

**FINANCIAL MANAGEMENT COMMITTEE
POLICIES AND PROCEDURES
WILSON COUNTY, TENNESSEE**

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FINANCIAL MANAGEMENT COMMITTEE

POLICIES AND PROCEDURES

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INTRODUCTION

The purpose of this manual is to provide a guide for departments and employees regarding all policies and procedures established by the Financial Management Committee as required by the adoption of the "County Financial Management System of 1981". This manual is distributed to all members of the County Commission and the Financial Management Committee, plus all Department Heads and other employees involved in any activities covered by this manual.

This manual shall serve as a permanent, up-to-date guide of all approved Financial Management Committee Policies and Procedures. As additions and revisions are approved by the Financial Management Committee, these sections or revised pages will be forwarded to each individual by the Finance Director for inclusion in their manual

The Finance Director is responsible for maintaining the master copy of this manual and is authorized to establish additional detailed policies in order to provide effective implementation of the "County Financial Management System of 1981" and the policies and procedures adopted by the Financial Management Committee.

The Financial Management Committee and the Finance Director greatly appreciate your cooperation and welcome all suggestions or questions.

LEGAL REFERENCES

On July 1, 1993, the Wilson County Board of Commissioners voted to implement the "County Financial Management System of 1981", located in T.C.A. 5-21-101 through 5-21-129. Under this law, a Financial Management Committee is created, which is responsible for the approval of policies and procedures for implementing a sound and efficient uniform financial management system for the County. Such system must include accounting, budgeting, cash management, payroll, purchasing and such other financial matters deemed necessary for an efficient system. The system must conform to generally accepted governmental accounting principles and must be in substantial agreement with the standards of the Governmental Accounting Standards Board and the regulations established by the Comptroller of the Treasury of The State of Tennessee, and State Commissioner of Education and State Law.

Additionally, the law requires the appointment of a Finance Director by the Committee to administer the finances of the County for all funds of the various departments, agencies and boards which are handled by the County Trustee, including specifically the General Fund, and Road Fund. The School Fund is specifically not covered in this document as they successfully petitioned to be separate from the general government of Wilson County. The Finance Director is responsible for implementation of the policies of the Committee and shall, among other duties, install and maintain systems for proper accounting, budgeting, cash management, fiscal management, internal control, payroll and purchasing. The Finance Director shall also assist other officials in achieving an efficient financial management system.

As the policies and procedures are issued by the Committee and upon the full implementation of the "County Financial Management System of 1981", any private acts or local policies relative to county finances, accounting, budgeting, cash management, internal control, payroll and purchasing in conflict with the System shall be suspended.

PURCHASING OVERVIEW

These procedures were prepared in a manner to create a simple, yet controlled and efficient system for making approved purchases within budget limitations plus accurate and timely payment of bills. It is not the purpose of these procedures to expound upon the virtues of wise purchasing and competitive bidding, although it is the intent of the Financial Management Committee that the best possible value be received for the tax dollar and that each employee responsible for purchasing shall exert every effort to see that this goal is achieved. In view of this intent, the following is an overview of the purchasing procedures adopted by the Financial Management Committee.

A PURCHASE ORDER SHOULD BE ISSUED FOR ALL PURCHASES ON ACCOUNT AND MUST BE PREPARED BEFORE THE ORDER IS PLACED. WILSON COUNTY WILL NOT BE OBLIGATED TO MAKE PAYMENT, IF A PURCHASE ORDER IS ISSUED AFTER THE ORDER IS PLACED.

All purchases must be authorized by the Finance Office. All purchases require the preparation of a Purchase Requisition by an employee or employees authorized by the appropriate department head, and approved by the department head or his designee. In no event shall the Purchase Requisition be initiated and approved by the same person within a department unless there are insufficient personnel in a department to properly segregate these duties. Properly completed Purchase Requisitions will result in the issuance of a Purchase Order by the Finance Director. Because the county must ensure it receives the best value for the tax dollars it spends, single item purchases or like type items less than \$10,000 should be competitively shopped in the department from which the order will be placed.

Purchases of \$10,000 or more shall be based on formal competitive bids. The bid process for purchases for \$10,000 or more will be completed by the Purchasing Section of the Finance Office or purchased from federal, state, or other local government bid.

Changes to any Purchase Orders, whether under or over \$10,000, shall follow the same procedures established for the issuance of a Purchase Order. No employee, except the Finance Director, or his designee, shall have the authority to change any Purchase Order.

Purchase requisitions will be accepted up to the last day of the fiscal year provided that they are properly completed, are not blanket purchase requisitions made payable to an employee (i.e. travel), and are reasonably expected to be liquidated within twelve months of the issuance of a Purchase Order. All purchase orders outstanding at the end of each fiscal year will be reviewed and closed unless specific approval is granted by the appropriate committee and the Finance Director for a Purchase Order to remain open.

A Purchase Order will be generated from an approved Purchase Requisition. Department personnel should only purchase items that were requested and specified on the Purchase Order.

Prices should include all freight charges. Requests and Purchase Orders should state if other than F.O.B. destination. For purchases where the prices do not include freight, the Requests and Purchase Orders shall state that all shipping and handling charges shall be "PREPAID" and added to the invoice.

Invoices should be addressed to the department placing the order and forwarded to the Finance Department after they are reviewed and approved by the department head or his/her designee. In addition, the department placing the order should complete the Request for Payment form and send it with the original invoice to the Finance Department. The original invoice and Request for Payment shall remain in the control of the Finance Department after receipt by the Finance Department. All payments shall be supported by an original invoice. There will be no payments made from a monthly statement or a Xerox copy of an invoice.

Invoices received in excess of 10% of the Purchase Order amount will require an additional Purchase Requisition for the excess amount.

Every effort should be made to make as accurate an estimate as possible on the original requisition to prevent overspending the budget line and limit the number of additional Purchase Requisitions required.

No County official shall accept or receive, directly or indirectly, from any person or vendor to which any order may be placed, anything of value whatsoever, or any promise for future reward or compensation. Nor shall any County official be financially interested or have any personal beneficial interest, either directly or indirectly, in any contract or purchase order issued by the County. If any said interest exists, the contract or purchase order shall be void and the County shall not be liable for the contract or purchase.

In any purchase order or check issuance system, problems will be encountered by both the accounting department and the department making the purchase. This is normal and can be expected because no system or individual is perfect. For any system to work we must follow the procedures, but we must also be flexible at appropriate times to handle various problems and unexpected situations. As these situations occur, The Finance Director shall have the authority to resolve such matters.

PURCHASING AUTHORITY OF FINANCE DIRECTOR

The Finance Director, or his designee, shall be responsible for all procurement activities involving any funds handled by the County Trustee and appropriated by the County Commission. The Finance Director, or his designee, shall be responsible for the contract, purchase, or any other obligation of the County and have the authority necessary to maintain an efficient purchasing system as follows:

1. Authorize any Department Head to make purchases in the open market for immediate delivery in emergency situations and define the manner in which such emergency purchases shall be made and reported to the Finance Director, or his designee.
2. Prescribe the manner in which items shall be requisitioned, purchased, delivered and distributed. Blanket Purchase Orders shall be for a specified period of time not to exceed twelve months and should have an amount and/or quantity designated.
3. Prescribe the dates for submitting requisitions and estimates, the future period they are to cover, the form in which they are to be submitted, the manner of their authentication, and their revision.
4. Prescribe the manner of inspecting all deliveries of orders and determining if the order is in compliance with specifications.
5. Determine whether a deposit or bond is to be submitted with a formal bid, and if required, prescribe the amount and form.
6. Prescribe the manner and time table in which Purchase Requisitions, Request for Checks, Purchase Order Changes, Purchase Orders, Contracts, etc., shall be submitted, examined, approved, signed, and issued.
7. Prescribe the manner and time table in which invoices shall be submitted, examined, approved, signed, and issued.
8. Prescribe all other matters as may be necessary to maintain an effective and efficient purchasing system.

PURCHASE ORDERS LESS THAN \$10,000.00

The following instructions are for the preparation of Purchase Requisitions and Purchase Orders less than \$10,000.00. All Purchase Requisitions over \$10,000.00 must be in compliance with all bidding requirements. Purchase requisitions over \$10,000.00 exempted from the formal bidding must contain a statement as to why the order should be exempt from the formal bidding requirements. (A contract shall not serve as a substitute for a Purchase Order).

I. DEPARTMENT HEAD

1. Each Department Head is responsible for requisitioning the purchase of supplies, material, equipment, contractual services, and the rental of machinery, buildings, and equipment.
2. a) As stated in T.C.A. 5-21-118, the director or a deputy appointed by the director shall serve as the county purchasing agent and shall assist the Committee in developing policies and procedures for implementing an economical and efficient purchasing system.

b) The following shall be the responsibility of the director:
 - (1) The contract, purchase, or any obligation of the county for supplies, material, equipment, contractual services, rental of machinery, buildings, or equipment, transfer of materials, supplies, and equipment between county offices or agencies;
 - (2) Supervision of storeroom or warehouse;
 - (3) Contracts for the building construction and the purchase of land;
 - (4) Public sale of all surplus materials, equipment, buildings and land;
 - (5) Any other created obligation of the county.
3. To initiate the purchasing process, the department should complete a Purchase Requisition.
 - a) Budget line item numbers should be provided in full as provided in the budget document. Please DO NOT abbreviate this number.
 - b) Indicate on the Purchase Requisition where you want the order delivered or if your department will pick up the order from the vendor.
 - c) If the exact cost is not known, an estimate must be placed for each item and so noted as "ESTIMATED BUT NOT TO EXCEED". Estimated amounts should be very rare and should normally only occur for maintenance and repair orders.
 - d) Include in your cost/estimate enough to cover shipping charges, if any.
 - e) The Purchase Requisition must be signed by the requisitioner and approved by the Department Head or his/her designee.

- f) For contracts, a copy of the contract should be on file in the Finance Department
 - g) For utility and phone bills, you may prepare a requisition each month for that month's bill (12 requisitions per year)
 - h) For purposes of planning for purchases, the following guidelines apply: (1) Items estimated to cost between \$500.00 and \$10,000.00 submit Purchase Requisition 14 days in advance; (2) Items less than \$500.00 Submit requisition 7 days in advance.
 - i) If the Purchase Requisition is not fully completed and properly approved, the Finance Department will return it to the requisitioner. To save time, please be sure that all information is accurate and complete.
4. Send the original and yellow copy of the approved Purchase Requisition to The Finance Department, Attention: Purchasing. Departments should retain the pink copy of the Purchase Requisition for permanent record.
- a) If you are located in the Courthouse, place approved Purchase Requisitions in the Finance Department box located in the County Mayor's Office. Mail will be picked up from this location at approximately 10:00 a m each day.
 - b) If you are located at the Road Department, WEMA Department, CJC Building, or Judicial Center, take to the Finance Department at the Court House – 2nd fl
 - c) If you are a remote location, mail or deliver approved Purchase Requisitions to the following address:
 Wilson County Finance Department
 Attention: Purchasing/Courthouse 2nd fl
 P O Box 248
 Lebanon, TN 37088

II. FINANCE DEPARTMENT – ASSISTANT PURCHASING AGENT

1. Receives Purchase Requisitions for Purchase Orders from various departments.
2. After review of the Purchase Requisition for completeness and properness, the portion of the Purchase Requisition entitled “for purchasing department use” is completed and a Purchase Order is issued.
3. The Assistant Purchasing Agent matches the Purchase Requisition and Purchase Order and forwards all copies to the Finance Director or his designee for approval.

FINANCE DIRECTOR

1. Receives all copies of the Purchase Requisition and Purchase Order (along with attached supporting documentation).
2. Reviews Purchase Requisition and Purchase Order for properness. The Purchase Requisition and Purchase Order are then approved for purchase. The Finance Director may assign this duty to another employee.
3. The Finance Director remits approved Purchase Requisition and Purchase Order to Assistant Purchasing Agent.

FINANCE DEPARTMENT – ASSISTANT PURCHASING AGENT

1. Once the approved Purchase Requisitions and Purchase Orders are received back from the Finance Director, they are separated and distributed to the proper areas:
 - a) The original copy of the Purchase Requisition (white copy) and the blue copy of the Purchase Order is retained in Purchasing for permanent record.
 - b) The second copy of the Purchase Requisition (yellow copy) and the green copy of the Purchase Order is distributed to the proper Accounts Payable Clerk.
 - c) The original copy of the Purchase Order is sent to the vendor (or to the proper department if the vendor does not require a copy of the Purchase Order). The departments will be sent two copies of the Purchase Order (3 copies if one is not sent to the vendor). One copy is for their file and one copy is the Receiving Report copy.

FINANCE DEPARTMENT – ACCOUNTS PAYABLE CLERK

1. Receives yellow copy of the Purchase Requisition and the green copy of the Purchase Order.
2. Files the Purchase Requisition and the Purchase Order in Alphabetical order in the unpaid bills file.

DEPARTMENT HEAD

1. Each department will receive two copies of the approved Purchase Order. One copy is the department's copy and should be maintained in alphabetical order for permanent record. The second copy of the Purchase Order acts as a receiving report. When the order is received, the proper personnel should check closely to ensure that they were shipped what they ordered. **EACH DEPARTMENT HEAD IS RESPONSIBLE FOR ENSURING THAT THE ORDER IS COMPLETE.** Check item description, model name and number (if

applicable), quantity, unit, and other specifications. If you accept substitutions, so note on the Receiving Report copy of the Purchase Order. Also, note items not received and other exceptions

2. When the department head or his designee is satisfied that the shipment is complete and meets the specifications of the Purchase Order, complete a Request for Payment form, date and sign the Receiving Report copy of the Purchase Order and/or the vendor invoice and forward those documents to the Finance Department, Attention: Accounts Payable. In lieu of signing the Receiving Report copy of the Purchase Order, the department head or his designee may sign only the vendor invoice to indicate that goods have been received and the invoice is approved for payment.

FINANCE DEPARTMENT – ACCOUNTS PAYABLE CLERK

1. Receives the “receiving report” copy of the Purchase Order, and/or the vendor’s invoice/receipt after the department has obtained shipment and the goods meet the specifications of the Purchase Order. The receiving report should be dated and signed by the appropriate department personnel.
2. Matches the Purchase Requisition, Purchase Order, Receiving Report, and invoice/receipt and prepare payment.

EMERGENCY PURCHASE ORDER

TCA 5-21-119 states: “Emergency purchases shall be limited to needs arising which are not normally foreseeable. Emergency purchases shall not be permissible if a department or agency fails to properly plan for the need, proper purchasing procedures, and delivery time.
DEPARTMENT HEAD

1. In the event of an emergency during normal office hours, a Department Head or his /her designee may call the Assistant Purchasing Agent in the Finance Department at 443-2630 to obtain a purchase order number. In the event of an emergency after office hours, the Department Head may authorize a purchase and follow-up the next morning with a call to the Finance Department.
2. In both instances, the Department Head should immediately submit a completed requisition to the Finance Department. The requisition should contain the following certification:

“I certify that the need for the materials and/or services arose from unforeseeable emergency circumstances, and does not reflect a failure to properly plan for the need, proper purchasing procedures, and adequate delivery time.”

If the exact cost is not known, an estimate must be placed for each item and so noted as “ESTIMATED BUT NOT TO EXCEED”. Estimated amounts should be very

rare and should normally only occur for maintenance and repair orders.

3. Signs Purchase Requisition (3 copy form).
4. Forwards top two copies of the requisition to the Assistant Purchasing Agent at the Finance Office.
5. Files last copy (pink) in alphabetical order for permanent record.

FINANCE DEPARTMENT – ASSISTANT PURCHASING AGENT

1. Receives Purchase Requisition from various departments.
2. After review of the Purchasing Requisition for properness and completeness the portion of the Purchase Requisition entitled “for purchasing department use” is completed and a purchase order is issued.
3. The Assistant Purchasing Agent matches the Purchase Requisition and the Purchase Order and forwards all copies to the Finance Director or his designee for approval.

FINANCE DIRECTOR

1. Finance Director receives all copies of the Purchase Requisition and the Purchase Order for review and approval.
2. Forwards all copies of the Purchase Requisition and the Purchase Order to the Assistant Purchasing Agent.

FINANCE DEPARTMENT – ASSISTANT PURCHASING AGENT

1. The Assistant Purchasing Agent receives the approved Purchase Requisition and Purchase Order to separate and distribute to the proper areas:
 - a) The original copy of the Purchase Requisition (white) and the blue copy of the Purchase Order are retained in Purchasing for permanent record.
 - b) The second copy of the Purchase Requisition (yellow) and the green copy of the Purchase Order are distributed to the proper Accounts Payable Clerk.
 - c) Since the order has already been placed (emergency), the vendor does not receive the original copy of the Purchase Order. This copy is usually discarded.

- d) Two copies of the Purchase Order is sent to the departments: 1) one copy Of the Purchase Order is for the department's permanent record and 2) the second copy acts as a receiving report.

FINANCE DEPARTMENT – ACCOUNTS PAYABLE CLERK

1. Receives yellow copy of the Purchase Requisition and the green copy of the Purchase Order.
2. Files the Purchase Requisition and the Purchase Order in alphabetical order in the unpaid bills file.

DEPARTMENT HEAD

1. Receives two copies of the Purchase Order.
2. Files appropriate copy of Purchase Order in alphabetical order for permanent record.
3. Files second copy of Purchase Order in alphabetical order until order is received.
4. Receives order from vendor.
5. The order should be checked closely to ensure that the department was shipped what they ordered. **THE DEPARTMENT IS RESPONSIBLE FOR ENSURING THAT THE ORDER IS COMPLETE.** Check item description, model name and number (if applicable), quantity, unit, and other specifications.
6. When you are satisfied that the shipment meets all specifications, note the following on the Receiving Report (pink copy):

Received
Date
Signature or initials of receiver
7. Forwards receiving copy of the Purchase Order and the signed invoice/receipt (if received) to the appropriate Accounts Payable Clerk in the Finance Department.

FINANCE DEPARTMENT – ACCOUNTS PAYABLE CLERK

1. Receives the “receiving report” copy of Purchase Order, and the vendor’s invoice/receipt after the department has obtained shipment and the goods meet the specifications of the Purchase Order. The receiving report should be dated and signed by the appropriate department personnel.
2. Matches Purchase Requisition, Purchase Order, Receiving Report, and invoice/receipt and prepares payment.

REQUEST FOR CHECK ISSUANCE

The following instructions are for the preparation of a Request for Check Issuance that does not pertain to a currently open Purchase Order. In practice, the Request for Check Issuance is a Purchase Requisition form. A Request for Check Issuance form should be completed to authorize payment when a Purchase Order is not appropriate.

(Some examples of these instances would be for payroll deductions, utility bills, monthly Rental payment on a contract, and other instances as approved by the Finance Committee) To include:

Postage,
Subscriptions,
Dues/memberships,
Detective uniform advances,
In-service Training

Note: P O’s may be issued – for some of the items listed are not required.

DEPARTMENT HEAD

1. Prepares Request for Check Issuance.
2. Attaches backup documentation if available to Request.
3. Forwards two copies (white, yellow) to the proper Accounts Payable Clerk in the Finance Department.
4. Files pink copy in alphabetical order for permanent record.

FINANCE DEPARTMENT – ACCOUNTS PAYABLE CLERK

1. Receives white and yellow copies of the Request for Check Issuance.
2. Verifies accuracy of Request and signs Request for Check Issuance. Prepares check for payment.
3. Forwards check and all backup documentation to Finance Director.

FINANCE DIRECTOR

1. Receives check and backup documentation from Accounts Payable Clerk.
2. Signs Check and Request for Check Issuance. The Finance Director may assign this duty to another employee.
3. Forwards signed check and/or supporting documentation to proper Accounts Payable Clerk.

FINANCE DEPARTMENT – ACCOUNTS PAYABLE CLERK

1. Receives signed check and/or supporting documentation from Finance Director.
2. Obtains additional signature from department head, as needed.
3. Forwards check to Department Head or vendor as appropriate.

DEPARTMENT HEAD

1. Receives check (if applicable) from Accounts Payable Clerk.
2. Forwards check to vendor and requests returned receipt on applicable items (postage, clothing allowance purchase).
3. Forwards receipts (if applicable) to Accounts Payable Clerk.

FINANCE DEPARTMENT – ACCOUNTS PAYABLE CLERK

1. Receives receipts from Department Head or vendor (if applicable) and files with check copy in paid bills file in alphabetical order.

PURCHASES REQUIRING FORMAL BIDDING

On September 8, 1992, the Financial Management Committee approved the following policy: "For all funds, purchases of \$10,000.00 or more shall be based on formal competitive bids." By definition, a "formal bid" is a sealed, confidential bid submitted in response to a publicly posted or advertised "solicitation for bid" or "request for proposal" (RFP). A formal bid is submitted to the Finance Department prior to a deadline for that bid solicitation.

PURCHASES EXEMPT FROM FORMAL BIDDING

Purchases of \$10,000.00 or less are not required to be competitively bid, however, this Exemption shall not apply to purchases of like items which individually cost less than \$10,000.00, but which are customarily purchased in lots of two or more, if the total purchase price of such items would exceed \$10,000.00 during any fiscal year. In addition, the following are also exempt from formal bidding requirements:

1. Any product or services which may not be procured by competitive means because of the existence of a single source of supply or because of a proprietary product.
2. Purchases or leases for immediate delivery in actual emergencies arising from unforeseen causes, including delays by contractors or in transportation, and un-anticipated volume of work.
3. Purchases, leases, or lease purchases of real property.
4. Purchases, leases, or lease purchases from any federal, state, or local government unit or agency, including the State Investment Pool and Tennessee Department of General Services.
5. Purchases from agencies created by two or more governments.
6. Purchases from nonprofit corporations whose purpose or one of whose purposes is to provide goods or services specifically to governments, such as the Local government Processing Corp.
7. Investments in or purchases from the State Investment Fund.
8. Purchases for professional services such as lawyers, engineers, public accountants and others as specified by the "County Financial Management System of 1981".
9. Maintenance for which the extent of the repairs cannot be determined.

DETAILED FORMAL BIDDING PROCEDURES

The following guidelines set forth the procedures for issuing the Invitation To Bid and the acceptance of a bid:

1. Specifications shall be submitted to the Assistant Purchasing agent not less than 14 days before publication of the invitation to bid date.
2. Department Head and/or Assistant Purchasing Agent develops and prepares specifications.
3. Specifications forwarded to Assistant Purchasing Agent, if applicable.

4. After the specifications are finalized, the Assistant Purchasing Agent sets up a bid file and places a bid notice in a local newspaper for publication at least ten days before the bids are to be opened. The Director of Finance may approve a shorter time for publication at his discretion.
5. Assistant Purchasing Agent receives sealed bids and places in bid file.
6. Assistant Purchasing Agent publicly opens bids at scheduled time, reads bids aloud and prepares a summary schedule of bids received. It is desirable that the Department Head be present.
7. Finance Director or his designee, with input from the Department Head, determines the best bid.
8. Purchase Order is prepared and forwarded along with the supporting documentation to Finance Director, or his designee, for approval.
9. Department Head forwards a Purchase Requisition to the Assistant Purchasing Agent for issuance of the Purchase Order, showing funds and line item for purchase; thus giving approval to bid and indicating that funds are available.
10. Finance Director, or his designee, approves Purchase Order and returns to Assistant Purchasing Agent.
11. Assistant Purchasing Agent forwards original copy (white) of the Purchase Order to the successful bidder and appropriate copies of the Purchase Order to the Department Head, and also, mails letter to all unsuccessful bidders notifying them of the successful bid.
12. Department Head receives appropriate copies of the Purchase Order and follows procedures thereafter as contained in the Purchasing Procedures.

SPECIFICATIONS OF INVITATION TO BID

The following includes specifications that must be adhered to when issuing an Invitation To Bid:

1. Ad in Newspaper – An Invitation To Bid must appear in a local newspaper before the bid opening date.
2. Point of Delivery – All Invitation To Bid's shall state that quotations are to be submitted on the basis of F.O.B. destination.

3. **Alternate Bids** – Bids may be invited on alternate items or schedules, but may not be considered unless requested by the Invitation To Bid.
4. **Amendments to Specifications** – Amendments to the bid specifications, including changes, additions, reductions, modifications, omissions, explanation, and interpretations, may be made and issued in the form of an amendment to the Invitation To Bid. The amendments must be made before the bids are opened and must be sent to each bidder and anyone who was furnished an Invitation To Bid.
5. **Cancellations** – Invitations To Bid may be canceled if it is clearly in the County's best interest, such as, where there is no longer a requirement for the order or where amendments would be of such magnitude that a new Invitation would be desirable. If the Invitation is canceled, bids received shall be filed (unopened) in the official bid file and all bidders shall be notified.
6. **Bid Bonds** – The Bid Bond is used to insure the bids received will be viable. In the case of large bids the Assistant Purchasing Agent may require a bid bond not to exceed 10% of the total bid. A certified check, cashier's check or properly executed bond shall accompany the bid proposal. Bonds or checks of the bidders shall be held by the Assistant Purchasing Agent until the bid is awarded and the deposit of the successful bidder will be held until the order or project is completed. If the successful bidder does not accept the bid award within two weeks, the bond will be forfeited by the bidder.
7. **Certified checks, cashier check, etc.** will be returned to the unsuccessful bidder(s) by certified mail.
8. **Performance Bonds** – The Performance Bond is used to insure performance of contracts in the time and manner prescribed and to save, indemnify and keep harmless the County against loss. In cases where performance is critical, especially construction contracts, the Finance Director may require a Performance Bond as much as 100% of the bid.
9. **Solicitation of Bids** – Bids shall be solicited from all qualified sources deemed necessary to assure full and free competition and the best value for the County's dollar. In addition to newspaper advertisement, the Assistant Purchasing Agent shall mail Invitations to Bid to all known prospective bidders.
10. **Record of Invitations Distribution** – A record shall be kept by the Assistant Purchasing Agent of the distribution of all Invitations to Bid.

MAINTENANCE OF VENDOR LISTING

It is the intention of Wilson County to provide vendors in the County as well as other interested vendors an opportunity to bid on items to be purchased. The Assistant Purchasing Agent shall compile a list of vendors. When Invitations To Bid are issued, each appropriate vendor shall be issued a notice of the Invitation.

A vendor may be removed from the vendor listing by the Finance Director and be barred from bidding for up to three years for serious or repeated failure to meet conditions of purchase agreements or bid conditions, or failure to submit a bid on three successive Invitations To Bid.

SUBMISSION OF FORMAL BIDS BY VENDORS

1. **General Requirements** – In order to receive consideration, bids shall be filled out, executed, and submitted in accordance with the instructions accompanying the bid form and in sufficient time to reach the Finance Department at or before the time designated for the opening of bids. All bids must be received in SEALED envelopes or will not be accepted.
2. **Signing Of Bids** – Bids must be signed by bidders prior to submission. Corporate names, trade names, or partnership titles may be stamped or typewritten, but the actual signature of the authorized representative of the bidder shall appear on the bid. The signature shall be followed by title of the signor. At the discretion of the Assistant Purchasing Agent, any incomplete business name or signature deficiency may be grounds for rejection of the individual bid.
3. **Submission Of Bids** – Bids and written modifications of bids must be submitted in SEALED envelopes. Unsealed envelopes will not be accepted under any circumstances. Bidders will not be allowed to withdraw their bid after the specified bid opening time.
4. **Telegraphic and Telephone Bids** – Submission of bids by telegraph, telephone or by any other electronic means will not be allowed. Bid modifications by these means will also not be allowed.
5. **Standard forms Requirement** – Bids not submitted on the standard prescribed forms shall not be considered.

RECEIPT AND CARE OF FORMAL BIDS

1. **General Requirements** – Bids shall be received, handled, and protected in a manner that will prevent fraud and preserve the integrity of the competitive bidding system.
2. **Bid Depository** – As bids are received, they shall be delivered to the Assistant Purchasing Agent and placed in a locked file until the time for bid opening.

3. Bids Not To Be Opened – Bids shall not be opened, read, or in any manner made public until the time set for opening, except for the reason set forth in (4) below.
4. Identification Of Bids – A bid received without proper identification on the envelope may be opened for identification purposes. The bidder shall be resolved immediately, and no information obtained from the opening of the bid shall be disclosed. An explanation of why the bid was opened and signed by the person who opened it, shall be placed on the envelope.
5. Date Bids Received – Each bid envelope received shall be time stamped, or have written on it in ink, the date and hour of actual receipt. The notation shall be signed by the person entering the information on the envelope.
6. Late Mail Bids – Each vendor will be responsible for seeing that his bid arrives on time. Incorrect filing, mailing, or lateness resulting from the United States Post Office will not be an excuse and such bids will not be accepted.
7. Modifications By Telegraph or Telephone – Modifications to the submitted bid shall not be permitted by telegraph, telephone or by any other electronic means.
8. Late Hand Carried Bids – Late hand carried bids shall not be accepted.
9. Notification To Late Bidders – When it is clear from available information that a late bid cannot be considered, the Assistant Purchasing Agent shall promptly notify the bidder that his bid was received late and will not be considered. This bid shall be filed in the official bid file unopened.
10. Late Bid Records – The following shall, if available, be included in the official bid files with respect to each late bid:
 - a. The unopened envelope or other covering.
 - b. A statement as to the date and hour of filing or mailing.
 - c. A statement as to the date and hour of receipt.

OPENING OF FORMAL BIDS BY COUNTY

1. General Requirements – At the time fixed for bid opening, all sealed bids received shall be publicly opened and read aloud by the Assistant Purchasing Agent or the designated representative. Another County Official should always be at the opening and it is desirable that the appropriate Department Head be present.
2. Data To Be Read – Generally, only the following data should be read aloud: name of bidder, discount terms, delivery terms, quantity offered, price on each item, total bid price, and any bid conditions or qualifications.
3. Recording Of Bids – Bids may be recorded as they are opened or after they are

Read. However, when there are a large number of bids, the bids should be recorded as they are read aloud.

4. Bidders Not To Handle Bids – Bidders, their representatives, or any spectators in the bid room shall not be allowed to handle the bids. They may be allowed to inspect such bids only when in the hands of a County representative.
5. Discussing Merits Of Bids – The relative merits of bids shall not be discussed by the Assistant Purchasing Agent or any County official. No statements shall be issued by any County Official which could have a bearing on the award, the possibility of re-advertisement, or mistakes in the bid, etc. Protests of bidders and inquiries regarding the award of the bid shall be referred to the Finance Director after completion of the bid opening procedure.

CANCELLATION OF INVITATION TO BID

1. Preservation of the integrity of the competitive bid system dictates that after bids have been opened, award must be made to the responsible bidder who submitted the lowest and/or best bid, unless there is a compelling reason to reject all bids and cancel the Invitation To Bid. Every effort shall be made to anticipate changes in a requirement prior to the date of bid opening and to notify all prospective bidders of any resulting modification or cancellation, thereby permitting bidders to change their bids and preventing unnecessary exposure to bid prices. As a general rule, after opening, an Invitation To Bid should not be canceled or readvertised due solely to increased requirements for the items being procured. Award should be made on the initial Invitation To Bid and the additional quantity should be treated as a new procurement, unless specified as a part of the bid specifications.
2. Invitations To Bid may be canceled after the bid opening, but prior to awarding the bid, where such action is consistent with (1) above, and is in the best interest of the County for the following reasons:
 - a. Inadequate, ambiguous or deficient specifications were cited in the Invitation To Bid.
 - b. Items are no longer needed.
 - c. The Invitation To Bid did not provide for consideration of all factors of cost to the County.
 - d. Bids received indicated that the needs of the County can be satisfied by a less expensive item differing from that on which bids were invited.
 - e. All otherwise acceptable bids received are at unreasonable prices.

- f. The bids were not independently arrived at in open competition, appeared collusive or were submitted in bad faith.
 - g. The bids received did not provide competition which was adequate to insure reasonable prices.
3. Should administrative difficulties be encountered after bid opening which may delay award beyond bidder's acceptance periods, the several lowest bidders should be requested, before expiration of their bids, to extend their bid acceptance period in order to avoid the need for re-advertisement of an Invitation To Bid.
 4. When it is determined to cancel the Invitation To Bid, the Assistant Purchasing Agent shall notify each bidder that the Invitation To Bid has been canceled, stating the reasons for such action. Any bids received should be filed in the official bid file.

REJECTION OF INDIVIDUAL FORMAL BIDS

1. Any bid which fails to conform to the essential requirements of the Invitation To Bid shall be rejected as non-responsive and filed along with other acceptable bids in the bid file
2. The originals of all rejected bids, any written findings with respect to such rejections, shall be preserved with the papers relating to the procurement.
3. Ordinarily, a bid shall be rejected when the bidder imposes conditions which would modify requirements of the Invitation To Bid or limits his liability to the County as to give him an advantage over other bidders. For example, bids shall be rejected in which the bidder:
 - a. Attempts to protect himself against future changes in conditions such as increased costs, if total price to the County cannot be determined for bid evaluation.
 - b. Fails to state a price, and in lieu thereof, states that the price shall be "price in effect at time of delivery".
 - c. States a price but qualifies such price as being subject to "price in effect at time of delivery".
 - d. Where not authorized by the Invitation To Bid, conditions or qualifies his bid by stipulating that the bid is to be considered only if, prior to date of bid award, bidder receives (or does not receive) award under a separate procurement.
 - e. Limits the rights of the County under any purchase order clause. However, a low bidder may be requested to delete objectionable conditions from his bid if these conditions do affect quantities, or delivery of the item offered.

4. Bids received from any person previously barred from bidding by the County shall be rejected if the period of being barred has not expired. A vendor may be barred by the Assistant Purchasing Agent from bidding for up to three years for serious or repeated failure to meet conditions of purchase agreements have been demonstrated.
5. Low bids received from firms determined to be not responsible shall be rejected.
6. Where a bid guarantee is required and the bidder fails to furnish it in accordance with the bid requirements, the bid shall be rejected.
7. After submitting a bid, if a bidder transfers all of his assets or that part of his assets relating to the bid during the period between the bid opening and the bid awarding, the transferee may not take over the bid. Accordingly, the Assistant Purchasing Agent shall reject the bid.

MINOR INFORMALITIES IN BIDS RECEIVED

The County reserves the right at any and all times to accept or reject any and/or all bids in whole or in part, and to waive any minor informalities or irregularities in any bid. Formal bids shall not be rejected because they contain minor informalities or irregularities. A minor informality or irregularity is one which is merely a matter of form and not of substance or pertains to some immaterial or inconsequential defect or variations of a bid from the exact requirement of the Invitation To Bid, the correction or waiver of which would not be prejudicial to other bidders. The defect or variation in the bid is immaterial and inconsequential when its significance as to price, quantity, quality, or delivery is trivial or negligible when contrasted with the total cost or scope of the items being procured. The Assistant Purchasing Agent shall either give the bidder an opportunity to cure any deficiency resulting from a minor informality or irregularity in a bid or waive such deficiency, whichever is to the advantage of the County. Examples of minor informalities or irregularities include the following:

1. Failure of the bidder to return the number of copies of signed bids required by the Invitation To Bid.
2. Failure of the bidder to sign the bid, but only if the unsigned bid is accompanied by other material indications of the bidder's intention to be bound by the unsigned bid document, such as the submission of a bid guarantee or a letter signed by the bidder with the bid referring to and clearly identifying the bid itself; or the firm submitting a bid has formally adopted or authorized, before the date set for opening the bids, the execution of documents by typewritten, printed or stamped signature and submits evidence of such authorization and the bid carries such a signature.
 - a. Failure of the bidder to acknowledge receipt of an amendment to the Invitation To Bid, but only if:

- b. The Bid received clearly indicates that the bidder received the amendment, such as where the amendment added another item to the Invitation To Bid and the bidder submitted a bid in accordance with the amendment;
- c. The amendment involves only a matter of form or is one which has either no effect or merely a trivial or negligible effect on price, quantity, quality, or delivery of items bid upon.

EVALUATION OF FORMAL BIDS RECEIVED

1. **General Requirements** – Bids shall be evaluated to determine the lowest, best responsible bid. Because various factors in addition to price may have to be considered in determining the best bid, the evaluation of bids calls for the exercise of good judgment and the making of fair and impartial decisions.
2. **Responsible Bidder** – Broadly, a “responsible bidder” is a bidder who possesses the financial, technical, and management abilities necessary to perform the contract and is otherwise eligible under applicable laws and regulations. Administrative discretion rests with the County in its determination of the lowest best bidder. This determination must be adequately supported by facts in each case.
3. **Acceptance Period** – At the outset of bid evaluation, the acceptance time specified in each bid should be noted to avoid losing an advantageous bid through lapse of the acceptance period. Bids shall be accepted within the acceptance time specified by the bidder. If no period is specified, the County is entitled to a reasonable time within which to accept the bid. If there is insufficient time to make the award prior to the expiration of the acceptance period, an extension shall be requested by letter or telegram. Care shall be taken in phrasing the request to make it clear that it is not an award of contract.
4. **Cash Discounts** – In evaluating bids, the Assistant Purchasing Agent shall make certain that all discounts have been properly and accurately deducted from the bid prices under the assumption that the discounts will be taken.
5. **Shipping Charges** – Shipping charges shall be considered applicable in determining the lowest destination price to the County. All bids shall be put on an equal basis for comparison.
6. **Time of Completion of Delivery** – The time of completion of the delivery date shall be considered in evaluating bids. When the Invitation specifies that completion or delivery shall be by a certain date, and the bidder offers delivery at a later date, the bid shall be rejected, except where monetary evaluation of delivery time is provided for in the Invitation To Bid.
7. **Evaluation Based On Quality** – Quality should be inherent in the specifications. Therefore, quality is not a factor to be considered when the product offered meets bid

specifications.

8. **Evaluation By Item or Group of Items** – A purchase order should not ordinarily be awarded to a bidder on the basis of his total bid for all items, or his total bid for a group of items, if such combination bid exceeds the aggregate of bids for the same item on an individual line item basis. When, however, an award under such circumstances would be clearly advantageous to the County, for example, when the cost of preparing additional purchase orders to make the award on an individual basis would exceed the amount of savings, such award may be made. In such instances, the bid file shall set forth the basis upon which it was determined that acceptance of the total bid would result in a lower overall cost to the County.
9. **Equal Low Bids** – In the case of acceptable equal low responsible bids, the bid shall be awarded to the vendor located in the County. If a tie exists between local county vendors, the award shall be determined by lottery in the presence of the Assistant Purchasing Agent and two other witnesses.
10. **Basis For Award** – The basis for award shall be shown on the bid comparison sheet. In most cases it will be sufficient to state that two or more bids in the competitive range have been evaluated and determined responsible. Any non-responsible bid lower than the recommended awardee's bid shall be shown as non-responsible and the reasons for such determination stated on the bid comparison sheet or elsewhere in the bid file. When the best bid is not the lowest bid, a memo of justification shall be written by the using Department Head as to quality, price, delivery, and service, plus the report shall give complete details why the low bid should be waived. The final decision for the lowest best responsible bid rests with the Assistant Purchasing Agent and the Director of Finance for the General Fund. The final decision for the lowest best responsible bid for the Highway Fund rests with the Road Commission, and the final decision for the School Fund bids (Fund 141 through 145) rests with the Wilson County Board of Education.

MISTAKES IN FORMAL BIDS RECEIVED

1. The Assistant Purchasing Agent shall permit withdrawal of bids upon a showing of clear and convincing evidence of the alleged mistake. The amount of the mistake need not be proved. Prior to the specified bid opening time, a vendor will be allowed to withdraw his bid for any reason.
2. The Assistant Purchasing Agent shall allow for correction of a mistake when:
 - a. There is clear and convincing evidence to support both the assertion of a mistake and the amount thereof.
 - b. The mistake was made in good faith.
 - c. The mistake is of such nature that correction is justified.

- d. Remedial actions shall be documented by a written statement, approved and signed by the Assistant Purchasing Agent, setting forth the circumstances and basis for the action. The statement shall be made a part of the bid file, and if applicable, shall include all of the pertinent requirements set forth above.

ACTION UPON DISCOVERY OF A MISTAKE

1. If the Assistant Purchasing Agent suspects that a bidder may have made a mistake in his bid, the Assistant Purchasing Agent must notify the bidder of the suspected mistake and the reason for such suspicion. If appropriate, the Assistant Purchasing Agent should also draw the bidder's attention to unusual; features of the specifications or changes in requirements from previous purchases of similar items. If the bidder confirms the bid, is awarded the order, and later alleges a mistake, relief cannot ordinarily be granted.
2. If the bidder alleges a mistake, the Assistant Purchasing Agent shall advise him to forward work sheets, subcontractor quotations, and the mistake, the manner in which it occurred, and the bid actually intended.
3. If the bidder fails or refuses to furnish evidence in support of a mistake, the bid will be considered in the form submitted.

AWARD OF FORMAL BID TO VENDOR

1. Award of bid shall be made with reasonable promptness by written notice to the lowest best responsible bidder whose bid conformed to the Invitation To Bid, and will be most advantageous to the County with respect to price and other factors. Unless expressly provided otherwise, the time that the signed notice of award is mailed shall be the time of acceptance by the County. The Purchase Order shall be the official acceptance of the bid offer which consummates a contract. At the time the Purchase Order is mailed, the County enters into a contract with the Vendor.
2. After an award has been made, an unsuccessful bidder, supplier or other responsible person having reason for access to the award information shall, at his request, be furnished with the name of the successful bidder and the amount of the award; or he shall be informed that a copy of the abstract or record of bids is available for inspection at the office of the Assistant Purchasing Agent.

PROCEDURES REGARDING PRIMARY SUPPLIER AGREEMENTS

PROCEDURES FOR PRIMARY SUPPLIER AGREEMENTS

Purchases of single commodities which exceed the established bid monetary limits are carried out through individual public solicitations. For those recurring purchases which do not meet these guidelines, we seek to establish "primary supplier" relationships. This is accomplished by advertising for quotations of certain items, or aggregates of items.

Bidders may also be asked to provide Wilson County with a set discount off their regular prices to consumers, or catalog prices. Primary Supplier Agreements, by way of an approved Purchase Order, are thus established against which the County departments may purchase. If desired, the department can request a "blanket purchase order" for some amount to cover anticipated purchases over a set period (usually a month or quarter).

REQUESTS FOR PRICE QUOTATION

When it is determined by the Assistant Purchasing Agent that a Primary Supplier Agreement is in the best interest of Wilson County, or some department thereof, vendors are asked by public notice, to provide price quotations of certain products and/or services. They may provide set prices and/or discounts from consumer price lists or catalogs. The agreement is for a definite period and indefinite quantity. The agreement begins with notification of the vendor that his/her quotation is "lowest and best". The attached quotation is submitted, as a sealed bid, to the Assistant Purchasing Agent by an established deadline.

ACCEPTANCE AND AUTHORIZATION FOR PURCHASES

Upon written acceptance (receipt of an approved Purchase Order) by the Assistant Purchasing Agent of a Primary Supplier Quotation, an agreement is created between Wilson County and the Vendor. Deliveries will only be authorized by a Purchase Order signed by the Wilson County Assistant Purchasing Agent.

Vendors notified of acceptance of their quotation rendered through the above process will be designated a PRIMARY SUPPLIER, and may reasonably expect to receive frequent purchasing requests for products/services over the term of the agreement.

NOTICE OF CHANGE IN PRICES/DISCOUNTS/OTHER TERMS

Primary Suppliers and other vendors have the right to adjust quoted prices and discounts at any time, however, it is expressly understood through the public solicitation that they will provide Wilson County fifteen (15) days notice effecting such a change. Notice will be given, in writing to the Assistant Purchasing Agent. It is further understood that under no circumstance will prices or discounts quoted exceed those currently offered to the State of Tennessee.

RESERVATIONS

Wilson County reserves the right to procure products and services, at any time, from any source the County Purchasing Agent may determine is in the best interest of Wilson County. The Assistant Purchasing Agent will be solely responsible for determining when and with whom, County purchases are made.

PURCHASES FROM BUSINESSES OWNED/OPERATED BY WILSON COUNTY EMPLOYEES

Purchases may be made from businesses owned/operated by Wilson County employees (to include immediate family) under the following conditions:

1. Sales of goods or services by the employee business cannot be made to the department(s) where the employee works.
2. Purchases of goods or services from employee businesses must demonstrate the price paid by the County is the lowest and/or best price available.
3. Goods or services purchased from employee business cannot be the same service(s) for which the employee is paid as a County employee.
4. Employee business cannot utilize County-owned owned equipment or goods.
5. The Director of Finance, purchasing agent, members of the Financial Management Committee, members of the Board of County Commissioners, or other officials, employees (of the department making the purchase), or members of the Board of Education or Road Commission shall not be financially interested or have any personal beneficial interest, either directly or indirectly, in the purchase of any supplies, materials, or equipment for the County.

Approved 2-17-05

ADDENDUM TO PURCHASING POLICY December 2005

Wilson County will not pay for meals, or snacks, (directly or indirectly) for employees, volunteers or others in the performance of work related activity except for items recommended by a nationally recognized organization.

This policy does not apply to:

Jury Duty

Gatorade furnished to firemen

Coffee or water in the work environment

The Director of Tourism in functions related to promoting Wilson County as a tourist destination

Food purchased in connection with the Employee Health Fair, to allow for employees to eat breakfast or lunch while using their lunch hour to participate in the Health Fair.

Approved 5-8-12