EVERYTHING YOU WANTED TO KNOW ABOUT PURCHASING BUT DIDN'T KNOW TO ASK
OBJECTIVES OF THE PRESENTATION

What we will see today
Discussion Topics

Creatures of the Code

Purchases under $50,000

Direct Purchases

Purchase Orders

Blanket Purchase Orders
Discussion Topics

Competitive Bid Threshold = $50,000

Code Requires:

- Invitation to Bid (ITB)
- Request for Proposal (RFP)
- Request for Qualifications (RFQ)
- Request for Information (RFI)

Other Methods of Purchasing

Other Procedures
Purchases of Goods
and Services

Purchases Under $50,000
Direct Vouchers

Limited to $100 unless an annual resolution is passed raising to a maximum of $1000

Does not require a P.O.

May be a verbal order

Are paid directly by Auditor (does not require BCC approval)
Purchase Orders

All purchases over the Direct Limit require a Purchase Order (P.O.)
May require written quotes
All P.O.’s must have Auditor’s Certification of Funds and encumbrance
All P.O.’s must be approved by BCC or delegated officer
Purchase Orders

Recommended Procedure

P.O. is sent to vendor
Goods are received
P.O., receiving document, and invoice are matched
Payment is made
Blanket Purchase Orders

Used for small purchases of non-specific items

Encumber funds for specific line item appropriation

May remain open for entire fiscal year

Multiple blankets may exist at one time

Must follow regulations of the $50,000 Competitive Bid Threshold
Purchases of Goods and Services

Purchases for $50,000 and over
Invitation to Bid (ITB)

- Quantifiable items or specifications
- Bids are evaluated
  - By specifications
  - By Price
- No negotiations are allowed
- May seek clarifications
- Bids become Public Record at Opening
Request for Proposal (RFP)

Qualitative or Performance Specifications

Structured evaluation process for each phase is developed when creating the proposal
Request for Proposal (RFP)

Proposals are evaluated in phases:
- Written submittal
- Administrative
- Technical
- Pricing
- Oral presentations (if needed)
Request for Proposal (RFP)

Contract Negotiations

May only negotiate with one Offeror at a time

Highest ranked first

Negotiations can be stopped if not negotiating in good faith, proceed to next ranked bidder

Cannot go back to first bidder
Request for Proposal (RFP)

What’s Negotiable?
All terms and conditions
Specifications (Scope of Work)
Delivery Schedule
Pricing

Proposals, evaluations, awarded contract only become Public Record after award of contract
Request For Qualifications (RFQ)

Used primarily to select consultants and program managers for services.

Not required to be competitively bid

Preference should be to do so.
Request For Information (RFI)

Information gathering or market survey

Used when County is unsure of what they need

No Cost Information will be sought during an RFI
Competitive Bidding Is Not Required

When:
- Emergency exists
- Sole Source
- Another Government Agency
- Public Social Services
- Group Insurance Programs
Competitive Bidding Notice

Must be advertised in a newspaper of general circulation two consecutive weeks

Second ad may be waived if posted on County web-site

Notice must include specifics of bid

Public bulletin board must be maintained
Bid Submission Requirements

Must be in County preferred format
Must be sealed
Opening and tabulation must be public and at advertised time and place
May include Bid Bond
Acceptance, Rejection and Award of Bids

“Lowest and Best Bidder”
May adopt “Lowest Responsive and Responsible Bidder”
(ORC 9.312C)
May reject all bids
Bid Bonds

Construction (Required)

Bond for full amount of bid or
Certified or Cashier’s Check or Letter of Credit for 10% of bid amount

All other Bids (Permissive)

Should be sufficient to cover cost of rebidding in the event the bidder defaults
May not exceed 5% of amount of bid
Items Required to Process a Contract

Findings for Recovery

Bid Bond (Permissive – ORC §307.88)

Performance Bond - ORC §153.54
Additional Items Needed to Process a Contract

Non-Collusion Affidavit
Non-Discrimination and EEO Affidavit
Delinquent Personal Property Tax Affidavit
Other Methods of Purchasing

- Community Rehabilitation Programs (Mandatory)
- State Term Contracts and Schedules
- ODOT Contracts
- GSA Contracts (Limited Availability)
- Cooperative Contracts of other governmental entities
Contracts

Contracts in General
Construction Contracts
County Administrator
Contract Authority
Other Procedures

Real Estate Lease Procedures
Sale of Real Estate and Personal Property
Credit Cards
Electronic Signatures and Records
Purchasing Cards (P-Cards)

BCC and Auditor must be agreeable
A RFP must be issued unless use Co-op contract
Easiest way to pay for small purchases
Saves on number of checks (warrants) issued
ORC 301.29
Purchasing Cards (P-Cards)

BCC in conjunction with Auditor must adopt a policy by Resolution

- Limit use of card
- Limit number of transactions
- Limit by supplier
- Limit daily or monthly amount
- Limit types of goods
Procurement Integrity

Purchasing personnel have a responsibility to ensure that the integrity of the BCC’s procurement procedures are never called into question!
Procurement Integrity

Counties rely on suppliers, service providers and contractors to perform its missions;

Procurement Integrity is critical to a BCCs success;

Counties perform its procurement activities in a manner beyond reproach, with complete impartiality and fairness for all;

A violation of process integrity, or of personal integrity, undermines public confidence among voters, elected officials, federal funders and federal regulators.
What is Procurement Integrity?

Procurement Integrity is expressed in two ways:

Integrity of the procurement process (process integrity)

“Doing things right”

Integrity of the procurement practitioner (personal integrity)

“Doing the right thing”
Process Integrity

Procurement Integrity is expressed in *Process Integrity* (“doing things right”)

- Transparency
- Fairness
- 4Cs (Clarity, Consistency, Compliance and Competition)
- Source Selection Based on Merit
- Consistent with the Published Requirements and Evaluation Criteria
Process Integrity

Consequences of Non-Compliance

Bid protest
Procurement cancelation or delay
Questions and increased scrutiny
Loss of public confidence
Personal Integrity

Procurement Integrity is expressed in *Personal Integrity* ("doing the right thing")

- Complete Impartiality
- Restrictions on Soliciting or Accepting Anything of Monetary Value (Gifts)
- Restrictions on Seeking or Accepting Other Employment
- Avoidance of Personal Conflict(s) of Interest (*Actual* and *Apparent*)
Personal Integrity

Disciplinary or adverse action (individually)
Criminal prosecution (individually)
Bid protest
Procurement cancellation or delay
Questions and increased scrutiny
Loss of public confidence
Procurement Integrity

Summary

Procurement Integrity = 

Process Integrity + Personal Integrity

Process Integrity is “doing things right”
Personal Integrity is “doing the right thing”

You should not assume. Be proactive

Understand your “remedies”

When in doubt: Ask questions

Seek advise from County Prosecuting Attorney
Questions?

Karl H. Kuespert, Director, Purchasing
Franklin County
Email: khkuespe@franklincountyohio.gov
Phone: 614-525-7266
Blanket Certificates

Allows the use of encumbering funds for specific purposes.
Description should reflect what is to be purchased on the blanket certificate.
Be cautious not to violate competitive bidding rules.
(Cumulative purchases greater than $50,000 per year.)
Blanket Certificates

The $50,000 threshold applies for each procurement transaction either by object code or vendor.

However, if within the calendar year the County reaches the $50,000 mark of total purchases for a particular object code or vendor, then the County, generally speaking, must proceed with competitive buys for all future purchases by any agencies for that particular object code or vendor.
Expenditures of Funds

Requirements of ORC 5705.41 (B), (C), & (D) are met

Personnel violating the certification process may be personally liable

The County Prosecuting Attorney may enforce this Section of the ORC and the State Auditor may issue a Finding for Recovery
Preparing Blanket Certificates

Set up to a maximum of $50,000 per Object Code (there are exceptions)
Cannot be used to circumvent competitive bidding
Not to be used for capital equipment items
Remain open entire year and more than one may exist at any one time.