

**HABERSHAM COUNTY BOARD OF COMMISSIONERS**  
**EXECUTIVE SUMMARY**

**SUBJECT:** Consider Approve Purchasing Rules and Regulations Manual

**DATE:** October 11, 2024

**RECOMMENDATION**  
 **POLICY DISCUSSION**  
 **STATUS REPORT**  
 **OTHER**

**BUDGET INFORMATION:**  
ANNUAL-  
CAPITAL-

**COMMISSION ACTION REQUESTED ON:** October 21, 2024

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**PURPOSE:** To seek Habersham County Board of Commissioners approval on the attached creation of the Habersham County Procurement Purchasing Rules and Regulations Manual.

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**BACKGROUND / HISTORY:** The original Purchasing Policy and Procedures was adopted on December 14, 2015, and amended on October 17, 2017. The Finance Department is proposing revisions of this policy to reflect current practices and update some areas to reflect current economic changes as stated below.

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- a. Purchasing Rules and Regulations Manual: Previously called Purchasing Policy and Procedures was adopted on December 14, 2015, and amended on October 17, 2017. Changes include defined purchasing principles, more defined definitions, and updated thresholds to reflect economic changes. Previously a Purchase Order was required for any purchase of \$1,000 and above. The Finance Departments suggestions to increase this threshold to \$2,500. Changes also reflect an increase to the CFO's threshold of approval. In the previous policy, the CFO was only allotted approve of purchase up to \$7,500. The Finance Department is proposing changing this threshold up to \$15,000 to allot a quicker turn around for procurement of goods and services. Changes also reflect an increase to the County Manager's threshold of approval up to \$25,000 before a sealed bid would be required. These proposed threshold increases would more accurately reflect the economic changes over the last 8 years.
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**OPTIONS:**

- 1) Approve the attached revisions to the Habersham County Procurement Purchasing Rules and Regulations Manual and sign resolution;
  - 2) Deny the Procurement Purchasing Rules and Regulations Manual; or
  - 3) Commission defined alternative.
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**RECOMMENDED SAMPLE MOTION:** Move to approve Procurement Purchasing Rules and Regulations Manual as reflected in documents attached hereto, and authorize the Chair to sign the resolutions pertaining to those policies, attached hereto.

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**DEPARTMENT:**

Prepared by:

Director \_\_\_\_\_

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**ADMINISTRATIVE  
COMMENTS:**

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\_\_\_\_\_ **DATE:** \_\_\_\_\_

County Manager

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**2024-10-002**

**RESOLUTION OF THE HABERSHAM COUNTY BOARD OF COMMISSIONERS  
ESTABLISHING PURCHASING RULES AND REGULATIONS MANUAL**

**WHEREAS**, the Habersham County Board of Commissioners believes it is in the best interest of all taxpayers and County employees to establish Purchasing Rules and Regulations Manual for the Board of Commissioners and Finance Department; and,

**WHEREAS**, the existing Purchasing Policy and Procedures was originally adopted by the Board of Commissioners on December 14, 2015 and amended on October 17, 2017; and,

**WHEREAS**, County staff has reviewed the existing Purchasing Policy and Procedures and has determined that some revisions are needed; and,

**WHEREAS**, County staff will continue to regularly review existing policies and procedures to promote effective management of County funds and efficient management of personnel hours, and,

**WHEREAS**, state and federal laws require increasingly stringent and comprehensive accounting and reporting requirements;

**NOW, THEREFORE BE IT RESOLVED** that the Board of County Commissioners of Habersham County, Georgia, hereby establishes revisions to the Purchasing Rules and Regulations Manual attached hereto.

BY: \_\_\_\_\_  
Ty Akins, Chairman

The above Resolution was adopted by the Habersham County Board of Commissioners on this, 21<sup>st</sup>, day of October 2024.

ATTEST: \_\_\_\_\_  
Brandalin Carnes, County Clerk

# **Habersham County Board Of Commissioners**



HABERSHAM COUNTY  
GEORGIA | Est. 1818

## **Purchasing Rules And Regulations Manual**

## **INTRODUCTION**

Procurement of materials, supplies and service is an important function of the County's organization. The Finance Department provides a support service to all other departments. For any Finance Department to be truly effective there must be full cooperation between all departments and the Finance Department. Serving the needs of each department will be the foremost consideration of the Purchasing Coordinator. However, to obtain the greatest value for every dollar spent, it is necessary to follow a set of procedures when purchases are made.

The purpose of this manual is to describe the objectives of Habersham County, outline the principles governing the purchasing function, and to establish departmental procedures and guidelines.

Section 9, Georgia laws 1937 establishing the Habersham County Board of Commissioners provides that "wherever practical, all purchases of equipment, material and supplies shall be by competitive bids, which bids shall be kept on file in the Office of the Board of Commissioners and shall be open to inspection by the Grand Jury and citizens of Habersham County".

The procurement of materials, supplies and service shall be in full compliance with Georgia law.

## **OBJECTIVES**

1. To conduct County business in such a manner that potential vendors will be impressed by the fairness of the system and thus be encouraged to furnish competition which will ensure that the County will secure the best product at the lowest price at all times.
2. To encourage competitive purchasing.
3. To develop and maintain adequate sources of supply of materials, services and supplies as required.
4. To give due consideration to ethical and quality standards and also to real value rather than price alone.
5. To establish and build good relations with suppliers and user departments.
6. To discourage, as far as possible, any procedure other than that of competitive purchasing.
7. To purchase the highest quality in supplies, material, equipment and contractual services at the least expense.

## **PURCHASING PRINCIPLES**

The following principles are to apply to the procurement of materials, services and supplies.

1. Materials, services and supplies shall be purchased only when monies for their cost have been appropriated and included in the annual budget of Habersham County.
2. Materials, services, and supplies shall be purchased only by the Finance Department, by authority of the Habersham County Board of Commissioners.
3. Purchases of less than \$2,499 may be made by the individual department. Whenever practical, all purchases shall be by competitive quotes provided.
4. Purchases of not less than \$2,500 and not more than \$7,499.99 may be made by the individual department only when approved by the Finance Department and an approved PO. Written or email obtained quotes will suffice for this purchasing threshold.
5. Purchases over \$7,500 may be approved only by the CFO or County Manager.
6. All other considerations being equal, bids shall be awarded on price, service and delivery. Bid items must meet specifications in all cases to qualify. Habersham County has the right to accept or reject all bids.
7. Whenever possible, long term contracts or blanket purchase agreements should be obtained for supplying commodities, such as motor oil, gasoline, diesel fuel, and other items for which monthly or periodic requirements can be reasonably forecast. Contracts or purchase agreements should extend no longer than one year period as allowed by OCGA 30-60-13. The Finance Department shall make periodic checks (at least monthly) to assure that the party under contract is not escalating his delivery price beyond current market prices.
8. Low bid quotations submitted in compliance with the specifications outlined in the request for quotation should always be accepted unless rejected by a change in the requirement of the County. Whenever this is done, the reason should be published by addendum affixed to the subsequent requests for quotation.
9. The Habersham County Fleet Shop will purchase items using a purchase order system. The Finance Department will issue the Shop a set of purchase order numbers, and blanket purchase orders for their use in purchasing parts and supplies. Whenever practical, all purchases shall be by competitive bid, provided, however, quotations shall be obtained on purchases in excess of \$1,000 except for proprietary or sole source items, and this shall be indicated on the purchase request form sheet.
10. Request for quotations should be solicited for a period of time set by the Finance Department and set forth in the request for quotation.
11. Request for quotations, as well as requests for quotations under sealed bids, should state a date, time and location when bids will be opened and this shall be done at the date and time specified.

## **OPEN MARKET PURCHASE POLICIES**

The following policies are to be followed for open market purchases under \$25,000. This is not intended to prohibit formal sealed bids when the best interest of the County would be served by sealed bids.

1. **Purchases \$999.99 and under**: The Buyer is to use his judgment as to source, supply and number of quotations to get.
2. **Purchases \$1,000 to \$2,499.99**: The Buyer should get quotations (in person, telephone or written) from not less than three prospective bidders. (Exception: proprietary items and sole source items.) If purchased as a proprietary or sole source item, this should be so indicated on purchase requisition in the space provided for entering quotations, or letter should be attached from department indicating sole source or proprietary purchase.
3. **Purchases \$2,500 to \$7,499.99**: These require written quotations from not less than three prospective bidders. (Exception: proprietary items and sole source items.) If purchased as a proprietary or sole source item, this should be so indicated on purchase requisition in the space provided for entering quotations, or letter should be attached from department indicating sole source or proprietary purchase.
4. **Purchases \$7,500 to \$24,999.99**: (a) These require informal (non-advertised) sealed bids. (Exception: proprietary items and sole source items.) If purchased as a proprietary or sole source item, this should be so indicated on purchase requisition in the space provided for entering quotations, or letter should be attached from department indicating sole source or proprietary purchase. (b) approval of award to be made by Finance Director prior to notification to bidder.

## **PURCHASES OVER \$25,000**

The following policy is to be followed for open market purchases over **\$25,000**.

1. **PUBLIC ROADS**: All contracts for public roads shall be let by competitive sealed bids after advertising same once a week for two (2) weeks prior to the opening of the sealed bids, all in accordance with the Official Code of Georgia (O.C.G.A.) Ann. Paragraph 32-4-40 through 32-4-74. Provided, however, that contracts listed in Official Code of Georgia Ann. Paragraph 32-4-63 may be let without advertising and without competitive sealed bids. Bonding shall be obtained in compliance with OCGA 36-82-100.
2. **PUBLIC WORKS**: All contracts for public works other than public roads shall be let by competitive sealed bids after advertising same once a week for four (4) weeks and posting a written notice at the Courthouse door for like time, all in accordance with Official Code of Georgia Ann. Paragraph 36-10-1 through 36-10-4. Bonding shall be obtained in compliance with OCGA 36-82-100.



3. **OTHER CONTRACTS:** All other contracts not hereinbefore provided for shall be let by competitive sealed bids after advertising same once a week for two (2) weeks prior to the opening of the sealed bids.

### **CAPITAL PROJECTS, VEHICLE, OR EQUIPMENT PURCHASES AT OR BELOW BUDGET**

The following policies are to be followed for capital projects, vehicles, or equipment purchases at or below budget that are approved as part of the budget process. This is not intended to prohibit formal sealed bids when the best interest of the County would be served by sealed bids.

If these purchases come in at or below the approved Capital Improvement Purchases (CIP) Budget, no further approval is required. If the purchase comes in above the approved budgeted amount, an executive summary will be presented to the Board of Commissioners for consideration and approval.

### **QUALIFICATIONS-BASED SELECTION FOR FEDERAL AID HIGHWAY PROGRAM (FAHP) FUNDING**

Habersham County shall use the competitive negotiation method for the procurement of engineering and design related services when FAHP funds are involved in any phase of the project (23 U.S.C. 112(b)(2)(A)). The solicitation, evaluation, ranking, selection, and negotiation shall comply with the qualifications-based selection procurement procedures for architectural and engineering services codified under 40 U.S.C. 1101-1104, commonly referred to as the Brooks Act.

In accordance with the Brooks Act, the following procedures shall be used for projects with FAHP funding:

1. **Solicitation:** Solicitation of proposals from qualified vendors shall be advertised in the legal organ of the county. The solicitation will also be posted on the county's website. The advertisement shall run for four (4) weeks prior to the opening of the sealed response to the request for qualifications.
2. **Request for Qualifications:** The RFQ shall provide all information and requirements necessary for interested vendors to respond to the RFQ and compete for the solicited services. The RFQ shall:
  - a. Provide a clear, accurate, and detailed description of the scope of work, technical requirements, and minimum qualifications necessary for a consultant team to provide. The scope of work should detail the purpose of the project, services to be performed, deliverables to be provided, estimated schedule to perform the work, and applicable standards, specifications, and policies to be followed.
  - b. Specify the contract type.
  - c. Identify any special provisions or contract requirements associated with the solicited services.
  - d. Require that any fee proposal submitted with the response to the RFQ be in a separate sealed envelope as cost shall not be used as a factor in the evaluation, ranking, and selection phase.

- e. Provide a schedule of key dates for the procurement process and establish a deadline for responses to the RFQ which provides sufficient time for interested vendors to submit a proposal, which should be four weeks from the date of issuance of the RFQ unless unusual circumstances prohibit this schedule.
3. **Evaluation, Ranking, and Selection:** The following factors may be used in the evaluation, ranking, and selection process:
- a. The criteria used for evaluation, ranking, and selection of consultants to perform engineering and design related services shall assess the demonstrated competence and qualifications for the type of professional services solicited. These factors may include, but are not limited to, firm experience with relevant projects, personnel experience with relevant projects, sub-consultant experience with relevant projects, technical approach (e.g., project understanding, innovative concepts or alternatives, quality control procedures), professional licensure, staff capabilities, workload, and past performance.
  - b. Price shall not be used a factor in the evaluation, ranking, and selection phase.
  - c. In-State or local preference shall not be used as a factor in the evaluation, ranking, and selection phase. State licensing laws are not preempted by this provision and professional licensure within a jurisdiction may be established as a requirement which attests to the minimum qualifications and competence of a consultant to perform the solicited services.
  - d. In order to maintain competitive qualifications based selection, the total allowable non-qualifications based evaluation criterion (local presence and/or Disadvantaged Business Enterprise (DBE) participation) should not exceed 10 percent of the total evaluation criteria.
  - e. After evaluation and ranking of the submitted qualification proposals, Habersham County may elect to conduct interviews with the top ranked firms. A minimum of three firms should be evaluated if interviews are used as part of the selection process.
  - f. Based on the submitted qualification proposals and interviews, if conducted, Habersham County will rank, in order of preference, a minimum of three consultant firms that are determined to be the most qualified.
  - g. Notification should be provided to responding consultants of the final ranking of the most qualified consultants.
  - h. Habersham County shall retain acceptable documentation of the solicitation, proposal, evaluation, and selection of the consultant in accordance with 49 CFR 18.42.
4. **Negotiation:**
- a. Prior to review of the most qualified consultant's cost proposal, Habersham County shall prepare a detailed independent estimate with an appropriate breakdown of the work or labor hours, types or classifications of labor required, other direct costs, and consultant's fixed fee for the defined scope of work. The independent estimate shall serve as the basis for negotiation and ensuring the consultant services are obtained at a fair and reasonable cost.
  - b. Elements of contract costs (e.g., indirect costs, direct salary or wage rates, fixed fee, and other direct costs) shall be established separately in accordance with §172.11.

- c. If concealed cost proposals were submitted in conjunction with technical/qualification proposals, only the cost proposal of the consultant with which negotiations are initiated may be considered. Concealed cost proposals of consultants with which negotiations are not initiated should be returned to the respective consultant due to the confidential nature of this data (as specified in 23 U.S.C. 112 (b)(2)(E)).
- d. Habersham County shall retain documentation of negotiation activities and resources used in the analysis of costs to establish elements of the contract in accordance with the provisions of 49 CFR 18.42. This documentation shall include the consultant cost certification and documentation supporting the acceptance of the indirect cost rate to be applied to the contract (as specified in §172.11(c)).

5. **Small Purchases and Noncompetitive Purchases:**

Habersham County may elect to procure engineering and design related services using the small purchase method or noncompetitive purchases provided the procurement of these services complies with §172.7(2) and (3).

(1) **Small Purchases**

The small purchase method involves procurement of engineering and design related services where an adequate number of qualified sources are reviewed and the total contract costs do not exceed an established simplified acquisition threshold. Habersham County may use the State's small purchase procedures which reflect applicable State laws and regulations for the procurement of engineering and design related services provided the total contract costs do not exceed the Federal simplified acquisition threshold (as specified in 48 CFR 2.101). When a lower threshold for use of small purchase procedures is established in State law, regulation, or policy, the lower threshold shall apply to the use of FAHP funds. The following additional requirements shall apply to the small purchase procurement method:

- (I.) The scope of work, project phases, and contract requirements shall not be broken down into smaller components merely to permit the use of small purchase procedures.
- (II.) A minimum of three consultants are required to satisfy the adequate number of qualified sources reviewed.
- (III.) Contract costs may be negotiated in accordance with State small purchase procedures; however, the allow ability of costs shall be determined in accordance with the Federal cost principles.
- (IV.) The full amount of any contract modification or amendment that would cause the total contract amount to exceed the established simplified acquisition threshold would be ineligible for Federal-aid funding. The FHWA may withdraw all Federal-aid from a contract if it is modified or amended above the applicable established simplified acquisition threshold.

(2.) **Non-competitive.**

The non-competitive method involves procurement of engineering and design related services when it is not feasible to award the contract using competitive negotiation

or small purchase procurement methods. The following requirements shall apply to the non-competitive procurement method:

- (I.) Habersham County may use their own non-competitive procedures which reflect applicable State and local laws and regulations and conform to applicable Federal requirements.
- (II.) Habersham County shall establish a process to determine when non-competitive procedures will be used and shall submit justification to, and receive approval from, the FHWA before using this form of contracting.
- (III.) Circumstances under which a contract may be awarded by non-competitive procedures are limited to the following:
  - (A) The service is available only from a single source;
  - (B) There is an emergency which will not permit the time necessary to conduct competitive negotiations; or
  - (C) After solicitation of a number of sources, competition is determined to be inadequate.
- (IV.) Contract costs may be negotiated in accordance with the Habersham County non-competitive procedures; however, the allow ability of costs shall be determined in accordance with the Federal cost principles.

### Additional Procurement Requirements

#### (1) Common Grant Rule

- (I.) Habersham County must comply with procurement requirements established in State and local laws, regulations, policies, and procedures which are not addressed by or in conflict with applicable Federal laws and regulations (as specified in 49 CFR 18.36).
- (II.) When State and local procurement laws, regulations, policies, or procedures are in conflict with applicable Federal laws and regulations, Habersham County must comply with Federal requirements to be eligible for Federal-aid reimbursement of the associated costs of the services incurred following FHWA authorization (as specified in 49 CFR 18.4).

#### (2) Disadvantaged Business Enterprise (DBE) program.

- (I.) Habersham County does not have an official DBE policy however, will give consideration to DBE consultants in the procurement of engineering and design related service contracts subject to 23 U.S.C. 112(b)(2) in accordance with 49 CFR part 26. When DBE program participation goals cannot be met through race-neutral measures, additional DBE participation on engineering and design related services contracts may be achieved in accordance with the FHWA approved DBE program through either:
  - (A) Use of an evaluation criterion in the qualifications-based selection of consultants (as specified in § 172.7(a)(1)(iii)(D));
  - or
  - (B) Establishment of a contract participation goal.
- (II.) The use of quotas or exclusive set-asides for DBE consultants is prohibited (as specified in 49 CFR 26.43).

#### (3) Suspension and Debarment.

Habersham County must verify suspension and debarment actions and eligibility status of consultants and sub-consultants prior to entering into an agreement or contract in accordance with 49 CFR 18.35 and 2 CFR part 180.

## COMPETITION

Nothing in this policy is to be interpreted to put any limit on securing competition. Each is to use his best judgment in securing competition reasonably available. You are encouraged to get competition regardless of amount.

## EMERGENCY PURCHASES

**Emergency is defined as a situation where there is a threat to public health, safety or welfare or to the soundness and integrity of public property or to the delivery of essential services and where adverse effects of such emergency may worsen materially with the passage of time.**

In order to improve our service to other departments and continue our control of purchasing, the following is to be followed in regard to requests for emergency open market purchase orders.

1. Find out what the user department needs to purchase and why it cannot be submitted in the regular manner. All emergency orders must have justification on the purchase requisition.
2. If it is determined they do not have an emergency, and it is to the best interest of the County to refuse them, do so.
3. If it is determined that there is a bona fide reason, then the following understanding must be agreed upon and information obtained:
  - a) They must understand it is their responsibility to have the approval of funds. The Finance Department does not have the authority to approve funds. They must understand it is their responsibility to obtain price quotes to insure competitive bidding (see Item 4 below). The Finance Department will assist in any way possible, time and other variables permitting.
  - b) Furnish the successful Vendors name and mailing address.
  - c) Furnish the name and telephone number of bidders contacted.
  - d) Furnish name of item(s).
  - e) Price of item(s).
  - f) Discount terms.
  - g) F. O. B. Points.
  - h) Total Amount of Order.
4. If the amount is in excess of \$1,000 and less than \$2,500, tell them it is absolutely necessary that they indicate on the requisition the names of not less than three vendors

contacted unless sole source or proprietary items. Orders from \$2,500 to less than \$7,499.99 shall have a written or fax bid from the vendor who received the order by the next business day. Attach the bid to the purchase requisition.

5. In getting prices they are to get price, terms, etc., and make certain the vendor knows the price is F.O.B. point of delivery.
6. No order number for an amount in excess of \$7,500 is to be given out. If a request exceeds \$7,500, it is to be referred to Finance Director, or in their absence, the Administrator.
7. Approval for an amount in excess of \$25,000 must be obtained from Chairman of Board of Commissioners. Emergency purchases are not permitted for public works projects over \$25,000, other than public roads.

### **CHECK REQUEST**

These items are to be handled directly with the Finance Department by means of the Check Request form provided by the Finance Department.

1. Personal Reimbursement of any Nature.
2. Conference Enrollment / Hotel Lodging.
3. Dues, Memberships and Subscriptions.
4. Personal Reimbursement Travel Expense - Special Travel Form for this item provided by Finance Department.
5. Petty Cash - Special Petty Cash Form for this item provided by Finance Department.

## **PROCEDURES**

### **GENERAL:**

Request for the purchase of materials, services and supplies are to be originated by the individual using department.

Requests are to be made on purchase requisitions prepared on multi-copy forms or by computer. The department shall retain a copy of the purchase requisition.

Requisitions are to be submitted to the Finance Department for approval of funds. If funds are not available, requisitions will be returned to the Department for proper budgetary action.

Requisitions should be filled out as completely as possible by requesting department. Provide at a minimum:

- A. Complete delivery address and contact person.
- B. Reasonable estimate of cost.
- C. Expenditure codes (can be found with description in budget report).
- D. Requested items are to be clearly and completely described including technical data, sketches, blueprints, etc., when needed. (These shall be forwarded to the Finance Department to support the purchase request)
- E. Sources of supply may be suggested but are not necessarily binding on the Finance Department.
- F. Purchase requisitions received by the Finance Department are to be analyzed and reviewed for clarity and completeness to assure procurement of the correct merchandise.
- G. If the amount of purchase is to be substantial, the user department is to be ultimately responsible to the Board of Commissioners as to fund availability. Any department exceeding their allotted budget will be held to emergency purchase buying only.
- H. If the using department prefers a particular brand or make of article valid reasons for such preference must be noted on the requisition.

## **OPERATIONAL PROCEDURES**

Internal operational procedures including forms to comply with the requirements for the purchase of materials, supplies and services shall be determined by the Finance Department.

# Procurement Threshold Chart

**Methods of Procurement:** The process of procurement is initiated by a request from an agency of the County for a specific commodity and/or service. This **Quick Reference Chart** establishes the general guidelines and requirement which govern the procurement process.

Total Contract Value	Quote/Bid Requirements (Minimum)	Award Approval
\$0 - \$999.99	Single Quote <i>Procurement Card</i>	Department Head or Designee
\$1,000.00 - \$2,499.99	Single Quote	Department Head or Designee
\$2,500.00 - \$7,499.99	3 Verbal Quotes Minimum submitted to Finance for review/recordkeeping	Purchasing Coordinator, Department Head, or Designee
\$7,500.00 - \$14,999.99	3 Written Quotes Minimum submitted to Finance for review/recordkeeping and solicited appropriately	Chief Financial Officer
\$15,000.00 - \$24,999.99	3 Written Quotes Minimum submitted to Finance for review/recordkeeping and solicited appropriately	County Manager
\$25,000.00 and greater	Formal, Advertised, Invitations/Requests	Board of Commissioners