

# **BIDDING AND PURCHASING REQUIREMENTS AND PROCEDURES**

## **POLICY**

It is the policy of Black Hawk County to have and use clear and consistent purchase requirements and procedures. Minimum insurance requirements for vendors are provided in the County's Minimum Insurance Requirements.

## **SCOPE**

This policy encompasses the purchasing, contracting and leasing of goods, materials, supplies, equipment, and services. In the event that there is a conflict between this policy and Iowa or Federal law, the applicable law will prevail.

Prior to soliciting bids, quotes, or proposals, a department shall first ascertain that state or federal bidding or procurement procedures do not apply. In addition to compliance with this policy, purchases of goods or services being paid in part, or in whole, with federal funding shall follow the purchasing requirements outlined in the Grants Administration Policy and applicable federal regulation.

The board governing the department making a purchase shall give prior approval to all projects or purchases, except those totaling \$5,000 or less. This policy does not apply to personnel costs, utilities, human services, educational costs and travel expenses. Further, this policy does not apply to purchases of materials and supplies used in the normal course of business. The cost of a project or purchase, for purposes of complying with this policy, should be based upon the responsible Department Head's good faith estimate considering the best evidence available.

For purposes of this policy, a "quote" includes, but is not limited to, a price set forth in a catalog, a price stated on a website, a price provided in a written bid or proposal, and/or a price communicated by a vendor via phone, email, or written communication.

## **PROCEDURES/REQUIREMENTS**

### **A. PROJECTS AND PURCHASES OF \$5,000 OR LESS.**

When the estimated cost of a purchase or project is \$5,000 or less, it is recommended that the Department Head or Elected Official will use discretion, and obtain quotes from multiple sources when possible, in authorizing the project or purchase. No formal procedure is required for this category of project or purchase.

### **B. PROJECTS AND PURCHASES OF \$5,001 up to \$25,000.**

When the estimated cost of a project is \$5,001 to \$25,000, the Department Head or Elected Official shall receive a minimum of 3 quotes.

When the estimated cost of the purchase of goods or materials is \$5,001 to \$25,000, the Department Head or Elected Official shall receive a minimum of 3 price quotes of comparable products from retailers.

Fewer than 3 quotes or prices may suffice if the Department Head or Elected Official submits in writing that fewer than 3 quotes from vendors are available.

**C. PROJECTS AND PURCHASES OF \$25,001 TO \$100,000**

When the estimated total costs of a project or purchase is between the sum of \$25,001 and \$100,000, the County shall seek competitive quotes. The Department Head or Elected Official shall prepare written specifications to distribute to at least 3 prospective vendors. All written requests for quotes shall be reviewed by the County Attorney's Office and shall be reviewed to ensure compliance with Minimum Insurance Requirements. If the project is a public improvement subject to Iowa Code Chapter 26, refer to "Bid and Performance Bond Requirements" below.

**D. PROJECTS EXCEEDING \$100,000**

When the estimated total cost of a project or purchase exceeds the sum of \$100,000, even if the project or purchase is not a "public improvement" as defined in Iowa Code Chapter 26, the County shall advertise for sealed bids and publish a notice to bidders following the procedure set forth for public improvements in Iowa Code Chapter 26.

**E. PUBLIC HEARING**

When the estimated total cost of a project or purchase, even if the project or purchase is not a "public improvement" as defined in Iowa Code Chapter 26, exceeds the sum of \$100,000, a board shall not enter into a contract until it has held a public hearing on the proposed plans, specifications, form of contract, and estimated costs, following the procedure set forth for public improvements in Iowa Code Chapter 26. At the hearing, any interested person may appear and file objections to the proposed plans, specifications, contract, or estimated costs of the improvement. After hearing objections, the board shall by resolution enter its decision on the project.

**F. BID AND PERFORMANCE BOND REQUIREMENTS**

In any project involving a "public improvement," meaning any building or construction work, the County shall require a bid bond in a minimum amount of five percent (5%) of the bid amount, submitted with each bid, and a performance bond in the amount of 100 percent (100%) of the contract amount, to be submitted with the award of the contract. Bonds are to be by cash or by an insurance carrier recognized and approved by the State of Iowa or approved by the County. The County may waive a portion of the performance bond under unusual circumstances. Such bid and performance bonds shall be required in any public improvement with an estimated value of \$25,000 or more. See Iowa Code §331.341, Chapter 26, and Chapter 573, as amended.

**H. NOTICE TO BIDDERS**

Notices to bidders shall conform to the requirements of Iowa Code §26.7.

**I. PROCUREMENT SERVICES**

When the County wishes to purchase an item that has been bid by the State of Iowa, Department of Administrative Services, under the provisions of Iowa Code Chapter 8A, specifically §8A.311 as amended, the board may forego any other bidding and accept the terms of the contract entered into by the State with the respective bidder. Alternatively, when the County wishes to purchase an item through a cooperative purchasing program, e.g. Sourcewell or NASPO ValuePoint, the board may forego any other bidding and accept the terms of the sale through such program.

**J. OPENING BIDS**

For projects exceeding \$100,000, the bids shall be opened, the amounts of the bids shall be announced, and once bids are opened and announced, the bids shall be placed on file for review. The board may award the contract to the bidder submitting the best bid, or it may reject all bids and fix a new date for receiving new bids, according to notice and other procedural requirements set forth above. The bid bond furnished by the successful bidder must be retained by the County until the approved contract has been executed and a bond furnished by the bidder guaranteeing performance of the contract, and both the contract and the bond have been approved by the County. Bid bonds of the unsuccessful bidders shall be promptly returned to the bidders by the governing body as soon as practicable after the successful bidder is determined or within thirty (30) days, whichever is earlier.

**K. DELEGATION OF OPENING OF BIDS**

When bids or proposals are required to be taken in connection with a bid letting, the County may delegate by resolution to the Auditor, Engineer, or other public officer, the duty of receiving and opening bids and announcing the results. The officer shall report the results of the bidding, with the officer's recommendation thereon, to the board at its next meeting.

**L. EMERGENCY REPAIRS**

When emergency repair or replacement is necessary and the delay of advertising and a public letting might cause serious loss or injury to the County, the County shall by resolution make a finding of the necessity to make emergency repairs. In the event emergency repairs must be made immediately and there is not sufficient time to call a meeting of the board, this resolution may be made retroactively.

**M. SECONDARY ROAD PROJECTS**

Secondary road, bridge or culvert construction projects and materials, except surfacing materials obtained from local pits or quarries, shall be governed by the provisions of Iowa Code Chapters 309, 310, and 314, as amended.

**N. COMPETITIVE BIDDING NOT REQUIRED FOR PROFESSIONAL SERVICE CONTRACTS**

Department Heads and Elected Officials are encouraged to request formal proposals for professional services in excess \$5,000. A request for proposal for professional services

should outline the criteria on which proposals will be evaluated and/or scored, and the weight given to each criterion. Formal proposals should be scored by an evaluation committee assembled by the department seeking the proposal, according to respective weight given to each scoring criterion as set forth in the request for proposal. Although scored proposals are encouraged when seeking professional services, this policy does not require competitive procedures for professional services. Professional services may turn on subjective elements that are not necessarily served by obtaining competing proposals.

**O. USED VEHICLE AND EQUIPMENT PURCHASES**

Competitive quotes or bids are preferred, but not required, for purchases of used vehicles and other used equipment. In the event a Department Head or Elected Official seeks authorization for a purchase of a used vehicle or other used equipment, the Department Head or Elected Official shall consult other listings for identical or like vehicles or equipment, and shall consult pricing guides for such vehicles or equipment, in order to help ensure that the price is reasonable and competitive in the given market. For used vehicles or equipment where the total purchase price exceeds \$5,000, approval of the board is required in advance of the purchase.

**P. ALTERNATIVE PURCHASING PROCEDURES**

Upon the request of a Department Head or Elected Official, the board may allow alternative purchasing procedures when competitive bidding is impractical or when it is determined that following the bidding procedures in this policy will likely prevent timely completion of purchases the Department Head or Elected Official deems necessary. In the event a Department Head or Elected Official is approved for a purchase using alternative procedures, the Department Head or Elected Official shall consult other listings for identical or like purchases in order to help ensure that the price is reasonable and competitive in the given market.

**Q. EXCEPTIONS FOR SOLE SOURCE PURCHASES, PROPRIETARY PRODUCTS & WARRANTIES**

This policy allows for the purchase of proprietary products and services when the use of that product or service is required for the continued operation of an existing system. Departments, when purchasing proprietary products, should make a good faith effort to consider similar products, and to seek competitive pricing, from other vendors. Products or services may be purchased from a single vendor when required to maintain an existing warranty on a piece of equipment or product.

**R. BIDDER QUALIFICATIONS**

The County may reject any bid from any person, firm or corporation that is delinquent as to any obligation such person, firm, or corporation owes to the County. Such obligations include, without limitation, taxes, damages or other debts owing to the County, and pending disputes about obligations that may be owed to the County, regardless of whether any such matters are litigated. If requested, Bidders shall be required to submit satisfactory evidence that they have a practical knowledge of the particular supply/service bid and that

they have the necessary financial resources to provide the proposed supply/service as described in the attached Technical Proposal specifications.