

**CHAPTER 1.20
PROCUREMENT POLICY**

SECTIONS

- 1.20.010 *PURPOSE*
1.20.020 *APPLICATION*
1.20.030 *METHOD OF PROCUREMENT*
1.20.040 *PROCUREMENT RECORDS*

1.20.010 **PURPOSE:** The purpose of this Procurement Policy is to ensure that sound business judgment is utilized in all procurement transactions and that supplies, equipment, construction, and services are obtained efficiently and economically and in compliance with applicable federal law and executive orders. (9-22-83)

1.20.020 **APPLICATION:** This policy applies to the procurement of all supplies, equipment, construction, and services of and for Pottawattamie County, Iowa, related to the implementation and administration of the Community Development Block Grant. All procurement will be done in accordance with OMB Circular A-102, Attachment O. (9-22-83)

1.20.030 **METHOD OF PROCUREMENT:** Procurement under grants shall be made by one of the following methods, as described herein: (a) small purchase procedures; (b) competitive sealed bids (formal advertising); (c) competitive negotiation; (d) noncompetitive negotiation. (9-22-83)

.01 Small purchase procedures are relatively simple and informal procurement methods that are sound and appropriate for a procurement of services, supplies, or other property, costing in the aggregate not more than \$10,000. The County shall comply with State or local small purchase dollar limits under \$10,000. If small purchase procedures are used for procurement under a grant, price or rate quotations shall be obtained from at least three qualified sources. (9-22-83)

.02 In competitive sealed bids (formal advertising), sealed bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all of the material terms and conditions of the invitation for bids, is lowest in price. (9-22-83)

(A) Appropriate conditions in order for formal advertising to be feasible must be present, including, as a minimum, the following:

- (a) a complete, adequate and realistic specification or purchase description;
- (b) two or more responsible suppliers are willing and able to compete effectively for the County's business; and
- (c) the procurement lends itself to a firm-fixed-price contract, and selection of the successful bidder can appropriately be made principally on the basis on price. (9-22-83)

(B) When formal advertising is used for procurement under a grant, the following requirements shall apply:

- (a) A sufficient time prior to the date set for opening of bids, bids shall be solicited from an adequate number of known suppliers. In addition, the invitation shall be publicly advertised.

(b) The invitation for bids, including specifications and pertinent attachments shall clearly define the items or services needed in order for the bidders to properly respond to the invitation.

(c) All bids shall be opened publicly at the time and place stated in the invitation for bids.

(d) A firm-fixed-price contract award shall be made by written notice to that responsible bidder whose bid, conforming to the invitation, is lowest. Where specified in the bidding documents, factors such as discounts, transportation costs and life cycle costs shall be considered in determining which bid is lowest. Payment discounts may only be used to determine low bid when prior experience of the County indicates that such discounts are generally taken.

(e) Any or all bids may be rejected when there are sound documented business reasons in the best interest of the program.

.03 In competitive negotiation, proposals are requested from a number of sources and the Request for Proposal is publicized. Negotiations are normally conducted with more than one of the sources submitting offers, and either a fixed-price or costs-reimbursable type contract is awarded, as appropriate. Competitive negotiation may be used if conditions are not appropriate for the use of formal advertising. If competitive negotiation is used for procurement under a grant, the following requirements shall apply:

(A) Proposals shall be solicited from an adequate number of qualified sources to permit reasonable competition consistent with the nature and requirements of the procurement. The Request for Proposal shall be publicized and reasonable request by other sources to compete shall be honored to the maximum extent practicable. (9-22-83)

(B) The Request for Proposal shall identify all significant evaluation factors, including price or cost where required and their relative importance. (9-22-83)

(C) The County shall provide mechanisms for technical evaluation of the proposals received; determinations of responsible offerors for the purpose of written or oral discussions, and selection for contract award. (9-22-83)

(D) Awards may be made to the responsible offeror whose proposal will be the most advantageous to the procuring party, price and other factors considered. Unsuccessful offerors will be notified promptly. (9-22-83)

(E) The County may utilize competitive negotiation procedures for procurement of architectural/engineering professional services, whereby competitor's qualifications are evaluated and the most qualified competitors' qualifications are selected, subject to negotiation of fair and reasonable compensation. (9-22-83)

.04 Noncompetitive negotiation is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Noncompetitive negotiation may be used when the award of a contract is infeasible under small purchase, competitive bidding (formal advertising) or competitive negotiation procedures. Circumstances under

which a contract may be awarded by noncompetitive negotiation are limited to the following:

- (A) the item is available from only a single source;
- (B) after solicitation of a number of sources, competition is determined inadequate;
- (C) public exigency or emergency when the urgency for the requirement will not permit a delay incident to competitive solicitation; and
- (D) sole source procurement for supplies, equipment, construction, and services valued at \$10,000 or more must have prior approval of the Iowa Office for Planning and Programming. (9-22-83)

.05 Any other method of procurement must have prior approval of the Iowa Office for Planning and Programming. (9-22-83)

.06 Contract Pricing.

- (A) The cost plus a percentage of cost and percentage of construction cost method of contracting shall not be used.
- (B) The County shall perform some form of cost/price analysis for every procurement action, including modification or change orders. (9-22-83)

.07 Small, Minority, and Women's Business Enterprises and Labor Surplus Area Firms.

- (A) The County may solicit qualified small, minority, and women's businesses whenever they are potential sources.
- (B) The County will procure goods and services from labor surplus areas when economically feasible. (9-22-83)

1.20.040 **PROCUREMENT RECORDS**: The County shall maintain records sufficient to detail the significant listing of a procurement, including the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the cost or price. (9-22-83)