

## **Johnson County General Purchasing and Procurement Policy**

### **Effective Date**

This policy shall be effective upon adoption.

### **Definitions**

“County” refers to Johnson County, including its offices, departments, boards, employees, and agents.

“Board” refers to Johnson County Board of Supervisors

“Department” refers to an office, department, board, commission or agency of the County.

“Department Head” refers to a department head of the County or designee assigned purchasing responsibilities. Designee names shall be communicated to the Board. The Board maintains authority over each Department Head.

“Elected Official” refers to an elected official of Johnson County.

“DHEO” refers to Department Heads and Elected Officials.

“Purchase” is defined as the transmission of public money from the County to another entity by an act or agreement founded upon valuable consideration resulting in the acquisition of any and all supplies, material, equipment, services, or real or personal property for the benefit of the County by any department, and includes any and all articles and supplies which shall be furnished to or used by any department, including any and all printing, periodicals, stationery and the rental, repair and maintenance of equipment and machinery, hardware, software, or intellectual property.

“Procurement” refers to a purchasing process that controls quantity, quality, sourcing, and timing to ensure the best possible total cost of ownership.

“Contract” refers to any written instrument or electronic document containing the elements of offer, acceptance, and consideration to which the County is a party.

“Lease” refers to a contract conveying from an entity to the County the use of real or personal property for a designated period of time in return for payment or other valuable consideration.

“Lease-Purchase” includes, but is not limited to, an arrangement in which title of ownership transfers at or shortly after the end of the lease term.

“Proposal” refers to a price given by a vendor for the supplies, material, equipment and/or services, as described to the vendor, but is not an authorization to ship, or of purchase. Notice to

public of Request for Proposal (RFP) shall follow the best communication and practice for good/service requested.(e.g., web pages, mailings within certain range, industry or organization publications, etc.)

“Bid” refers to a complete proposal, submitted in competition, to execute specified job(s) within a prescribed time, and not exceeding a proposed amount that usually includes labor, equipment, and materials.

“Quotation” refers to an expected, stated price for goods or services given by a vendor, but is not an authorization to ship or of purchase.

### **General**

Johnson County shall conduct all purchasing and procurement transactions in full compliance with Federal and State laws and any applicable Federal and State standards. All purchasing and procurement transactions, either negotiated or competitively bid, and without regard to dollar value, shall be conducted in a manner so as to provide maximum open and free competition and avoid acquisition of unnecessary or duplicative items. Procedures shall be clear and consistent, and maximize the efficiency of payment of purchases. Departments must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

### **Authority**

The Board adopts an annual budget for the County and provides appropriations to the departments. The Board may also adopt budget amendments. The Board empowers Department Heads to make purchasing and procurement decisions within the budgeted line items of the applicable department. Elected Officials have purchasing authority within the capacity of their individual budgets and the scope of statutory duties of their offices. Every County purchase shall be documented on a claim form and presented to the Board prior to the payment. Presentation to the Board shall follow public agenda guidelines and deadlines established by the Clerk to the Board.

Departments shall be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims.

Nothing in this policy shall be construed to limit statutory authority or duty of the Board of Supervisors or any Johnson County Elected Official, nor shall this policy be construed as limiting the discretion of the Board of Supervisors or Elected Officials in the performance of any act or deed deemed necessary and prudent in the best interest of the public.

### **Local Purchases/Procurement**

Pursuant to Code of Iowa §23A.3 and Johnson County's adopted Buy Local policy, Johnson County shall first consider using locally-owned businesses within the County if cost and other considerations are relatively equal. However, the County reserves the right to purchase items outside of Johnson County if products or services needed are not readily available in Johnson County, or if a product or service can be purchased outside Johnson County at a considerable cost savings. Cost savings may include calculating costs to the County of operating, maintaining or upgrading the purchase over its expected useful or contractual life. Such local preferences shall not apply if prohibited under applicable Federal or state contracting requirements, nor shall such preferences be construed to prevent or prohibit the giving of a preference to businesses owned or operated by minorities or females as may be provided in any other provision of law.

### **Green and Sustainable Purchases/Procurement**

Pursuant to Johnson County's adopted policy on Green Purchasing: Basic Office Supply Expectations, adopted Composting Policy for Internal Operations, approved operational Sustainable Lawn and Landscape Plan, and adopted Capital Standards Process and Sustainability Minimum Standards, Johnson County shall first consider using the green and/or sustainable products and practices supported in those policies. In addition, following the statement in Johnson County's Employee Handbook that "employees are expected to follow cost-effective green practices and resource use for all County operations," employees can consult the Employee Guide to Internal Green Practices or sustainability staff for guidance in achieving these objectives. While all products or services should generally be procured in a cost-effective manner, these policies and guidance sanction the reasonable incurring of additional costs for the added public benefits of reducing waste, greenhouse gas emissions or other negative impacts. However, the County reserves the right to purchase products or services of indeterminate environmental benefit when equivalent green and/or sustainable products or services are not readily available, or if a product or service of indeterminate environmental benefit can be purchased at a considerable cost savings. Cost savings may include calculating costs to the County of operating, maintaining or upgrading the purchase over its expected useful or contractual life. Green and sustainable preferences shall not apply if prohibited under applicable Federal or state contracting requirements, nor shall such preferences be construed to prevent or prohibit the giving of a preference to businesses owned or operated by minorities or females as may be provided in any other provision of law.

### **Sole-Source Purchasing/Procurement (Non-Competitive)**

All purchasing and procurement transactions shall be conducted in a manner so as to provide, to the maximum extent practical, competition. However, if open and free competition is not used, sole-source justification shall be provided with the purchase. The justification shall include a description of why it was necessary to purchase non-competitively, such as lack of legitimate competitors, time constraints, or other pertinent information.

## Competitive Bids

Public notice calling for the submission of bids shall follow the relevant provisions of the Code of Iowa and the Iowa Administrative Code. The County reserves the right to reject bids or make counter offers.

## Federal Funds (see also Grant Guidance, below)

Title 2, Part 200 of the Code of Federal Regulations (CFR), effective December 26, 2014, shall be applicable when federal funds are used for purchases with exceptional consideration for the following:

- Title 2, Part 200.212: *Suspension and debarment*. Non-Federal entities and contractors are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities. In particular, Johnson County will check whether a supplier or contractor is suspended or debarred by the federal government before purchasing and/or awarding a contract or subaward. Departments must check the System for Award Management (SAM.gov – previously EPLS) website (<http://www.sam.gov/>) and ensure, where feasible, that contracts for both goods and services include a certification by the vendor that, to the best of its knowledge and belief that it and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency in accordance with Executive Order 12549 (2/18/86). Departments should document the Suspension and Debarment verification by including a screen print of the Exclusions search in the file.
- Title 2, Part 200.321 (by title): *Contracting with small and minority businesses*, women's business enterprises, and labor surplus area firms. In particular, Johnson County shall take the six (6) affirmative steps provided in Title 2, Part 200.321(b), those being;
  1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
  2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
  3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
  4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
  5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
  6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.
- Title 2 CFR Part 200 Appendix II (by title)

- The Johnson County, Iowa Procurement Policy for Federal Grant and Loan Award Funds adopted June 27, 2019 (“Johnson County Federal Procurement Policy”)

### **Fraud Reporting**

Johnson County departments, offices, and/or employees are required to disclose, in writing and in a timely manner, all violations of federal criminal law involving fraud, bribery, or gratuity potentially affecting a federal award. This requirement applies to violations involving Johnson County, its employees, and any sub-recipients of a federal grant. If a Johnson County department, office, or employee learns of a violation of federal criminal law involving fraud, bribery, or gratuity potentially affecting a federal grant, the department or employee must report the violation to the Johnson County Grants Coordinator, (319) 356-6000. Reportable violations include not only those violations concerning Johnson County or its employees, but also include violations relating to sub-recipients of award monies. The Johnson County Grants Coordinator is responsible for reporting the violation to the relevant federal agency in writing and in a timely manner.

Johnson County shall disclose such reported violations to the Federal awarding agency or pass-through entity in writing, in compliance with Uniform Grant Guidance, in Title 2 Code of Federal Regulation (C.F.R.) Grants and Agreements, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and shall report certain civil, criminal, or administrative proceedings to SAM where the award includes the term and condition outlined in Appendix XII—Award Term and Condition for Recipient Integrity and Performance Matters. Failure to make required disclosures can result in any of the remedies described in §200.338 Remedies for noncompliance, including suspension or debarment. (See also 2 CFR part 180, 31 U.S.C. 3321, and 41 U.S.C. 2313.)

### **Code of Conduct**

No elected officer, employee, or agent of Johnson County shall participate in the selection, award, or administration of a contract supported by federal grant funds, if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- a. The employee, officer, or agent;
- b. Any member of his/her immediate family;
- c. Their partner; or
- d. An organization which employs, or is about to employ any of the above;

has a financial or other interest in the firm selected for award.

Johnson County’s officers, employees, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or subcontractors.

These standards shall supplement, and be implemented in harmony with, existing conflict of interest and gift policies applicable to County officers and employees under the Johnson County Employee Handbook (as amended), 2 CFR 200.318(c), Code of Iowa Chapter 68B, and Code of Iowa §331.342 and §314.2. The disclosure requirements and discipline provisions of the Johnson

County Employee Handbook applicable to conflicts of interest shall apply to circumstances implicated by this Code of Conduct.

As permitted by 2 CFR 200.318(c)(1), those contracts and situations described in Code of Iowa § 331.342(2), shall not be deemed conflicts of interest requiring disclosure and/or discipline.

### **Loans**

Should the County enter into a loan agreement to borrow money for a public purpose, the County shall follow Code of Iowa §331.402 and all other applicable Code sections.

### **Essential County Purpose Bond or General County Purchase Bond**

The County shall follow Code of Iowa §331.441 and all other applicable Code sections, as well as the advice of bond counsel.

### **Horizontal and Vertical Construction, Reconstruction, or Improvement projects (**

Code of Iowa §314.1B established horizontal and vertical bid thresholds for County public improvement projects, and shall be followed for each project. This applies to construction, reconstruction, and improvement projects. Repair or maintenance projects are not subject to the thresholds. Repair or maintenance projects are defined in Iowa Administrative Code 761—180.3(314), and shall be followed for each project. Current bid and quote thresholds available at [iowadot.gov/local\\_systems/publications/bid\\_limits.htm](http://iowadot.gov/local_systems/publications/bid_limits.htm).

If the estimated total cost of a public improvement project (excluding architectural, landscape architectural, or engineering design services and inspection as defined in Code of Iowa §26.2) is between \$103,000 - \$139,000, and not subject to the Johnson County Federal Procurement Policy, will follow a competitive quotation process. If the estimated total cost of a public improvement exceeds \$139,000 based on the licensed Engineer/Architectural report, the County shall follow the competitive bidding process as described in Code of Iowa Chapter 26, including the prohibition of local prequalification requirements contained in Code of Iowa § 26.16 for public improvements for which competitive bids are required by Chapter 26.

### **Contract Purchases**

Contract purchases, including recurring contracts, shall be pre-approved by the Board. Each Department/Office is responsible for developing and managing its own contracts, and finalizing the specifications and standards expected from the vendor. These standards should be such that the contract performance can be measured. The Board and/or the applicable Department Head or Elected Official may request review by the County Attorney's Office of a new contract for a good or a service, and for recurring contracts if any changes occur. An officer or employee of the County shall not have an interest, direct or indirect, in a County contract as defined in Code of Iowa §331.342.

## **Grant Guidance**

As a recipient and sub-recipient of State and Federal grant dollars, Johnson County shall follow all applicable State procurement requirements and the Johnson County Federal Procurement Policy. Johnson County shall also follow the appropriate federal guidelines issued by the United States Office of Management and Budget (OMB) and the Code of Federal Regulations (CFR), including but not limited to OMB Circular A-102, OMB Circular A-110, 44 CFR Part 13, and 28 CFR Part 66. Johnson County shall follow OMB Circular A-133 Subpart C.300 to comply with auditee responsibilities. If applicable, Johnson County shall follow OMB Circular A-87 (relocated to 2 CFR Part 225) for cost principle standards. Any contracts awarded shall comply with 2 CFR 200.326 and Appendix II of Part 200.

Notification of receipt of State or Federal grant for a Department/Office shall be acknowledged by the Board in a public meeting. State or Federal grant monies which flow through Johnson County accounts shall have unique, identifiable accounting codes established by the Auditor's office. Receipt of property purchased with grant monies shall be used for the purpose intended. Johnson County or the applicable DHEO will be held accountable for the equipment. The DHEO shall have a control system in effect to ensure adequate safeguards to prevent loss, damage, or theft of the property. Departments are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

The recipient shall be responsible for proper maintenance and maintain appropriate inventory tracking to assist with financial reporting, and records sufficient to detail the significant history of procurement, including the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. Property purchased with State or Federal grant dollars will be subject to physical inventory verification conducted annually by the Auditor's office and/or the Finance department.

For programs and projects supported by State CDBG funding, Departments will procure items with recycled content following the requirements of Code of Iowa chapter 8A.315-317 and Iowa Administrative Code chapter 11-117.6(5) — Recycled Product and Content. If bids or proposals are solicited, Departments shall include all request for proposals and bid documents the following language:

“The contractor agrees to comply with all the requirements of Code of Iowa chapter 8A.315-317 and Iowa Administrative Code chapter 11-117.6(5) — Recycled Product and Content.”

## **Emergency Purchases**

Emergency purchases may be made by a DHEO following verbal approval of a Board member, if said purchase falls within the limits of this Policy. What constitutes an emergency is at the discretion of the Board, in consultation with the applicable DHEO. When a purchase is to be paid for or reimbursed, directly or indirectly, from Federal funds, noncompetitive procurements may be allowed when it is determined that immediate actions required to address the public exigency or emergency cannot be delayed by a competitive solicitation. However, DHEOs must document

their justification for using noncompetitive procurements, must still comply with other procurement requirements, and shall ensure that costs are reasonable. In the case of an exigency, there is a need to avoid, prevent, or alleviate serious harm or injury, financial or otherwise, to the County, and use of competitive procurement proposals would prevent the urgent action required to address the situation. In the case of an emergency, a threat to life, public health or safety, or improved property requires immediate action to alleviate the threat.

In the event the Board of Supervisors has declared a disaster or public health emergency disaster, the implementation of the County's debarment policy may be expressly suspended during this emergency period but for no longer than sixty (60) days. If at all possible, Departments should consult with any applicable Federal agencies prior to the effective date of such planned suspension as not all Federal agencies may honor a suspension of the County's Debarment Policy.

Emergency purchases paid for or reimbursed, directly or indirectly, from Federal funds, shall still (all of which are applicable to County procurements under non-exigent circumstances when the County is making a procurement as a recipient and sub-recipient of Federal grant dollars):

- Include the required contract clauses (2 C.F.R. § 200.326 & Appendix II);
- Include the Federal bonding requirements if the contract is for construction or facility improvement and the contract exceeds the Federal simplified acquisition threshold (2 C.F.R. § 200.325) or else receive a determination that the federal interest is adequately protected;
- Be awarded to a responsible contractor (2 C.F.R. § 200.318(h));
- Be predicated on a cost or price analysis to determine that the cost or price of the contract is fair and reasonable if the contract exceeds or is expected to exceed the Federal simplified acquisition threshold (2 C.F.R. § 200.323(a) and (b));
- Not use the cost-plus-percentage-of-cost contracting (2 C.F.R. § 200.323(c));
- Comply with 2 C.F.R. § 200.318(j) if time and materials basis is used;
- Follow documentation, oversight, and conflict of interest requirements among other general procurement requirements in 2 C.F.R. § 200.318. If a conflict of interest is unavoidable due to the exigent/emergency circumstances, the County must explain that in the procurement documentation.

Use of the public exigency or emergency exception is only permissible during the actual exigent or emergency circumstances. Work performed under noncompetitively procured contracts shall specifically related to the exigent or emergency circumstance in effect at the time of procurement. DHEOs should, upon the County's award of a noncompetitive contract, immediately begin the process of competitively procuring similar goods and services, if warranted, in order to transition to the competitively procured contracts as soon as the exigent or emergency circumstances cease to exist.



**Procedure by Price Threshold** (unless otherwise established by the Code of Iowa)

**The Board of Supervisors encourages the use of competitive quotes, RFPs and adequate price comparison shopping practices at all price thresholds when practical and not otherwise specifically mandated by this policy.**

*Thresholds for Purchase*

Less than \$5,000 principal amount: Regular claim process.

Between \$5,000 - \$25,000 principal amount that was anticipated/acknowledged during the budget process: Regular claim process

Between \$5,000 - \$25,000 principal amount that was not anticipated/acknowledged during the budget process: (i) Elected Officials should seek acknowledgement prior to purchase by the Board at a public meeting; (ii) Department Heads must obtain approval prior to purchase by the Board at a public meeting

Greater than \$25,000 principal amount: use Request for Proposal or minimum of two (2) written/email quotations

*Thresholds for Lease or Lease-Purchase Contract Requirements*

Principal amount less than \$25,000 for real or personal property:

- (i) if New – place on Board work session agenda;
- (ii) if Recurring – place on Board informal meeting agenda

Principal amount between \$25,000 - \$800,000 for real or personal property

- (i) Place on Board agenda as a public hearing
- (ii) Follow provisions of Code of Iowa §331.443: (a) publish Public Notice of proposed action including statement of purpose and amount, (b) Follow Public Notice publication deadlines as defined by Code of Iowa §331.305 (published no less than 4 days, no more than 20 days prior to public hearing); (c) ensure the Public Notice meets the requirements of Code of Iowa §618.14

Principal amount over \$800,000 for real or personal property

- (i) Place on Board agenda as a public hearing
- (ii) Follow the provisions Code of Iowa §331.305: (a) follow Public Notice publication deadlines as defined by Code of Iowa §331.305 (published no less than 10 days prior to discussion meeting, notice of public meeting), (b) ensure the Public Notice meets the requirements of Code of Iowa §618.14, (c) include in the published Public Notice the statement of purpose, proposed action, amount, time and place of the meeting, and the right of citizens to petition for an election, (d) after 30 days, the Board shall hold a public meeting to enter into the lease or lease-purchase contract if no petition for election is received

The preparation and timely legal publication of public notices are the responsibility of the department requesting the purchase/contract. It is the responsibility of the department to place items on an agenda of the Board of Supervisors.

### **Process**

For purchases made on a Johnson County account, upon receipt of shipment the DHEO shall examine the shipping document/invoice and ensure that all items have been received and are not damaged. Correction of discrepancies or replacement of damaged items is the responsibility of the Department or Office. If the invoice amount is different than the quotation/bid received, it is up to the department to investigate and determine if the billed price is correct and appropriate. The department or office shall segregate duties so that the person procuring the item/asset is not the same person who records the transaction in the accounting and physical inventory records. Once shipment has been verified, the invoice and accompanying documentation shall be attached to a claim form, signed by the applicable DHEO or designee, and submitted to the County Auditor for payment.

Bids submitted in compliance with Code of Iowa §331.301, §331.341 and §384.94 –384.103 shall be submitted to the County Auditor’s office for opening at a public Board meeting. “Notice to Bidders” shall be pursuant to Code of Iowa §26.7.

### **Exemptions**

The following items shall be exempted from the Purchasing and Procurement Policy. This list is not necessarily all inclusive and shall be amended as necessary.

- Wages
- Employee Benefits
- Utility Payments for the County
- County Boards' Compensation
- Payments made on behalf of General Assistance recipients
- Rent –Buildings and Land
- Judgments, Damages and Settlements
- Fuel –Secondary Roads
- Annual Publication of Delinquent Tax List –Treasurer
- Debt/Lease payments

## **Claims Processing Procedures**

All claims must be for reasonable and necessary items which meet the requirements of public purpose. The public purpose shall be documented on the claim if not readily apparent. The responsibilities of the Board of Supervisors and the Auditor regarding claims are provided and described in the Code of Iowa §331.401 and §331.504, respectively. The Auditor's office has the statutory responsibility of processing claims submitted for payment and presenting an itemized list to the Board for approval; procedures are as follows:

### *Timetable*

- For each fiscal year, the Auditor's office shall define a bi-weekly payment schedule
- Claims shall be submitted by the deadlines defined in the bi-weekly payment schedule
- Claims are due by 3:00 pm on the due date
- Any late fees incurred for tardy submissions are the responsibility of the submitting department
- Every claim will be file-stamped as received

### *Process*

- Every claim shall be signed by the responsible DHEO or designee
- Employee claims for reimbursement must be signed by the employee and the responsible DHEO
- Detailed invoices shall be attached to each claim
- The code/line item shall be verified for correctness by the Auditor's office using the Uniform Chart of Accounts for Iowa County Governments
- All purchases will be compared and verified against the approved budget
- The Auditor's office will remove taxes, check for duplication, verify remit-to address, verify compliance with policies, and discuss any necessary changes with the submitting department
- Claims/payments that contain confidential HIPPA information shall be returned to the appropriate department once entered for payment
- Purchases and/or agreements that extend beyond one fiscal year require Board approval
- If there is a disputed charge, prior to submission of the claim, the submitting department is responsible for contacting the vendor to verify the situation. This includes credit card purchases. If the dispute results in late fees or other collection situations, the submitting department shall be responsible for resolution and payments (if any)

### *Non-conforming submissions*

- Claims not conforming to this Purchasing Policy shall be questioned and discussed with the submitting department, including, but not limited to, claims which require Board approval prior to payment and claims lacking sufficient documentation
- Any non-conforming claim may be highlighted on the claims list presented to the Board for approval along with documentation detailing its non-conformance
- Any non-conforming claim may be selected for further inquiry as part of the County's annual audit Thresholds for Physical Inventory and Capital Assets

- If an item exceeds \$500.00, an inventory card shall be created for addition to the inventory list
- If an item exceeds \$5,000.00, it shall be added to the capital asset list and depreciated, and an inventory card shall be created for addition to the inventory list