm with whom fair and reasonable compensation has been negotiated
- Must be a fixed price or not to exceed contract for services
- State licensure requirements apply
- Contract must include federal contract provisions

**Geographic preference can be given in state, as long as there is an appropriate number of qualified firms for the size of the project*

IV. Exceptions

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

A. Sole Source



A contract may be awarded without competitive bidding when the item is available from only one source. The Requesting Department shall document the justification for and lack of available competition for the item. A sole source justification form must be completed and submitted to the finance department. A sole source contract must be approved by the Board of Commissioners.

B. Public Exigency

A contract may be awarded without competitive bidding when there is a public exigency. A public exigency exists when there is an imminent or actual threat to public health, safety, and welfare, and the need for the item will not permit the delay resulting from a competitive bidding. A cost analysis is still required.

C. Inadequate Competition

A contract may be awarded without competitive bidding when competition is determined to be inadequate after attempts to solicit bids from a number of sources as required under this Policy does not result in a qualified winning bidder.

D. Federal Contract

A contract may be awarded without competitive bidding when the purchase is made from a federal contract available on the U.S. General Services Administration schedules of contracts.

E. Awarding Agency Approval

A contract may be awarded without competitive bidding with the express written authorization of the federal agency or state pass-through agency that awarded the federal funds so long as awarding the contract without competition is consistent with state law.

V. Federal Uniform Guidance Conflict of Interest

A. Purpose

The purpose of this policy is to establish conflicts of interest guidelines that meet or exceed the requirements under state law and local policy when procuring goods, services, and construction or repair projects paid for in part or whole by federal funds and required under 2 C.F.R. § 200.318(c)(1).

B. Policy

This policy applies when procuring goods (supplies, materials, and equipment), services, and construction or repair projects funded in part or whole with federal financial assistance (direct or reimbursed). This policy also applies to any subrecipient of the funds.

The employee responsible for managing the federal financial assistance award shall review the notice of award to identify any additional conflicts of interest prohibitions or requirements associated with the award, and shall notify all employees, officers, and agents, including subrecipients, of the requirements of this policy and any additional prohibitions or requirements.

1. Conflicts of Interest



In addition to the prohibition against self-benefiting from a public contract under G.S. 14-234, no officer, employee, or agent of the County of Yadkin may participate in the selection, award, or administration of a contract supported by a federal award if there is a real or apparent conflict of interest. A real or apparent conflict exists when any of the following parties has a financial or other interest in or receives a tangible personal benefit from a firm considered for award of a contract:

- the employee, officer, or agent,
- any member of his or her immediate family,
- his or her partner, or
- an organization which employs or is about to employ any of these parties.

Any officer, employee, or agent with an actual, apparent, or potential conflict of interest as defined in this policy shall report the conflict to his or her immediate supervisor. Any such conflict shall be disclosed in writing to the federal award agency or pass-through entity in accordance with applicable Federal awarding agency policy.

2. Gifts

In addition to the prohibition against accepting gifts and favors from vendors and contractors under G.S. 133-32, officers, employees, and agents of the County of Yadkin are prohibited from accepting or soliciting gifts, gratuities, favors, or anything of monetary value from contractors, suppliers, or parties to subcontracts.

**County of Yadkin
Purchasing Policy**
Yadkin County, North Carolina
Revised December 2020



Appendix B: Dollar Thresholds in NC Public Contracting Statutes (As of November 1, 2015)

Formal bidding	Threshold	Statute
	<i>(estimated cost of contract)</i>	
Construction or repair contracts	\$500,000 and above	G.S. 143-129
Purchase of apparatus, supplies, materials, and equipment	\$90,000 and above	G.S. 143-1
Informal Bidding	<i>(actual cost of contract)</i>	
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	Over \$300,000	G.S. 143-128(a1)
Separate Prime Single Prime Dual Bidding	<i>(estimated cost of project)</i>	
Construction Management at Risk (G.S. 143-128.1)		
Design-Build and Design-Build Bridging (G.S. 143-128.1A; G.S. 143-128.1B)		
Public Private Partnership (P3) (G.S. 143-128.1C)		
Historically Underutilized Business (HUB) requirements		
Building construction or repair projects		
– Projects with state funding (<i>verifiable 10% goal required</i>)	\$100,000 or more	G.S. 143-128.2(a)
– Locally funded projects (<i>formal HUB requirements</i>)	\$300,000 or more	G.S. 143-128.2(j)
– Projects in informal bidding range (<i>informal HUB requirements</i>)	\$30,000 to \$500,000*	G.S. 143-131(b)
<i>*Note: Formal HUB requirements should be used for informally bid projects costing between \$300,000 and \$500,000</i>		
Limit on use of own forces (force account work)	<i>(not to exceed)</i>	G.S. 143-135
Construction or repair projects	\$500,000 (total project cost) or	
	\$200,000 (labor only cost)	
Bid bond or deposit		
Construction or repair contracts (<i>at least 5% of bid amount</i>)	Formal bids (\$500,000 and above)	G.S. 143-129(b)
Purchase contracts	Not required	
Performance/Payment bonds		
Construction or repair contracts (<i>100% of contract amount</i>)	Each contract over \$50,000 of project costing over \$300,000	G.S. 143-129(c); G.S. 44A-26
Purchase contracts	Not required	
General contractor's license required	\$30,000 and above	G.S. 87-1
Exemption	Force account work (<i>see above</i>)	
Owner-builder affidavit required	Force account work (<i>see above</i>)	G.S. 87-14(a)(1)
Use of licensed architect or engineer required		
Nonstructural work	\$300,000 and above	G.S. 133-1.1(a)
Structural repair, additions, or new construction	\$135,000 and above	
Repair work affecting life safety systems	\$100,000 and above	
Selection of architect, engineer, surveyor, construction manager at risk, or design-build contractor		
“Qualification-Based Selection” procedure (QBS)	All contracts unless exempted	G.S. 143-64.31
Exemption authorized	Only projects where estimated fee is <i>less than \$50,000</i>	GA21:C38.S. 143-64.32

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Appendix C 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: _____
Title: _____
Phone: _____

Department: _____
Date: _____

Product: _____

Amount: _____

NCGS 143-129 mandates that Yadkin County procure all apparatus, supplies, materials and equipment in the amount of \$90,000 or more by competitive bidding.

Recommended Sole Source Vendor

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

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 as required?

Yes Director of Information Technology Signature: _____
 Not Applicable

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

Has your department purchased these goods in the past? YES NO
Was it competitively bid or sole source? Competitively Bid Sole Source
Provide the last date and price paid for goods:

Date Price

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
Explain why or why not: _____

Will this purchase obligate the County to this vendor for future purposes? Yes No
If yes, please provide details: _____

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Why is the price for this purchase 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 Officer

Date



Appendix D PROCUREMENT CARD POLICIES AND PROCEDURES

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 First National. 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 – First National 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, First National, 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 First National. 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 First National'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 First National 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 First National 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 First National.
2. Reviewing Department approved applications for completeness of required information.
3. Submitting completed application to First National and receiving Procurement Cards from First National.
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 First National.
7. Reviewing usage of Procurement Card data for appropriateness.
8. Ensuring that lost/stolen Cards have been blocked by First National.
9. Forwarding supplier set up requests to First National.
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 First National'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 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 First National 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 First National.

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 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 First National 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 First National 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 First National. 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 First National 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 First National 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 First National 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.
- 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 First National 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 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 County Manager or 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 First National 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 First National 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, First National 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.



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 (unless approval has been granted by department head)
- 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.
- 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 First National immediately, as well as the Finance Department.

**County of Yadkin
Purchasing Policy**
Yadkin County, North Carolina
Revised December 2020



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