

# PURCHASING PROCEDURES

January 5, 2003  
Revised February 2011

## Authorization to Purchase

The responsibility for purchasing of supplies is the responsibility of the elected officials. Each elected official from each department must provide to the County Commission Office the name/names of persons authorized to sign the requisition forms. Requisition forms signed by any other person will be returned.

## Requisitions

Requisitions are the official form to request approval for the purchasing of supplies. The requisition form must be filled out completely (see attachment), signed by the authorized person, and turned into the Commission Office. When the form has been received by the Commission Office, it will be presented to the Auditor and the County Commission for approval to purchase. Remember this can take a few days, so please allow enough lead time. A reminder, the Commission meets on Monday's and Thursday's to sign requisitions and take care of county business. Please present your requisition early on one of those days. Once the requisition is approved, a purchase order number will be assigned and a copy will be returned to the authorized person to place the order. All orders must be placed with a purchase order number, which must be documented on the invoice from the vendor.

It is very important to have prices filled out on the requisition form. You must wait until your signed copy is received from the County Commission Office before ordering.

Chapter 50.780 RSMo. states:

*"1. It shall hereafter be unlawful for any county or township officer in any county to which sections 50.760 to 50.790 apply to purchase any supplies not contracted for as provided in sections 50.760 to 50.790 for the officer's official use and for which payment is by law required to be made by the county unless the officer shall first apply to and obtain from the county commission an order in writing and under the official seal of the commission for the purchase of such supplies, and in all cases where the supplies requested by such officer have been contracted for by the county commission as provided in sections 50.760 to 50.790, the order shall be in the form of a requisition by said officer addressed to the person, firm, company or corporation with whom or which the county commission has made a contract for such supplies, and presented to the county commission for approval or disapproval; and unless approval be*

*given such requisition shall not be filled and any such requisition filled without such approval shall not be paid for out of county funds. The county shall not be liable for any debts for supplies except debts contracted as provided in sections 50.760 to 50.790. The best price and the quality of supplies shall be considered and supplies of a higher price or quality than is reasonably required for the purposes to which they are to be applied shall not be purchased or contracted for. Preference to merchants and dealers within their counties may be given by such commissioners, provided the price offered is not above that offered elsewhere.*

*2. The county commission may waive the requirement of competitive bids or proposals for supplies when the county commission has determined that there exists a threat to life, property, public health, or public safety or when immediate expenditure is necessary for repairs to county property in order to protect against further loss of, or damage to, county property, to prevent or minimize serious disruption in county services or to ensure the integrity of county records. Emergency procurements shall be made with as much competition as is practicable under the circumstances. After an emergency procurement is made by the county commission, the nature of the emergency and the vote approving the procurement shall be noted in the minutes of the next regularly scheduled meeting."*

If you need to rush an order, please advise the Commission Office and we will try to assist you. Requisitions must be filled out for any seminars or training classes prior to having check request submitted. These need to be approved by the Auditor and the Commission Office.

Requisitions are not required for the following items:

Service and Maintenance Contracted items  
Repairs  
Formal Bid Items  
Utility Bills  
Gasoline  
Processing of Film

Requisition Copies

The Commission office will receive the white, yellow, and pink copy. After a requisition has been signed by the Auditor and the Commissioners, the white copy will be forwarded to Accounts Payable. The yellow copy will be kept on file in the Commission Office. The pink copy will be returned to the authorized person requesting the supplies. The authorized person can then place the order.

### **Packing slips**

Orders should be delivered to the department requesting the supplies. When an order is received, the packing slip should be verified that all items were received. - If all items are received, the person accepting the shipment should sign off on the packing slip with their name and the date received. If an item is not received, a notation should be made on the packing slip. The packing slip should then be forwarded to Accounts Payable for proof of receipt.

### **Invoices**

Any invoices received at any county offices, should be forwarded to the County Clerk's Office. Bills cannot be paid in a timely manner if the Accounts Payable department does not receive them.

### **Credit Card Purchases**

Occasionally, it is necessary to purchase supplies with a credit card. On occasions, use of any county credit card must be pre-approved by the County Commission Office. The original credit card receipt, and a copy of the signed requisition, must be turned into the Commission Office. The Commission Office will keep a record of all credit card purchases. It will then be forwarded on the Accounts Payable for payment.

### **Contracts**

The County Commission shall be responsible for the signing of all contracts for the acquisition of goods, services, and all items as provided in the administrative policies as established by the Commission. All contracts must bear the signature of the County Auditor certifying an unencumbered fund balance is available and the signature of the County Counselor approving the form of the Contract.

## **COMPETITIVE BIDDING PROCEDURES**

### **Regulations Governing Competitive Bidding**

#### **1. Competitive Bids:**

- A. Any contract made shall be made only after ample competition. This procedure establishes the following dollar levels and method of competitive procurement as required by Section 50.660, RSMo.

2. Purchase of \$2,000.00 or less:

- A. The purchase of goods or services totaling \$2,000.00 or less from a single vendor may be initiated by the office or department without prior approval from the County Commission. The office or department does not need to secure phone quotes for purchases of \$2,000.00 or less unless requested by the County Commission. Employees are expected to obtain the lowest price and best value possible on purchase made without competitive bidding.

3. Purchases Over \$2,000.00 to \$5,999.00:

- A. The office or department must solicit bids from vendors on purchases between \$2,000.00 and \$5,999.00, but there is no need advertise the bid. At least three phone quotes must be obtained for purchases that exceed \$2,000.00 from potential vendors able to provide the item being purchased, or fewer number of potential vendors if there are not three vendors dealing in and able to supply the product or service in accordance with the required specifications. The telephone quote form must be used to record the competitive quotes. Once the quotes are recorded, a requisition order form is to be completed. These forms should then be sent to the County Auditor for review. The Auditor will then verify that there are funds budgeted and available for that purpose. A purchase order number will be assigned.
- B. It will remain the responsibility of the office or department to secure phone quotes and prepare the requisition/purchase order form. Only a limited number of employees should be assigned these duties in their job description. This will allow better management control and help to ensure that all purchases are for legitimate public purposes.
- C. The County Commission prohibits the subdivision of contracts or purchases for the purpose of evading the requirements of competitive bidding.

4. Purchases Over \$4,500.00 within 90 days or \$6,000.00 or more:

- A. Purchases from a single vendor totaling \$4,500.00 or more within a 90-day period or any purchase of \$6,000.00 and over must be advertised and handled as written bids. The requesting office or department must submit to the County Commission a request notifying the County Commission of the need to make the purchase. The request should include justification of need, intended use, quantity, quality considerations, anticipated price, suggested vendors list, and written specifications. The County Commission will determine need. All advertisements will be submitted to the media exclusively by the County Commission.

- B. Bids requiring written specifications will have their specifications drafted by the office of department making the purchase. The Auditor will review the department's draft specifications, amend the specifications if necessary, and release all written bids. Bid notices, invitations for bid, and formal bidding procedures and advertising of bids shall be performed by the County Commission. After the bids have been received and opened, the County Commission may notify the office or department of the bid results and request the office or department make a bid award analysis and recommendations if necessary. This analysis and recommendation will be sent to the County Commission who will review the recommendation and the bid responses. The County Commission shall make the final bid award upon a vote of the County Commission and has sole authority to obligate the County. The formal written bid process may be lengthy and the office or department making the purchase should allow at least five to six weeks from the time the County Commission approves the draft bid specifications to the time the bid is awarded.

5. Bidding Methods:

Formal bids for purchases exceeding \$6,000.00 may be made by utilizing either of two methods:

- A. Invitation to Bid - The bid documents and specifications are definite and specific. Awards shall be made to the bidder offering the lowest cost, who is responsive to the requirements of the bid documents, without material exception, and who is responsible and capable of providing the items to be purchased. Evaluation and awards are limited to cost, determination of compliance with the specifications and conditions specified in the bid documents, and the responsibility of the bidder. Negotiations are not permitted. The County Commission may use judgmental consideration to determine if the bidder's offer complies with the specification and conditions, if such considerations can be demonstrated to be reasonable, appropriate, and fairly applied. This method does not permit comparison of relative specifications of competing bidders, but only comparison to the specifications contained in the bid documents.
- B. Request for Proposal - This method can be used whenever detailed specifications cannot be determined, whenever several possible methods may satisfy the County's requirements, or whenever the nature of the requirements is such that subjective evaluation of criteria other than cost is necessary, or when the County Commission had determined it is in the best interest of the County to have a contractor design and build a public improvement. This method can be utilized when definite specifications cannot be determined in advance, when a scope of work is required which makes comparison of competing proposals relative to each other appropriate. This method permits negotiations and

discussion with competing vendors to determine the best solution to the County's needs. Proposals may be revised or modified at the request of the County. The County may include in its solicitation for proposals a request to operate the public improvement. Nothing contained herein shall prohibit a contractor independently with an engineer or architect to perform engineering or architectural services.

**Emergency Purchases:** In accordance with Missouri Revised Statue §50.780, the county commission may waive the requirement of competitive bids or proposals for supplies when the county commission has determined that there exists a threat to life, property, public health, or public safety or when immediate expenditure is necessary for repairs to county property in order to protect against further loss of, or damage to, county property, to prevent or minimize serious disruption in county services or to ensure the integrity of county records. Emergency procurements shall be made with as much competition as is practicable under the circumstances.

A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file. As soon as practicable, a record of each emergency procurement shall be made and shall set forth the contractor's name, the amount and type of the contract, and a listing of the item(s) procured under the contract. (Refer to the request for emergency procurement form) which may be obtained in purchasing.

**Single Feasible Source Purchases:** In some instances, a particular good or service may only be available from one vendor. In these instances, the County Commission may waive the competitive bidding requirements. All requests for sole source purchases must be submitted to the County Commission with an explanation of why it is eligible for sole source purchase, along with the requisition/purchase order form. Submission of this information is mandatory for all sole source purchases. The County Commission may request additional information as needed. Subsequent purchases from the same vendor for the same goods and services will not automatically be approved. The County Commission may require a new justification form for subsequent purchases.

In accordance with Missouri Revised Statue §50.783, all single feasible source purchases must follow the following steps:

1. The County Commission may waive the requirement of competitive bids or proposals for supplies when the commission has determined in writing and entered into the commission minutes that there is only a single feasible source for the supplies. Immediately upon discovering that other feasible sources exist, the commission shall rescind the waiver and proceed to procure the supplies through the competitive processes as described in this chapter. A single feasible source exists when:

- A. Supplies are proprietary and only available from the manufacturer or a single distributor; or
  - B. Based on past procurement experience, it is determined that only one distributor services the region in which the supplies are needed; or
  - C. Supplies are available at a discount from a single distributor for a limited period of time.
2. On any single feasible source purchase where the estimated expenditure is three thousand dollars or over, the commission shall post notice of the proposed purchase. Where the estimated expenditure is five thousand dollars or over, the commission shall also advertise the commission's intent to make such purchase in at least one daily and one weekly newspaper of general circulation in such places as are most likely to reach prospective bidders or offerors and may provide such information through an electronic medium available to the general public at least ten days before the contract is to be let.

**Insurance for Elected officials and Employees:** Shall be bid at least every three (3) years in accordance with Missouri Statutes Chapter 67, Political Subdivisions, Miscellaneous Powers, Section 67.150.

**Depositaries for Public Funds:** Shall be bid in accordance with Missouri Revised Statutes Chapter 110.

**Professional Services:** The County Commission may waive the requirement for competitive bids or proposals for professional services which are non competitive in nature. Common examples of non competitive professionals include, but are not limited to, licensed attorneys, physicians, architects, engineers, real estate appraisers, and certified public accountants. See *Layne-Western Co. v. Buchanan County*, 85 F.2d 343 (8<sup>th</sup> Cir. 1936); *Hellman v. St. Louis County*, 302 S.W.2d 911 (Mo. 1957).

**Cooperative Procurement Programs:** Political subdivisions of the State of Missouri, such as Christian County, are authorized to purchase from the State's Cooperative Procurement Contracts. Purchases may be made directly from state contracts without the need for competitive bidding by the County. Copies of state contracts shall be maintained in the Christian County Commission and available to offices and departments upon request. The County is also exempt from the competitive bid requirements when purchasing from the Missouri Correctional Industries (MCI) or surplus property from the United States government.

**Building Construction:** Provisions for competitive bidding for the construction of buildings by the County shall be bid in accordance with Missouri Revised Statute § 49.420.

**Purchase Award:**

1. Section 50.660, RSMo., requires that bids be let to the lowest and best bidder. The word "and" is a conjunction and it requires that both conditions must be satisfied simultaneously. In other words, price alone is not the only criteria in determining the award. The quality of the goods or services must also be considered in order to obtain the best valued for the County.

**Sales Tax:** The County is exempt from paying all local and state sales taxes or federal excise taxes. A copy of the State Sales Tax Exemption Certificate can be obtained from the County Commission and must be sent with the purchase order to any new vendor not already approved by the County.

**Public Documents:** All specifications, bid documents, purchase orders and supporting documents are public records which will be made available to the public upon written request subject to the provisions of the Missouri Sunshine Law. Unopened bid proposals by their nature are not public documents until they are opened, read aloud and recorded.

**Performance Bond Requirement:** The County Commission shall require all contractors performing public work to furnish a performance bond in the amount of 110% of the public work's cost. The bond shall be conditioned for the payment of any and all materials, incorporated, consumed or used in connection with the construction, for all insurance premiums and for all labor performed in such work by either the contractor or subcontractor(s). Performance bonds shall be required on all public work exceeding \$10,000.00. Surety shall be licensed to do business in the State of Missouri and shall have an A.M. Best rating of at least A-7.

**Accounting:**

1. Review of Purchase Order – The County auditor's office shall review each purchase order and/or contract for availability of an unencumbered balance in the adopted budget and shall certify this fact before a purchase order may be considered valid and be mailed to a vendor. The necessary accounting entries to "encumber" the fund balance shall be made at the time of this certification. Purchase requisitions which would draw down the balance of an account below the remaining budget amount shall be returned to the requesting officer or



department along with a request for supplemental appropriate form which shall be presented to the County Commission for approval.

2. Deficit Spending – No purchases will be authorized which would result in deficit spending. An unallocated budget appropriation must be in place before a purchase can take place, subject to certification by the auditor.
3. Invoice – When the goods are received and a receiving report has been completed, this shall be held by the County Commission until an invoice is received from the vendor. The County Commission shall verify quantity between the invoice and the receiving report, verify price between the purchase order and the invoice, sign the "Approved for Payment" block on the receiving copy of the purchase order and forward it to the County Clerk for payment.
4. Review of Approved Package by County Clerk – The County Clerk shall review the approved package for compliance with all purchasing procedures and for mathematical accuracy prior to processing for payment. Upon satisfactory review the Clerk shall issue a county warrant upon the appropriate fund in payment of the invoice amount net of discounts. The charge shall be to the account authorized by the Auditor at the time of certification of available funds.
5. Preparation of Journal or Register – After processing warrants for payment, the County Clerk shall prepare a journal or register of all such warrants and shall obtain the approval of the County Commission prior to mailing warrants to vendors.

Duly adopted and effective on February 14, 2011 by the Christian County Commission.

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Bill Barnett  
Western Commissioner

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Lou Lapaglia  
Presiding Commissioner

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Tom Huff  
Eastern Commissioner

### REQUISITION FORMS

The top half of the Requisition Forms should be filled out completely before submission to the Commission Office. The following numbered items are required:

1. Office name and signature of authorized personnel for purchasing.
2. Date of requisition.
3. Vendor name.
4. Quantity of individual items being ordered
5. Number of account or fund for which purchase should be charged.
6. Description of item ordered, model number, size, color, etc.
7. Price of the item as quoted by the vendor, from their catalog, or on-line pricing.

If any of the above information is missing from the requisition, it will have to be returned to your office for completion before it can be approved.

#### REQUISITION FOR MATERIAL

I CERTIFY THAT THE ITEMS LISTED BELOW ARE NECESSARY FOR THE PROPER OPERATIONS OF THIS DEPARTMENT AND THAT UNENCUMBERED BALANCES ARE SUFFICIENT TO MEET THE ESTIMATED COST

OFFICE 1.

Authorizing Signature \_\_\_\_\_

#### COUNTY OF CHRISTIAN STATE OF MISSOURI



DATE: 2.

N<sup>o</sup> 7995

Vendor 3.

P.O. No. \_\_\_\_\_

Quantity	Fund	Description	Price
<u>4.</u>	<u>5.</u>	<u>6.</u>	<u>7.</u>
<b>TOTAL &gt;</b>			