

# **CHEROKEE COUNTY COUNCIL GAFFNEY, SOUTH CAROLINA**

## **PURCHASING POLICY & PROCEDURE**

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CHEROKEE COUNTY COUNCIL ADOPTION

This "Purchasing Policy and Procedures" system, as described in this document, is hereby adopted for the Cherokee County Council, Gaffney, SC; and Cherokee County Council's employees shall operate within the general authority created by this policy.

**June 03, 2019**

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**ORDINANCE NO. 2019-20**

**TO AMEND THE PURCHASING POLICY AND PROCEDURES  
FOR CHEROKEE COUNTY**

WHEREAS, pursuant to Sec. 4-9-25, et. seq., of the South Carolina Code of Laws, all counties of the State, in addition to the powers conferred to their specific form of government, have authority to enact regulations, resolutions and ordinances, not inconsistent with the Constitution and general law of this State.

WHEREAS, pursuant to Sec. 4-9-160 of the South Carolina Code of Laws, each county council is required to provide a centralized purchasing system for procurement of goods and services required by the county government.

WHEREAS, in accordance with the laws of this State, Cherokee County Council has previously adopted and amended from time to time a Purchasing Policy and Procedure for the procurement of goods and services;

WHEREAS, Cherokee County Council has further determined additional amendments are appropriate for the effective and efficient application of the policies and procedures applicable to procurement and purchasing for Cherokee County;

NOW, THEREFORE, BE IT ORDAINED AND ADOPTED BY THE CHEROKEE COUNTY COUNCIL AT GAFFNEY, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED: JUNE 3, 2019

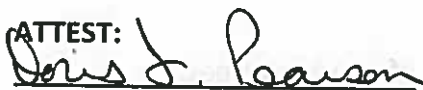
Cherokee County Purchasing Policy and Procedure shall be amended as set forth in Exhibit "A" attached hereto and incorporated herein:

CHEROKEE COUNTY, SOUTH CAROLINA

  
Cherokee County Council Chairman Tim Spencer

  
Cherokee County Administrator Steve Bratton

ATTEST:



Doris F. Pearson, Clerk to Council

1<sup>st</sup> Reading - 05/06/19

2<sup>nd</sup> Reading - 05/20/19

Public Hearing - 06/03/19

3<sup>rd</sup> Reading - 06/03/19

FILED IN OFFICE OF  
CLERK OF COURT  
CHEROKEE COUNTY, S.C.  
2019 JUN -5 AM 11:45  
BRANDY W. MCBEE

**PURPOSE:**

To provide operating procedures for the purchase of tangible assets such as materials, supplies, equipment, software and construction. These procedures shall apply to all expenditures of public funds by Cherokee County, irrespective of the source. These purchasing guidelines have been established to ensure compliance with state and local laws regarding the manner in which the County procures its supplies, services and other products for use. It shall apply to all expenditures of public funds by the Cherokee County Council for public purchasing, irrespective of the source. When procurement involves the expenditure of state or federal assistance or contract funds, the procurement shall be conducted in accordance with any applicable state and federal laws and regulations which are applicable in the circumstances.

**GENERAL PROVISIONS**

The purpose of this manual is to provide for the fair and equitable treatment of all activities involved in public purchasing by the County, to maximize the purchasing value of public funds in procurement, and to provide safeguards for maintaining a procurement system of quality and integrity. This manual shall provide, but will not be limited to, the following:

- a. To consolidate, clarify, and modernize procurement by the County;
- b. To provide adequate procurement oversight by the County Council;
- c. To require the adoption of competitive procurement practices by all departments of the County;
- d. To promote increased public confidence in the procedures followed in public procurement;
- e. To ensure the fair and equitable treatment of all persons who deal with the procurement system;
- f. To provide increased economy in procurement activities and to maximize to the fullest extent practicable the purchasing values of public funds;
- g. To provide safeguards for the maintenance of a procurement system of quality and integrity with clearly defined rules for ethical behavior on the part of all persons engaged in the public procurement process;
- h. To develop an efficient and effective means of delegating roles and responsibility to the staff and various County departments with oversight of the County Administrator; and

- i. To develop procurement capability responsive to appropriate user needs.

Interpretation of this policy shall be the responsibility of the Cherokee County Council and its County Administrator.

**PURCHASING AUTHORITY AND DUTIES**

The County's Purchasing Agent shall serve as the principal public procurement official for Cherokee County Council and shall be responsible for the procurement of supplies, services, and construction in accordance with this policy. The Purchasing Agent possesses the responsibility and authority to monitor and enforce the procurement policies of the County, in conjunction with the County Administrator.

The County's Purchasing Agent has sole authority to review requisition information affecting purchase prices, terms, and delivery, subject to the requirements of this policy. This includes the authority to provide vendor sources and facilitate negotiations of the best possible purchase price. Any and all participation by departments in this process must be conducted under the auspices and with the full knowledge of the Purchasing Agent. Under no circumstances shall any employee provide or state preferences or data or give any information or any salesman or vendor, which might interfere with the purchasing process.

The Cherokee County Purchasing Agent may delegate authority to purchase certain items and services, or construction items, to special project managers so designated by the Cherokee County Administrator, as such delegation is deemed necessary for the effective procurement of such items.

No department head, employee or person in any position of Cherokee County Government shall enter into, approve, sign, or execute any contract for any services, merchandise, or any obligation of Cherokee County until and unless signed and executed on behalf of Cherokee County by the Cherokee County Administrator.

Violation of these policies can result in suspension or termination of purchasing privileges and/or disciplinary action in accordance with County Personnel Policy. In addition, purchases in violation of this policy may create a financial liability on the part of the employee violating the policy.

The Cherokee County Purchasing Agent/Accounts Payable Clerk shall not accept requisitions or issue and purchase orders except as they obligate Cherokee County Council to the extent allowed in the aggregate budget.

Cherokee County department heads are authorized to expend County funds only for budgeted items as authorized by the annual budget. All price limits are to be viewed as total price to include all applicable taxes, fees, etc. that are assessed. Department heads may temporarily delegate this purchasing authority to a designee for the purchase of items less than \$1,000. The purchase of any item \$1,000 and over must be approved by the department head and may not be delegated.

- All County employees shall ensure that they make fiscally responsible purchases and that those purchases are only shipped to County offices. Purchases are not to be shipped to home addresses or non-County office addresses.
- All County employees are encouraged to utilize Cherokee County vendors on all purchases where local prices are competitive.

**Purchases under \$1,000 (Minimal Range):**

- Purchases under \$1,000 require the issuance of a purchase order to be authorized by the Cherokee County Purchasing Agent.
- No written or verbal bids are required for purchases under \$1,000. Receipts or invoices are required and must be approved by the department head or their designee.

**Purchases greater than \$1,000 and less than \$10,000 (Routine Range):**

- Purchases greater than \$1,000 and less than \$10,000 require the issuance of a purchase order to be authorized by the Cherokee County Purchasing Agent and the County Administrator. Approval by the department head is required.
- Requisitions/Purchase orders are required on all purchases of items in this range, budgeted or non-budgeted (see emergency). For purchases in this price range approval by the County Administrator is required.
- Documentation of written quotes/bids and supporting documentation is required for purchases in this range.
- Solicitation for offers/prices/bids shall be requested from at least three sources. Utilization of local vendors is preferred. Prices/bids may be provided to the County via letter, fax, email, or website.
- All supporting documentation of prices from at least three vendors must be attached to the purchase requisition. If a department is unable to obtain prices from at least three vendors, a memo signed by the department head as to the reason must be to the purchase requisition.

- Bid Award for purchases in this range: The requesting department will submit all documentation to the County Purchasing Agent. The County Purchasing Agent will present the documentation to the County Administrator for approval to award the purchase to the lowest responsible bidder.

**Purchases \$10,000 or greater (Formal Range):**

- Formal Written Requests for Proposals (RFPs) and/ or bid specification documents must be prepared.
- RFPs will be made available electronically to vendors. Every effort will be made to obtain bids/proposals from at least three vendors and to include all Cherokee County vendors.
- All purchases where the cost is in the Formal Range shall be posted on the County Website at least ten (10) business days prior to the date established for opening of bids or proposals; provided, however, that in the case of professional services, this section shall not apply. The website notice shall include a general description of the materials, equipment, or services to be purchased, how bid forms and specification may be obtained and the time and the place for the bid opening. Additionally, the County will utilize the services of the South Carolina Business Opportunity (SCBO) Newsletter, in order to reach the largest possible audience for bidding on items that we have publicized.
- Sealed Bidding will be required. Bids/proposals shall be delivered/submitted to the County Purchasing Agent securely sealed in a package, and shall be identified on the package in accordance with bid instructions. Bids/proposals not properly sealed and identified shall not be considered and will be returned to the bidder. Bids/proposals shall be opened in public at the time and place stated in the public notices. The amount of each bid/proposal and other relevant information as may be specified, together with the name of each bidder, shall be tabulated. A tabulation of all bids/proposals received shall be available for public inspection. Emailed or faxed bids will not be accepted.

**APPROVAL OF COUNTY COUNCIL**

County Council must approve all purchases in the Formal Range.

**BID SPECIFICATIONS**

The County Administrator shall have the authority to reject any or all bids/proposals for any supplies, materials, equipment or contractual services, to waive technicalities, and to make an award in the best interest of the County within the limits defined by this policy. All contracts for County improvements, material, equipment or services shall be awarded to the lowest responsible bidder; provided, however, in the case of professional services or consultants, this section shall not apply. In determining "lowest responsible bidder", the County Administrator will consider, in addition to price, the ability, capacity, skill, and financial resources of

the bidder to perform the contract or provide services. Additionally, whether the bidder can perform the contract or provide the services promptly without delay, the character, integrity, reputation, judgment, experiences, and efficiency of the bidder, the quality of performance, availability and adaptability of the supplies or service to the use required will also be considered. Furthermore, the ability of the bidder to provide maintenance, parts, and service, the quality and suitability of a product based on past performance, and the ability, capacity and skill of the vendor to train personnel may be factors in awarding the contract to a bidder.

When County staff does not recommend award to the lowest bidder in Routine and Formal ranges, a full and complete statement of the reason for placing the order elsewhere shall be prepared by staff and provided to the Purchasing Agent.

The County shall not accept the bid/proposal from a vendor or contractor who is delinquent in the payment of taxes or other monies due the County.

Corrections or withdrawal of inadvertently erroneous bids/proposals before bid opening, withdrawal of erroneous bids after award, or cancellation of awards or contracts based on such bid mistakes may be permitted by the County Administrator where appropriate. Any bidder may, by requesting in writing, withdraw his or her bid/proposal for any reason prior to the scheduled bid opening.

After bid/proposal opening, no changes in prices or other provision of bids prejudicial to the interest of the County or fair competition shall be permitted.

All suppliers solicited shall be afforded complete, unbiased information as to the description or requirements of the goods and services including any special conditions of the expected procurement.

All bidders shall be afforded time considered reasonable by the County to provide verbal or written bids or proposals, with the exception of responses in the formal range.

All responses received shall be evaluated for price, quality, acceptability as specified, availability of goods or services, past performance, transportation or any other special cost or factors which may apply, including any special conditions or exceptions which the bidder may have stipulated.

An invitation for bids, or a request for proposals, or other solicitations may be cancelled, or any or all bids or proposals may be rejected in whole or in part as may be specified in the solicitation, when it is for a good cause or simply determined to be in the best interest of Cherokee County.



## **OTHER PROCUREMENT ISSUES**

### **Vendors**

The Cherokee County Purchasing Agent may place any vendor who fails to satisfactorily meet any terms or agreements on contracts made with the Cherokee County Council on probation for one (1) year. This probation is subject to the right of appeal directly to the Cherokee County Council.

Should a vendor be unable or unwilling for any reason to meet the terms of an open contract, the Cherokee County Purchasing Agent may void that contract and use either the formal or informal bidding procedure, whichever is appropriate, to secure the needed items or services. Action taken by the county pursuant to this section does not negate or constitute a waiver of any legal remedies available to the county as a result of the vendor's breach of contract.

### **Insurance Requirements for Vendors**

- All on-site Contractors (1099 Vendors) who perform work on Cherokee County Property and the premises of Special Tax Districts utilizing County collected funding, are required to carry Workers Compensation Insurance Coverage.
- Proof of insurance (certificates) must be on file before a Purchase Order can be issued or work begun.
- Any exceptions to this requirement must be approved by the County Administrator. The requirements are as follows:
  - Workers Comp = Statutory Limits
  - Employers Liability:       \$100,000 minimum
  - General Liability:        \$1,000,000 minimum
  - Auto Liability:             \$1,000,000 minimum

If selling products or a building project the general liability must include Products and Completed Operations coverage. For high risk jobs (i.e. asbestos removal) a higher limit may be required. For businesses not required by law to obtain Worker's Compensation Insurance, the cost of WC coverage on the part of Cherokee County may be factored into the bid/quoted price.

### **Exemptions**

Procurement obtained under any of the following methods are exempt from the Routine/Formal bid procedures listed in this policy:

- a. Sole Source Purchases;
- b. Emergency Purchases;
- c. When it is to the advantage of Cherokee County to acquire goods and/or services on the basis of the previously awarded bid or contract (i.e., past experience with price, quality, service, etc.);

- d. When in the judgement of the Cherokee County Administrator and Cherokee County Council, it is to the advantage of Cherokee County to do so;
- e. Equipment Maintenance or service contracts;
- f. State of South Carolina contracts;
- g. GSA or other Federal contracts;
- h. Supplies and other services procured from governmental;
- i. Cooperative purchases;
- j. Published books, maps, periodicals, technical pamphlets and other such materials;
- k. Membership Fees;
- l. Postage;
- m. Registration Fees;
- n. Utilities;
- o. Professional services such as legal, audit, medical, engineers, land surveyors and architects.

Although the items listed in this section are exempt from the normal procurement procedures of this policy, every effort should be made to ensure that the procurement made and/or contract negotiated is cost effective and is in the best interest of the County.

#### **Sole Source Purchases**

Sole source purchases are not to be utilized exclusively for the speed of the transaction. They are to be used when only one responsible bidder can provide the goods or services that are being sought. Department heads must submit documentation/evidence of sole source to the Purchasing Agent for Routine and Formal ranges. The Purchasing Agent will not issue purchase orders on sole source purchases without required documentation attached. Acceptable justification for sole source purchases include, but is not limited to situations such as: item only available from one source within a geographic area, the item is protected by copyright/patent, or a court or federal/state entity has specified the source.

The Cherokee County Purchasing Agent shall conduct negotiations as appropriate, concerning price, delivery and terms. A record of sole source procurement shall be maintained that lists each contractor's name, the amount and type of each contract, a listing of the items procured under the contract. A completed Justification for Sole Source form will always be required.

#### **Emergency Purchases**

Ample opportunity for competitive bidding will be given in accordance with the above details of this purchasing manual and per the Code of Ordinances of Cherokee County. However, in the event of an emergency affecting the public welfare, health or safety, the purchasing provisions of this manual may be waived when, in the judgment of the County Administrator, such an emergency exists, the

purchase of necessary items may be made as follows:

- Upon the County Administrator's declaration of an emergency, the department head should determine vendors having needed items and obtain price quotes if possible. If time and the situation allows, the department head will prepare a requisition; if time or the situation does not permit, the department head may file the required requisition after the crisis is over. All emergency purchases should be documented with a completed Justification of Emergency Procurement form and submitted to the County Purchasing Agent.
- A full report of the circumstances of an emergency purchase shall be filed by the department head and presented to the County Administrator after the crisis is over.

Additionally, an emergency purchase is authorized when interruption of a project or work occurs due to the need for an item or service and when such interruptions directly affects the efficient and orderly completion of that project or work, and when the use of normal purchasing procedures would cause an excessive delay in obtaining the needed item or service

#### **Vendor/Manufacturer Rebates**

Rebate is defined as a return of all or part of an amount given in payment for a product, whether in the form of money, "free" merchandise, or future benefits based on purchases made. Examples of rebates include but are not limited to cash, credit toward future purchases, free goods (including food and beverages) and coupons.

Rebates include, but are not limited to, store and/or company rebate programs. These programs include hotel, grocery or airline points systems for illustrative purposes. Cherokee County views these programs, and their corresponding points (regardless of the denomination system), as property of Cherokee County. Therefore, the points may only be used for official Cherokee County purposes. Employees are strictly prohibited from attaching personal reward account numbers to travel or any other purchases paid for in whole or part by Cherokee County.

For the purpose of this policy, rebates associated with County purchases in the form of money or property are considered items of value that individuals may not personally acquire as a result of their position.

Employees should exercise significant caution with the acquisition of "free" merchandise (for example a tote bag) that is a part of a legitimate purchase that utilizes Cherokee County funding. The employee and/or department that acquires these "free" items must utilize the merchandise in the furtherance of Cherokee County. Additionally, the department is responsible for the continued tracking of these items and must have the ability to demonstrate the location of the items and/or that they have been disposed of in accordance with Cherokee County policy.

If a County related purchase qualifies for a rebate the instructions on the rebate form must be followed including any legal requirements as follows:

**Process:**

1. Rebate checks should be made payable to Cherokee County. In no instance shall the rebate check be made payable to an individual. Rebate checks or reimbursements will be deposited by the Treasurer's office back into the account and line item account from which the original purchase was made.
2. Rebates or free items in the form of certificates, merchandise, or gift cards shall be returned to the Cherokee County Treasurer's office. These items will be deposited or held for future use by Cherokee County. Department heads are responsible for assuring that a procedure is in place to account for rebates and free items in this form.
3. Rebate and free item documentation must be kept with the originating purchase documents showing the disposition of rebates items back to the County

Items purchased for and utilizing funds of Cherokee County must be purchased using account numbers and information solely for Cherokee County. Employees may not use their own account information (i.e. Amazon) when purchasing items for Cherokee County. Additionally, items purchased for and utilizing funds of Cherokee County, if delivered, must be delivered to a Cherokee County office. Employees are specifically prohibited from having Cherokee County items delivered to their homes or other non- governmental locations.

**State Contracts and Cooperative Purchasing ("Piggy Backing")**

When it is advantageous to procure materials, supplies, and/or equipment through the purchase contracts of the State of South Carolina, such shall be considered as having satisfied the bidding procedures outlined herein. The vendor number and contract number assigned by the South Carolina or Federal Procurement entity shall be provided on the requisition for submitted. In purchases in the formal range, the purchasing agent is authorized to purchase goods and services from local vendors if their price is equal to or less than the state contract price without the necessity of advertising for bids.

Cherokee County Council may elect to substitute the Cherokee County Procurement Policy with that of the South Carolina Consolidated Procurement Code or the Federal Procurement Policy when in the best interest of Cherokee County. Approval of the substitution must be made by Cherokee County Council in the form of a written request from the County Administrator prior to beginning the procurement process for required services or materials. The written request

must justify the necessity of substituting the Cherokee County Procurement Policy with that of the State or Federal Code.

In purchases in the formal range, the County also shall be authorized to utilize a recent formal bid solicitation from another South Carolina local government. Such purchases shall not require the formality of publication and receipt of competitive bids; however, such purchases require documentation and approval of County Council.

### **Bonding**

**Bid bonds** - When deemed to be in the best interest of the County, the County Administrator may require bid bonds to be submitted by vendors as part of the bidding documents. Bid bonds shall be returned to any unsuccessful bidder and the successful bidder upon execution of a contract. A successful bidder shall forfeit any bid bond upon failure to enter into a contract within ten (10) days after award, provided, however, that the County, in its uncontrolled discretion, may waive this forfeiture. The bid security should be in an amount equal to at least 5% of the amount of the bid at minimum. When the invitation for bids requires security, noncompliant requesters will be notified that their bid will be rejected.

**Performance and Payment bonds** - For all construction bids, that meet the Formal bid requirements and whenever it is deemed to be in the best interest of the County, the County Administrator may require a performance and/or payment bond for the full amount of the contract from the successful bidder. Performance and/or payment bonds will be deposited by the Cherokee County Treasurer and held for the duration of the contract. Failure on the part of the contractor to complete the contract would result in forfeiture of performance bond. The performance bond shall be released upon completion of contract, provided performance is satisfactory to the County Administrator in accordance with the specification and terms of the contract. Proof of the performance and/or payment bond must be submitted to the Purchasing Officer before the contract is finalized.

### **Recurring Purchases**

Requisition/purchase orders are not required for recurring purchases.

Recurring purchases are defined as pre-determined, regularly occurring, predictable, essential and repetitive expenses that arise out of the general course and scope of conducting business. Examples include utilities, copier maintenance, mobile telephone, ongoing service contracts, licensing fees, rental fees, fuel, etc.

Contracts for new recurring services must be approved by the County Administrator.

### **Request For Qualifications (RFQ)**

The RFQ process will be as follows:

1. The County will solicit RFQs via the Formal Bidding process as outlined above.
2. The review committee; consisting of the County Administrator and appropriate personnel as selected by the County Administrator will select the most qualified firm based on non-monetary criteria (i.e. experience performing similar projects, reputation, training, resources of the firm that can be dedicated to the project, etc.) and rank each additional firm in order of qualification.
3. Only after the selection of the most qualified has been completed will the review committee begin to discuss price.
4. If a mutually agreeable price can be reached then the most qualified firm will be presented to County Council for approval. If a mutually agreeable price cannot be reached then the second most qualified firm will be engaged to negotiate the price of the service. This process will be repeated with the firms until a mutually agreeable price is reached. After the selection process is complete multiple year contracts are permissible; however, the continuation with the selected firm has to be continually balanced against the County's desire to have open competition for the services received.

### **Procurement Responsibility**

Department heads shall ensure that prices are competitive and that local vendors are utilized whenever possible. The Purchasing Agent will assist departments in conforming to the purchasing policy.

It will be the responsibility of the department head to ensure compliance with the purchasing policy or guidelines on all purchases made by their departments. Failure to do so may result in the denial of the purchase and or disciplinary action.

The Purchasing Agent will monitor all departments' compliance with the purchasing policy and report issues to the County Administrator.

### **Discrimination Prohibited**

In the solicitation of bids or contracts, Cherokee County shall not discriminate because of race, religion, color, sex or national origin of the bidder or offeror.

### **Change Orders**

The Purchasing Agent shall have the authority to approve all change orders and contract modifications in the Minimal range as long as the cumulative total contract does not exceed this range and the total does not exceed the budget approved by County Council.

The County Administrator shall have the authority to approve all change orders and contract modifications provided that the amended cumulative total contract does not exceed the budget approved by County Council.

**Blanket Purchase Orders**

Blanket Purchase Order: A purchase order method used as a means to set aside a budgeted sum of money to a specific vendor for a range of services and non-specific consumable supplies. Blanket Purchase Orders are fully funded (encumbered) in advance.

The range of services and supplies covered by the blanket purchase order should be defined as narrowly as possible. Blanket purchase orders have a maximum duration of one year and, regardless of the date of initiation, will expire at the end of the fiscal year in which they were initiated. No single purchase using a blanket purchase order may exceed the amount specified in the Minimal Range.

Blanket purchase orders are not, in general, appropriate in most situations. Requests for Blanket purchase orders are subject to review by the Purchasing Agent to determine if a standard purchase order is more appropriate. A blanket purchase order requisition must be accompanied by a completed Blanket Purchase Order Agreement.

Blanket purchase orders are established with a maximum commitment dollar value. Requests for modification of this amount must be made in writing. Requests for increases will be reviewed by the Purchasing Agent as appropriate to ensure that funds are available before approval for the increase will be given.

**Timing of Purchases**

Large purchases that can be broken up into multiple purchases throughout the year, for example multiple vehicles or other items that are not interdependent, may follow the bidding requirements for the price range of a single item with the approval of the County Administrator.

**Unusual Circumstances**

The intent of the policy will be that the outlined procedures be followed; however, this policy also acknowledges that there are unique circumstances that may make a literal interpretation of this policy impractical. Due to the unique circumstances which may arise, that do not clearly fit into one of the categories outlined in this policy, the County Administrator will use his discretion in determining the appropriate solicitation requirements that are applicable in these circumstances.

**Purchasing Process**

For Departments making a purchase in the Routine Range, they should obtain quotes and submit them to the Purchasing Agent via the Requisition process.

For Departments making a purchase in the Formal Range, the Purchasing Agent,

or the County Administrator's appointee, will be in charge of the sealed bid procedure. The Departments should work with the Purchasing Agent to assist in providing any information needed to complete the process.

Any questions or requests for exemptions should go through the Purchasing Agent first, who will assist in answering any questions and bring any items for approval to the County Administrator.

### **Disposition of Property**

The sale or disposition of property shall be approved by the County Council.

### **Administrative Procedures**

While there are several types and categories of purchases, there is only one procedure to be followed in the procurement of supplies, materials and equipment. The sequence of events in this procedure may be rearranged at the discretion of the Cherokee County Purchasing Agent and/or Cherokee County Administrator to best accommodate the circumstances surrounding the need for the purchase. An example of such rearrangement would be in the case of an "Emergency Purchase".

However, regardless of the sequence of events, all appropriate documents and processes must be completed before an invoice is cleared for payment. The routine sequence is as follows:

- Step 1: Cherokee County Department Heads will secure quotes in accordance with the procedures established in this policy statement and will prepare a complete requisition form (current form is available on Cherokee County website).
- Step 2: The Cherokee County Purchasing Agent will prepare the purchase order.
- Step 3: The Cherokee County Administrator and/or the Cherokee County Purchasing Agent will approve the issuance of a purchase order in accordance with the appropriate section of the purchasing policy.
- Step 4: The approved purchase order will be forwarded to the Department Head by the Purchasing Agent.
- Step 5: The Department Head, or their designee, will then forward a copy of the Purchase Order to the Vendor with the approved information regarding the purchase.



A copy of all purchase orders issued along with a copy of the requisition attached, is maintained in the Procurement/ Accounts Payable Office. As packing slips are received by the department ordering the goods or services, they should be forwarded with sign-off to the Cherokee County Accounts Payable Clerk. The outstanding purchase order will be filed in numerical order until the invoice is received.

The original invoice, if received by the ordering Department Head, should be forwarded to the Cherokee County Accounts Payable Clerk.

As invoices are received by the Accounts Payable Clerk, they are to be screened against the purchase order file.

Each invoice is stamped and prices and quantities from the invoice are checked against the receiving report, the original purchase order and requisition.

If there are any discrepancies, the Cherokee County Purchasing or Department Head will be notified and the discrepancies must be cleared before further processing takes place.

If all items are correct, the signed invoice, packing slip, purchase order and requisition are stapled together and the classification is checked.

Classification of an invoice is the process used to determine what department and/or general ledger account is to be charged with this disbursement.

After classification review, invoices are posted to the appropriate account(s) in the accounts payable portion of the general ledger.

The Cherokee County Accounts Payable Clerk then reviews and approves all invoices for payment and a pre-disbursement listing is made for the Cherokee County Council's review. The Cherokee County Finance Director also reviews and approves all invoices prior to Cherokee County Council's review.

Checks for the approved disbursements are then produced and signed by the Cherokee County Treasurer.

In addition to the above, a listing of all checks written during the month that the Cherokee County Council does not pre-approve, showing check number, amount and explanation is given to each Councilman at the next meeting. These payments would include amounts paid to avoid late payment fees or service termination or to secure discounts, such as utility services.

**Procedures and Tie Bids**

The following procedure is to be used in dealing with local vendors, compared to non-local vendors:

- 1) If all bids received are for the same total amount or unit price, quality and service being equal, the contract shall be awarded to the local bidder.
- 2) If two or more local bidders share in a tie bid, all else being equal, the Cherokee County Purchasing Agent shall award the contract to bidder who submitted their bid first according to the date/time noted on the sealed envelope.
- 3) If local vendors are not involved in tie bid, the Cherokee County Purchasing Agent shall award the contract to one outside tie bidder who submitted their bid first according to the date/time noted on the sealed envelope.

**Cherokee County Vendor Preference {Ordinance No.2011-01}**

- 1) A vendor shall be deemed "Cherokee County vendor" for the purposes of this Part if:
  - (a) Such vendor be an individual, partnership, association or corporation that is authorized to transact business within the State of South Carolina;
  - (b) Such vendor has a physical business address located and operating within the County of Cherokee and has maintained such address for a period of ninety (90) days prior to the advertisement of the request for proposals or the date the County otherwise solicits bids; and
  - (c) Provides proof of payment of all applicable Cherokee County taxes and fees.
  - (d) A post office box or temporary construction or office trailer shall not be considered a physical business address to comply with the provisions of this section.

2) Cherokee County Vendor Preference

The lowest responsive and responsible Cherokee County vendor, if any, whose bid is within five percent (5%) of the lowest non-Cherokee County vendor, which would otherwise be awarded the bid, may be

given the opportunity to match the bid submitted by the non-Cherokee County vendor and thus be awarded the bid for the provision of goods, supplies or construction services. This preference shall be applicable only to solicitations by Cherokee County for goods, supplies and construction services which are \$25,000 or more in value. Should the lowest responsible and responsive Cherokee County vendor not exercise its right to match the bid as granted herein, the next lowest Cherokee County vendor shall be authorized to exercise such right and so on. The right to exercise the right to match the bid shall be exercised within 24 hours of notification of the right to match the non-Cherokee County vendor's bid.

- 3) In order for a Cherokee County vendor to assert its right to the preference created in this Article, the Cherokee County vendor must fully complete an Affidavit\* claiming such preference at that time that its original bid is submitted. Failure to provide such Affidavit at the time the vendor submits its original bid shall constitute a waiver of any claim for preference.
- 4) Should a solicitation, procurement, or request for bids be made by Cherokee County for goods, supplies or construction services, which by state or federal guidelines prohibit or restrict the type preference created in this section, this section granting such preference shall not apply to such solicitation, procurement, or request for bids. Likewise, should any solicitation, procurement, or request for bids by Cherokee County for goods, supplies or construction services be funded in whole or in part with state or federal monies, the receipt of which by Cherokee County prohibits or restricts the use of the type of preference created in this section, this section granting such preference shall not apply to such solicitation, procurement or request for bids.

### **Central Services**

The County maintains in Central Services, a supply of frequently requested items. The items are primarily office supplies that are available by completing a Central Service Stores Item Request to facilitate the charge-back. The items are purchased in quantity and inventoried in the Finance area at the Administration Building. This service provides quick, price effective access to items for Cherokee County departments without having to follow the procurement/purchasing processes herein. This is the preferred option for Department Heads to utilize for acquiring the items available. The Cherokee County Purchasing Agent is authorized to add items to the inventory as it is determined that the usage justifies the cost of maintaining the items.

### **Ethics**

Cherokee County employees or elected officials may not subvert the public

purchasing process by directing County purchases to certain favored vendors, or to tamper with the competitive bidding or purchasing process for any reason including but not limited to rebates, kickbacks, family, friendship or gratuities.

No department will be permitted to break down purchases of supplies, materials, services, vehicles, machinery, equipment, appliances, apparatus, construction, repair and maintenance or other items for the purpose of avoiding the procedural requirements that would have applied had the items been appropriately grouped together and purchased at the same time.

No County employee or official, elected or appointed, shall knowingly provide false or misleading information to any vendor or bidder wishing to do business with the County. The purchasing process, including the sale of surplus property, shall be open to prospective bidders or suppliers, and all parties shall have equal access to pertinent information. Any information or statistics accumulated during the course of a bid process, including the value submitted, number of bids received, or the identity of the parties from whom bids have been received is considered confidential information. This information will not be disclosed until the time of bid opening due to the fact that disclosure of such information could result in a competitive advantage to one or more vendors or bidders and would not be in the best interest of the County.

No County employee or elected official may use their public position or office to obtain financial gain or anything of substantial value for personal benefit, or to benefit an organization, family member or other person with which they are personally associated. Violation of this policy will lead to disciplinary action, up to and including discharge per the County's Disciplinary Policies.

In addition, the County also requires ethical conduct from those with whom the County does business. Any effort by a vendor or bidder to influence an employee to violate the statement of ethics, as described above, will be considered grounds to dismiss or reject any current or future bids from that vendor as both an individual and corporation.

### **Financial Interest**

No Cherokee County Council member shall have a financial interest in any contract, or in the sale to Cherokee County Council, or to a contractor supplying the County Council of any land or rights or interest in any land, material, supplies or services; except when a majority of the Cherokee County Council determines such exception is in the best interest of County Council, provided that no County Council member whose interest is involved shall vote on the question. Any willful violation of this section shall constitute malfeasance in office and any County Council member or employee found guilty thereof shall therefore forfeit his/her County Council office or position. Any violations of this section, with the knowledge, expressed or implied, of the person or corporation contracting with Cherokee County Council shall render the contract voidable by

Exhibit A

Cherokee County Council. In any event County Council shall comply with requirements of state ethics laws and regulations.

