

PROCUREMENT POLICY STATEMENT

Procurement for the County of Chester will be carried out in an effective, economical, open, fair and impartial manner. Ethical business standards and full legal compliance will be maintained through established procedures. Authority relating to the purchase of goods and services required by the County, regardless of fund sources, shall be exercised by the Department of Procurement & General Services or the Board of Commissioners under the provisions of the 3rd Class County Code.

PROCUREMENT PLANNING

In order to aid County personnel in planning their purchasing requirements, the following guidance is given:

Dollar <u>Limitation</u>	Quote/Bid <u>Requirements</u>	Order Processing <u>Time</u>
Less than \$4,000	1 written quotation (may obtain 2 quotations to determine price justification)	3 business days
\$4,000 - \$11,099	3 written quotations are recommended	3 - 15 business days
\$11,100 - \$20,599	3 written quotations are required	5 - 20 business days
\$20,600 & over	Public bidding process	60 or more business days

NOTE: Changes to dollar limitation are a result of House Bill No. 284 being approved and effective on January 1, 2012.

- Splitting an order to circumvent the dollar limitations provided above is prohibited.
- The County's purchases as a whole, not each department's purchases, determines whether the above limitations have been exceeded.
- **Non-emergency repairs and maintenance require a quotation, insurance certificate on file and Procurement's approval before work begins.**

PURCHASE ORDER PROCESS

- A Purchase Requisition must be entered into the PeopleSoft Financial system.
- All purchases must be secured by Purchase Order or Contract.
- Confirming Purchase Orders are to be issued for emergency purposes **ONLY**.
- Freight is to be included in cost.
- Vendors are to put Purchase Order number on their invoice.

NOTE: No product and/or service shall be delivered or performed by a vendor unless they have a Purchase Order number issued by the Department of Procurement and General Services.

OFFICE SUPPLIES

The County has an established contract with one vendor to provide a full range of office supplies. End users are required to submit requisitions via PeopleSoft.

- Please utilize the Office Supply Catalog available on the County Insider website. Under *Departments*, select *Procurement & General Services*.

BID PROCESS

- Services and purchases equal to or in excess of \$20,600 must be bid.
- A series of smaller purchases to avoid bid is illegal. Small purchases must be consolidated for bidding process.
- Bids must be approved and awarded by the County Commissioners.
- Bids must be publicly advertised.

EXEMPTIONS FROM BIDDING

The following purchases are exempt from bidding requirements:

- Maintenance, repairs or replacements for water, electric light, or other public works of the County where they do not constitute new additions, extensions or enlargements of existing facilities and equipment.

- Improvements, repairs and maintenance of any kind, made or provided by the County through its own employees.
- Proprietary goods.
- Policies of insurance or surety company bonds, public utility service under tariffs on file with the Pennsylvania Public Utility Commission.
- Professional services.
- Purchases made from the Federal Government, any state, or any local entity of the Commonwealth of Pennsylvania.

The Department of Procurement and General Services will make the final determination as to the applicability of these special situations in the procurement of goods and services. These items are included in greater detail under Definitions.

CONTRACT APPROVAL AUTHORITY

The Chester County Commissioners have officially implemented the following policy for delegation of approval authority for certain contracts and other transactions:

- The Director of Procurement and General Services is authorized to approve and sign contracts for routine goods and services for amounts up to \$20,000.
- Department Heads are authorized to approve and sign contracts for routine goods and services for amounts up to \$5,000. This authority may be delegated by department heads to deputies or assistant managers only.
- Department Heads are authorized to approve and enter into agreements for training for their staff for amounts up to \$20,000 per transaction. Expenses for travel, meals and other incidentals are in addition to this amount. Department Heads must obtain approval from the Chief Operating Officer when travel will be to any states other than Pennsylvania, Maryland, Delaware, New Jersey, New York, Washington, DC and Metropolitan area.
- The Department of Procurement & General Services is authorized to issue blanket purchase orders where partial payments will be issued. The Department of Procurement & General Services will determine which types of

transactions are appropriate for blanket purchase orders.

- When there is a question as to interpretation of these policies, the Chief Operating Officer or the Director of Procurement and General Services have the authority to interpret these policies and rule on the validity of expenses, contracts or purchases.

CONTRACT MANAGEMENT

It is the responsibility of the requisitioning department to provide the Controller's Office with authorization to initiate payment. Such authorization should be given only after the following conditions are met:

- Services have been completed in full *or* goods have been received in full as required by the contract/purchase order.
- Amount invoiced reflects the amount set forth in the contract/purchase order.

Payment for purchase orders shall be communicated to the Controller's Office by using the receiving process in PeopleSoft.

Payment for contracts shall be initiated by submitting the vendor's invoice with an approved County Voucher form to the Controller's Office within forty-eight (48) hours of receipt.

CONTRACT APPROVAL PROCEDURE

All contracts that require Commissioner approval must be delivered to the Department of Procurement & General Services at a minimum of 3.5 business days prior to the Commissioners' Sunshine Meeting.

CERTIFICATE OF INSURANCE

Contractors and/or service providers must have a current Certificate of Insurance on file in the Department of Procurement & General Services.

SURPLUS

The Department of Procurement & General Services is responsible for the legal disposal of County surplus. Policy guidelines include:

- Any asset recommended for disposal must be reported to the Department of Procurement & General Services for approval.
- Assets will be offered to other departments when advantageous.
- The use of an asset as a trade-in on its replacement is the recommended method of disposal.
- Any sale will be advertised and managed by the Department of Procurement & General Services.
- **Asset(s)/County property may not be purchased or given away unless by Resolution.**

The Department of Procurement & General Services will determine the final disposition of County assets.

RESOLUTION OF UNACCEPTABLE GOODS/SERVICES

User must notify carrier and vendor immediately upon receipt of non-conforming, broken or damaged materials. Notification must cite the purchase order number and be in sufficient detail to enable the vendor to offer a resolution. Until a resolution is achieved, the material should be held in a secure place in the original shipping container. **Do not receive the delivery in PeopleSoft or submit a voucher for payment until a resolution is met.**

NOTE: The Department of Procurement & General Services is to be notified, in writing, of the resolution of this occurrence and if any future action is required.

PENNSYLVANIA PUBLIC OFFICIAL and EMPLOYEES ETHICS ACT

65 Pa. C.S.A. § 1101 et seq.

No elected official or employee of the County, their spouse or child or any business in which the person is associated, shall enter into any contract valued at \$500 or more with the County or any subcontract valued at \$500 or more, unless the contract has been awarded through an open and public process, including prior public notice and subsequent public disclosure of all proposals considered and contracts awarded. In such case, the elected official or employee shall not have any supervisory responsibility for the implementation or administration of the contract.

It is the responsibility of elected officials and employees of the County to advise the Department of Procurement & General Services of their spouse or child's complete or partial ownership in any business that the County utilizes as a vendor for goods or services.

For further clarification please reference the County of Chester Employee Handbook.

VIOLATION OF PROCEDURES

Violation of the procedures contained in this guide may result in a violation notice being sent to the County Commissioners. Per County Code, purchase order and contract authority is delegated to only the County Commissioners or their designated agent. Unauthorized purchases will not be paid by the County and will be returned to the vendor.

DEFINITIONS

Sole Source Purchases - Those procurements which are available from only one vendor and only that vendor's product and/or service will fulfill the user's requirements.

Proprietary Purchases - A purchase that restricts the acceptable products to those produced only by one manufacturer under patent or copyright protection and where there is absolutely no competitor manufacturing the same type of product and/or service. This does not include automobiles. This type of purchase is normally used only when the products being purchased must be compatible with existing products.

Professional Services - Includes services in the fields of accounting/auditing, engineering, insurance, law, and medicine. These services are exempted because professional qualifications, capabilities and experience differ. Services to be provided cannot be defined by precise specifications, nor compared solely on the basis of price.

Emergency Purchases - An emergency is a sudden or unexpected occurrence that demands immediate action to correct a dangerous Public Safety/Health situation. This does not include a situation where there is a potential problem not requiring instant action, nor where the condition has been ongoing for some time in the past.

Public Works Maintenance - Includes maintenance, repairs, or replacements of public works. This excludes new additions, extensions or enlargements of existing facilities and equipment.

State Contract Purchases - Various goods and services are available for piggyback purchase through existing state contracts. State contract purchases are not subject to bidding requirements.

Capital Purchase - The purchase of assets exceeding \$10,000.00 per/unit cost.

QUESTIONS

When in doubt about the correct procedure for any procurement, please contact the Department of Procurement & General Services. We are happy to assist you in expediting your request in an effective and efficient manner.

WEBSITE

For more information regarding this Procurement Guide and other procurement opportunities, please visit us at chesco.org.

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Thank you for your cooperation!

COUNTY OF CHESTER



PROCUREMENT GUIDE

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