

County Council Of Howard County, Maryland

2017 Legislative Session

Legislative Day No. 12

Resolution No. 120-2017

Introduced by: The Chairperson at the request of the County Executive

A RESOLUTION pursuant to Section 4.104 of the Howard County Code, approving a revised Purchasing Manual that governs the internal operating procedures of the County purchasing system.

Introduced and read first time September 5, 2017.

By order

Jessica Feldmark
Jessica Feldmark, Administrator

Read for a second time at a public hearing on September 18, 2017.

By order

Jessica Feldmark
Jessica Feldmark, Administrator

This Resolution was read the third time and was Adopted , Adopted with amendments , Failed , Withdrawn , by the County Council

on October 2, 2017.

Certified By

Jessica Feldmark
Jessica Feldmark, Administrator

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; ~~Strike-out~~ indicates material deleted by amendment; Underlining indicates material added by amendment

1 **WHEREAS**, Section 4.104 of the Howard County Code requires the County Purchasing
2 Agent to develop a purchasing manual governing the internal operating procedures of the County
3 purchasing system; and

4
5 **WHEREAS**, the Purchasing Manual and its amendments are subject to approval by
6 resolution of the County Council; and

7
8 **WHEREAS**, the County Executive has submitted Council Bill No. 72-2017 that amends
9 the Purchasing Code of Howard County; and

10
11 **WHEREAS**, in order to be consistent with the changes made in Council Bill No. 72-
12 2017, the Purchasing Office has revised the Purchasing Manual, substantially in the form
13 attached to this Resolution; and

14
15 **WHEREAS**, the County Executive has requested County Council approval of the revised
16 Purchasing Manual.

17
18 **NOW, THEREFORE, BE IT RESOLVED** by the County Council of Howard County,
19 Maryland this 2nd day of October 2017, that it hereby approves the revised Purchasing
20 Manual, substantially in the form attached to this Resolution.

21
22 **AND BE IT FURTHER RESOLVED**, that this Resolution shall take effect when
23 Council Bill No. 72-2017 takes effect.

24
25 **AND BE IT FURTHER RESOLVED**, that the County Purchasing Agent may correct
26 obvious errors, capitalization, spelling, grammar, headings and similar matters and may publish
27 the Purchasing Manual by adding or amending covers, title pages, table of contents, and graphics
28 to improve readability.

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HOWARD COUNTY, MARYLAND
OFFICE OF PURCHASING

PURCHASING MANUAL

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The [[purpose]]PURPOSES of this manual [[is]] ARE to:

Implement the purchasing policies set out in Article VIII, *Centralized Purchasing*, of the Howard County Charter and Subtitle 1, *Purchasing*, of the Howard County Code.

Make the procurement procedures in the user agencies as consistent as possible.

Instill the public’s confidence in the County’s procurement procedures.

Ensure the fair and equitable treatment of all persons dealing with the County and promote maximum competition.

Provide increased economy in County procurement activities and maximize the purchasing value of County funds.

Safeguard the high quality and integrity of public procurement.

Ensure that expenditures of public funds (including State and Federal funds) comply with the terms and conditions of the funding source. If State or Federal requirements conflict with the provisions of this manual, nothing in the manual shall prevent the County from complying with the terms and conditions of the State or Federal requirements.

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PRINCIPLES

Personnel associated with the purchasing function shall comply with the following principles:

1. In all transactions to consider first the interests of the County;
2. To believe and carry out the established policies of the County;
3. To be receptive to competent counsel from colleagues;
4. To be guided by counsel without impairing the dignity and responsibility of the office;
5. To strive consistently for knowledge of the materials and process of manufacture;
6. To establish practical methods for the conduct of the office;
7. To subscribe to and work for honesty and truth in buying and selling and to denounce all forms and manifestations of commercial bribery;
8. To accord a prompt and courteous reception to all who call on a legitimate business mission;
9. To counsel and assist fellow purchasing agents in the performance of their duties;
10. To cooperate with all organizations and individuals engaged in activities designed to enhance the development and standards of purchasing; [[and]]
11. To encourage participation in the Equal Business Opportunity (EBO) program in order to attain increased EBO participation in purchasing activities[.]; AND
12. To subscribe to the National Institute of Governmental Purchasing, Inc. (NIGP) Code of Ethics.

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POLICIES

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1. Centralized Purchasing

- a. The objective of centralized purchasing in Howard County is to obtain the maximum benefit from every tax dollar spent. The Office of Purchasing is responsible for the centralized purchasing of all supplies and services for the County government.
- b. In accordance with Charter Sec. 802, the Chief Administrative Officer, who is also the County Purchasing Agent, hereby delegates the purchasing functions to a Deputy Purchasing Agent known as the Purchasing Administrator.

2. Ethics and Professional Conduct

- a. The National Institute of Governmental Purchasing, Inc. (NIGP) Code of Ethics will govern the conduct of every employee in the Office of Purchasing and any employees in using agencies that are granted delegated purchasing authority. Delegation of authority to using agencies is contingent upon specific employees receiving appropriate training on the fundamentals of public purchasing. The Code of Ethics is Exhibit II of this Manual.
- b. All employees and contractors must abide by the provisions of the Howard County ethics law (Exhibit III).
- c. Vendors or bidders who offer gifts, entertainment, etc. may be declared irresponsible bidders and may be debarred from bidding.
- d. An employee who accepts a gift, entertainment, etc. shall be subject to disciplinary action.

3. Relations with Vendors

- a. No officer or employee of the County (excluding employees in the Office of Purchasing) shall negotiate directly or indirectly for supplies or services, except where an emergency exists after normal working hours or with the approval of the Purchasing Administrator.
- b. In consideration of legal aspects and trade relations with vendors, the Office of Purchasing shall not purchase supplies or services for the private use of employees.
- c. Vendor contact with employees in user agencies shall be through or with the knowledge of the appropriate purchasing representative. The intent is to prevent vendors from bypassing the Office of Purchasing in an attempt to influence employees and agencies.

1 4. Relations with Other Agencies

- 2
- 3 a. Whenever it is practical to do so, supplies and services shall be purchased
4 through [[price agreements and requirements]]contracts. The County
5 will benefit from quantity discounts, fewer purchasing transactions and
6 reduced paperwork.
7
- 8 b. All questions concerning any aspect of a contact, from initial REQUEST
9 [[requisition]] through final acceptance of the purchase, shall be addressed
10 to the Office of Purchasing.
11

12 5. Cooperative Purchasing

13
14 The Office of Purchasing shall maintain a program for joint or cooperative
15 purchasing with the Howard County Board of Education, Howard County
16 Library, and Howard Community College and with other public
17 jurisdictions including cities, counties, states and the federal government.
18

19 6. Advisory Committee on Standardization

- 20
- 21 a. The process of establishing standard specifications for items of similar
22 usage leads to savings for the County. Therefore, achieving cost savings
23 through standardization shall be one of the major objectives of the Office
24 of Purchasing.
25
- 26 (1) Pursuant to Code Sec. 4.105, the Purchasing Administrator shall
27 establish a purchasing advisory committee on standardization
28 composed of the Purchasing Administrator and the directors of
29 each department of the director's designee. The Purchasing
30 Administrator shall serve as chairperson. The members of the
31 committee shall serve without additional compensation.
32
- 33 (2) The committee shall advise the Purchasing Administrator on:
34
- 35 (a) The need to establish standard items of equipment,
36 supplies, or materials to promote economy and efficiency
37 in County operations;
38
- 39 (b) The minimum number of quantities, sizes, and varieties of
40 supplies consistent with the efficient operation of the
41 County government;
42
- 43 (c) The development of standard specifications; and
44
- 45 (d) Preparing, adopting and issuing written specifications so
46 that effective competition is encouraged.
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(3) The Purchasing Administrator and the committee may:

- (a) Make use of the County's staff and technical facilities in the development of specifications and in the testing of supplies received under the standard specifications; and
- (b) Arrange for the testing of supplies through the facilities of testing laboratories.

b. The Purchasing Administrator shall, to the maximum extent possible, adopt for the County's use the standard specifications of other government jurisdictions and standards setting entities.

7. Leasing and Rental Agreements

- a. The Office of Purchasing is responsible for equipment rental and lease agreements where the County's equipment requirements may be provided more economically by rental or lease than by purchase.
- b. Equipment may be leased for varying periods of time when in the best interest of the County. Due to the susceptibility of special or technical equipment to obsolescence, it may be to the County's advantage for the vendor to lease the equipment to the County and to provide maintenance.

8. Formal Purchase Report to County Council

- a. Pursuant to Code Sec. 4.103(v), the Purchasing Agent shall submit to the County Council ~~a semi-annual~~ AN ANNUAL report of all purchases awarded through formal bidding procedures. The report for the period January through June may be included in the annual report, and the report for the period July through December shall be submitted no later than March 30 of the following year.
- b. Pursuant to Code Sec. 4.103(w), a listing of all change orders shall be required annually at the end of each fiscal year and may be included in the annual report.

9. Waiver of Formal Competitive Bidding

Pursuant to Code Sec.4.106(d)[[(1 and 2)]], waiver of the formalities in competitive bidding or waiver of the formal competitive bidding requirements must be accompanied by a written justification approved by the department head or designee explaining why the waiver would be in the best interests of the County.

1 10. Public Access to ~~[[Bidding Materials]]~~RECORDS

2
3 Purchasing documents that are open to inspection pursuant to ~~[[Subtitle 6,]]~~
4 Title ~~[[10]]~~4 of the ~~[[State Government, article]]~~GENERAL PROVISIONS ARTICLE of
5 the Annotated Code of Maryland are subject to the following:
6

- 7 a. Proposals submitted in response to requests for proposals and other
8 specialized procurement methods shall be open for public inspection
9 ~~[[after award has been made or a decision has been made to cancel the~~
10 ~~procurement except]]~~as provided by law.
11
12 b. Other documents, including Invitations to Bid, shall be available for
13 public inspection upon written request, pursuant to the Public
14 Information Act, during normal business hours by appointment. A
15 purchasing employee shall be present during the review;
16
17 c. Copies of appropriate records are available to the public subject to a
18 copying charge as set by the County Council.
19

20 11. Protests

21
22 Bidders may deliver a written protest to the Office of Purchasing within ten days
23 of issuance of award notification. The Purchasing Administrator reviews the
24 protested decision, examines any additional information provided by the bidder
25 and responds to the bidder within ten days of receipt of the protest.
26
27
28

29 12. Public Notice for Formal Solicitations

- 30
31 a. Public notice includes a general description of the supplies or services to
32 be purchased or sold, the source of the solicitation package and the date,
33 time and place of bid opening.
34
35 ~~[[b.~~ A notice is posted on the bulletin board in the Office of Purchasing of
36 each solicitation for purchase or *of* supplies or services or sale of surplus
37 supplies.]]
38
39 ~~[[c]]~~B. Public notice may, as determined by the Purchasing Administrator,
40 ~~[[also]]~~ include ~~[[other]]~~ANY means reasonably determined to notify the
41 public and promote competition such as the Internet, and other forms of
42 advertising media.
43

44 13. Purchasing Manual Distribution

45
46 The Office of Purchasing maintains the Purchasing Manual and provides the
47 manual to user departments.
48

1 14. Electronic Signatures

- 2
- 3 a. The Office of Purchasing may conduct procurements, including the
- 4 solicitation, bidding, award, execution, and administration of a contract
- 5 by electronic means. (Reference Code Sec. 4.124)
- 6
- 7 b. Bidding on a solicitation by electronic means shall constitute consent by
- 8 the bidder to conduct by electronic means all elements of the
- 9 procurement that the Office of Purchasing agrees to conduct by electronic
- 10 means.
- 11
- 12 c. Definitions:
- 13
- 14 (1) "Electronic" means relating to technology having electrical, digital,
- 15 magnetic, wireless, optical, electromagnetic, or similar
- 16 capabilities. (From [[the]] SECTION 21-101 (F) OF THE COMMERCIAL
- 17 LAW ARTICLE, Maryland Annotated Code, State Procurement
- 18 Regulations, COMAR 21.03.05.02)
- 19
- 20 (2) "Signature" means a manual or electronic identifier or the
- 21 electronic result of an authentication technique, attached to or
- 22 logically associated with a record that is intended by the person
- 23 using it to have the same force and effect as a manual signature.
- 24
- 25 (3) "Written" or "In Writing" means the product of any method of
- 26 forming characters on paper, other materials, or viewable screens,
- 27 which can be read, retrieved, and reproduced, including
- 28 information that is electronically transmitted and stored.

29 15. Insurance

30

31 The procurement of insurance policies, whereby an insurance company is required to

32 protect the County against loss, damage or liability arising from an unknown or

33 contingent incident, IS[[are]] exempt from competitive bidding. An insurance policy is

34 not a contract for goods or services, but is, rather, an indemnification contract.

35 16. RETIREMENT PLANS

36

37 PROCUREMENT OF SERVICES AND SUPPLIES RELATED TO MANAGEMENT OF THE HOWARD

38 COUNTY POLICE AND FIRE EMPLOYEES RETIREMENT PLAN AND THE HOWARD COUNTY

39 RETIREMENT PLAN SHALL BE EXEMPT FROM THE BIDDING REQUIREMENTS OF THE HOWARD

40 COUNTY PURCHASING CODE.

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PROCEDURES

Section A [[Requisitioning]]REQUESTING [[of]] Supplies or Services

User agencies [[requisition]]REQUEST supplies or services by using the appropriate form listed below:

1. [[Automated Purchase Requisition Form]]SHOPPING CART
 - a. Definition

An electronic form completed by user agencies for requesting supplies or services.
 - b. Procedure
 - (1) User agency [[completes the purchase requisition form]]INITIATES A SHOPPING CART using [[the automated purchasing system]]SAP.
 - (2) INTERNAL APPROVALS SUCH AS FINANCE AND TECHNOLOGY TAKE PLACE ELECTRONICALLY IN SAP. [[User agency obtains all internal approvals then sends completed electronic form through the Office of Budget, Department of Finance, Risk Management and the Personal Computer Committee as appropriate for approval.]]
 - (3) Office of Purchasing receives [[automated purchase requisition]]SHOPPING CARTS and reviews for completeness. The Office of Purchasing is responsible for questioning any item(s) [[on the automated requisition]] IN SHOPPING CARTS that may be unnecessary or unreasonable. If an item is questioned, the Purchasing Administrator may require the user agency to substantiate the validity of the [[requisition]]SHOPPING CART in writing.
 - (4) The Office of Purchasing reviews the request to determine if surplus property or requirements contract may be utilized to fulfill the request. If so, the requisition is returned to the user agency with that notation.
 - (5) The [[automated requisition]]SHOPPING CART is assigned to a Buyer who determines the method of procurement.
 - (6) After completion of the bidding process, the Buyer, with input from the user agency when necessary, analyzes the bid results and determines the successful bidder.
 - (7) The Office of Purchasing enters the prices, terms of payment, FOB point, delivery date, and successful bidder [[on the requisition]].

- 1
2 (8) The Office of Purchasing issues a Purchase Order [[and indicates
3 the Purchase Order number on the requisition]].
4
5 (9) The Purchasing Administrator or designee authorizes/signs the
6 Purchase Order.
7
8 (10) The Office of Purchasing distributes the Purchase Order.
9
10 (11) After completion of the bidding process, for those transactions
11 totaling less than the formal bid threshold, the buyer may place an
12 order utilizing their PDQ card as payment. All recordkeeping shall
13 be in accordance with the Office of Purchasing Procurement Card
14 Program Policy and Procedure.
15

16 2. [[Automated]]Change Order [[Requisition]] Form
17

- 18 a. Definition: [[An electronic]]A form used to make changes to an existing
19 Purchase Order.
20
21 b. Procedure
22
23 [[(1)]] User agency [[accesses automated purchase requisition system on
24 the intranet and fills in all information that is unchanged from the
25 Purchase Order. For capital projects, select “Capital Change” in
26 the “Action” field.]]COMPLETES THE FORM AND FORWARDS TO THE
27 OFFICE OF PURCHASING.
28
29 [[(2)]] The user agency fills in the changed amount in the appropriate
30 places on the automated change order requisition.]]
31
32 c. Policy: Change [[order requisitions]]ORDERS that increase the original
33 amount of the purchase order by 15% or more must be accompanied by a
34 [[memo addressed to the Purchasing Administrator]]JUSTIFICATION
35 further explaining the request and may not be executed until the following
36 conditions have been met:
37
38 (1) Cost Analysis: A technical appraisal of the estimated costs of
39 additional labor and materials has been performed;
40
41 [[(2)]] Supplemental Agreement: For capital projects a supplemental
42 agreement reflecting an adjustment in the contract terms, in
43 addition to the change order requisition is prepared.]]
44
45 ([[3]]2)Notification: A copy of the change order [[requisition]] in which
46 the price has been increased and written justification supporting
47 the need for the change has been approved by the Chief
48 Administrative Officer.
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d. Limitation on Use of Change Order Requisitions

- (1) A change order [[requisition]] is needed to pay overruns or underruns when deemed necessary by the Office of Purchasing.
- (2) Except when the F.O.B. point is Destination, a change order requisition is not needed to pay reasonable freight charges.
- (3) Change order [[requisitions]]REQUESTS that:
 - Increase a purchase order charged to an operating budget may only be submitted during the fiscal year of the original purchase order.
 - Increase a purchase order charged to a capital budget may be submitted at any time.
 - Decrease a purchase order, whether operating or capital, may be submitted at any time.
- (4) The County may change or cancel a purchase order at any time as long as the change or cancellation is within the legal boundaries of contract law.
- (5) Changes or cancellations may be submitted after visible physical work has been performed or services rendered.
- (6) A vendor may not make the change or cancellation until receipt of the change order form.
- (7) A vendor may request the County to initiate a change order [[requisition]].

3. Authorized [[Signatures]] APPROVERS

Each agency head shall designate individuals in the agency who are authorized to [[sign]]APPROVE purchase documents. THESE AUTHORIZATIONS ARE MAINTAINED IN SAP. [[The Office of Purchasing maintains an automated listing of authorized signatures that is used to control authorization. All documents received in the Office of Purchasing without the proper authorized signature will be returned to the user agency for correction.]]

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1 **Section B Specifications**

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4 1. **Definition**

5
6 Specifications are a description of the physical characteristics, functional
7 characteristics or the nature of supplies or services.

8
9 2. **Purpose**

- 10
11 a. To fulfill the requirements of the user agency
12
13 b. To assure maximum practicable competition
14
15 c. To obtain the best performance at the lowest possible price.

16
17 3. **Preparation of Specifications**

- 18
19 a. User agencies prepare draft specifications. User agencies shall send draft
20 specifications as part of (or as an attachment to) [[an automated Purchase
21 Requisition]]SHOPPING CARTS in sufficient time for the Office of
22 Purchasing to review and approve prior to the bidding process.
23
24 b. In the case of specifications for capital projects, the Director of Public
25 Works, or [[his/her]]THE DIRECTOR's designee, determines whether or not
26 the specifications shall be prepared within the Department of Public
27 Works or by an architect/engineering consultant.

28
29 4. **Form of Specification**

30
31 Specifications shall be clear and accurate descriptions with sufficient detail to
32 provide for suitable purchases and may include: functions and standards;
33 characteristics; preparation for shipment; delivery point; quality assurance and
34 acceptance tests (where applicable); and warranties, guarantees, and service
35 support requirements.

36
37 5. **Review and Approval**

38
39 The Office of Purchasing will review submitted specifications to ensure that all
40 necessary information is included and that there are no requirements that
41 unnecessarily restrict or limit competition. The Office of Purchasing is
42 responsible for final approval of the specifications.
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1 **Section C** **FORMAL COMPETITIVE BIDDING – Invitation for [[Bid]]BIDS (IFB)**
2 **Non-Capital Projects**
3 **(Reference Code Sec. 4.107)**
4

5 1. When Used: Formal competitive bidding is the method used to purchase
6 supplies or services involving the expenditure of \$30,000 or more or to sell
7 surplus property with an estimated value of \$30,000 or more. Solicitations are
8 publicly advertised and awarded to the lowest responsive and responsible bidder.
9

10 2. Multi-Step Purchasing Methods

11 Multi-step purchasing methods may be used in formal competitive bidding when
12 it is in the best interest of the County. The multi-step procedure must be
13 disclosed at the beginning of the solicitation process. Potential bidders are told
14 the number of steps that will be used in the solicitation.
15

16
17 a. Invitation For [[Bid]]BIDS

18 The multi-step method (usually 2 steps) may be used when it is not
19 practical to initially prepare a definitive purchase description that will be
20 suitable to permit an award based on price. Samples may be required and
21 are permissible in this solicitation approach.
22

23
24 (1) Under this method, technical proposals are received and opened
25 on the date and time indicated. Only the names of the responding
26 firms are identified and tabulated.
27

28 (2) The technical proposals received are evaluated against pre-
29 established criteria that were stated in the solicitation.
30 Purchasing, the user agency and other knowledgeable persons may
31 conduct the evaluation. The County may, as necessary, request
32 more refined technical information from the accepted firms. The
33 technical proposals received from unacceptable firms are returned
34 immediately following the evaluation determination.
35

36 (3) Bidders who submitted technically acceptable bids are invited to
37 submit competitive sealed price bids. Price bids are received at
38 the predetermined date and time when they are opened and read.
39 Under the multi-step method for Invitation [[For]]FOR Bid, price
40 negotiation is not permitted.
41

42 b. Request for Information

43 A 3-step method is a method under which, in addition to the technical and
44 price proposals, a Request for Information (RFI) may be required and is
45 an acceptable multi-step procurement method.
46
47

1 In all multi-step procurements, after technical proposals or samples or
2 both have been evaluated, prices shall be solicited only from those
3 vendors whose technical offers or samples or both have been accepted.
4

5 In all other respects, multi-step sealed purchasing methods shall be
6 treated in the same way as other purchasing methods.
7

8 3. Solicitation Package
9

- 10 a. Upon receipt of a purchase requisition and completion of proper
11 specifications, the Office of Purchasing prepares the solicitation package.
12
- 13 b. The solicitation package may include, but not be limited to, terms and
14 conditions, general instructions, specifications, a sample agreement form
15 when the procurement is services and price page.
16
- 17 (1) Pursuant to Code Sec. 4.118(b)(8), all formal contracts shall be
18 accompanied by an Affidavit covering non-collusion, disclosure of
19 interest, anti-bribery, and non-discrimination in employment
20 practices.
21
- 22 (2) ~~[[The]]~~ Equal Business Opportunity ~~[[Certificate]]~~ PARTICIPATION
23 is required when the bid is estimated at \$50,000 or more.
24

25 4. Place the Public Notice.
26

27 5. Submission of Bids
28

- 29 a. Bidders shall return all County bid forms in the quantity specified and any
30 exceptions the bidder may take to the Office of Purchasing prior to the
31 date and time of bid opening.
32
- 33 b. Bidders shall submit any required bid deposit with the bid.
34
- 35 c. Bids shall be submitted in a sealed envelope/carton marked with the
36 name and number.
37
- 38 d. Bidders may withdraw or change bids and resubmit them before bid
39 opening time. The bidder may make corrections on the original bid by
40 initialing the change and resealing the bid.
41
- 42 e. The Office of Purchasing shall retain bids in a secure place prior to
43 opening.
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f. Any exceptions or objections to the technical specifications of the solicitation documents shall be in writing and shall be submitted to the Office of Purchasing no later than 5 days prior to the bid opening date. The Office of Purchasing shall review each such exception or objection to determine whether an addendum to the specifications is required.

6. Cancellation of IFB Before Opening

- a. If it becomes necessary to correct an inadequate, deficient or ambiguous invitation for [[bid]]BIDS, then the invitation shall be canceled and a new invitation shall be issued.
- b. When a solicitation is canceled, bids that have been received shall be returned unopened to the bidders with a notice of cancellation.
- c. Notice of cancellation shall also be publicly posted and shall explain why the solicitation is being canceled.

7. Bid Opening

- a. The bid opening shall be held on the date and at the time and place announced in the bid or the date, time and place announced in any addenda.
- b. The Purchasing Administrator, or designee, shall determine when the time of official bid opening has been reached.
- c. After bid opening time, all bids are considered the property of the County and will not be released. Bidders may not withdraw bids after bid opening time.
- d. The Purchasing Administrator, or designee, shall publicly open the bids at the specified time, date and place with at least one other County employee present.
- e. The Purchasing Administrator, or designee, shall reject all bids received after the scheduled bid opening.
- f. The Office of Purchasing may post a bid summary on the bulletin board after the bid opening.
- g. The buyer of record will review all bids. The buyer when necessary may request review of bids by the user agency.
- h. A mistake that is discovered after the bid opening may not be corrected unless the mistake is an obvious and apparent error on the face of the bid such as a typographical error, transposition error or an arithmetical error.
- i. In situations where the Purchasing Administrator determines that the low bid submitted is so low due to a demonstrable mistake other than a

1 mistake in judgment that the bidder may incur severe loss, and that a
2 potential unconscionable contract may be formed, the bidder may be
3 allowed to withdraw the bid subject to forfeiture of the bid deposit, if any.
4

5 8. Cancellation of IFB After Opening
6

7 When it is determined before an award, but after opening, that the invitation for
8 [[bid]]BIDS contains inadequate, deficient or ambiguous specifications; does not
9 provide for consideration of all factors; or the scope of the work needs to be
10 modified; then the bid shall be canceled. Each bidder shall be notified of the
11 cancellation and the notice shall state the reason for such action.
12

13 9. Evaluation of Bids
14

- 15 a. The Office of Purchasing evaluates each bid in terms of criteria stated in
16 the solicitation to determine the lowest responsive, responsible bidder (on
17 purchases) and highest responsive, responsible bidder (on sales).
18
- 19 b. The Purchasing Administrator has the authority to either accept or reject
20 bids, or any part of the bids when, in [[his/her]]THE ADMINISTRATOR'S
21 judgment, when it is in the public's best interest. If all bids are rejected,
22 the supplies or services may be re-bid.
23
- 24 c. If only one bid is received for procurement valued at less than \$1,000,000
25 and there is not sufficient time to re-solicit, the Office of Purchasing may
26 negotiate a final offer with the supplier.
27
- 28 d. Any procurement exceeding \$1,000,000 that receives less than three
29 responsive bids requires approval by the Contract Review Committee.
30
- 31 e. If the required number of responsive bids is not received, the supplies or
32 services may be re-bid, after the Office of Purchasing coordinates with the
33 user agency on specifications, etc. to encourage greater response.
34
- 35 f. If no responsive bids are received on a procurement valued at less than
36 \$100,000, and time does not permit a re-bid, the Office of Purchasing
37 may engage in competitive negotiations with any potential vendor or
38 vendors and award a contract when negotiation is completed. The same
39 procedure may be used for procurements valued in excess of \$100,000;
40 however, approval of the Contract Review Committee is required prior to
41 award.
42

1 10. Award

- 2
- 3 a. The Office of Purchasing recommends the award of the lowest responsive,
4 responsible bidder for purchases and the highest responsive, responsible
5 bidder for sales.
- 6
- 7 b. If there is a tie bid and quality and service are equal, the award goes to the
8 local bidder. If there is no local bidder, or more than one local bidder, the
9 Office of Purchasing draws lots to determine the award.
- 10
- 11 c. The Office of Purchasing recommends multiple awards for the same
12 goods or services if they cannot be provided, in the fashion and time
13 required, from one vendor.
- 14
- 15 d. Bid deposits are returned to all unsuccessful bidders within 10 days
16 following the award notification or within 65 days following the public
17 opening of the bid, whichever first occurs.
- 18
- 19 e. If the bid is not awarded to the lowest bidder (for purchases) or the
20 highest bidder (for sales), the Office of Purchasing secures well-
21 documented and fully substantiated written reasons for this decision.
- 22
- 23 f. If the successful bidder fails to execute a contract within 10 working days
24 of receiving the notification of award, the bid deposit may be forfeited as
25 liquidated damages for failure to execute the contract, and not as a
26 penalty.
- 27
- 28 g. The Office of Purchasing issues an award notification to the successful
29 bidder and SIMILARLY NOTIFIES [[sends copies to]] all unsuccessful
30 bidders. A CONTRACT OR Purchase Order may be issued with the award
31 notification if a performance bond or insurance certificate is not required
32 of the bidder. If appropriate, a Procurement Card (PDQ Card)
33 [[purchase]] may be used in lieu of a Purchase Order.
- 34
- 35 h. The CONTRACT OR Purchase Order is either not printed or held until any
36 performance bond or insurance certificate is received from the bidder.
- 37
- 38 i. The County reserves the right to cancel the award of any contract at any
39 time before the contract is executed by all parties, without any liability
40 against the County.

41

42 11. Special Services PROCUREMENT METHOD

- 43
- 44 a. When Used: To purchase services where the nature of the work prevents
45 the establishment of a firm price prior to the commencement of work.
46 Examples of special service work include, but are not limited to, motor
47 repairs and plumbing repairs where the concealed nature of the work
48 prohibits establishing a firm price.
- 49
- 50 b. Procedure

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- (1) The Office of Purchasing shall make every effort to establish requirements contracts so that services can be contracted in advance at pre-arranged prices.
- (2) The user agency [[issues a purchase requisition]]INITIATES A SHOPPING CART and sends it to the Office of Purchasing.
- (3) The buyer contacts a known responsive, responsible source capable of handling such services, either: (i) an original equipment manufacturer authorized repair service (the preferred source), or (ii) a qualified vendor based on past performance, reputation, and recommendations.
- (4) The buyer obtains the best estimate possible given the concealed nature of the work.
- (5) The buyer authorizes the work by issuing a purchase order marked "Special Services" as the procurement method.

1 **Section D Formal Competitive Bidding – Invitation for ~~[[Bid]]~~BIDS (IFB)**
2 **Capital Projects**
3 **(Reference Code Sec. ~~[[4.107]]~~4.126)**
4

5 1. When Used: Formal competitive bidding is the method used to purchase
6 supplies or services involving the expenditure of \$30,000 or more for capital
7 projects. Solicitations are publicly advertised and awarded to the lowest
8 responsive and responsible bidder.
9

10 2. Specifications
11

- 12 a. The Director of Public Works, or ~~[[his/her]]~~THE DIRECTOR’S designee,
13 determines whether a project is to be constructed by contract or by
14 County employees.
15
16 b. If the project is to be constructed by contract, the Director of Public
17 Works determines whether the plans and specifications are to be prepared
18 by the Bureau of Engineering or whether they are to be prepared by an
19 architectural/engineering consultant firm. If the preparation is to be
20 done by a consultant firm, the procurement of the consultant’s services
21 shall be accomplished through procedures outlined in this manual for
22 Professional Services (i.e. Architects and Engineers), Section J.
23
24 c. The Department of Public Works (DPW) ~~[[prepares a purchase~~
25 ~~requisition]]~~INITIATES A SHOPPING CART IN SAP ~~[[and forwards it through~~
26 ~~the Office of Budget and Department of Finance to the Office of~~
27 ~~Purchasing]]~~.
28
29 d. DPW prepares plans and specifications and a solicitation package.
30
31 e. Contracting Options:
32
33 (1) Firm Fixed Price Plus Incentive/Disincentive Contracts: Firm
34 fixed price plus incentive/disincentive contracts may be used
35 when the Purchasing Agent determines use of such a contract will
36 result in a savings for the County. Contractors may be offered an
37 incentive to complete a project sooner than projected or charged a
38 disincentive per day for every day the contract schedule is not met.
39
40 (2) Design/Build Contracting: ~~[[When explicitly authorized by the~~
41 ~~Purchasing Agent, and]]~~ MAY BE USED WHEN deemed beneficial ~~[[,~~
42 ~~the County may utilize the design/build approach]]~~ for capital
43 construction projects.
44

45 3. Solicitation Package
46

47 The solicitation package may include, but not be limited to, terms and conditions,
48 general instructions, specifications, construction plans, drawings, price pages and
49 sample contract form.
50

- 1 a. Pursuant to Code Sec. 4.118(b)(8), all formal contracts shall be
2 accompanied by an Affidavit covering non-collusion, disclosure of
3 interest, anti-bribery, and non-discrimination in employment practices.
4
- 5 b. ~~[[The]]~~ Equal Business Opportunity ~~[[Certificate]]~~PARTICIPATION is
6 required when the bid is estimated at \$50,000 or more.
7
- 8 c. PERFORMANCE AND PAYMENT Bonds for construction contracts of \$50,000
9 or less may be required at the County's discretion.
10
- 11 d. Bid Bonds are required when construction contracts are estimated to
12 equal or exceed \$50,000.
13
- 14 (1) The bid deposit shall not exceed 2% of the bid amount for
15 contracts with an estimated value between \$50,000 and
16 \$100,000.
17
- 18 (2) The bid deposit shall not exceed 5% of the bid amount for
19 contracts estimated to exceed \$100,000.
20
- 21 e. In accordance with state law and for the protection of the County,
22 performance bonds shall be required in conjunction with a bid bond in an
23 amount adequate to cover the completion of work in the event of default.
24
- 25 f. A payment bond shall be required for the protection of all persons
26 supplying labor and materials in the execution of the work provided for in
27 the contract. The payment bond shall be for 100% of the total amount
28 payable by the terms of the contract. Any contractor receiving a progress
29 or final payment under a contract subject to this subsection shall certify in
30 writing that the contractor has made payment from proceeds of prior
31 payments, and that the contractor will make timely payments from the
32 proceeds of the progress or final payment then due to the subcontractors
33 and suppliers in accordance with the contractual arrangements between
34 them. No contractor will be paid a second or subsequent progress
35 payment or final payment until such written certification is presented.
36
- 37 g. Upon written request, the Office of Purchasing shall release 50% of the
38 security interest on the contract when 70% of the contractor's obligations
39 have been completed. Before releasing the security, the Purchasing
40 Administrator shall consider whether the unreleased portion of the
41 security is sufficient to cover the remaining contract obligations, including
42 subcontractors. The contractor shall furnish an affidavit agreeing that the
43 partial release of the security does not relieve the contractor of his
44 obligations under the contract. A contractor may be prohibited from
45 utilizing the procedures in this subparagraph if any of the following
46 causes exist:
47
- 48 • Failure to fulfill the obligations under any bonds;
- 49

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- Any false or misleading statements or representation on a bond; or
- Any other cause of a compelling nature that may warrant exclusion.

4. Place the Public Notice

5. Cancellation of IFB Before Opening.

If it becomes necessary to correct an inadequate, deficient or ambiguous invitation for [[bid]]BIDS, then the invitation shall be canceled and a new invitation shall be issued.

- a. When a solicitation is canceled, bids that have been received shall be returned unopened to the bidders with a notice of cancellation.
- b. Notice of cancellation shall also be publicly posted and shall explain why the solicitation is being canceled.

6. Submission of Bids

- a. Bidders shall submit one copy (or more when specified) of the bid on the County's forms to the Office of Purchasing prior to the date and time of bid opening.
- b. Bidders shall submit any required bid deposit along with the bid.
- c. Bids shall be submitted in a sealed envelope/carton marked with the solicitation name and number.
- d. Bidders may withdraw or change their bids and resubmit them before bid opening time. The bidder may make corrections on the original bid, by initialing the change and resealing the bid.
- e. The Office of Purchasing shall retain bids in a secure place prior to opening.
- f. Any exceptions or objections to the technical specifications of the solicitation documents shall be in writing and shall be submitted to the Purchasing Administrator no later than 5 days prior to the bid opening date. The Office of Purchasing shall review each such exception or objection to determine whether an addendum to the specifications is required.

1 7. Bid Opening

- 2
- 3 a. The bid opening shall be held on the date and at the time and place
- 4 announced in the bid or the date, time, and place announced in any
- 5 addenda.
- 6
- 7 b. The determination that the time of official bid opening has been reached
- 8 shall be solely that of the Purchasing Administrator, or designee.
- 9
- 10 c. After bid opening time, all bids are considered the property of the County
- 11 and will not be released. Bidders may not withdraw bids after bid
- 12 opening time.
- 13
- 14 d. The Purchasing Administrator, or designee, shall publicly open the bids at
- 15 the specified time, date and place with at least [[1]]ONE other County
- 16 employee present.
- 17
- 18 e. The Purchasing Administrator, or designee, shall reject all bids received
- 19 after the scheduled bid opening.
- 20
- 21 f. The Office of Purchasing may post a bid summary on the bulletin board
- 22 after the bid opening.
- 23
- 24 g. The Office of Purchasing sends copies of the bids and a copy of the bid
- 25 summary to the Department of Public Works for review and award
- 26 recommendation.
- 27
- 28 h. Individual bidders may inspect the bids pursuant to the Public
- 29 Information Act following the bid opening, provided this does not
- 30 interfere with subsequent bid openings. A bidder may arrange an
- 31 appointment for this purpose.
- 32
- 33 i. A mistake that is discovered after the bid opening may not be corrected
- 34 unless the mistake is an obvious and apparent error on the face of the bid
- 35 such as a typographical error, transposition error or an arithmetical error.
- 36
- 37 j. In situations where the Purchasing Administrator determines that the low
- 38 bid submitted is so low due to a demonstrable mistake other than a
- 39 mistake in judgment that the bidder may incur severe loss if awarded the
- 40 bid, and that a potential unconscionable contract would be made, the
- 41 bidder may be allowed to withdraw the bid, subject to forfeiture of the bid
- 42 deposit.
- 43
- 44

1 8. Cancellation of IFB After Opening.

2
3 When it is determined before an award but after opening that the invitation for
4 [[bid]]BIDS contains inadequate, deficient or ambiguous specifications; does not
5 provide for consideration of all factors; or the scope of the work needs to be
6 modified; then the bid shall be canceled. Each bidder shall be notified of the
7 cancellation and the notice shall state the reason for such action.
8

9 9. Evaluation of Bids

- 10
11 a. The Department of Public Works evaluates each bid in terms of criteria
12 stated in the IFB to determine the lowest responsive, responsible bidder.
13
14 b. The Purchasing Administrator has the authority to either accept or reject
15 bids, or any part of the bids when, in [[his/her]]THE ADMINISTRATOR'S
16 judgment[, when,] it is in the public's best interest. If all bids are
17 rejected, the supplies or services may be re-bid.
18
19 c. If only one bid is received for a project valued at less than \$1,000,000 and
20 there is not sufficient time to re-solicit, the Office of Purchasing may
21 negotiate a final offer with the vendor.
22
23 d. Any project exceeding \$1,000,000 that receives [[less]]FEWER than three
24 responsive bids requires approval by the Contract Review Committee.
25
26 e. If the required number of responsive bids is not received, the supplies or
27 services may be re-bid after the Department of Public Works adjusts the
28 specifications, etc. to encourage greater response.
29
30 f. If no responsive bids are received on procurement valued at less than
31 \$100,000, and time does not permit a re-bid, the Office of Purchasing
32 may engage in competitive negotiations with any potential vendor or
33 vendors and award a contract when negotiation is completed. The same
34 procedure may be used for procurements valued in excess of \$100,000;
35 however, approval of the Contract Review Committee is required prior to
36 award.
37

38 10. Award

- 39
40 a. The Department of Public Works recommends the lowest responsive,
41 responsible bidder.
42
43 b. The Office of Purchasing prepares the award notification. The Office of
44 Purchasing shall return all bid deposits to all unsuccessful bidders within
45 10 days following the award notification or within 65 days following the
46 public opening of the bids, whichever first occurs.
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- c. If the successful bidder fails to execute a contract within 10 working days of receiving the notification of award, the bid deposit may be forfeited as liquidated damages for failure to execute the contract, and not as a penalty.
- d. Multiple awards for the same goods or services are permitted if one vendor cannot provide them adequately. This method of award must be disclosed in the solicitation.
- e. All pertinent paperwork, including contracts, is also forwarded to the Office of Purchasing.
- f. The Office of Purchasing secures signatures and related documents from the contractor and routes them for signature.
- g. Upon receipt of the executed Agreement, the Office of Purchasing issues a [[purchase order]] CONTRACT OR PURCHASE ORDER.
- h. The County reserves the right to cancel the award of any contract at any time before all parties execute the contract, without any liability against the County.

1 **Section E** ***Formal Competitive Sealed Proposals – Request for Proposals***
2 ***(RFP) Non-Capital Projects***
3 ***(Reference Code Sec. 4.108)***
4

5 1. When Used
6

7 a. To purchase complex or highly technical supplies or services including,
8 but not limited to, information technology services and software
9 applications, financial services, risk management services, employee
10 health benefit insurance, various consulting services,
11 [[attorney's]]ATTORNEY SERVICES, [[physicians]] PHYSICIAN SERVICES, etc.,
12 with an estimated value of \$30,000 or more.
13

14 b. When formal competitive bidding (IFB) is not practical or not
15 advantageous to the County and the County requires a best value
16 determination on factors other than the just the lowest responsive and
17 responsible bidder.

18 c. A REQUEST FOR PROPOSALS MAY BE UTILIZED TO PROCURE A COMBINATION
19 OF SERVICES AND TASKS, INCLUDING BUT NOT LIMITED TO DESIGN,
20 CONSTRUCTION, FINANCING, OPERATIONS AND MAINTENANCE SERVICES
21 AND TASKS, UNDER A SINGLE CONTRACT, FOR BOTH CAPITAL AND NON-
22 CAPITAL PROJECTS, ALL AT THE DISCRETION OF THE COUNTY PURCHASING
23 AGENT.

24 d. A COMBINATION OF PURCHASING METHODS MAY BE USED INCLUDING, BUT
25 NOT LIMITED TO, EXPRESSIONS OF INTEREST AND A REQUEST FOR
26 PROPOSALS, FOR BOTH CAPITAL AND NON-CAPITAL PROJECTS, ALL AT THE
27 DISCRETION OF THE COUNTY PURCHASING AGENT

28 2. Multi-Step Purchasing Methods
29

30 Multi-step purchasing methods may be used in formal competitive sealed
31 proposals. This approach may be used whenever it is in the best interest of the
32 County. The multi-step procedure must be disclosed at the beginning of the
33 solicitation process. Potential bidders are told the number of steps that will be
34 used in the solicitation.
35

36 a. Technical and Cost Proposals Submitted Separately at Different Times
37

38 (1) When Used: The multi-step method (usually 2 steps) under which
39 technical and price proposals are submitted separately at different
40 times may be used when the County wishes to award a contract
41 based on technical expertise and price. Samples may be required
42 and are permissible in this solicitation approach.
43

44 (2) Procedure
45

46 (a) Under this method, technical proposals are received and
47 opened on the date and time indicated. Only the names of

1 the responding firms are identified and tabulated.

- 2
- 3 (b) The technical proposals received are evaluated against pre-
- 4 established criteria that were stated in the solicitation.
- 5 Purchasing, the user agency or other knowledgeable
- 6 persons may conduct the evaluation. The technical
- 7 proposals received from unacceptable firms are returned
- 8 immediately following the evaluation determination.
- 9 (c) Proposers who submitted technically acceptable proposals
- 10 are invited to submit competitive sealed price proposals.
- 11 Price proposals are received at the predetermined date and
- 12 time when they are publicly opened. Only the respondent's
- 13 name is read at this time. Negotiation is acceptable in this
- 14 procurement method and shall be conducted with the
- 15 assistance of purchasing personnel. The negotiation
- 16 process may be determined prior to the dissemination of
- 17 the solicitation.
- 18

19 b. Technical and Cost Proposals Submitted Separately but Simultaneously

20

21 (1) When Used: A [[multi step]]MULTI-STEP method (usually 2-steps)

22 under which both technical and price proposals are submitted

23 simultaneously in separate sealed envelopes may be used when the

24 County wishes to award a contract based on technical expertise

25 and price. Each envelope must identify whether it is technical or

26 price information.

27

28 (2) Procedure

29

- 30 (a) Under this method, technical proposals are received and
- 31 opened on the date and time indicated. Only the names of
- 32 the responding firms are identified and tabulated.
- 33
- 34 (b) The technical proposals received are evaluated against pre-
- 35 established criteria that were stated in the solicitation.
- 36 However, the price information may not be opened until
- 37 the technical evaluation is complete. Purchasing, the user
- 38 agency or other knowledgeable persons may conduct the
- 39 evaluation. The firms found unacceptable during the
- 40 technical evaluation shall not be given further
- 41 consideration. The County may, as necessary, request
- 42 more technical information from the accepted firms.
- 43
- 44 (c) Price proposals from the technically accepted firms are
- 45 opened following the technical evaluation. Proposer
- 46 selection is made based on the evaluation criteria.
- 47 Negotiation is acceptable in this procurement method and
- 48 shall be conducted with the assistance of purchasing
- 49 personnel. The negotiation process may be determined
- 50 prior to the dissemination of the solicitation.

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c. Request for Information (RFI)

(1) When Used: An RFI may be used when, in addition to the technical and price proposals, information is required relative to the subject matter prior to issuing the Request for Proposal

(2) Procedure

(a) In all multi-step procurements, after technical proposals or samples or both have been evaluated, prices shall be solicited only from those vendors whose technical offers or samples, or both, have been accepted.

(b) In all other respects, multi-step purchasing methods shall be treated in the same way as other purchasing methods.

3. Solicitation Package and Preparation

a. Upon receipt of a [[purchase requisition]]SHOPPING CART and specifications, the Office of Purchasing prepares the solicitation package.

b. The solicitation package may include, but not be limited to table of contents, terms and conditions, general instructions, specifications, sample agreement form and price page.

c. Pursuant to Code Sec. 4.118(b)(8), all formal contracts shall be accompanied by an Affidavit covering non-collusion, disclosure of interest, anti-bribery, and non-discrimination in employment practices.

d. [[The]] Equal Business Opportunity [[Certificate]] PARTICIPATION is required when the proposal is estimated at \$50,000 or more.

4. Place the Public Notice.

5. Cancellation of RFP Before Opening

a. The County Purchasing Agent shall cancel a solicitation when

(1) The solicitation specifications are inadequate, ambiguous or deficient

(2) The request for proposal does not adequately address or provide for consideration of all factors;

(3) The scope of the work needs to be modified; or

(4) When it is in the best interest of the County.

b. If it becomes necessary to correct an inadequate, deficient or ambiguous solicitation, then the solicitation shall be canceled and a new solicitation shall be issued.

1 (1) When a solicitation is canceled, proposals that have been received
2 shall be returned unopened to the proposers with a notice of
3 cancellation.

4
5 (2) Notice of cancellation shall [[also be sent to all prospective
6 proposers to whom invitations were issued]] BE PUBLICLY POSTED.
7 The notice shall explain why the solicitation is being canceled.
8

9 6. Submission of Proposals

10 a. Proposers shall provide the County with one original and as many copies
11 of the proposal as specified in the solicitation package and any exceptions
12 the proposer may take to the Office of Purchasing prior to the date and
13 time of proposal opening.
14

15
16 b. Each proposal shall be submitted in a sealed envelope/carton marked
17 with the solicitation name and number.
18

19 c. Proposers may withdraw or change proposals and resubmit them before
20 proposal opening time. The proposer may make corrections on the
21 original proposal by initialing the change and resealing the proposal.
22

23 d. The Office of Purchasing shall retain proposals in a secure place prior to
24 opening.
25

26 e. Any exceptions or objections to the technical specifications of the
27 solicitation documents shall be in writing and shall be submitted to the
28 Office of Purchasing no later than 5 days prior to the proposal opening
29 date. The Purchasing Administrator shall review each such exception or
30 objection to determine whether an addendum to the specification is
31 required.
32

33 7. Proposal Opening

34
35 a. The proposal opening shall be held on the date and at the time and place
36 announced in the proposal or the date, time, and place announced in any
37 addenda.
38

39 b. The determination that the time of official bid opening has been reached
40 shall be solely that of the Purchasing Administrator, or designee.
41

42 c. After proposal opening time, all proposals are considered the property of
43 the County and will not be released. Proposers may not withdraw
44 proposals after proposal opening time.
45

- 1 d. The Purchasing Administrator, or a designee, shall publicly open the
2 proposals at the specified time, date and place with at least one other
3 County employee present. Only the technical proposals are opened; price
4 proposals shall remain sealed. A tabulation of proposals shall be prepared
5 showing the names of proposers who have submitted and shall be open to
6 the public.
7
8 e. The Purchasing Administrator shall reject all proposals received after the
9 scheduled proposal opening.
10
11 f. The Office of Purchasing may post a proposal summary on the bulletin
12 board after the proposal opening.
13
14 g. The Office of Purchasing keeps the original proposal and forwards the
15 remaining copies to the evaluation committee for evaluation.
16
17 h. A mistake that is discovered after the proposal opening may not be
18 corrected unless the mistake is an obvious and apparent error on the face
19 of the proposal such as a typographical error, transposition error or an
20 arithmetical error.
21
22 i. In situations where the Purchasing Administrator determines that the low
23 proposal submitted is so low due to a demonstrable mistake other than a
24 mistake in judgment that the proposer may incur severe loss, and that a
25 potential unconscionable contract may be formed, the proposer may be
26 allowed to withdraw the proposal subject to forfeiture of the bid deposit, if
27 any.

28
29 8. Cancellation of RFP After Opening

- 30
31 a. When it is determined before an award, but after opening, that the
32 invitation for [[bids]]BIDS contains inadequate, deficient or ambiguous
33 specifications; does not provide for consideration of all factors; or the
34 scope of the work needs to be modified; then the bid shall be canceled.
35 Each bidder shall be notified of the cancellation and the notice shall state
36 the reason for such action.
37

38 9. Evaluation of Proposals

- 39
40 a. All proposals are reviewed based on the evaluation criteria including
41 price. Numerical rating systems may be used but are not required. Only
42 the criteria specified in the request for proposal will be used for
43 evaluation.
44
45 b. A short list of proposals may be established based on the numerical rating
46 system. The short listed vendors will move on to the discussion phase.
47
48 c. Proposers not making the short list shall be notified immediately that
49 their proposals are no longer being considered.
50

- 1 d. Discussions may be conducted with proposers who make the short list.
2 Discussions may be held for purposes of clarification to assure full
3 understanding of and responsiveness to the solicitation requirements.
4 Proposers shall be afforded fair and equal treatment with respect to any
5 opportunity for discussion of proposals and discussion may be permitted
6 after submission and before award for the purpose of obtaining best and
7 final offers. In conducting discussion there shall be no disclosure of any
8 information derived from proposals submitted by competing proposers.
9
- 10 e. Except as provided below, the Purchasing Administrator has the
11 authority to either accept or reject all proposals, or any part of the
12 proposals when, in the Purchasing Administrator's judgment, it is in the
13 best public interest. If all proposals are rejected, the supplies or services
14 may be re-solicited.
15
- 16 f. Any procurement exceeding \$1,000,000 that receives less than three
17 responsive bids requires approval by the Contract Review Committee.
18 (Reference Code Sec. 4.106A)
19
- 20 g. If the required number of responsive bids is not received, the supplies or
21 services may be re-solicited, after the Office of Purchasing coordinates
22 with the user agency on requirements, etc. to encourage greater response.
23
- 24 h. If no responsive bids are received on procurement valued at less than
25 \$100,000, and time does not permit a re-bid, the Office of Purchasing
26 may engage in competitive negotiations with any potential vendor or
27 vendors and award a contract when negotiation is completed. The same
28 procedure may be used for procurements valued in excess of \$100,000;
29 however, approval of the Contract Review Committee is required prior to
30 award.
31

32 10. Award

- 33
- 34 a. The evaluation committee recommends the successful proposer based on
35 the evaluation criteria. The recommendation shall have the concurrence
36 of the Office of Purchasing. Award shall be made to the proposer whose
37 offer best meets the objectives set forth in the request for proposal and
38 represents the best value.
39
- 40 b. If there is a tie proposal and quality and service are equal, the award goes
41 to the local proposer. If there is no local proposer, or more than one local
42 proposer, the Purchasing Administrator draws lots to determine the
43 award.
44
- 45 c. Multiple awards for the same goods or services are permitted if one
46 vendor cannot provide them adequately. This method of award must be
47 disclosed in the solicitation.
48
- 49 d. ~~[[Proposal]]~~BID deposits are returned, when applicable, to all
50 unsuccessful proposers, within 10 days following the award notification or

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within 65 days following the public opening of the proposal, whichever occurs first.

- e. If the successful proposer fails to execute a contract within 10 working days of receiving the notification of award, the County Purchasing Agent may take any bid deposit and consider it as liquidated damages for failure to execute the contract, and not as a penalty.
- f. The Office of Purchasing notifies the remaining unsuccessful proposers and issues an award notification to the successful proposer(s).
- g. The CONTRACT OR Purchase Order is either not printed or held until any agreement, performance bond or insurance certificate is received from the proposer.
- h. The County reserves the right to cancel the award of any contract at any time before the contract is executed by all parties, without any liability against the County.

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1 **Section F** ***Informal Bidding***
2 ***(Reference Code Sec. 4.109)***
3
4

5 1. When Used: Informal bidding is the method used to purchase supplies or
6 services with an estimated value of less than \$30,000; or to sell surplus supplies
7 with an estimated value of less than \$30,000.

8
9 a. Informal Quotes (Requests for Quotations [(fax), Telephone]) (EMAIL,
10 FAX, TELEPHONE), eMarylandMarketplace (electronic), etc.)

11
12 (1) When Used: Informal quotations are used to purchase supplies or
13 services when the estimated value of the purchase is \$10,001 and
14 less than \$30,000, or to sell surplus supplies when the estimated
15 value of the sale is \$10,001 and less than \$30,000.

16
17 (2) Procedure

18
19 (a) The user agency submits a [[purchase
20 requisition.]]SHOPPING CART.

21
22 (b) Based upon the information received, the Office of
23 Purchasing obtains at least three quotes from potential
24 vendors.

25
26 (c) The buyer records all pertinent quote information and
27 makes an award to the lowest responsive, responsible
28 bidder.

29
30 (3) Delegated Authority Procedure:

31
32 (a) Upon obtaining written delegated authority from the
33 Purchasing Administrator, using agencies may expedite
34 procurements by electing to secure written quotes and
35 forward requisitions accompanied by quotations to the
36 Office of Purchasing for procurement review and issuance
37 of purchase orders.

38
39 (b) Delegated authority is contingent upon completion of a
40 public purchasing training class, periodic refresher
41 training and monitoring of purchases.

42
43 b. Informal Request for Proposals (RFP)

44
45 (1) When Used: A request for proposals method is used to purchase
46 services with an estimated value of \$10,001 and less than \$30,000
47 that require specialized knowledge, abilities and intellectual skills
48 in the performance of the services.

49
50 (2) Procedure: With prior approval of the [[county purchasing

1 agent]]COUNTY PURCHASING AGENT, a small purchase contract
2 may be awarded based on best value following competitive sealed
3 proposals.
4

- 5 (a) The user agency submits a [[purchase
6 requisition]]SHOPPING CART.
7
8 (b) The buyer obtains approval to use the request for proposal
9 method.
10
11 (c) Pre-proposal conferences and interviews are at the
12 discretion of the buyer.
13
14 (d) The buyer keeps the price separate from the technical
15 proposal until the technical proposal is evaluated and
16 scored.
17
18 (e) The buyer proceeds in accordance with the procedures
19 outlined in Section E, Formal Competitive Sealed
20 Proposals – Request for Proposals (RFP) of this manual,
21 with the exception that public notice is waived.
22

23 c. Evaluation and Award
24

- 25 (1) After receipt of quotes, the Office of Purchasing evaluates the
26 quotes and determines the lowest responsive, responsible bidder
27 (for purchases) or the highest responsive, responsible bidder (for
28 sales).
29
30 (2) The Office of Purchasing issues a Purchase Order or makes a
31 Procurement Card purchase.
32
33 (3) If the initial estimate of the purchase is less than \$30,000 and the
34 lowest responsive and responsible bid exceeds \$30,000, the
35 solicitation may be awarded with the written approval of the
36 Purchasing Administrator.
37

38 2. Procurement Card (PDQ CARD) Transactions (Reference Code Sec. 4.116)
39

40 a. When Used:
41

- 42 (1) At the discretion of the Purchasing Administrator, County employees
43 may use procurement cards to make small purchases up to \$10,000[[,
44 except as provided below.
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- Payments in excess of \$10,000 from the Self-Sustaining Recreation Program Fund (Accounting Fund Number 018) may be made by procurement cards. Specific cardholders in the Department of Recreation and Parks may be delegated the authority to make such payments by the Purchasing Administrator]].

(2) Buyers may use procurement cards to make purchases of less than \$30,000 after appropriate competition is obtained.

b. Procedure: The individual to whom the card is issued makes purchases directly from vendors.

(1) Procurement cards shall not be used as a means of avoiding standard purchasing procedures, i.e. dividing a large transaction into several smaller transactions.

(2) Purchase requisitions are not required for procurement card purchases made by user agencies.

(3) Competition is encouraged whenever practicable on purchases between \$5,000 and \$10,000 for supplies or services that are not on an existing contract.

c. Cardholders: Department heads or their designee shall determine those individuals who will be issued procurement cards, and shall determine the monthly credit limit for each cardholder.

d. PDQ Card usage shall be in compliance with Howard County Policy and Procedure No. 300.4 and any subsequent revisions.

3. Waiver of Informal Bidding

The Purchasing Administrator, at [[his/her]]THE ADMINISTRATOR'S sole discretion, is authorized to waive informal bidding requirements for purchases or sales of less than ~~\$30,000~~ THE FORMAL BIDDING THRESHOLD when informal bidding is not practical or feasible. The Purchasing Administrator may require justification from the user agency explaining why informal bidding is not practical or feasible.

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1 **Section G Sole Source Purchase**
2 **(Reference Code Sec. 4.110)**
3
4

5 1. When Used: FOR PURCHASES IN EXCESS OF THE SMALL PURCHASE THRESHOLD,
6 WHEN [[When]]the specifications are not overly restrictive for the County's needs,
7 and the product is made by a single manufacturer and distributed through a
8 single dealer or vendor.
9

10 2. Procedure

- 11 a. The user agency determines that the need exists. The user agency
12 completes a [[purchase requisition]]SHOPPING CART along with a written
13 justification stating that the specifications for supplies/services are not
14 overly restrictive for the County needs and explaining the nature of the
15 sole source, and forwards it to the Office of Purchasing.
16
17 b. The Office of Purchasing analyzes the [[requisition]]SHOPPING CART and
18 the justification to determine if alternative goods may be substituted.
19
20 c. The Office of Purchasing attempts to find more than one supplier of the
21 [[requisitioned]] supplies or service.
22
23 d. The Office of Purchasing, negotiates an order or contract with the sole-
24 source supplier at prices and on terms most advantageous to the County.
25
26 e. The Office of Purchasing issues a CONTRACT OR purchase order.
27

28
29 3. Extension of Sole Source Procurements

- 30 a. When it has been determined that it is in the best interest of the County to
31 extend a sole source contract, the Purchasing Administrator may
32 authorize contract extensions in [[1]]ONE year increments, not to exceed
33 [[3]]THREE years.
34
35 b. Prior to each extension, a determination shall be made that the
36 requirement is in fact still sole source.
37
38 c. If the contract is extended beyond the third year, the County Council must
39 approve the extension by a resolution prior to the beginning of each
40 subsequent contract year.
41
42 d. When the contract requires County Council approval, the Office of
43 Purchasing will ASSIST THE USER AGENCY IN THE PREPARATION AND
44 SUBMISSION OF [[prepare and submit]] the necessary documentation to
45 the Legislative Coordinator, through the Department of County
46 Administration, for the processes associated with a Council Resolution.
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4. Contract Review Committee (CRC) for Sole Source Procurements (Reference Code Sec. 4.106A)

- a. The CRC is composed of the County Chief Administrative Officer or designee, the County Auditor or designee, and the Director of the Department of Finance or designee.
- b. Sole source procurements greater than \$100,000 must be approved by majority vote of the CRC prior to execution of the purchase order.

1 **Section H Emergency Purchases**
2 **(Reference Code Sec. 4.111)**
3

4 1. When Used: To make purchases IN EXCESS OF THE SMALL PURCHASE THRESHOLD
5 in an emergency (defined as (i) a dangerous condition caused by a breakdown in
6 machinery; (ii) a dangerous condition caused by a threatened termination of
7 essential services; or (iii) an unforeseen circumstance causing curtailment of
8 diminution of an essential service).
9

10 2. Procedure During Business Hours

11 a. Agency head (or authorized representative) determines that an emergency
12 exists and notifies the Office of Purchasing of the need for an emergency
13 purchase.
14

15 b. The Office of Purchasing obtains competitive bids for the purchase or
16 authorizes the agency head to do so[[, using the telequote procedure]].
17

18 c. Upon determination of the lowest responsive, responsible bid, either the
19 Office of Purchasing or the agency head (or authorized representative)
20 authorizes the purchase [[giving a purchase order number if required]].
21

22 d. The user agency prepares a [[purchase requisition]]SHOPPING CART for the
23 purchase and an emergency authorization form and forwards them
24 [[through the Office of Budget and the Department of Finance]] to the
25 Office of Purchasing.
26

27 e. Based upon the information in the [[purchase requisition]]SHOPPING CART
28 and the emergency authorization [[and using the assigned purchase order
29 number]], the Office of Purchasing issues a purchase order.
30

31 3. Procedure After Business Hours

32 a. Agency head (or authorized representative) determines that an emergency
33 exists.
34

35 b. The agency head makes every effort to contact the Purchasing
36 Administrator for authorization of the purchase.
37

38 c. If the Purchasing Administrator can be reached, he/she may authorize the
39 purchase or authorize the agency head to make the purchase.
40

41 d. If the Purchasing Administrator cannot be reached, the agency head (or
42 authorized representative) is authorized to make the purchase.
43

44 e. If at all possible, the user agency shall make an effort to obtain
45 competitive bids [[using the telequote procedure]].
46

47 f. After determining the lowest responsive, responsible bidder, the agency
48 head (or authorized representative) places the order.
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- g. The user agency prepares a [[purchase requisition]]SHOPPING CART and an emergency justification form and forwards them [[through the Office of Budget and the Department of Finance]] to the Office of Purchasing.
- h. Based upon the information in the [[purchase requisition]]SHOPPING CART and the emergency authorization, the Office of Purchasing issues a purchase order.

4. Records and Reports

- a. The Purchasing Agent submits a monthly report, prepared by the Office of Purchasing, to the County Council via the County Executive tabulating all emergency purchases exceeding \$30,000 for the previous month and explaining the circumstances of each purchase.
- b. The Office of Purchasing maintains current files supporting emergency purchases.

1 **Section I** ***Expedited Procurements***
2 ***(Reference Code Sec. 4.112)***
3
4

5 1. When Used: FOR PURCHASES IN EXCESS OF THE SMALL PURCHASE THRESHOLD,
6 WHEN [[When]] procurement is needed that best serves the interest of the public,
7 that is not an emergency, but one in which the expedited process outweighs the
8 benefits of either competitive sealed bidding or competitive sealed proposals.
9

10 2. Procedure
11

- 12 a. The user agency determines that the need exists.
13
14 b. The user agency obtains advance written approval from the County
15 Purchasing Agent through the Office of Purchasing.
16
17 c. To the extent practicable Formal Competitive Bidding shall be utilized
18 when making an expedited procurement. The County Purchasing Agent
19 may waive the public notice requirements of newspaper advertising and
20 may approve the written justification that supports noncompetitive
21 selection if competitive solicitations cannot be made due to insufficient
22 time between when the need to make an expedited procurement first
23 became known and when the contract must be performed, or for such
24 other reasons that preclude the use of competition.
25
26 d. The Office of Purchasing takes the appropriate procurement action based
27 on the estimated dollar amount.
28
29 e. After determination of the low responsive, responsible bidder, the Office
30 of Purchasing issues a purchase order.
31

32 3. Records and Reports
33

- 34 a. The Purchasing Agent submits an expedited procurement report monthly
35 prepared by the Office of Purchasing to the County Executive tabulating
36 all expedited procurements exceeding \$30,000 for the previous month.
37 The report shall explain the circumstances of each purchase.
38
39 b. The Office of Purchasing maintains files supporting expedited purchases.
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1 **Section J Professional Services – QUALITY BASED SELECTION (QBS) [(i.e.**
2 **Architects and Engineers)]**
3 **(Reference Code Sec. 4.113)**
4

5 1. When Used: A. Generally for [[capital projects or other]] PROFESSIONAL services
6 requiring individuals or organizations that possess a high degree of technical
7 knowledge and skills, including but not limited to, architects and engineers,
8 where competitive selection is used.

9 B. A COMBINATION OF PURCHASING METHODS MAY BE USED INCLUDING, BUT NOT
10 LIMITED TO, EXPRESSIONS OF INTEREST AND A REQUEST FOR PROPOSALS, FOR BOTH
11 CAPITAL AND NON-CAPITAL PROJECTS, ALL AT THE DISCRETION OF THE COUNTY
12 PURCHASING AGENT.

13 2. Phase I - Expression of Interest (EOI)

14 a. Procedure

- 15 (1) The user agency prepares an outline of the intended scope with
16 summary description of the project and the type of services
17 required.
18 (2) Place the public notice. The notice will include the requirement
19 for completion of [[Forms 254 and 255]] FORM SF 330,if
20 applicable.
21 (3) Expressions of Interest packages will be posted on the County's
22 website and will be provided to firms upon request. In addition to
23 the description of the service need, the Expression of Interest will
24 also include any special requirements, i.e., Equal Business
25 Opportunity, federal and state requirements and insurance
26 requirements.
27

28 b. Submission of Expression of Interest

- 29 (1) Expressions of Interest are submitted to the Office of Purchasing
30 prior to the closing date and time.
31 (2) The Office of Purchasing shall retain Expressions of Interest in a
32 secure place prior to opening.
33 (3) Each Expression of Interest shall be submitted in a sealed
34 envelope marked with the project number and name.
35 (4) The consultant may withdraw or change the Expression of Interest
36 prior to opening. The consultant may make corrections on the
37 original Expression of Interest by initialing the changes and
38 resealing the Expression of Interest.
39

40 c. Opening of Expression of Interest

- 41 (1) On the date, time and place indicated, the Purchasing
42

1 Administrator or designee opens the Expression of Interest with at
2 least one other County employee present.

3
4 (2) The Purchasing Administrator or designee shall reject all
5 Expressions of Interest received after the scheduled opening
6

7 (3) After Expression of Interest opening, all Expressions of Interest
8 are considered County property and may not be withdrawn by the
9 firm.

10
11 (4) The Office of Purchasing forwards the Expression of Interest to the
12 designated leader of the Quality Based Selection (QBS) Committee
13 (minimum 5 members) to coordinate the evaluation of the
14 Expression of Interest.
15

16 d. Evaluation

17
18 The designated leader of the Qualifications Based Selection (QBS)
19 Committee will coordinate the evaluation of the Expression of Interest
20 using the developed criteria. The leader of the QBS Committee will
21 forward a memo to the Purchasing Administrator with the committee's
22 findings including the identification of the firms (minimum 3) for
23 interviewing. The Office of Purchasing will notify each participating firm
24 of their selection/non-selection.
25

26 e. Appeal

27
28 Consultants not receiving pre-qualification status may appeal the
29 County's decision, in writing, within 10 days of notification. The Office of
30 Purchasing will be responsible for responding within [[7]] 10 days of
31 receipt of the appeal. The Purchasing Administrator's decision relative to
32 the appeal shall be final.
33

34 3. Phase II - Interviews

35
36 a. Procedure

37
38 (1) The QBS committee establishes dates and times for interviews for
39 each competing firm/team/consultants.
40

41 (2) Consultants complete interviews with the QBS Committee per
42 promulgated guidelines.
43

44 (3) QBS Committee notified Purchasing Administrator of selected
45 consultant via memo.
46

47 (4) Purchasing Administrator issues letter to [[selected/non-selected
48 firms/teams]]FIRM; BUYER ISSUES LETTER TO NON-SELECTED FIRMS.
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4. Phase III - Competitive Negotiation and Contract Award

a. Negotiation Procedure

- (1) The top ranked firm(s) for the requirement will provide a scope of work consisting of technical specifications, architectural program, and any special requirements for the specific project. The County, as applicable, may provide the budget cost estimate, proposed completion date and other pertinent information relative to the project.
- (2) The selected firm shall prepare a proposal comprising the complete scope of work.
- (3) Prior to the start of negotiations, the selected firm shall submit the proposed scope of work, including special and unique management approaches, involvement of principals and consultants, and a proposed schedule, to the leader of the QBS Committee.
- (4) The leader of the QBS Committee arranges the initial negotiation meeting. Negotiations will center upon mutual understanding of the scope of work.
- (5) Firms will then submit to the Office of Purchasing service fees by project phase, expectations as to specific architect and consultant costs, and the level of activity and fees for each phase. Additional service rates, by discipline, will also be established during this negotiation. The type of fee shall be lump sum.
- (6) The leader of the QBS Committee may enter into fee negotiations.
- (7) If the committee is unable to negotiate a satisfactory contract with the firm ranked first at a price considered to be fair and reasonable after two tries, negotiations shall be formally terminated. Negotiations shall then be undertaken with the second-ranked firm, and if necessary, the third-ranked firm.

b. Award of Contract Procedure

- (1) The finalized fee proposal with recommendations will be forwarded to the Director of Public Works, or [[his/her]]THE DIRECTOR'S designee, for submission to the Purchasing Administrator. If either rejects the recommendation, it will go back for review and further negotiation.
- (2) The County will notify all firms under consideration of the award of contract, award amount, and appeal rights.

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c. Appeal

Firms who were not selected may appeal the County's decision, in writing, within 10 days of notification. The Office of Purchasing will be responsible for responding within 10 days of receipt of the appeal. The Purchasing Administrator's decision relative to the appeal shall be final.

5. Professional Services For Which It Is Not Practical To Bid (Reference Code Sec. 4.113(a))

Whenever practical, the purchase of professional services shall be made through a competitive bidding process. When it is not practical to purchase professional services using one of the methods mentioned above, the user agency shall consult with the Purchasing Administrator to select another method which will provide as much competition as is practical given the nature of the services and the circumstances under which the services are needed.

1 **Section K Purchases Requiring Confidentiality**
2 **(Reference Code Sec. 4.114)**

- 3
4 1. When Used: When the County requires services that are confidential in nature,
5
6 2. Procedure
7
8 a. The user agency determines that the need exists.
9
10 b. The user agency seeks approval from the Purchasing Administrator.
11
12 c. The Purchasing Administrator authorizes the user agency to obtain
13 competitive proposals, if available, for the requirement.
14
15 d. For the benefit of confidentiality, the advertisement and public notice are
16 waived.
17
18 e. The user agency obtains written proposals from the potential bidders.
19
20 f. If there is only one respondent or a single source, the Purchasing
21 Administrator may authorize the user agency to negotiate a best offer.
22
23 g. After determination of the low responsive, responsible bidder, the user
24 agency prepares a [[purchase requisition]]SHOPPING CART and a
25 JUSTIFICATION FOR THE CONFIDENTIAL PURCHASE [[Confidentiality
26 Required Purchase Justification Form]]. The [[requisition]]SHOPPING
27 CART and justification are forwarded [[through the Office of Budget and
28 the Department of Finance]] to the Office of Purchasing.
29
30 h. The Office of Purchasing issues a CONTRACT OR purchase order.
31
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1 **Section L** ***[[Contracts With Other Government Agencies (Cooperative***
2 ***Purchasing)]]COOPERATIVE PURCHASING (INTER AND INTRA-***
3 ***GOVERNMENTAL) (Reference CHARTER SEC. 807 AND Code Sec.***
4 ***4.115)***
5

6 1. When Used: To purchase goods or services through (i) contracts or surplus lists
7 established by other governmental purchasing/supply agencies such as the
8 federal government, states, or the governments of other municipalities, when it is
9 to the County's advantage (a.k.a. Intergovernmental Cooperative Purchasing; or
10 (ii) contracts with a federal or state agency created to assist local governments
11 with particular types of projects).

12
13 a. Forms of Intergovernmental Cooperative Purchasing:

14
15 (1) Joint Bid Method: Two or more public procurement agencies
16 agree on specifications and contract terms and conditions for a
17 given item of common usage and combine their requirements in a
18 single solicitation.

19
20 (2) Piggyback Method (a.k.a. Bridging or Hitchhiking): One public
21 procurement agency issues and awards a solicitation and arranges,
22 as part of the contract, for other public purchasing agencies to
23 purchase from the selected contractor under the same terms and
24 conditions as itself.

25
26 (3) The County MAY contract with OTHER HOWARD COUNTY ENTITIES,
27 other counties or public entities including, without limitation,
28 [[the Board of Education, Community College, or Library]]BOARDS
29 OF EDUCATION, COLLEGES, UNIVERSITIES, AND LIBRARIES, when in its
30 best interest.

31
32 2. Procedure

33
34 a. User agency completes [[purchase requisition]]SHOPPING CART and sends
35 it to the Office of Purchasing, noting the recommended agency/contract.

36
37 b. The Office of Purchasing determines that request may be filled through
38 contracts of other governmental purchasing/supply agencies.

39
40 c. Office of Purchasing notes on [[purchase requisition]]SHOPPING CART that
41 the purchase will be filled through other governmental contracts or supply
42 lists. Buyer [[indicates contract number on purchase requisition
43 and]]obtains copy of the contract.

44
45 d. The Office of Purchasing issues a CONTRACT OR purchase order using the
46 prices and terms of the other governmental contract. In some cases
47 executed agreements, insurance, and EBO forms may be required.
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1 **Section M Forms of Contracts**

2
3 1. [[Price Agreement]]COMMODITY CONTRACT

4
5 a. Definition: An agreement with a vendor to provide commodities at a pre-
6 determined price for predetermined items.

7
8 b. When Used: To purchase commodities that are not stocked by the County
9 and that are needed on a periodic basis by County departments. Benefits
10 resulting from price agreements include: (i) lower prices through quantity
11 discounts; (ii) reduction in quantity of purchasing transactions and thus a
12 reduction in paperwork; and (iii) reduction of “emergency” purchases.

13
14 2. [[Requirements]]SERVICES Contract

15
16 a. Definition: An agreement with a vendor to provide services at pre-
17 determined prices.

18
19 3. When Used: To purchase services not provided by the County and are needed
20 by County Departments.

21
22 4. Procedure

23
24 a. User agency determines the need for certain commodities or services
25 (professional, non-professional, or a combination) on a periodic basis
26 and notifies the Office of Purchasing of this need. [[The Office of
27 Purchasing makes a determination if the need is best handled by a price
28 agreement or requirements contract.]]

29
30 b. The Office of Purchasing uses informal or formal bidding procedures,
31 based on the specifications and on the estimated price of the purchase, to
32 arrive at the price, terms, and conditions for the purchase of the supplies
33 or services.

34
35 c. [[Price Agreements and Requirements]]Contracts may also be established
36 by using a form of cooperative purchasing referred to as piggybacking
37 another jurisdiction’s contract that was already competitively bid.

38
39 d. The Office of Purchasing issues the CONTRACT[[purchase order]] for the
40 supplies or services and provides copies of the CONTRACT [[purchase
41 order]] to all agencies utilizing the contract.

42
43 e. To order from [[the contract]]CONTRACTS, user agencies [[issue sub-order
44 releases or purchase requisitions]]INITIATE SHOPPING CARTS AGAINST
45 CONTRACTS.

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1 **Section N Purchasing Documents - DEFINED**
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3

4 1. CHANGE ORDER

5 DEFINITION: A CHANGE ORDER IS A DOCUMENT ISSUED TO VENDORS BY THE OFFICE
6 OF PURCHASING FORMALIZING ALL ADDITIONS, DELETIONS, AND/OR CHANGES MADE
7 TO A PURCHASE TRANSACTION.
8

9 2. COMMODITY CONTRACT

10 DEFINITION: THE DOCUMENT FOR COMMODITIES/GOODS THAT IS BASED ON THE
11 ITEMS, PRICES, TERMS AND CONDITIONS SET FORTH IN THE SOLICITATION.
12

13 3. CONTRACT CHANGE

14 DEFINITION: A CONTRACT CHANGE IS A AND DOCUMENT ISSUED TO VENDORS BY THE
15 OFFICE OF PURCHASING FORMALIZING ALL ADDITIONS, DELETIONS, AND/OR CHANGES
16 TO A CONTRACT.
17

18 [[1]]4. Purchase Order

19 Definition: A purchase order is a [[written or electronic]] document issued to
20 vendors by the Office of Purchasing formalizing all terms and conditions of a
21 purchase transaction. A purchase order is a form of contract and, therefore,
22 legally binding.
23

24 [[2]]5. [[Sub-Order]] Release PURCHASE ORDER

25 Definition: A [[sub-order]] release PURCHASE ORDER is [[an electronic form]]A
26 DOCUMENT [[generated by user agencies]] to place orders through established
27 [[price agreements/requirements contracts]]COMMODITY AND SERVICE
28 CONTRACTS.
29

30 [[3. Change Order

31 Definition: A change order is a written or electronic document issued to vendors
32 by the Office of Purchasing formalizing all additions, deletions, and/or changes
33 made to a purchase transaction.]]
34

35 6. SERVICE CONTRACT

36 DEFINITION: THE DOCUMENT FOR SERVICES THAT IS BASED ON THE ITEMS, PRICES,
37 TERMS AND CONDITIONS SET FORTH IN THE SOLICITATION AS WELL AS THE LEGAL
38 AGREEMENT, WHEN APPLICABLE.
39

40 [[4. Direct Payment Claim (DPC)

41 Definition: A direct payment claim is an electronic form on which to request the
42 following payments:

- Advertising
- Court Costs (including, but not limited to, settlement judge fees, bailiff fees, mediation fees, etc.)
- Election Judges
- Extradition Costs (that cannot be charged on procurement cards)
- Grants – usually Fund 051 (i.e. Section 8, subsidies, Community Development Block Grants (CDBG), etc.)

- Howard County Departments/Boards/Commissions/Authorities, etc., Community College, Public Schools and Library when no procurement was conducted (including, but is not limited to, grants and reimbursements)
- Human Services (including, but not limited to, dental services for clients, medical procedures for clients, services where purchasing cannot add value)
- Independent Contractors where the Purchasing Administrator has pre-approved the DPC payment method (including, but not limited to, entertainment providers such as puppeteers, musical acts, dancers, or dance instructors, etc. related to Recreation and Parks, Citizen Services, etc. programs and activities.)
- Insurance Premiums and Settlements
- Military Leave Payments to Employees
- Miscellaneous Payments (Not of a procurement nature with approval of the Purchasing Administrator or Director/ Deputy Director of Finance)
- State of Maryland entities when no procurement was conducted (Usually there are Memorandums of Understanding (MOU) or Cost Sharing Agreements executed, i.e. State Highway Administration, Department of Agriculture)
- Payments under \$1,000 to vendors who do not accept Visa.
- Petty Cash Replenishment
- Postage (in excess of \$1,000, usually for meters)
- Publications (including books on CDs)
- Self-Sustaining Programs (programs that are fully or primarily funded by registration fees of participants – i.e. Recreation and Parks Self-Sustaining Program Fund (Fund Number 018), activities and outings for seniors facilitated by Citizen Services, etc.)
- Seminar registration fees, speakers, travel fees, lodging, meals
- Settlements (property and lease financing, etc.
- Subscriptions
- Trade Show registration fees (expos, fairs, etc.)]]

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1 **SECTION O *PARKED DOCUMENTS (FORMERLY DIRECT PAYMENT CLAIMS)***

2
3 1 **DEFINITION:** A PARKED DOCUMENT INITIATES A PAYMENT DIRECTLY IN THE
4 FINANCIAL SYSTEM WITHOUT THE USE OF A PURCHASE ORDER OR PURCHASING CARD.
5 PARKED DOCUMENTS MAY BE USED TO REQUEST THE FOLLOWING PAYMENTS:

- 6
7 A. ADVERTISING
8 B. COURT COSTS (INCLUDING, BUT NOT LIMITED TO, EXPERT WITNESSES,
9 SETTLEMENT COSTS, BAILIFF FEES, MEDIATION FEES, ETC.)
10 C. ELECTION JUDGES
11 D. EXTRADITION COSTS THAT CANNOT BE PAID USING THE PURCHASING CARDS.
12 E. GRANTS (I.E. SECTION 8, SUBSIDIES, COMMUNITY DEVELOPMENT BLOCK
13 GRANTS, ETC.)
14 F. HOWARD COUNTY DEPARTMENTS/BOARDS/COMMISSIONS/AUTHORITIES, ETC.
15 (I.E. COMMUNITY COLLEGE, PUBLIC SCHOOLS AND LIBRARY WHEN NO
16 PROCUREMENT WAS CONDUCTED (INCLUDING, BUT IS NOT LIMITED TO GRANTS
17 AND REIMBURSEMENTS))
18 G. HUMAN SERVICES (INCLUDING, BUT NOT LIMITED TO, DENTAL SERVICES FOR
19 CLIENTS, MEDICAL PROCEDURES FOR CLIENTS, SERVICES, ETC.)
20 H. INDEPENDENT CONTRACTORS WHERE THE PURCHASING ADMINISTRATOR HAS
21 PRE-APPROVED THE PAYMENT METHOD (INCLUDING, BUT NOT LIMITED TO,
22 ENTERTAINMENT PROVIDERS SUCH AS PUPPETEERS, MUSICAL ACTS, DANCERS, OR
23 DANCE INSTRUCTORS, ETC. RELATED TO RECREATION AND PARKS, COMMUNITY
24 RESOURCES AND SERVICES, ETC. PROGRAMS AND ACTIVITIES.)
25 I. INSURANCE PREMIUMS AND SETTLEMENTS
26 J. MILITARY LEAVE PAYMENTS TO EMPLOYEES
27 K. MISCELLANEOUS PAYMENTS (NOT OF A PROCUREMENT NATURE WITH APPROVAL
28 OF THE PURCHASING ADMINISTRATOR OR DIRECTOR/ DEPUTY DIRECTOR OF
29 FINANCE)
30 L. STATE OF MARYLAND AND OTHER GOVERNMENT ENTITIES WHEN NO
31 PROCUREMENT WAS CONDUCTED (I.E. STATE HIGHWAY ADMINISTRATION,
32 DEPARTMENT OF AGRICULTURE, CITY OF BALTIMORE, WASHINGTON SUBURBAN
33 SANITARY COMMISSION, ETC.)
34 M. PAYMENTS UNDER THE SMALL PURCHASE THRESHOLD TO VENDORS WHO DO NOT
35 ACCEPT COUNTY PURCHASING CARDS.
36 N. PETTY CASH REPLENISHMENT
37 O. POSTAGE (IN EXCESS OF THE SMALL PURCHASE THRESHOLD USUALLY FOR
38 METERS)
39 P. PUBLICATIONS (INCLUDING BOOKS ON CDs)
40 Q. SELF-SUSTAINING PROGRAMS (PROGRAMS THAT ARE FULLY OR PRIMARILY
41 FUNDED BY REGISTRATION FEES OF PARTICIPATES – I.E. RECREATION AND PARKS
42 SELF-SUSTAINING PROGRAM FUND, ACTIVITIES AND OUTINGS FOR SENIORS
43 FACILITATED BY COMMUNITY RESOURCES AND SERVICES, ETC.)
44 R. SEMINAR REGISTRATION FEES, SPEAKERS, TRAVEL FEES, LODGING, MEALS
45 S. SETTLEMENTS (PROPERTY AND LEASE FINANCING, ETC.)
46 T. SUBSCRIPTIONS
47 U. TRADE SHOW REGISTRATION FEES (EXPOS, FAIRS, ETC.)
48

1 **Section [[O]]P Receiving**

2
3 1. **Delivery Locations**

4
5 Commodities or services are delivered: (i) directly to the user agency, (ii) to an
6 agency authorized to inspect deliveries for other agencies; or (iii) to a central
7 receiving agency. The delivery address is designated on the purchase order [[or
8 sub-order release]].

9
10 2. **Standards for Inspection**

11
12 All delivered commodities or services are inspected or evaluated to determine the
13 following factors:

- 14
15 a. **Condition of Packaging** - record condition of packaging especially if it
16 indicates rough or faulty handling.
17
18 b. **Description** - check whether the delivered goods/services match the
19 description on the purchase order[[, minor purchase order, or sub-order
20 release]]. Check whether there are any deviations from the order.
21
22 c. **Condition of Goods/services** - check whether the delivered goods/services
23 match or exceed the specifications. If they do not match, indicate how
24 they differ.
25
26 d. **Quantity** - check whether the quantity delivered matches the quantity
27 ordered. If not, indicate the difference.
28

29 3. **Performing The Inspection Upon Delivery**

- 30
31 a. Each user agency appoints responsible individual(s) to inspect delivered
32 supplies.
33
34 b. Every effort shall be made to inspect the supplies upon delivery in the
35 presence of the shipping and/or vendor representative. If not inspected
36 upon delivery, they shall be inspected promptly thereafter.
37
38 c. On the recommendation of the Purchasing Agent, the County Executive
39 may authorize an agency with the necessary facilities and staff to inspect
40 deliveries for other agencies.
41
42 d. The Purchasing Agent may use the laboratory facilities of any agency to
43 determine conformance of supplies or samples with specifications. The
44 Purchasing Agent may engage the services of any outside laboratory to
45 make the determinations.
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4. Receiving Process

- a. Supplies are delivered to the delivery address designated on the purchase order[[, or sub-order release]].
- b. The individual appointed by the user agency to inspect the supplies checks the delivery and signs to indicate receipt of goods only. The individual notes any deviation from the quantity and quality of supplies ordered. Agencies designated to inspect deliveries for other agencies follow the same procedure.
- c. If there are discrepancies in the order, or [[damages]]DAMAGE, the individual performing the receiving process, reports this to the agency head or authorized representative.
- d. It is the initial responsibility of the agency head or authorized representative, to contact the vendor in cases of damages or discrepancies in order to arrange for a mutually satisfactory correction of the problem. If unsuccessful, the discrepancy is referred to the Office of Purchasing for resolution.
- e. If the County feels that specifications have not been met, the Office of Purchasing may arrange testing by a recognized impartial laboratory/facility. If this is done, the Office of Purchasing notifies the vendor indicating that the vendor will be responsible for the cost of the test if the reports indicate that specifications have not been met. The County assumes the cost of the test if the supplies meet specifications.
- f. Test results, which indicate non-conformance with specifications, may be used as a basis for non-conformance of contract.
- g. Upon final acceptance of the order, the RESPONSIBLE INDIVIDUAL FOR THE USER agency CONFIRMS RECEIPT OF THE GOODS OR SERVICES IN SAP. ONCE AN ACCURATE INVOICE IS RECEIVED, THAT INDIVIDUAL COMPLETES THE INVOICE PROCESS IN SAP TO INITIATE PAYMENT TO THE VENDOR [[head signs the receiving copy of the purchasing document, attaches the signed delivery documents and/or packing slips and sends the paperwork to the Department of Finance for processing and payment]].
- [[h. If a purchase was made from a formal bidding process and a bid deposit was required, the agency head, upon final acceptance of the order, notifies the Office of Purchasing, stating that:
 - the supplies have been accepted;
 - the supplies meet specifications;
 - the bid deposit may be released.
- i. Upon notification from the agency head that ordered supplies have been accepted, the Office of Purchasing returns the bid deposit to the vendor along with written acceptance of supplies.]]

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[[j]]1. Upon final acceptance of [[fixed]] assets, [[the FAICS Coordinator shall attach fixed]] asset tags ARE ATTACHED to the equipment.

5. Partial Deliveries

Partial deliveries may be accepted and paid for by completing an electronic partial delivery report form.

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1 **[[Section P Inventory Control of Fixed Assets**

2
3 1. **Definitions**

4
5 a. **Fixed Assets**: Those items of a tangible nature that are not expendable
6 and which can be depreciated in value over a pre-determined length of
7 time at a pre-determined percent. Fixed assets include:

- 8
- 9 • Buildings
- 10 • Furniture and equipment (office)
- 11 • Improvements other than buildings
- 12 • Land
- 13 • Machinery and equipment
- 14 • Vehicles

15
16 b. **FAICS (Fixed Assets Inventory Control System)**: An automated system to
17 account for the County's fixed assets with a value of \$5,000 or more and a
18 IN ACCORDANCE WITH POLICY AND PROCEDURE 300.5, useful life of one
19 year or more. The exception to this rule POLICY is weapons which are
20 always tagged regardless of the value.

21
22 2. **Office of Purchasing Responsibilities**

23
24 a. The Office of Purchasing is responsible for the development and operation
25 of the FAICS, with these exceptions: Fleet Maintenance (Vehicular
26 Equipment); Information Systems Services (Computer Equipment); and
27 Real Estate (Buildings and Land).

28
29 b. Office of Purchasing assigns a FAICS tag number to all furniture, office
30 equipment, machinery, equipment, and vehicles. This is a sequential
31 numbering system. Numbers are also assigned to land, buildings, and
32 improvements other than buildings.

33
34 c. The Office of Purchasing records all additions, changes, transfers, and
35 deletions of fixed assets from information provided by user agencies.

36
37 d. Data regarding FAICS is maintained via computer systems.

38
39 e. The Office of Purchasing distributes computer reports regarding FAICS.

40
41 f. The Office of Purchasing facilitates a physical inventory in all user
42 departments of all fixed assets every other year as outlined in Policy and
43 Procedure 300.5.

44
45 3. **User Agency Responsibilities**

46
47 a. Each user agency designates one individual to act as a FAICS coordinator
48 who provides a list of updates to Purchasing.

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- b. Each FAICS coordinator reports on a current basis, using forms provided by the Office of Purchasing, on all additions, changes, transfers, and deletions to their agency's fixed assets.
- c. After acceptance of a fixed asset, the FAICS Coordinator is responsible for attaching the FAICS tag number to the item.
- d. The coordinator verifies computer generated FAICS reports provided by Purchasing.
- e. The FAICS Coordinator conducts a physical inventory every other year. The inventory is verified for accuracy, approved by the agency head, and forwarded to the Office of Purchasing.

4. Policy and Procedure 300.5 Compliance

Inventory control shall be in compliance with Howard County Policy and Procedure 300.5 and any subsequent revisions.]]

1 **Section Q** ***[[Disposition of]]Surplus Property***
2 ***(Reference Code Sec. 4.129)***
3

4 1. Agency Determination of Surplus
5

- 6 a. If an agency has surplus property (with the exception of CPUs, laptops,
7 PDAs) that it no longer needs, the agency prepares a Surplus Property
8 Declaration form and sends the form to the Office of [[Central
9 Services]]PURCHASING.
10
11 b. [[When disposing]]PRIOR TO THE DISPOSAL of CPUs, laptops and PDAs (or
12 anything with a hard drive), [[a]] THE Department of Technology and
13 Communication Services (DTCS) MUST OBTAIN THESE DEVICES TO SECURE
14 AND/OR DESTROY THE DATA ON THE DEVICE [[“Track-It” number must be
15 obtained]]. THE DESTRUCTION WILL BE PERFORMED AND CERTIFIED WITH
16 SERVICE TAG/SERIAL NUMBER OF BOTH THE DEVICE (I.E. LAPTOP, DESKTOP)
17 AND THE HARD DRIVE SERIAL NUMBER. THIS PROCESS WILL BE WITNESSED BY
18 PERSONNEL FROM DTCS. DTCS will [[determine the disposition of the
19 equipment and will]] inform the Office of [[Central Services]]PURCHASING
20 [[of their decision]] WHEN IT IS READY FOR SURPLUS by completing the
21 Surplus Property Declaration FORM WITH THE REQUIRED INFORMATION
22 RELEASING THE DEVICES FOR SURPLUS [[form]] AND DELIVERING THE
23 DEVICES TO THE SURPLUS ROOM.
24

25 2. Disposal of Surplus
26

27 The Office of Purchasing [[in cooperation with the Office of Central Services]] is
28 responsible for the disposition of surplus property. Real property shall be
29 disposed of pursuant to the provisions of Title 4, Subtitle 2 Real Property, of the
30 Howard County Code.
31

32 After an analysis, surplus property may be disposed of by one of the [[following]]
33 methods SET FORTH IN SECTION 4.129 OF THE HOWARD COUNTY CODE.[:
34

- 35 a. Trade-In or Exchange
36 b. Sale
37 c. Donations
38 d. Scrapping]]
39

40 3. Records
41

42 The Office of Purchasing maintains records noting the disposition of all surplus
43 property.
44

45 4. Policy and Procedure 300.3 Compliance
46

47 Disposal of surplus property shall be in compliance with Howard County Policy
48 and Procedure 300.3 and any subsequent revisions.
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1 **Section R** ***Equal Business Opportunity (EBO)***
2 ***(Refer to Code Subtitle 6, Sec. 4.122)***
3

4 Recognizing that an active program of outreach and technical assistance to Minority
5 Business Enterprises (MBEs), Women Business Enterprises (WBEs), and Disabled
6 Business Enterprises (DBEs) to increase procurement opportunities is essential in
7 realizing progressive social and economic development goals, the EBO Program is
8 designed to foster participation by MBEs, WBEs, and DBEs in the County's procurement
9 process.

10
11 It is the Office of Purchasing's policy to assure all people and businesses an equal
12 opportunity to participate in the County's procurement process. The EBO Program is an
13 extension of current Purchasing procedures and is practiced on an on-going basis, with
14 assistance provided to businesses whenever and wherever possible.

15
16 1. MBE, WBE, and DBE Procurement Guidelines and Procedures
17

18 The Office of Purchasing will:

- 19
20 a. Provide maximum opportunity for MBEs, WBEs, and DBEs to participate
21 in the County's procurement process through dissemination of
22 information and solicitations; and
23
24 b. Comply with monitoring and reporting requirements.
25

26 2. Program Practices
27

- 28 a. Encourage MBE/WBE/DBE participation in every procurement.
29
30 b. The Office of Purchasing will seek qualified MBE/WBE/DBEs through
31 neighboring jurisdictions.
32
33 c. Encourage MBEs/WBEs/DBEs to be prime contractors.
34
35 d. Encourage the use of MBE/WBE/DBE subcontractors by contractors
36 awarded County [[construction]] projects.
37
38 e. Submit appropriate reports and cooperate fully in studies or surveys as
39 required by the EBO program.
40
41 f. Include equal business opportunity clauses in all solicitations and
42 contracts as appropriate.
43
44 g. Ensure MBE/WBE/DBEs on the bidders list are given the same
45 opportunity as others.
46

- 1 h. Identify specific commodities and services where MBE/WBE/DBEs are
- 2 not currently being used and encourage their participation in the
- 3 procurement process.
- 4
- 5 i. Identify qualified MBE/WBE/DBEs through annual participation in
- 6 business opportunity fairs, meetings, trade shows, communications with
- 7 other procurement personnel and directories identifying
- 8 MBE/WBE/DBEs.
- 9
- 10 j. During pre-bid and pre-proposal conferences, review the equal business
- 11 opportunity clause, explain the County's EBO goal and policy encouraging
- 12 the use of MBE/WBE/DBEs, and explain the requirements for state and
- 13 federally funded projects, if appropriate.
- 14
- 15 k. Provide technical assistance to potential MBE/WBE/DBE suppliers as
- 16 necessary to ensure that they are given sufficient information regarding
- 17 bid requirements and procedures.
- 18
- 19 l. Maintain records on all procurements that would identify:
- 20
- 21 (1) Name of vendor awarded contract and/or purchase order;
- 22
- 23 (2) Award amount;
- 24
- 25 (3) Names, addresses and MBE/WBE/DBE code(s) of all vendors
- 26 contacted for each solicitation;
- 27
- 28 (4) Service or commodity code(s) of the item(s) purchased; and
- 29
- 30 (5) Total amount of all awards to MBE/WBE/DBEs.
- 31

32 3. Records and Reports

- 33
- 34 a. The Office of Purchasing shall maintain records to determine compliance
- 35 with EBO Program procedures including:
- 36
- 37 (1) The commodity or service capability of each MBE/WBE/DBE,
- 38
- 39 (2) All contracts awarded, type of service or commodity purchased,
- 40 amount of award and ethnic and gender code of awarded
- 41 contractor; and
- 42
- 43 (3) Documentation of solicitations made to obtain services of
- 44 MBE/WBE/DBEs.
- 45
- 46 b. The County's Equal Business Opportunity Program Coordinator will
- 47 maintain a list of subcontracting participation by MBE/WBE/DBEs,
- 48 including the names of subcontractors, amount of subcontracts, type of
- 49 product(s) or service(s) provided and fiscal year when the products were
- 50 provided or the work was performed.

1 **Section S Auction Bids**
2 **(Reference Code Sec. 4.123)**
3

- 4 1. When Used: Auction bids is a procurement method for commodities with an
5 estimated contract value of \$30,000 or more or for the sale of personal property
6 that has become obsolete and unusable with an estimated contract value of
7 \$30,000 or more.
8
- 9 2. An Invitation for Auction Bids shall include:
10
11 a. The specifications of the procurement contract;
12
13 b. Whether the procurement contract will be awarded based on the lowest
14 (highest for sales) bid price or the lowest (highest for sales) evaluated bid
15 price;
16
17 c. If the procurement contract will be based on evaluated bid price, the
18 objective measurable criteria by which the lowest (highest for sales)
19 evaluated bid price will be determined.
20
21 d. The date and time when bidding will commence and the date and time
22 when bidding will end or the event upon which bidding will end.
23
- 24 3. At the discretion of the Purchasing Agent, the Invitation for Auction Bids may:
25
26 a. Include a request for unpriced technical offers or samples;
27
28 b. Direct bidders to submit price bids after Purchasing evaluates the
29 technical offers or samples and finds they are acceptable under the
30 criteria set forth in the invitation for auction bids; and
31
32 c. Inform all bidders who submitted technical offers or samples of the
33 identity of each bidder who submitted an acceptable technical offer or
34 sample.
35
- 36 4. Price bids may not be received until after Purchasing has completed evaluation of
37 the technical offers or samples.
38
- 39 5. A price bid may not be received at any time from a bidder whose technical offer
40 or sample has been evaluated as unacceptable to Purchasing.
41
- 42 6. Purchasing shall give public notice of an Invitation for Auction Bids in the same
43 manner as required for formal, written contracts.
44
- 45 7. Multiple price bids are permitted in response to an Invitation for Auction Bids.
46 When a bidder submits multiple bids, each bid shall be judged independently and
47 shall not revoke previous bids of that bidder.
48

- 1 8. Purchasing shall:
 - 2
 - 3 a. Receive bids in public at the time and place designated in the Invitation
 - 4 for Auction Bids; and
 - 5
 - 6 b. Record and post the amount of each bid at the time it is received.
 - 7
- 8 9. The amount of a price bid shall be available for public inspection from the time it
- 9 is received.
- 10
- 11 10. The identity of the bidder submitting a price bid shall not be available for public
- 12 inspection until bidding has ended.
- 13
- 14 11. A bid is irrevocable, after receipt, for the period specified in the Invitation for
- 15 Auction Bids.
- 16
- 17 12. Purchasing may allow a bidder to correct or withdraw a bid if correction or
- 18 withdrawal is allowed under the solicitation terms and conditions.
- 19
- 20 13. Purchasing shall award the procurement contract to the responsible bidder who
- 21 submits the responsive bid that:
 - 22
 - 23 a. Is the lowest (highest for sales) bid price; or
 - 24
 - 25 b. If the Invitation for Auction Bid so provides, is the lowest (highest for
 - 26 sales) evaluated bid price.
 - 27
- 28 14. If, after bids have been received, Purchasing determines that only one
- 29 responsible bidder has submitted a responsive bid, Purchasing may negotiate the
- 30 procurement contract with that one bidder under the procedure in Purchasing
- 31 Manual Section E (8) (9).
- 32
- 33 15. After bids have been received, Purchasing may award a procurement contract on
- 34 the basis of revised bids if:
 - 35
 - 36 a. All bids are rejected in accordance with
 - 37
 - 38 b. All bid prices exceed the funds available for the procurement; or
 - 39
 - 40 c. Purchasing determines that all bids are unreasonable as to at least one
 - 41 requirement and the delay that would result from issuing a new Invitation
 - 42 for Auction bids with revised specifications or quantities would be fiscally
 - 43 disadvantageous or otherwise not in the best interests of the County.
 - 44
- 45 16. If there is more than one bidder, discussions about revised specifications or
- 46 quantities shall be conducted with all responsible bidders who submitted
- 47 responsive bids. The bidders shall be treated fairly and equally with respect to
- 48 any discussions.
- 49
- 50 17. If one of the conditions set forth under 14 exists, as promptly as possible,

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Purchasing shall:

- a. Issue an Invitation for Revised Auction Bids, which shall state whether the award will be made without competitive negotiations; and
 - b. Require a prompt response to the invitation.
18. An Invitation for Revised Auction Bids is not subject to the notice requirements in Section 5 of this section.
19. After revised bids have been submitted, negotiations with bidders may not be conducted unless Purchasing determines that there is a compelling reason to negotiate.
20. After revised bids have been received, Purchasing shall award the procurement contract to the responsible bidder who submits a responsive bid that:
- a. Is the lowest (highest for sales) bid price; or
 - b. If the Invitation for Revised Auction Bids so provides, is the lowest (highest for sales) evaluated bid price.

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1 **Section I Purchase of Recycled and Environmentally Preferable**
2 **Products and Equipment**
3 **(Reference Code Subtitle 5, Sec. 4.500)**
4

5 The Office of Purchasing recognizes that an active program of buying products made
6 from recycled materials is essential to reducing the amount of material added to the
7 waste stream and that it aids in the preservation of our natural resources. Purchasing
8 products made from recycled and environmentally preferable materials is an extension
9 of the current purchasing procedures and will be practiced on an ongoing basis.

10
11 1. **Definitions**
12

13 a. **Environmentally Preferable Products and Equipment (EPP)**: A product
14 or equipment that possesses one or more of the following environmentally
15 beneficial qualities:
16

- 17 (1) Maximizes Recycled or reused products content;
- 18 (2) Maximizes potential for reuse or recycling;
- 19 (3) Minimizes resources used for producing, manufacturing,
20 transporting, operation, maintaining, or disposing;
- 21 (4) Eliminates or minimizes the toxic or degrading agents in product
22 content or manufacturing process;
- 23 (5) Minimizes pollution;
- 24 (6) Minimizes adverse ~~[[affects]]~~ EFFECTS on human health; or
- 25 (7) Minimizes environmental degradation.

26
27 b. **Percentage Price Preference**: The percentage for which a responsive bid
28 may exceed the lowest responsive bid that is not an EPP. The percentage
29 price preference shall not exceed 5% for the purchase of EPPs on the EPP
30 list.
31

32 c. **Product Preference**: The preference given a product containing recycled
33 material when all other factors are the same.
34

35 d. **Recycled Material**: Material recovered from or otherwise diverted from
36 the waste stream. It includes post-consumer ~~[[waster]]~~ WASTE, industrial
37 scrap material, obsolete inventories and recycled paper. It does not
38 include mill broke or similar paper waste generated in a paper mill prior
39 to completion of the paper-making process or, in other industries, those
40 materials and by-products generated in and commonly reused within an
41 original manufacturing process.
42

43 2. **Exceptions**
44

45 The County Purchasing Agent may exempt the purchase of a product made from
46 recycled materials or EPP percentage price preference when:
47

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- a. Written evidence from the Office of Purchasing showing that the products were required to be purchased under a contract entered into prior to the implementation of this initiative, or
- b. Written explanation from the user agency showing the use of products made from recycled materials is not practical and that imposing the requirements on that item would cause undue hardship, or
- c. Giving a percentage price preference to EPP's will cause a denial of federal or state funding or is inconsistent with federal or state law.

3. Procedure

- a. Review [[requisitions and]] specifications to determine if the items can be: (i) products made from recycled materials or (ii) remanufactured and reusable products. When either objective can be met, the buyer shall contact the user agency to inform them of the decision and, if necessary, revise the specifications.
- b. Include statements in each solicitation that encourage suppliers to: (i) utilize packaging materials made of recyclable or biodegradable materials for this order and (ii) minimize waste to the greatest extent possible in fulfilling contracts.
- c. When possible, give preference to products made from recycled materials. Following is a list of products for consideration.
 - (1) Antifreeze
 - (2) Asphalt (shredded tires)
 - (3) Auto Parts
 - (4) Clean Backfill (crushed glass)
 - (5) Concrete (ground glass)
 - (6) Entrance Door Mats
 - (7) Fiberglass
 - (8) Glass Beads
 - (9) Laser Cartridges
 - (10) Oil
 - (11) Outdoor Benches and Picnic Tables
 - (12) Packing Materials for Storm Drains (crushed glass)
 - (13) Paper Products
 - (14) Playground Surfaces (shredded tires)
 - (15) Retread Tires
 - (16) Sandblasting Materials
 - (17) Splash/Drain Mats

1 EXHIBIT I

2
3 DICTIONARY OF PURCHASING TERMS

4
5
6 ACCEPT: To receive with approval or satisfaction; to receive with intent to retain (e.g.,
7 accept delivery of material at receiving).

8
9 ACKNOWLEDGEMENT: A form used to inform the buyer that the seller has accepted
10 the order.

11
12 ADVERTISING: The solicitation of competition through public announcement (i.e.
13 electronic media, bulletin boards, newspapers).

14
15 AGREEMENT: See Contract

16
17 ALL OR NONE: A term used in bidding where vendor conditions the bid prices upon
18 acceptance and award for all items or group of items bid.

19
20 ALTERNATIVE BID: A bid that invites for consideration one or more offers of an option
21 or choice based upon equipment or satisfactory performance by user (e.g., such bid is
22 only acceptable when the variance is deemed to be immaterial).

23
24 AUCTION BID: A bid submitted through an electronic commerce portal that is in
25 response to an Invitation for Auction Bids that must conform to a prescribed format
26 identified in the Invitation for Auction Bids.

27
28 AWARD: The presentation of a purchase agreement or contract to a bidder after all
29 necessary approvals have been obtained; the acceptance of a bid or proposal.

30
31 BACK DOOR BUYING: Making a purchase without going through the central or
32 designated purchasing authority.

33
34 BACK DOOR SELLING: The endeavor to sell to departments or agencies of government
35 without authorization of designated purchasing authority.

36
37 BACK ORDER: The undelivered part of a previous order that the vendor agrees to ship
38 later.

39
40 BID: A competitive price offer made by an intended seller, usually in reply to an
41 invitation to bid. A price offer made at a public auction.

42
43 BID BOND: An insurance agreement in which a third party agrees to be liable to pay a
44 certain amount of money in the event the awarded bidder fails to sign the contract as bid.
45 See Bid Deposit.

46
47 BID DEPOSIT: A sum of money or check deposited with and at the request of the
48 government to guarantee that the bidder (depositor) will, if selected, sign the contract as
49 bid. If the bidder does not sign the contract, the deposit is forfeited in full.

50

1 BID OPENING: The act of publicly opening the bid envelopes at specified dates and
2 times.
3
4 BIDDERS LIST: A list of potential vendors including names and addresses from whom
5 bids and proposals may be solicited.
6
7 BLANKET ORDER: Encumbers a sum of money in one fiscal period to be purchased
8 against.
9
10 BULK PURCHASING: Purchasing in large quantities in order to reduce the price per
11 unit; volume purchasing.
12
13 CASH DISCOUNT: A discount from the purchase price allowed to the purchaser if he
14 pays within a specified period. (i.e. 2% 10 days, net 30 days).
15
16 C.O.D. (CASH ON DELIVERY): Payment due and payable upon delivery of goods.
17
18 CERTIFICATED OF NON-COLLUSION: A statement signed by a bidder and submitted
19 with bid to affirm that bid is made freely without consultation with any other bidder.
20
21 COLLUSION: A secret agreement or cooperation between two or more persons to
22 accomplish a fraudulent, deceitful or unlawful purpose.
23
24 COMAR: Code of Maryland Regulations, Title 21, State Procurement Regulations as
25 amended.
26
27 COMMODITY: An article of trade or value, something that is bought or sold, any
28 moveable or tangible item that is produced or used as the subject of trade or commerce
29 (a.k.a. goods, materials, supplies, equipment).
30
31 COMMODITY CONTRACT: CONTRACTS FOR COMMODITIES ISSUED FOR SPECIFIC ITEMS
32 AND AT FIXED PRICES OR DISCOUNTS OR BASED ON DISCOUNTS OFF LIST PRICES OR SOME
33 FIXED PERCENTAGE.
34
35 COMPETITIVE BIDDING: The offer of firm bids by individuals or firms competing for a
36 contract, privilege, or right to supply specified services or merchandise.
37
38 CONFIRMING ORDER: A purchase order restating the same terms originally placed
39 orally.
40
41 CONTRACT: An [[agreement]]SAP DOCUMENT, enforceable by law, between two or more
42 competent parties, to do or not to do something not prohibited by law, for a
43 consideration. An example is a [[purchase order]]CONTRACT for the procurement of
44 commodities or [[construction]]SERVICES.
45
46 CONTRACT ADMINISTRATION: The management of all facets of contracts to assure
47 the contractor's total performance is in accordance with his contractual commitments
48 and that the obligations of the purchases are fulfilled. In government, this management
49 is conducted within the framework of delegated responsibility and authority and
50 includes the support of using agencies.
51

1 CONTRACT, FIRM-FIXED PRICE: A contract that provides for a price not subject to
2 any adjustment by reason of the cost experience of the contractor in the performance of
3 the contract. It is used for contracts awarded after formal bidding, also used in
4 negotiated contracts when reasonably definite specifications are available and costs can
5 be estimated with reasonable accuracy to enable the negotiation of a fair price.

6
7 CONTRACT, FIXED-PRICE WITH ESCALATION: A fixed price type of contract that
8 provides for the upward and downward revision of the stated contract price upon the
9 occurrence of certain contingencies (such as fluctuations in material prices and labor
10 rates) specifically defined in the contract.

11
12 CONTRACTOR: One who agrees to furnish goods or services at a specified price
13 (especially for construction).

14
15 COOPERATIVE PURCHASING: The combining of requirements of two or more public
16 entities in order to obtain the benefits of volume purchases and/or reduction in
17 administrative expenses.

18
19 DEPUTY PURCHASING AGENT: Purchasing Administrator.

20
21 DISABLED BUSINESS ENTERPRISE (DBE): (Refer to Code Sec. 4.102(k)) A business
22 that is (i) at least 51% owned by one or more disabled individuals; or (ii) in the case of
23 any publicly owned corporation, at least 51% of the stock of which is owned by one or
24 more individuals with disabilities, and whose general management and daily business
25 affairs and essential productive operations are controlled by one or more individuals
26 with disabilities; and which has been certified by the equal business opportunity
27 commission as a disabled business enterprise.

28
29 ELECTRONIC SIGNATURE: An electronic (electrical, digital, magnetic, wireless,
30 optical, electromagnetic or similar capabilities) identifier or the electronic result of an
31 authentication technique attached to or logically associated with a record that is
32 intended by the person using it to have the same force and effect as a manual signature.

33
34 EMERGENCY: The necessity for the immediate purchase of commodities or services
35 essential to protect the life, health or public safety.

36
37 ENCUMBRANCE: Reserved obligations in the form of purchase orders or contract,
38 which are chargeable to an appropriation is reserved. Funds cease to be encumbrances
39 when paid or when the actual purchase order is set up.

40
41 EQUIPMENT: Commodities of durable nature which retain their identity throughout
42 their useful life (i.e. vehicles, computers, etc.)

43
44 EVALUATION OF BIDS: The process of examining a bid after opening to determine the
45 bidder's responsibility, responsiveness to requirements, and other characteristics of the
46 bid relating to the selection of the award bid.

47
48 EXPEDITE: To facilitate or hasten delivery of goods ordered by purchaser, generally
49 according to the contract terms.

50

1 FIDELITY BOND: A bond that secures an employer up to an amount stated in the bond
2 for losses caused by dishonesty or infidelity on the part of an employee.
3
4 FISCAL YEAR: A period of twelve consecutive months selected as a basis for annual
5 financial reporting, planning, or budgeting. (July 1 – June 30 for Howard County).
6
7 FORMAL BID PROCEDURE (Invitation to Bid or Request for Proposal): An advertised
8 request for the submission of bids in a sealed envelope and in conformance with a
9 prescribed format to be opened publicly at a specified time.
10
11 F.O.B. (FREE ON BOARD): A shipping term defining the point at which the buyer takes
12 legal title to the goods, who is responsible for payment of freight, and who is responsible
13 for prosecuting claims against carriers for loss or damage to the goods in transit.
14
15 F.O.B. DESTINATION: A shipping term that indicates that title changes hands from
16 vendor to purchaser at the destination of the shipment; vendor owns goods in transit and
17 files any claims.
18
19 F.O.B. ORIGIN: A shipping term that indicates that title changes hands from vendor to
20 purchaser at the origin of the shipment; purchaser owns goods in transit and files any
21 claims.
22
23 GOODS: See Commodity.
24
25 IDENTICAL BID: A bid that agrees in all respects with another bid; tie bid.
26
27 INFORMAL BID PROCEDURE: A request for written price quotations for commodity or
28 service that does not require advertising, a public opening or reading of bids.
29
30 INSURANCE: A contract in which one party, for a fee, undertakes to protect another
31 party against loss, damage or liability arising from an unknown or contingent incident.
32 Coverage by a contract binding a party to indemnify another against specified loss in
33 return for premiums paid.
34
35 INVENTORY: A stock of goods or an itemized list of a stock of goods indicating volume
36 and values.
37
38 INVOICE: Seller's itemized document stating prices and quantities of goods and/or
39 services delivered, and sent to buyer for payment.
40
41 LEASE PURCHASE AGREEMENT: An acquisition contract in which the lease's periodic
42 payments or parts thereof are applied both to fulfill the lease obligation and as
43 installments for equity and eventual ownership of the commodity upon completion of the
44 agreement.
45
46 MAINTENANCE: The upkeep of buildings, facilities, structures, grounds and equipment
47 to keep it in an efficient operating condition.
48
49 MATERIALS: See Commodity
50

1 MINORITY BUSINESS ENTERPRISE (MBE): (Refer to Code Sec. 4.102(r)) A business
2 that is: (i) at least 51% owned by one or more minority individuals; or (ii) in the case of
3 any publicly owned corporation, at least 51% of the stock of which is owned by one or
4 more minority individuals, and whose general management and daily business affairs
5 and essential productive operations are controlled by one or more minority individuals;
6 and that has been certified by the Howard County Equal Business Opportunity
7 Commission as a minority business enterprise.

8
9 NO BID: A response to an invitation for bids stating that respondent does not wish to
10 submit an offer. It usually operates as a procedures consideration to prevent suspension
11 from the bidders list for failure to submit bids.

12
13 CHANGE ORDER: Purchaser's written modification or addition to a purchase order.

14
15 PAYMENT BOND: A bond furnished by a surety company that provides security that all
16 work bid will be performed.

17
18 PERFORMANCE BOND: A bond furnished by a surety company that provides security
19 that all work bid will be performed.

20
21 PIGGYBACK CONTRACT: A form of cooperative purchasing in which an entity has
22 competed and awarded a contract and the vendor is willing to provide the same prices,
23 terms and conditions of the contract to another entity.

24
25 PRE-BID/PRE-PROPOSAL CONFERENCE: Meeting held with prospective bidders
26 prior to solicitation of bids or proposals, to recognize state of the art limits, technical
27 aspects, specifications and standards relative to the subject and elicit expertise and
28 bidders interest in pursuing the task.

29
30 PRE-QUALIFICATION OF BIDDERS: The screening of potential vendors in which a
31 government considers such factors as financial capability, capacity to perform,
32 reputations, management, etc., in order to develop a list of vendors qualified to bid on
33 government contracts.

34
35 [[PRICE AGREEMENT: Contracts for commodities issued for specific items and at fixed
36 prices or discounts or based on discounts off list prices or some fixed percentage.]]

37
38 PROCUREMENT: Purchasing, renting, leasing, or otherwise acquiring any
39 commodities, services, or construction; includes all functions that pertain to the
40 acquisition, including description of requirements, selection and solicitation of sources,
41 preparation and award of contract, and all phases of contract administration. The
42 combined functions of purchasing, inventory control, traffic and transportation,
43 receiving, receiving inspection, storekeeping, and salvage and disposal operations.

44
45 PROCUREMENT CARD (a.k.a. PURCHASING CARD, PDQ CARD): A payment method
46 whereby user agencies make purchases directly from suppliers using a credit card, with
47 predetermined transaction limits and monthly limits, issued by a bank or major credit
48 card provider.

49

1 PURCHASE ORDER: A written document ordering supplies, services or construction for
2 the County. The document shows all terms and conditions of the purchase.

3
4 PURCHASING: The act and function of responsibility for the acquisition of equipment,
5 materials, commodities, and services.

6
7 PURCHASING AGENT: County Administrative Officer

8
9 OFFICE OF PURCHASING: The division within the Department of County
10 Administration responsible for centralized control over all purchases made by the
11 County.

12
13 QUOTATIONS: An offer by a vendor to sell to the County. It may be verbal or written.
14 Used for items less than the formal bid limit.

15
16 REPAIR: To restore to sound condition.

17
18 REQUEST FOR PROPOSAL: A method for acquiring goods or services in which
19 discussions or negotiations may be conducted with responsible offerors who submit
20 proposals in the competitive range.

21
22 RESPONSIBLE BID: A bidder who is deemed qualified to perform all mandatory and
23 essential requirements of the solicitation.

24
25 RESPONSIVE BID: A bidder whose bid or proposal is deemed to conform to all
26 mandatory and essential requirements of the solicitation.

27
28 REVENUE GENERATING AGREEMENTS: CONTRACTS OR Purchase orders reflecting
29 incoming funds to the County via commissions on vending machine sales, advertising,
30 auctions, etc. (Excludes outright sale of surplus equipment.)

31
32 [[REQUIREMENTS]]SERVICE CONTRACT: Contracts for services issued for specific
33 items at fixed prices or discounts, or based on discounts off list prices or a fixed
34 percentage.

35
36 SERVICES/PROFESSIONAL SERVICES: The rendering of time, effort, or work, rather
37 than the furnishing of a specific physical product other than reports incidental to the
38 required performance. This includes, but is not limited to, the professional personal,
39 and/or contractual services provided by attorneys, accountants, physicians, architects,
40 engineers, and consultants providing services that require specialized knowledge or skills
41 and intellectual skill in the performance or the service.

42
43 SMALL BUSINESS: As defined by Code of Maryland Regulations. (COMAR) 21.01.02.01
44 B (8o) as follows:

45
46 A business, other than a broker, which meets the following criteria:

47
48 It is independently owned and operated;
49 It is not a subsidiary of another firm;
50 It is not dominant in its field of operation;

1 Its wholesale operations did not employ more than 50 persons, and its gross sales
2 did not exceed an average of \$2,000,000 in its most recently completed three
3 fiscal years;

4 Its retail operations did not employ more than 25 persons, and its gross sales did
5 not exceed an average of \$2,000,000 in its most recently completed three
6 fiscal years;

7 Its manufacturing operations did not employ more than 100 persons, and its
8 gross sales did not exceed an average of \$2,000,000 in its most recently
9 completed three fiscal years;

10 Its service operations did not employ more than 100 persons, and its gross sales
11 did not exceed an average of \$2,000,000 in its most recently completed three
12 fiscal years.

13
14 **SMALL PURCHASES:** Commodities and services valued at up to \$5,000.

15
16 **SOLE SOURCE:** The purchase of a commodity or service that is only available from one
17 supplier, usually because of its technological, specialized, unique, or proprietary
18 character.

19
20 **SOLICITATION:** A request for a priced offer to provide commodities or services.

21
22 **STOCK:** A supply of material maintained on hand at storage points in a supply system to
23 meet anticipated demands for it.

24
25 **SUPPLIER:** SEE VENDOR.

26
27 **SUPPLIES:** See Commodity.

28
29 **TABULATION OF BIDS:** The recording of bids and bidding data that was submitted in
30 response to a specific invitation for the purpose of comparison, analysis, and
31 recordkeeping.

32
33 **TIE BID:** See Identical Bid.

34
35 **UNAUTHORIZED PURCHASES:** Purchases made by the using agency without the prior
36 approval of the buyer. A justification detailing the nature of the purchase must
37 accompany the requisition.

38
39 **USING AGENCY:** Any department, agency, commission, bureau, or other unit in the
40 county government using the commodities or services.

41
42 **VENDOR:** One who sells something; a "seller".

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EXHIBIT II

NATIONAL INSTITUTE OF GOVERNMENTAL PURCHASING, INC.

CODE OF ETHICS

The Institute believes, and it is a condition of membership, that the following ethical principles should govern the conduct of every person employed by a public sector procurement or materials management organization.

Seeks or accepts a position as head (or employee) only when fully in accord with the professional principles applicable thereto and when confident of possessing the qualifications to serve under those principles to the advantage of the employing organization.

Believes in the dignity and worth of the service rendered by the organization, and the societal responsibilities assumed as a trusted public servant.

Is governed by the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the organization and the public being served.

Believes that personal aggrandizement or personal profit obtained through misuse of public or personal relationships is dishonest and not tolerable.

Identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved.

Believes that members of the Institute and its staff should at no time, or under any circumstances, accept directly or indirectly, gifts, gratuities, or other things of value from suppliers, which might influence or appear to influence purchasing decisions.

Keeps the governmental organization informed, through appropriate channels, on problems and progress of applicable operations by emphasizing the importance of the facts.

Resists encroachment on control of personnel in order to preserve integrity as a professional manager.

Handles all personnel matters on a merit basis, and in compliance with applicable laws prohibiting discrimination in employment on the basis of politics, religion, color, national origin, disability, gender, age, pregnancy and other protected characteristics.

Seeks or dispenses no personal favors. Handles each administrative problem objectively and empathetically, without discrimination.

Subscribes to and supports the professional aims and objectives of the National Institute of Governmental Purchasing, Inc.

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EXHIBIT III

HOWARD COUNTY CHARTER AND CODE REFERENCES TO ETHICS

Charter Section 901. Conflict of Interest.

(a) **Prohibitions.** No officer or employee of the County, whether elected or appointed, shall in any manner whatsoever be interested in or receive any benefit from the profits or emoluments of any contract, job, work, or service for the County. No such officer or employee shall accept any service or thing of value, directly or indirectly, from any person, firm or corporation having dealings with the County, upon more favorable terms than those granted to the public generally, nor shall he receive, directly or indirectly, any part of any fee, commission or other compensation paid or payable by the County, or by any person in connection with any dealings with the County, or by any person in connection with any dealings with or proceedings before any branch, office, department, board, commission or other agency of the County. No such officer or employee shall directly or indirectly be the broker or agent who procures or receives any compensation in connection with the procurement of any type of bonds for County officers, employees or persons or firms doing business with the County. No such officer or employee shall solicit or accept any compensation or gratuity in the form of money or otherwise for any act or omission in the course of his public work; provided, however, that the head of any department or board of the County may permit an employee to receive a reward publicly offered and paid for, for the accomplishment of a particular task.

(b) **Rules of construction; exceptions by Council.** The provisions of this Section shall be broadly construed and strictly enforced for the purpose of preventing officers and employees from securing any pecuniary advantages, however indirect, from their public associations, other than their compensation provided by law.

In order, however, to guard against injustice, the Council may, by resolution, specifically authorize any County officer or employee to own stock in any corporation or to maintain a business in connection with any person, firm or corporation dealing with the County, if, on full public disclosure of all pertinent facts to the County Council by such officer or employee, the Council shall determine that such stock ownership or connection does not violate the public interest.

The County Council may, by ordinance, delegate to the Howard County Ethics Commission the power to make such determinations and to authorize the ownership or connection. Any ordinance which delegates this power shall provide for procedures including a public hearing, and shall establish criteria for determining when the ownership or connection does not violate the public interest.

(c) **Penalties.** Any officer or employee of the County who willfully violates any of the provisions of this Section shall forfeit his office. If any person shall offer, pay, refund or rebate any part of any fee, commission, or other form of compensation to any officer or employee of the County in connection with any County business or proceeding, he shall, on conviction, be punishable by imprisonment for not less than one or more than six months or a fine of not less than \$100.00 or more than \$1,000.00, or both. Any contract made in violation of this Section may be declared void by the Executive or by resolution of the Council. The penalties in this Section shall be in addition to all other penalties provided by law.

1 **[[Code Section 22.204. Prohibited Conduct and Interests.**

2
3 (a) **Participation Prohibitions:** County official and employees subject to this subtitle shall not:

4
5 (1) Except in the exercise of an administrative or ministerial duty which does not
6 affect the disposition or decision with respect to the matter, participate on behalf
7 of the county in any matter which would, to their knowledge, have a direct
8 financial impact as distinguished from the public generally, on them, their
9 spouse, parent, child, sibling or upon any business interest with which they are
10 affiliated;

11
12 (2) Except as exempted by the county council pursuant to Section 901(b) of the
13 Howard County Charter, hold or acquire an interest in a business entity that has
14 or is negotiating a contract with the county or is regulated by the official or
15 employee;

16
17 (3) Except in the exercise of an administrative or ministerial duty which does not
18 affect the disposition or decision with respect to the matter, participate in any
19 matter involving a business entity with which they, their spouse, parent, child or
20 sibling are negotiating or have an arrangement concerning prospective
21 employment.

22
23 (b) **Employment Prohibitions:** Except as exempted by the county council pursuant to section
24 901(b) of the Howard County Charter or when the employment or interest does not create an
25 actual or apparent conflict of interest, officials and employees shall not:

26
27 (1) Be employed by:

28 (i) Any entity subject to their official authority;

29 (ii) Any entity subject to the authority of the Howard County agency, board
30 or commission with which they are affiliated;

31 (iii) Any entity which is negotiating or has entered into a contract with the
32 Howard County agency, board or commission with which they are
33 affiliated.

34
35 (2) Represent any party for a fee, commission or other compensation before any
36 county body;

37
38 (3) Within one (1) year following termination of county service, act as a compensated
39 representative of another in connection with any specific matter in which they
40 participated substantially as a county official or employee.

41
42 The employment provisions listed above do not apply to:

43 (1) An official or employee who is appointed to a regulatory or licensing authority
44 pursuant to a requirement that persons subject to its jurisdiction be represented
45 in appointments to it;

46 (2) Subject to other provisions of law, a member of a board or commission who
47 publicly disclosed a financial interest or employment to the appointing authority
48 at the time of appointment;

49 (3) Employees or officials whose duties are ministerial provided that the private
50 employment or financial interest does not create a conflict of interest or the
51 appearance of such a conflict.
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- 1 (c) **Solicitation/Acceptance of Gifts or Compensation:** No employee or official shall solicit
 2 any gifts. No employee or official shall accept any gift or compensation, directly or indirectly
 3 from any person that he/she knows or has reason to know, has financial interests,
 4 distinguishable from the interest of the public that would be affected by the actions of the
 5 employee or official.
 6
- 7 (d) **Use of Prestige of Office:** No county officials or employees subject to this subtitle shall
 8 intentionally use the prestige of their office for their own gain or that of another. The
 9 performance of usual and customary constituent services without additional compensation
 10 does not constitute the use of prestige of office for an official or employee's private gain or that
 11 of another.
 12
- 13 (e) **Disclosure of Confidential Information:** Other than in the discharge of official duties,
 14 officials or employees may not disclose or use, for their own gain or that of another,
 15 confidential information acquired by reason of public position and which is not available to the
 16 public.]]

17
 18 *CODE SECTION 22.204. PROHIBITED CONDUCT AND INTERESTS.*

19 (A) *PARTICIPATION PROHIBITIONS.*

- 20 (1) EXCEPT AS PERMITTED BY COMMISSION REGULATION OR OPINION, AN OFFICIAL OR EMPLOYEE
 21 MAY NOT PARTICIPATE IN:
- 22 (i) EXCEPT IN THE EXERCISE OF AN ADMINISTRATIVE OR MINISTERIAL DUTY THAT DOES NOT
 23 AFFECT THE DISPOSITION OR DECISION OF THE MATTER, ANY MATTER IN WHICH, TO THE
 24 KNOWLEDGE OF THE OFFICIAL OR EMPLOYEE, THE OFFICIAL OR EMPLOYEE OR A QUALIFIED
 25 RELATIVE OF THE OFFICIAL OR EMPLOYEE HAS AN INTEREST.
- 26 (ii) EXCEPT IN THE EXERCISE OF AN ADMINISTRATIVE OR MINISTERIAL DUTY THAT DOES NOT
 27 AFFECT THE DISPOSITION OR DECISION WITH RESPECT TO THE MATTER, ANY MATTER IN
 28 WHICH ANY OF THE FOLLOWING IS A PARTY:
- 29 A. A BUSINESS ENTITY IN WHICH THE OFFICIAL OR EMPLOYEE HAS A DIRECT FINANCIAL
 30 INTEREST OF WHICH THE OFFICIAL OR EMPLOYEE MAY REASONABLY BE EXPECTED TO
 31 KNOW;
- 32 B. A BUSINESS ENTITY FOR WHICH THE OFFICIAL, EMPLOYEE, OR A QUALIFIED RELATIVE
 33 OF THE OFFICIAL OR EMPLOYEE IS AN OFFICER, DIRECTOR, TRUSTEE, PARTNER, OR
 34 EMPLOYEE;
- 35 C. A BUSINESS ENTITY WITH WHICH THE OFFICIAL OR EMPLOYEE OR, TO THE KNOWLEDGE
 36 OF THE OFFICIAL OR EMPLOYEE, A QUALIFIED RELATIVE IS NEGOTIATING OR HAS ANY
 37 ARRANGEMENT CONCERNING PROSPECTIVE EMPLOYMENT;
- 38 D. IF THE CONTRACT REASONABLY COULD BE EXPECTED TO RESULT IN A CONFLICT
 39 BETWEEN THE PRIVATE INTERESTS OF THE OFFICIAL OR EMPLOYEE AND THE OFFICIAL
 40 DUTIES OF THE OFFICIAL OR EMPLOYEE, A BUSINESS ENTITY THAT IS A PARTY TO AN
 41 EXISTING CONTRACT WITH THE OFFICIAL OR EMPLOYEE, OR WHICH, TO THE
 42 KNOWLEDGE OF THE OFFICIAL OR EMPLOYEE, IS A PARTY TO A CONTRACT WITH A
 43 QUALIFIED RELATIVE;
- 44 E. AN ENTITY, DOING BUSINESS WITH THE COUNTY, IN WHICH A DIRECT FINANCIAL
 45 INTEREST IS OWNED BY ANOTHER ENTITY IN WHICH THE OFFICIAL OR EMPLOYEE HAS A
 46 DIRECT FINANCIAL INTEREST, IF THE OFFICIAL OR EMPLOYEE MAY BE REASONABLY
 47 EXPECTED TO KNOW OF BOTH DIRECT FINANCIAL INTERESTS; OR
- 48 F. A BUSINESS ENTITY THAT:

- 1 1. THE OFFICIAL OR EMPLOYEE KNOWS IS A CREDITOR OR OBLIGEE OF THE OFFICIAL
- 2 OR EMPLOYEE OR A QUALIFIED RELATIVE OF THE OFFICIAL OR EMPLOYEE WITH
- 3 RESPECT TO A THING OF ECONOMIC VALUE; AND
- 4 2. AS A CREDITOR OR OBLIGEE, IS IN A POSITION TO DIRECTLY AND SUBSTANTIALLY
- 5 AFFECT THE INTEREST OF THE OFFICIAL OR EMPLOYEE OR A QUALIFIED RELATIVE
- 6 OF THE OFFICIAL OR EMPLOYEE.
- 7 (2) A PERSON WHO IS DISQUALIFIED FROM PARTICIPATING UNDER PARAGRAPH 1. OF THIS SUBSECTION
- 8 SHALL DISCLOSE THE NATURE AND CIRCUMSTANCES OF THE CONFLICT AND MAY PARTICIPATE OR
- 9 ACT IF:
- 10 (i) THE DISQUALIFICATION LEAVES A BODY WITH LESS THAN A QUORUM CAPABLE OF ACTING;
- 11 (ii) THE DISQUALIFIED OFFICIAL OR EMPLOYEE IS REQUIRED BY LAW TO ACT; OR
- 12 (iii) THE DISQUALIFIED OFFICIAL OR EMPLOYEE IS THE ONLY PERSON AUTHORIZED TO ACT.
- 13 (3) THE PROHIBITIONS OF PARAGRAPH 1. OF THIS SUBSECTION DO NOT APPLY IF PARTICIPATION IS
- 14 ALLOWED BY REGULATION OR OPINION OF THE COMMISSION.
- 15 (B) *EMPLOYMENT AND FINANCIAL INTEREST RESTRICTIONS.*
- 16 (1) EXCEPT AS PERMITTED BY REGULATION OF THE COMMISSION WHEN THE INTEREST IS DISCLOSED
- 17 OR WHEN THE EMPLOYMENT DOES NOT CREATE A CONFLICT OF INTEREST OR APPEARANCE OF
- 18 CONFLICT, AN OFFICIAL OR EMPLOYEE MAY NOT:
- 19 (i) BE EMPLOYED BY OR HAVE A FINANCIAL INTEREST IN ANY ENTITY:
- 20 A. SUBJECT TO THE AUTHORITY OF THE OFFICIAL OR EMPLOYEE OR THE COUNTY AGENCY,
- 21 BOARD, COMMISSION WITH WHICH THE OFFICIAL OR EMPLOYEE IS AFFILIATED; OR
- 22 B. THAT IS NEGOTIATING OR HAS ENTERED A CONTRACT WITH THE AGENCY, BOARD, OR
- 23 COMMISSION WITH WHICH THE OFFICIAL OR EMPLOYEE IS AFFILIATED; OR
- 24 (ii) HOLD ANY OTHER EMPLOYMENT RELATIONSHIP THAT WOULD IMPAIR THE IMPARTIALITY OR
- 25 INDEPENDENCE OF JUDGMENT OF THE OFFICIAL OR EMPLOYEE.
- 26 (2) THE PROHIBITIONS OF PARAGRAPH (1) OF THIS SUBSECTION DO NOT APPLY TO:
- 27 (i) AN OFFICIAL OR EMPLOYEE WHO IS APPOINTED TO A REGULATORY OR LICENSING
- 28 AUTHORITY PURSUANT TO A STATUTORY REQUIREMENT THAT PERSONS SUBJECT TO THE
- 29 JURISDICTION OF THE AUTHORITY BE REPRESENTED IN APPOINTMENTS TO THE AUTHORITY;
- 30 (ii) SUBJECT TO OTHER PROVISIONS OF LAW, A MEMBER OF A BOARD OR COMMISSION IN REGARD
- 31 TO A FINANCIAL INTEREST OR EMPLOYMENT HELD AT THE TIME OF APPOINTMENT, PROVIDED
- 32 THE FINANCIAL INTEREST OR EMPLOYMENT IS PUBLICLY DISCLOSED TO THE APPOINTING
- 33 AUTHORITY AND THE COMMISSION;
- 34 (iii) AN OFFICIAL OR EMPLOYEE WHOSE DUTIES ARE MINISTERIAL, IF THE PRIVATE EMPLOYMENT
- 35 OR FINANCIAL INTEREST DOES NOT CREATE A CONFLICT OF INTEREST OR THE APPEARANCE
- 36 OF A CONFLICT OF INTEREST, AS PERMITTED AND IN ACCORDANCE WITH REGULATIONS
- 37 ADOPTED BY THE COMMISSION; OR
- 38 (iv) EMPLOYMENT OR FINANCIAL INTERESTS ALLOWED BY REGULATION OF THE COMMISSION IF
- 39 THE EMPLOYMENT DOES NOT CREATE A CONFLICT OF INTEREST OR THE APPEARANCE OF A
- 40 CONFLICT OF INTEREST OR THE FINANCIAL INTEREST IS DISCLOSED.
- 41 (C) *POST-EMPLOYMENT LIMITATIONS AND RESTRICTIONS.*
- 42 (1) A FORMER OFFICIAL OR EMPLOYEE MAY NOT ASSIST OR REPRESENT ANY PARTY OTHER THAN THE
- 43 COUNTY FOR COMPENSATION IN A CASE, CONTRACT, OR OTHER SPECIFIC MATTER INVOLVING THE
- 44 COUNTY IF THAT MATTER IS ONE IN WHICH THE FORMER OFFICIAL OR EMPLOYEE SIGNIFICANTLY
- 45 PARTICIPATED AS AN OFFICIAL OR EMPLOYEE.

1 (2) FOR A YEAR AFTER THE FORMER MEMBER LEAVES OFFICE, A FORMER MEMBER OF THE COUNTY
2 COUNCIL MAY NOT ASSIST OR REPRESENT ANOTHER PARTY FOR COMPENSATION IN A MATTER
3 THAT IS THE SUBJECT OF LEGISLATIVE ACTION.

4 (D) *CONTINGENT COMPENSATION.* EXCEPT IN A JUDICIAL OR QUASI-JUDICIAL PROCEEDING, AN OFFICIAL OR
5 EMPLOYEE MAY NOT ASSIST OR REPRESENT A PARTY FOR CONTINGENT COMPENSATION IN ANY MATTER
6 BEFORE OR INVOLVING THE COUNTY.

7 (E) *USE OF PRESTIGE OF OFFICE.*

8 (1) AN OFFICIAL OR EMPLOYEE MAY NOT INTENTIONALLY USE THE PRESTIGE OF OFFICE OR PUBLIC
9 POSITION FOR THE PRIVATE GAIN OF THAT OFFICIAL OR EMPLOYEE OR THE PRIVATE GAIN OF
10 ANOTHER.

11 (2) THIS SUBSECTION DOES NOT PROHIBIT THE PERFORMANCE OF USUAL AND CUSTOMARY
12 CONSTITUENT SERVICES BY AN ELECTED OFFICIAL WITHOUT ADDITIONAL COMPENSATION.

13 (F) *SOLICITATION AND ACCEPTANCE OF GIFTS.*

14 (1) AN OFFICIAL OR EMPLOYEE MAY NOT SOLICIT ANY GIFT.

15 (2) AN OFFICIAL OR EMPLOYEE MAY NOT DIRECTLY SOLICIT OR FACILITATE THE SOLICITATION OF A
16 GIFT, ON BEHALF OF ANOTHER PERSON, FROM AN INDIVIDUAL REGULATED LOBBYIST.

17 (3) AN OFFICIAL OR EMPLOYEE MAY NOT KNOWINGLY ACCEPT A GIFT, DIRECTLY OR INDIRECTLY,
18 FROM A PERSON THAT THE OFFICIAL OR EMPLOYEE KNOWS OR HAS THE REASON TO KNOW:

19 (I) IS DOING BUSINESS WITH OR SEEKING TO DO BUSINESS WITH THE COUNTY OFFICE, AGENCY,
20 BOARD OR COMMISSION WITH WHICH THE OFFICIAL OR EMPLOYEE IS AFFILIATED;

21 (II) HAS FINANCIAL INTERESTS THAT MAY BE SUBSTANTIALLY AND MATERIALLY AFFECTED, IN A
22 MANNER DISTINGUISHABLE FROM THE PUBLIC GENERALLY, BY THE PERFORMANCE OR
23 NONPERFORMANCE OF THE OFFICIAL DUTIES OF THE OFFICIAL OR EMPLOYEE;

24 (III) IS ENGAGED IN AN ACTIVITY REGULATED OR CONTROLLED BY THE OFFICIAL'S OR
25 EMPLOYEE'S GOVERNMENTAL UNIT; OR

26 (IV) IS A LOBBYIST WITH RESPECT TO MATTERS WITHIN THE JURISDICTION OF THE OFFICIAL OR
27 EMPLOYEE.

28 (4) (I) SUBSECTION (4)(II) DOES NOT APPLY TO A GIFT:

29 A. THAT WOULD TEND TO IMPAIR THE IMPARTIALITY AND THE INDEPENDENCE OF
30 JUDGMENT OF THE OFFICIAL OR EMPLOYEE RECEIVING THE GIFT;

31 B. OF SIGNIFICANT VALUE THAT WOULD GIVE THE APPEARANCE OF IMPAIRING THE
32 IMPARTIALITY AND INDEPENDENCE OF JUDGMENT OF THE OFFICIAL OR EMPLOYEE; OR

33 C. OF SIGNIFICANT VALUE THAT THE RECIPIENT OFFICIAL OR EMPLOYEE BELIEVES OR HAS
34 REASON TO BELIEVE IS DESIGNED TO IMPAIR THE IMPARTIALITY AND INDEPENDENCE OF
35 JUDGMENT OF THE OFFICIAL OR EMPLOYEE.

36 (II) NOTWITHSTANDING PARAGRAPH (3) OF THIS SUBSECTION, AN OFFICIAL OR EMPLOYEE MAY
37 ACCEPT THE FOLLOWING:

38 A. MEALS AND BEVERAGES CONSUMED IN THE PRESENCE OF THE DONOR OR SPONSORING
39 ENTITY;

40 B. CEREMONIAL GIFTS OR AWARDS THAT HAVE INSIGNIFICANT MONETARY VALUE;

41 C. UNSOLICITED GIFTS OF NOMINAL VALUE THAT DO NOT EXCEED \$20.00 IN COST OR
42 TRIVIAL ITEMS OF INFORMATIONAL VALUE;

43 D. REASONABLE EXPENSES FOR FOOD, TRAVEL, LODGING, AND SCHEDULED
44 ENTERTAINMENT OF THE OFFICIAL OR THE EMPLOYEE AT A MEETING WHICH IS GIVEN IN

- 1 RETURN FOR THE PARTICIPATION OF THE OFFICIAL OR EMPLOYEE IN A PANEL OR
2 SPEAKING ENGAGEMENT AT THE MEETING;
- 3 E. GIFTS OF TICKETS OR FREE ADMISSION EXTENDED TO AN ELECTED OFFICIAL TO ATTEND
4 A CHARITABLE, CULTURAL, OR POLITICAL EVENT, IF THE PURPOSE OF THIS GIFT OR
5 ADMISSION IS A COURTESY OR CEREMONY EXTENDED TO THE ELECTED OFFICIAL'S
6 OFFICE;
- 7 F. A SPECIFIC GIFT OR CLASS OF GIFTS THAT THE COMMISSION EXEMPTS FROM THE
8 OPERATION OF THIS SUBSECTION UPON A FINDING, IN WRITING, THAT ACCEPTANCE OF
9 THE GIFT OR CLASS OF GIFTS WOULD NOT BE DETRIMENTAL TO THE IMPARTIAL
10 CONDUCT OF THE BUSINESS OF THE COUNTY AND THAT THE GIFT IS PURELY PERSONAL
11 AND PRIVATE IN NATURE;
- 12 G. GIFTS FROM A PERSON RELATED TO THE OFFICIAL OR EMPLOYEE BY BLOOD OR
13 MARRIAGE, OR ANY OTHER INDIVIDUAL WHO IS A MEMBER OF THE HOUSEHOLD OF THE
14 OFFICIAL OR EMPLOYEE; OR
- 15 H. HONORARIA FOR SPEAKING TO OR PARTICIPATING IN A MEETING, PROVIDED THAT THE
16 OFFERING OF THE HONORARIUM IS NOT RELATED, IN ANY WAY, TO THE OFFICIAL'S OR
17 EMPLOYEE'S OFFICIAL POSITION.
- 18 (G) *DISCLOSURE OF CONFIDENTIAL INFORMATION.* OTHER THAN IN THE DISCHARGE OF OFFICIAL DUTIES, AN
19 OFFICIAL OR EMPLOYEE MAY NOT DISCLOSE OR USE CONFIDENTIAL INFORMATION, THAT THE OFFICIAL
20 OR EMPLOYEE ACQUIRED BY REASON OF THE OFFICIAL'S OR EMPLOYEE'S PUBLIC POSITION AND THAT IS
21 NOT AVAILABLE TO THE PUBLIC, FOR THE ECONOMIC BENEFIT OF THE OFFICIAL OR EMPLOYEE OR THAT
22 OF ANOTHER PERSON.
- 23 (H) *PARTICIPATION IN PROCUREMENT.*
- 24 (1) AN INDIVIDUAL OR A PERSON THAT EMPLOYS AN INDIVIDUAL WHO ASSISTS A COUNTY, AGENCY
25 OR UNIT IN THE DRAFTING OF SPECIFICATIONS, AN INVITATION FOR BIDS, OR A REQUEST FOR
26 PROPOSALS FOR A PROCUREMENT, MAY NOT SUBMIT A BID OR PROPOSAL FOR THAT
27 PROCUREMENT, OR ASSIST OR REPRESENT ANOTHER PERSON, DIRECTLY OR INDIRECTLY, WHO IS
28 SUBMITTING A BID OR PROPOSAL FOR THE PROCUREMENT.
- 29 (2) THE COMMISSION MAY ESTABLISH EXEMPTIONS FROM THE REQUIREMENTS OF THIS SECTION FOR
30 PROVIDING DESCRIPTIVE LITERATURE, SOLE SOURCE PROCUREMENTS, AND WRITTEN COMMENTS
31 SOLICITED BY THE PROCURING AGENCY.

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Howard County, Maryland Office of Purchasing

Mission Statement

The Office of Purchasing provides centralized procurement with integrity and transparency by promoting broad competition and using collaborative and cost effective methods to provide timely customer support.

Vision Statement

The Office of Purchasing shall foster a diverse workforce and vendor community, motivated by integrity and teamwork, to procure goods and services that increase operational readiness, embody innovative technology, enhance mission performance and drive efficiency and effectiveness.

Amendment 1 to Council Resolution No. 120-2017

**BY: Chairperson at the request
of the County Executive**

**Legislative Day No. 13
Date: October 2, 2017**

Amendment No. 1

(This amendment makes the following changes to the Purchasing Manual:

1. *Makes the following technical corrections to mirror changes made to the Purchasing Code:
 - a. *clarifies on page 11 that Formal Purchase Reports to the County Council are annual, not semi-annual;*
 - b. *reflects on page 13 that retirement plans are exempt from bidding requirements; and*
 - c. *clarifies on page 34 that the informal bidding is waived for purchases or sales of less than the formal bidding threshold, versus tying that waiver to a specific dollar amount;**
2. *Corrects a Section name in the Table of Contents and on page 33;*
3. *Clarifies on page 33 that formal competitive sealed proposals can be used to procure a combination of services and tasks;*
4. ~~*Clarifies on page 33 that multi-step purchasing methods can include a combination of purchasing methods including expressions of interest and request for proposals;*~~ *4. Clarifies on page 33 that multiple purchasing methods, including expressions of interest and request for proposals, can be used at the discretion of the Purchasing Agent;”.*
5. *Provides on page 55 that quality based selection may be used to procure a combination of services and tasks; and*
6. *On page 68, removes an obsolete dollar amount in order to refer to the relevant Policy and Procedure.)*

1 In the Purchasing Manual, attached to the Resolution as filed:

2

3 On page 2, in line 25, strike “Non-Capital Projects”.

4

5 On page 11, in line 28, strike “a semi-annual” and substitute “AN ANNUAL”.

6

7 On page 13, after line 34, insert:

8

“16. RETIREMENT PLANS

9

1 PROCUREMENT OF SERVICES AND SUPPLIES RELATED TO MANAGEMENT OF THE HOWARD COUNTY
2 POLICE AND FIRE EMPLOYEES RETIREMENT PLAN AND THE HOWARD COUNTY RETIREMENT PLAN
3 SHALL BE EXEMPT FROM THE BIDDING REQUIREMENTS OF THE HOWARD COUNTY PURCHASING
4 CODE.”.
5

6 On page 33:

- 7 1. In line 2, strike “*Non-Capital Projects*”; and
- 8 2. In line 18, insert:

9 “C. A REQUEST FOR PROPOSALS MAY BE UTILIZED TO PROCURE A COMBINATION OF SERVICES
10 AND TASKS, INCLUDING BUT NOT LIMITED TO DESIGN, CONSTRUCTION, FINANCING, OPERATIONS
11 AND MAINTENANCE SERVICES AND TASKS, UNDER A SINGLE CONTRACT, FOR BOTH CAPITAL AND
12 NON-CAPITAL PROJECTS, ALL AT THE DISCRETION OF THE COUNTY PURCHASING AGENT.

13 D. A COMBINATION OF PURCHASING METHODS MAY BE USED INCLUDING, BUT NOT LIMITED TO,
14 EXPRESSIONS OF INTEREST AND A REQUEST FOR PROPOSALS, FOR BOTH CAPITAL AND NON-
15 CAPITAL PROJECTS, ALL AT THE DISCRETION OF THE COUNTY PURCHASING AGENT.”.
16

17 On page 43, in line 36, strike “\$30,000” and substitute “THE FORMAL BIDDING THRESHOLD”.

18
19 On page 51:

- 20 1. In line 5, after “Used:”, insert “A.”; and
- 21 2. In line 9, insert:

22 “B. A COMBINATION OF PURCHASING METHODS MAY BE USED INCLUDING, BUT NOT LIMITED
23 TO, EXPRESSIONS OF INTEREST AND A REQUEST FOR PROPOSALS, FOR BOTH CAPITAL AND NON-
24 CAPITAL PROJECTS, ALL AT THE DISCRETION OF THE COUNTY PURCHASING AGENT.”.
25

26 On page 68, in line 17, strike “with a value of \$5,000 or more and a” and substitute “IN
27 ACCORDANCE WITH POLICY AND PROCEDURE 300.5.”.

28
29 On page 68, in line 18, strike “useful life of one year or more.”.

30
31 On page 68, in line 18, strike “rule” and substitute “POLICY”.

ADOPTED

FAILED

SIGNATURE

as amended 10/2/17
Jessica Feldman

Amendment 1 to Amendment No. 1 to Council Resolution No. 120-2017

**BY: Chairperson at the request
of the County Executive**

**Legislative Day No. 13
Date: October 2, 2017**

Amendment No. 1

(This amendment to Amendment 1 better clarifies the Amendment description.)

- 1 In the Amendment description, strike number 4 in its entirety, and substitute:
2 “4. Clarifies on page 33 that multiple purchasing methods, including expressions of interest and
3 request for proposals, can be used at the discretion of the Purchasing Agent.”.

ADOPTED 10/2/17
FAILED
SIGNATURE Jessica Feldman

Amendment 1 to Council Resolution No. 120-2017

BY: Chairperson at the request
of the County Executive

Legislative Day No. 13
Date: October 2, 2017

Amendment No. 1

(This amendment makes the following changes to the Purchasing Manual:

- 1. Makes the following technical corrections to mirror changes made to the Purchasing Code:
 - a. clarifies on page 11 that Formal Purchase Reports to the County Council are annual, not semi-annual;*
 - b. reflects on page 13 that retirement plans are exempt from bidding requirements; and*
 - c. clarifies on page 34 that the informal bidding is waived for purchases or sales of less than the formal bidding threshold, versus tying that waiver to a specific dollar amount;**
- 2. Corrects a Section name in the Table of Contents and on page 33;*
- 3. Clarifies on page 33 that formal competitive sealed proposals can be used to procure a combination of services and tasks;*
- 4. Clarifies on page 33 that multi-step purchasing methods can include a combination of purchasing methods including expressions of interest and request for proposals;*
- 5. Provides on page 55 that quality based selection may be used to procure a combination of services and tasks; and*
- 6. On page 68, removes an obsolete dollar amount in order to refer to the relevant Policy and Procedure.)*

1 In the Purchasing Manual, attached to the Resolution as filed:

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3 On page 2, in line 25, strike "Non-Capital Projects".

4
5 On page 11, in line 28, strike "a semi-annual" and substitute "AN ANNUAL".

6
7 On page 13, after line 34, insert:

8 "16. RETIREMENT PLANS

9
10 PROCUREMENT OF SERVICES AND SUPPLIES RELATED TO MANAGEMENT OF THE HOWARD COUNTY
11 POLICE AND FIRE EMPLOYEES RETIREMENT PLAN AND THE HOWARD COUNTY RETIREMENT PLAN

1 SHALL BE EXEMPT FROM THE BIDDING REQUIREMENTS OF THE HOWARD COUNTY PURCHASING
2 CODE.”.

3
4 On page 33:

- 5 1. In line 2, strike “*Non-Capital Projects*”; and
- 6 2. In line 18, insert:

7 “C. A REQUEST FOR PROPOSALS MAY BE UTILIZED TO PROCURE A COMBINATION OF SERVICES
8 AND TASKS, INCLUDING BUT NOT LIMITED TO DESIGN, CONSTRUCTION, FINANCING, OPERATIONS
9 AND MAINTENANCE SERVICES AND TASKS, UNDER A SINGLE CONTRACT, FOR BOTH CAPITAL AND
10 NON-CAPITAL PROJECTS, ALL AT THE DISCRETION OF THE COUNTY PURCHASING AGENT.

11 D. A COMBINATION OF PURCHASING METHODS MAY BE USED INCLUDING, BUT NOT LIMITED TO,
12 EXPRESSIONS OF INTEREST AND A REQUEST FOR PROPOSALS, FOR BOTH CAPITAL AND NON-
13 CAPITAL PROJECTS, ALL AT THE DISCRETION OF THE COUNTY PURCHASING AGENT.”.

14
15 On page 43, in line 36, strike “\$30,000” and substitute “THE FORMAL BIDDING THRESHOLD”.

16
17 On page 51:

- 18 1. In line 5, after “Used:”, insert “A.”; and
- 19 2. In line 9, insert:

20 “B. A COMBINATION OF PURCHASING METHODS MAY BE USED INCLUDING, BUT NOT LIMITED
21 TO, EXPRESSIONS OF INTEREST AND A REQUEST FOR PROPOSALS, FOR BOTH CAPITAL AND NON-
22 CAPITAL PROJECTS, ALL AT THE DISCRETION OF THE COUNTY PURCHASING AGENT.”.

23
24 On page 68, in line 17, strike “with a value of \$5,000 or more and a” and substitute “IN
25 ACCORDANCE WITH POLICY AND PROCEDURE 300.5.”.

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27 On page 68, in line 18, strike “useful life of one year or more.”.

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29 On page 68, in line 18, strike “rule” and substitute “POLICY”.

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HOWARD COUNTY, MARYLAND
OFFICE OF PURCHASING

PURCHASING MANUAL

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(3) The Purchasing Administrator and the committee may:

- (a) Make use of the County's staff and technical facilities in the development of specifications and in the testing of supplies received under the standard specifications; and
- (b) Arrange for the testing of supplies through the facilities of testing laboratories.

b. The Purchasing Administrator shall, to the maximum extent possible, adopt for the County's use the standard specifications of other government jurisdictions and standards setting entities.

7. Leasing and Rental Agreements

- a. The Office of Purchasing is responsible for equipment rental and lease agreements where the County's equipment requirements may be provided more economically by rental or lease than by purchase.
- b. Equipment may be leased for varying periods of time when in the best interest of the County. Due to the susceptibility of special or technical equipment to obsolescence, it may be to the County's advantage for the vendor to lease the equipment to the County and to provide maintenance.

8. Formal Purchase Report to County Council

- a. Pursuant to Code Sec. 4.103(v), the Purchasing Agent shall submit to the County Council a semi-annual report of all purchases awarded through formal bidding procedures. The report for the period January through June may be included in the annual report, and the report for the period July through December shall be submitted no later than March 30 of the following year.
- b. Pursuant to Code Sec. 4.103(w), a listing of all change orders shall be required annually at the end of each fiscal year and may be included in the annual report.

9. Waiver of Formal Competitive Bidding

Pursuant to Code Sec.4.106(d)[[(1 and 2)]], waiver of the formalities in competitive bidding or waiver of the formal competitive bidding requirements must be accompanied by a written justification approved by the department head or designee explaining why the waiver would be in the best interests of the County.

1 10. Public Access to ~~[[Bidding Materials]]~~ RECORDS

2
3 Purchasing documents that are open to inspection pursuant to ~~[[Subtitle 6,]]~~
4 Title ~~[[10]]~~4 of the ~~[[State Government, article]]~~GENERAL PROVISIONS ARTICLE of
5 the Annotated Code of Maryland are subject to the following:
6

- 7 a. Proposals submitted in response to requests for proposals and other
8 specialized procurement methods shall be open for public inspection
9 ~~[[after award has been made or a decision has been made to cancel the~~
10 ~~procurement except]]~~as provided by law.
11
12 b. Other documents, including Invitations to Bid, shall be available for
13 public inspection upon written request, pursuant to the Public
14 Information Act, during normal business hours by appointment. A
15 purchasing employee shall be present during the review;
16
17 c. Copies of appropriate records are available to the public subject to a
18 copying charge as set by the County Council.
19

20 11. Protests

21
22 Bidders may deliver a written protest to the Office of Purchasing within ten days
23 of issuance of award notification. The Purchasing Administrator reviews the
24 protested decision, examines any additional information provided by the bidder
25 and responds to the bidder within ten days of receipt of the protest.
26
27
28

29 12. Public Notice for Formal Solicitations

- 30
31 a. Public notice includes a general description of the supplies or services to
32 be purchased or sold, the source of the solicitation package and the date,
33 time and place of bid opening.
34
35 ~~[[b. A notice is posted on the bulletin board in the Office of Purchasing of~~
36 ~~each solicitation for purchase or of supplies or services or sale of surplus~~
37 ~~supplies.]]~~
38
39 ~~[[c]]~~B. Public notice may, as determined by the Purchasing Administrator,
40 ~~[[also]]~~ include ~~[[other]]~~ANY means reasonably determined to notify the
41 public and promote competition such as the Internet, and other forms of
42 advertising media.
43

44 13. Purchasing Manual Distribution

45
46 The Office of Purchasing maintains the Purchasing Manual and provides the
47 manual to user departments.
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14. Electronic Signatures

- a. The Office of Purchasing may conduct procurements, including the solicitation, bidding, award, execution, and administration of a contract by electronic means. (Reference Code Sec. 4.124)
- b. Bidding on a solicitation by electronic means shall constitute consent by the bidder to conduct by electronic means all elements of the procurement that the Office of Purchasing agrees to conduct by electronic means.
- c. Definitions:
 - (1) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities. (From ~~[[the]]~~ SECTION 21-101 (F) OF THE COMMERCIAL LAW ARTICLE, Maryland Annotated Code, State Procurement Regulations, COMAR 21.03.05.02)
 - (2) "Signature" means a manual or electronic identifier or the electronic result of an authentication technique, attached to or logically associated with a record that is intended by the person using it to have the same force and effect as a manual signature.
 - (3) "Written" or "In Writing" means the product of any method of forming characters on paper, other materials, or viewable screens, which can be read, retrieved, and reproduced, including information that is electronically transmitted and stored.

15. Insurance

The procurement of insurance policies, whereby an insurance company is required to protect the County against loss, damage or liability arising from an unknown or contingent incident, ~~is~~~~[[are]]~~ exempt from competitive bidding. An insurance policy is not a contract for goods or services, but is, rather, an indemnification contract.

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1 **Section E Formal Competitive Sealed Proposals – Request for Proposals**
2 **(RFP) Non-Capital Projects**
3 **(Reference Code Sec. 4.108)**
4

5 1. When Used
6

- 7 a. To purchase complex or highly technical supplies or services including,
8 but not limited to, information technology services and software
9 applications, financial services, risk management services, employee
10 health benefit insurance, various consulting services,
11 ~~[[attorney's]]~~ ATTORNEY SERVICES, ~~[[physicians]]~~ PHYSICIAN SERVICES, etc.,
12 with an estimated value of \$30,000 or more.
13
14 b. When formal competitive bidding (IFB) is not practical or not
15 advantageous to the County and the County requires a best value
16 determination on factors other than the just the lowest responsive and
17 responsible bidder.
18

19 2. Multi-Step Purchasing Methods
20

21 Multi-step purchasing methods may be used in formal competitive sealed
22 proposals. This approach may be used whenever it is in the best interest of the
23 County. The multi-step procedure must be disclosed at the beginning of the
24 solicitation process. Potential bidders are told the number of steps that will be
25 used in the solicitation.
26

27 a. Technical and Cost Proposals Submitted Separately at Different Times
28

- 29 (1) When Used: The multi-step method (usually 2 steps) under which
30 technical and price proposals are submitted separately at different
31 times may be used when the County wishes to award a contract
32 based on technical expertise and price. Samples may be required
33 and are permissible in this solicitation approach.
34

35 (2) Procedure
36

- 37 (a) Under this method, technical proposals are received and
38 opened on the date and time indicated. Only the names of
39 the responding firms are identified and tabulated.
40
41 (b) The technical proposals received are evaluated against pre-
42 established criteria that were stated in the solicitation.
43 Purchasing, the user agency or other knowledgeable
44 persons may conduct the evaluation. The technical
45 proposals received from unacceptable firms are returned
46 immediately following the evaluation determination.
47

1 (c) Proposers who submitted technically acceptable proposals
2 are invited to submit competitive sealed price proposals.
3 Price proposals are received at the predetermined date and
4 time when they are publicly opened. Only the respondent's
5 name is read at this time. Negotiation is acceptable in this
6 procurement method and shall be conducted with the
7 assistance of purchasing personnel. The negotiation
8 process may be determined prior to the dissemination of
9 the solicitation.

10
11 b. Technical and Cost Proposals Submitted Separately but Simultaneously

12
13 (1) When Used: A [[multi step]]MULTI-STEP method (usually 2-steps)
14 under which both technical and price proposals are submitted
15 simultaneously in separate sealed envelopes may be used when the
16 County wishes to award a contract based on technical expertise
17 and price. Each envelope must identify whether it is technical or
18 price information.

19
20 (2) Procedure

21
22 (a) Under this method, technical proposals are received and
23 opened on the date and time indicated. Only the names of
24 the responding firms are identified and tabulated.

25
26 (b) The technical proposals received are evaluated against pre-
27 established criteria that were stated in the solicitation.
28 However, the price information may not be opened until
29 the technical evaluation is complete. Purchasing, the user
30 agency or other knowledgeable persons may conduct the
31 evaluation. The firms found unacceptable during the
32 technical evaluation shall not be given further
33 consideration. The County may, as necessary, request
34 more technical information from the accepted firms.

35
36 (c) Price proposals from the technically accepted firms are
37 opened following the technical evaluation. Proposer
38 selection is made based on the evaluation criteria.
39 Negotiation is acceptable in this procurement method and
40 shall be conducted with the assistance of purchasing
41 personnel. The negotiation process may be determined
42 prior to the dissemination of the solicitation.

43
44 c. Request for Information (RFI)

45
46 (1) When Used: An RFI may be used when, in addition to the
47 technical and price proposals, information is required relative to
48 the subject matter prior to issuing the Request for Proposal

49 (2) Procedure

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- (a) In all multi-step procurements, after technical proposals or samples or both have been evaluated, prices shall be solicited only from those vendors whose technical offers or samples, or both, have been accepted.
- (b) In all other respects, multi-step purchasing methods shall be treated in the same way as other purchasing methods.

3. Solicitation Package and Preparation

- a. Upon receipt of a [[purchase requisition]]SHOPPING CART and specifications, the Office of Purchasing prepares the solicitation package.
- b. The solicitation package may include, but not be limited to table of contents, terms and conditions, general instructions, specifications, sample agreement form and price page.
- c. Pursuant to Code Sec. 4.118(b)(8), all formal contracts shall be accompanied by an Affidavit covering non-collusion, disclosure of interest, anti-bribery, and non-discrimination in employment practices.
- d. [[The]] Equal Business Opportunity [[Certificate]] PARTICIPATION is required when the proposal is estimated at \$50,000 or more.

4. Place the Public Notice.

5. Cancellation of RFP Before Opening

- a. The County Purchasing Agent shall cancel a solicitation when
 - (1) The solicitation specifications are inadequate, ambiguous or deficient
 - (2) The request for proposal does not adequately address or provide for consideration of all factors;
 - (3) The scope of the work needs to be modified; or
 - (4) When it is in the best interest of the County.
- b. If it becomes necessary to correct an inadequate, deficient or ambiguous solicitation, then the solicitation shall be canceled and a new solicitation shall be issued.

1 (1) When a solicitation is canceled, proposals that have been received
2 shall be returned unopened to the proposers with a notice of
3 cancellation.

4
5 (2) Notice of cancellation shall [[also be sent to all prospective
6 proposers to whom invitations were issued]] BE PUBLICLY POSTED.
7 The notice shall explain why the solicitation is being canceled.
8

9 6. Submission of Proposals

10 a. Proposers shall provide the County with one original and as many copies
11 of the proposal as specified in the solicitation package and any exceptions
12 the proposer may take to the Office of Purchasing prior to the date and
13 time of proposal opening.
14

15
16 b. Each proposal shall be submitted in a sealed envelope/carton marked
17 with the solicitation name and number.
18

19 c. Proposers may withdraw or change proposals and resubmit them before
20 proposal opening time. The proposer may make corrections on the
21 original proposal by initialing the change and resealing the proposal.
22

23 d. The Office of Purchasing shall retain proposals in a secure place prior to
24 opening.
25

26 e. Any exceptions or objections to the technical specifications of the
27 solicitation documents shall be in writing and shall be submitted to the
28 Office of Purchasing no later than 5 days prior to the proposal opening
29 date. The Purchasing Administrator shall review each such exception or
30 objection to determine whether an addendum to the specification is
31 required.
32

33 7. Proposal Opening

34
35 a. The proposal opening shall be held on the date and at the time and place
36 announced in the proposal or the date, time, and place announced in any
37 addenda.
38

39 b. The determination that the time of official bid opening has been reached
40 shall be solely that of the Purchasing Administrator, or designee.
41

42 c. After proposal opening time, all proposals are considered the property of
43 the County and will not be released. Proposers may not withdraw
44 proposals after proposal opening time.
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- Payments in excess of \$10,000 from the Self-Sustaining Recreation Program Fund (Accounting Fund Number 018) may be made by procurement cards. Specific cardholders in the Department of Recreation and Parks may be delegated the authority to make such payments by the Purchasing Administrator]].

(2) Buyers may use procurement cards to make purchases of less than \$30,000 after appropriate competition is obtained.

b. Procedure: The individual to whom the card is issued makes purchases directly from vendors.

(1) Procurement cards shall not be used as a means of avoiding standard purchasing procedures, i.e. dividing a large transaction into several smaller transactions.

(2) Purchase requisitions are not required for procurement card purchases made by user agencies.

(3) Competition is encouraged whenever practicable on purchases between \$5,000 and \$10,000 for supplies or services that are not on an existing contract.

c. Cardholders: Department heads or their designee shall determine those individuals who will be issued procurement cards, and shall determine the monthly credit limit for each cardholder.

d. PDQ Card usage shall be in compliance with Howard County Policy and Procedure No. 300.4 and any subsequent revisions.

3. Waiver of Informal Bidding

The Purchasing Administrator, at [[his/her]]THE ADMINISTRATOR'S sole discretion, is authorized to waive informal bidding requirements for purchases or sales of less than \$30,000 when informal bidding is not practical or feasible. The Purchasing Administrator may require justification from the user agency explaining why informal bidding is not practical or feasible.

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1 **Section J Professional Services – QUALITY BASED SELECTION (QBS) [(i.e.**
2 **Architects and Engineers)]**
3 **(Reference Code Sec. 4.113)**
4

5 1. When Used: Generally for [[capital projects or other]] PROFESSIONAL services
6 requiring individuals or organizations that possess a high degree of technical
7 knowledge and skills, including but not limited to, architects and engineers,
8 where competitive selection is used.
9

10 2. Phase I - Expression of Interest (EOI)

11 a. Procedure

- 12 (1) The user agency prepares an outline of the intended scope with
13 summary description of the project and the type of services
14 required.
15
16 (2) Place the public notice. The notice will include the requirement
17 for completion of [[Forms 254 and 255]] FORM SF 330,if
18 applicable.
19
20 (3) Expressions of Interest packages will be posted on the County's
21 website and will be provided to firms upon request. In addition to
22 the description of the service need, the Expression of Interest will
23 also include any special requirements, i.e., Equal Business
24 Opportunity, federal and state requirements and insurance
25 requirements.
26
27

28 b. Submission of Expression of Interest

- 29 (1) Expressions of Interest are submitted to the Office of Purchasing
30 prior to the closing date and time.
31
32 (2) The Office of Purchasing shall retain Expressions of Interest in a
33 secure place prior to opening.
34
35 (3) Each Expression of Interest shall be submitted in a sealed
36 envelope marked with the project number and name.
37
38 (4) The consultant may withdraw or change the Expression of Interest
39 prior to opening. The consultant may make corrections on the
40 original Expression of Interest by initialing the changes and
41 resealing the Expression of Interest.
42
43

44 c. Opening of Expression of Interest

- 45 (1) On the date, time and place indicated, the Purchasing
46 Administrator or designee opens the Expression of Interest with at
47 least one other County employee present.
48
49
50

- 1 (2) The Purchasing Administrator or designee shall reject all
2 Expressions of Interest received after the scheduled opening
3
4 (3) After Expression of Interest opening, all Expressions of Interest
5 are considered County property and may not be withdrawn by the
6 firm.
7
8 (4) The Office of Purchasing forwards the Expression of Interest to the
9 designated leader of the Quality Based Selection (QBS) Committee
10 (minimum 5 members) to coordinate the evaluation of the
11 Expression of Interest.

12
13 d. Evaluation

14
15 The designated leader of the Qualifications Based Selection (QBS)
16 Committee will coordinate the evaluation of the Expression of Interest
17 using the developed criteria. The leader of the QBS Committee will
18 forward a memo to the Purchasing Administrator with the committee's
19 findings including the identification of the firms (minimum 3) for
20 interviewing. The Office of Purchasing will notify each participating firm
21 of their selection/non-selection.
22

23 e. Appeal

24
25 Consultants not receiving pre-qualification status may appeal the
26 County's decision, in writing, within 10 days of notification. The Office of
27 Purchasing will be responsible for responding within [[7]] 10 days of
28 receipt of the appeal. The Purchasing Administrator's decision relative to
29 the appeal shall be final.
30

31 3. Phase II - Interviews

32
33 a. Procedure

- 34
35 (1) The QBS committee establishes dates and times for interviews for
36 each competing firm/team/consultants.
37
38 (2) Consultants complete interviews with the QBS Committee per
39 promulgated guidelines.
40
41 (3) QBS Committee notified Purchasing Administrator of selected
42 consultant via memo.
43
44 (4) Purchasing Administrator issues letter to [[selected/non-selected
45 firms/teams]]FIRM; BUYER ISSUES LETTER TO NON-SELECTED FIRMS.
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1 **[[Section P Inventory Control of Fixed Assets**

2
3 1. **Definitions**

4
5 a. **Fixed Assets**: Those items of a tangible nature that are not expendable
6 and which can be depreciated in value over a pre-determined length of
7 time at a pre-determined percent. Fixed assets include:

- 8
9
 - 10 • Buildings
 - 11 • Furniture and equipment (office)
 - 12 • Improvements other than buildings
 - 13 • Land
 - 14 • Machinery and equipment
 - 15 • Vehicles

16 b. **FAICS (Fixed Assets Inventory Control System)**: An automated system to
17 account for the County's fixed assets with a value of \$5,000 or more and a
18 useful life of one year or more. The exception to this rule is weapons
19 which are always tagged regardless of the value.

20
21 2. **Office of Purchasing Responsibilities**

22
23 a. The Office of Purchasing is responsible for the development and operation
24 of the FAICS, with these exceptions: Fleet Maintenance (Vehicular
25 Equipment); Information Systems Services (Computer Equipment); and
26 Real Estate (Buildings and Land).

27
28 b. Office of Purchasing assigns a FAICS tag number to all furniture, office
29 equipment, machinery, equipment, and vehicles. This is a sequential
30 numbering system. Numbers are also assigned to land, buildings, and
31 improvements other than buildings.

32
33 c. The Office of Purchasing records all additions, changes, transfers, and
34 deletions of fixed assets from information provided by user agencies.

35
36 d. Data regarding FAICS is maintained via computer systems.

37
38 e. The Office of Purchasing distributes computer reports regarding FAICS.

39
40 f. The Office of Purchasing facilitates a physical inventory in all user
41 departments of all fixed assets every other year as outlined in Policy and
42 Procedure 300.5.

43
44 3. **User Agency Responsibilities**

45
46 a. Each user agency designates one individual to act as a FAICS coordinator
47 who provides a list of updates to Purchasing.
48

Amendment 1 to Council Resolution No. 120-2017

BY: Chairperson at the request
of the County Executive

Legislative Day No. 13
Date: October 2, 2017

Amendment No. 1

(This amendment makes the following changes to the Purchasing Manual:

- 1. Makes the following technical corrections to mirror changes made to the Purchasing Code:
 - a. clarifies on page 11 that Formal Purchase Reports to the County Council are annual, not semi-annual;*
 - b. reflects on page 13 that retirement plans are exempt from bidding requirements; and*
 - c. clarifies on page 34 that the informal bidding is waived for purchases or sales of less than the formal bidding threshold, versus tying that waiver to a specific dollar amount;**
- 2. Corrects a Section name in the Table of Contents and on page 33;*
- 3. Clarifies on page 33 that formal competitive sealed proposals can be used to procure a combination of services and tasks;*
- 4. Clarifies on page 33 that multi-step purchasing methods can include a combination of purchasing methods including expressions of interest and request for proposals;*
- 5. Provides on page 55 that quality based selection may be used to procure a combination of services and tasks; and*
- 6. On page 68, removes an obsolete dollar amount in order to refer to the relevant Policy and Procedure.)*

1 In the Purchasing Manual, attached to the Resolution as filed:

2

3 On page 2, in line 25, strike “Non-Capital Projects”.

4

5 On page 11, in line 28, strike “a semi-annual” and substitute “AN ANNUAL”.

6

7 On page 13, after line 34, insert:

8

“16. RETIREMENT PLANS”

9

10 PROCUREMENT OF SERVICES AND SUPPLIES RELATED TO MANAGEMENT OF THE HOWARD COUNTY

11 POLICE AND FIRE EMPLOYEES RETIREMENT PLAN AND THE HOWARD COUNTY RETIREMENT PLAN

1 SHALL BE EXEMPT FROM THE BIDDING REQUIREMENTS OF THE HOWARD COUNTY PURCHASING
2 CODE.”.

3
4 On page 33:

- 5 1. In line 2, strike “*Non-Capital Projects*”; and
- 6 2. In line 18, insert:

7 “C. A REQUEST FOR PROPOSALS MAY BE UTILIZED TO PROCURE A COMBINATION OF SERVICES
8 AND TASKS, INCLUDING BUT NOT LIMITED TO DESIGN, CONSTRUCTION, FINANCING, OPERATIONS
9 AND MAINTENANCE SERVICES AND TASKS, UNDER A SINGLE CONTRACT, FOR BOTH CAPITAL AND
10 NON-CAPITAL PROJECTS, ALL AT THE DISCRETION OF THE COUNTY PURCHASING AGENT.

11 D. A COMBINATION OF PURCHASING METHODS MAY BE USED INCLUDING, BUT NOT LIMITED TO,
12 EXPRESSIONS OF INTEREST AND A REQUEST FOR PROPOSALS, FOR BOTH CAPITAL AND NON-
13 CAPITAL PROJECTS, ALL AT THE DISCRETION OF THE COUNTY PURCHASING AGENT.”.

14
15 On page 43, in line 36, strike “\$30,000” and substitute “THE FORMAL BIDDING THRESHOLD”.

16
17 On page 51:

- 18 1. In line 5, after “Used:”, insert “A.”; and
- 19 2. In line 9, insert:

20 “B. A COMBINATION OF PURCHASING METHODS MAY BE USED INCLUDING, BUT NOT LIMITED
21 TO, EXPRESSIONS OF INTEREST AND A REQUEST FOR PROPOSALS, FOR BOTH CAPITAL AND NON-
22 CAPITAL PROJECTS, ALL AT THE DISCRETION OF THE COUNTY PURCHASING AGENT.”.

23
24 On page 68, in line 17, strike “with a value of \$5,000 or more and a” and substitute “IN
25 ACCORDANCE WITH POLICY AND PROCEDURE 300.5.”.

26
27 On page 68, in line 18, strike “useful life of one year or more.”.

28
29 On page 68, in line 18, strike “rule” and substitute “POLICY”.



Internal Memorandum

Subject: Written Testimony for Legislation
Purchasing Code Changes, Revisions to the Purchasing Manual, and Revisions to the EBO Program Manual

Date: August 17, 2017

To: Lonnie R. Robbins, Chief Administrative Officer
Department of County Administration

From: Dean P. Hof *DPH*
Purchasing Administrator

Attached is a summary of changes to the purchasing code (Title 4, Subtitle 1 of the Code), the Purchasing Manual and the EBO Program Manual. These changes will reflect best practices in the procurement of goods and services and improve the office's ability to efficiently deliver proper procurement services to our user agencies. These changes will also accurately reflect a more effective manner in which to manage our Equal Business Opportunity program. Outlined below is a summary of changes to each of the documents.

Purchasing Code Changes

1. Section 4.102 Definitions – consolidate the definition structure and add veteran to read: *Minority individual*; means an individual who belongs to one of the following groups: African American, Asian American, Hispanic American, Native American, Women, Disabled and Veteran.
2. Section 4.103, subsection (p) – remove reference to a defined threshold value to read: “formal bid threshold” so fewer changes are needed throughout the Code in the future if the formal bid threshold changes.
3. Section 4.103, subsection (v) – revise the timing of the semi-annual report of all purchases awarded to annually which shall be included in the report required under subsection 4.103(i) since this is a tedious and manually generated report, not one that is available through SAP.
4. Section 4.103, subsection (w) – eliminate the listing of all contract modifications, change orders, and price adjustments from the required report under subsection 4.103(i). The Office of the County Auditor questioned the necessity of this information in the annual report.
5. Section 4.103 subsection (aa) – remove “Shall award contracts for insurance” based on the exemption mentioned in Section 4.106 (e).

6. Section 4.104 – change revising the Purchasing Manual every five years to reviewing annually and revising as needed.
7. Section 4.106, subsection (d) - remove reference to a defined threshold value to read: “formal bid threshold” so fewer changes are needed throughout the Code in the future if the formal bid threshold changes.
8. Section 4.107, subsection (d) – move this to Section 4.106 (f) Exemption for Retirement Plans.
9. Section 4.115, subsection (b) – pluralize “State” and “Federal agency”.
10. Section 4.118, subsection (8) – insert “valued at or above the formal bid threshold” to clarify this requirement applies to formal bids only.
11. Section 4.120 - remove reference to a defined value and change to read “the formal bid threshold” since it not practical to apply this provision to small purchases.

Purchasing Manual Changes

1. To address changes in terminology in SAP, throughout the document:
 - References to “requisition” were changed to “shopping cart”
 - References to “price agreement” were changed to “commodity contract”
 - References to “requirements contract” were changed to “service contract”
 - References to “authorized signatures” were changed to “authorized approvers”
 - References to “sub order release purchase orders” were changed to “release purchase orders”
 - References to “direct payment claims” were changed to “parked documents”
2. Under Policies, number 12, b. is deleted. The requirement for a bulletin board in the Office of Purchasing is outdated. No one comes to the office to look at the bulletin board any more.
3. Under Section A, Requesting Supplies or Services, number 1. b. 2., it states that approvals are done electronically in SAP. Under number 3, it states that the authorized approvers are maintained in SAP.
4. Under Section D, Formal Competitive Bidding – Invitation for Bids (IFB) Capital Projects, number 2. e. (2) Design/Build Contracting: the wording “When explicitly authorized by the Purchasing Agent, and” has been replaced with “May be used when deemed beneficial for capital construction projects.”
5. Under Section J, Professional Services – Quality Based Selection (QBS), number 1, add this at the end of the last sentence: “This may include the Construction Manager at Risk (CMAR) delivery method.”
6. Under Section N, Purchasing Documents: Removed number 4 Direct Payment Claims and placed under Section O named Parked Documents (Formerly Direct Payment Claims).

7. Section O is revised to be Section P
8. Section P, Inventory Control of Fixed Assets is deleted because that responsibility was moved to the Department of Finance effective July 1, 2014.
9. Under Section Q, Surplus Property:
 - o Number 1. b., is revised to reflect the new procedure for disposal of CPU's, laptops and PDA's
 - o Number 2. c., cross reference the County Code to Surplus Property in order to avoid any inconsistencies.

EBO Program Manual

1. Section II.e.2
The Definition of a Disabled Business Enterprise has been expanded to include reference to the following statement: 'Whose ownership interest is real and continuous, and not created solely to meet the provisions of this policy'.
2. Section II.i.2
The Definition of a Minority Business Enterprise has been expanded to include reference to the following statement: 'Whose ownership interest is real and continuous, and not created solely to meet the provisions of this policy'.
3. Section II.j.2
Minority Individual - The definitions of various ethnic groups has been expanded to explicitly define each group.
4. Section II.j.2
Veterans have been added as a new designation within the definition of a Minority Individual, thereby creating a new group of firms that can be counted towards the EBO goal.
5. Section II.l.2
The Definition of a Woman Business Enterprise has been expanded to include reference to the following statement: 'Whose ownership interest is real and continuous, and not created solely to meet the provisions of this policy'.
6. Section III.
The Certification section has been expanded, to include information on the EBO Certification Program. This section outlines eligibility standards, criteria and the procedures for EBO Certification. Previously there was no reference to the County's EBO Certification Program.
7. Section IV.
The new revised EBO Goals are 20% overall goal and a 15% subcontracting goal. (This is an increase from our current 15% overall goal and 10% subcontracting goal).
8. Section V.c.(b)

The reference to purchasing threshold dollar amounts has been changed removed.

9. Section V.c.(m) and Section V.c.(o) and Section VI.a.2
Deleted reference to Advertising of County procurement needs in minority publications and newspapers with electronic notifications to the MBE/WBE/DBE community of contract opportunities.
10. Section VI.d
Added a section on the Program Scope
This policy applies to all eligible procurements performed by and for Howard County, except those that offer no potential for MBE/WBE/DBE participation. The EBO Officer has the authority to waive MBE/WBE/DBE subcontracting participation percentage goals, prior to notice of lettings of County solicitations, on certain procurements that are non-segmentable or that do not lend themselves to MBE/WBE/DBE participation. A few examples of these types of contracts include, but are not limited to: sole source contracts, expedited purchases, purchases from large utilities, purchases of specialized equipment, medical and legal services.
11. Section VI.f
Added a section on the Accomplishment of MBE/WBE/DBE Participation Goals, which defines counting MBE/WBE/DBE Participation of only certified MBE/WBE/DBE firms that are appropriately certified and that perform a 'commercially useful function' on the contract. Certified MBE/WBE/DBE prime contractors can count 100% of the work they self-perform on contracts with EBO subcontracting goals.
12. Attachments
The EBO Forms as attachments have been deleted, since these are older versions of the forms. Most of these forms have been updated multiple times over the years.