

2023 HAMILTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY (HCIDA)

PROCUREMENT POLICY

Section 1. **Purpose**

The purpose of this policy is to procure goods and services of maximum quality in a manner which will result in the most prudent and economical use of public monies, and to establish measures which will prevent favoritism, improvidence, extravagance, fraud and corruption.

Section 2. **Definitions**

The following terms shall apply to all purchases governed by this policy:

(A) "Competitive Bid" shall mean a formal written statement by a potential vendor, submitted in response to a solicitation for such bids, setting forth the vendor's terms under which it will furnish materials, goods and/or services.

(B) "Purchase Order" shall mean a written form to be used by the Agency for placing orders with vendors approved by the Agency for materials, goods and/or services requisitioned by Agency personnel:

- (1) containing the following minimum information:
  - (a) the name of the vendor
  - (b) the Agency's shipping and billing address
  - (c) the quantity of each item of goods or materials purchased,
  - (d) catalog number (if available) of each item purchased;
  - (e) a description of each item of goods or materials purchased, or of the services furnished;
  - (f) the unit price;
  - (g) the extended or total price; and
  - (h) the identification of the specific fund and budget account from which payment is to be made; and
- (2) to which is attached all necessary supporting documentation.

(C) "Proposal" shall mean a written statement by a potential provider of goods and/or services, submitted in response to a request for proposals, setting forth the terms under which such provider will furnish materials, goods and/or services.

(D) "Quotation" shall mean an informal offer (usually written) by a potential vendor setting forth the terms under which the vendor shall furnish materials, goods and/or services, and setting forth the following minimum information.

- (1) complete description of the item or services to be furnished,
- (2) a complete description of the cost, including but not limited to unit price, hourly rate and other similar information, as applicable,
- (3) special conditions or charges/credits (i.e., delivery, installation,

- (4) trade-ins, discounts, shipping fees, etc.), and total cost.
- (E) "Request for Proposals" shall mean a formal written invitation to potential providers of materials, goods and/or services, the procurement of which is/are not subject to competitive bidding requirements.
- (F) "Requisition" shall mean a request by an Agency employee to the Agency for the procurement of materials, goods and/or services.
- (G) "Solicit Bids" shall mean a formal written invitation together with specifications issued to potential vendors of materials, goods and/or services, the procurement of which is/are subject to competitive bidding requirements.
- (H) "Specifications" shall mean written provisions stating the terms and conditions under which materials, goods and/or services shall be purchased, furnished or provided, and under which contracts shall be awarded, and which will form an integral part of each contract awarded.
- (I) "Vendor" shall mean a supplier of materials, goods or services. Section 3.

### Section 3. **Procurement Guidelines**

The procurement, acquisition and purchase of all materials, goods and services shall be in conformance with the following guidelines:

- (A) Competitive bidding shall be utilized whenever required by law, which currently is as follows:
  - (1) all public works contracts involving an expenditure of more than \$35,000.00; and/or
  - (2) all purchase contracts involving an expenditure of more than \$20,000.00.
- (B) Notwithstanding any other provision of this policy, whenever it is determined by the Agency to be in its best interests that competitive bidding be utilized even when such bidding is not legally required.
- (C) A request for proposals will be utilized whenever the Agency seeks to obtain professional services, when competitive bidding is not required, or except as otherwise provided by this policy whenever the Agency determines it to be in the best interests of the Agency that a request for proposal be issued.
- (D) Whenever the estimated annual purchase/acquisition cost of a particular class of materials, goods and/or services is \$1,000 or less, the purchase/acquisition shall be accomplished based upon reliable market information such as catalogs, vendor price listings or quotations, but the Agency shall not be required to obtain quotations.

- (E) Whenever the estimated annual purchase/acquisition cost of a particular class of materials and/or goods (including but not limited to equipment rental) exceeds \$1,000 but does not exceed \$20,000, the Agency shall obtain a quotation from at least 3 separate vendors, and shall award the contracts to the vendor whose quotation contains the lowest possible cost.
- (F) Whenever the estimated annual purchase/acquisition cost of a particular class of services and/or public work exceeds \$1,000 but does not exceed \$35,000, the Agency shall obtain a quotation from at least 3 separate vendors, and shall award the contracts to the vendor whose quotation contains the lowest possible cost.
- (G) If the lowest quotation, bid or proposal is rejected, the Agency shall prepare a memorandum stating in detail the reasons for rejection, and such memorandum shall be filed with any contracts or purchase orders issued in connection with the procurement.
- (H) Instances of non-compliance with this policy, as identified by any officer or employee of the Agency shall be reported to the Agency Board.
- (I) Supplies used within the Agency shall be uniform whenever consistent with operational needs and in the interests of efficiency and economy.
- (J) No official or employee shall be interested financially in any contract entered into by the Agency.
- (K) All purchase orders shall be signed by an officer or designated employee of the Agency, and shall contain the budget account number and current unencumbered account balance from which payment shall be made.
- (L) Authorization to procure or purchase shall be made by the Agency Chairman whenever the items involved were identified and approved as part of the Agency budget, and in all other cases by the Agency Board.

#### Section 4. **Exceptions**

This policy, and the guidelines set forth in Section 3 hereof, shall not apply in the following situations:

- (A) In the case of a public emergency arising out of an accident or other unforeseen occurrence or condition, whereby circumstances affecting public buildings, public property, or the life, health or safety or property of the inhabitants of Hamilton County, or in the cases where other circumstances exist which require immediate action and which cannot await solicitation of bids, requests for proposals, or solicitation of quotations, the purchase/procurement of materials, goods and/or services may be authorized by the Agency Board.
- (B) In cases where a reasonably exhaustive and documented search discloses that a particular class of materials, goods or services is available only from a single vendor, or in cases where there is common knowledge of the existence of a monopolistic situation for a particular class of materials, goods or services being sought by the Agency, the purchase/procurement from a single identified vendor shall be allowed upon approval by the Agency Board.

- (C) In order to reduce unnecessary paperwork, expenditures for the purchase/ acquisition of the following items shall be allowed without purchase orders or other compliance with this policy, except to the extent otherwise required by law:
- (1) reimbursable employee expenses, including but not limited to travel and meal allowances;
  - (2) reimbursement of petty cash funds,
  - (3) utility bills;
  - (4) book, periodical and other subscription renewals, provided that the subscriptions are approved in the budget and a copy of the subscription or its renewal are attached to the voucher;
  - (5) publication and printing of legal notices;
  - (6) service contracts for equipment, cleaning or for fire alarm systems;
  - (7) postage;
  - (8) interdepartmental charges;
  - (9) intergovernmental charges, including but not limited to permit fees;
  - (10) membership dues;
  - (11) notary public licenses and renewals thereof when such license is either required for performance of Agency duties or determined to be necessary by the Agency Board; and
  - (12) training expenses and speaker fees/expenses.

Vote:

  5   Yes   2   Absent

Adopted   February 9, 2023