



# **ROWAN COUNTY**

## **Procurement Policy**

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## **I. INTRODUCTION**

The purpose of this Policy is to establish guidelines for the procurement of goods and services by County officials and employees for any County office, service area, department, division, board, commission, or other organizational unit of the County. Rowan County's procurement operations are governed by North Carolina General Statutes ("N.C.G.S.") Chapter 143 (State Departments, Institutions and Commissions), Chapter 153A (Counties), Chapter 159 (Local Government Finance), ordinances approved by the Rowan County Board of Commissioners, and all other applicable laws, rules, regulations, codes, standards, and orders of governmental bodies, agencies, authorities and courts having jurisdiction ("Applicable Law"). When federal funds are involved, these policies have been drafted to conform to the requirements in the Code of Federal Regulations (CFR) Title 2, Subtitle A, Chapter II, Part 200 (commonly referred to as the Uniform Guidance). Specifically, the procurement guidelines may be found in sections 200.317 through 200.326; 49CFR19; Federal Transit Administration (FTA) Circular 4220.1D, Third Party Contracting Requirements; North Carolina General Statute 143-129; and North Carolina State Management Plan for The Nonurbanized Area Formula Program, Section 5311.

The policies contained herein are intended to establish a baseline for compliance with Federal and State law and Board policy. It is the responsibility of the County Commissioners to determine the disposition of any issue not specifically addressed herein or otherwise prescribed in law or regulation.

Rowan County's procurement practices are based on the principle of open competition with the goal of securing value and promoting fairness. All Employees involved in the procurement process have a responsibility to provide fiscal stewardship when expending County funds. The taxpayers entrust the county government to expend money in the most efficient and effective manner possible. The integrity of the procurement process must always be maintained.

The Board of Commissioners is committed to maintaining high standards of performance based upon fair, ethical and professional business practices and welcomes recommendations for improvements to conformance, quality, and efficiency standards. Any such recommendations should be submitted in writing to the Chairperson, Rowan County Board of Commissioners.

## **II. RESPONSIBILITY, AUTHORITY AND FUNDAMENTAL POLICY**

The County Manager has the authority for the Rowan County to enter into grant agreements and to purchase property and services and to enter into third-party contracts on behalf of the Rowan County and the Board of Commissioners (Board).

### **A. Delegation**

1. The Board has delegated authority to the County Manager to approve contracts up to \$90,000. This includes change orders that are \$25,000 and under within the contingency amount.
2. The Board has delegated authority to the Finance Director/Designee to purchase goods, property, and services. The Board has delegated authority to the Assistant County Manager/CIO and Assistant County Manager/Human Resources Director to enter third-party contracts on behalf of Rowan County in the absence of the County Manager.
3. The Board has delegated authority to the Finance Director to approve and submit requests for reimbursements on behalf of Rowan County.
4. The Board has delegated authority to the Department of Social Services (DSS) Director to purchase goods, property and services related to serving children and families under \$90,000. However, such purchases shall follow all aspects of the purchasing policy. The DSS Director's authority does not include services for an architect, engineer, or surveyor; construction projects; or legal fees (see VI. B).
5. The Board has delegated authority to the Public Health Director to purchase goods, property and services related to providing public health services under \$90,000. However, such purchases shall

- follow all aspects of the purchasing policy. The Public Health Director's authority does not include services for an architect, engineer, or surveyor; construction projects; or legal fees.
- 6. The Board has delegated authority to the Airport Director to sign annual leases for the rental of hangars at the Mid-Carolina Airport. Any rental leases requiring more than a twelve (12) month term are to have Board approval.

**B. Delegation to the Purchasing Director**

- 1. The Board has delegated authority to the Purchasing Director to conduct competitive procurements to purchase, lease, or license property goods and services in accordance with Board policy and law.
- 2. The Board has delegated authority to the Purchasing Director to approve contracts of \$10,000 and under, per fiscal year. This includes change orders that are \$10,000 and under, that are within the contingency amount. This does not include services for an architect, engineer, surveyor, or any legal fees (see VI. B).
- 3. The Board has delegated authority to the Purchasing Director to approve purchases under \$90,000 being administered by Salisbury Community Development Corporation.

**C. Delegation to P-Card Users**

The Board has authority under N.C.G.S. 159-28(f)(g) and has approved the Rowan County Procurement Card Policy.

- 1. The Board has delegated authority to the Finance Director to implement, enforce, and approve card holders under the procurement card program.
  - i) All personnel issued procurement cards under this program shall be responsible for the procurement card and its use in accordance with the policy and procedures set forth.
- 2. The Board has delegated authority to P-Card holders to purchase goods and services related to their individual department under \$1,000 (Including Tax).
  - i) Payment for a purchase will not be split into multiple transactions to stay within the single purchase limit or to circumvent the need for a purchase order.
  - ii) Purchases are limited by the amount per transaction, total per time-period and number of purchases per time-period. Purchases will be tracked according to the following:
    - (a) Time Frame - within the past 90 days
    - (b) Same vendor
    - (c) Purchased under the same payee account
    - (d) Same department location
  - iii) Cardholders Must ensure that there is adequate budget remaining and that the purchase does not violate section (ii), BEFORE incurring the charge.
  - iv) P-Card purchases will be required to follow the procurement policy. Cumulative purchases over the authorized threshold of \$1,000 during this time-period, require a purchase order and multiple quotes.
- 3. The P-Card Holder's authority does not include services for an architect, engineer, or surveyor; construction projects; or legal fees.

**D. Delegated authority is subject to the condition that certain transactions be submitted to the Board for review and approval.**

Transactions that require prior Board approval are as follows:

- 1. Any transaction which exceeds \$90,000 per fiscal year.
- 2. Any transaction, exceeding \$5,000, requiring a sole source or piggybacking exemption approval.

**E. All procurement transactions shall be conducted in a manner to provide to the maximum extent; practical, open, and free competition.**

- 1. Unreasonable requirements will not be placed on firms for them to qualify to do business.
- 2. The County will be alert to organizational conflicts of interest.

3. The County will be alert to noncompetitive practices among contractors that may restrict or eliminate competition.
4. Unnecessary experience and excessive bonding requirements will not be placed on firms.
5. Contracts will not be awarded to consultants simply because they may be on a retainer contract with the County.
6. Contractors that develop or draft specifications/requirements shall be excluded from competing for such procurements.
7. Except in cases where a product of a specified brand name is the only product that can properly meet the needs of a requester, the drafting or application of specifications or bid requirements that directly or indirectly limit the bidding to a single brand is prohibited. A “brand name or equal” is a competitive process that allows bidders to propose equivalent items. The County will not specify only a “brand name” product without listing its salient characteristics and not allowing “an equal” product to be offered.
8. Awards shall be made to the lowest responsive and responsible bidder. While determining “responsible”, the County will consider factors, including but not limited to, most advantageous to the County, price, and quality.
9. Solicitations shall clearly state all requirements.
10. Submissions of an “intent to purchase” are strictly prohibited.

**F. Basis for Bid Rejection**

In sealed bidding, there is generally no further modification of material terms: The County either accepts one of the offers or rejects all bids. If the bids are over the available budget the County is allowed per G.S. 143-129(b), to negotiate with the lowest responsible bidder in the other procurement methods, the County may request or receive additional offers before accepting one. Bid responsiveness involves the question of whether the bid as submitted represents an unequivocal offer to do exactly what the County has specified, so that acceptance of the bid will bind the contractor to meet the County's requirements in all material aspects. Any and all bids judged to be nonresponsive must be rejected. The County will properly document the reason for any bid rejection.

**G. The County will ensure:**

1. Unnecessary or duplicate items are not purchased.
2. Analysis is made of lease and purchase alternatives, as appropriate, to determine the most economical and practical procurement.
3. The type of procurement instruments used (e.g. fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be appropriate for the particular procurement. “Time and material” contracts are strictly prohibited unless specifically approved by the Rowan County Board of Commissioners.
4. Procurement documents and records are retained according to NC DNCR records management policy located on <https://www.ncdcr.gov/resources/records-management>.

### **III. PURCHASE OF GOODS**

*The following provisions apply to the purchase of apparatus, supplies, materials, and equipment; tax is included in total amount thresholds. Reference Attachment A.*

**A. Formal Purchases Greater Than or Equal To \$90,000**

Such purchases shall be subject to formal bidding pursuant to N.C.G.S. 143-129. The contract for any such purchase, if awarded, must be awarded to the lowest responsible, responsive bidder, taking into consideration quality, performance, and the time specified in the bids for the performance of the contract.

1. Procurement documents and records are retained according to NC DNCR records management policy

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located on <https://www.ncdcr.gov/resources/records-management>.

2. Advertising for the bid must be published at least once, seven (7) days prior to opening in the local newspaper.
3. Bids must be received, sealed.
4. Public bid opening is required but may use reverse auction or electronic bidding.
5. At least three (3) suppliers solicited, and 2 responses required.
6. Board approval required.
7. Public record when opened.
8. Purchase Order must follow the workflow chart in Attachment D.

**B. Informal Purchase Greater Than or Equal To \$5,000 but Less Than \$90,000**

Such purchases shall be subject to informal bidding pursuant to N.C.G.S. 143-131. The contract for any such purchase, if awarded, must be awarded to the lowest responsible, responsive bidder, taking into consideration quality, performance, and the time specified in the bids for the performance of the contract. If a group of purchases, within the past 90 days, through the same vendor, with the same payee account and at the same department location, multiple valid quotes will be required. Most quotes are only good for 30 days, verification will be required.

1. Must solicit multiple quotes, 2 responses required.
2. The County must keep a written record of all bids received.
3. Requests must be approved by the Department Director.
4. Records are not public until the contract is awarded.
5. Purchase Order must follow the workflow chart in Attachment D.

**C. Purchases Less Than \$5,000**

Such purchases are made without soliciting either formal or informal bids. County Departments are encouraged to solicit multiple quotations (verbal or written), and document such, to ensure the lowest available price. This will ensure fiscal stewardship when expending County funds. If a single purchase is over \$1,000 including tax or a group of purchases within the 90-day period (Same vendor, same payee account, same department location) is over \$1,000, including tax, a Purchase Order must be entered, follow the workflow chart in Attachment D.

#### **IV. CONSTRUCTION OR REPAIR SERVICES**

*The following provisions apply to contracts for construction or repair services. Reference Attachment B.*

**A. Formal Construction or Repair Services Greater Than or Equal To \$300,000**

Such services shall be subject to formal bidding pursuant to N.C.G.S. 143-129. The contract for any such service, if awarded, must be awarded to the lowest responsible, responsive bidder, taking into consideration quality, performance, and the time specified in the bids for the performance of the contract.

1. Advertising for the bid must be published at least once, seven (7) full calendar days prior to opening in the local newspaper.
2. Bids must be received, sealed.
3. Public bid opening is required.
4. A minimum of three (3) bids is required. The statute allows for rebid if three (3) bids are not received, and award without three (3) bids on rebid.
5. Bid bond/deposit required 5% of bid amount.
6. Performance and payment bonds required 100% of the bid amount for any project.
7. Separate specifications required for plumbing, electrical, HVAC, and general work (building construction only).

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8. Must be a licensed general contractor.
9. Board approval is required.
10. Dispute resolution is required.
11. HUB participation goals good faith efforts to reach goals; bidders submit affidavits; report to HUB office (building construction only).
12. Public record when opened.
13. Contract must follow the workflow chart in Attachment E.

**B. Informal Construction or Repair Services Greater Than or Equal To \$90,000 but less than \$300,000**

Such services shall be subject to informal bidding pursuant to N.C.G.S. 143-131. The contract for any such service, if awarded, must be awarded to the lowest responsible, responsive bidder, taking into consideration quality, performance, and the time specified in the bids for the performance of the contract.

1. Written quotes must be solicited from at least three (3) bidders (Department must keep records); award if more than 1 bid received, if only 1 bid received a rebid and then award.
2. Must be a licensed general contractor.
3. The County must keep a record of all bids received.
4. Board approval is required.
5. Dispute resolution is required.
6. Good faith efforts documented, solicited, and reported to HUB office (building construction only)
7. Not subject to public record until awarded.
8. Contract must follow the workflow chart in Attachment E.

**C. Informal Construction or Repair Services Greater Than or Equal To \$5,000 but less than \$90,000**

Such services shall be subject to informal bidding pursuant to N.C.G.S. 143-131. The contract for any such service, if awarded, must be awarded to the lowest responsible, responsive bidder, taking into consideration quality, performance, and the time specified in the bids for the performance of the contract. If a group of contracts, within the past 90 days, through the same vendor, with the same payee account and at the same department location, multiple valid quotes will be required. Most quotes are only good for 30 days, verification will be required.

1. Written quotes must be solicited from at least three (3) bidders; award if more than one (1) bid is received, if only one (1) bid received, rebid and then award.
2. Must be a licensed general contractor if over \$40,000.
3. Must keep record of all bids received.
4. Dispute resolution is required.
5. Good faith efforts documented, solicited, and reported to HUB office - \$30,000 - \$90,000 (building construction only)
6. Not subject to public records until awarded if over \$30,000 and under \$90,000.
7. Contract must follow the workflow chart in Attachment E.

**D. Informal Construction or Repair Services Less Than \$5,000**

Such services are made without soliciting either formal or informal bids. County Departments are encouraged to solicit multiple quotations (verbal or written), and document such, to ensure the lowest available price. This will ensure fiscal stewardship when expending County funds. For services, a Contract must be entered and follow the workflow chart in Attachment E.

**V. PROCUREMENT OF SERVICES**

The following provisions apply to contracts for services at any dollar amounts. This includes all IT and software

related items, which are required to be entered as a “Contract” in the accounting software. If a master agreement is in place and continued maintenance is only available from the vendor associated with the master agreement, then additional quotes may not be required if agreed upon with the Purchasing Director. Reference Attachment C.

**A. Architectural, Engineering, and Surveying Services**

Such services shall be procured using the Request for Qualification (RFQ) process established pursuant to N.C.G.S. 143-64.31-34.

1. Geographic location may be a selection criterion in procurements for these services provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
2. Selection shall be based on qualification and competence.
3. Price negotiation is conducted with the most qualified offer.
4. Exemption from RFQ process:
  - a. If the estimated fee is greater than \$20,000 but less than \$50,000, the above procedures may be waived by the Board of County Commissioners in compliance with N.C.G.S. 143-64.31.
  - b. If the estimated fee is to be below \$20,000; the County Manager may grant exemptions in compliance with N.C.G.S. 143-64.31.
  - c. The exemption is on a case-by-case basis and will require a memo to be kept on file of the exemption. The Purchasing Department will assist with the memo.
5. Contract must follow the workflow chart in Attachment E.

**B. Other Services Greater Than or Equal To \$90,000**

Formal Request for Proposals are used when a service or Information Technology (IT) service to be procured is such that a complete, adequate, and realistic specification cannot be developed. The Purchasing Director will verify if the Board needs to be notified before RFP is released and will ensure posting to the agenda with all required documentation.

1. Proposals are solicited from an adequate number of qualified sources, preference is three (3), to permit reasonable competition consistent with the nature and requirements of the procurement.
2. The RFP shall be publicized on the County website and reasonable requests by other sources to compete shall be honored to the maximum extent practicable.
3. The RFP identifies all significant evaluation factors, including price or cost where required and their relative importance.
4. Proper mechanisms are in place for technical evaluation of the proposals received, determinations of responsible offerors for the purpose of written or oral discussions, and selection for contract award.
5. Awards may be made by the Board of County Commissioners to the responsible offeror whose proposal will be most advantageous to the County, price and other factors considered.
6. Procurement records accurately document each step of the process, including but not limited to, an explanation of the basis for selection of the contractor, including the evaluation criteria and the results of the County's technical evaluation; a list of all proposals received; and a cost breakdown for the proposed contract proposal.
7. Unsuccessful offerors should be notified promptly that their proposal was not accepted.
8. Board approval is required for all contracts over \$90,000. Including the option(s) to extend fiscal years.
9. Contract must follow the workflow chart in Attachment E.

**C. Other Services Greater Than or Equal To \$5,000 but Less Than \$90,000**

Informal Request for Quotes are used when a service or Information Technology (IT) service to be procured is such that a complete, adequate, and realistic specification cannot be developed. These can be obtained through email. If a group of purchases/contracts, within the past 90 days, through the same vendor, with the same payee account and at the same department location, multiple valid quotes will be required. Most

quotes are only good for 30 days, verification will be required. The Purchasing Director will determine if the Board needs to be notified before RFP is released. The Purchasing Director shall be responsible for ensuring that:

1. Quotes are solicited from an adequate number of qualified sources, preference is three (3), to permit reasonable competition consistent with the nature and requirements of the procurement.
2. Proper mechanisms are in place for technical evaluation of the quotes received, determinations of responsible offerors for the purpose of written or oral discussions, and selection for contract award.
3. The award may be to the responsible offeror whose quotes will be most advantageous to the County, price and other factors considered. If multiple responses are not received, documentation showing the adequate number solicited must be provided to the Purchasing Director.
4. Procurement records accurately document each step of the process, including but not limited to, an explanation of the basis for selection of the contractor, including the evaluation criteria and the results of the County's technical evaluation; a list of all quotes received; and a cost breakdown for the proposed contract proposal.
5. Unsuccessful offerors should be notified promptly that their proposal was not accepted.
6. Contract must follow the workflow chart in Attachment E.

**D. Other Services Less Than \$5,000**

Such services are made without soliciting either formal or informal bids. County Departments are encouraged to solicit multiple quotations (verbal or written), and document such, to ensure the lowest available price. This will ensure fiscal stewardship when expending County funds. For services, a Contract must be entered and follow the workflow chart in Attachment E.

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**VI. EXCEPTIONS TO COMPETITIVE BIDDING**

N.C.G.S. 143-129 allows for some exceptions to competitive bidding. Board approval will be required for all items over \$90,000 per I.C.1. above, others may require Board approval per N.C.G.S.

**A. Sole Source N.C.G.S. 143-129(e)(6)**

- To award a noncompetitive proposal, the Department Director must present to the Board of Commissioners as to why a "sole source" is justified. It is preferred that the department works directly with the Purchasing Department to get these items documented and submitted on the agenda.
- Board approval is required if at \$5,000 or more.

**B. Emergencies N.C.G.S. 143-129(e)(2)**

- Emergency Procurements may be approved only when there exists a threat to public health, welfare, or emergency conditions.
- Advise Facilities Director of all building emergencies and advise Purchasing Director via email or text of emergency for information only.
- After the threat has been addressed, process as a purchase order and attach emergency procurement justification form.

**C. Fuel Purchase N.C.G.S. 143-129(e)(5)**

**D. State & Federal Contracts N.C.G.S. 143-129(e)(7),(e)(9),(e)(9a)**

- Attach documentation to requisition in accounting software, of valid State or Federal Contracts specifying item(s) and authorization.

**E. Piggybacking N.C.G.S. 143-129(g)**

- Board approval is required at any price point.
- Attach documentation to requisition in accounting software, of valid Piggybacking Contract specifying item(s) and authorization.

**F. Group Purchasing Programs N.C.G.S. 143-129(e)(3)**

- Attach documentation to requisition in accounting software, of valid group purchasing program

contract, specifying item(s) and authorization.

**G. Purchases from other units of government N.C.G.S. 143-129(e)(1)**

**H. Used Items N.C.G.S. 143-129(e)(10)**

- Attach documentation to requisition in accounting software, of valid quote of used item specifying details. All used vehicle requests require proof of titling.

**I. Additional Provisions:**

The following provisions apply to contracts for services:

- Inadequate Competition - A contract may be awarded without competitive bidding when competition is determined to be inadequate after attempts to solicit bids from a number of sources, as required under this Policy, does not result in a qualified winning bidder. Documentation is required.
- If a master agreement is in place and continued maintenance is only available from the vendor associated with the master agreement, then additional quotes may not be required if agreed upon with the Purchasing Director.
- If a state-regulated and required program is in place and the state programs are regulated with standardized county contract information, along with a cost rule model. This would satisfy the need for competitive bidding, and additional quotes may not be required if agreed upon with the Purchasing Director.
- If competitively bidding a repair service creates incremental cost and can be deemed fiscally irresponsible by both the Finance and Purchasing Directors for the county, then additional quotes may not be required.
- The following items, and any additional items agreed upon by both the Finance and Purchasing Directors, represent types of purchases that do not require competitive bidding due to the nature of the service, but would require a contract with any insurance requirements.
  - Public Speaker
  - Special Performance
  - Local Advertisements
  - State Fees
  - Tire Tax Reimbursement
  - Specific Training
  - Lease Agreement
  - Interlocal Agreement
  - Memorandum of Understanding (MOU)
  - Memorandum of Agreement (MOA)
  - Letter of Agreement (LOA)
  - Legal Advertisements Over \$1,000.

## **VII. THE PURCHASING PROCESS**

There are five (5) methods of making a purchase for the County. 1) Procurement Card (p-card) 2) Fuel Card 3) Check Request 4) Purchase Order including blanket PO or 5) Contract Encumbrance. Each of these methods will be explained in this section.

**A. Procurement Cards**

Procurement cards enable a unit to make small purchases more quickly and efficiently by minimizing paperwork and processing time. These cards are used for small purchases under \$1,000, including tax. These purchases should not be divided to avoid getting quotes/bids.

The following items, and any additional items agreed upon by both the Finance and Purchasing Directors, represent types of purchases that do not require a purchase order or contract entry to be paid. The Department may still choose to enter this into accounting software for tracking purposes, but it is not required. These items are also exempt from competitive bidding due to the nature of service/purchase. The

P-card is the preferred method of purchase for these items.

P-Card daily limits are set at \$1,000. For purchases over \$1,000 the p-card “Daily Limit” must be adjusted by finance 2-5 days in advance of purchase. For more information, please see the procurement and fuel card policy. <https://intranet.rowancountync.gov>.

**Below is a list of acceptable P-card items which are exempt from competitive bidding:**

- Expenses related to Travel that exceed \$1,000 including tax, ie. Hotel, Registration, etc.
- Expenses related to training or conferences that exceed \$1,000 including tax, ie. Registration, Hotel, etc.
- Medical, psychological and veterinarian billings
- Postage
- Dues
- Permits
- Subscriptions – (If IT Related and possibly GASB, items must be entered into accounting software as a contract)
- Legal Advertisements
- Vehicle Taxes

**B. Fuel Cards**

Fuel Cards are assigned to each County vehicle and are required to stay within the vehicle at all times. Each authorized user will have a unique pin number to be utilized when purchasing fuel with the Fuel Card. The Fleet Manager will monitor these purchases and notify departments of any concerns. For more information, please see the procurement and fuel card policy. <https://intranet.rowancountync.gov>.

**C. Check Request**

A check request is used to process payments for invoices that do not originate from a formal purchase order (PO) or Contract. The following items, and any additional items agreed upon by both the Finance and Purchasing Directors, represent types of purchases that do not require a purchase order or contract entry to be paid. The Department may still choose to enter this into accounting software for tracking purposes, but it is not required. The following items are also exempt from competitive bidding due to the nature of service/purchase and approval from the Purchasing Director is not required. For additional information. <https://intranet.rowancountync.gov>.

**Below is a list of acceptable, check request items:**

- Utility bills (telephone, electricity, water, natural gas, etc.)
- Travel reimbursement for employees
- Public assistance payments
- School health and prenatal payments
- Legal Fees, defined as legal representation by a law firm not daily operations of DSS, if approved by County Manager
- Court Cost
- Withholding taxes and other payroll deductions
- Reimbursement of Change Fund accounts
- Purchases under \$1,000 (Including Tax) which cannot be placed on a p-card.
- School funding
- Budget Appropriations
- Debt payments
- Refunds – Unless tracking is required
- Property tax turnover
- Other various taxes (sales, vehicle, conveyance, airport fuel)
- Insurance Premiums & fines related to risk management

**D. Purchase Orders**

All purchases of apparatus, supplies, materials, and other goods, \$1,000 including tax and over must be submitted for issuance of a purchase order before purchased. If items are purchased without a purchase order the employee is subject to disciplinary action and may be personally liable for the payment [G.S. 159-28(e)].

The purchase order is electronically generated within the accounting software. Purchase Order workflow chart Attachment D. All requisitions entered by the County must be properly reviewed before being executed. This review process will consist of the following steps:

1. All purchase order requests will be submitted to the Purchasing Director/Designee, through the accounting software.
2. The Purchasing Director/Designee shall determine if the purchase order has adequate documentation, i.e. Memo's if needed, quotes, etc.
3. The Purchasing Director/Designee will verify that threshold(s) have not been met within the past 90 days; per account; per vendor.
4. The Purchasing Director/Designee shall determine if the purchase order needs Board approval prior to approval/posting. Please advise the Purchasing Director/Designee of any known purchases that may need Board approval.
5. Blanket Purchase Orders:

A blanket purchase order is used to make repetitive purchases from a single vendor over a period of time. The blanket order establishes an initial encumbrance amount which cannot be exceeded. The use of the blanket purchase order must be authorized by the Purchasing Director.

- a) The blanket order is processed in exactly the same manner as a purchase order.
- b) No blanket order may exceed \$10,000, unless agreed upon by Finance and Purchasing Directors.

ALL purchase orders will be liquidated at the end of each fiscal year.

**E. Contracts**

All contracts entered into by the County must be properly reviewed before being fully executed. This review process will consist of the following steps:

1. All contracts/contract requests will be submitted to the Purchasing Director/Designee, through the accounting software.
2. The Purchasing Director/Designee shall determine if the contract has adequate documentation, i.e. Memo's, quotes, contract's, exemption documentation, etc.
3. The Purchasing Director/Designee will verify the threshold(s) have not been met by the department within the past 90 days; this will be verified per payee account; per vendor; per location.
4. The Purchasing Director/Designee shall determine if the contract needs Board approval prior to initiating the contract workflow. Please advise the Purchasing Director/Designee of any contracts that may need Board approval.
5. The Purchasing Director/Designee will initiate the contract signage workflow. See Attachment E. This will include preaudit as required by the General Statute.
6. Once the contract is fully executed, the Purchasing Department will distribute a final version directly to the Department and release the contract to the County website for public information.
7. All Departments and the Purchasing Director/Designee will review contracts, including maintenance and software agreements, once every five (5) years to determine if the contract is still advantageous for the County. This review should include a detailed memo with cost analysis, if necessary, to show why the Department is choosing to stay with the current vendor.

**F. Vendors**

Each department is required to obtain sufficient information from a vendor at the time of purchase to assist the Purchasing and Finance Departments in issuing a purchase order or contract and paying the obligation. Vendor numbers will be assigned by the Finance Department when the required information, including W-9 has been submitted. Vendor insurance information will be updated by the Purchasing Department once insurance requirements are submitted directly from the insurance company.

**G. Surplus property**

In the event County property becomes surplus to the County's needs due to obsolescence, end of useful life, etc., such property is disposed of by means most advantageous to the County. Surplus property is handled by the Finance Department. Please see Finance Policy for additional information

<https://intranet.rowancountync.gov>.

**VIII. FEDERAL SPECIFIC REGULATIONS**

Written procurement procedures are a requirement of the Uniform Guidance. After adoption by the Board, these procedures will be reviewed annually by the Finance Director and the Purchasing Director and updated as required. In addition to the provisions noted elsewhere in this policy, all purchases funded, in whole or in part, with funds from any federal agency shall comply with the rules and regulations contained in the Code of Federal Regulations (CFR) Title 2, Subtitle A, Chapter II, Part 200 (commonly referred to as the Uniform Guidance). Specifically, the procurement guidelines may be found in sections 200.317 through 200.326. To be in compliance, all purchases funded, in whole or in part, with federal funds shall comply with the additional requirements below. The County will follow the "Most Restrictive Rule" as applicable:

**A. All purchases (goods and services) must comply with the following thresholds:**

1. "Micro-purchase" is defined in 48 CFR2.2101. This threshold may change from time to time. The Purchasing Director will be responsible for ensuring that current thresholds are followed. At the time this policy was adopted, the "micro-purchase" amount is \$10,000. The purchases must be, to the extent practicable, distributed among qualified suppliers.
2. Purchases of non-construction goods greater than the more restrictive local threshold of \$5,000 but below \$90,000 (the more restrictive State threshold) may be purchased using price quotes from at least 3 vendors (unless the state or federal granting agency specifies a more stringent requirement). The quotes must be approved by the Department Director/Designee.
3. Purchase of any services or construction related goods above \$5,000 (the more restrictive local threshold) but below the Simplified Acquisition Threshold (small purchase), may be purchased using price quotes from at least 3 vendors (unless the state or federal granting agency specifies a more stringent requirement). The quotes must be approved by the Department Director/Designee. The Simplified Acquisition Threshold is defined in 48 CFR2.2101. This threshold may change from time to time. The Purchasing Director will be responsible for ensuring that current thresholds are followed. At the time this policy was adopted, the Simplified Acquisition Threshold is \$250,000.
4. Purchases of non-construction goods above \$90,000 (the more restrictive State threshold) must have formal sealed bids that comply with Section II. A. of this policy. The contract awarded will be a firm fixed price contract. Selection must be principally based on price and 2 or more bidders must be willing and able to compete effectively for the business.
5. Purchases of services above the Simplified Acquisition Threshold must be purchased by sealed bids Section II. A. or Section IV. B. of this policy. The contract awarded will be a firm fixed price contract. Selection must be principally based on price and 2 or more bidders must be willing and able to compete effectively for the business. Competitive RFPs can only be used when complete adequate and realistic specification or purchase description is not available.
6. Construction-related purchases above the Simplified Acquisition Threshold must be purchased by sealed bids that comply with Sections III. A. or III. B of this policy and the bonding requirements in Section VII. C. 3. below. The contract awarded will be a firm fixed price contract. Selection must be principally based on price and 2 or more bidders must be willing and able to compete effectively for the business. Building

construction over \$100,000 or more and funded with state funds follow HUB requirements.

7. Purchases of Architectural and Engineering (A/E) services may be purchased using Section IV. A. of this policy, as well as all the "federal specific" requirements identified in Sections VII. B. and VII. C.
8. To ensure compliance with the Uniform Guidance for purchases in excess of the "micro-purchase" threshold, the County shall not purchase goods or services using an existing contract that was negotiated by the County or any other State or Local government for a prior, separate transaction (commonly referred to as "piggybacking"). The County may use existing State Contracts for items over the "micro-purchase" threshold only if the contract was bid in compliance with the Uniform Guidance.

**B. Any purchase funded, in whole or in part, with federal funds must also comply with the following provisions or more restrictive State or local policy:**

1. The procurement must be conducted in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of the bids or proposals, except in those cases where federal Statutes expressly mandate or encourage geographic preference.
2. The County will take all necessary affirmative steps to ensure that minority businesses, women's business enterprises and labor surplus area firms are used when possible. These steps will include all steps described in Uniform Guidance section 200.321.
3. The costs or prices based on estimated costs for contracts will only be allowable to the extent that they would be allowable under CFR Part 200, Subpart E-Cost Principles.
4. Contracts shall not be in the form of "cost plus percentage of cost" or a "percentage of construction cost".
5. For procurements greater than the Simplified Acquisition Threshold (including contract modifications), the County must perform a cost or price analysis prior to soliciting bids.
6. In compliance with Uniform Guidance, section 200.324, the County will make all necessary documentation available to the awarding federal agency or pass-through agency upon request to do so.

**C. In addition to the provisions elsewhere in this document that define a sound and complete agreement, all contracts funded, in whole or in part, with federal funds shall contain the following procurement provisions, as applicable:**

1. Contracts in excess of the Simplified Acquisition Threshold shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms and provides for such remedial actions as may be appropriate.
2. Contracts in excess of \$10,000 shall contain suitable provisions for termination by the recipient, including the manner by which termination shall be affected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.
3. Bonding – for construction or facility improvement contracts exceeding the Simplified Acquisition Threshold:
  - a. Bid guarantee from each bidder equivalent to five (5) percent of the bid price.
  - b. Performance bond on the part of the contractor for 100 percent of the contract price.
  - c. Payment bond on the part of the contractor for 100 percent of the contract price.
4. Preference for Recycled Products as described in Uniform Guidance section 200.322.
5. Equal Employment Opportunity.
6. Copeland "Anti-Kickback" Act for all contracts in excess of \$2,000 for construction or repair.
7. Davis-Bacon Act for all construction contracts of more than \$2,000.
8. Contract Work Hours and Safety Standards Act for contracts awarded in excess of \$100,000 that involve the employment of mechanics or laborers.
9. Rights to Inventions Made Under a Contract.
10. Clean Air Act and the Federal Water Pollution Control Act for contracts in excess of \$150,000.

11. Byrd Anti-Lobbying Amendment – contractors who apply or bid for an award of \$100,000 or more shall file the required certification.
12. Debarment and Suspension – contracts shall not be made with parties listed on the government- wide exclusions in the System for Award Management (SAM).

## **IX. SETTLEMENT OF CONTRACT ISSUES/DISPUTES**

### **A. Responsibility for Settlement of Contract Issues/Disputes**

The Board of Commissioners alone will 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. The Federal/State government will not substitute its judgment for that of the Board of Commissioners, unless the matter is primarily a Federal/State concern. Violations of the law will be referred to the local, State, or federal authority having proper jurisdiction.

### **B. Written Protest Procedures**

Rowan County shall have written protest procedures to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest. All protest decisions must be in writing. A protester must exhaust all administrative remedies with Rowan County before pursuing further legal action.

1. Authority - The Board of Commissioners has final authority to resolve protests, disputes, and complaints arising from the solicitation, award, or performance of a contract.
2. Protest of Requirements Prior to Award - The solicitation document shall provide potential bidders with the opportunity to take exception to specifications and/or requirements. Protests of requirements received after the time identified in the solicitation document shall be considered untimely and shall be rejected.
3. Protest of Award - If, prior to the award of contract, a protest is received in writing and filed on the grounds that the award is not in conformance with the provisions of the solicitation document, the contract or award shall not be awarded until the protest has been withdrawn or a decision has been reached by the County. Complaints lodged by a bidder prior to the award may be resolved informally. However, in the event that the matter is not resolved, bidders shall be advised of the timeframe for submitting a full and complete formal statement of the grounds for the protest within the timeframes specified in the solicitation document.
4. Decisions - The County Manager shall review the merits and timeliness of the protest and ensure that a decision, in writing, is submitted within a reasonable period of time following receipt of the protest. The County shall issue a decision in writing or otherwise furnish the bidder the decision in such a manner as to ensure receipt. The decision of the County is final.
5. Disputes Subsequent to Award - Disputes subsequent to award may include, but not be limited to, contention over terms, pricing, payment, scope and/or deliverables. A dispute resolution and escalation clause, describing resolution procedures and the appropriate parties to which the matter may be escalated, may be included in solicitation documents and contracts, as applicable.

## **X. CONFLICTS OF INTEREST**

The County shall maintain a written code of standards of conduct (conflict of interest policy) governing the performance of their employees. These standards will be relayed to all members in writing and the County will obtain each member's signature to acknowledge their review, understanding, and acceptance of the policy. See Attachment D for conflict-of-interest policy.

GS 14-234 includes a general prohibition against any public official having a personal interest in any contract to

which they are a party in their official capacity. Four types of transactions are exempt from this general prohibition if proper procedures are followed: doing business with a bank, with a savings and loan association, with a regulated utility, and with needed persons who receive benefits under state or federal assistance programs. The statute does allow for additional exemptions, but members of Rowan County elected boards and appointed boards are not exempt due to the population of Salisbury. As an entity, we will not be able to purchase or contract with members of these boards if the board member has a personal interest in the contract in their official capacity.

Exemption procedures are very narrowly drawn, and we will not attempt to exempt any of our elected officials or appointed board members.

## **XI. GIFTS AND FAVORS**

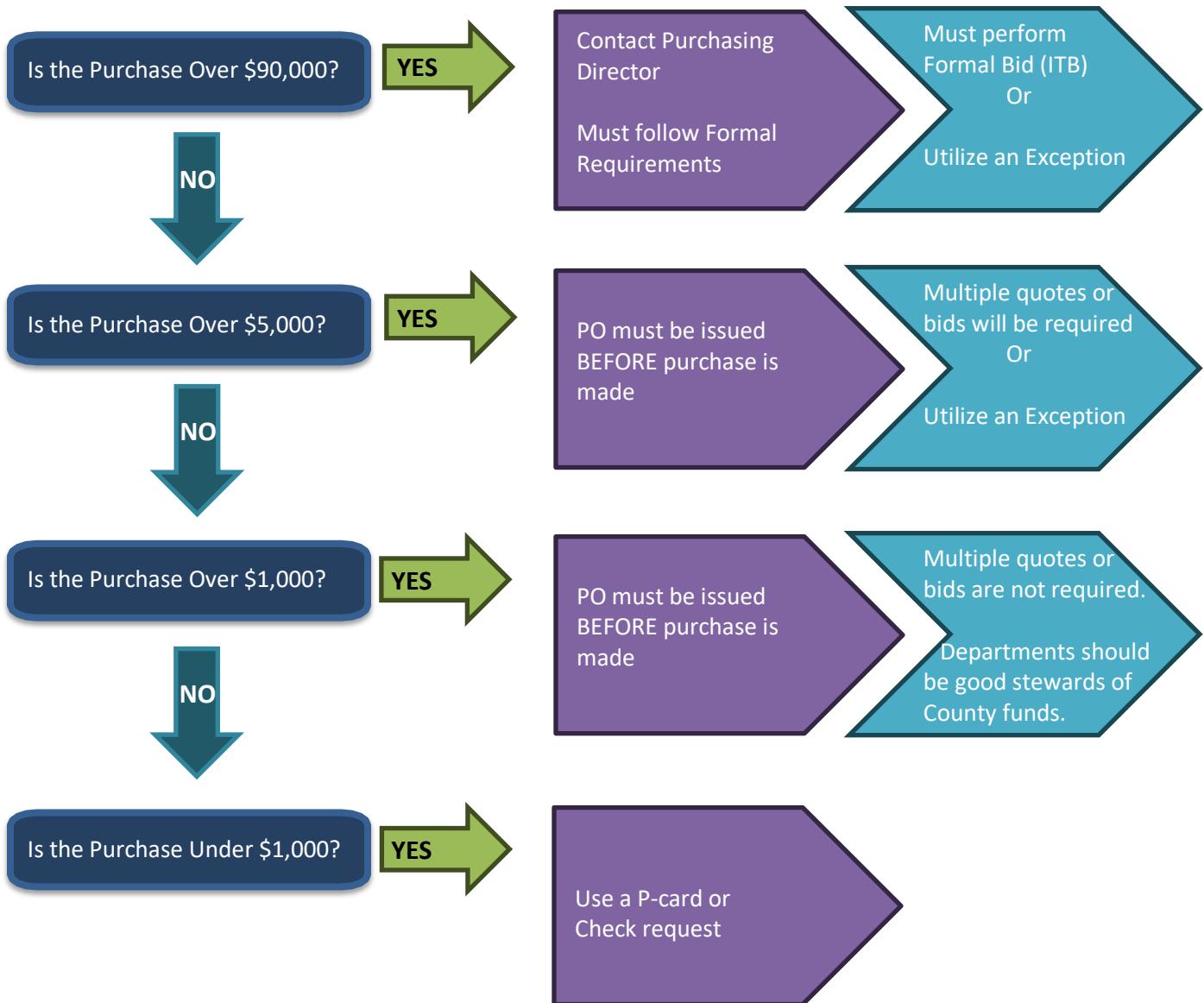
GS 133.32 - It is unlawful for a contractor, subcontractor, or supplier who, with respect to any public agency, (1) has a current contract; (2) has performed under a contract within the past year; or (3) anticipates bidding on a future contract to make gifts or favors to any officer or employee of the agency. It is also unlawful for the officer or employee to accept any such gift or favor.

Receiving or giving of gifts or favors is not in the best interest of The County. Therefore, no officials or employees of the County shall:

1. Accept any gift, favor or thing of value that may tend to influence them in the discharge of their duties; or
2. Grant, in the discharge of their duties, any improper favor, service, or thing of value.

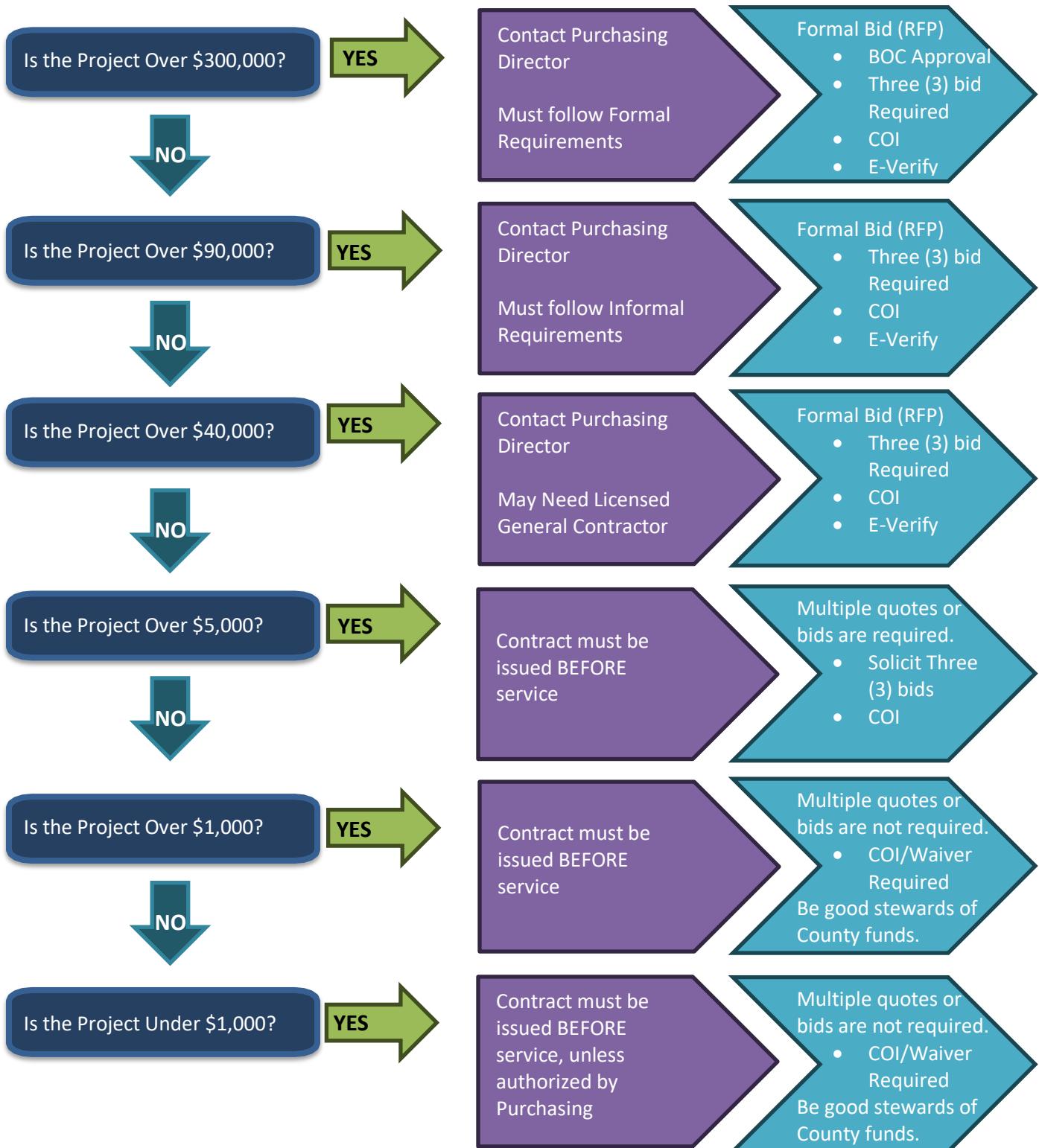
**XII. ATTACHMENT A**

**Purchase Order**  
***Apparatus, Supplies, Materials & Equipment***  
(Includes Freight, Taxes and Fees)

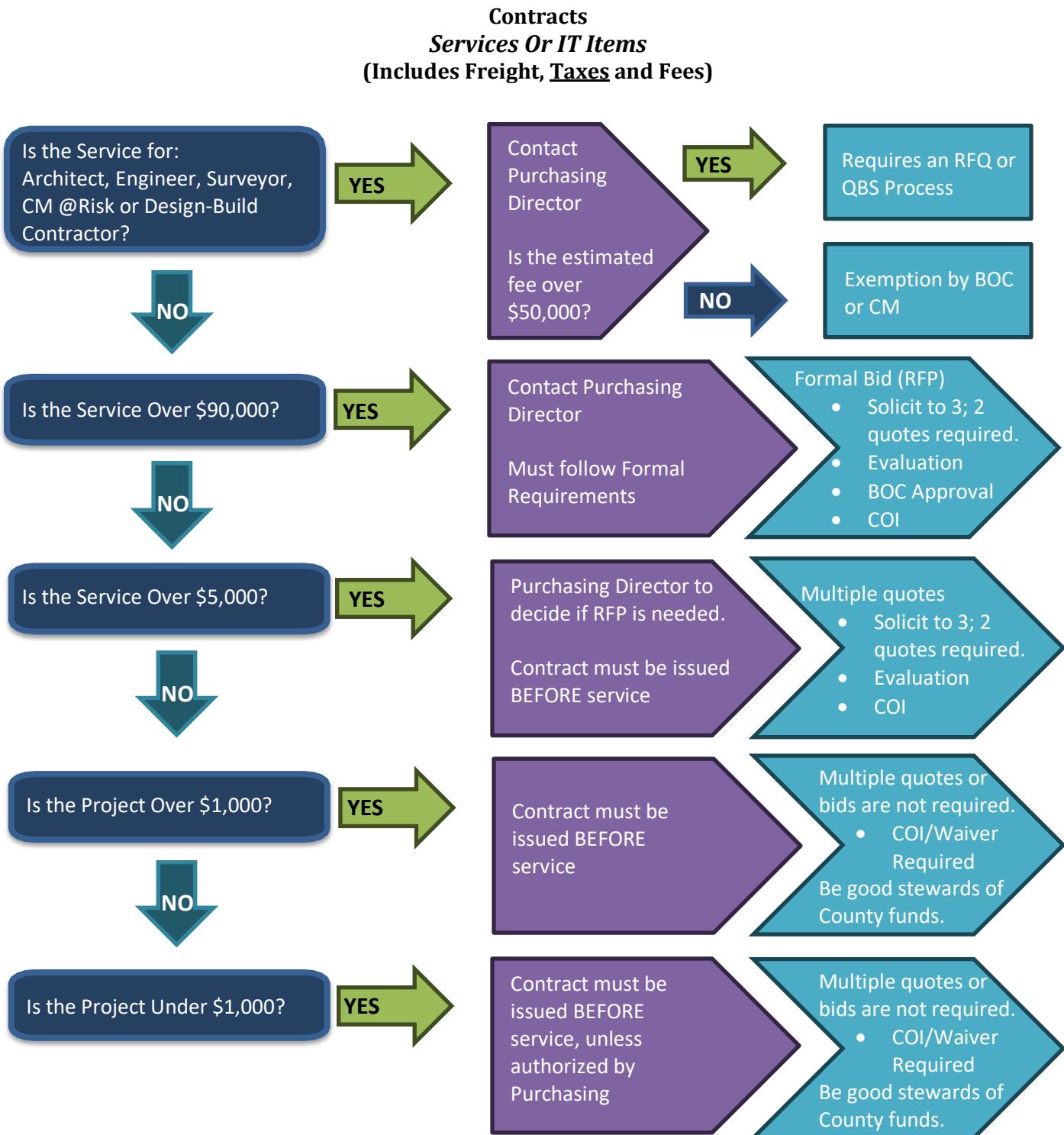


**XIII. ATTACHMENT B**

**Contracts**  
***Construction Or Repair***  
**(Includes Freight, Taxes and Fees)**

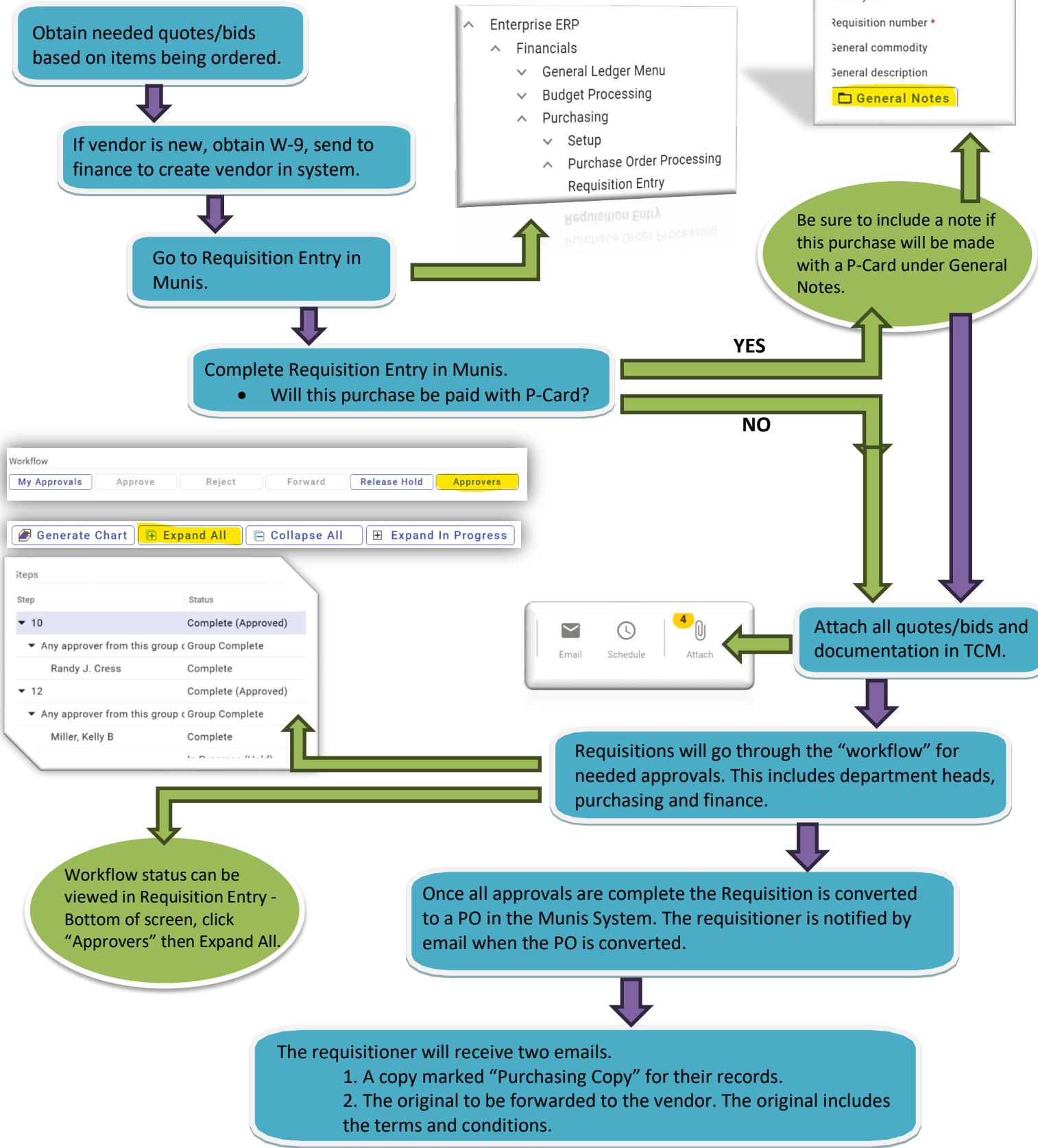


**XIV. ATTACHMENT C**



## XV. ATTACHMENT D

### Purchase Order Workflow (under \$90,000, excluding vehicle purchases)



## XVI. ATTACHMENT E

Obtain needed quotes/bids based on services/software being procured.

If vendor is new, obtain W-9, send to finance to create vendor in system.

There are insurance/waiver requirements for most contracts. Have COI/Waiver sent to purchasing to update vendor in accounting system.

Go to Contract Entry in Munis.

Complete Contract Entry in Munis.

### Contract Workflow (Construction/Repair/Service/IT under \$90,000, excluding Mini-Brooks)

- ^ Enterprise ERP
  - ^ Financials
    - ▽ General Ledger Menu
    - ▽ Budget Processing
  - ^ Purchasing
    - ▽ Setup
    - ▽ Purchase Order Processing
    - ▽ Purchase Order Inquiry and Reports
    - ▽ Bid Management
    - ^ Contract Management
      - Contract Settings
      - Contract Miscellaneous Codes
      - Contract Types and Subtypes
      - Contract Bond Types
      - Contract Entry

Upload Readable PDFs of all required documents:

- Contract Memo
- Standard Contract or Vendor Contract
- Quote/Multiple Quotes – Depending on Threshold
- Any Back up documentation.

Release Contract once completed in full.

Once released, the contract will follow the “workflow” in Munis for approvals and posting.

1. Department Head
2. Finance (Depending on what account is used)
3. Procurement Specialist
  1. Once it reaches this point, the contract is evaluated thoroughly. When submission contains all required documents according to policy, Contract paperwork is routed through Adobe Sign for signatures. Email address of authorized signatory for vendor should be included in Munis.
  2. The “workflow” for signatures is:
    1. Vendor
    2. Dept. Director
    3. Purchasing/Legal/CIO/Finance
    4. Final Authorization – Per Policy
4. Finance – for Preaudit
5. Purchasing Director for Final Posting.

**XVII. ATTACHMENT F**

**Conflict of Interest Policy**

**Conflict of Interest**

In accordance with Board policy, no employee, officer, agent, immediate family member, or Board member of the County shall participate in the selection, award, or administration of a contract if a conflict of interest, real or apparent, would be involved. Such conflict arises where the individual employee, officer, agent, or Board member, any member of their immediate family, their partner, or an organization that employs, or is about to employ, any of the above would "derive a direct benefit" from a contract, which exists if the person or his or her spouse (1) has more than a 10 percent interest in the company that is a party to the contract, (2) derives any income or commission directly from the contract, or (3) acquires property under the contract.

Rowan County is not able to purchase or contract with members of Rowan County elected boards and/or appointed boards if the board member has a personal interest in the contract in their official capacity.

This Conflict-of-Interest Policy is intended to incorporate the above-referenced 49 CFR Part 18 requirements where Rowan County is administering a federal grant or is a recipient of a federal grant. Furthermore, Rowan County shall require such policies for all subrecipients of federal grants.

Any officer, employee, or agent with an actual, apparent, or potential conflict of interest as defined in this policy shall report the conflict to his or her immediate supervisor. Any such conflict involving federal funds shall be disclosed in writing to the federal award agency or pass-through entity in accordance with applicable federal awarding agency policy.

**Violations**

Any employee that violates this Conflict-of-Interest policy will be subject to disciplinary action, up to and including termination. Any contractor violating this policy will result in termination of the contract and may not be eligible for future contract awards.

The undersigned hereby acknowledges, understands, and agrees to abide by this policy.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

ROWAN COUNTY PROCUREMENT POLICY  
REVISED NOVEMBER 1, 2021

**XVIII. ATTACHMENT G**

Acknowledgment of Procurement Policy

The undersigned hereby acknowledges, understands, and agrees to abide by this policy.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_