

Luzerne County Purchasing Manual

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1 Introduction

The Purchasing and Contracting Manual was developed by the Purchasing Department, County Managers Office, County Council and Office of Law. The purpose of this manual is to set forth how purchasing activities should be conducted in Luzerne County.

This manual details the policies and procedures of the Luzerne County Purchasing Department. It outlines all phases of the purchasing process, from preparation of requisition, to the acceptance of goods and services. It clarifies the responsibilities of the Purchasing Department and of individual departments, and explains the legal requirements affecting purchasing services for all County departments.

Purchasing recognizes that other policy manuals exist within the County. For the purpose of procurement, this manual was not written to supersede any adopted policy currently in effect, but to provide guidance and alleviate the questionable areas of who is responsible for what.

1.1 Using the Table of Contents

Use the Table of Contents provided at the beginning of this manual to determine which chapters contain the information you are looking for.

2 Overview of the Purchasing Process

This chapter contains an overview of the purchasing process from requisition to receipt of goods or services, the authority of the Purchasing Agent, the County's purchasing policies and ethical standards, and the County's bidding requirements.

2.1 The County Purchasing Agent

The County Purchasing Agent purchases goods and services for all County departments. The Purchasing Agent has delegated a portion of the duties to Division/Department Managers. The Division Head/Manager will have the authority to approve requisition orders for goods and certain services/maintenance agreements. All contracts for purchases and acquisitions shall be executed on behalf of the County by the County Manager or his/her designee in accordance of the Luzerne County Charter.

2.2 The County's Purchasing Process

The County of Luzerne has adopted a centralized purchasing system under the authority of the Purchasing Agent, for purchases under \$ 2,500. The Purchasing Agent is responsible for procuring all goods and services used by the County, unless the procurement are otherwise exempt by ordinance or policy adopted by the County Council/Manager. The County Manager approves all professional/consultant services contracts costing more than \$ 10,000 but less than \$ 25,000.

When it is in the best interest of the County, the Purchasing Agent may choose to delegate authority to other departments. In order to assist County departments in providing timely, cost effective, and efficient services, the Purchasing Agent has delegated certain authority to County departments to solicit quotes.

2.2.1 Competitive Purchasing

The County is committed to a program of purchasing competitively and wisely. It is the objective of the Purchasing Department to require that competition be obtained from responsible vendors, and the materials bought through competition are properly suited to the job intended, both as to price and quality.

2.2.2 Buying Recycled Products

It is the intent of the County to purchase recycled content and environmentally preferable products whenever quality and price are equal.

2.2.3 Ethical Standards for Purchasing Activities

It is the policy of Luzerne County to promote government integrity and guard against even the appearance of impropriety by prescribing the following essential standards of ethical conduct.

County employees shall discharge their duties impartially to assure fair competitive access to government procurement by responsible contractors and to foster public confidence in the integrity of the County procurement system.

County employees shall not solicit, demand, accept or agree to accept a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, or preparation of any part of a program requirement, specification standard or contract.

County employees shall not participate directly or indirectly in procurement when they know that the employee or any member of the employee's immediate family has a personal financial interest pertaining to the procurement.

County employees shall not participate directly or indirectly in procurement when they know that: A business or organization in which the employee, or any member of the employee's immediate family, has a personal financial interest pertaining to the procurement.

County employees shall not participate directly or indirectly in procurement when any other person, business or organization with which the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

2.2.4 Discovery of an Actual or Potential Conflict of Interest

Upon the discovery of an actual or potential conflict of interest, an employee shall promptly withdraw from further participation in the transition involved and notify his/her immediate supervisor of the conflict. Office of Law should be consulted for an opinion whenever there is even a question of an appearance of conflict.

2.2.5 Significant Points About the Purchasing Process

- ❖ Unless otherwise specified, all purchases require proper authorization. Only the County Manager and the Purchasing Agent are authorized to commit the County to purchases for goods and services. County Division Heads/Managers should ensure they make vendors and departmental staff aware of the department manager's limited authority to make purchases.

- ❖ Purchases cannot be split to avoid competitive bidding requirements. County departments may not artificially divide purchase requisitions to circumvent competitive bidding requirements.
- ❖ Specifications cannot be drafted specifically to limit bidding. No department or employee shall draft or cause to be drafted any specifications in such a manner as to limit the bidding directly or indirectly to any one specific concern, or any specific brand, product, thing, or service, except for those items that are approved as exempt from competitive bidding requirements or are approved as sole source purchases.

2.2.6 Violation of Purchasing Policy & Procedures

If a County department purchases goods or services contrary to the provisions of these purchasing policies and procedures, or without the appropriate authority, the purchase or contract is void, of no effect, and does not obligate the County.

A department making an unauthorized purchase may be required to appear before the County Manager to obtain approval of such expenditure. An unauthorized purchase may include any of the following;

- Any purchase over \$ 2,500 not authorized by the Purchasing Agent or County Manager, and not otherwise justified.
- An obvious circumvention of delegated purchasing authority or the purchase of items specifically identified as exempt from delegated purchasing; i.e. office equipment, maintenance agreements, etc.
- Any purchase for personal use.
- An emergency purchase order determined not to be justified.
- Willful failure of a County employee to comply with the County's purchasing policy and procedures, could result in disciplinary action including termination, pursuant to the applicable policies and procedure. In addition to disciplinary action, criminal prosecution could also be warranted.

2.3 What You Should Know about Your Department's Responsibilities

County departments have important responsibilities in the procurement of goods and services. This section of the manual outlines some of those responsibilities, policies, and procedures to assist departments in their interaction with the Purchasing Department.

2.3.1 Quality Control

Placing an order through Purchasing Services is only one part of the buying process. The ordering department has other important functions to perform in this process as defined below.

2.3.1.1 Receiving and Inspection

Unless Special Receiving Assistance is required by the County, departments shall provide for the receiving and inspection and acceptance or rejection of deliveries of merchandise requested and services received. Departments are responsible for ensuring that commodities delivered and services performed conform to the contract specifications.

Departments are responsible for keeping complete records showing the date of delivery, quantity delivered or services performed, and any discrepancies. Payments shall not be processed for goods or services received for which there is a discrepancy, until the discrepancy is resolved. If the discrepancy cannot be resolved, the department should contact the Purchasing Department for assistance. Purchasing Services staff will contact the vendor, take appropriate action, and maintain a record of the default.

2.3.1.2 Checks & Balances

It is recommended that Division/Department Heads assign these responsibilities to specific individuals, preferably persons other than those who approve requisitions, in order to maintain checks and balances in the purchasing process.

2.3.1.3 Quality & Performance Testing

Quality and performance testing of commodities and equipment is the responsibility of the receiving department, except as otherwise directed by this manual or unless prior arrangements are made with the Purchasing Department.

2.3.1.4 Contract Compliance

Departments are responsible for ensuring that products or services they contract for are performed as specified. All discrepancies should be immediately reported to the Purchasing Department for direction on how to resolve the problem. The Purchasing Department staff will advise the department on how to resolve the problem or contact the vendor or contractor, take appropriate action, and maintain a record of the default. Departments are responsible for keeping complete records showing the service performed and any discrepancies. Payments shall not be processed for goods or services for which there is a discrepancy, without prior approval from the Purchasing Department.

2.3.1.5 Payment Process

Division/Department Heads shall ensure that the Budget/Finance office is promptly forwarded a payment authorization for accepted goods or services to take advantage of any discounts to which the County is entitled.

2.3.1.6 Assistance from the Purchasing Department

The Purchasing Department will be happy to help departments resolve quality issues with goods received. The Purchasing Department should be contacted in the event of:

- A department has a question as to whether an item delivered meets contract specifications. (The Purchasing Department may arrange an inspection.)
- Equipment or supplies received and placed in a service does not appear to be performing as expected or as represented by the seller.
- After items are received, the department is receiving poor service or experiencing other problems.

Copies of all correspondence concerning purchase orders and other contracts under the jurisdiction of the Purchasing Department shall be forwarded to the Purchasing Department.

2.3.2 Expediting Materials

If initial contact with a vendor who is late meeting specified delivery dates are unsuccessful, the department should contact the buyer responsible for the purchase order.

The buyer will contact the vendor on the department's behalf and will continue to monitor the vendor's progress until the order is complete. The buyer will keep the department advised of the status of the transactions.

2.3.3 Manufacturer's Warranties

Many items and equipment purchased by departments carry manufacturer's warranty of acceptable materials and workmanship. To ensure that the manufacturer repairs defects covered by the warranty, all departments shall register and maintain proper records of such warranties.

2.3.4 Energy Conservation Considerations

Whenever practical and feasible, before purchasing new equipment, the Purchasing Department or any other County officer or employee authorized to purchase such equipment, must evaluate and consider the energy consumption level and the anticipated operating costs over the useful life of the new equipment in addition to the initial cost of such equipment.

2.3.5 Special Receiving Assistance

Because of their technical nature, receipt of the following items should be made by, or shall be coordinated with, the indicated organization:

- ❖ Division of Operations – Receipt of Vehicles
- ❖ Division of Administrative Services – Receipt of Computer Hardware, Software and Telecommunications Equipment

2.4 Purchasing Department Goals & Objectives

The Purchasing Department is responsible for overseeing the purchase of all supplies, equipment, and certain service/maintenance agreements required by the County. The goal of the Purchasing Department is to reduce the total costs associated with the acquisition and management of materials, supplies, equipment, and certain services by:

- Purchasing competitively and wisely.
- Using best practices in the daily procurement process.
- Hiring staff specifically skilled in the business of purchasing.

County departments, vendors, and the public rely on the County's professional purchasing staff for information and assurance that the County's purchases are being made fairly, economically, and in the best interest of the County.

2.4.1 Purchasing Services Objectives

- To provide increased economy in the County procurement system and to maximize to the fullest extent, practicable the purchasing value of public funds.
- To provide safeguards to insure the maintenance of a procurement system of quality and integrity.
- To insure fair and equitable treatment of all persons and businesses who deal with the procurement system of the County.
- To buy the right material of the right quality and in proper quantity at the right time, from the proper source.
- To reduce the overhead cost of buying and reduce the volume and streamline the flow of paperwork.
- To seek values that offers the best combination of price, quality, and services.
- To seek purchasing savings by consolidating departmental requirements and making volume purchases.
- To promote a system of standardization throughout the County so better materials, at minimal cost, may be secured for all departments.

- To decentralize the sources of supply for departments by providing for direct delivery whenever practical.
- To provide, upon request, purchasing services for non-county public agencies.
- To buy recycled products when quality and price are equal.

2.5 How the Purchasing Department Assists County Departments

- ❖ **With all phases of material utilization**, Purchasing will assist County departments in all phases of material utilization, including acquisition, storage, distribution, reutilization and disposal. Purchasing will help departments in setting appropriate inventory levels for the storage of all materials and equipment to minimize costs associated with ordering, storing, and distributing goods.
- ❖ **With pre-requisition information**, Purchasing will help departments locate sources of supply and examine alternative products before submitting their purchase requisitions. Purchasing will also assist departments with specification preparation.
- ❖ **In determining acquisition method and financing**, Purchasing will help departments determine the appropriate method of acquisition of equipment, which may include financing.
- ❖ **With order and follow-up & other tasks**, Purchasing will assist departments with order follow-up, expediting, inspection, receiving of goods, and quality control.
- ❖ **With contract enforcement**, Purchasing will assist departments with the enforcement of the terms and conditions of purchase orders and contracts.

2.6 How the Purchasing Process Works

County departments determine their need for goods and submit purchase requisitions to the Purchasing Department. The purchase requisition authorizes the Purchasing Department to make purchases on behalf of the County departments. The Buyers in Purchasing, determine the appropriate method of procurement by examining the goods and/or services requested (e.g., materials, equipment, or services/maintenance agreements) and the amount to be spent. They determine the most appropriate methods of obtaining the goods or services based on state or local laws and policies and good procurement judgment.

2.7 Purchasing Instruments Used by the County

Upon receipt of a purchase requisition submitted by County departments, various purchasing instruments are issued by the Purchasing Department to obtain the goods and certain services needed.

2.7.1 Purchase Order

A purchase order is a contractual form used to document the sale between the buyer/County and the seller/vendor. The County's purchase order incorporates standard terms and conditions printed on the vendor's copy.

2.7.2 Blanket Purchase Order

A blanket purchase order is an open order for materials or services/maintenance agreements required on an as needed basis. It is established upon receipt of a departmental (purchase) requisition from a County department. The requesting department specifies the goods and services it requires, and then Purchasing establishes an agreement with the vendor and issues a blanket purchase order.

Blanket Purchase Orders are authorized by the Purchasing Agent and issued:

- For operational services/supplies based on geographical location(s) to the County's site of operation, such as towing services.
- Service/Maintenance needs that are on a needed basis, such as elevator repair.
- Where quantitative information is unavailable due to unforeseeable usage, which would result in an ambiguous bid call. Blanket purchase orders may be negotiated with one or more vendors.

2.7.3 Confirming Purchase Order

A confirming purchase order is a purchase order issued after a verbal purchase order number has been given to a vendor to place an order. Purchasing may give confirming purchase order numbers to County departments upon receipt of the requisition request when the departments require expedited purchases that cannot be accomplished with average processing. For these types of occasional purchases, County departments may contact a Buyer and request authorization to make direct purchases. Authorization may be granted when the need is urgent and there is no time to submit a requisition to the Purchasing Department.

If a Buyer approves a department's request for a confirming purchase order, the department representative shall take the following actions;

- The department representative will obtain a purchase order number from the Buyer,
- The agreed price for the goods and services,
- The agreed delivery date,
- A complete description of the goods or services,
- The name of the Buyer who provided the purchase order number and the date of authorization.

2.7.4 Purchasing Credit Cards

In order to facilitate the County's purchasing process for purchases, the County Manager authorized Division Heads to approve purchases by Credit Card subject to terms, conditions and approvals per Luzerne County Purchasing.

2.7.5 Contracts

A Contract is an agreement to do or not to do a certain thing and it gives rise to an obligation or legal duty enforceable in an action at law. The County uses contracts to set forth terms, conditions, and the statement of all work to be performed. Contracts also allow for more detail placed in writing.

2.8 Bidding Methods Used by the County

The Purchasing Department uses four basic methods of soliciting bids from suppliers and contractors; they are:

2.8.1 Oral Quotes

Procedures for purchases and acquisitions costing less than the minimum required for competitive bidding but more than \$ 2,500 shall include, but shall not be limited to, requirements for at least three written, telephonic, fax or scanned price quotes and definitions, conditions, terms, rules and regulations desirable for an efficient and effective purchasing and acquisition system. The use of the technique commonly known as bid-splitting to avoid the requirements for written, telephonic, fax or scanned price quotes, shall be prohibited. The County Manager may raise the minimum amount set forth in this subsection for purchases and acquisitions subject to written, telephonic, fax or scanned price quotes, by ordinance.

Although the quotes are oral, documentation is important for enforcement of the price and terms. An award is made to the lowest responsive and responsible bidder.

2.8.2 Written Quotes

Written quotations shall be on the Purchasing Departments standard Request for Quotation Form and shall include the name and signature of the vendor representative and the date of the quote.

2.8.3 Formal Sealed Bids

Formal sealed bids are required for all materials and equipment costing more than \$ 25,000. They require issuance of a Request for Proposal (RFP) or an Invitation for Bid (IFB), with a purchase description including acceptance criteria and all contractual terms and conditions applicable to the procurement; a public opening of bids at a pre-designated time and place; unconditional acceptance of a bid without alteration or correction. Award to the responsive and responsible bidder who has submitted the lowest bid that meets the requirements and criteria set forth in the Invitation for Bids. Request for Proposals (RFP) and Invitation for Bids (IFB) are further detailed in Section 9 of this manual.

2.8.4 Formal Sealed Proposals

A sealed proposal solicitation is a method of procurement that involves, but is not limited to:

- Solicitation of proposals through a request for proposals
- A private opening of proposals, which will avoid disclosure of offerors or contents to competing offerors before and during the process of negotiation;
- Submission of cost or pricing data from the offeror when required;
- Discussion with responsible offeror whose proposals have been determined to be reasonable susceptible of being selected for award, unless such discussions are not required by the request for proposal or this manual;
- An award made to the responsible offeror whose proposal is determined in writing to be the most advantageous, considering evaluation factors set forth in the Request for Proposal.

2.9 The County's Right to Reject Bids, Quotes and Proposals

The Purchasing Agent may reject all bids received if it is determined that the price, terms, or surrounding circumstances are such that an award would not be in the best interest of the County.

2.10 Exceptions to the Competitive Bid Process

The Purchasing Agent or Division/Department Head should negotiate the best price with the chosen vendor/contractor. Competitive bidding is not required for the following purposes:

- When the aggregated or cumulative price to be paid under the purchase contract is twenty five thousand dollars (\$ 25,000) or less, unless otherwise required by state law;
- When a patented or proprietary item is being purchased;
- In the event of an emergency; purchases necessary when unforeseen circumstances require an immediate purchase in order to avoid a substantial hazard to life or property or serious interruption of the operation of a County department, or the necessary repair of County equipment or heavy equipment required for the operation of a County department;
- When the following types of personal property or service are being acquired, obtained, rented or leased:

- Advertising
- Books, publications, subscriptions, recordings, motion picture films, and annual book and periodic contracts
- Public utility service
- Travel services
- Property or services provided by or through other government agencies
- Expert and professional services. Wherever state law expressly authorizes the execution of expert and professional services contracts.
 - *Definition of expert and professional services are defined by state law as those that involve extended analysis, the exercise of discretion and independent judgment in their performance, and an advanced, specialized type of knowledge, expertise, or training customarily acquired either by prolonged course of study or equivalent experience such as accountants, physicians, social service consultants, labor consultants, investigators, attorneys, architects, surveyors and engineers.*
- Election supplies, unless otherwise advised by state regulations
- Documentation of price comparison is required. Although elections materials are exempt from competitive bidding, attempt to secure the best prices for like election-related materials, commodities, and services of election items is encouraged.
- Legal brief printing, stenographic services and transcripts
- The following personal property or services obtainable;
 - Such other contracts is currently then in effect, and
 - Such contract was let through a competitive pricing process, such as competitive written bids, requests for proposals, or quotes for such items
- Property or services the price of which is fixed by law
- Automotive and heavy equipment repairs
- Proprietary drugs and pharmaceuticals, medical supplies and equipment
- Training seminars, classes for County personnel
- Sole source procurement, defined as an award for a commodity or service which can only be purchased from one supplier, usually because of its technological, specialized, or unique character
- When the Purchasing Agent or County Manager, determines it is in the best interest of the County to renew a contract from the previous contract period:
 - Based on satisfactory service or reason or reasonable prices;
 - To avoid the interruption of County business;
 - Based on good business sense;
 - Pursuant to the terms and conditions of the contract
- When the products or services needed are pending award of bid and the apparent low bidder agrees to provide them at the current or previous contract price until a new contract can be awarded. Such interim period contracts shall not exceed six months or the conclusion of a bidder's appeal

Although the above are exemptions from competitive bidding, these purchases are still subject to the other aspects of the Purchasing policy, such as preparing requisitions and contracts. Wherever possible it is encouraged that the competitive process be used in the best interest of the County.

2.11 Standardization of Common Materials and Equipment

Standardization is the organized process of establishing agreements on specific quality, design, size, etc., for commonly used materials and equipment. The established agreements are called standards. When standards are adopted, only the items meeting the standards may be purchased.

The County has standardized many products, such as ergonomics furniture, photocopiers, and personal computers. The Purchasing Department is responsible for establishing standards for products and materials used by the County.

Standards are subject to continuous review and are changed as conditions warrant. Suggestions for changes to existing standards, and suggestions for establishment of new standards, should be submitted to the Purchasing Department.

2.12 An Overview of Approval Requirements for Materials and Equipment

When the Purchasing Agent forwards a matter to County Council for their approval or ratification, the matter is placed on Council Agenda.

The following policies set forth the requirements for submitting purchasing related matters to County Council for approval, ratification, or information;

- All contracts required by the County Charter to be approved by County Council;
- Joint powers or cooperative purchasing agreements;
- Change orders, alterations, renewals, terminations or addenda to a County Council approved contract, unless authorization was delegated at the time of initial approval of the contract

2.12.1 Ratification is Required

- ✓ **Emergency purchases exceeding \$ 25,000** Emergency purchases exceeding \$ 25,000 and not purchased using County purchase order, must be submitted by the responsible department at the next regularly scheduled County Council meeting.

2.12.2 Purchasing Agents Approval Required

Generally, the Purchasing Agent, or Agent's designee (Purchasing Department) has the authority to approve the following items, provided the monetary amounts are with those provided by the County:

- All purchase orders and purchase agreements;
- Revisions to the bidder's list policy;
- Sale or lease of surplus personal property having an individual value of \$ 2,500 or less.

2.12.3 County Manager Approval is Required

- ✓ **Emergency Purchases over \$ 2,500 and less than \$ 25,000** The County Manager's approval is required on all emergency purchases made without the issuance of a County purchase order.

2.13 Other Procurement-Related Things You Should Know

2.13.1 Copy Machines

- ✓ **Centralized Copier Program** A centralized program has been established, under the direction of the Purchasing Department, to facilitate acquisition and use of copier equipment based upon need and efficiency, rather than upon ownership by fund budget unit department.
- ✓ **Placement of Copiers** Copiers will be placed in County facilities in configuration that most effectively meet the needs of County departments. Decisions regarding placement of copiers, copier models, types of features needed, etc., will be based upon the needs analysis performed by the Purchasing Department. Actual equipment cost shall not be the sole determining basis of these decisions, operational costs will also be considered.

3 How to Submit a Departmental Purchase Requisition

This chapter contains information and procedures about how to submit purchase requisitions for the purchase of materials, equipment, and services.

A purchase requisition is entered in New World, authorizations from a County Division/Department Manager to the County Purchasing Agent to purchase goods or services on behalf of the requisitioning Department. The purchase requisition provides authorization for the Purchasing Services to issue a Purchase Order.

3.1 Your Department's Responsibilities

3.1.1 Identify Needs

County departments are responsible for identifying the materials and services required to accomplish the goals and objectives of their departments. Determining the materials and services required to perform the job includes developing the specifications necessary for purchasing the materials and services. The Purchasing Department staff is available to help departments write specifications.

3.1.2 Ensure there are Available Funds

Departments must determine that sufficient funds are available to pay for requested goods and services. The Purchasing Department will contact the department before placing an order if the actual cost exceeds the written estimate provided on the purchase requisition.

3.1.3 Contact Purchasing Department

Departments should contact the Purchasing Department early in the purchase process in order to benefit from advice and assistance with specifications, sources of supplies, price advantages, substitutions, and a determination of precise needs.

3.1.4 Initiate Purchase Requisitions

Departments initiate purchase requisitions to make purchases, to provide management and budgetary control over purchases, and to provide an accounting record of purchases in process. Departments shall not artificially divide purchase requisitions to circumvent any competitive bidding requirements.

3.1.5 Provide Names of Vendors that have been Contacted

When County departments have contacted vendors before submitting requisitions, they must include the names and contact numbers of those vendors on the purchase requisition to ensure they are given an opportunity to provide competitive quotes.

- ✓ Send first time vendors to the Purchasing Department. Departments should advise first time vendors to call on Purchasing before calling on Departments. This will ensure the vendors are added to the County's centralized Bidder List and reduce the interruptions of County operations caused by unnecessary vendor contracts with County departments.
- ✓ Allow the Purchasing Department to arrange equipment demonstrations. Departments should contact Purchasing if they are interested in reviewing equipment. The Purchasing Department will arrange equipment demonstrations. Whenever possible, such demonstrations will be consolidated to include all interested departments. This will help eliminate "back-door selling", which is a direct, undue marketing effort to induce preference on the part of a manager or using the department for a particular product, service or seller with intent to constrain competition.

3.1.6 Expedite, Receive and Verify Receipt of Goods and Services

Departments are responsible for expediting, receiving, and verifying goods received and services provided before processing paperwork to pay supplies and contractors.

3.1.7 Submit Timely Payment Information

Departments are responsible for expediting, receiving, and verifying goods received and services provided before processing paperwork to pay suppliers and contractors.

3.1.8 Notify Purchasing Services of Annual Requirements

Several purchase requisitions for similar items for delivery to the same location, result in unnecessary purchase orders, which incurs additional shipping and packaging expenses, causes unfavorable impressions of County business practices, and eliminates or reduces the volume purchase advantages of centralized purchasing. Therefore, it is strongly recommended that departments plan their annual requirements and consolidate similar items.

3.1.9 Obtain Prior Approval for Unbudgeted Purchases

Departments that need to purchase goods or services that have not been approved in the current budget, must first obtain the following;

- Approval from your Division Head or County Manager in accordance with the Luzerne County Purchasing Manual

3.1.10 Record Retention

All requisitions and related procurement documents shall be retained for at least three years, unless otherwise prescribed by law.

4 How to Make Emergency & Sole Source Purchases

Departments may make direct purchases by using purchase requisitions in an emergency. An unforeseen circumstance in which an immediate purchase is necessary in order to avoid a substantial hazard to life, health or property, or a serious interruption of the operation of a department of the County or the operation of a using agency. Departments are encouraged to consult with the Purchasing Department prior to making an emergency purchase, whenever possible.

4.1 How to Ratify the Purchase

For emergency purchases over \$ 25,000, the Division Head shall advise the County manager who will then advise County Council at the next regularly scheduled County Council meeting, and subsequently submit a purchase requisition to the Purchasing Department.

4.1.1 How to Submit the Purchase Requisition

The purchase requisition used to make an emergency purchase must be submitted to the Purchasing Department as soon after the emergency, as reasonably possible. The following information must be provided on the requisition form:

- Name, address, and telephone number of supplier or contractor
- Name of supplier/contractor's representative who took the order
- Date the order was placed
- Amount agreed upon for the cost of goods or services ordered
- Date of delivery of goods or services ordered
- Complete description of goods or services ordered
- Date of, and copy of, agenda report for County Council ratification of purchase, if applicable.

4.2 How to Make a Sole Source Purchase

It is the policy of the County to solicit the maximum number of bids for a commodity or service from the largest relevant market and to select vendors and providers on a competitive basis. There are certain acquisitions, however, that can only be obtained from a sole source due to the uniqueness of the commodity or service, prior knowledge of the County's business practices, lack of other providers, etc. Sole source acquisitions must be justified in sufficient detail to explain the basis for suspending the usual competitive procurement process. The Purchasing Department will attach the sole source justification to the procurement documents used to purchase a commodity.

Sole source acquisitions may require non-competitive negotiation and may also require price and/or cost analysis.

- ✓ **Contract Renewal** Sole source justification is unnecessary during renewal/continuation periods expressly provided for by an RFP or other procurement process; however, justification is necessary for continuation of services beyond such period.
- ✓ **Providers of Human Services** Before commencing contract negotiations with a sole source provider of human services (doctor, dentist, psychiatrist, IT consultants, etc.) the department must submit justification to, and obtain approval from, the County Manager or County Council, as appropriate.

4.2.1 Questions to Consider when Justifying a Sole Source Request

The following are some questions that departments can use to justify a sole source request and not all questions may be applicable to each sole source request;

- What capacity does the proposed contractor have that is critical to the specific effort and makes the contractor clearly unique compared to other contractors in the same general field?
- What prior experience of a highly specialized nature, does the proposed contractor have that is vital to the proposal?
- What facilities, staffing, and/or equipment does the proposed contractor have that are specialized and vital to the commodities or services required?
- Does the proposed contractor have a substantial investment that would have to be duplicated at the County's expense by another contractor entering the field?
- If schedules are involved, why are they critical and how can the proposed contractor best meet them?
- If lack of drawings or specifications is a justification for sole source acquisition, why is only the proposed contractor best able to perform under these conditions? Why are drawing and specifications lacking? How much lead-time is required to obtain drawings and specifications suitable for competition?
- Is competition precluded because of the existence of patent rights, copyrights, or secret processes?
- Does the acquisition require compatibility with any existing equipment?
- What unique characteristic does the equipment or material offered by the proposed contractor possess that are required to meet the County's needs?
- Is competition precluded because of existing equipment maintenance program or contracts?

5 How Departments Can Make Small Purchases (less than \$ 2,500)

5.1 How Delegated Purchasing Authority Works

The County Manager has delegated some purchasing authority to County Division/Department Heads to approve purchases under certain conditions.

- Division/Department Heads can approve individual purchases for materials and services up to \$ 2,500;
- Purchases must be made in accordance with procedures outlined in this section;
- Oral, written, faxed or email quotes should be solicited whenever possible, unless the purchase qualifies as an emergency or sole source;

The delegation of authority to make small purchases is intended to facilitate the economical and orderly procurement of personal property and services by County departments.

5.2 Buying Recycled Products

To support the County's recycling ethic and minimize environmental impacts, each County department should purchase recycled content and environmentally preferable products whenever quality and price are equal.

5.3 Obtain Special Authorization

If your purchase request requires the approval of another County department or division, you must obtain that approval before a purchase is made.

5.4 Funds Available

Division/Department Heads are responsible for ensuring that sufficient funds are available in their respective budgets before a purchase is made.

5.5 Methods to Make the Purchase

There are three methods departments can use to complete a departmental purchase under \$ 2,500. They are as follows;

- Submitting departmental requisition to the Purchasing Department.
- Use departmental purchase orders.
- Use County Purchasing Credit Cards (when applicable).

5.6 How to Make Purchases

The department should solicit oral, written, faxed and or email quotes from at least three vendors or contractors, unless there is an emergency or the item or service is available from only one source.

5.6.1 Determine Total Cost

To determine the total cost of the order, you must include;

1. The total cost of all items to be purchased
2. The tax
3. The cost of shipping
4. Any installation and setup charges that may apply to the purchase

5.6.2 Purchase Requisition

A Purchase Requisition is entered in New World after oral, written, faxed or scanned quotes are received.

5.7 Using County Purchasing Credit Cards

Purchasing Agents with County Purchasing Credit Cards, when applicable to facilitate the order, may use County Credit Cards in conjunction with departmental purchase order to make the required purchase.

5.8 Using Purchase Orders

Some vendors require a purchase order before they will release an order. Department Heads should contact the Purchasing Department to complete and provide Purchase Order to vendor. Process in New World is as follows;

- Order entry staff requests goods or services to be ordered
 - **If the item(s) are estimated under \$ 2,500**
 - ✓ The order will be processed
 - **If the item(s) are estimated between \$ 2,500 and \$ 10,000**
 - ✓ Quotes from three vendors is required
 - **All orders over \$ 2,500**
 - ✓ Must be approved by the Division Head/Manager
- Department Head/Manager approves purchase requisition
- Order entry staff posts the requisition
- The department approved requisition is forwarded to the Purchasing Department

- Purchasing promotes the requisition to a purchase order
- Purchasing Director approves the purchase order
- The Purchasing Agent creates and prints purchase order
- Goods and services are ordered from approved vendor
- Copy of purchase order is forwarded to ordering department

5.9 Records Retention

All procurement documents generated by departments by the Purchasing Department must be retained for a period of not less than three years, unless a longer period is prescribed by law.

6 How to Make a Purchase Costing More Than \$ 2,500

6.1 Condition of Use

Any purchases of commodities may be made in accordance with the procedures outlined in this chapter, provided that procurement requirements are not artificially divided, so as to constitute a small purchase under this chapter. Requests for quotations, which may be oral, written, fax or email, will be the usual source method for purchases unless the purchases qualifies for processing as an emergency or a sole source purchase.

6.2 Purchases Up to \$ 2,500

Division/Department Heads can authorize individual purchases for materials and services up to \$ 2,500. If the department submits a requisition for less than \$ 2,500, the Purchasing Department may forego seeking quotes/bids and process the order in accordance with the Department's expert understanding of the market and sources of supply.

6.3 Purchase between \$ 2,500 and \$ 10,000

6.3.1 Purchasing Services may seek informal oral, written, fax and email quotes

The requesting department shall submit their requisition in New World to the Purchasing Department for materials, equipment and fixed assets costing between \$ 2,500 and \$ 10,000. The Purchasing Department will process the requisition information provided.

The Department or Buyer will seek informal oral, written, fax and email quotes. The Buyer may forego seeking bids and process the order in accordance with their expert understanding of the market and sources of supply. Quotes are defined as follows:

6.3.1.1 Oral Quotes

Oral quotes are allowed for purchases costing less than \$ 10,000. These are quotes obtained over the telephone or in person and recorded by the Buyer. Although the quotes are oral, documentation is important for enforcement of the price and terms. Award is made to the lowest responsive and responsible bidder. Oral quotes are recorded on the Purchasing Departments standard oral quote form and attached to the Purchase Order. The Buyer must record;

- Names of the vendor representatives submitting quotes
- Date

- Price received
- Terms
- Delivery date promised

❖ **Oral Commitments** Purchasing staff will not provide an oral purchase commitment without prior approval of the Purchasing Manager

6.3.1.2 *Written Quotes*

Written quotations shall be solicited using the vendors quote form, or letterhead, and shall include the name and signature of the vendor representative and the date of the quote. All written quotes should be sent to the Purchasing Department. The purchasing agent will make the award to the lowest responsive and responsible bidder and a purchase order will be issued to the selected vendor. The requesting department is responsible for receiving and checking the order.

6.3.1.3 *Fax and Email Quotes*

Fax and email quotations shall be solicited by the Purchasing Department. Upon request, vendors can fax or email their quote or estimate to the proper Buyer in the Purchasing Department. The fax or email quote or estimate will include vendor name, date, price, terms and delivery date promised. The Buyer will make the award to the lowest responsive and responsible bidder.

6.4 **Purchases between \$ 10,000 and \$ 25,000**

6.4.1 **Purchasing Department will seek informal quotes and bids**

The requesting department shall submit its requisition to the Purchasing Department for materials, equipment, and fixed assets costing between \$ 10,000 and \$ 25,000. The Purchasing Department will process it with the information provided.

The Buyer may solicit informal quotes, rather than formal sealed bids, whenever the Purchasing Agent determines;

- A purchase is urgent and time does not permit a written bid.
- Purchase descriptions, available sources, the time and place of performance, and other relevant circumstances, are not appropriate for the use of competitive sealed bidding.

The buyer will solicit quotes or bids from at least three probable sources, or provide written justification otherwise. The award will be made to the lowest responsive and responsible bidder. A purchase order will be issued to the selected supplier, and the requesting department will be responsible for receiving and checking the order.

6.5 Purchases over \$ 25,000

6.5.1 Purchasing Department will seek Formal Bids

The requesting department shall submit their requisition to the Purchasing Department for materials, equipment, and fixed assets costing over \$ 25,000.

Formal sealed quotes are required for all materials and equipment costing more than \$ 25,000. The Purchasing Department will seek formal quotes from at least three probable sources or provide written justification. Formal bids are defined as;

6.5.1.1 *Formal Bids*

- ❖ Consist of an Invitation for Bids with a purchase description.
- ❖ The bid includes acceptable criteria and contractual terms and conditions applicable to the procurement.
- ❖ A public opening of bids will be held at a pre-designated time and place.
- ❖ Bids will be unconditionally accepted without alteration or correction.
- ❖ Award will be to the responsive and responsible bidder who has submitted the lowest bid that meets the requirements and criteria set forth in the Invitation for Bids.

7 How to Purchase and Account for Fixed Assets

Fixed Assets are those items of equipment with a total cost of \$ 2,500 or more and have a life of three years or longer. The total cost of the equipment is made up of the purchase price, any trade in allowance, shipping, sales tax and installation costs.

7.1 How to Proceed with the Purchase of a Fixed Asset

Fixed assets must be budgeted before the Purchasing Department will process a requisition. The following outlines the procedure for purchasing fixed assets;

7.1.1 Budgeted

If the required fixed asset is in the department's approved budget then:

7.1.1.1 *Submit the Requisition*

All requisitions must be submitted to the Purchasing Department.

7.1.1.2 *Bids may be Solicited*

The Buyer will solicit quotes or bids, as required.

7.1.1.3 *A Purchase Order will be Issued*

If the fixed asset is approved in the budget, and if the cost of the fixed asset does not exceed 110% of the amount budgeted for the fixed asset, and if the remaining balance in the fixed asset appropriation is sufficient to pay for the fixed asset, the Purchasing Agent will issue a purchase order.

7.1.1.4 *Alternate Fixed Assets Require Approval*

If a department wishes to purchase an alternate fixed asset in lieu of one authorized in the budget, the department shall request approval from the Division Head or County Manager.

7.1.1.5 *Insufficient Fixed Asset Appropriations require an Appropriation Transfer*

If insufficient funds are budgeted to purchase authorized fixed assets, the department shall request County Manager approval of an Appropriation Transfer Request moving unused appropriation to the fixed asset line item.

7.1.1.6 New Fixed Asset within Existing Appropriations

If a department requires a fixed asset that was not identified in the budget process, and if the total departmental budget is not increased, then the County Manager is authorized to approve new fixed assets up to \$ 25,000. Departments must provide justification for the desired equipment, identify unused appropriations that can be used to purchase the new fixed asset and submit an Appropriations Transfer Request for approval to move funds to appropriate fixed asset line item.

7.1.2 Unbudgeted and Unfunded

If a department requires a fixed asset that was not identified in the budget process and funds are not available in the department's approved budget, then:

7.1.2.1 Obtain Approval

- ❖ The department should work with the Budget and Finance Department to justify and determine how to fund (i.e. unanticipated revenue, contingencies, trust funds, etc.) the required fixed asset.
- ❖ Prepare an Appropriation Transfer Request and submit to the County Manager for approval.
- ❖ **NOTE:** The total amount of funds entered in the ATR should include:
 - **Cost of the item**
 - **Trade-In allowance**
 - **Sales, Use, Transportation, or other taxes**
 - **Cost of shipping, if applicable**
 - **Any installation charges**
- ❖ After receiving final approval, prepare a requisition, attach the final approval documentation and forward the package to the Purchasing Department.
- ❖ The Buyer will solicit competitive quotes or bids, as required, and issue a Purchase Order

8 How to Develop Service Contracts

8.1 General Policy

- All contracts must be reviewed and approved for legal sufficiency by the Office of Law before final approval.
- All contracts under \$ 1,000 must be approved by a Division Head.
- Contracts between \$ 1,000 and \$ 25,000 require County Manager approval, as long as funding is identified in the department's existing appropriations.
- Contracts in excess of \$ 25,000 must be approved by County Manager and/or County Council, in accordance with the Luzerne County Charter.
- Contract administrator should have a working knowledge of the types of contracts entered into by his/her respective departments.
- Before purchasing a service, a department should first determine if contracting;
 - Is allowed for the particular service?
 - Is cost and program effective?
- Procurement transactions must:
 - Provide open and free competition to the maximum extent possible; and
 - Comply with all applicable laws, rules and regulations
- County policy requires the development and renewal of contracts with sufficient time to fully execute the new contract before the current contract expires.
- No work shall commence prior to the execution of the necessary contracts.

8.2 What is a Contract Administrator?

In order to efficiently track each contract, each County department must select at least one person to be responsible for contract administration. A Contract Administrator may be, or may report to, a project or program manager or Division Head/Manager.

The Contract Administrator is responsible for administrative procedures applicable to an approved contract and coordinates, reviews and monitors the contract process.

8.2.1 As Developer, the Contract Administrator

- Determines need for contract
- Verifies funding and consults with the Budget and Finance Department
- Drafts the Scope of Services and compiles draft Contract
- Completes Contract Review Sheet
- Forwards draft Contract and Review Sheet to the Office of Law for review

- Once approved as to form, coordinates signatures from contractors
- Once signatures have been obtained from contractor, forwards to the Office of Law for final review and signature
- **If County Council approval is necessary**, prepares agenda and submits contracts with contractor and the Office of Law signature with agenda item
- Forwards an executed copy to the contractor

8.2.2 As Coordinator, the Contract Administrator

- Creates and maintains files for each contract
- Maintains the master contract file and ensures that insurance certificates, bonds, licenses and other contract related documents are on file, valid and current
- Establishes evaluation criteria for each contract
- Responds to management requests for new services or changes in existing services
- Meets with management to review the status of individual contracts and the progress of the contracting program
- Assembles and trains support staff, if any

8.2.3 As Reviewer, the Contract Administrator

- Establishes procedures for review and contract problems or disputes
- Determines the acceptability of contract deliveries
- Evaluates the scope and quality of services provided by the contractor at either:
 - Mid-term for contracts of three months or less; or
 - Monthly for contracts in excess of three months. If deficiencies are noted, implement a corrective action plan and follow-up as needed.
- Periodically verify that State or Federal entities or contracts for professional services that require licensing maintain accreditation
- Reports on contractor performance to management
- Analyzes information collected during the contract term to identify ways to improve the effectiveness and efficiency of the service and incorporates the improvements into future specifications

8.2.4 As Monitor, the Contract Administrator

- Ensures timely completion of delivery
- Reviews contract expenditures to ensure compliance with expenditure forecasts and adopts budget
- Reviews and approved the contractor's payment requests and forwards them for processing
- Verifies budget and expenditure account codes

- Notifies management of contracts status and options prior to termination

8.3 What is a Contract Master File?

The Purchasing Department is responsible for maintaining a contract master file. Original contracts are retained by the department in a master file. Copies may be retained by the Contract Administrator for reference. The contract master file is the central reference for the contract and must contain all documents with original signatures including, but not limited to, the contractor's bid response, the scope of work, amendments, bonding documents, current insurance certificates, required licenses and permits, all performance documents, correspondence, evaluation reports, payment requests, copies of invoices and the like.

8.4 An Overview of Contract Approval Requirements

8.4.1 County Council Approval is Required on:

- ❖ All contracts required by the County Charter

8.4.2 County Manager Approval is Required on:

- ❖ All contracts having an annual aggregate cost of \$ 1,000 or more
- ❖ Amendments to contracts more than \$ 1,000, provided the change to the scope of work or service does not adversely affect the integrity of the original scope of the contract

8.4.3 Division Heads

- ❖ Contracts having an annual aggregate cost of no more than \$ 1,000
- ❖ Amendments to contracts provided the change to the scope of work or service does not adversely affect the integrity of the original scope of the contract and the total amended contract is less than \$ 1,000

8.4.4 Office of Law Review

- The Office of Law shall review all documents and contracts for legal sufficiency before final approval

8.5 Contract Overview

- **Commodities/Equipment** Purchase of supplies, materials and equipment. Equipment is a capital asset with an aggregate cost in excess of \$ 5,000 having a useful life expectancy of three years or more.
- **Services** Provide technical service to County equipment and property, e.g. pest control, copier repair, window washing, etc.
- **Consultant/Professional Service** Provide professional or expert advice. Usually project or report oriented, e.g. geological evaluation, economical analysis, plan checking, environmental impact, etc. or used for persons specially trained, experienced and expert in providing actual services in the following areas: financial, economic, legal, medical, therapeutic or administrative.
- **Architect/Engineer** Provide architectural or engineering services. Includes contracts for ancillary services that members of the architectural and engineering professions would logically use.
- **Public Works** Erect, construct, alter, repair or improve any public structure, building, road, flood or other public improvement.

PLEASE NOTE:

- A. Departments cannot use a series of contracts in any fiscal year to fund a single service, project or program in order to circumvent the approval limits.
- B. A series of contracts in any fiscal year with the same independent contractor is allowed, provided that each agreement is for a distinctly different service, project or program.
- C. Work may not begin until the contract is signed by the appropriate County representative(s) and the contractor. This process can take several weeks from the date the agreement is initiated and as a result, the process should begin as early as possible.

8.6 County's Contract Policies for Services

8.6.1 Terms of Contracts

Each type of contract has a standard length for the contract period. In general, commodities/equipment and service contracts shall not extend beyond three years, unless specifically approved by County Council. The length of architectural/engineering contracts can be tied to the duration of the project if the service is project related. If a contract is a sole source, it shall be re-evaluated after three years. If the sole source is still justified, a new contract shall be issued.

Justification for multiyear contracts may include:

- Contractor's start-up costs
- County's contract start-up costs
- Other economic factors

8.6.2 Changes in Contracts

8.6.2.1 The Equal Dignity Rule

- Any changes to a contract must be made with the same formality as the original unless otherwise approved by the County Manager.

8.6.2.2 Contract Extensions

- Contracts may be amended to extend the term to allow for completion of services as follows, provided the extension does not increase the total amount of the contract.

However, it is the policy of the County to begin to develop new contracts with sufficient time to fully execute the new contract before the current contracts are due to expire.

8.6.2.3 Adjustments to Contract Amount

- Contracts may be amended to adjust the total amount of the contract in accordance with the Luzerne County Purchasing Manual.

8.6.2.4 Contract Increases

- Service contract amounts may be increased providing that:
 - The need for the service could not be accurately projected and the relative percentage of the increase would not make re-bidding more practical
 - Justification for increase will be provided to the approving authority
 - An emergency exists whereby time does not permit re-bidding. Re-bidding shall be done as soon as possible thereafter.
 - Other justifiable economic factors necessitate a monetary increase in the contract

8.6.2.5 Incremental Contracting is Prohibited

- In order to prevent incremental contracting, each contract shall clearly specify the follow:
 - Services/materials to be provided
 - Basis of pricing and payment
 - Period of contract
 - Monetary limit

8.6.2.6 Consolidation of Contracts

- Contracts shall be consolidated whenever feasible. Contracts shall not be intentionally split to avoid approval by County Manager and/or County Council or to bypass bidding requirements.

8.6.3 Emergencies

Definition: For the purpose of service contracts, an emergency shall be defined as a sudden, generally unexpected occurrence or set of circumstances demanding immediate action. If immediate action is not taken, essential service could not be continued or there could be an economic loss to the County. Emergency situations that necessitate a bypass of the approved contract process must be subsequently presented for approval in required manner as described above.

8.6.4 State and Federal Procurement Requirements Supersede County Requirements

- State and Federal procurement requirements must be adhered to in all contracts for which funds have been approved by either the State or the Federal government. Such requirements supersede County requirements.

8.6.5 Conflict of Interest

- No contract shall knowingly be issued to any current County employee, his/her immediate family, without notifying the County Manager.
- With approval by the County Manager, immediate family members of County employees, excluding executive management employees and elected officials, may contract with the County, provided:
 - The contract is not with the employee's department.
 - There is no violation of the Purchasing and Contracting Manual, Ethical Standards for Purchasing Activities, or the County Charter.
 - The County's established Purchasing and Contracting Policy Manual rules and procedures are followed.

8.7 Use the Best Method for Obtaining Services

8.7.1 Request for Proposal

The Procurement of services is best suited to the competitive sealed Request for Proposal method (RFP) of solicitation, because it enables the County to select the best proposal based on factors other than just lowest bidder possible. An RFP can be used for any process and can be utilized for any dollar amount in the purchasing process.

8.7.2 Invitation for Bids

The Invitation for Bids (IFB) is used to obtain supplies, equipment and certain services in excess of \$25,000 that can be clearly specified and awarded to the lowest responsible, responsive bidder. This is a formal method of competitive bidding.

8.7.3 Request for Quotations

The Request for Quotations (RFQ) is used to obtain supplies, equipment and certain services under \$ 10,000 that can be clearly specified and awarded to the lowest responsible, responsive bidder. This is an informal method of competitive bidding. It allows vendors to provide quotes by phone, fax, email or any other written form.

- ❖ The selection of the Competitive process for obtaining services must be approved by the Purchasing Department.

8.7.4 When Departments are Allowed to Use Consultants or Professional Services

- A department may request a consultant only if one or more of the following conditions exist:
 - An urgency that cannot be met by County employees
 - Temporary, intermittent, or irregular services which County employees cannot effectively perform
 - Special or highly technical skills that cannot be secured through County employees
 - Need for an independent opinion, appraisal, audit, or similar service
 - Lack of sufficient personnel to accomplish the work in the required period
 - The contract meets the restrictions of the County Charter

8.8 How to Obtain Services Costing Less Than \$ 10,000

Contracts for services estimated to cost less than \$ 10,000 may be awarded upon review of quotations and proposals, or the conclusion of informal interviews with potential contractors. The interviews should be conducted by the initiating department and/or the Purchasing Department, as may be appropriate. Contracts costing more than \$ 10,000 should be awarded through a competitive bid process.

8.8.1 Select a Bidder

- Although competition is not required for service contracts less than \$ 10,000, it is suggested that County departments contact the Purchasing Department to determine if a list of contractors is available from the Centralized Bidder List, for the classification of work they are seeking. The Centralized Bidder List contains the names of bidders that have expressed an interest in doing business with the County and it is a good place to start when seeking contractors.

8.8.2 Negotiate Price and Terms

- Even when competition is not required, it is the responsibility of every County employee to attempt to obtain the best deals for the County. A person authorized to submit requisitions for the department should contact potential contractors and negotiate the best price and terms for the work they require.

8.9 How to Obtain Services Costing \$ 10,000 or More

8.9.1 Competitive Process

- Service contract costing \$ 10,000 or more should be awarded through a competitive process. Departments should use the Request for Quote (RFQ) or Invitation for Bids (IFB) when the County requirements are known and clear.
- When the County's requirements are not well defined, then the Request for Proposal (RFP) should be used.

8.9.2 Definition of a Request for Proposal (RFP)

A Request for Proposal (RFP) is a competitive sealed method of procurement that usually involves, but is not limited to:

- Solicitation of sealed proposals;
 - An opening of proposals that avoids disclosure of the contents before and during the process of evaluation and negotiation;
 - Submission of price data that may be separated from submission of proposed work;
 - Discussions with offerors to assure full understanding and responsiveness to the requirements of the County;
 - An award made to the most responsive and responsible offeror whose proposal is determined in writing to be the most advantageous, considering evaluation factors set forth in the Request for Proposals.
- ❖ Request for Proposals are used for solicitation when the County's requirements are not well defined. The solicitation requires the offeror to prepare a written proposal that explains in detail how the offeror plans to meet the County's requirements. Innovative ideas and techniques that the offeror feels may benefit the County may be included in the proposal. Award is based upon the offeror's ability to meet the needs of the County as determined by his proposal and as weighed by the evaluation criteria set forth in the proposal, rather than only upon the lowest price.

8.10 Exemptions from the Competitive Process

- Whenever Pennsylvania law expressly authorizes execution of professional service contracts without competitive bidding.
- For expert and professional service which involve extended analysis, the exercise of discretion and independent judgment in their performance, and an advanced, specialized type of knowledge, expertise, or training customarily acquired either by prolonged course of study or equivalent experience such as accountants, physicians, social service consultants, labor consultants, investigator, attorney, architects, surveyors and engineers.

8.11 Specific Contract Requirements

8.11.1 Commodities/Equipment Contracts

- **Purpose** - Purchase of supplies, materials or equipment
- **Contract Term** - Maximum length three years, unless specifically extended by County Council, determined by best economic benefit to the County.
- **Multiple Contracts** - Multiple contracts to different vendors may be issued for the same commodity or equipment if one of the following applies;
 - To ensure a steady source of supply; or,
 - Multiple contract offers the lowest total cost to the County.

8.11.2 Service Contract

- **Purpose** – Service contracts provide infrequent technical service to County equipment and property, i.e. pest control, copier repair, or window washing. Service contract includes all contracts for services and materials **except** Public Works, Consultants/Professional Services or Architectural/Engineering Contracts
- **Contract Term** – Maximum length is three years, unless specifically extended by County Council. Reasons to extend the terms of the contract beyond three years may include:
 - **Contractor’s start-up costs,**
 - **County’s start-up costs, or**
 - **Other justifiable economic factors.**

8.11.3 Consultant/Professional Contracts

- **Purpose** – Consultant services contracts provide advice and professional expertise and are project or report oriented, i.e. geologist for wetlands, economic analysis, plan checking, and environmental impact, etc. Consultant contracts under this section do not include attorney service contracts which will be handled through the Office of Law and approved in conformity with the contracts approval requirements described herein.
- **Criteria** – Contract only if one or more of the following exists:
 - **A need for special skills which cannot be met by a County employee**
 - **A lack of sufficient qualified County personnel to accomplish the work in the required time frame**
 - **An urgency which cannot be met by a County employee**
 - **A temporary or intermittent service which cannot be effectively performed by a County employee**
- **Contract Term**
 - Terms may be based on the:
 - Project schedule
 - Project need for service
 - Contract rate

8.11.4 Architectural/Engineering Service Contracts

- **Purpose** – Architectural/Engineer Service Contracts include contracts for professional architectural or engineering services, as well as for land surveying and incidental services, that members of the architectural and engineering professionals and those in their employ, may logically or justifiably perform.
- **Criteria** – Architectural/Engineer Services may include:
 - **Investigation**
 - **Designs**
 - **Plans**
 - **Specifications**
 - **Reports**
 - **Opinions of probable costs**
 - **Shop drawing review**
 - **Supervision of construction**
 - **Land surveying; and**
 - **Environmental documentation required by the Pennsylvania Department of Environmental Services**
- **Ancillary Services** – Support of architectural or engineering projects, such as, but not limited to;
 - **Archeology, geological and soils engineering**
 - **Agronomy**
 - **Limnology**
 - **Biology**

- **Real Estate Appraisal**
- **Property Acquisition Services**

➤ **Vendor Selection**

Efforts shall be made to ensure that all potential architect-engineer firms that wish to provide services for County projects will have the opportunity to do so. A list of potential architect-engineer firms shall be maintained and information concerning their interest and qualifications kept on file by the Purchasing Department. Information on file, concerning listed potential firms, shall be used when recommending or selecting architect-engineer firms.

Selection of firms for architect-engineer services shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the service required. Another object of the selection process is to effect an equitable distribution of work among firms that are equally qualified.

✓ **Length of Contract Term**

If the architect-engineer services to be completed under a given contract relate to a specific project, the contract term shall be based upon a reasonable estimate of the time required for the project. This estimate shall be made by the County engineering professionals and shall be subject to negotiate with contractor, architects and/or engineers.

If the Architectural/Engineer Services to be completed are not project specific, the contract term shall be for a maximum of one year.

8.12 Contract Review Process

The County has standardized the contract for use by all departments when procuring consultant and professional services. The Standard Contract consists of:

- ✓ The Standard Contract face sheet
- ✓ Detailed Scope of Service
- ✓ Compensation
- ✓ General Terms and Conditions
- ✓ Special Terms and Conditions (for negotiated modification of General Terms and Conditions and any special terms unique to the specific contract)

8.13 Awarded Contract Routing

When a contract has been awarded, the contract document will be sent to the related department, Purchasing, Office of Law, and the County Manager, for signatures. When the contract has been signed and returned by the winning bidder, the routing to County departments should be as follows;

1. Contract Administrator
2. Division Head
3. Purchasing Director
4. Office of Law
5. County Manager

9 How the Competitive Process Works

9.1 Methods Available for Competitive Sourcing

9.1.1 Request for Quotations

Request for Quotations are generally informal solicitations. An informal solicitation is one with less stringent requirements. Request for Quotation are normally used when the commodity is clearly defined. Purchases that cost less than \$ 10,000 quotations may be obtained over the phone, fax, and email or by using Request for Quotation form. Quotes are normally awarded to the lowest responsible and responsive bidder.

9.1.2 Invitation for Bid

The bids are received sealed and are publically open at a specified place, date and time. Bids for public works may also require advertising. The solicitation may contain terms and conditions and instruction to bidders. An Invitation for Bid is used for purchases of commodities or services more than \$ 10,000. Bids are normally awarded to the lowest responsible and responsive bidder.

9.1.3 Request for Proposal

Request for Proposal is a formal solicitation. It is most often used to describe unique services or commodities. It allows the vendor to propose a solution to a service the County is looking for. As with formal bids, a bidders list is used; proposals are received sealed at a specific place, date and time. They are NOT publically opened. The information that can be made public at the opening is the names of the proposers. No other information will be released until an award is made. The Request for Proposal allows the County to evaluate each proposal on a set of evaluation criteria that is included in the solicitation. . The County may also negotiate with the top ranked vendors. There is no dollar limit on when to use a Request for Proposal.

9.2 How to Determine the Best Method of Competitive Sourcing

9.2.1 When RFQ's are used

- The **Request for Quotation (RFQ)** is used to obtain supplies, equipment, and certain services under \$ 10,000 that can be clearly specified and awarded to the lowest responsible, responsive bidder.

- Late quotations may be accepted with the approval of the Purchasing Manager/Agent only when no other quotations have been received.

9.2.2 When to use Invitation for Bids (IFB) or Request for Proposal (RFP)

Under competitive sealed bidding (IFB), judgment factors may be used only to determine if the supply, service, or construction item bid meets the purchase description. Under competitive sealed proposals (RFP), judgment factors may be used to determine not only if the item being offered meets the purchase description but may also be used to evaluate the relative merits of competing proposals. The effect of this different use of judgmental evaluation factors is that under competitive sealed bidding, once the judgmental evaluation is completed; award is made on a purely objective basis to the lowest responsive and responsible bidder. Under competitive sealed proposals, the quality of competing products or services may be compared and trade-offs made between price and quality of the products or services offered (all as set forth in the solicitation). Award is then made to the responsible offeror whose proposal is most advantageous to the County.

- IFB and RFP also differ in that, under the IFB, no change in bids is allowed once they have been opened, except for correction of errors in limited circumstances. The competitive sealed RFP method, on the other hand, permits discussion after proposals have been opened to allow clarification and negotiation in proposals provided that adequate precautions are taken to treat each offeror fairly and to ensure that information from competing proposals is not disclosed to other offerors.
- Both IFB and RFP methods assure price and product competition. The use of function or performance specifications is allowed under both methods to facilitate consideration of alternative means of meeting County needs, with evaluation, where appropriate, on the basis of total or life cycle costs. The evaluation criteria to be used in the evaluation process under either method must be fully disclosed in the solicitation. Only criteria disclosed in the solicitation may be used to evaluate the items bid or proposed.

9.2.3 The Difference Between RFQs and IFBs

The policy and procedures listed below for IFB pertain to an RFQ **except** the requirement for public bid opening. Public bid openings are not held for RFQ solicitations.

9.3 How Invitation for Bids (IFB) are Solicited

9.3.1 When IFBs are Used

The Invitation for Bid is used to obtain supplies, equipment, and certain services in excess of \$ 10,000 that can be clearly specified and awarded to the lowest responsive and responsible bidder.

Contracts for the purchase of personal property estimated to cost \$ 25,000 or more shall be awarded by competitive sealed bidding, **unless** the Purchasing Manager determines:

- ✓ Purchase descriptions, available sources, the time and place of performance, and other relevant circumstances are not appropriate for the use of competitive sealed bidding;
- ✓ A purchase is urgent and time does not permit a written bid; or
- ✓ The commodity/service is exempt from the competitive bid process by County Code.

9.4 How to Pre-Qualify Bidders for IFBs

9.4.1 How to Pre-Qualify Bidders for IFBs

A two-step bidding process may be used to pre-qualify bidders when the Purchasing Agent deems appropriate. Bidders are pre-qualified by responding to a solicitation for responsibility.

This would include information regarding such factors as financial background, industry stability, capacity to perform, line of credit, manufacturers' authorizations, relevant experience, etc. Qualified bidders shall then be asked to participate in a price solicitation.

The following factors, among others, may be used for pre-qualification:

- ✓ Quality of commodities or services
- ✓ Experience with the commodities involved
- ✓ Maintenance cost
- ✓ Economic life cycle cost
- ✓ Length of time the commodity has been on the market
- ✓ Compatibility with existing equipment
- ✓ Available warranties
- ✓ General reputation and experience of the bidder
- ✓ Evaluation of the bidder's ability to serve the County
- ✓ Prior knowledge and experience of bidder's past performance

9.4.2 An Overview of How IFBs are Prepared

ALL IFBs shall contain the following elements:

➤ **An open date and time**

Adequate public notice of the Invitation of Bid shall have sufficient time, but not less than, ten calendar days prior to the opening bids. Purchasing Service will conspicuously post the Invitation for Bid on the County's website.

- **Specifications are developed**
The ordering department must provide clear, concise specifications to use in the IFB. Frequently, specifications state “brand names or equal.” “Brand name” includes identification of products by manufacturer, make, and model. Such identification is intended to be descriptive, but not restrictive. Bidders offering alternative products are required to submit complete specifications and/or samples with their bids. The County makes the determination of whether the alternate products are equal to those specified.
- **Terms and conditions**
Including instructions for bidding, the time and date for bidders’ conference (if any); where, when, and how bids are to be returned; contracts for information during the solicitation period; required signatures on bid; cost/price submission instructions, etc., that will be incorporated in the purchase order/contract must be stated in the IFB.
- **Compliance with statutes**
If the County requires, the vendor will provide a copy or number of Contractor’s License, if applicable. If the vendor’s place of business is located in the unincorporated area of Luzerne County the vendor will provide a copy or number of their County/State Business License.
- **A bid/price page**
Generally provided for the bidder to submit its price and payment terms for the item(s) or service(s) offered.
- **Affidavit of non-collusion requirement and forms are included**
If the County requires the bidders to submit an Affidavit of Non-Collusion form with their bid, a form is generally provided in the bid documents. An affidavit of non-collusion is a statement by the bidder sworn before a Notary Public that he/she did not collude (conspire) with anyone to submit a false or sham bid.
- **Insurance requirements are included**
If personal, property, or automobile liability insurance will be required of the successful bidder, the terms and conditions should detail the requirements. If the County has standard forms the successful bidder must use to provide proof of insurance, the forms should be included in the bid package.

9.4.3 Developing the Specifications

The Purchasing Department is available for specification development, and departments are encouraged to ask if for assistance.

9.4.3.1 Specifications “Do’s” and “Don’ts”

- ✓ **DO** be clear, definite, and concise
- ✓ **DO** describe the performance requisition rather than its formulation, description or design
- ✓ **DO** frame the specifications to permit as free and full competition as is reasonably possible under the circumstances
- ✓ **DO NOT** exclude all but one type or kind, except where permitted by law
- ✓ **DO NOT** call for features or quality that are not needed for the intended use, except in cases where they are essential for some future consideration, or where they result in an economic advantage

9.4.3.2 Use of Restrictive Specifications is Limited

While it is not necessary to prepare specifications so that every manufacturer could competitively bid, the County must be able to demonstrate clear reasons for restrictive specifications. Some latitude is permissible in specifying features of certain items; however, when in doubt, departments should contact the Purchasing Department.

9.4.4 Developing the Terms & Conditions

The following terms and conditions may be included in bid documents and are provided here for informational purpose.

9.4.4.1 Copies of Bidding Documents

- ✓ Bidders may obtain complete sets of bidding documents from the Purchasing Department set forth in the Invitation for Bids.
- ✓ Bidders must use complete sets of bidding documents in preparing bids; the County will not assume any responsibility for errors or misinterpretations resulting from the use of incomplete sets of bidding documents.
- ✓ The County, in making copies of the bidding documents available on the above terms, does so only for obtaining bids for the specified commodities or services. It does not confer a license or grant for any other use.

9.4.4.2 Interpretation or Correction of Bidding Documents

- ✓ Bidders and shall promptly notify the Purchasing Department of any inconsistency or error that they may discover upon examination of the bidding documents or of the site and local conditions.

- ✓ Bidders and requiring clarification or interpretation of the bidding documents shall contact Purchasing Services at least five working days prior to the date for receipts of bids, or as specified in the Invitation for Bid.
- ✓ Any interpretation, correction, or change of the bidding documents, will be made by written addendum. Interpretations, corrections, or changes of the bidding documents made in any other manner will not be binding, and bidders shall not rely upon such interpretations, corrections, and changes.

9.4.5 Alternate Bids

- ✓ The materials, products, and equipment described in the bidding documents establish a standard of required function, dimension, appearance, and quality to be met. An equal product must meet minimum specifications and the burden of proof of merit of proposed alternate or substitute is on the bidder.
- ✓ Unsolicited alternates may be considered for award if submitted by the bidder who would otherwise be the low bid.
- ✓ Solicited alternates may be awarded based on the sole judgment of the County.

9.4.5.1 Addenda to Specifications

- ✓ Addenda will be mailed or delivered to all who are known by the Purchasing Department to have received a complete set of bidding documents.
- ✓ Copies of addenda will be made available for inspection wherever bidding documents are on file for that purpose.
- ✓ No addenda will be issued later than four calendar days before the date for receipt of bids except an addendum withdrawing the Invitation, or one that includes postponement of the date for receipt of bids.
- ✓ Each bidder shall be responsible for ascertaining, before submitting a bid, that he has received all addenda issued.
- ✓ Bidders shall submit signed addenda in order to receive award consideration, unless otherwise indicated in the bid document.

9.4.5.2 Form of Bid

- ✓ To receive consideration, bids shall be made on the forms and in the manner set forth in the Invitation for Bids.
- ✓ Late bids shall not be accepted.
- ✓ Each bid must be signed by an authorized representative of the vendor and include the legal name of the bidder.
- ✓ A statement of non-collusion must be signed by the bidder.

- ✓ Bidders shall not change the bid form, or make additional stipulations on the bid form, that are inconsistent with the provisions of the specifications.

9.4.5.3 Bid Security

- ✓ A bid bond or bid deposit (certified or cashier's check) made payable to Luzerne County, may be required or where applicable to protect the County in the event the bidder awarded the contract does not execute the contract, furnish any required performance bond, and proceed with performance. A required bid bond or bid deposit must be submitted with the bid, and be in the amount specified in the Invitation for Bid.
- ✓ In the event an otherwise low bidder is allowed to withdraw a bid due to claim of error, the county may retain, where applicable the bid guarantee to offset its costs of administration handling of the bid.
- ✓ Bid bonds or bid deposits, except those of the lowest bidder, should be returned as soon as practical following the bid opening and checking of bid responses. The guarantees of the lowest bidder should be, where applicable retained until the contract has been executed and approved and any performance bond and certificate of insurance provided, at which time they will be released except where forfeited. However, the bidder's bonds or bid security of the second and third lowest responsible bidders may be retained until the contract has been fully executed and insurance certificates are obtained.
- ✓ The cash, cashier's checks, and certified checks submitted by all other unsuccessful bidders shall be returned to them within ten calendar days after receipt of bids, and their bid bonds shall be of no further effect.

9.4.5.4 Receipt of Bids

- ✓ All bids must be received in a sealed envelope before the time specified in the Invitation for Bids.
- ✓ Bids must be kept secured, promptly time-stamped upon receipt, and deposited unopened in the respective bid folder.
- ✓ Late bids will not be opened and will not be considered under any circumstances. A late bid will be date-stamped and returned to bidder. A letter from the Purchasing Department will be sent notifying the bidder that the bid was received late and was not considered.

9.4.5.5 Bid Opening

- ✓ **At a public opening**
A public bid opening will be held as soon as possible after the bid closing time
- ✓ The Purchasing Manager and/or designee shall administer all bid openings and all bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in

the Invitation for Bids. The County assumes no responsibility over the confidentiality of bid information unless specifically stated otherwise in the Invitation for Bids.

9.4.5.6 Correction or Withdrawal of Bids

- ✓ In any request or decision involving a bid mistake, correction, or withdrawal, Purchasing staff shall consult with the Office of Law. Correction or withdrawal of inadvertently erroneous bids before or after bid opening may be permitted only if such correction or withdrawal is not prejudicial to the interest of the County or fair competition.
- ✓ Mistakes in bids detected prior to bid opening may be corrected or withdrawn by the bidder by written request received by the County prior to the time designated for opening bids, provided that the original bid shall not be physically returned to the bidder until after the bid opening. The written request must be signed by the same person who signed the original bid, and shall be sealed, time stamped and deposited in the same manner as the original bid. Oral, telegraphic, or email or facsimile transmission corrections or withdrawals shall not be permitted.
- ✓ Mistakes in bids detected during or after bid opening may not be corrected by the bidder except:
 - A bidder may be permitted to correct a material mistake that would cause such bidder to have the low bid if the mistake is clearly evident from examining the bid document; for example, arithmetical errors. However, a bidder shall not be permitted correct a bid for errors of judgment.
 - An otherwise low bidder may be permitted the opportunity to furnish other information called for by the Invitation for Bid and not supplied due to an oversight, so long as it does not affect responsiveness.

The County will maintain complete and sufficient records of evidence used to establish an error on intended price. Records of bid withdrawals shall also be maintained to ensure there is no abuse of the competitive bidding process. All decisions to permit the correction of bid mistakes and the withdrawal of bids shall be made in writing by the County and retained in the bid file.

9.4.6 Bid Evaluation Criteria

- ✓ Bids shall be evaluated based on the requirements set forth in the Invitation for Bid, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Criteria that affects price shall be objectively measurable, such as discounts, transportation costs, and life cycle or total ownership costs. The Invitation for Bid shall set forth the evaluation criteria to be used.
- ✓ Examples of evaluation criteria that may be used include:
 - Adherence to all conditions and requirements of the bid specifications;

- Total bid price, including any trade discounts or prompt pay discount of twenty days or more, unit price, or extended price;
- Local vendor preference on tie bids;
- General reputation and experience of bidders on references or prior performance;
- Hourly rates for specified personnel;
- Evaluation of the bidder's ability to serve the County;
- Financial responsibility of the bidder;
- Needs and requirements of the County;
- Experience with the products involved;
- Nature and extent of company data furnished upon request of the County;
- Quality of merchandise offered;
- Product appearance, workmanship, finish, taste, feel, and results of product testing;
- Overall completeness of product line offered;
- Bidder's ability to meet delivery and stocking requirements;
- Delivery or completion date;
- Maintenance costs and warranty provisions;
- Repurchase value or residual value of equipment after specified number of years where the residual value can be objectively ascertained;
- Availability of products or service required;
- Compatibility with County's current equipment/products;
- Availability of sales representatives and/or service representatives; and
- Maintainability and reliability.

The County shall maintain complete and sufficient records of bid evaluations to ensure there is no abuse of the competitive bidding process. All reasons for making the award recommendation shall be made in writing by the County and retained in the bid file.

9.4.7 County's Rights

The County reserves the following:

- ✓ The right to reject any or all bids and waive any irregularities or informalities in the bidding process.
- ✓ The right to reject a bid not accompanied by any required bid security or by other data required by bid documents.
- ✓ The right to reject any bid that is in any way incomplete, irregular, amplified, or qualified, or otherwise not in compliance with bid documents in all material respects or reasonable interpretations.
- ✓ The right to waive any informality, irregularity, immaterial defect, or technicality when deemed to be in the County's best interest.

9.5 How Bids Are Evaluated

9.5.1 How bids are evaluated and consideration in bid evaluations using the following factors:

9.5.1.1 Cost Factors

- ✓ Total bid price (including any discounts), unit or extended price, and administrative costs (if applicable);
- ✓ Hourly rates for specified personnel;
- ✓ The County's administrative costs;
- ✓ Maintenance costs and warranty provisions;
- ✓ Life-cycle costs, repurchase value, or residual value of equipment after a specified number of years in cases where the residual value can be objectively ascertained; and
- ✓ Cost and rate of use consumable

9.5.1.2 Responsibility Factors

- ✓ General Reputation and experience of the bidder;
- ✓ Bidder's ability to service the County;
- ✓ If required, possession of current licenses and/or certificates as required by Federal, State, and County laws;
- ✓ Financial ability of the bidder to successfully meet the requirements of the contract;
- ✓ Prior knowledge of and experience with the bidder in terms of past performance;
- ✓ Nature and extent of company data furnished by bidder upon request of the County;
- ✓ Size and location of the bidder's warehouse;
- ✓ Bidder's ability to meet delivery and stocking requirements;
- ✓ Bidder's experience with the commodities or systems; and
- ✓ Length of time the commodities or systems have been on the market.

9.5.1.3 Responsiveness Factors

- ✓ Adherence to all conditions and requirements of the bid specifications;
- ✓ Quantity and quality of merchandise offered;
- ✓ Compatibility with existing commodities or systems;
- ✓ Completeness of the commodity line offered, and;
- ✓ Delivery or completion date.

9.6 How Bids Are Awarded

9.6.1 Evaluation Criteria Considered

The County may award a contract based on bid evaluation criteria other than, or in addition to, lowest bid price, if the Invitation for Bid provides the evaluation criteria, and the award is in the best interest of the County. In the event the successful bidder fails to perform or withdraws his bid, the County may award a contract to the next lowest responsible and responsive bidder that will best meet the needs of the County.

9.6.2 Lowest Responsible & Responsive Bidder

IFBs are awarded to the lowest responsible and responsive bidder. The County may look at many factors to determine if a bidder is responsible. Responsibility criteria may include such items as references, plan capacity, credit data, financial statements, licenses, bonding, and insurance. The award shall be made to the bidder whose bid most adequately meets the needs of the County, officer, department, or using agency at the lowest price.

9.6.3 Local Preference

When two or more bids for the sale, rental, or lease of personal property are the same, the Purchasing Department shall give preference to the lowest responsible bidder within Luzerne County who offers to supply items raised, grown, manufactured, fabricated, processed or assembled in Luzerne County, provided that price, quality, service and other factors are equal.

9.6.4 Tie Bids

Occasionally one or more bidders quote the same unit price. If all other factors are equal (delivery, cash, discount, etc.), the Purchasing Department may break the tie by drawing by lot or by toss of a coin.

9.6.5 Public Notice of Award

A written public notice of the award will be provided to all bidders. The Purchasing Department or the awarding department shall maintain a summary of bid awards and make it available for public inspection. The summary shall, at a minimum, include the date of award, the vendors, the contract amounts, and a brief commodity or service description.

9.7 How Bid Awards Are Cancelled

The County may cancel an award for just cause. Examples of just cause for cancellation of the award and forfeiture of bid security include, but are not limited to, the following:

- Failure on the part of the successful bidder to execute the contract within the time allowed;
- Failure on the part of the successful bidder to honor contract pricing
- Failure on the part of the successful bidder to furnish an acceptable performance bond; or
- Failure on the part of the successful bidder to comply with any other requirement imposed precedent to execution of the contract

Just cause for cancellation of the award results in the forfeiture of the bid security. Forfeiture of bid security shall not be a penalty, but as liquidation of damages.

The County may subsequently award the bid to the next lowest responsible and responsive bidder, re-advertise the call for bids, or take such other action, as the Purchasing Department deems appropriate.

9.8 How Bids Are Rejected

In the terms and conditions of the bid, the County generally reserves the right to reject any and all bids. Bids can be rejected for no stated reason, or for any number of reasons, such as:

9.8.1 Rejection for Material Variance

Any bid that contains a material variance must be rejected. Every bid must be carefully examined to determine whether it contains any material variances. A material variance is one that gives the bidder a substantial benefit or advantage not enjoyed by the other bidders.

9.8.2 Rejection for Lack of Bid Security

The County may reject a bid, where applicable that is not accompanied by any required bid security or by other data required by the bidding documents.

9.8.3 Rejection for Incompleteness or Irregularity

Reject a bid that is in any way incomplete, irregular, amplified, unqualified, or otherwise not in compliance with the bid documents in all material respects.

The Purchasing Department shall maintain complete and sufficient written records of bid rejections to ensure that there is no abuse of the bidding process. All reasons for rejecting a bid shall be retained in the bid file.

9.9 Waiving Informalities

In the terms and conditions of the bid, the County generally reserves the right to waive any informality, irregularity, immaterial defects or technicalities, in any bids received.

9.10 How Bid Solicitations Are Cancelled

9.10.1 Cancellation of Invitation for Bids

The Purchasing Department may cancel a bid solicitation when it determines it is in the best interest of the County. Examples of reasons for cancellation include, but are not limited to the following;

- Inadequate or ambiguous specifications;
- Specifications have been revised;
- Quantities have been revised;
- Conditions of projects have changed;
- Adequate funding is no longer available;
- Supplies or services are no longer needed;
- Changes have occurred in County requirements;
- All bids were deemed unreasonable;
- County estimates were inaccurate;
- Bids submitted were sham or submitted in bad faith;
- Collusion among bidders was suspected;
- All the necessary requirements of the bid process were not met;
- There was insufficient competition;
- Any other reason in the best interest of the County.

The Purchasing Department shall maintain complete and sufficient written records of bid cancellations to ensure that there is no abuse of the bidding process. All reasons for cancelling a bid invitation shall be retained in the bid file.

9.11 Protesting an Award of Invitations for Bids

Any bidder who feels the award of an IFB was not made in accordance with instruction provided in the bid document may submit a protest.

9.12 How Requests for Proposals Are Solicited

9.12.1 When RFPs are Used

The Request for Proposal (RFP) may be used to obtain services estimated to cost \$ 10,000 or more. RFPs are generally the best method of soliciting proposals for services because they allow proposals to be evaluated based on qualifications and services offered, rather than on compliance with specific formulas, tasks, or characteristics.

Although the competitive process is not required for services and consultant contracts under \$ 10,000, it still may be prudent to develop a RFP if the service(s) are of a competitive nature. Contact the Purchasing Department for advice.

9.12.2 An Overview of How RFPs are Prepared

The following checklist is an overview of how RFPs are prepared by the Purchasing Department

9.12.2.1 A Public Notice is Issued

- Adequate public notice of the Request for Proposals shall be given a sufficient time, but not less than ten calendar days prior to the opening of proposals. The Purchasing Department will conspicuously post a copy of each Request for Proposal on the Bid Document Shelf located in Purchasing and on the County website.

9.12.2.2 A Scope of Work is Developed

- The ordering department must develop a scope of work to use in the RFP. If the scope of work is not adequate to enable offerors to provide a meaningful proposal, the department should confer with the Purchasing Department to determine if a two-step RFP process would be more beneficial. A two-step RFP process would enable the department to receive feedback from offerors in step one to refine its requirements before asking offerors for price and other information in step two.

9.12.2.3 Terms and Conditions are Included

- Terms and conditions, including instructions for submitting proposals; the time and date for a pre-proposal conference (if any); where, when, and how proposals are submitted; contracts for information during the solicitation period; required signatures; cost/price submission instructions, evaluation criteria, required submittals, etc., that will be incorporated in the purchase order/contract must be stated in the RFP.

9.12.2.4 Evaluation Criteria is Included

- Criteria to be used for evaluating the proposals must be included in the RFP, or it cannot be used in the evaluation. Additionally, it may be advisable to include the importance (weight) given to each criterion to provide offerors an opportunity to better address heavily weighted factors.

9.12.2.5 Insurance Requirements

- If proof of liability or other insurance will be required, limits and other specifics must be provided in the RFP.

9.12.2.6 Bond Requirements

- If security payment, performance, or other types of bonds are required of offerors or will be required of the successful offeror, limits, specifics, and forms must be provided in the RFP.

9.12.3 Details of the RFP Process

9.12.4 RFP Coordinator

- Department issued RFPs will assign an RFP Coordinator who will be responsible for acting as the primary point of contact for the RFP. The Coordinator will also be responsible accepting, opening and reviewing all proposals to insure they meet the minimum requirements of the RFP.

9.12.4.1 Determination of Evaluation Factors

- The proposals will be evaluated based on evaluation criteria set forth in the RFP.
- The Request for Proposal may indicate the relative importance of evaluation factors. Although not an exhaustive list, are representative evaluation criteria that may be considered by the department or Buyer when preparing a Request for Proposal:
 - **Reputation and Experience**
Does the consultant have a reputation of being reliable, delivering on schedule, and performing tasks to the satisfaction of his clients? Does the consultant have sufficient experience in the kind of work required?
 - **Capability and Availability of Staff**
Does the designated firm have the qualified and experienced staff needed to perform this job?
 - **Proximity of the Firm**
Other factors being equal or relatively insignificant, the County shall strive to retain firms based in the local area, especially Luzerne County firms.
 - **Cost**
Whenever possible and appropriate, a firm fee or hourly rate should be secured as part of the proposal and considered in the evaluation process.

9.12.4.2 Initial Review of Proposals

- The Purchasing Department (RFP Coordinator) staff and/or the issuing department shall review the proposals to ensure the minimum requirements for the RFP are met. Proposals not meeting the minimum, mandatory, and administrative requirements are rejected by formal letter from the Purchasing Department.

9.12.4.3 Discussions With Offerors and Revisions to Proposals

- As provided in the Request for Proposals, discussions may be conducted with responsive offerors who submit proposals for the purpose of clarification to assure full understanding of the requirements of the County.

9.13 Request For Proposal Approval Process

The Request for Proposal process normally results in a contract. The following steps should be taken to ensure that all requirements are in place when the Contract is signed.

9.13.1 Verify Funding

- Before an RFP or Informal Review Procedure is initiated; when the cost anticipated is to be more than \$ 10,000 the departments should request their Division Head Approval to proceed.
- The Division Head will verify that funding is available in the department's budget and determine if County manager Approval is required.
- County Manager Approval will be obtained on any RFP that is considered unusual or potentially controversial (i.e. something that deviated from the usual direction and/or County policy).
- County Office of should verify that departments have consulted the County Managers office, prior to assisting departments with RFP development and/or review of an RFP or related documentation

9.14 Procedural Checklist for Developing and RFP

9.14.1 Coordinate and Plan the RFP

The RFP is normally used to find the solution to a need. The better the need or desired outcomes are described, the more likely the proposals are to address the solution. The requesting department should schedule an initial planning session with the Purchasing Department to consider the following:

9.14.2 Define the Need

A consultant cannot adequately address your needs if the need is not clearly stated or communicated.

9.14.3 Identify what is to be Accomplished

Identification would include the desired approach to the need; practical, policy, technological, and legal limitations, specific questions to be answered, description of the items to be delivered, format and number of copies of reports to be submitted, and the extent and nature of the assistance to be provided to the County.

9.14.4 Provide a Timetable for Events

An estimated timetable which includes projected dates for award of contract, commencement of performance, progress reporting, completion and payment.

9.14.5 Define Budgetary Limitations

Budgetary limitations such as time, money, or both.

9.14.6 Research sources

Find contractors by developing a preliminary list of contractors using Purchasing Services' Bidders List and bidders suggested by requesting department.

9.14.7 Determine if Project is Appropriate for an Independent Contractor

Review the scope of work and ensure that an independent contractor can perform it. An independent contractor is one that works independently with requiring daily supervision from the County.

9.14.8 Preparing an RFP

9.14.8.1 Drafting an RFP

Following the planning stage, the requesting department will develop a draft RFP. The draft will include some or all of the following, tailored to the specific project:

- Background discussion of Luzerne County, who we are and where we are.
- Minimum qualifications for participation.

- Information regarding the submission of proposals. This section may include such information as: a calendar of milestone events; date and time of pre-proposal conference; procedure for questions, closing date and time of solicitation period, where and to whom proposals are to be submitted; contacts for information during the solicitation period; required signatures of proposals; the number of proposals to be submitted; cost/price submission instructions; actual format for response.
- Bidder's Bond in the amount that may be required at the discretion of the Purchasing Department.
- Performance Bond in the amount that may be required at the discretion of the Purchasing Department.
- Performance Bond in the amount as determined by the Purchasing Department.
- The County's Insurance requirements.
- Provide general information about the Request for Proposal. This will include the format to be followed in submitting proposals, reference requirements, the address of the responsible party, and the procedure relative to the receipt of RFPs after the closing date.

9.14.8.2 Requirements Statement (Scope of Work)

The requirements statement shall state the County's requirements clearly and concisely. All information presented shall be technically correct and easily understood. The proposal's specifications shall establish standards of quality, quantity, and any other measures necessary for acceptable performance. All services/products to be delivered under the proposed contract shall be stated, including any acceptance criteria. The requirements statement also include descriptions, numbers, and format for oral and/or written reports, as well as the expected period of performance.

9.14.8.3 Responsibility Criteria

This may include references, financial statements, bonding, insurance, etc.

9.14.8.4 Evaluation Criteria

The RFP shall state the criteria on which the proposal will be evaluated and may include weighted criteria. The criteria shall be quantitative, not subjective, and shall relate to the specifications set forth in the requirements statement.

9.14.8.5 Terms and Conditions

The terms and conditions anticipated to be included in a final contract shall also be stated in the RFP. Examples of terms and conditions include: certifications (e.g. non-discrimination), warranty and indemnifications. Vendors shall be instructed to identify in writing any requested exceptions to the

specified terms. Proposals are to be maintained as confidential working papers until officially placed on County Council meeting agenda, if applicable.

If it is determined that amendments to the RFP are necessary, addenda shall be mailed to all firms who received an RFP. Alterations may include additional information, due to date changes, etc.

Any vendor, who feels the award of an RFP was not made in accordance with instruction provided in the RFP document, may submit a protest.

9.14.9 Acceptance of Proposals

Proposals are to be received at the time and place specified in the Request for Proposal. Late proposals will be date-stamped upon arrival and either maintained unopened in the County's proposal file, or returned unopened to the offeror with a letter of explanation.

9.14.9.1 Closing Deadline

A timetable must be established for RFP release, bidder's conference date and closing date. The time for submitting proposals after the release date, must be at a minimum two weeks.

9.14.9.2 Evaluation Criteria

The RFP must clearly define the standard criteria that will be used by the County to evaluate and select the successful proposer.

9.14.9.3 Selecting Sources to Solicit

Purchasing Services maintains a listing of all known contractors who can provide services to the County. At the request of the department, the Purchasing Department will distribute the RFP to sources on the Bidders List as well as to those suggested by the requesting department. All requests from firms and/or individuals expressing interest to provide services should be forwarded to the Purchasing Department for placement on the Bidders List.

9.14.9.4 Conduct Pre-Proposal Conference

The pre-proposal conference is designed to provide clarification of the Request for Proposal.

9.14.10 How to Evaluate an RFP

9.14.10.1 *Conduct Closing of Submittal Deadline, if appropriate*

At the date and time set for the submittal deadline, a public “closing” may be held in which the Purchasing Department declares the submittal time closed and reads the names of the offerors who have submitted proposals. After that time no additional proposals may be received. Only after that time are the proposals that have been received, opened in the Purchasing Department.

9.14.10.2 *Confidentiality of Proposals*

Proposals are to be maintained as confidential working papers until an Intent to Award Notice is officially issued and announced.

9.14.10.3 *Initial Review*

The proposals are reviewed by the Purchasing Department staff to make sure all of the minimums, mandatory, and administrative requirements for the RFP are met. Those proposals not meeting the minimum, mandatory, and administrative requirements are rejected by formal letter from the Purchasing Department and are not further reviewed in the evaluation process.

9.14.11 **How to Award an RFP**

9.14.11.1 *Contract Development*

Following the approval of the intent to award, the Purchasing Department may negotiate the specific terms and conditions of the contract. There are specific items that must be included in the contract language and others that may be added in the negotiation process. It should be noted that contract language should not be added that in any way changes the requirements of the Request for Proposal or the successful offer.

10 How to Manage Vendors, the Bidders List, Protests and Appeals

10.1 Department Contact with Vendors

Departments that contact vendors for information to price purchase requisitions or gather operational or budgetary information shall inform the vendors that the information requested is for planning purposes only and is not a request for quotations. Departments shall also advise vendors visiting their department to first obtain approval from the Purchasing Department. This will reduce the interruptions of County operations caused by unnecessary vendor contact to County departments.

The Purchasing Department shall arrange equipment demonstrations. Departments shall contact the Purchasing Department if they are interested in reviewing equipment. Whenever possible, such demonstrations will be consolidated to include all interested departments. This is essential to eliminate the possibility of “backdoor buying.”

10.2 Vendor Ethics

Rules that apply to all vendors and contractors doing business with the County include, but are not limited to the following:

- It shall be a breach of ethical standards for any person to offer, give, or agree to give any County employee or former employee a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, or specification, standard or contract.
- It shall be a breach of ethical standards for any person or firm to present false documents or falsely represent its firm
- Vendors shall exercise reasonable care and diligence to prevent any action or conditions that could result in a conflict with the best interests of the County. This obligation shall apply to vendors, employees, agents, relatives, subcontractors, and third parties associated with accomplishing the work hereunder.
- A breach of policies of this manual may result in debarment from consideration of awards.
- All sales representatives, for purchases over \$ 2,500, shall work through the Purchasing Department and shall advise the Purchasing Department of any direct department contact.

10.3 The Bidders List

10.3.1 General Information

The Purchasing Department maintains a list of known prospective bidders who are available to furnish materials, professional and consultant services, and supplies that can meet the County's needs. In the case of written formal bids and informal quotations and for most transactions, the list (or record) of those bidders solicited will be in the bid/quotation file. In most cases, lists are maintained on a computer that enable identification of vendors that supply the items or services required.

10.3.2 Use of Vendors Not on the Bidders List

Occasionally, purchases are made from suppliers not on the Bidders List, because they have never requested that their firms be placed on the list. Any new supplier will be sent a vendor application to be added to the bidders list and then can be considered for future bids.

10.3.3 Requests to be Added to Bidders List

Bidders may be added to Bidders List based on requests from bidders, County departments, or Purchasing staff.

10.3.4 Deletions from Bid Lists

Bidders may be deleted from Bidder List only by action of the Purchasing Department. Reasons for deletion might be:

- Closure of business
- Continual poor service
- Poor quality of goods furnished
- Default on previous purchase
- Failure to respond to three consecutive bids or quote invitation
- Vendor's request to be removed for any reason

Departments wishing to have a contractor removed from the Bidders List must submit a written request to the Purchasing Department that provides the reason why a bidder should be removed from future bid solicitations. The written request should provide detailed factual information documenting the actions taken by the department to correct the non-conformance of a contract. All written correspondence between the department and the contractor should be attached to the department memo.

10.4 Protests and Appeals

Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of a contract may protest to the Purchasing Director. The protest shall be submitted in writing to the Purchasing Director within seven days after such aggrieved person or company knows or should have known of the facts giving rise thereto.

10.4.1 Written Decision Within 10 Days

The Purchasing Director and the Office of Law shall issue a written decision within ten working days after receipt of the protest. The decision shall

- State the reason for the action taken; and
- Inform the protestor that a request of further administrative appeal of an adverse decision must be submitted in writing to the County Manager and Office of Law within seven days after receipt of the decision by the Purchasing Director.

10.4.2 Stay of Purchasing Action During Protest

In the event of a timely appeal before County Council, under this section, the County shall not proceed further with solicitation or with the award of the contract until the appeal is resolved, unless the Purchasing Director and the Office of Law make a written determination that the award of the contract without delay is necessary to protect a substantial interest of the County.

10.4.3 Remedies Before an Award

If before an award, it is determined that a solicitation or proposed award of a contract is in violation of law, then the solicitation or proposed award shall be:

- Cancelled; or
- Revised to comply with the law.

10.4.4 Remedies After an Award

If after an award it is determined that a solicitation or award of a contract is in violation of law, then the contract may be terminated subject to the Office of Law determination.

11 How to Dispose of Surplus Property

11.1 Purchasing Department and County Department Responsibilities

The Purchasing Department is responsible for **preparing and distributing procedures to help ensure the maximum utilization of surplus personal property.**

County departments are responsible for **promptly notifying Purchasing when property is no longer needed.**

The Purchasing Department and County Department will determine if the item should be stored and where, or disposed of.

11.2 Purchasing Department Will Dispose of Surplus Property

The Purchasing Department will sell or dispose of all surplus property. The Purchasing Department will sell or dispose of all County equipment by bid or auction.

11.3 Some County Employees May Not Buy Surplus Items

Any officer, agent or employee of the County assigned to the purchasing function, or responsible for surplus declarations, or having privileged information regarding the item or equipment or the value thereof which is not available to all prospective bidders, or assigned to the organization having custody of the surplus property, shall not either directly or indirectly submit a bid or purchase County property. County employees may purchase surplus items during any public sale or auction held by the County. This policy shall be liberally construed to prohibit any appearance of impropriety and the Office of Law should be consulted for an opinion whenever there is a question of probable conflict.

11.4 Trade-Ins are Allowed

The Purchasing Department should be informed whenever departments are replacing existing equipment and the old equipment will no longer be used. The Purchasing Department will attempt to use this equipment to obtain a trade-in allowance on the purchase of new equipment.

When purchasing personal property for which it is not necessary to advertise for bids, the Purchasing Department is authorized to solicit and accept advantageous trade-in allowances for County personal property that has been determined by the Purchasing Agent to be of no further public use.

11.5 Where the Money from Sales of Surplus Property is Distributed

The proceeds of surplus property dispositions shall be deposited into the County Treasury for use by the County. When the property exchanged or traded in, the Purchasing Department shall secure its value on behalf of the County.

11.6 Advertising the Sale of Personal Property

In the disposition of any personal property, the Purchasing Department may purchase advertising space and may advertise the proposed sale or other disposition to those persons most likely to bid for or purchase the personal property.

12 Providing Public Access

12.1 Pennsylvania Right to Know

- A. The Pennsylvania Right to Know Law, 65 P.S. § 67.101-3104, applies to all documents provided to COUNTY in connection with the administration of the contract. The Pennsylvania Right to Know Law, at § 67.506(d), also applies to a public record that is not in possession of the County but is in possession of a party with whom the County has contracted, so long as the record pertains directly to the function for which the party has contracted.
- B. In the event COUNTY receives a Right-To-Know Law request regarding documents or information in the PROVIDER'S possession and relating to a contract or performance thereunder ("Requested Information"), the PROVIDER agrees to provide COUNTY with access to, and copies of, the Requested Information within fourteen calendar days after notification from COUNTY, and to provide such other assistance as COUNTY may request in order to comply with the Right-To-Know Law.
- C. The PROVIDER agrees that COUNTY'S determination as to whether Requested Information is a public record under the Right-To-Know Law is dispositive of the question as between the parties and the PROVIDER agrees not to challenge COUNTY'S determination. The PROVIDER will have the opportunity to submit a written statement to COUNTY explaining why the Requested Information is exempt from public disclosure under the Right-To-Know Law for up to seven calendar days after receiving the request.
- D. The PROVIDER agrees to abide by any decision of the Pennsylvania Office of Open Records, or by the Pennsylvania Courts, to release a record to the public and agrees to release all rights and remedies that may be available to it as a result of COUNTY'S disclosure of Requested Information pursuant to the Right-To-Know Law.
- E. The PROVIDER'S duties relating to the Right-To-Know Law shall survive the expiration of the contract and shall continue as long as the PROVIDER has Requested Information in its possession.

13 Frequently Asked Questions

- ❖ **Why is it necessary to submit a requisition to Purchasing?** (In other words, why can't Purchasing issue a purchase order based solely on a verbal request?)
 - A requisition authorizes the Purchasing Department to purchase goods and services on behalf of requesting department. Without such authorization, the Purchasing Department would not be able to charge the goods or services to the requesting departments' budget.
- ❖ **How can we avoid doing business with a "bad" vendor?**
 - Under certain circumstances, non-responsible vendors may be removed from the County's bid list for cause; this is called "debaring."
- ❖ **Is there any way to avoid bidding when we are in a hurry?**
 - Unless there is an emergency, waiver of the bid process to expedite the procurement would require prior approval of the Purchasing Department or County Manager, depending on the cost of the procurement.
- ❖ **Why must bids be awarded to the lowest bidder?**
 - Public monies fund County activities. Therefore, the County must comply with all Federal, State and County laws that require award of competitive bids to the lowest, responsible, and responsive vendor.
- ❖ **Can competitive procedure be avoided by leasing rather than purchasing equipment?**
 - No. You cannot avoid competitive procedures by leasing rather than purchasing equipment, because leases are also subject to competitive procedure.
- ❖ **What is the advantage of a centralized procurement system?** (In other words, why can't departments buy their own goods and services?)
 - The County has chosen to use a centralized procurement system for obtaining goods and services. This system cannot be changed, or avoided.
 - ✓ **Checks and Balances**

A centralized procurement system utilizes checks and balances that ensure no one person or department has control over requisitioning, ordering, receiving, and paying for goods and services. For example, the department requisitioning the goods, the Purchasing Department orders the goods, the department accept the goods, and Accounts Payable pays the invoice. The system of checks and balances prevents persons from ordering goods for personal use and charging the County.

✓ **Professional Buyers**

The buyers in the Purchasing Department receive ongoing training to enhance their skills and keep them on the cutting edge of procurement. These skills include soliciting bids and proposals that give all responsible vendors an opportunity to do business with the County.

✓ **Quantity Discounts**

A centralized procurement system enables Purchasing to combine the needs of several departments for like items to realize quantity discounts. Quite often, quantity discounts reduce the price of goods or services dramatically.

❖ **How can the department get the product or service they have decided, is the best one without bidding?**

- The County's policy is to go out to bid unless there is valid reason not to. To avoid bidding, the department must determine if any of the exceptions to the bidding requirement fit its situation.

❖ **If the annual cost of a lease agreement is less than the informal or formal bid threshold, can bidding be avoided?**

- No. The overall cost of the lease determines whether it must be competitively bid/negotiated. For example: The threshold for soliciting quotes is \$ 10,000. The lease for equipment needed is \$ 4,000 per year for three years. Because the total of the lease (\$ 12,000) exceeds the competitive quote threshold, written quotes must be solicited before entering the lease agreement.

❖ **Is tax counted in the total cost of an item when determining whether bids are required?**

- Yes. Tax is considered part of the purchase price. The total amount to be expended with one supplier/contractor determines whether bids are required.

❖ **Do purchases made with grant funds require bidding?**

- The answer is generally yes, purchases made with grant funds require bidding; however, it depends on the requirements of the grant. Look in the grant for procurement requirements. Often grants have more restrictive bid requirements than the County.

14 Glossary

Alternate Bid A bid that invites for consideration one or more offers of an alternate option or choice based upon equipment or satisfactory performance by user (e.g., such bid is only acceptable when the variance is deemed to be immaterial).

Amendment To change or modify for correctness. To alter by modification, deletion or addition to a writing, such as bid documents. An amendment must be in writing.

Award The presentation of a purchase agreement or contract to a bidder; the acceptance of a bid or proposal.

Back Door Buying Making a purchase without going through a central purchasing authority.

Back Door Selling Selling to County departments without going through Purchasing Department.

Back Door The undeliverable part of a previous order, which the vendor agrees to ship later.

Best Interest of the County A term used in granting a purchasing official authority to use discretion to take action that is felt most advantageous to the County. Used when it is impossible to anticipate adequately the circumstances that may arise so that more specific direction could be delineated.

Bid An offer to purchase with a specific price stated.

Bid Bond An insurance agreement in which a third party agrees to be liable to pay a certain amount of money in the event that a specific awarded bidder fails to sign the contract as bid. The County may require, where applicable a bid bond or bid security.

Bid Calendar A display located in the Purchasing Department with a listing of the current invitation for bids and related information.

Bidders List A computerized database maintained by the Purchasing Department that provides for a listing of vendors and the goods and services they provide.

Bill of Lading A carrier's contract and receipt for goods that it agrees to transport from one place to another and to deliver to designated person or assigns for compensation and upon such conditions as are stated therein.

Change Order A purchaser's written modification or addition to purchase order.

Collusion A secret agreement or cooperation between two or more persons to accomplish a fraudulent, deceitful, or unlawful purpose.

Common Carrier A person or corporation, licensed by an authorized state, federal, or other governmental agency, engaged in the business of transporting personal property from one place to another for compensation. A common carrier is bound to carry for all who tender their goods and the price for transportation.

Competitive Bidding The submission of prices by individuals or firms competing for a contract, privilege, or right to supply merchandise or services. Competitive sealed bidding is the preferred method of source selection in public purchasing.

Competitive Sealed Bidding A method of procurement that requires:

- Issuance of an Invitation of Bids with a purchase description including acceptance criteria and all contractual terms and conditions applicable to the procurement.
- Public, contemporaneous opening of bids at a pre-designated time and place.
- Unconditional acceptance of a bid without alteration or correction except as authorized in this manual.
- Award to the most responsive and responsible bidder who has submitted the lowest bid that meets the requirements and criteria set forth in the Invitation for Bids.

Competitive Sealed Proposals A method of procurement that involves but is not limited to:

- Solicitation or proposals through a Request for Proposals.
- A private opening of proposals that avoids disclosure of contents to competing offerors during the process of negotiation.
- Submission of cost or pricing data from the offeror where required.
- Discussion with responsible offerors whose proposals have been determined to be reasonably susceptible of being selected for award, unless such discussions are not required by the Request for Proposals or this manual.
- An award made to the responsible offeror whose proposal is determined in writing to be the most advantageous, considering price and evaluation factors set forth in the Request for Proposals.

Concealed Damage Damage to the contents that is not apparent externally; latent defect

Confirming Purchase Order (Issued by the Purchasing Department) A purchase order issued to a vendor, listing goods or services and terms of an order verbally, or otherwise, in advance of the issuance of the usual purchase document

Consignee The person or organization to which a shipper directs the carrier to deliver goods. Such person or organization is generally the buyer of goods and is called consignee on a bill of lading

Consignor The person or organization that delivers freight to a carrier for shipment is called a consignor or shipper and is the one who directs the bill of lading to be executed by the carrier

Contract An agreement, enforceable by law, between two or more competent parties, to do or not to do something, for consideration; any type of agreement or order for the procurement of supplies or construction

Discount Vendor's deduction from the selling price, usually upon some cost reducing condition, such as prompt payment

Drop Ship A method of ordering of merchandise that is shipped directly from manufacturer to destination; usually platform or dock delivery

Emergency Purchase An immediate purchase by a department, utilizing a requisition, in order to obtain goods or services to avoid a substantial hazard to life or property or serious interruption of the operation of a County department

Fixed Assets An item of equipment that costs \$ 5,000 or more and has a life of greater than three years

Fixed Price Contract A contract that provides for a firm price under which a contractor bears full responsibility for profit or loss

Gratuity Something given voluntarily or beyond obligation; acquired without bargain; a gift

Informal Interviews Utilized to select vendors or contractors to provide professional or consulting services without the use of competitive sealed proposals

Informal Quotations Verbal or written solicitation by a Buyer for goods and services without the use of competitive sealed bids

Inventory A stock of goods or an itemized list of a stock of goods indicating volume and values

Invitation for Bids All documents utilized for soliciting bids, whether attached or incorporated by reference

Invoice Seller's itemized document stating prices and quantities of goods and/or services delivered, and sent to buyer for payment

Merchantability The article sold shall be of the general kind described and reasonably fit for the general purpose for which it shall have been sold, and where the article sold is ordinarily used in but one way, its fitness for use in that particular way is implicitly warranted unless there is evidence to the contrary

Non-Responsive Bid A bid that does not conform to the essential requirements of the Invitation for Bids; nonconforming bid

Performance Bond A contract or guarantee executed subsequent to award by a successful bidder to protect the government from loss due to the inability to complete the contract as agreed

Pre-Bid Conference Meeting held with prospective bidders before solicitation of bids or proposals, to recognize state of the art limits, technical aspects, specifications, and standards relative to the subject and elicit expertise and bidders' interest in pursuing the task

Proposal An offer with a specific price stated that is subject to negotiation

Public Project A project used for the erection, improvement, and repair of public buildings and works

Public Works Contract An agreement for the erection, construction, alteration, repair or improvement of any public structure, building, road, or other public improvement of any kind

Purchase Description Specifications or any other document describing the goods, services, or construction to be procured

Purchase Order A written document to a supplier formally stating all terms and conditions of a proposed transaction

Purchase Requisition An internal document by which a using agency requests the Purchasing Department to initiate procurement

Quotation A statement of price, terms of sale, and description of goods or services offered by a vendor to a prospective purchaser, the stating of the current price of a commodity, and the price so stated

Request for Proposal All documents utilized for soliciting proposals, whether attached or incorporated by reference

Responsible Bidder or Offeror A person who has the capacity in all respects to perform fully the contract requirements, and the integrity and reliability to assure good faith performance

Responsive Bidder A person who submitted a bid that conforms in all material respects to the Invitation for Bid, including the specifications set forth in the Invitation

Services, Consultant A type of personal service where an independent contractor provides expert advice or services that involve extended analysis and the exercise of discretion and independent judgment such as management audit firms, grant writers, and safety and insurance consultants

Services, Professional A type of personal service where an independent contractor provides professional advice or service requiring extended analysis and the exercise of discretion and independent judgment and an advanced, specialized type of knowledge, expertise or training customarily acquired either by a prolonged course of study or equivalent experience such as accountants, physicians, labor consultants, investigators, attorneys, architects, surveyors, and engineers

Sole Source Purchase An award for a commodity or service which can only be purchased from one supplier, usually because of its technological, specialized, or unique character; or, an award for a commodity or service to only one supplier, when it is determined by the Purchasing Manager, County Manager or County Council that due to the intended use of the item or service it is in the best interest of Luzerne County to purchase from only one source

Terms and Conditions A phrase generally applied to the rules under which all bids must be submitted and the terms that are included in most purchase contracts that are often published by purchasing authorities for the information of all potential bidders

Trade Discount A reduction from a list price predicated upon the position of the buyer in the distribution channel (e.g., jobber, retailer, original equipment manufacturer, etc.)

Unauthorized Purchase A purchase commitment by a department without prior approval by purchasing services. The Purchasing Department or his/her designee may require the department to seek County Managers approval for an unauthorized purchase

Uniform Commercial Code One of the uniform laws drafted by the National Conference of Commissioners on Uniform State Laws governing commercial transactions (sales of goods, commercial paper, bank deposits and collections, letters of credit, bulk transfers, warehouse receipts, bill of lading, investment securities, and secured transactions)

User Department A County department that requisitions items through central purchasing, also referred to in the manual as the ordering department

Vendor A supplier of goods and/or services