

DOUGLAS COUNTY, OREGON
PURCHASING POLICIES AND PROCEDURES

INTRODUCTION

As a public agency, Douglas County is required to follow rules that ensure all publicly funded acquisitions are obtained through an open and competitive process; and that honest and ethical procedures are consistently followed. The following policies and procedures are guidelines for public procurement and contracting in accordance with the requirements of the Local Contract Review Board Rules and Oregon State Revised Statutes. Should any variance exist between these guidelines and the Local Contract Review Board Rules, the Local Contract Review Board Rules will take precedence.

These policies and procedures apply to all County departments. All references to “departments” or “department heads” apply to both appointed and elected officials. Departments may not divide purchases to avoid the requirements of these policies and procedures or the Local Contract Review Board Rules.

RESPONSIBILITIES OF DEPARTMENTS

Departments are responsible for:

- Operating within their approved budget,
- Scheduling adequate time to allow the purchasing process to be performed correctly,
- Managing all facets of a contract where their employee or agent is named as “contract administrator”,
- Ensuring that all their employees are trained and knowledgeable regarding the County's purchasing procedures, and
- Establishing adequate procedures and controls for monitoring budget and evaluating risk for procurements of \$5,000 or less using a Limited Purchase Order (LPO).

DELEGATION OF AUTHORITY UNDER THIS ORDER

The County Accountant is hereby delegated the authority on behalf of Douglas County to make purchases, to enter into contracts for the acquisition of goods or services and to enter into leases or licenses for real or personal property for terms of three years or less provided the total cost of any purchase, contract, lease or license does not exceed \$25,000. In turn, the County Accountant delegates the authority to issue purchase orders for purchases not to exceed \$25,000 to the County's Purchasing Manager.

The County Accountant shall submit a quarterly written report to the Board of Commissioners on all contracts and leases that are made pursuant to this Order. Such contracts and leases shall be filed in the County Journal.

CONTRACTS AND AGREEMENTS

AUTHORITY TO SIGN CONTRACTS: Unless authority to bind the County is granted pursuant to an order signed by the Board of County Commissioners and recorded in the County Court Journal, the Board of Commissioners has the exclusive authority to enter into contracts on

behalf of Douglas County. All other authority to make purchases or contractually bind Douglas County, whether actual, implied, apparent or otherwise to any person or entity except the Board of Commissioners is hereby revoked except as provided in these policies and procedures.

AGENCY NAME: All documents should be written to name "Douglas County" as the contracting agency and not a department, division, or officer of the County.

COUNTY COUNSEL: All contracts and agreements over \$5,000 except purchase orders must be approved by County Counsel as to form.

STANDARD FORMS AVAILABLE FOR USE BY DEPARTMENTS

The following forms are available on the County intranet:

- **SHORT FORM CONTRACTS:** Various standard short form contracts for personal services and for goods and services are available for department use.
- **CONTRACT CHANGE ORDER:** Where changes to a contract relate only to contract price and/or contract terms, a "Contract Change Order" form is available. At a minimum, the contractor and the department head must sign the form. The department then submits the form to the Board of Commissioners for approval. Board authorization must be obtained before work commences on contract changes.
- **SMALL CONTRACT ADDENDUM:** Where the department concludes the work to be performed under the contract does not constitute any appreciable risk to the County, this form may be used to waive the requirement that the contractor submit certificates of insurance to the County.
- **ADDENDUM WAIVING REQUIREMENT THAT CONTRACTOR PROVIDE PROOF OF WORKERS' COMPENSATION INSURANCE:** This form may be signed and attached to a contract where the contractor employs no workers' compensation subject workers.
- **AFTER THE FACT CONTRACT FORM:** This form is to be used where there is delayed execution of a contract (refer to Douglas County Code 3.02.020).

LIMITED PURCHASE ORDERS

A Limited Purchase Order (LPO) can be used for procurements of \$5,000 or less where the county is not bound by contractual conditions other than price and payment terms. It represents a contract between the vendor and the County. Pre-numbered Limited Purchase Orders can be obtained from the Department of Management and Finance. The LPO consists of two copies (vendor and department). It should be completed and signed by authorized department personnel before procurement. The "Terms and Conditions" are shown on the back of the LPO and should be included when a Limited Purchase Order is faxed to a vendor. Unlike a system generated purchase order, the Limited Purchase Order will not show an encumbrance against your budget on your monthly budget reports.

The responsibility and authority to issue Limited Purchase Orders is left to the discretion of each department head. Control and management of procurements using the LPO are the sole responsibility of each department. The limitation of \$5,000 applies to each purchase or project, rather than a unit price. Multiple Limited Purchase Orders cannot be issued to avoid the \$5,000 limitation. It is the direct responsibility of department heads to ensure that use of the LPO is not abused. Department heads should establish policies and procedures for their employees to assure adequate control is maintained over small purchases. Abuse of small purchase privileges may result in temporary or permanent suspension of the privilege.

The Accounts Payable Division of Management and Finance will process all LPO procurements directly from the vendor invoice coded and signed by the Department Head or other authorized person. Invoices should be processed timely upon receipt of goods or completion of services in order to take advantage of any discounts and avoid any late charges. The LPO does not need to be attached to the invoice submitted for payment; however, the LPO number should be added to the invoice for identification and tracking purposes.

PROCUREMENTS OF PERSONAL SERVICES

Personal services contracts are contracts that call for specialized skills, knowledge and resources in the application of technical or scientific expertise, or the exercise of professional, artistic or management discretion or judgment. Personal services include (but are not limited to) the services of accountants, appraisers, arbitrators, architects, artists, attorneys, auctioneers, audiologists, broadcasters, chiropractors, clergy, clinical social workers, computer programmers, concessionaires, consultants, dental hygienists, dentists, dieticians, educators, engineers, entertainers, entertainment agents, film makers, home care providers, land surveyors, landscape architects, marriage and family therapists, mediators, medical doctors, medical laboratories, meeting facilitators, naturopaths, nurses, occupational therapists, optometrists, pharmacists, photographers, physical therapists, psychologists, speakers, speech-language pathologists, and veterinarians.

The following are not personal service contracts:

- Contracts, even though for services performed in a professional capacity, if the primary purpose is to procure goods, improvements or alterations to real property, computer systems, or other products. This includes contracts for landscaping work in which the landscaping contractor provides *some* landscaping architectural services, contracts for acquisition of mechanical systems or computer hardware in which the contractor provides *some* design services, contracts for acquisition of packaged applications software that will be modified by the vendor to satisfy specific requirements of the user, design/build public improvements, and construction manager/general contractor contracts for public improvements.
- A service contract to supply labor that is of a type that can generally be done by a competent worker, e.g. janitorial, security guard, laundry and landscape maintenance service contracts.
- Contracts for a trade-related activity, even though a specific license is required to engage in the activity. Examples are repair and/or maintenance of all types of equipment or structures.
- Advertising.

The selection of contractors to perform personal services must be pursuant to the "**RULES FOR SELECTION OF CONTRACTORS TO PERFORM PERSONAL SERVICES**" adopted by the Board of Commissioners and found on the County internet website under "Codes and Policies".

Personal Services costing \$5,000 or less

- Where services will cost \$5,000 or less and standard terms and conditions apply, a standard \$25,000 or less personal services contract found on the intranet can be used. If the services do not constitute an appreciable risk to the County, a *Small Contract Addendum* can be signed and attached to the contract.

OR

- Where services will cost \$5,000 or less, do not constitute an appreciable risk to the County and standard terms and conditions apply, a Limited Purchase Order (LPO) can be used.

OR

- A department can work with County Counsel to develop a contract that meets department needs.

Personal Services costing more than \$5,000

- A department can use a standard contract available on the County intranet. Standard contracts used for services where services cost more than \$5,000 must be approved by County Counsel as to form.

OR

- A department can work with County Counsel to develop a contract that meets department needs.

PROCUREMENT OF GOODS AND GENERAL SERVICES

Goods and general services includes supplies, equipment, materials and services other than personal services and any personal property, including any tangible, intangible and intellectual property and rights and licenses in relation thereto.

Goods and General Services costing \$5,000 or less (small purchases)

For procurements of \$5,000 or less, obtaining three oral quotations is recommended but not required. The department making the purchase is responsible for documenting the quotes received. These procurements can be done by using the system generated purchase order or an LPO where the amount is \$5,000 or less as long as the services do not constitute an appreciable risk to the County and the County is not bound by contractual conditions other than price and payment terms.

Goods and General Services costing over \$5,000

All departments, unless expressly authorized otherwise through a Board Order delegating authority, must submit a purchase requisition to the Department of Management and Finance Purchasing Division (hereafter called "Purchasing") for nonexempt goods and services over \$5,000 when no other agreement or contract is in place.

Paper requisitions submitted for processing must be dated and signed by authorized departmental personnel before they will be processed. It is the responsibility of any department using electronic purchase requisitions to maintain adequate controls to insure electronic processing is being appropriately authorized.

Purchasing will prepare and release a system numbered purchase order that will constitute a formal contract between the County and the vendor upon receipt of an authorized department requisition (or completion of the formal bid process) where the following procurement requirements have been fulfilled:

- For procurements of more than \$5,000 but no greater than \$50,000 a minimum of three oral or written quotations, as practicable, have been obtained; and
- For procurements over \$50,000, the Board has approved the procurement process; and unless exempt, a formal competitive process (ITB, RFP or RFQ) has been completed.

A copy of the purchase order will be sent to the requesting department to be used as a receiving report. When a shipment is received, the department should enter the date goods are received, signature of employee receiving goods, and the quantities received on the receiving copy, and return it to Management and Finance to match with the invoice. A department should not wait until an entire order is complete before submitting a receiving copy to Management and Finance. If a partial shipment is received, a photocopy of the purchase order reflecting the partial shipment should be promptly forwarded to Management and Finance so prompt payment can be made to the vendor. If goods are being returned to the vendor, complete an "outgoing" report for the mail room so the returned shipment can be tracked.

A blanket purchase order may be issued for a maximum of 12 months to an approved pre-selected vendor. Contact the Purchasing Division of Management and Finance for criteria requirements if interested in this method of purchasing for certain goods and services.

EMERGENCY PROCUREMENTS

The emergency purchase of goods or services is because of certain emergency conditions occurring that might affect the health, safety and welfare of the County and its citizens. Emergency purchases are to be initiated only when property, equipment or life are endangered through unexpected circumstances. Failure to anticipate normal needs or project deadline dates or a desire to expend excess or remaining budgeted funds prior to year end does not constitute an emergency.

In emergency situations (equipment and vehicle breakdowns, damage caused by a storm, etc.) where it is not feasible to follow the normal purchasing procedures, a purchasing requisition, signed by the department head should be processed on the next working day. The department should enter "CONFIRMING EMERGENCY PURCHASE" and a short explanation of the emergency as part of the description. Emergency purchases should be made only if departmental operations would be seriously impaired if immediate action were not taken.

EXEMPT FROM REQUISITION/SYSTEM PURCHASE ORDER PROCESS

In addition to goods and services costing \$5,000 or less described elsewhere in these policies and procedures, the following goods and general service expenditures will be exempt from the requisition/system purchase order requirements:

- a. Travel (includes airline tickets, lodging, meals, schools, seminars;
- b. Utilities (telephone, cell phone, gas, electric, television, cable, etc.);
- c. Postage and freight;
- d. Laundry;
- e. Interdepartmental charges;
- f. Expenditures from petty cash;
- g. Gas, diesel and oil;
- h. Books, periodicals, subscriptions and videos;
- i. State fees;
- j. Emergency vehicle repairs;
- k. Office equipment repair;
- l. Expenditures where there is a written contract or agreement in place;
- m. Others as may be approved by written order of the Board of Commissioners.

UNAUTHORIZED PURCHASES

Unauthorized purchases are purchases, contracts and agreements that have not followed the federal and state laws, or purchases that were made outside the written policies and procedures set forth by the County. Unauthorized purchases include commitments made by a County representative who lacks authority to enter into an agreement on behalf of the County; commitments made in excess of budgetary authority; and purchases divided to avoid the requirements of County policies and procedures.

Prior to Management and Finance processing a transaction related to an unauthorized purchase or commitment, the department head may be asked to furnish detailed information related to the unauthorized purchase and a statement of the steps planned or taken to prevent recurrence of such unauthorized commitment. Claims resulting from unauthorized commitments are subject to review and approval by the Board of Commissioners.

Any employee making an unauthorized purchase may be held personally liable for the purchase.