

**Procurement Policy
for
South Central Human Resource Agency**

BACKGROUND

South Central Human Resource Agency (SCHRA) was established pursuant to the Human Resource Agency Act of 1973, as amended, as a not-for-profit delivery system designed to implement human service programs. SCHRA is empowered to own and dispose of property both real and personal and to receive and administer funds and contributions from private and public sources which may be used in support of human resource programs, and other funds under State and Federal assistance programs.

SCOPE

This Policy applies to all SCHRA employees who purchase supplies, equipment, or services and/or select vendors providing such items.

PURPOSE

These procurement regulations provide standards for use by the South Central Human Resource Agency hereinafter referred to as (SCHRA) for all procurements. If more restrictive language is stated in individual grant contracts or applicable laws or administrative directives, it will be followed only for those particular programs and grants.

These procedures shall follow applicable laws or administrative directives. Unless otherwise noted herein, the Executive Director and fiscal officer(s) shall be responsible for the administration of these procedures. This policy shall describe the procedures that are to be followed by SCHRA in the handling of procurement activities, and to provide direction and ensure a process for the review of the purchase of supplies, goods and services.

For purpose of disclosure, SCHRA has opted to delay the implementation of Uniform Guidance, 2 CFR Part 200, for two full fiscal years after December 26, 2014 as described in §200.110. Our effective date will be July 1, 2017.

The contents of this manual were approved as official policy of SCHRA by the Board of Directors, Executive Director, and Director of Finance on July 26, 2016 and then approved by the State of Tennessee – Comptroller of the Treasury on July 29, 2016.

INTRODUCTION

SECTION 1: GENERAL PROCUREMENT

SCHRA will avoid the procurement of unnecessary or duplicative items and make every attempt to break out procurements to obtain the greatest economic efficiency. To further impact efficiency, analysis will be conducted when possible to compare lease versus buy options. In addition, SCHRA will utilize state and local intergovernmental or inter-entity agreements to procure common goods or services that have been competitively solicited. This eliminates duplication of duties as well as magnifies economies of scale. **CFR §200.318 (d)(e)**

In lieu of purchasing new, SCHRA will use the State of Tennessee excess and surplus property for equipment and property in an effort to reduce costs to the greatest extent possible. This will be determined on case by case bases. **CFR§200.318(f)**

All procurements will be conducted in such way as to maintain proper oversight and adherence to terms, conditions, and specifications of contracts and purchase orders. In order to document oversight of on-site contractors, employee must complete, sign, and attach *Procurement Oversight Review* form which can be downloaded from www.schra.us under the Employee tab.

SECTION 2: STANDARD OF CONDUCT

No officer, employee, or agent of SCHRA or relative of officers, employees, or agents shall lawfully benefit directly or indirectly from the procurement of materials or services by SCHRA. Neither shall participate in the selection, award, or administration of a contract if there is a real or apparent conflict of interest (less than arm's length transaction). "Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for contract. The officers, employees, and agents of SCHRA may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts." **CFR §200.318 (c)(1)**

All procurement transactions shall be conducted in a manner so as to provide maximum open and free competition.

Conflict of Interest (Defined) – A conflict of interest refers to a clash between the private interests and the official duties and obligations of a person occupying a position (Governing Board Member, employee, contractor, consultant, volunteer, etc.) in the agency.

All employees and governing body are required to annually sign Standards of Conduct, Conflict of Interest, and Conflict of Interest Certification forms. All contractors and consultants are required to sign on the inception of a new vendor account and prior to the execution of new service contracts, service

agreements, Memorandums of Understanding (MOU), or upon discovery or suspicion of possible conflict.

Corrective-action and/or disciplinary action procedures defined within the SCHRA policies 108.1, Standards of Conduct, and 808.1, Conflict of Interest, will be followed if a declaration of possible conflict or misconduct is disclosed.

SCHRA shall adhere to and strictly enforce all prevailing civil rights legislation. SCHRA complies with Title VI of Civil Rights Act of 1964, as codified in 42 U.S.C. §2000D, which states that "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied benefits of, or be subject to discrimination under any program or activity receiving Federal assistance." SCHRA does not discriminate on the basis of disability in the admission or access to, or treatment or employment in its programs or activities in compliance with ADA (Americans with Disability Act of 1990), 42 U.S.C. §12101.

SECTION 3: PURCHASING AUTHORITY

Only Program Directors and Department Heads are authorized to initiate procurement activities. However these individuals, with the Executive Director's written approval, can designate a person or persons within their areas of responsibility (programs) to initiate and approve purchase requests with a specific dollar limit or other restriction. Notification is hereby given to the Purchasing Department of this designation once a fully executed copy of the Memorandum of Authorization (MOA) is received and placed on file in the Purchasing Office. A MOA is considered fully executed once it has been signed by the Designee, Designator, and the Executive Director.

SECTION 4: INITIATION OF PURCHASES

Employees may request specific items for the purpose of carrying out their work assignments by submitting a request (Requisition) to their Program Director/Delegate for review and approval. After the Purchase Requisition is completed and approved it will be forwarded to the Purchasing Officer for review and completion.

SECTION 5: SPECIFICATION REQUIREMENTS

Specification requirements shall be based upon a clear and accurate description of the technical requirements for the material, product, or service. The absence of such detail shall be recognized as meaning that only the best commercial practices are to prevail and that only first quality materials and workmanship are to be used. "Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. When it is impractical or uneconomical to make a clear and accurate description of the technical

requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurements. The specific features of the named brand which must be met by offers must be clearly stated; and identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals." **CFR §200.319 (c)(1)(2)**. Reference to brand names, trade names, model numbers or other appropriate identification should only be included to establish the required level of quality and functional capabilities. Comparable items may be bid. Comparable products of other manufacturers will be considered if proof of comparability is contained in the bid. Provision of such proof is the total responsibility of the vendor and could include such things as brochures, catalogue pages or other data, attached to the bid.

Wherever possible, all specifications for materials, products, or services to be purchased by SCHRA shall be worded or designed so as to permit open and competitive bidding for the supplying of such items or services to which they apply. "In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements." **CFR §200.319 (a)**

SECTION 6: VENDOR SELECTION

All vendors providing supplies, equipment or services must be "responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources." **CFR §200.318 (h)** In addition, SCHRA will take all necessary affirmative steps as described in **CFR §200.321** to assure minority-owned and woman-owned businesses as well as businesses from labor surplus areas are used to the maximum extent possible. However, vendors shall be subject to disqualification if they are found to misrepresent quality, quantity, or price of supplies, equipment, services or other items delivered. A vendor/contractor may also be viewed negatively if they have performed below expectations from past purchases or contract/MOU projects.

Particularly in the area of vehicle repairs, SCHRA will compile "Approved Vendor" lists. Inclusion on this list gives consideration to the geographic location of the delivery of service, and the Vendor's proven ability to perform and the demonstrated capacity to meet needs within a reasonable period of time. SCHRA shall actively solicit proposals from small businesses and minority-owned business sources. These sources shall be given the maximum feasible opportunity to compete for contracts.

SECTION 7: CERTIFICATION OF DEBARMENT STATUS

To comply with Federal Acquisitions Regulations, using Federal funds of \$25,000 or more on individual awards SCHRA requires the Purchasing Department to include the following certification in "Request for Proposal" or "Invitation to Bid" packets.

"The vendor certifies that he/she is not presently debarred, proposed for debarment, suspended, or declared ineligible for covered transactions by any Federal agency or department. The vendor also certifies that within the past three years he/she has not been convicted of or had civil judgment rendered against him/her for a fraudulent contract or transaction, violation of Federal or State antitrust laws, or the commission of embezzlement, theft, forgery, bribery, falsifying or destroying records, receiving stolen property, or making false statements."

Before a contract is issued to the vendor with funds coming directly to SCHRA from the Federal government or indirectly through the State government or another entity, the Purchasing Department should consult the government's System for Award Management - SAM (<https://www.sam.gov>) to determine the eligibility of the proposed vendor.

SECTION 8: METHODS OF PURCHASES

The following are the purchasing methods that may be used for the purchase of goods and/or services.

A. Competitive Bidding Process

Purchases of items that, by their nature, have sufficiently uniform and impersonal criteria so that their purchase may be based on conformance with required specifications and lowest overall price, may be procured based on price quotes received from a number of prospective vendors.

B. Sealed Bid Process/Invitation to Bid

SCHRA shall strive to obtain at least (3) sealed bids on all purchases which exceed \$25,000, except as otherwise provided in this policy. All sealed bid requests/invitations to bid shall be approved by the Purchasing Department prior to issuance. The sealed bid method will be utilized when price is the primary evaluation factor.

1.0 Bid Submission

1.1 Invitations to bid (ITB) shall indicate that bids must be received by SCHRA on or before a specified date and hour.

In preparation of Invitations to Bid it shall be the intent of the SCHRA to set forth such invitations in a manner which, where possible, provides the following;

A. Terms and conditions clearly stating the requirements for the bid response and language to bind the parties in the event of award.

B. Clear and definitive specifications which shall, wherever possible, permit open and competitive bidding and minimize the likelihood of requests by prospective proposers for clarification.

C. Instructions for delivering the service requested or packaging, shipping, and delivering the commodity purchased, and where appropriate, instructions for storage by the Vendor.

D. A timeline of the process that specifies deadlines.

E. A description of the factors to be considered in evaluating the proposals. Factors may include but are not limited to service provider qualifications, experience, technical approach, and cost.

F. A declaration of the contract terms and conditions which shall be required;

G. Any requirements for bid and/or performance bonds.

H. Bids should be returned in sealed envelopes, addressed in the following manner;

ATTN: PURCHASING OFFICER
SOUTH CENTRAL HUMAN RESOURCE AGENCY
P. O. BOX 638, 1437 Winchester Hwy.
Fayetteville, TN 37334
DO NOT OPEN
SEALED BID

I. In the event that bidder qualifications require licensure, the envelope will also include the following:

CONTRACTOR'S NAME _____
CONTRACTOR'S LICENSE NUMBER _____
LICENSE EXPIRATION DATE _____
QUOTATION OF CLASSIFICATION _____

1.2 The SCHRA may cancel an invitation to bid any time prior to bid opening. Bids delivered past the date and hour designated for opening will be rejected and placed in the file unopened.

1.3 Invitations to bid may be mailed (in written or electronic form) to prospective Vendors. Invitations for bid may also be published in a newspaper of general circulation or an official formal notice may be posted to the agency's website (www.schra.us). Only one copy of a bid is required to be returned to SCHRA. When a sealed bid is opened,

examined and recorded, the original copy is placed in a file in the Purchasing Office for evaluation by the Executive Director.

1.4 The person signing the bid must be authorized to bind the Vendor to contract. A bid not signed will be rejected. Unsigned bids cannot be signed after the bid has been opened, even if the Vendor or his representative is present at the bid opening.

1.5 Terms and conditions established by the bidder must be noted conspicuously on the face of the invitation. If the conditions vary from the terms listed in the invitation to bid, the bid may be considered unresponsive and the proposal may be rejected.

1.6 Net pricing shall be requested for the units specified. Net price is list less all trade or other discounts offered. Insertion by vendor of price escalator clauses, minimum order requirements, delivery costs, and other items should be listed where appropriate.

1.7 Erasures or use of correction fluid on bid forms are not acceptable. Errors may be corrected, prior to submission, by lining out and entering the substituted words or figures with the change initialed by the person signing the bid, in ink. Bids shall not be altered or amended after the bid opening. In the case of errors in the extension prices, the unit price will govern. No corrections will be made in pencil.

1.8 Amendment or withdrawal of bids may be permitted under certain circumstances. Prior to the opening, a letter or email submitted to the Executive Director, or designee, may be used to withdraw a bid. Emails should not be used to amend a bid. After the opening, a Vendor may withdraw their bid when there is obvious error in cost data or where enforcement would impose serious hardship. Consideration for withdrawal is at the sole discretion of the Executive Director or designee and can be made at the written (or email) request of the Vendor. No change in bid price or provision of bids shall be made.

1.9 Questions concerning invitations to bid should be directed to the Executive Director or designee or whose name, phone number or email address is listed on the invitation to bid.

1.10 Bid files may be examined or reviewed during normal working hours, after completion of evaluation and prior to award. Request for review should be made through the Executive Director or designee.

1.11 Rejection of Bids. The Executive Director may reject any or all bids. Action to reject all bids shall be taken for unreasonably high prices, errors in the invitation to bid, cessation of need, unavailability of funds, or any other reason approved by the Executive Director.

1.12 Bonds. As appropriate, any bonds which are required shall be stated in the invitation. To the extent possible, such bond shall comply with rules and regulations which apply to the State of Tennessee or the grant or contract, whichever is more restrictive.

2.0 Award Process

2.1 Bids shall be awarded to the lowest bidding, qualified responsible and responsive Vendor considering the factors stated in the invitation. Such factors may include but not be limited to:

- A. Apparent ability to perform, including past performance
- B. Price
- C. Quality
- D. Purpose or use
- E. Discount for payment
- F. Freight
- G. Delivery date

2.2 The invitation to bid sets forth the evaluation criteria to be used. No criteria or factors may be used in bid evaluations that are not set forth in the invitation to bid.

2.3 Where more than one item is specified in the invitation, SCHRA reserves the right to determine the lowest bidding Vendor, either on the basis of each individual item, or group of items, or total of all items, unless otherwise stated in the invitation to bid.

2.4 Tie bids may exist where two or more Vendors offer products that meet all specifications, terms and conditions at identical prices. Tie bids will be broken by the following methods, in descending order of preference.

- A. In-state businesses
- B. Small businesses

- C. Award item(s) to Vendor who was low bidder on the most item(s) being bid on the same requisition
- D. Best delivery
- E. By lot or coin toss

3.0 Procedures And Guidelines For Vendors

3.1 Notice of back orders, when necessary, should be presented to SCHRA in writing, specifying expected shipping or delivery date.

3.2 Product deficiencies or Vendor non-compliance will be reported to the Vendor in writing by the Purchasing Officer. The notification shall request a written response from the Vendor to the SCHRA. A Vendor may be removed from a list of eligible Vendors for failure to follow the published procedures and requirements. Such failure to comply or rectify may also result in removal from future bid considerations.

3.3 Cancellation of purchase orders shall be in writing by the Executive Director or his designee. A contractor may request cancellation and SCHRA may grant this request when it is deemed to be in SCHRA's and/or the general public's best interest to do so. SCHRA has the right to disqualify any contractor from future bidding if the contractor has defaulted on any previously awarded contract.

3.4 Payment may be withheld until such time as all requirements of the purchasing contract have been complied with in full.

C. Requests for Proposals (RFP's)

SCHRA shall use this formal process for certain services that exceed \$25,000 and for which price is not the primary evaluation factor. A RFP shall be issued by SCHRA that identifies the criteria to be met. Processes and instructions for ITB's pertain also to RFP's.

1.0 RFP Bid Process

The formal solicitation of written proposals shall comply with the following requirements.

1.1 SCHRA shall prepare and issue an RFP and evaluate in accordance with this policy. Failure by SCHRA to comply with said rule and policy alone shall not be deemed a defect requiring rejection of all bids. Said decision remains the discretion of SCHRA.

1.2 SCHRA shall send an actual RFP document or a formal notice stating that the specific RFP has been released to a documented list of potential service providers. Notice of a RFP

may also be published in a newspaper of general circulation or official formal notice may be posted to the agency's website (www.schra.us).

SCHRA shall compile the list of potential service providers from those known to SCHRA staff. SCHRA shall determine the number of service providers to include on the list by considering the nature of the service sought, the anticipated dollar amount of the resulting contract, and the number of known service providers.

1.3 SCHRA is not required to send an RFP or RFP Notice to more than a total of fifteen(15) service providers, provided, however, that SCHRA shall disseminate the RFP or RFP Notice as required by this policy and to all that request the specific RFP. A general or standing request for notice of all RFPs or all RFPs of a given type of service shall not suffice as a request for a specific RFP and shall create no obligation on SCHRA.

1.4 An RFP shall set forth specific provisions in accordance with this policy including:

A. A clear and accurate description of the requirements for the service to be procured - the service technical requirements; and scope shall not contain features which unduly restrict competition and shall be in sufficient detail to minimize the likelihood of requests by potential proposers for clarification;

B. Instructions regarding the submission of proposals;

C. A timeline of RFP process that specifies deadlines - service providers shall be given a stated number of days, as determined by SCHRA, to consider the required scope of services and the proposal evaluation factors before proposals must be submitted;

D. Requirements and restrictions regarding the RFP;

E. A description of the factors to be considered in evaluating the proposal's — factors may include but are not limited to service provider qualifications, experience, technical approach, and cost; and

F. A declaration of the contract terms and conditions which shall be required by SCHRA.

1.5 Proposal evaluations shall be conducted by SCHRA employees in such a manner as to reasonably ensure that all proposals are impartially considered and the policy requirements are adequately met.

A. Proposals shall be evaluated on the basis of factors pertinent to the service sought and detailed in the RFP document.

B. Both the technical and the cost proposals will be evaluated upon the receipt of the entire proposal. The technical proposals will be evaluated first. Failure of the technical proposal to meet the specifications will result in rejection. Those proposals meeting specifications will then be evaluated on costs. Neither the technical proposal nor the cost shall be the only criteria for a contract award recommendation; however, specific factors may be set forth as criteria for determining which proposals shall be considered responsive to the RFP.

1.6 SCHRA shall communicate, clarify, and negotiate in the best interests of SCHRA, provided that all communication is in a manner so as not to disclose any information that would give one or more proposers unfair advantage or unfairly enable one or more proposers to improve their proposal.

1.7 SCHRA reserves the right to accept what is deemed to be the best value/best bid, and not necessarily the lowest bid submitted.

1.8 SCHRA shall have the right, at its sole discretion, to amend an RFP in writing at any time.

1.9 SCHRA shall have the right, at its sole discretion, to reject any and all proposals with the approval of the Executive Director. SCHRA shall make a record of approved request.

A. Any proposal that does not meet the requirements of an RFP may be considered non-responsive, and the proposal may be rejected.

B. Any proposal that restricts the rights of SCHRA or otherwise qualifies the proposal may be considered non-responsive, and the proposal may be rejected.

C. Whenever SCHRA proposes to reject all proposals for a certain purchase, such action shall be taken only for the following reasons;

a. Unreasonably high prices or failure of all proposals to meet technical specifications;

b. Error in the request for proposals;

c. Cessation of need;

- d. Unavailability of funds;
- e. A determination by SCHRA that proceeding with the procurement would be detrimental to the best interests of SCHRA, for which must be documented.

D. Competitive Negotiation

Competitive Negotiation is an informal method for contracting for goods and services, whereby proposals are solicited from qualified suppliers, following submission of which changes in proposals and prices may be allowed, and the offer deemed by the Executive Director to be most advantageous in terms of criteria/specifications is accepted.

Such negotiation shall be in accordance with the procedures as specified by the Executive Director. After proposals are submitted and reviewed, the Executive Director/Designee would schedule a meeting with the effected vendors and conduct the negotiation process according to the needs of the contract and the funds availability. The Executive Director shall insure the safeguarding of the information and provide fairness to the vendors in the negotiation process, ensuring that all communication is conducted in a manner so as not to disclose any information that would give one or more vendors unfair advantage or unfairly enable one or more vendors to improve their proposal. In the event that such a process is to take place, purchases for amounts exceeding \$10,000 but less than \$50,000 must be approved by the Executive Director. Single Purchase per item amounts above \$50,000 must be approved by the Property Committee.

In the event that acquisitions involve major land and/or buildings, major renovations to property owned by the Agency, or leasehold agreements and renovations/improvements in excess of \$200,000, such action must be recommended by the Property Committee for approval by the full Policy Council and the Executive Committee of the Board of Directors.

E. Federal, State and Local Government Contracts

SCHRA may purchase, without using the formal procedures as herein contained, goods and services through a Federal, state or local contract, which has been negotiated by such authorized entities.

F. Proprietary/Single Source

Proprietary or single source purchases shall be allowed. Formal bid processes may not be practical when a purchase falls into one of the following categories:

1. The public exigency will not permit the delay for advertising (this means emergency purchase).

2. Single source purchases may be arranged without benefit of bid when an item or service is unique and has specific characteristics that can be filled by only one source. Such purchases shall be allowable on the basis that no other vendor could possibly provide the item(s) or service using the procedures as herein contained. Justification for single source or proprietary purchases must be documented. Consideration should include at least the following;
 - a. Whether the vendor legally possesses exclusive or predominate capabilities or the item contains a patented feature providing a superior utility not obtainable from similar products.
 - b. Whether the product or service is unique and easily established as one of a kind.
 - c. Whether the program requirements cannot be modified so that competitive products or services may be found.
 - d. Whether the product is available from only one source and not merchandised through wholesalers, jobbers or retailers.
 - e. Whether items must be interchangeable or compatible with in-place items.
3. The aggregate amount involved costs less than \$ 25,000.
4. The contract is for personal or professional services, or for any service to be rendered by a university, college, or other educational institution.
5. The materials or services are to be procured and used outside the limits of the United States and its possessions.
6. No acceptable bids have been received from formal advertising.
7. Purchases from other governmental entities.
8. Commodities previously bid by the State of Tennessee and made available through State Contract may be purchased without obtaining bids.
9. Otherwise authorized by law, rules, or regulations.
10. Single source procurement also requires vendor /contractor response and prior grantor approval if costs exceed \$25,000.

Justification for by-passing the formal process shall be made a part of the file.

G. Cooperative Purchasing Agreements

SCHRA may utilize Purchasing Cooperatives, e.g. U. S. Communities and The Cooperative Purchasing Network (TCPN) or other established cooperatives of similar type. Purchasing Cooperatives must make available RFP, bids, and awarded contract documents from the originating government entity. This allows SCHRA to piggy-back off of previous competitively-awarded contracts of other government entities.

SECTION 9: REVIEW OF PURCHASES

All procurement actions shall be supported with the following documentation:

A. Purchase request (Requisition) identifying the necessity for the purchase.

B. The Executive Director or Designee may make purchases before a purchase requisition is issued for items deemed necessary for operational needs. Items will be reviewed by the purchasing officer to determine if said items were necessary.

C. Bid documents, with evidence of proper procedures and/or recommendations by the Purchasing Officer being reviewed by the Program Director/Designee and approved by the Executive Director/Designee. A purchase order shall be issued, where applicable, and such purchase order number shall appear on all invoices or receipts. All contracts must be signed by the Executive Director or the Chairman of the Board. In the event the Executive Director or Chairman of the Board is not physically available, the Executive Director or Chairman may upon email permission allow a pre-determined designee to sign said contract for the agency. The signature designee shall be limited to: the Director of Finance, Agency Executive Secretary, or the Purchasing Officer.

SECTION 10: CATEGORY OF PURCHASES/ BID REQUIREMENTS

All purchases for materials and services, excluding professional or technical services, shall follow the bid requirements.

A. Durable and Consumer Goods or Services

1. Materials and services costing less than \$10,000.00. Procurement of materials and services of an aggregate expenditure less than \$10,000.00 does not require competitive quotes: however, care shall be exercised to ensure value received on purchases without competitive quotes. The Purchasing Officer shall determine that purchases are within current market value. The Director shall reject any request for purchase that does not meet this threshold.

2. Materials and services costing more than \$10,000.00 but less than \$25,000.00. Procurement of materials and services of an aggregate expenditure of more than \$10,000.00

but less than \$25,000.00 requires a minimum of (3) written quotations documented by catalogues, email, websites, faxed or written. Signature may or may not be required.

3. Materials and services costing at least \$25,000.00. Procurement of materials and services of an aggregate expenditure costing at least \$25,000.00 shall be in writing following advertisements of an invitation to bid, except as noted elsewhere. All Procurement shall be conducted in a manner to provide maximum open and free competition.

B. Vehicle Maintenance

1. Materials and services costing less than \$1,500.00. Procurement of materials and services concerning vehicle repairs and maintenance, costing less than \$1,500.00 do not require price quotes; however, an "Approved Vendor List" selection shall be utilized whenever possible. Care shall be exercised to ensure value received on purchases without competitive quotes.

2. Materials and services costing \$1,500.00 but less than \$10,000.00. Procurement of materials and services of an aggregate expenditure of more than \$1,500.00 but less than \$10,000.00 requires a minimum of (3) three documented informal verbal or written quotes; however the accepted bid must be written.

3. Materials and services costing at least \$10,000.00. Procurement of materials and services of an aggregate expenditure costing at least \$10,000.00 shall require (3) three documented quotes in writing and be approved by Executive Director prior to proceeding. Market value of vehicle must be considered.

C. Personal, Professional or Consultant Services

Where the SCHRA desires to procure personal services, professional services and/or consultant services, the SCHRA shall either follow the requirements specified herein or as appropriate utilize a method that in the discretion of the Executive Director with the express approval of the Board Chairman meets the needs of the Agency and is fair and open to competition. The process shall generally include a consideration and comparison of potential contractors, based upon factors such as service provider qualifications, experience, technical approach, and availability. These services shall include but not be limited to: therapists, architects, training consultants, construction project managers, lawyers, and other professional services.

D. Emergency Purchases or Services

The existence of an emergency condition may create an immediate and serious need for services or purchases that cannot be met through normal competitive procurement methods, and the

lack of which would seriously threaten the function of the Agency or any of its programs, the preservation or protection of property, or the health and safety of any person.

A purchase order will be prepared after the fact for all emergency purchase. A memorandum must be prepared by the person making the emergency purchase stating the nature of the problem by the next working day along with a requisition and presented to his/her Program Director/Designee and the Executive Director for approval. This approved memorandum will become a part of the purchase invoice package. Only those persons who have been given prior delegated authority by the Executive Director or Program Director or Purchasing Officer are authorized to make emergency purchases.

E. Service Authorization Voucher

The Service Authorization Voucher is used to purchase the third party services provided directly to a client. This voucher can be initiated by any Program Director/Designee whose program is to provide client services. Services Authorization Vouchers are controlled through pre-numbering. These services include, but are not limited to medical, dental, rehabilitation, and counseling services.

F. Purchase Order Exempt Items

The following list of items do not require a purchase order; however, some of the items will require that requisition be completed to assure that the correct program, department, or cost pool be charged the expenditure allocated to the correct line on the appropriate budget. The requisition will follow the procedures as previously set forth. The following items indicated with an (*) asterisk require that a requisition be prepared.

1. Telephone billings
2. *Freight billings not incurred in connection with the purchase of supplies and equipment
3. Charges made on gasoline credit cards
4. *Building permits
5. *Deed registration fees
6. Court fees, bonding fees or notary public fees
7. Utility billings and connection fees
8. *Expenses in connection with meetings and attendant costs

9. Rental of vehicles while on approved travel
10. *License and registration fees for motor vehicles
11. Insurance (auto, medical, building, etc.)
12. Rental or lease agreements with monthly recurrent billing for which contracts are on file
13. Contracts for professional or technical services with detailed documentation included within the agreement through a methodology of professional negotiation. Professional negotiation is a dialogue between two or more parties to reach an understanding, resolve points of difference through compromise to gain an advantage for the Agency, or to craft outcomes to satisfy various interests or needs. These contracts may specify unit costs for service with or without maximum amounts. These services include, but are not limited to auditing and legal services.
14. *Petty cash purchases (No requisition is required up to \$20, requisition required between \$20-\$50, and purchase order for any over \$50)

G. Term Contracts

1. A term contract may be let for the supply of the total requirements of supplies, materials, equipment, and services as are not certified pursuant to TCA 41-22119.
2. More than one such term contract may be let for the supply of any given class or type of supplies, equipment, or service and any such term contract may provide for the cancellation thereof by either party.
3. Term contracts may not be let for periods of time more than sixty (60) months; provided however, that any such term contracts let, or proposed to be let, for periods of time more than twelve months shall be subject to the following conditions:
 - a. No term contract shall be negotiated or entered into without competitive proposals.
 - b. Request for Proposals and term contract resulting there from must clearly show the annual maximum obligation of SCHRA for each twelve month period covered by such contract.
 - c. Such contracts must contain a provision giving SCHRA the right of cancellation at any time with no more than ninety (90) days of notice at the end of each fiscal

year and without notice in the event that funds to support the contract fail to become available.

d. The SCHRA Executive Director must approve all such contracts, and, at the end of each contract must approve the continuance of such contracts. Any such contracts that exceed \$200,000 must be approved by the Property Committee of the Agency Policy Council and ratified thereby.

SECTION 11: CREDIT CARD PURCHASES

The Agency currently has three (3) major credit cards assigned to the following: Executive Director (emergencies, registrations, business meal meetings (Costed to Agency Fund), operational expenses, and programmatic supplies), Executive Secretary (reservations, registrations,) and the Purchasing Officer (programmatic supplies.) These people are personally responsible for these cards. The purposes notated within parentheses are strictly examples and not all inclusive.

The Agency utilizes several credit cards which are vendor specific (ex, Wal-Mart) for the purpose of purchasing programmatic supplies in a more timely and convenient manner. Due to the sensitive nature of credit cards which could lead to fraud and abuse specific controls are necessary to account for the card usage. All such credit cards are in the custody of the Purchasing Officer, who maintains a usage log of such. These controls are as follows:

A. The designee requesting the use of these cards must present an approved purchase order before the card is released. Upon release, the designee will sign and date the usage log indicating receipt of such. The individual who signs for the card then becomes personally responsible for the card usage until it is properly returned to the Purchasing Officer.

B. After using the card and when returning same to the Purchasing department, a copy of the documentation supporting the purchase will be returned and attached to the purchase order. The usage log will then be signed and dated thereby releasing the designee from liability.

SECTION 12: RECEIPT OF MATERIALS

The person(s) ordering materials or non-technical services or a person designated by the Executive Director shall check the materials delivered for completeness and compliance with the specifications and shall sign and date shipping invoice or other such receipt on date received and submit to the Purchasing Officer/designee. The Fiscal Department shall not make payment without such a verification of receipt of materials.

SECTION 13: FEDERAL AND STATE CONTRACTS

SCHRA may procure commercial items that have been competitively solicited by the State of Tennessee or other Federal entity. This allows for the purchase of larger quantities where pricing is already competitively negotiated and competed.

When SCHRA negotiates Federal and State Contracts that require different procurement procedures, the stated procedures within these contracts will take priority over all other procedures. The type of procurement used (i.e. fixed price contracts, purchase orders, etc.) shall be appropriate for the particular procurement and for promoting the best interest of the grant program involvement.

SECTION 14: PROPERTY COMMITTEE

The Chairperson of the Policy Council shall appoint a committee of eight (8) members to include three county and/or metro mayors, SCHRA Legal Representative, SCHRA Financial Representative, SCHRA Head Start Policy Council Chairperson or representative, and two consumer members. The committee will meet on an as-needed-basis and review and approve:

- A. Surplus property list for disposal: and
- B. Major land and/or building acquisitions in excess of \$200,000; and
- C. Major renovations to property (grounds and/or buildings) owned by the Agency in excess of \$200,000; and
- D. Leasehold agreements and renovations/improvements to be made in excess of \$200,000.
- E. Any single item purchased at a cost in excess of \$50,000.

SECTION 15: PROPERTY DISPOSAL

A. Real Property

When real property is no longer needed, SCHRA shall request disposition instructions from the awarding agency or its successor if such property was acquired with grant fund award. The awarding agency must provide one or more of the following dispositions;

1. SCHRA may be permitted to retain title without further obligation to the awarding Agency after it compensates that Agency for that percentage of the current fair market value of the property attributable to the Agency's share in the project.

2. SCHRA may be directed to sell the property under guidelines provided by the awarding Agency and pay the same for that percentage of the current fair market value of the property attributable to the awarding Agency Share in the project (after deducting actual and reasonable selling and fix-up expenses, if any from the sales proceeds.) When SCHRA is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

3. SCHRA may be directed to transfer title to the property to the awarding Agency or to a third party provided that, in such cases, the SCHRA shall be entitled to compensation for its attributable percentage of the current fair market value of the property.

When real property was not acquired with grant funding, its disposal shall be referred to the Property Committee for guidance on its disposal.

B. Personal Property

When personal property items are approved for by disposal by the Property Committee, it may be disposed of in one of the following manners:

1. Items may be listed for sale to the highest bidder through public auction, to include on-line auctions, and through published request for sealed bids. Items are sold "As is where is" with no guarantees. In the event that the fair market value exceeds \$5,000 the proceeds will revert to the awarding Agency, otherwise all proceeds revert to the discretion of the SCHRA.
2. Scrap items that are saleable are sold to scrap and metal dealers with the proceeds retained by SCHRA.
3. All other items are taken to the appropriate recycling centers or to a waste disposal station for which SCHRA receives a disposal receipt to verify such disposal.
4. When feasible SCHRA should contact and advertise to governmental agencies items that have been deemed surplus. Other items should be given to not-for profit organizations such as Goodwill/Veterans organizations, education, or like entities.

SECTION 16: GENERAL PROVISIONS

16.1 Liability Claims and Damages

SCHRA, its officers, agents, and employees shall be held harmless from liability from any claims, damages and actions of any nature arising from the use of any materials furnished by the Vendor, provided such liability is not attributable to negligence on the part of SCHRA or the failure of SCHRA to utilize the materials in the manner outlined by the Vendor in descriptive literature or specifications submitted with the Vendor's bid. Vendor will agree to abide by SCHRA's purchasing procedures.

16.2 Controversies/Disputes

Resolving controversies/disputes concerning protest of qualifications of bidders, suspension from bidding, and invitation to bid process, and stay of award prior to actual award shall be resolved in the manner provided herein. Vendors who disagree in any of the aforementioned areas may document their position and protest in writing and request re-evaluation within ten (10) days of the bid opening or award. This reevaluation shall be initiated by the person or person(s) who made the decision to disqualify such bid/bidder. They shall review and provide a memorandum to the Program Director and Executive Director. All relevant levels of administration shall review the reevaluation, and make written comments regarding their thoughts and recommendations. The Executive Director or designee shall review the reevaluation, make a determination and notify the Vendor of the decision. If the reevaluation does not resolve the disagreement, the Vendor may request evaluation of the record, including the written protest documentation, through a hearing with the Executive Director. The Executive Director shall issue a letter to the bidder(s) as to his/her findings and decisions. The evaluation by the Executive Director shall be submitted to the Property Committee for review. This process shall constitute the final determination.

16.3 Taxes

SCHRA is exempt from Federal Excise Taxes and State Sale Tax, and purchases shall be made in accordance with this status, for instance, prices quoted by Vendors shall not contain provisions for Federal Excise Taxes or State Sales Tax unless required by law or the grant contract funding the project.

16.4 Long-term or Extended Delivery Contract Monitoring

All contracts of twelve (12) months or longer will be reviewed by the Purchasing Officer and Program Director/designee for delivery, specifications, and price annually.

16.5 Contract Administration

The Executive Director or designee shall be responsible for all contract administration and monitoring. All contracts will be monitored on a periodic basis for determination of compliance with contract provisions.

16.6 Revisions/Amendments

Any revisions or amendments to the Purchasing Policies and Procedures set forth in the policy shall be submitted to the SCHRA Budget, State/Local Appropriations and Audit Committee and the SCHRA Executive Committee and the State of Tennessee Procurement Commission for review and approval.