

Pulaski County Government Purchasing Manual



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PULASKI COUNTY PURCHASING POLICY MANUAL

I. INTRODUCTION

A. Purpose

The purpose of this manual is to outline the County's purchasing procedures and to assist all County Departments when obtaining needed supplies, equipment, and services. The Purchasing Department is available to answer questions or clarify information contained in this manual.

B. Objective of Purchasing Department

The County Purchasing Department's objective is to maximize tax dollar value in the procurement of materials and services. By function, this responsibility must combine the appropriate mix of service and fiscal control. To fully obtain this objective, all County Departments must comply with this manual and work closely with the Purchasing Department. The Purchasing Department exists to obtain goods and services required by all County Departments at the best available price. The Purchasing Department is responsible for providing sound purchasing policies and procedures throughout the County.

C. Roles and Responsibilities in County Purchasing

All County Departments have an important role in ensuring a successful procurement process. The Purchasing Department's roles and responsibilities include, but are not limited to, the following:

- Assure compliance with this manual;
- Follow local, state, and federal procurement laws;
- Update Purchasing Manual as necessary in order to ensure compliance with federal, state, and local laws;
- Search for new sources of supplies and services;
- Draft formal bid specifications;
- Ensure bid specifications and contractual agreements include all appropriate Title VI and County nondiscrimination language;
- Advertise and evaluate bids;
- Maintain bid files;
- Promote the County's use of small, minority, and women owned businesses;
- Select vendors and prepare purchase orders;
- Maintain up-to-date electronic vendor files;
- Maintain performance vendor reviews;
- Maintain vendor relations;
- Provide contract administration;
- Maintain all contractual agreements in both an electronic database and in a

- non-electronic copy;
- Assist in monitoring, resolving, and negotiating all contract disputes;
- Market and redistribute surplus assets;
- Investigate and document merchandise and service complaints; and,
- Maintain a fixed asset inventory list for all County departments.

County department roles and responsibilities include, but are not limited to the following:

- Provide sufficiently defined information on items to be purchased;
- Assist in bid specifications preparations;
- Prepare and submit purchase requisitions when required;
- Assist the Purchasing Department with suggested sources of supplies;
- Provide the Purchasing Department with complete and full information when initiating a purchase;
- Plan purchases to eliminate avoidable emergencies;
- Provide technical expertise in the evaluation of bid specifications and responses;
- Provide information on materials and vendor performance;
- Provide complete receiving information to Accounts Payable when required;
- Submit information on materials and vendor performance; and
- Clear invoices for payment and ensure the correct line item number is on the voucher. (The department must check prices to verify they are the same as the purchase order.)

II. PURCHASING INFORMATION

A. Definitions

1. "Purchase means not only the outright purchase of a commodity, but also the acquisition of commodities under rental-purchase agreements or lease-purchase agreements or any other types of agreements, whereby the county has an option to buy the commodity and to apply the rental payments on the purchase price thereof." (Ark. Code Ann. § 14-22-101).
2. "Commodities" means all supplies, goods, materials, equipment, machinery, facilities, personal property, and professional services purchased for, or on behalf of the county.
3. "Professional services" means standard services of a professional nature performed by a person trained or licensed in the business of that profession. Services from accountants, computer programmers, consultants, nurses, doctors, and similar professionals are professional.
4. "Personal services" means services that are personal and unique to a particular person or company. Artists and craftsmen would provide personal services. Whether or not a service is a personal service may depend upon the

use for which the services are used. The Purchasing Department determines and approves all personal services.

B. Split Purchases Prohibited

The law expressly forbids parceling, or splitting purchases, with the intent of circumventing the more competitive bidding requirements. (Ark. Code Ann. § 14-22-104). Purchases of similar goods or services, totaling more than \$2,000 within any thirty (30) day period, require a purchase order. The Purchasing Department may make written exceptions to this requirement in unusual circumstances for services only.

C. Use of Small, Minority, and Women Owned Businesses

The Purchasing Department affirmatively encourages the use of small, minority, and women owned businesses in all purchases. The Purchasing Department shall send all formal bid solicitations, informal bid solicitations, requests for phone quotes, and requests for written quotes to the Small and Minority Business Division of the Arkansas Economic Development Commission (“AEDC”). Proof of such notice shall be maintained in the files of the Purchasing Department.

D. Sole Source Purchases

The Purchasing Department shall make every effort to obtain price competition and buyers must evaluate and attempt to locate competitive suppliers when feasible. Sole source procurements or contracts are prohibited except when no reasonably available alternative source exists. Sole sources purchases require 1) a written determination concerning the exclusivity of the single source by the County, and 2) an order by the County Court filed with the County Clerk that sets forth the basis for the single source purchase. (See Ark. Code Ann. § 14-22-106).

Similar to other County contracts, sole source contracts will be for one (1) three (3) year term. A sole source contract may have a shorter or longer term after a good cause finding and County Judge approval (see Part VI, Section B for further clarification). At the end of the contract term, the contract will not be renewed absent a written determination from the Purchasing Department as to whether a sole source contract is warranted. If the Purchasing Department determines adequate competition is available, the Department must go through the required purchasing procedures before selecting an appropriate contractor.

E. Emergency Purchases

An emergency purchase occurs during an unforeseen and unavoidable emergency when human life, health, or public property is in jeopardy. An emergency purchase requires an executive order from the County Judge declaring the emergency, a purchase order, and a written statement, signed by the department head, describing the need for the commodity without going through appropriate bidding procedures. (See Ark. Code Ann. § 14-22-106). Offices and departments should make all efforts to anticipate needs, allowing sufficient time to follow the proper and most cost-

effective method of purchasing.

F. Delinquent Taxes

In accordance with County Ordinance 98-OR-24, the County is prohibited from awarding bids or contracts to any companies, businesses, or individuals that are delinquent in paying their Pulaski County property taxes. The Purchasing Department should verify proof of payment of property taxes before a contract is signed.

G. Office Supplies

The Purchasing Department will distribute copies of the office supply contract to departments periodically. Departments shall order office supply items listed on the office supply contract directly from the contract holder. Any item over \$2,000, and not listed, must be approved for purchase by the Purchasing Department and requires a purchase order.

H. Rental or Lease Agreements

The County may bid any pure rental or lease if it is in the best interest of the County, regardless of whether or not the County has the option to purchase. All lease or rental agreements, regardless of an available purchase option, must be executed through the Purchasing Department using the approved Contract Approval Routing Form (attached to this document).

I. Code of Conduct

In accordance with Ark. Code Ann. § 14-14-1202, County elected officials, employees, and agents shall not:

- Be directly or indirectly interested in any transaction made or authorized, or contract entered into on behalf of the County;
- Accept or receive any property, money, or other valuable thing for his/her use or benefit on account of, connected with, or growing out of any contract or transaction;
- Retain materials, supplies, equipment, machinery, discounts, credits, or allowances for his/her own benefit;
- Solicit or accept gratuities, favors, or receive any property, money, or any valuable thing connected with, or growing out of, any County contract or transaction;
- Be a purchaser at a sale or a vendor of any purchase made by him/her in his/her official capacity;
- Acquire an interest in any business or undertaking that he/she has reason to believe may be directly affected to its economic benefit by official County action;
- Perform an official act directly affecting a business or undertaking to its economic detriment when he/she has a substantial financial interest in a competing firm or undertaking; or,
- Use his/her position, the influence created by his/her position, or information

gained through his/her position to advance any of the aforementioned individuals' economic interest.

Exception for Purchases:

If the Quorum Court determines that it is in the best interest of the County, it may pass an ordinance permitting the County to purchase goods or services, directly or indirectly, from County Quorum Court members, elected officials, employees, or agents in unusual and specific circumstances. The ordinance, permitting the purchases, must specifically define the unusual circumstances that purchases are allowed and the limitations of the authority. Any considered Quorum Court member having any interest in the goods or services under these procedures shall not be entitled to vote upon the approval of the goods or services.

When the County purchases goods and services under these procedures, the County Judge must file an affidavit, a copy of the voucher, and other documents supporting the disbursement with the County Clerk, certifying that each disbursement is in accordance with the provisions of the ordinance.

Disciplinary Action

Code of conduct violations will result in corrective action and appropriate discipline, up to and, including termination of employment. Further, failure to comply with the Code of Conduct could result in a misdemeanor conviction, fine, and suspension and/or removal from office or employment with the County.

J. Maintaining Procurement Records

The Purchasing Department will maintain sufficient records detailing the history of all procurement transactions. These records will include, but are not necessarily limited to, the following:

- Documented reasons for the method of procurement;
- Selection procedure of contract type;
- Contractor selection or rejection;
- Reasonableness of contract price; and,
- Vendor performance through the course of the contract.

III. INITIATING A PURCHASE

A. Purchasing Authority

State law, County Ordinance, and County Judge directives provide purchasing authority. No individual department, office, or employee is authorized to purchase, make commitments to purchase, or indicate a personal recommendation to any salesperson or company regarding their products. Departments or offices may furnish information on supplies and products or make purchasing recommendations.

B. Purchase Requisition

A purchase requisition must be entirely completed and submitted to the Purchasing Department before the Purchasing Department can issue a purchase order or bid.

Departments should include the following information on every purchase requisition:

- "Bill To" (the office or department name and address to be billed);
- "Ship To" (the office or department name and address where the goods should be delivered);
- Requested delivery time;
- Total estimated cost,
- Budgetary information;
- Commodity to be purchased (Commodities must be sufficiently described to ensure the buyer makes the correct purchase but may not be so restrictive as to eliminate or limit competitive purchasing or comparable options. See Ark. Code Ann. § 14-22-109; 2 CFR § 200.319(c)(1));
- Anticipated commodity prices on each item;
- Suggested vendor's name, address, contact person, telephone and fax numbers; and,
- Proper accounting code (accounting will reject the requisition without the proper accounting code).

Departments should review purchase requisitions before submitting them. The department's authorized individual must sign each purchase requisition. Departments should retain a copy of the requisition for their records and send the original to the Purchasing Department.

C. Purchase Orders

1. Processing Purchase Orders

The Purchasing Department must issue a purchase order for all purchases of \$2,000 or more, not covered by a contract, or in any way exempted. The Purchasing Agent must sign the purchase order. The Purchasing Department provides the vendor with a copy of the purchase order and retains a copy along with the original copy of the requisition attached to the back. The Purchasing Department also provides a copy to the ordering department. Upon receipt of merchandise, the receiving department is responsible for verifying the price, condition of merchandise received, and quantities. The receiving department is responsible for verifying invoice accuracy prior to forwarding it to Accounting for payment.

2. Purchase Order Cancellations

Only the Purchasing Department may cancel purchase orders. Departments must return all copies of the purchase order with a cancellation explanation.

3. Phone Purchase Orders

Confirmation purchase orders are only issued by phone at the discretion of the Purchasing Department. If the Purchasing Department provides an authorization number for an immediate need by phone, the ordering department should submit a requisition after the invoice is received.

IV. BIDDING PROCEDURES

A. Bid Limits

To determine the category of required bidding, for any purchase or lease, as well as, to prevent split purchases, the County will use the following criteria:

- The total overall purchase price when purchases for trade-ins are being offered;
- The annual cost of any rental/lease agreement, or service contract, when there is no option to purchase;
- The total of all lease payments when there is an option for the County to purchase at fair market value at the conclusion of the lease; and,
- The total purchase price of similar commodities (goods or services) within any thirty (30) day period.

B. Purchases of \$1999.99 and under (Open Market)

The Purchasing Department or each department's authorized individuals may purchase any service or group of commodities within the same general classification, valued up to \$1999.99, at the best available price on the open market.

Departments shall not participate in split purchases. Departments should also ensure that an item or service is not covered by a preexisting contract. If a preexisting contract is in place, departments must use the vendor named in the contract for purchases in that category.

C. Purchases of \$2,000 or more (Purchase Requisition and Order Required)

Purchases of \$2,000 or more require a purchase requisition and completed by the Purchasing Department only via a purchase order.

1. Purchases between \$2,000 and \$9,999.99

For all purchases between \$2,000 and \$9,999.99, the Purchasing Department must obtain, and document, a minimum of three (3) phone quotes, including at least one (1) quote from small, minority, or women owned businesses when possible.

2. Purchases between \$10,000.00 and \$19,999.99

For all purchases between \$10,000.00 and \$19,999.99, the Purchasing Department must obtain, and document, a minimum of three (3) written vendor quotes, including at least one (1) quote from small, minority, or women owned businesses when possible.

3. Purchases of \$20,000.00 or more

Purchases of \$20,000.00 or more must be formally advertised, with sealed bids taken, and opened not less than ten (10), or more than thirty (30), days after the advertisement date. All sealed bids are opened at the exact time and date specified on the bid request and read publically. All bids require a signature and a label, indicating itself as a formal bid. Late bids will not be accepted or considered. When an attempt at competitive bidding, or request for proposals,

produces only one (1) bid or proposal, provided adequate competition exists, the requesting department may accept the sole bid after a determination of reasonableness of price. Reasonableness of price shall be determined by the requesting department in consultation with the Purchasing Department. The Purchasing Department is responsible for documenting the reasonableness of price in the procurement file.

Bids shall be solicited from an adequate number of known suppliers and include any specifications and pertinent attachments in order to define the items or services for the bidder to properly respond. Items listed in Ark. Code Ann. § 14-22-106 (see Part IV, Section F) are specifically exempted from formal bidding procedures. Any exceptions to bidding must have prior written approval by the Purchasing Department. Further, the Purchasing Department may reject any bid and call for new bids when in the County's best interest.

Construction bids that exceed \$35,000.00 require two (2) published notice of its intention to receive bids one (1) time each week for not less than two (2) consecutive weeks in a newspaper and opened not less than ten (10), or more than thirty (30), days after the final advertisement date. All notices shall include the following:

- A brief description of the kind or type of work contemplated;
- The approximate location for the work;
- The date, time, and place at which sealed bids will be received;
- The amount, which may be stated in a percentage, of the bid bond required;
- A statement of the taxing unit's reservation of the right to reject any or all bids and waive any formalities, and,
- Such other pertinent facts or information, which may appear necessary or desirable.

D. Bid Forms

The Purchasing Department prepares Invitation to Bid forms and distributes them to the requesting department. The Purchasing Department posts all Invitation to Bid forms on the Pulaski County Online Bidding Application on the Pulaski County Website. All bid forms will identify requirements, which the bidders/offerors must fulfill, and other factors used in evaluating bids or proposals.

E. County Bid Lists/Vendor's Registration

The Purchasing Department will maintain up-to-date bidders' and vendors' lists derived from the Pulaski County Online Bidding Application on the Pulaski County Website. Any vendor qualified to bid may be placed on the bidders list by registering as a vendor on the Pulaski County Online Bidding Application through the Pulaski County Website.

F. Items Exempted from Bidding

Arkansas Code Ann 14-22-106 authorizes the county to make certain purchases without soliciting bids. At the time of adoption of this Policy, Sec. 105 exempts the following:

- Perishable foodstuffs for immediate use;
- Unprocessed feed for livestock and poultry;
- Advanced emergency medical services provided by a nonprofit corporation and proprietary medicines when specifically requested by a professional employee;
- Books, manuals, periodicals, films, and copyrighted educational aids for use in libraries and other informational material for institutional purposes;
- Scientific equipment and parts therefor;
- Replacement parts and labor for repairs of machinery and equipment;
- Commodities available only from the federal government;
- Any commodities needed in instances in which an unforeseen and unavoidable emergency has arisen in which human life, health, or public property is in jeopardy (see Part II, Section E for further clarification);
- Utility services, the rates for which are subject to regulation by a state agency or a federal regulatory agency;
- Sand, gravel, soil, lumber, used pipe, or used steel;
- Used or secondhand motor vehicles, machinery, or equipment, except a used or secondhand motor vehicle that has been under lease to a county when the vehicle has fewer than five thousand (5,000) miles of use shall not be purchased by the county when it has been used five thousand (5,000) miles or more except upon competitive bids;
- Machinery, equipment, facilities, or other personal property purchased or acquired for or in connection with the securing and developing of industry under the Municipalities and Counties Industrial Development Revenue Bond Law, § 14-164-201 et seq., or any other provision of law pertaining to the securing and developing of industry;
- Registered livestock to be used for breeding purposes;
- Motor fuels, oil, asphalt, asphalt oil, and natural gas;
- Motor vehicles, equipment, machinery, material, or supplies offered for sale at public auction or through a process requiring sealed bids;
- All goods and services that are regularly provided to state agencies and county government by the Department of Correction's various penal industries;
- New motor vehicles purchased from a licensed automobile dealership located in Arkansas for an amount not to exceed the fleet price awarded by the Office of State Procurement and in effect at the time the county submits the purchase order for the same make and model motor vehicle. (The purchase amount for a new motor vehicle may include additional options up to six hundred dollars (\$600) over the fleet price awarded);
- Renewal or an extension of the term of an existing contract;
- Purchase of insurance for county employees, including without limitation health insurance, workers' compensation insurance, life insurance, risk management services, or dental insurance;

- Purchases made through programs of the National Association of Counties or the Association of Arkansas Counties;
- Goods or services if the quorum court has approved by resolution the purchase of goods or services through competitive bidding or procurement procedures used by 1) the federal government or one (1) of its agencies; 2) another state; or 3) an association of governments or governmental agencies including associations of governments or governmental agencies below the state level; (see Part VI, Section D for further clarification) and,
- Goods or services available only from a single source (see Part II, Section D for further clarification).

G. Selection Procedure

In accordance with Ark. Code Ann § 14-22-111, all bids and contracts not involving federal dollars, shall be awarded to the lowest responsible bidder, taking into consideration all relevant facts, including, without limitation, quality, time of performance, probability of performance, and location. When federal money is attached to the contract, the County will not consider location as required by 2 CFR § 200.319(b). (See Part VII, Section G).

The Purchasing Department shall maintain documented reasons for all unaccepted bids. When the low bid is not accepted, the Purchasing Agent must make a written statement outlining the reasons for the refusal and file it with the County Clerk.

When the bid represents items manufactured or grown, or offered for sale by business establishments having their principal place of business in the County, with the quality being equal to articles offered by competitors outside the county, then the bidder shall be allowed a differential of not to exceed three percent (3%) of the purchase price in determining the low bid. However, in each instance in which this bid preference is requested, the bidder must inform the County of the request before the date and time fixed for opening the bids and furnishes satisfactory proof thereafter. Absent contracts regarding federal money, where there are equal or tie bids, preference shall be given to residents or firms located and doing business in the County.

V. PROFESSIONAL SERVICES

A. Overview

Ark. Code Ann. § 19-11-801 et seq. outlines the procedures for the procurement of professional services. When soliciting bids for professional services subject to competitive bidding, and for services in excess of \$20,000.00, the Purchasing Department will issue a formal Request for Proposal (“RFP”) and forward copies of all proposals received to the requisitioning department.

Professional services provided to the County at a cost of \$19,999.00 or less per annum, or per project, unless otherwise exempt from solicitation per Ark. Code Ann. 14-22-106, or exempt from competitive bidding, shall be selected only after the

Purchasing Department has obtained, and documented, a minimum of three (3) written vendor quotes, including at least one (1) quote from small, minority, or women owned businesses when possible.

B. Competitive Bidding

Per Ark. Code Ann. §19-11-802, competitive bidding shall not be used for the procurement of legal, financial advisory, architectural, engineering, construction management, and land surveying professional consultant services. The Purchasing Department shall annually make a Request for Qualifications (“RFQ”) for services exempt from competitive bidding by Arkansas law or County ordinance. The Quorum Court may vote to not use competitive bidding for other professional services with a two-thirds (2/3) vote.

C. Qualifications Evaluation

Regardless of whether the procurement of professional services is subject to competitive bidding, the County will evaluate the qualifications of each firm, as required by Ark. Code Ann. §19-11-803 by considering:

- The specialized experience and technical competence of the firm with respect to the type of professional services required;
- The capacity and capability of the firm to perform the work in question, including the specialized services, within the time limitations fixed for the completion of the project;
- The past record of performance of the firm with respect to such factors as control of costs, quality of work, and ability to meet schedules and deadlines; and,
- The firm’s proximity to and familiarity with the area in which the project is located.

D. Request for Proposals, Selection and Contract Negotiation

All professional services requiring competitive bidding (i.e., those other than of legal, financial advisory, architectural, engineering, construction management, and land surveying professional consultant services) are selected after a Request for Proposal (“RFP”) is issued. If the professional service will be \$19,999.00 or less, an informal RFP will be issued. The informal RFP requires the Purchasing Department to send the RFP to any suggested vendors listed on the Purchase Requisition Form and to any other suitable vendors as determined by the Purchasing Department. The informal RFP will not be advertised and responses will not be sealed. If the professional service will be \$20,000.00 or more, a formal RFP will be issued in accordance with Part IV, Section C(3). The County will evaluate the received proposals using the appropriate factors in Part V, Section C, and select the most qualified firm. The Purchasing Department will provide the evaluation form, which lists the ranked criteria, to the department committee members. After an initial evaluation, the Committee will select the three (3) most qualified firms and notify the Purchasing Department. If there are less than three (3) qualified firms chosen, documentation explaining such extenuating circumstances must be provided to the Purchasing Department for record retention.

Once the Purchasing Department has all evaluation forms, they will schedule

meetings with three firms that were considered the most qualified and capable of performing the desired work and pursue contract negotiation. Contracts are negotiated based on demonstrated competence and evaluation of qualifications for the type of services required. If departments are unable to reach an agreement with the highest ranked firm, departments should begin negotiations with the next highest ranked firm (and so on) until an agreement is reached. If the department is unable to negotiate a successful contract, the department shall reevaluate the necessary professional services, including the scope and reasonable fee requirements, again compile a list of qualified firms and negotiate with the top three (3) selected firms, or the project/service may be rebid and the process started anew, at the discretion of the department.

Once an agreement is reached, the requesting department should contact the Purchasing Department to complete the award of the contract. After the evaluation is complete, departments must forward all evaluation documentation to the Purchasing Department for record retention.

VI. CONTRACTS

A. Contractual Authority

The County Judge is the only person authorized to bind the County by signing County contracts. Only those goods and services necessary to conduct County business may be purchased with public funds. The County Attorney must approve the terms of contracts before the County Judge signs them. The County Comptroller must confirm the presence of appropriated funds to satisfy the contract. The Director of the Purchasing Department must confirm compliance with federal, state, and local laws in the procurement of the contract.

B. Term Contracts/Agreements

A Term Contract is an agreement executed by the Purchasing Department with a vendor to supply goods and services to the County for a specific price over a specific time. The agreement, signed by the County Judge, obligates the County to buy contracted items exclusively from the vendor during that time and not any other source. The quantities are estimated. It may bind either one County department or all departments and offices. The Purchasing Department will notify all departments affected by the contract in writing.

All County contracts will have a term of three (3) years with the possibility of one, three (3) year renewal. A contract may have a shorter or longer term after a showing of good cause and County Judge approval. Elected officials and directors wishing for longer or shorter contracts should submit a written request and their reasoning with the Contract Routing Form.

All purchases for items covered by the term contract must reference the contract number, no matter the dollar amount. The requesting department should collect all invoices, verify the contract price, sign the invoice, attach the signed invoice to the

voucher, and forward it to the Accounting Department. Purchase orders are not required for purchases of items included in a term contract. The contract number should be listed in the column indicated when the voucher is submitted for payment.

Departments requesting commodities should first check to see if the needed item is currently under contract. If so, departments may order supplies directly from the vendor, by phone. Ordering departments must provide the bid number and delivery information to the vendor when placing an order. Submitting a requisition to the Purchasing Department should not delay this process. Once the product is delivered, the department should sign the ticket and submit the delivery ticket to the individual that ordered the product. Departments should match invoices, check order prices against contract prices, and forward to Accounting along with the voucher for payment. Accounting only accepts original, itemized invoices; statements are not acceptable. Accounting will perform an audit to assure charges match contract prices. If prices are incorrect, Accounting will return invoices to the department for explanation/correction. Budgeting requirements are the responsibility of the user department and no purchases may exceed budget.

C. Miscellaneous Contracts

The Purchasing Department assigns contract numbers and maintains all County contract files both electronically and in hardcopy format. Contractual agreements are effective once filed in County records with the County Clerk. All contractual agreements must be sent to the Purchasing Department, along with the required Contract Approval Routing Form, to assure compliance with regulations. Contracts submitted without a Contract Approval Routing form will be returned to the department unapproved. The County Judge is the only person authorized to sign contracts. The Comptroller's Office will not process any voucher for payment of contractual services unless the contract is contained in the contract files maintained by the Purchasing Department.

D. Cooperative Purchasing

Resolution 88-R-23, passed by the County Quorum Court on October 3, 1988, authorizes the County Purchasing Department to participate in contracts awarded by the Arkansas Department of Finance and Administration, Office of State Purchasing. The Purchasing Department must approve any purchases using State contracts.

Resolution No.11 passed April 19, 1977 allows the County to join, contract, or otherwise cooperate with any other local government in the performance of purchasing supplies, equipment, services, or any commodities, which may be mutually needed by the County and other local governments.

E. Contracts Database

The Purchasing Department shall maintain an updated contract database both electronically and in paper format for the County. Departments should notify the Purchasing Department with requests for copies of contracts.

F. Contract Information

All contracts must conform to the following requirements. The Purchasing Department will not submit any contracts through the contract routing process before assuring that each contract includes, or excludes, the appropriate information as specified below:

The County may not contract with another party:

- For a period of time which continues past the end of a fiscal year unless the contract allows cancellation by the County upon a thirty (30) days written notice whenever there are no funded appropriations for the contract. (Standard non-appropriation clause);
- To pay any penalties or charges for late payment or for any other reason;
- To indemnify, defend, or hold harmless any party for any liability and damages resulting from the conduct of anyone not an agent, employee or representative of the County;
- To pay all sums to become due under a contract upon default;
- To pay damages, legal expenses, or other costs and expenses of any other party (indemnity and hold harmless agreements);
- To continue a contract once the equipment has been repossessed;
- To conduct litigation in a place other than Pulaski County, Arkansas;
- To agree to any provision of a contract which violates federal, state, and local laws;
- To participate in binding dispute resolution, other than through the courts.

A party wishing to contract with Pulaski County must:

- Remove all language from its contract, which grants to it any remedies other than the right to possession; the right to all payments which the party has earned under the contract; the right to expenses of de-installation; the right to expenses of repair to return the equipment to normal working order, normal wear and tear excluded; the right to recover only amounts due at the time of repossession, and any unamortized non-recurring cost as allowed by Arkansas law;
- Include in its contract that the laws of the State of Arkansas govern the contract; and,
- Acknowledge in its contract that contracts become effective when signed by the County Judge and recorded in the office of the Circuit and County Clerk.

All contracts must contain the following statements:

- Notwithstanding anything herein to the contrary, if any party is required to take legal action to enforce the provisions of this contract, then the prevailing party shall be entitled to recover all costs and expenses, including attorney's fees.
- Notwithstanding anything herein to the contrary, no indemnification or binding arbitration provisions shall be effective.
- Notwithstanding anything herein to the contrary, Arkansas law shall apply and venue shall lie in Pulaski County, Arkansas only.

- Notwithstanding anything herein to the contrary, Pulaski County shall not be obligated to pay any interest nor is it by the execution of this agreement herein as it is prohibited from doing such by Arkansas law.
- The Company agrees, as a vendor to the County, to abide by all applicable federal, state, and local statutes, regulations, rules, ordinances, including but not limited to Equal Employment Opportunity, Drug-Free Workplace Laws, as well as, the Pulaski County's Nondiscrimination Policy.
- Notwithstanding anything contained in this contract to the contrary, if the County fails to appropriate funds for subsequent periods within the term of this contract, the County shall not be obligated to make payments beyond the then current fiscal appropriations period provided that the Contractor shall have received a written notification of the occurrence of the following events:
 - Funds are not appropriated for a subsequent period during the Term of this Agreement for the acquisition of services and functions which, in whole or in part, are essentially the same services and functions for the performance of which the services and functions were purchased;
 - County has exhausted all funds legally available for all payments due under this Agreement; and,
 - Such non-appropriation did not result from any act or failure to act of County.
 - The Contractor's only remedy shall be to terminate this agreement at the end of the period which notice is given, and take possession of any equipment owned by the contractor. Contractor shall be entitled, however, to any payments and other payments due and owing during any previous period.
 - Notwithstanding anything contained in this agreement to the contrary, Pulaski County has the right to terminate this contract with thirty (30) days' notice.
 - The Company's only remedy shall be to terminate this Agreement at the end of the period which notice is given and take possession of any equipment owned by the Company. Company shall be entitled, however, to any payments and other payments due and owing during the previous period.

G. Contract Administrators

While the Purchasing Department maintains records of all contracts, departments and offices are responsible for administrating the contract. Departments are responsible for ensuring contractor performance in accordance with contracts and purchase orders. Should problems arise under the contract, departments should contact the Purchasing Department.

VII. PROCURMENT UNDER GRANTS

A. Overview

In accordance with 2 CFR § 200.317- 200.326, the County follows the Uniform Grant Guidance (“UGG”) when procuring property and services under a grant award.

Specific federal grant agencies may have stricter rules regarding procurement with the grant funds that may conflict with this policy. Grant recipient departments should consult the Title VI/Grants Compliance Administrator (Grants Administrator”) regarding those specific requirements.

B. Sub-recipients

Sub-recipients must agree to comply with applicable provisions of federal, state, and local laws and regulations, including without limitation, the County Purchasing Policy, Equal Employment Opportunity, Drug-Free Workplace laws, and Title VI of the Civil Rights Act of 1964 when applicable.

Department’s must maintain oversight to ensure that sub-recipients are performing in accordance with the terms, conditions, and specifications of their sub-recipient agreement or purchase orders using the Recipient Oversight Monitoring Form. Copies of this Form shall be provided to, and maintained by, the Grants Administrator when requested. Departments should notify the Grants Administrator immediately if it is believed that the sub-recipient is not complying with the terms of the agreement.

C. Code of Conduct

1. Conflict of Interest

In accordance with 2 CFR § 200.318(c), County elected officials, employees, and agents may not participate in the selection, award, or administration of a contract supported by federal funds if he/she has a real or apparent conflict of interest. A conflict of interest arises when a County elected official, employee, agent, any member of his/her immediate family, his/her partner, or an organization which employs, or is about to employ, any of the parties indicated herein, has a financial or other interest or a direct or indirect tangible personal benefit, from a firm or vendor considered for a contract. County elected officials, employees, and agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub-agreements.

Immediate family includes (whether by blood, marriage or adoption) the spouse, parent (including stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws.

2. Organizational Conflict of Interest

Organizational conflicts of interest result when the County is unable, or appears to be unable, to be impartial in conducting a procurement action involving any related, affiliated, or subsidiary organization. Should a procurement action occur

that may create a potential organizational conflict of interest, the County elected official, employee, or agent should contact the County Attorney, Comptroller, and the Grants Administrator to discuss the appropriate course of action.

3. Disclosing Conflict of Interest

Per 2 CFR § 200.112, the County must provide written disclosures regarding conflicts of interest to all federal awarding agencies and pass-through entities. All County elected officials and employees shall be required to complete a Conflict of Interest Form (“COI Form”) on an annual basis and provide it to the Human Resources Department. The Human Resources Department shall forward a copy to the Purchasing Department for the purpose of maintaining a database regarding real or potential conflicts of interest. On the COI Form, each employee should indicate all current conflict of interests as outlined above. If no conflict of interest exists, employees must indicate that and sign the form. In the event a new conflict of interest arises after submitting the annual COI Form, the employee must disclose the conflict of interest in writing to the Grants Administrator, within thirty (30) days of a change in circumstance. Should a conflict of interest exist, the Grants Administrator will confirm the facts of the conflict, verify with the Purchasing Department that the employee is removed from participation in all procurement stages with the identified vendor, notify the County Judge of the removal, and disclose the potential conflict of interest in a written report in accordance with the applicable Federal awarding agency’s policy. The same

Elected officials, department heads, supervisors, employees, and agents should contact the County Attorney, Comptroller, and Grants Administer with questions regarding potential conflicts of interest, especially if he/she is involved in any part of a federal or state grant. The above Code of Conduct is applicable to both federal and state grants.

The COI Form shall be completed during new hire orientation and updated annually for all county employees.

D. Small, Minority, Women Owned Businesses

Many federal grants require or, at a minimum, encourage, the use of small, minority, and women owned businesses. Further, some granting agencies require periodic reporting on the use of such businesses. In addition to the County’s procurement rules regarding small, minority, women owned businesses, departments operating under grant funds should make positive efforts to purchase from small, minority, and women owned businesses by:

- Making information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by these organizations;
- Considering whether firms competing for contracts intend to subcontract with these organizations at some point in the contract process; and
- Encouraging contracting with these organizations when a contract is too large

for one firm to handle individually.

Further, the Purchasing Department will include the following small, minority, women owned business language in all bid specifications for all contracts involving federal grants: “Pulaski County, in accordance with the provisions of Title VI of the Civil Rights Act of 1964, as amended, (78 Stat. 252, 42 US.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that in any contract entered into, pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.”

The Purchasing Department shall send all bid solicitations on federal and state grants to the Small and Minority Business Division of the Arkansas Economic Development Commission (“AEDC”). Proof of such notice shall be maintained in the files of the Purchasing Department, Grants Department, and operating department or office.

E. Unnecessary and/or Duplicate Items

Departments must avoid acquisition of unnecessary or duplicative items. Where appropriate, an analysis will be made regarding leasing verse purchasing alternatives and any other appropriate analysis to determine the most economical approach.

Where appropriate, departments should use federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

F. Bid Solicitations

Bid solicitations for goods and services shall provide for all of the following:

- A clear and accurate description of the technical requirements for the material, product, or service to be procured (the description must not contain features which unduly restrict competition);
- Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals; and,
- A description, whenever practical, of the technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.

G. Competition

All procurement transactions using grant funds must be conducted in a manner providing full and open competition. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements or work, invitations for bids, requests for proposals must be excluded from competing for such procurements. Further, the County will not place unreasonable requirements on firms, require unnecessary experience and excessive bonding, or use geographical preferences in evaluating

bids of proposals.

H. Grant Costs/Expenditure Approval

In order to be charged to a grant, all costs must be eligible, which means they must be reasonable, allowable, allocable, necessary, and provide a direct benefit to a grant-funded project. Expenditures are also to be adequately documented and commensurate with the project period. An expenditure is reasonable if it is one a reasonable person would incur after appropriate market research and price analysis. Unallowable costs for grants include, but are not limited to, coffee, honoraria, entertainment, and alcohol.

Before any grant funds are expended, or charged against a grant, departments must get approval from the Grants Administrator. The Grants Administrator will work with the Purchasing Department and operating departments and offices, to ensure accuracy of expenditure transactions and compliance with applicable award regulations. Any questions, doubts, or concerns regarding award expenditures should be directed to the Grants Administrator.

I. Contract Cost and Price

The Purchasing Department must perform a cost or price analysis in connection with every procurement action in excess of \$150,000.00, making independent estimates before receiving bids or proposals.

The Purchasing Department must negotiate profit for each contract in which there is no price competition and in all cases where cost analysis is performed. Consideration must be given to:

- Complexity of work to be performed;
- Contractor's risk;
- Contractor's investment;
- Degree of subcontracting needed;
- Quality of past performance; and,
- Profit rates for industry for similar work in the surrounding geographic area.

J. System for Award Management ("SAM")

In accordance with the policy enacted by the General Service Administration's ("GSA") Office of Government-wide Policy, cities, counties, contractors, subcontractors, and professional service providers must be registered with the System for Award Management ("SAM") prior to obtaining a contract and/or agreement with any project receiving federal and/or state funding.

The federal government maintains a list of vendors and agencies, which have been disbarred or suspended from doing business with the federal government. Before purchasing an item, entering into a grant sub-award, or entering into a grant funded contract, the Purchasing Department must check SAM to ensure that the vendor is not listed. Proof of the SAM check must be maintained in the grant file and may be requested by and furnished to auditors.

Before purchasing an item, entering into a grant sub-award, or entering into a grant funded contract, the Purchasing Department must ensure that the vendor is registered to do business with the government on SAM. Proof of SAM registration must be maintained in the grant file and may be requested by and furnished to auditors. Instructions for obtaining a DUNS number, which is a unique nine-digit identification number, and registration instructions for SAM.gov are included in the Attachments Section.

K. Contracting with Grant Funds

Contracts and bids using grant funds will be awarded only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement who are registered to do business with the government on SAM. Consideration will be given to matters as contractor integrity, compliance with public policy, record of past performance, and financial, and technical resources.

L. Contract Provisions for Contracts Involving Federal Money

Appendix II to CFR Part 200 contains the required federal contract provisions. The provisions change depending on the type and amount of the contract.

- All contracts valued at more than \$150,000.00 must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate. Further, they must also contain a provision that requires parties to the award to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act and the Federal Water Pollution Act as amended.
- All contracts valued more than \$10,000.00 must address termination for cause and for convenience, including the manner by which it will be effected and the basis for settlement.
- All federally assisted construction contracts must include an Equal Employment Opportunity clause.
- All prime construction contracts in excess of \$2,000.00 must include a provision for compliance with Davis-Bacon Act as supplemented by the Department of Labor regulations. A copy of the current prevailing wage determination issued by the Department of Labor is required in each solicitation.
- Where applicable, all contracts awarded in excess of \$100,000.00 that involve the employment of mechanics or laborers must include a provision for compliance with Work Hours and Safety Standards Act.
- All federally assisted contracts, regardless of amount, must include:
 - Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act;
 - Provisions that the awarding party must not be listed on the government wide Excluded Parties List System in the System for Award Management (“SAM”), in accordance with the OMB Guidelines;
 - Anti-lobbying provisions that prevent federal appropriated funds to pay any person or organization for influencing or attempting to influence an

officer or employee of any agency, member of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. 1352.

- The appropriate Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), as amended, provisions.

M. Record Retention and Access

Financial records, supporting documents, statistical records, and all other records pertinent to a grant award must be retained for a period of three (3) years from the date of submission of the final expenditure report. Exceptions include:

- If any litigation, claim, or audit began before the expiration of the three-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
- If an extension notice or a request from a granting agency or any other agency having oversight authority.
- When property or equipment is obtained with Federal funds, financial records must be retained for three (3) years after final disposition of that property or equipment.
- When the grant requires reporting program income after the period of performance, the retention period starts from the end of the non-Federal entity's fiscal year in which the program income is earned.

Records relating to programs funded with grant monies shall be available to the awarding agency, or any other oversight agency, upon request.

N. Settlement of Procurement and Contract Disputes.

Any person or entity wishing to dispute the award of a bid, acceptance of a proposal, other County procurement of property or services using federal funding, shall submit all relevant information in writing to the County Comptroller and Grants Administrator. The Comptroller will review all information presented and shall conduct such further investigation as deemed appropriate under the circumstances. After review of all relevant information, the Comptroller shall render a decision concerning the dispute and provide it to the County Judge. Persons or entities not satisfied with the decision, may seek remedy under federal, state, or local law.

O. Disciplinary Action

Noncompliance can result in a variety of adverse consequences for the County including, but not limited to:

- Temporary withholding of payments pending corrective action;
- Disallowance of all or part of the cost of the activity or action not in compliance;
- Complete or partial suspension from participation in federally funded programs or grants;
- Withholding of further federal funding;
- Lawsuits to recover funds paid for noncompliance; and,
- Criminal prosecution.

Therefore, failure to comply with these policies and procedures may result in disciplinary action, up to and including termination.

VIII. PURCHASING CARD POLICY

A. Overview of Purchasing Card Program

The County has selected Security BankCard Center to provide prequalified employees with a Visa Purchasing Card (“P-card”). This P-card program establishes a more efficient, cost effective method of purchasing and paying for small dollar (under \$2,000) transactions within established usage limits. P-cards replace purchase orders, petty cash, and the use of personal funds reimbursed by Vouchers. P-cards can be used for in-store purchases as well as mail, phone, internet, or fax orders.

All cards are issued at the request of the individual department. The Purchasing Card Administrator (“Administrator”) and department director will monitor P-card usage and may rescind cards at any time.

Cardholders may not receive or use P-cards without first signing a Purchasing Cardholder Agreement (“P-card Agreement”) and completing the Purchasing Department’s P-Card training. The P-Card Agreement indicates the department’s intent to adhere to this policy.

Departments using P-cards must maintain good record keeping. Standard payment policies require retention of original receipts, and other documentation. As with any credit/charge card, departments must retain sales slips, cash register receipts, invoices, order forms, and receiving documents. In addition, a P-Card Expense Report will be maintained to expedite reconciliation and approval.

No single transaction may exceed \$2,000; however, each department may set lower limits. Each card has also been assigned a billing cycle limit for total dollar amount of expenditures allowed in one thirty (30) day billing cycle. The billing cycle will close on the twenty-fourth (24th) day of each month. Selected cards may be allowed higher limits and broader merchant code categories to accommodate different circumstances. These cards require special Administrator approval.

P-cards are not intended to avoid or bypass appropriate procurement or payment procedures. Rather, the P-card complements the existing processes available and departments should adhere to the purchasing procedures and policies outlined in this manual. Only the cardholder appearing on the card must use the card.

B. Personal Use

P-card purchases must be for the use and benefit of the County. Personal purchases are strictly forbidden. Any P-card personal activity or abuse will not be tolerated and will result in an immediate loss of privileges and be reported to the County Judge.

P-cards are issued to individual employees within their respective departments. Employees given P-cards are responsible for the security of the P-card and all transactions made with it. Use of the card not in accordance with guidelines established may result in personal liability including, but not limited to, withholding funds from an employee's payroll. Employees are committing County funds each time the P-card is used. This responsibility is not taken lightly.

C. Declined P-card Usage

Some vendor types are blocked from P-card usage and the transactions with these vendors will be declined. It is likely that any currently utilized merchants will accept this card. Departments may contact the Purchasing Department to determine why transactions were declined.

Examples of Merchant Codes that may have been blocked in Categories are:

- Travel, Conferences, Seminar, Hotel per Ordinance 16-OR-16;
- Package Stores and Alcohol;
- ATM/Cash Advances;
- Tobacco;
- Lottery Tickets; and,
- Any Personal Purpose.

D. Handling a P-Card

1. Obtaining a P-card

Each potential P-card holder must request a Purchasing Card Application Form ("P-card Application") from the Purchasing Department. Department heads must indicate approval and any dollar limits imposed upon the card on the P-card Application.

The Purchasing Department will process the form and acquire the P-card from the bank. The Purchasing Department will notify the requesting department when it is available for pickup and conduct P-card training. When the cardholder receives the card, he/she must sign the back of the card immediately and always keep it in a secure place. Regardless of the name on the card, all P-cards are the property of the County and are only to be used for County purchases as defined in this manual.

2. Cancelling or Renewing a P-Card

To cancel a P-card, the card should be cut in half and forwarded along with a Purchasing Card Action Request Form to the Purchasing Department.

If an employee terminates County employment or assumes different duties not requiring a P-card the elected official/department head is responsible for retrieving and cutting up the card and sending it to the Purchasing Department. If the cardholder transfers to another County department, the old department's card does not transfer with it. The new department must initiate the process to obtain a new

card for the employee.

All P-cards are automatically renewed and mailed to the Purchasing Department. Cardholders will be notified when cards are ready to be picked up.

3. P-card Security

Each department must determine how to secure the cards and card numbers. Departments may allow individual cardholders to carry the cards or may require that the cards be stored in a secure place in the department or office. Regardless, departments and offices must take the appropriate steps to secure the account number.

If a P-card is lost or stolen, the cardholder should immediately notify Security Bankcard Center at 1-800-822-7759 and the Purchasing Department. The Purchasing Department shall ensure that a new card and account number are issued.

Only the authorized cardholder may use the card. Any unauthorized use of a cardholder's card will be treated and reported as a stolen card. Departments must safeguard cards and card numbers against use by unauthorized individuals.

E. Procurement Process Cardholder Responsibilities

1. Goods and Materials

Cardholders are responsible for ensuring receipt of goods and materials and following up with vendors to resolve any delivery problems, discrepancies, and damaged goods.

For telephone or catalog orders, cardholders must ensure the vendor receives the correct name, shipping address, and instructions (e.g., cardholder name, department name, complete street address, room number, city, state, zip code). If goods or materials are ordered by telephone, the cardholder must explain to the vendor that as a governmental entity, we require a detailed sales receipt in the package.

The cardholder must not use the P-card for entertainment expenses or services unless pre-approved by Purchasing Card Administrator. Labor charges associated with the purchase of parts, package delivery, shipping charges, and subscriptions are allowable charges.

2. Record Keeping and Documentation

To facilitate the reconciliation and approval process, the cardholder is responsible for keeping all original or electronic copies of all credit card slips, cash register receipts, packing slips, invoices showing details of items purchased, and other relevant documentation. Receipts will help departments reconcile account activity to monthly cardholder statement. The departments should maintain records for five (5) years.

F. Elected Official/Department Head Responsibilities

1. General

The elected official, department head, or delegated authority determines who is eligible for a card, completes the P-card Application (mentioned above), and audits and signs all vouchers.

2. Auditing a P-card Transaction

Before approving the posted transaction, the elected official, department head, or delegated authority must check the following information:

- Vendor Name (The vendor name must agree with the credit slip/packing slip, paid invoice or receipt. If the vendor name does not agree, review all transactions.)
- Receipt/Invoice (Transactions should not be approved unless the Cardholder has a credit, cash register receipt, or (in the case of phone orders) has the vendor fax a copy of the paid invoice.)
- “Ship To” Address (Ensure the “ship to” address on the documentation is correct. If not, the address must be investigated.)
- Freight terms (should be on the packing slip)
- Tax (Review the documentation to see if taxes are included. If not, a DF&A voucher must accompany back up documentation.)
- Inappropriate purchases (If any inappropriate purchases appear, the cardholder should supply a justification. If the justification is insufficient, the employee’s card services will be terminated. In addition, steps should be taken to return the goods or the employee will have to reimburse the County directly.)
- Partial shipments (Note partial shipments on the expense report).

G. Billing Payment and Account Distribution Process

The statement closing date is the 24th day of the month. Each cardholder shall receive an electronic notification informing the cardholder that a statement of activity for the month is available on-line. Cardholders should immediately reconcile after receiving the monthly notification.

The statement and expense report, along with receipts and/or paid invoices, should match. If a receipt is missing, the cardholder is responsible for providing proof of the transaction. If the cardholder cannot provide proof of transaction, the ordering department must contact the vendor and ask to provide a detailed receipt, credit memo, or an adequate substitute. If the vendor can only FAX a copy, the cardholder must certify it, sign it as valid, and indicate that it was the only copy received. Verify sales tax on each purchase and request a credit, if needed.

As long as the attached invoice, packing slip, or other payment document is detailed, the items purchased may be described in general terms on the expense report. Each department is responsible for allocating purchases to the appropriate funding and line

item. Accounting corrections are not allowed on these transactions once payment is made to the bank. If a detailed invoice cannot be obtained, a detailed itemization of the charges must be attached, and backed up with something from the vendor showing the charge amount.

H. Resolving Errors, Disputes, Returns, and Credits

The cardholder is responsible for contacting and following up with the vendor on any erroneous charges, disputed items, or returns as soon as they become known. If the cardholder is unable to reach an agreement with the vendor, the next step is to contact the Purchasing Department. However, cardholders must attempt resolution with the vendor before contacting the Purchasing Department.

If resolution does not occur, the cardholder should fill out a Vendor Dispute Form ("Dispute Form") and send it to the Purchasing Department. The cardholder should attach documentation to the Dispute Form, including proof that the department attempted resolution. The Purchasing Department will send the Dispute Form to the bank for resolution with the vendor. All Dispute Forms must be received by the Purchasing Department within sixty (60) days of the error posting to the respective account.

Disputed billing includes, but is not limited to, failure to receive goods/materials, fraud, misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, and credits not processed. In the event of fraud, notify the Purchasing Department immediately.

IX. RECEIVING MERCHANDISE

A. Delivery Receipts

All merchandise, picked up by a County employee or delivered to a County office, should be accompanied by a delivery receipt. This delivery receipt should be signed and dated by the employee receiving the merchandise. If time does not allow for comparison against the purchase order, the delivery receipt should be signed "received but not verified" for future invoice comparison.

A delivery ticket must be received before any invoice is cleared for payment. The delivery ticket is retained in the department file. Once the invoice has been received and verified, a voucher with the invoice is forwarded to Accounts Payable for verification and payment. A copy should be sent to the Grants Administrator if the item was paid with grant funds.

B. Back Orders/Partial Shipments

If the supplier delivers only a portion of the quantity requested, the ordering department should retain all invoices until all items are delivered. Accounting will make partial payments. Departments shall submit vouchers for partial orders received. Departments should submit a final voucher for the last of the items received.

C. Late Orders

Departments should notify the Purchasing Department of any late orders that were \$2,000 and above. On orders placed directly with a vendor (i.e., orders \$1999.99 and less), the ordering department should contact the vendor directly regarding any late orders.

X. GENERAL FIXED ASSETS

A. Equipment

1. Acquisition

When any capital outlay equipment is purchased, the receiving department must attach an Equipment Receipt Form to the voucher to ensure the equipment is added to inventory. Capital outlay equipment is defined as any equipment item with a unit purchase price of \$2,000 or more. The purchase price shall include any ancillary charges (i.e., freight charges, professional fees, etc.) and exclude sales taxes. Once the Equipment Receipt Form is received, the item will be assigned an inventory control number. Inventory control numbers ensure that all property is properly recorded. The Purchasing Department will tag the item with this number.

2. Transfers

When an equipment item is transferred to a different County department, a Property Control Record Form must be completed and sent to the Purchasing Department. Both the transferor and transferee must complete and sign the form.

3. Trade-Ins

When an equipment item is traded-in on the purchase of other equipment, the inventory control number must be removed and attached to the Property Control Record Form. This is the only instance in which an inventory number is to be removed. The completed Property Control Record Form must be submitted to the Purchasing Department.

4. Disposal or Sale of Property

The County Judge must approve the selling or discarding of County property. The Purchasing Department must receive a completed Property Control Record Form before disposal of any equipment item. The department must explain the reason for the disposal. Departments may not delete any items from inventory without the Purchasing Department's prior authorization.

Whenever the County Judge considers it advisable and in the best interest of the County to sell any real or personal property belonging to the County, the County Judge must follow the procedures outlined in Ark. Code Ann. § 14-16-105. The County Judge may sell any surplus personal property at a public

or private sale pursuant to Ark. Code Ann. § 14-16-105 or sold at public auction to the highest bidder pursuant to Ark. Code Ann. § 14-16-106.

5. Inventory List

The Purchasing Department will send a completed inventory list to each department on an annual basis for verification of inventory. Elected officials, department heads, or authorized designees must make and sign any changes or corrections before submitting it to the Purchasing Department.

XI. TAXES

A. Federal Excise Tax

Pulaski County is exempt from Federal Excise Tax. The Comptroller signs exemption certificates relating to Federal Excise Tax when applicable.

B. Sales and Use Tax

The County must pay state and local sales tax on commodities and services purchased. Items bought from out-of-state vendors are subject to a Use Tax. The tax rate for an in-state vendor is determined according to the point of delivery; i.e., for merchandise delivered to Little Rock, the County will pay use tax to the State of Arkansas, Pulaski County, and the City of Little Rock.

Use tax are only paid to vendors having a registration number on file with the Arkansas Department of Revenue. Use taxes charged on purchases from non-registered vendors will be computed by the Purchasing Department and paid on separate vouchers to the Arkansas Department of Finance and Administration by each department. Please contact the Comptroller's Office for further information regarding sales and use taxes.

XII. COMPLIANCE

If a change in federal, state, or local law occurs, the Purchasing Department is authorized to update this Purchasing Manual to ensure rapid compliance with the law. However, the Purchasing Department must promptly provide written electronic notice to all elected officials and department heads of said changes.

APPENDICES:

SAMPLE

FORMS

EQUIPMENT RECEIPT FORM
(USE ONE FORM FOR EACH ASSET)

Please complete and return to Purchasing upon receipt of the item(s) ordered on the attached Purchase Order

Inventory Number _____ Department _____

Location _____

Description of Item _____

Model Number _____ Serial Number _____

Date Purchased _____ Purchase Price _____

Purchased From _____ Purchase Order Number _____

VEHICLES

Year, Make & Model _____

Vehicle Identification Number _____

License Number _____ Title Number _____

Comments _____

SIGNATURE _____

DATE _____

PROPERTY CONTROL RECORD

This form must be completed and turned into the Purchasing Department before the sale, transfer, or other disposition of any equipment. It must also be completed before the sale of any salvage items. In the case of a transfer between divisions, the signature of both the transferor and transferee Department Head is required.

From : _____ Property No (s). _____

To : _____ Description _____

Date : _____ Serial No. _____

In regard to the above property, we propose to:

1. Sell Explain Reason _____
2. Trade In On _____
3. Transfer From _____ To _____
4. Discard Explain Reason _____
5. Other Disposition Explain _____

 Department Head, Receiving Dept.

 Department Head, Initiating Dept.

(White - Purchasing Dept., Canary - Initiating Dept., Pink - Receiving Dept.) Purchasing Department _____

Dept Due Date: Click here to enter a date.
Submitted to Purchasing: Click here to enter a date.

CONTRACT APPROVAL ROUTING

The following approvals are required on contracts of all types and dollar amounts, including leases, service agreements, maintenance agreements, term contracts, personal service contracts, and other contracts or agreements not specifically listed. Grants Administration approval is required only when grant funds are used to pay for the contract.

Attach a copy of this form to each contract or agreement before it is submitted for approval. Send the form and contract to Grants Administration or Purchasing, whichever is appropriate. You will receive a final copy of the contract or agreement after all approvals have been obtained, Judge Hyde has signed and the document has been file stamped.

Originating Department: _____ **Dept. & Line Item Charged:** _____

Department Head Signature: _____ **Date:** _____

Summary Explanation of Contract: _____

*Grants Admin. :	Signature: _____	Date: _____
Purchasing:	Signature: _____	Date: _____
Comptroller:	Signature: _____	Date: _____
Admin. Services:	Signature: _____	Date: _____
County Attorney:	Signature: _____	Date: _____

*Grants Administration approval is required only when grant funds are used to pay for the contract.

