

**STOREY COUNTY ADMINISTRATIVE
POLICIES AND PROCEDURES**

NUMBER 048
EFFECTIVE DATE: 07-03-2012
REVISED:
AUTHORITY: BOC
COUNTY MANAGER: PAW

SUBJECT: Purchasing Procedures

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- I. PURPOSE:** The intent of this policy is to provide a framework that allows elected and appointed officials to operate as efficiently and economically as possible, within Nevada Statutes including Chapters 332,334, 338 and 339, while allowing for additional approval and fiscal controls on larger purchases. This document delineates the protocols and authority related to the purchasing of goods and services for Storey County. It must be followed by all Storey County Employees and Officials. It is Storey County policy to purchase goods and services in the most professional, ethical, legal, and efficient manner possible following all Storey County Policies and Guidelines; insuring quality, considering standardization, reasonable terms, and best value to the taxpayers of Storey County.
- II. POLICY:** All Storey County Departments must obtain authorization to purchase or enter into an agreement for the purchase of supplies, materials, equipment and/or the rental if the estimated annual amount required to perform the contract is based on the following:
- A. Public Works and Planning project see NRS Chapter 338 for requirements. (See Appendix- A for NRS Definition of Public Work)
 - B. Expenditures exceeding \$1,500 but not more than \$25,000. The purchase may be made either by quotation or by direct negotiation. Purchases may be made on the open market. Purchases may be made on the open market by obtaining two (2) or more quotations for the purchases when possible. If the amount of a capital asset is \$3,000.00 or more or one (1) item purchase is \$1,500 or more, prior Comptroller and/or County Manager approval is required
(Form: 040F Budget Request).
 - C. For contracts estimated to exceed \$25,000, Storey County must consider the availability, price and quantity of supplies, materials, or equipment available through the state's purchasing division before purchasing through another source.
 - D. Expenditures estimated to range from \$25,000 but not more than \$50,000. Purchases must be by sealed bids, by obtaining two (2) or more quotations from persons capable of performing the contract if available. A recommendation must then be presented to the Storey County Board for action. All written documentation must be kept on file with the Comptroller or the Clerk or respective department for reference of at least seven years.
 - E. Expenditures estimated to be in excess of \$50,000 require Board approval for public advertisement for the receipt of sealed bids. All written documentation must be kept on file with the Comptroller or the Clerk or respective department for reference of at least seven years. Must refer to NRS Chapter 332 and follow applicable state laws:

1. Bidding Procedures;
 2. Exceptions to Requirements for Competitive Biding;
 3. General Powers and Duties of Local Governments;
 4. Performance Contracts for Operating Cost-savings Measures; and
 5. Prohibitions.
- F. Emergency Contracts: Competitive bidding procedures are not required for emergency purchases. "Emergency" purchases are only those defined in NRS Chapter 332.

RESPONSIBILITIES OF PERSONS WHO PURCHASE

The elected or appointed officials or designees who supervise the purchase of goods and services on behalf of Storey County have the following responsibilities:

- A. Follow Storey County Policies when purchasing items within their scope of responsibility.
- B. Funding for purchases must be from within the approved department budget.
- C. Properly document purchases.
- D. Provide information on estimated costs for budget purposes and solicit bids, estimates, or quotations.
- E. Determine if the purchase of an item through Nevada State Purchasing Division is beneficial to Storey County.

PURCHASING PROTOCOL

Budgeted funds- Must be available before a purchase commitment is made. If sufficient funds are not available, a reallocation or additional appropriation request must be submitted for approval by the Comptroller and/or County Manager.

State Purchasing Division-Purchases of supplies, materials, or equipment may be made without regard to the competitive bidding requirement provided the purchase is through the Nevada State Purchasing Division or a municipal purchasing alliance or cooperative having fulfilled the competitive bidding requirements

Contract-All written contracts, regardless of amount, require review by the Comptroller and the District Attorney before approval. Approval for written contracts for less than \$25,000 for goods and/or services, and already included in the departmental budget, has been delegated to the County Manager or his/her designee. All other written contracts may be regular agenda items.

Bid and Quotation Specifications

- A. Specifications must be drawn by the elected or appointed officials or designee and be in conformance to acceptable industry-wide standards.
- B. Clear, definite, and concise terms and conditions.
- C. Describe the performance requirements, rather than its formulation, subscription, or design.
- D. Facilitate to the extent possible, free and full competition.
- E. Bids must be properly dated and stamped on receipt.
- F. Bids must be opened, reviewed, and awarded at a specific time and date as prescribed by the Comptroller and/or County Manager.
- G. Consider cost, length, and terms of any warranty provisions, reliability and maintenance costs, and repurchase value of the equipment after a specified number of years.

- H. Should not exclude all but one type or kind except when permitted by law.
- I. Should not call for features or for a level of quality not needed for the intended use, except in cases where such features or the level of quality are essential for some future considered or result in overall economic advantage to Storey County.

Bond Requirements

A. Bid Bonds: A bid bond, performance bond, payment bond or any combination thereof, with sufficient surety, in such amount as may be determined necessary the County Manager and/or the Comptroller or an authorized representative, may be required of each bidder or contractor on a particular contract. Any such bonds may be to insure proper performance of the contract and save, indemnify and keep harmless Storey County against all loss, damages, claims, liabilities, judgments, costs and expenses which may accrue against Storey County government in consequence of the awarding of the contract. If a bond is required it must not also require a detailed financial statement from each bidder of the contract in accordance with Nevada Revised Statute.

B. Performance/Payment Bond: Upon notice of a contract, the successful offer may be required to execute a contract performance guaranty consisting of a Performance Bond issued by a company authorized to do business in the State of Nevada in the amount of one hundred percent (100%) of the total amount proposed. The Performance Bond must be returned ninety (90) days subsequent to the successful completion of all performance required under the contract. The District Attorney must approve performance Bonds.

C. Award: The County Manager or the Comptroller or elected or appointed official, or their designee must recommend all bids or requests for proposal to the Storey County Board of Commissioners for approval. All bid contracts approved by the Storey County Board of Commissioners must be signed by the Chair and the Comptroller.

PROFESSIONAL SERVICES: Purchasing professional service creates a different relationship than normally exists in a buyer-seller transaction. The purchasing protocol needs to take into consideration qualifications, character, and mutual trust. For these reasons, qualifications, competency, and availability of the most qualified forms must be considered initially and independent of cost. Authorization must be obtained from the County Manager or his/her designee. Procuring professional services consists of three major elements:

- A. Submittal of proposals.
- B. Review of proposals submitted and selection of preferred proposal.
- C. Negotiation of price.

For purpose of this policy, professional services include at least the following:

- A. Architectural and engineering services.
- B. Personnel consultation.
- C. Technology consultation.
- D. Legal services (beyond that provided by the District Attorney)
- E. Financial consultation and audits.
- F. Insurance consultation.

Documentation of Purchasing Process – Proper documentation of the purchasing process is necessary for accountability. Persons making purchasing decisions should be able to provide proof of compliance with the purchasing policy and Nevada Statutes.

UNLAWFUL PURCHASES:

- A. Except as otherwise provided, if any department or agency purchases or contracts for any supplies, materials, equipment, or contractual services contrary to the provisions of these Policies and Procedures, such purchase or contract is void. If the County's money has not been used to pay for the purchase, the department or agency making such purchase is liable for the costs involved. If the purchase has previously been paid with the County's money, the amount thereof may be recovered in the name of the County in any appropriate manner.
- B. Bid awards will be approved for award by the County Commissioners at a regularly scheduled meeting as a published agenda item as they may require. A contract or agreement which is not signed by the Board of County Commissioners, County Manager or the Comptroller is void, unless otherwise exempted. The signing of a contract or agreement by an unauthorized person is a violation of these Policies and Procedures and may be referred to the County Manager for appropriate action.
- C. It is a violation of these Policies and Procedures for any department or agency to split its requirements for supplies, materials, equipment and contractual services into estimated lesser amounts in order to avoid the provisions of the Nevada Revised Statutes or these Policies and Procedures or good procurement practices.
- D. It is a violation of these Policies and Procedures for any department or agency to draft its bid specifications in a manner which intentionally precludes more than one qualified vendor from bidding. Such bid specifications will be deemed an attempt to avoid and violate the intent of the competitive bid requirements of the Nevada Revised Statutes.
- E. No member of the Board of County Commissioners, representative of the Board, or any person with purchasing authority may be interested, directly or indirectly, in any contract entered into by Storey County, but the County may purchase supplies, not to exceed \$1,500.00 in the aggregate in any one calendar month from a County Commissioner when not to do so would be of great inconvenience due to a lack of any other local source. However the commissioners furnishing supplies may not vote on the allowance of the claim for such supplies in accordance with Nevada revised Statutes.

GRATUITIES:

- A. An official or employee of the County receiving any gratuity in the form of cash; any gift, merchandise, or any other thing in excess of an aggregate value of \$200 or more in any fiscal year from any vendor or contractor is hereby deemed an incompatible activity and is cause for termination or other disciplinary action. Ceremonial gifts received for a birthday, wedding, anniversary, holiday or other ceremonial occasions are an exception if the donor does not have a substantial interest in the administrative or political action of the official or employee.

A public officer or employee must not seek or accept any gift, service, favor, employment, engagement, emolument or economic opportunity which would tend improperly to influence a reasonable person in the public officer's or employee's position to depart from the faithful and impartial discharge of the public officer's or employee's public duties.

- B. The offer of any gratuity to any official or employee of the County by any vendor or contractor is cause for declaring the vendor or contractor to be an irresponsible bidder and for barring the vendor or contractor from bidding on County contracts for a minimum period of one year or such period as may be specified by the Board of Commissioners of Storey County.
- C. Conviction of any unlawful act involving any contract with or attempt to contract with Storey County must result in barring the vendor or contractor from bidding on County contracts for a minimum period of one year or such period as may be specified by the Board of Commissioners of Storey County.

PENALTIES:

Violations of these policies and procedures or the Nevada Revised Statutes may result in disciplinary action up to and including personal liability for costs and termination and conviction of a misdemeanor in accordance with Nevada Revised Statutes.

Under certain circumstances, the employee may be guilty of a gross misdemeanor in accordance with Nevada Revised Statutes.

RESPONSIBILITY FOR REVIEW: The Comptroller or his/her designee will review this policy every 5 years or sooner as necessary.

APPENDIX A PURCHASING SUMMARY

Supplies and Services NRS Chapter 332

Use joinder bids to the maximum extent possible. (Per NRS 332.195)

\$0 - \$1,499: obtain at least one oral or written quote and award verbally or by purchase order or by procurement card (up to \$1,500).

\$1,500 and up If the amount of a capital asset is \$3,000.00 or more or one (1) item purchase is \$1,500 or more, prior County Comptroller and/or County Manager approval is required (See Form: 047 F).

\$25,000 - \$49,999: obtain at least two oral or written quotes.

\$50,000 and up: must advertise and use formal sealed bid forms and process with public bid opening. Award on bid forms or purchase order. May use Request for Proposal procedure if requirements are incomplete.

* Public Works & Planning -NRS Chapter 338

\$100,000 or less must

1. Award a contract for the completion of the public work to a properly licensed contractor in accordance with NRS 338.1444 or;
2. Perform the public work itself in accordance with NRS 338.1446.

\$250,000 and up: must be awarded to contractor who submits best bid; certain bids deemed best bid; eligibility to receive preference in bidding; issuance of certificate of eligibility by State Contractors; Board; regulations; fees; sanctions; objections (Per NRS 338.177)

Professional Services

\$0 and up: competitive soliciting not required. May negotiate with the professional of choice.

- **NRS 338.010 Definitions.** “Public work” means any project for the new construction, repair or reconstruction of:
 - (a) A project financed in whole or in part from public money for:
 - (1) Public buildings;
 - (2) Jails and prisons;
 - (3) Public roads;
 - (4) Public highways;
 - (5) Public streets and alleys;
 - (6) Public utilities;
 - (7) Publicly owned water mains and sewers;
 - (8) Public parks and playgrounds;
 - (9) Public convention facilities which are financed at least in part with public money; and
 - (10) All other publicly owned works and property.