

POLICY NAME: Purchasing
POLICY NUMBER: 03-P12
BOARD APPROVAL DATE: January 26, 2004
REVISION NUMBER & DATE: Replaces Personnel Rules & Regs 1301 to 1315

PURCHASING POLICY

1. ITEMS COSTING LESS THAN \$20:

Departments are encouraged to establish petty cash funds for immediate reimbursement of small purchases. The auditor can assist the department in establishing a petty cash fund.

2. ITEMS COSTING BETWEEN \$21 AND \$750:

Inexpensive materials, supplies, and equipment can be purchased directly by department, no purchase order is required. Claim forms should not be submitted to the Auditor's Office for reimbursements which are less than \$20. Either receipts should be held until the total expenditures add up to more than \$20, or the department should establish a petty cash fund for small purchases. Departments are encouraged to purchase their office supplies from the State contract, CMAS contract, CSAC contract, and Office Depot bulk purchasing contracts.

3. ITEMS COSTING BETWEEN \$751 AND \$2,000:

These items require a purchase order and a requisition form. The requisition must be approved by the Department head. The related purchase order must be submitted to Administrative Services and to the Auditor-Controller's Office for review and approval. Purchase orders for computer hardware and software, printers, and photocopiers must be sent to the county purchasing agent before making a purchase, so the purchasing agent can acquire the items from the vendors offering the best prices and to insure that the equipment being purchased is compatible with the county wide computer standards.

4. ITEMS COSTING BETWEEN \$2,001 AND \$10,000:

Purchase of these items requires a purchase order and informal quotes from **at least three vendors**. The names of the vendors, their business address and telephone numbers, and their price quotes must be written on the requisition form. **If the type of equipment being purchased is so specialized that less than three vendors are available, please document this on your requisition. If you are purchasing through the CMAS contract or one of the other mass purchasing contracts, you are not obligated to obtain quotes from three vendors because these prices have already been negotiated. Again,** purchase orders for computer hardware and software, printers, and photocopiers must be sent to the county purchasing agent before making a purchase, so the purchasing agent can acquire the items from the vendors offering the best prices and to insure that the equipment being purchased **is** compatible with the county wide computer standards.

5. ITEMS COSTING OVER \$10,000:

Purchases of more than \$10,000 must be pre-approved by the Board of Supervisors (either through the annual budget process or through a separate Board Agenda Item) and must be acquired through a formal advertised bidding process with written responses from potential vendors. The purchasing

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agent will assist the department in setting up the bidding process. This paragraph refers to the acquisition of both equipment and contractual services.

5.1 LOCAL PREFERENCE

Where bids are for items totaling \$10,000 (ten thousand) or more, local businesses will receive a 5% (5 percent) preference. Local preference will not apply to bids which combine professional services with hardware purchases. (amended per resolution 99-032)

5.1.1 Local Business defined

A local business will have a physical presence in Lassen County where business is conducted during defined hours. Businesses wishing to receive a local preference must include a telephone number and address within Lassen County in their bid documents. These will be the only points of contact with businesses claiming local preferences. (amended per resolution 99-032)

5.2 BID EXCEPTION

Purchases of items and equipment from another governmental agency shall not be subject to the formal bid requirements contained in Section 1305. All such purchases shall have prior approval in writing by the Department Head requesting the purchase, by the County Administrative Officer, and the Chairman of the Board of Supervisors. (amended per resolution 00-019)

6. PUBLIC WORKS CONTRACTS OVER \$50,000:

Requires pre-approval by the Board of Supervisors, a formal bidding process, and acceptance of the winning bid by the Board of Supervisors. The purchasing agent will assist the department in setting up the bidding process. The purchasing agent and county counsel will both assist the department in determining whether the project being envisioned requires Prevailing wages or not.

7. CONTRACTUAL SERVICES:

All contractual services contracts in excess of \$1,000 per year must be approved by county counsel and the CAO. Standard state contracts need not be submitted to county counsel. The purchasing agent and county counsel have standard contracts for personal services, leases, public works projects, and for a variety of other purposes. The department must use the standard county contract forms whenever possible.

8. CONSULTANT SERVICES:

On some occasions, a Request for Proposal (RFP) is more appropriate than a "lowest responsible bid" process. The County Administrative Officer must authorize the department to issue an RFP, and the Board of Supervisors must then approve the final contract. The purchasing agent can assist the department in preparing the RFP.

9. FIXED ASSETS:

Equipment which costs more than \$300 and which has a useful life of three years or more shall be defined as "fixed assets" and shall be listed on the department's fixed assets inventory. The fixed assets inventory shall be updated annually by the department; copies of each year's inventory should be submitted to the auditor and to the purchasing agent/budget analyst.

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Building leases for periods in excess of two years and having a rental rate of over \$1,000 per month must be approved by the County Administrative Officer and by the Board of Supervisors. The county's standard lease form should be used unless extraordinary circumstances apply. The purchasing agent may assist the department in negotiating the lease. Shorter leases require approval of the County Administrative Officer.

11. EQUIPMENT MAINTENANCE CONTRACTS:

Regardless of amount, equipment maintenance contracts should be approved by the Purchasing Agent. The County may already have a maintenance contract in place to which another department can be added for a nominal price.

12. VEHICLES:

Departments which have their own vehicles should submit an annual vehicle request to the Sheriff. Funds for vehicle purchases will be budgeted in the Fleet Management division of the Sheriff's office. County intent is to replace vehicles prior to accumulating 100,000 miles on the odometer.

13. EMERGENCY PURCHASES:

In the event that a department needs to make an immediate purchase (exceeding \$750) at a time other than during normal business hours, the equipment or materials may be purchased without prior approval. However, the purchase must later be ratified by the Board of Supervisors before payment will be made. Emergency purchases should be confined to situations where health or safety is affected, or when critical departmental functions would be totally halted (e.g., snowplow repairs, medical equipment, or boat patrol) if the emergency purchase is not made.

14. SURPLUS PROPERTY:

Fixed assets which are no longer needed should be turned over to the Purchasing Agent to be sold at the next surplus property auction. The Department's Fixed Assets inventory should be immediately amended. The Department should also notify the auditor and the purchasing agent of the items which are being removed from the department's fixed assets inventory. Non-General Fund departments will be credited with the revenue generated by the sale of its surplus property, less an administrative fee for auction expenses.

1315. CREDIT CARD POLICY:

Currently, the county issues American Express cards to some employees for travel expenses only. The purchasing agent will attempt to set up a Procurement Card program or county VISA charge card account with one of the local banks to be used for small purchases of materials and supplies. Personal expenses **MAY NOT** be charged to county credit cards; doing so may be grounds for disciplinary action, up to and including dismissal.

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