

FINANCIAL POLICIES AND PROCEDURES

INTRODUCTION

The Board of Commissioners (the Board) and staff of Columbia County (the County) recognize the desirability of stated financial policies to assist in meeting the County government's basic objectives:

1. The policies will assist the County in the objective of being publicly accountable and assist users of the financial statement to assess that accountability.
2. The policies will assist in meeting and evaluating the operating results of County government.
3. The policies will assist in determining the level of services that can be provided, the cost of services, and the County's ability to provide those services.

The County recognizes that the process of developing policies and supporting procedures to implement the policies is a dynamic process that must be continually reviewed. Accordingly, the County expects these policies to become a significant part of its system of Internal Control and provide the following benefits:

1. Reduce misunderstanding, duplication of effort, errors and inefficiency.
2. Provide a comprehensive, consistent methodology for similar transactions.
3. Insure the use of proper, accurate, and timely financial information.
4. Provide training to new or inexperienced employees to insure uniform, consistent application of policies.
5. Provide a basic framework for a system of internal control.
6. Provide a fixed point of reference for those who wish to evaluate the County's operations and financial reporting.
7. Reduce or eliminate informal policies now in existence.
8. Provide a framework for planning for emergencies.
9. Improve the credibility of the County with Citizens through demonstration of prudent stewardship of public assets.

RESERVE POLICIES

The accumulation of reserves protects the County from uncontrollable increases in expenditures, extraordinary losses, unforeseen reductions in revenues, or a combination of these items. It also allows for prudent replacement and financing of capital construction and replacement projects. The County implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of fiscal year ended June 30, 2011. This new standard changed the overall definitions and classifications of governmental fund balances.

Fund equity in the governmental fund financial statements is classified as fund balance. Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Classifications are as follows:

1. Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
2. Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.
3. Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board through the adoption of a formal policy. Only the Board may modify or rescind the commitment.
4. Assigned – Fund balances are reported as assigned when amounts are constrained by the Board’s intent to be used for specific purposes, but are neither restricted nor committed. Through policy, authorization to assign fund balance remains with the Board.
5. Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance in the general fund only. Negative unassigned fund balances may be reported in all governmental funds.

FLOW ASSUMPTIONS

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, the County shall use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, the County shall use fund balance in the following order:

- Committed
- Assigned
- Unassigned

MINIMUM FUND BALANCE

The County shall maintain a General Fund unassigned fund balance of 100 days of operations. This minimum fund balance, which may only be used as required by authority of the Board, is to provide for operating contingencies in either revenues or expenditures, and to provide adequate funds to operate without short-term borrowing. To determine the current funding level divide the current unassigned fund balance by the result obtained from dividing the annual fund budget by 365 days.

CONTINGENCY

A contingency amount shall be appropriated annually as part of the budget within the General Fund, and other funds as deemed necessary, and shall be used for paying unexpected or unanticipated expenditures of an operational nature during the fiscal year. Within the General Fund, this amount should approximate one to two percent of the General Fund budget.

CRITERIA

The following criteria shall be used in determining the total amount of fund balance to maintain, unless otherwise specified by legal or contractual requirements.

Category	Days of Operations	Description
Minimum Fund Balance	100	Use funds for unforeseen contingencies
BOC Assignments	101-180	May use funds for one-time expenses such as capital acquisition, catastrophic events, one-time transfers to other funds, economic incentives, debt reduction, or millage rate reduction to mitigate unforeseen risks and ensure financial stability
Debt/Tax Reduction	181+	Must use funds to reduce debt or designate for future debt service, or to prevent future tax increases or to permit millage rate reduction

INTERNAL CONTROLS

Management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control process is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As part of the County's annual single audit, required in conformity with provisions of the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, tests are made to determine the adequacy of the internal control structure including that portion relating to federal financial assistance programs, as well as to determine that the County has complied with applicable laws and regulations.

CASH MANAGEMENT AND INVESTMENT

While any investment instrument or decision carries certain elements of risk, numerous safeguards are available to minimize the risk while generating a market rate of return. Columbia County seeks to obtain market rates of return on its investments consistent with constraints imposed by its safety objectives, cash flow considerations, and Georgia state laws. Safety of principal is the foremost objective. Each investment transaction shall first seek to ensure that capital losses are avoided, whether they are from defaults or erosion of market value.

Idle funds are invested primarily in obligations of the State of Georgia and other states; obligations issued, fully insured, or guaranteed by the United States; collateralized certificates of deposit; and the State of Georgia Local Government Investment Pool. The County strives to maximize investment income while minimizing risk and maintaining liquidity sufficient to cover cash operating requirements. The County utilizes various forms of investment instruments to avoid incurring unreasonable risks inherent in the lack of diversification in specific instruments, individual financial institutions, or maturities. Investment maturities are scheduled to coincide with projected cash flow needs, taking into account large routine scheduled expenditures, as well as considering unanticipated revenues and expenditures.

Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity.

Permitted Investment Instruments

1. Obligations of the United States and of its agencies and instrumentalities;
2. Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities;
Certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation (FDIC); provided, however, that that portion of such certificates of deposit in excess of the amount insured by the FDIC shall be secured by direct obligations of this state or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured.
3. The State of Georgia Local Government Investment Pool as established by OCGA 36-83-8.

Competitive Selection of Investment Instruments

1. At least three quotes shall be received for the investment of all surplus funds except those placed in overnight repurchase agreements as authorized in the master repurchase agreement incorporated into the depository banking services contract. If a specific maturity date is required, then quotes will be requested for instruments which meet the maturity requirement. If no specific maturity (within time limitations) is required, then a market trend (yield curve) analysis will be conducted to determine which maturities would be most advantageous.
2. Quotes will be requested from qualified financial institutions for various options with regard to term and instrument. The County will accept the quote which provides the highest rate of return within the maturity required and within the parameters of this policy.
3. Records will be kept of the quotes offered, the quotes accepted, and a brief explanation of the decision made regarding the investment instrument. These records will be kept until completion of the County's annual audit.

Portfolio Diversification

1. Prudent investing necessitates that a portfolio be diversified as to instrument and purchasing source. The following guidelines represent maximum limits established for diversification by instrument.
 - U.S. Treasury Obligations..... 100%
 - U.S. Government Agency Securities and Securities Issued by Instrumentalities of Government Sponsored Corporations..... 50%
 - Local Government Investment Pools..... 100%
 - Certificates of Deposit 75%
 - Obligations of the State of Georgia.....50%
 - Obligations of other agencies or instrumentalities of the State of Georgia 25%
2. No more than 50% of the entire portfolio may be placed with any one bank or security dealer.

Outsourcing Investment Decisions

The Committee may recommend and the Board may approve an investment firm to execute the provisions of this section with the Committee maintaining oversight responsibility and veto authority of the investment firm's activities.

RISK MANAGEMENT

The purpose of the Columbia County risk management program is to minimize the financial burden incurred by the County as a result of work-related injuries, loss of County property, and damages which may be incurred by third parties. The County has elected to utilize coverages provided by the Association County Commissioners of Georgia Interlocal Risk Management Agency (ACCG-IRMA) and the Association County Commissioners of Georgia Group Self-Insured Workers' Compensation Fund (ACCG-GSIWCF). The County continues to maintain self-insured retention levels of \$100,000 per occurrence and \$250,000 per occurrence in the ACCG-IRMA and ACCG-GSIWCF programs, respectively. An Internal Service Fund is used to account for costs associated with risk management, with the exception of workers' compensation, which continues to be accounted for within the General Fund. Reserves are being accumulated in both funds to meet potential losses. As reserves increase, retention levels may be increased, reducing the annual cost of coverage.

Management remains committed to a safe working environment. Employee education and training enhance and supplement ongoing efforts to maintain a safe and healthy environment for all County employees. Training classes, such as CPR and first aid, defensive driving, self defense, workplace violence, and office ergonomics, are made available for all County employees.

CAPITAL ASSETS

Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. This minimum capitalization cost is applicable for all categories of capital assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to July 1, 2002, consist of the streets network that was acquired or that received substantial improvements subsequent to July 1, 1980. The streets network is reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are expensed as incurred.

Depreciation is computed using the straight-line method. A summary of the estimated useful lives is as follows:

Vehicles	3 to 8 years
Furniture and fixtures	3 to 8 years
Machinery and equipment	5 to 10 years
Utility plant and distribution systems	10 to 50 years
Storm water systems	10 to 50 years
Land improvements	10 to 50 years
Buildings and improvements	10 to 50 years
Donated subdivisions	25 to 75 years
Infrastructure	25 to 75 years

CAPITAL BUDGETING

The County shall maintain its physical assets at a level adequate to protect the County’s capital investment and to minimize future maintenance and replacement costs. The budget shall provide for the adequate maintenance and the orderly replacement of the capital plant and equipment from current revenues where possible.

1. The County shall develop a multi-year plan for capital improvements, update it annually, and make capital improvements in accordance with the plan.
2. The County shall adopt a long-term funding mechanism for capital projects. The operating funds to maintain capital projects shall be identified prior to the decision to undertake the projects.
3. The capital improvements plan shall include a plan to address fleet management acquisition and replacement and equipment acquisition and replacement.
4. An appropriate priority mechanism shall be used in all County capital budgeting. This budget shall be approved by the Committee for submission to the Board for final approval.

Capital improvements generally fall into several different categories. Project categories, along with their funding sources, include:

1. Capital expenditures relating to normal replacement of worn or obsolete capital equipment or facilities will be financed on a pay-as-you-go basis, with debt financing considered only as appropriate.
2. Capital expenditures relating to the construction of new or expanded facilities necessitated by growth will be financed primarily on a pay-as-you-go basis. When the new improvements can be determined to benefit the population in the future, debt financing may be appropriate.
3. Capital expenditures which will significantly reduce the cost of operations or future capital cost must be evaluated to demonstrate a positive new present value.

4. Capital expenditures are allowed for improvements that enhance the quality of life in the County and are consistent with the County's goals even though they cannot be categorized as essential for the provision of basic services. The policy relating to unusual capital expenditures directs the County to look to the ultimate beneficiary of each capital improvement in order to determine the source of funding.

COMPENSATED ABSENCES

The County's policy is to permit employees to accumulate earned but unused leave benefits. The County's government-wide and proprietary funds include an accrual for the estimated compensation costs attributable to employee earned but unused leave benefits.

DEBT MANAGEMENT

Columbia County continues to maintain strong bond ratings with the major credit rating services. In August 2010, the Government prepared comprehensive presentations for Fitch IBCA, Standard & Poor's, and Moody's Investors Service rating agencies in an effort to upgrade the current uninsured ratings applied to the Government's general obligation bonds and water and sewerage revenue bonds in anticipation of issuing approximately \$60 million in water and sewerage revenue bonds. The Government received an upgrade from Fitch to AAA from AA and an upgrade from Moody's Investor Services to Aa1 from Aa2 and maintains a rating of AA+ from Standard and Poor's for the general obligation debt. The Government received upgrades from all three rating agencies for the water and sewerage debt. Standard and Poor's upgraded from AA to AA+, Fitch upgraded from AA- to AA+, and Moody's Investor Services upgraded from Aa3 to Aa2. These high ratings are a primary factor in keeping interest costs low on the Government's outstanding debt.

The County will continue to follow prudent fiscal policies and practices in order to maintain its strong credit rating:

1. The County shall develop adequate reserves to avoid the necessity of short-term borrowing to finance operating needs. In the interim, financing in anticipation of a definite fixed source of revenue, such as Tax Anticipation Notes, is acceptable.
2. The issuance of long-term debt shall be limited to capital improvements or projects which cannot be financed from current revenues or resources. Current resources are defined as that portion of fund balance in excess of required reserves.
3. Every effort shall be made to limit the long-term debt maturity schedule to no longer than the estimated useful life of the capital projects or improvements being financed.

4. When the County utilizes either long-term or short-term debt it shall insure that the debt is financed soundly by:
 - a. Conservatively projecting the revenue sources which will repay the debt.
 - b. Financing the improvement over a period not greater than the useful life of the improvement for long-term debt, or December 31st of the calendar year for short-term debt.
 - c. Determining that the cost benefit of the improvement, including interest and any other costs, is positive.
5. The County shall limit the total of its general obligation long-term borrowing to 10% of its net assessed property value. Short-term borrowing shall be limited to 75% of the source of revenue expected to repay the loan.
6. Capital leases may be used to finance equipment purchases when the total cost of the equipment purchases exceed 3% of the budget for the fund in which they originate.
7. The County shall maintain a Debt Service Fund which is equivalent to the amount of general obligation debt maturing in the subsequent year.
8. Whenever possible the County will finance capital projects by using self-supporting revenue bonds since revenue bonds assure the greatest degree of equity because those who benefit from a project and those who pay for a project are most closely matched.
9. General obligation debt shall not be used for enterprise activities.
10. Full and continuing disclosure will be provided in the general financial statements and bond representations.
11. Annual budget appropriations shall include debt service payments and reserve requirements for all long-term debt currently outstanding.
12. Long-term borrowing will be incorporated into the County's capital improvement plan as necessary.

TRAVEL AND TRAINING

The County encourages and coordinates training opportunities for employees in order that services rendered to the County will be more efficient and effective. As addressed by this policy, training is defined as any work related program, seminar, conference, convention, course or workshop attended by an employee whose tuition and expenses are funded in whole or in part by the County or while the employee is in a paid status with the County. All travel and training for employees of the County must be approved by the department manager or division director. A *Certificate of Attendance* or other documentation shall be provided to Human Resources in order to maintain an employee training history and to periodically audit training attendance and policy compliance. Authorized travel expenses include, but are not limited to:

1. Registration fees.
2. Lodging expenses.

3. Meals incurred during overnight lodging and for certain circumstances when there is no overnight lodging.
4. Mileage for use of personal vehicle (except travel between their place of residence and their official headquarters, or personal mileage incurred while on travel status).
5. Parking fees.

Non-allowable expenses include:

1. Laundry services.
2. Tobacco
3. Alcoholic beverages.
4. Entertainment.
5. Personal telephone calls
6. Meals and lodging in lieu of other meals and/or lodging the expense of which is included in the registration fee.
7. Expenses of a spouse or other non-employee.

Travel Expense Reimbursement

1. Employees traveling overnight may be reimbursed for meals on a per diem in accordance with the US General Services Administration's Domestic Per Diem Rates. This will be published annually by the Finance Department.
2. Per Diem rates are based on the length of day which an employee is officially on travel status. Generally, employees who travel overnight should not be reimbursed for three full meals on the day of departure or return. The following guidelines apply to reimbursement of meal expenses for these days:
 - a. Employees may only be reimbursed for the meals purchased while officially on travel status.
 - b. Employees who depart for an overnight trip prior to 6:30 AM are entitled to reimbursement for breakfast expenses, provided an expense was incurred.
 - c. Employees who return from an overnight trip later than 7:30 PM are entitled to reimbursement for dinner expenses, provided an expense was incurred.
3. Employees who are required to travel and do not stay overnight may be reimbursed for certain meal expenses under the following situations:
 - a. Employees may be reimbursed for a noon meal not associated with overnight lodging if the meal is a scheduled part of a meeting or training session. Reimbursement is only authorized however, if the meeting or training was previously approved by the Department Manager, equaled or

reports for Commissioners must be reviewed by the Finance Director. Any questionable items should be discussed with the Commissioner. Unresolved issues should be referred to the Board.

- b. Personal expenses will not be reimbursed and any included in an expense report will be deducted from the reimbursement.
- c. An expense report should be completed if the employee received per diem, is due reimbursement, or incurred non-allowable charges.
- d. If all travel/training expenses are charged to a County purchasing card and all expenses are allowable, no *Employee Expense Report* needs to be completed. The *Purchasing Card Policy* should be followed in these situations.

Travel Cash Advances

- 1. Cash travel advances to employees are not allowed if the individual has available a general purpose County credit/purchasing card.
- 2. Cash advances shall be issued to employees who generally do not travel and are making a one-time trip.
- 3. All employees are fully responsible for funds advanced to them and shall account for the funds on an *Employee Expense Report*. These statements shall be submitted to the Finance Department within 14 days of the period the expense was incurred. Employees are liable for any advanced funds which are lost or stolen.
- 4. When the actual travel expenditures reported on the expense statement exceed the amount of the cash advance, the employee shall be reimbursed for the additional travel costs incurred.
- 5. When the actual travel expenditures reported on the expense statement are less than the cash advance, the employee shall reimburse the agency for the difference. This reimbursement shall be made at the same time the expense statement is submitted.
- 6. In the event of cancellation or indefinite postponement of authorized travel, any cash advances which were made shall be refunded immediately.
- 7. If an employee granted a cash advance fails to file a travel expense statement, the amount of the cash advance shall become a lien against any and all funds due the employee from the County. According to the Internal Revenue Service, payments to an employee for travel are taxable if (1) the employee is not required to or does not substantiate timely those expenses with receipts or other documentation, or (2) an advance is given to the employee for business expenses and the employee is not required to or does not return timely any amount he/she does not use for business expenses. Therefore, if an employee does not file a travel expense

statement after receiving a cash advance, the amount of the advance will be reported as wages on his/her Form W-2.

PURCHASING CARD POLICY

1. All Elected Officials or Division Directors authorizing the use of purchasing cards must:
 - a. insure that all expenditures incurred by his/her division comply fully with the requirements of this and other policies adopted and approved by the Board of Commissioners.
approve all Purchasing Card transactions of his/her assigned division.
 - b. accept responsibility for the actions of designated Division/Department Purchasing Card Administrator for his/her division.
 - c. Directly, or through the designated Division/Department Purchasing Card Administrator, expressly authorize individual cardholders and establish individual cardholder credit limits.
2. All employees issued a purchasing card:
 - a. are responsible for record keeping of the weekly transactions including obtaining and submitting receipts for the purchases with each week's online statement.
 - b. must sign the Purchasing Card Agreement in order to be issued the card. This agreement must be on file with Procurement.
 - c. is responsible for timely submission of the original detailed receipts to the Division/Department Purchasing Card Administrator no less than weekly.
3. The Program Administrator within the Procurement Department:
 - a. is responsible for issuing the Purchasing Card Agreements and Georgia Sales Tax Exemption form to authorized personnel. All Purchasing Card Agreements must be forwarded to the Program Administrator prior to the issuance of the purchasing card.
 - b. maintains the purchasing card computer system which tracks the cardholder name, date issued, card number and limits.
 - c. will only grant system access to authorized users who are accountable for keeping track of the purchasing cards issued.
 - d. is responsible for training all Division/Department Purchasing Card Administrators and holding annual purchasing card meetings to update current cardholders.
4. The Division/Department Purchasing Card Administrator:
 - a. must review the charges, credits and returns for all the purchasing cards assigned to the responsible Division/Department.
 - b. must review the supporting documentation submitted by the cardholder to assess the validity and completeness of the transaction as well as

compliance with this policy and other applicable policies. Any lack of documentation or support must be communicated immediately to the cardholder and resolved in a timely manner.

- c. must approve the periodic transactions posted in the purchasing card computer system.
 - d. is responsible for instruction and guidance for all cardholders under their direction.
5. This policy applies to all employees of Columbia County Government who are authorized holders of a purchasing card.
All expenditures authorized under this Policy shall be subject to the availability of funds within the applicable approved departmental budget.
 6. All purchases must be in compliance with the *Columbia County Purchasing Policy*, the *Columbia County Travel/Training Policy*, and other applicable Financial Management Policies. This Policy establishes minimum standards which must be adhered to; however, more stringent or additional guidelines may be imposed by Elected Officials or Division Directors for use in their divisions. These guidelines and controls should be rigorously monitored within each division.
 7. A purchasing card may be issued to certain authorized employees for convenience of qualified business transactions and to take advantage of vendor discounts offered to the County. The purchasing card should never be used as a personal credit card and any personal purchases on the card are strictly prohibited, except as otherwise allowed in the *Columbia County Travel/Training Policy*.
 8. Should the purchasing card be inadvertently used for a personal purchase, the employee is to immediately notify his supervisor and reimburse the County for the purchase. The reimbursement should be attached to the report submitted as in VIII, D. below. Repeated violations can result in the deactivation of cardholder accounts and penalties including possible termination of employment.
 9. The issuance of a purchasing card to an employee provides the cardholder with the ability to commit County funds to buy certain goods or services. All purchases must be eligible charges to the purchasing card and require the appropriate documentation to adequately safeguard County assets and support authorized purchases.
 10. All charges on the purchasing card require an original detailed receipt from the vendor as support for the transaction. If the charge is invoiced to the cardholder, then the invoice should be sent directly to the cardholder's responsible Division.
 11. Receipts must include at a minimum: 1) vendor name, 2) amount, 3) date of transaction, and 4) description of the items purchased. Receipts that do not include this minimum documentation are **not** acceptable.
 12. Receipts for authorized meals must include a listing of attendees and the purpose

- for the meal.
13. All purchasing card transactions must be coded and explained in detail in the internet based purchasing card system. A report should be printed, receipts attached, and submitted to the Program Administrator.
 14. All travel and training purchases charged on the cardholder's account must adhere to the terms outlined in the County's Travel and Training Policy.
 15. All transaction forms and supporting documentation must adhere to the Georgia Record Retention Policy. This documentation must be available for audit and review for 5 years after date of purchase.

PROCUREMENT

With a decentralized purchasing function, it is important that all personnel that are involved in the purchasing process know and understand the policies and procedures. Ultimate responsibility will rest with the personnel in the Procurement Department to review all requests and insure that County policies are followed. The Procurement Department shall maintain and distribute purchasing rules and regulations to be used internally and rules and regulations written specifically for vendors.

Procurement and Public Works Thresholds

1. Purchases with an estimated total cost in excess of \$20,000 require formal bids.
2. Purchases estimated to be more than \$2,000 but less than \$20,000 shall be made in the open market with or without newspaper advertisement, but shall have written quotations from at least three prospective bidders.
3. Purchases estimated to be less than \$2,000 shall be made in the open market. Buyers are to use their best judgment as to source of supply.
4. Purchases shall not be split to avoid threshold limits.

Methods of Procurement

1. **Bid** – to be utilized when the County's requirements are clearly defined. It is awarded to the most responsive and responsible bidder who offers the lowest price meeting the conditions of the bid document (e.g. tangible items - vehicles, equipment, etc).
2. **Pre-Qualification** – to be utilized when the County's requirements are defined; however, there may be unique services or criteria involved that create the need to determine whether a (potential) bidder is indeed a qualified bidder (e.g. architectural, construction, consultants, growth management plan, etc). Once the Pre-Qualification list has been determined and approved by the Board of Commission (the Board), the County's bid procedures will then be followed.

3. **RFP** – to be utilized when the County’s requirements are defined, but the means or methods to meet the objectives cannot be clearly established. It is awarded to the highest ranked provider meeting the established criteria. (E.g. unknown solution – 911 phone system, insurance products, etc).
4. **Negotiated Contracts** – Procurement encourages the use of the first 3 methods; however, negotiated contracts for professional services can be used when a formal Bid, Pre-Qualification, or RFP was not completed (e.g. Legal, Engineering, Architectural, Insurance, Audit, Surveying, etc). This is typically used when additional services are needed on an existing contract or when recurring services are needed (i.e., engineering) and a relationship has been established with an existing vendor and cost associated with changing vendors may be more than savings achieved through the procurement process.

Bid Process

1. General Guidelines

- a. These guidelines are to be used as an aid in the Bid process. They may be adjusted by the Procurement Manager depending on their application to specific solicitations.
- b. The Bid process should be initialized by submitting the Bid Request Form to Procurement, approximately six to eight (6-8) weeks prior to the project’s anticipated start date. See attached Exhibit A - Advertisement Requirements and Sample Timeline.
- c. All County documents necessary to ensuring a proper bid response (i.e., construction drawings, engineer reports, etc.) shall be submitted to Procurement along with the bid request form prior to the bid being advertised.

2. Pre-Bid/Proposal Conferences

- a. Pre-Bid/Proposal Conferences answer vendor questions or clarify any confusion concerning difficult specification/SOW requirements.
- b. Pre-Bid/Proposal Conferences ensure that all interested parties to a bid/proposal have equal access to uniform information. If any changes/additions/deletions are necessary, Procurement will issue an Addendum addressing the revisions.
- c. If an Engineer or Architect is handling the project the invitation and Addenda will be issued by such. Construction and Maintenance Services also handle their own invitations and addenda. Procurement must, however, receive a copy of any information that is released.
- d. It is at the discretion of the Procurement Manager and requesting department to

determine if a Pre-Bid/Proposal Conference is necessary. Normally the decision is dependent upon the complexity of the Bid/RFP.

- e. If a Pre-Bid/Proposal Conference is made MANDATORY, only those vendors who attended and signed the appropriate Sign-In Sheet during the meeting are eligible to submit a bid/proposal.
 - f. Typically a Pre-Bid/Proposal Conference is made MANDATORY if county staff necessitates the vendors to physically “see” a specific item/location, etc., such as a construction site or county facility.
 - g. When a MANDATORY Pre-Bid/Proposal Conference is scheduled, the date of the conference must be at least five business days following the *LAST* published advertisement.
3. Bid Opening – Sealed bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the solicitation. The amount of each bid, and such other relevant information as may be specified by regulation, together with the name of each bidder shall be recorded; the record and each bid shall be open to public inspection. The official time of bid opening shall be stated in the bid documents and as determined by the clock in the room designated for the formal bid opening. If no clock is available, time shall be determined as stated by the presiding official. No bid or bid corrections will be accepted after the stated time deadline.
 4. Bid Acceptance and Evaluation - Bids shall be submitted in a sealed opaque envelope. Outside of the submitted envelope shall contain the full name of the bidder with applicable license numbers, the date of the bid, and the name and number of the project. Bid adjustments shall be allowed on the face of the envelope (for lump sum bids only) if deemed necessary by the bidder provided adjustments are made and submission is complete by the stated time deadline.
 5. In the event that the pre-qualification process is utilized by the owner, no bids will be accepted from bidders not previously approved by the owner. Notification of pre-approval or disapproval will be made to potential bidders no later than fourteen days prior to the bid date.
 6. Correction or Withdrawal of Bids; Cancellation of Award - Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards or contracts based on such bid mistakes, shall be permitted. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the County or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids, or to cancel award or contract based on bid mistakes, shall be supported by a written determination made by the Procurement Department and presented to the Board. The final decision shall be from the Board.
 7. Award - The contract shall be awarded with reasonable promptness to the most responsible and responsive bidder with the lowest cost whose bid meets the requirements

and criteria set forth in the solicitation. The recommended award shall be presented to the Board. The final decision shall be from the Board.

8. The Bid process does NOT include negotiations with bidders after the receipt and opening of bids. In the event all bids for a construction project exceed available funds, the user department is authorized to negotiate an adjustment of the bid price, including changes in the bid requirements in order to bring the bid within the amount of available funds.
9. Each Bid shall state the County's right to reject any or all bids and waive any irregularities or informalities therein.
10. Tie Bids - Tie bids are low responsive bids from responsible bidders that are identical in price and which meet all the requirements and criteria set forth in the solicitation. In the event of a tie bid, award shall be made in the best interest of Columbia County as determined by the Board of Commissioners.
11. Bid / Proposal Bonds
 - a. Bid bonds will be indicated in public notices inviting bids/RFPs (legal advertisement). The amount of such bonds will be a minimum of 5% the bid/proposal, and will be in the form of one or any combination of the following: bid bond, certified check, cashier's check or cash.
 - b. An irrevocable letter of credit issued by a bank may be substituted for the above deposits, unless otherwise noted on legal advertisement, only if the amount of the bid/proposal bond does not exceed **\$750,000**.
 - c. If a vendor submits a bid/proposal with an ***INCORRECT*** bid/proposal bond amount specified in the legal advertisement, the bid/proposal amount will ***NOT*** be disclosed and the bid/proposal will be disqualified and not considered.
 - d. When it appears that the use of the bid/proposal bond is not advantageous to the County, the Procurement Manager may waive this requirement.
 - e. Unsuccessful bidders will be entitled to return of the surety within 30 days after opening of the bids/proposals.
 - f. Upon failure of the awarded vendor to enter into a contract within ten calendar days after the County tenders the proposed contract, the vendor forfeits the bid/proposal bond.

Request for Proposal

1. The Request for Proposal (RFP) process is primarily used when the County's requirements are defined, but the means or methods to meet the objectives cannot be clearly established. Requests for Proposals utilize the best value technique and consider cost as just one of several evaluation criteria necessary to make an award.
2. The RFP process requires a contractor to prepare a written proposal that explains in detail how he plans to meet the County's requirement. Innovative ideas and techniques that the contractor feels may benefit the County may be included in the proposal.

3. Concurrently, the RFP process may also be applicable to the acquisition of commodities when the need for an evaluated technical performance, service or value added service component, or any related technical solution component exists.
4. An award made under the RFP process is based on a variety of evaluated factors which may include: contractor references, business approach, technical superiority, overall cost effectiveness, etc. The evaluation criteria are set-forth in each RFP.
5. General Guidelines
 - a. These guidelines are to be used as an aid in the evaluation process. They may be adjusted by the Procurement Manager depending on their application to specific solicitations.
 - b. A proposal cannot be evaluated effectively unless each Committee member is familiar with the original RFP. The Evaluation Committee must review the guidelines carefully to be certain that they are operating within their constraints. If changes to the guidelines are desired, the Evaluation Committee shall contact the Procurement Manager who may (providing the changes desired do not conflict with existing regulations, resolutions, policies or procedures) adapt the guidelines to the specific needs of the solicitation. No changes to the guidelines may be made without the advance approval of the Procurement Manager.
 - c. Each RFP shall state the County's right to reject any or all bids and waive any irregularities or informalities therein.

Pre-qualification Process

1. Request for qualifications
 - a. Pre-Qualification may be utilized when the County's requirements are defined; however, there may be unique services or criteria involved that create the need to determine whether a (potential) bidder is indeed a responsible bidder (e.g. architectural, construction, consultants, growth management plan, etc). Once the Pre-Qualification list has been determined and approved by the Board (the Board), the County's bid procedures will then be followed.
 - b. A formal Request for Qualifications (RFQ) for a proposed project will be prepared and distributed to a select list of firms. Respondents will indicate their interest in the project and illustrate their relevant project experience and overall capabilities to perform the services required for the project.
 - c. The initial RFQ, which is to be submitted by the using department, should include the following:
 - A brief description of the proposed project
 - Any special expertise or unusual services that might be required
 - A time schedule for the project, including the selection process to retain a firm

- A list of selection criteria (location of firm, past experience, financial standing, current workload, references, brief 10-15 minute presentation submitted via DVD or email, etc.)
2. Evaluation of firms
 - a. The written qualifications of the firms will be evaluated by the Evaluation Committee as discussed in the RFP process based on, but not limited to, the following factors:
 - Individual qualifications of personnel as a team
 - Overall experience of personnel as a team
 - Ability of team to perform within time constraints based on firm workload
 - Firm's awareness of project's issues, opportunities and constraints
 - Project team's experience on similar projects
 - Quality of past work
 - Financial stability of firm
 - Project control measures to monitor schedule and budget
 - Location and quality of office facilities
 - Performance evaluation from past clients (References)
 - Brief 10-15 minute presentation, if required
 3. Determination of pre-qualified firms
 - a. After evaluation of the firms as discussed in the RFP process, each firm will be deemed either qualified or NOT qualified. The recommended list of qualified firms will be presented to the Board for approval. If the firm was deemed NOT qualified, a detailed explanation as for the reason for disqualification will be provided.
 - b. The disqualified firm is entitled to appeal the recommendation and submit a formal protest in accordance with the County's protest policy.
 4. Approval of pre-qualified firms by board
 - a. The recommended list of qualified firms will be presented to the Columbia County Board for approval prior to the dissemination of the bid.
 - b. The Boarder's decision is final.
 5. The firms who are deemed qualified by the Board will then follow the County's bid procedures.
 6. Advertisement Requirements

No formal advertisement requirements exist for the prequalification process. Therefore, the window of advertisement will be at the sole discretion of the using department and Procurement. Once a prequalification decision is made, all bid time requirements will be followed.

Advertisement Requirements

TYPE	ADVERTISEMENT REQUIREMENT
NON PUBLIC WORKS (NO DOLLAR LIMIT)	Advertise at least <u>ONE</u> week... Ad published at least five business days prior to opening
PUBLIC WORKS (\$20,000 - \$99,999)	Advertise <u>THREE</u> weeks... Ad published at least five business days prior to opening
PUBLIC WORKS (\$100,000+)	Advertise <u>FOUR</u> weeks... Ad published at least five business days prior to opening
ROADWAY (NO DOLLAR LIMIT)	Advertise <u>THREE</u> weeks... Ad published at least five business days prior to opening
PURCHASE INVOLVES STATE OR FEDERAL FUNDS	Advertise <u>FOUR</u> weeks... Ad published at least five business days prior to opening
MANDATORY PRE-BID / CONFERENCE	Last required ad <u>MUST</u> be published at least five business days prior to Mandatory Pre-Bid / RFP Conference. Pre-Bid / RFP Conference <u>MUST</u> be at least five business days prior to opening.

1. Procurement shall have plans and specifications available on the first day of the advertisement and shall be open to inspection by the public. If handled by Construction and Maintenance Services or approved Engineer or Architect, the plans will be available in their respective offices. The plans and specifications shall indicate if the project will be awarded by base bid or base bid plus selected alternates.
2. Procurement shall issue any addenda modifying plans and specifications no less than 72 hours prior to the advertised time for the opening of bids/proposals, excluding Saturdays, Sundays, and legal holidays. However, if the necessity arises to issue an addendum modifying plans and specifications within the 72 hour period prior to the advertised time for the opening of bids/proposals, excluding Saturdays, Sundays, and legal holidays, then

the opening of bids/ proposals shall be extended at least 72 hours, excluding Saturdays, Sundays, and legal holidays, from the date of the original bid or proposal opening without the need to re-advertise.

3. The Procurement Department will contact all potential vendors referred by the requesting department as well as seek additional suppliers. All vendors are encouraged to register on Columbia County's webpage to be notified via email of upcoming Bids/RFP's.
4. In the event no bids/proposals are received the Procurement Manager, in conjunction with the requesting department, will revise the specifications/SOW and solicit bids/RFPs once again by mail, telephone, facsimile, newspaper, or by any other reasonable manner in order to secure a responsible bidder/proposer.
5. Additional purchases (piggy-backing) based on prior bids, excluding Public Works projects, are allowed as long as ALL of the following conditions are met:
 - a. Low bidder/highest ranked provider agrees to maintain its price.
 - b. Quantity ordered is the same or less.
 - c. Specifications/SOW and items ordered are identical to originals.
 - d. Market conditions remain the same.
 - e. Funds have been budgeted for the specific expenditure.
 - f. Request takes place during a twelve-month period from date bids/proposals were opened.

Protest Guidelines for RFPs/Bids

1. The following protest procedure is the sole administrative remedy for protesting procurement processes, recommendations, and/or decisions made regarding request for proposals (RFPs) and bids.
2. It is not available to non-timely proposers/bidders or when all proposals/bids are rejected.
3. Any responsive bidder or proposer submitting a bid or proposal in response to a solicitation may protest the apparent award or recommendation to award a contract by submitting such protest in writing via certified mail, hand delivery, facsimile transmission or email to the Procurement Manager no later than five (5) business days (the first business day to be the day after the notice is received) after notice from the Procurement Department is received by protester of the recommendation to be made to the Board (BOC) or actual knowledge is obtained by the protester that a recommendation to award to a proposer/bidder other than the protester will be made to the BOC, whichever occurs first.
4. The written protest must be received in the Procurement office no later than 5:00 p.m. on the fifth (5th) business day as set forth above. The protest should contain, at a minimum, the following:

- The protestor's company name, protestor's name, address, email address, telephone number and fax number;
 - The Bid / RFP number;
 - A detailed statement of all factual and legal grounds for protests;
 - Copies of relevant documents supporting protestor's statement;
 - Statement as to form of relief;
 - All information establishing that the protestor is an interested party for the purpose of filing a protest; and
 - All information establishing the timeliness of the protest.
5. The Procurement Manager, Finance Division Director, and Division Director of the division out of which the contract will be managed (Review Team) shall review the protest and supportive documents and issue a written decision within five (5) business days of receipt, where feasible, to the protestor via certified mail or email. The Review Team may take any action or make any requests he or she deems necessary in order to investigate the protest including extending the time to issue a decision in order to obtain all evidence and other pertinent information.
 6. The decision of the Procurement Review Team shall be included in the presentation/recommendation made to the BOC for final approval. No evidence or information may be introduced or relied upon in the appeal that has not been presented in the original written protest.

Items not Requiring Bids / Proposals

1. All purchase items estimated to be equal to \$2,000 but less than \$20,000 will be made in the open market without observing the formal competitive bidding procedures, but will be contracted for or purchased in accordance with the procedures listed below.
2. All open market purchases will, whenever possible, be based on **THREE TO FIVE WRITTEN** quotations.
3. The user department will solicit quotations by email, mail, telephone, facsimile, catalogs or any other viable means.
4. All open public works quotations will be based on pre-qualified contractors who have met all necessary requirements to conduct business for the County.

State Contract Purchases

1. The requirement for three to five written quotations for purchases equal to \$2,000 but less than \$20,000 may be waived by the Procurement Manager on items purchased through a contract that has been bid and negotiated by the State of Georgia Department of Administrative Services. However, Procurement strongly recommends obtaining at least three quotes (using the state contract price as one

of the quotes) as we have been able to “beat” state contract pricing numerous times.

2. The competitive bid procedures for purchases of \$20,000 or more may be waived on items purchased through a contract that has been bid and negotiated by the State of Georgia Department of Administrative Services *upon recommendation of the affected Oversight Committee.*

Emergency Purchases

An “Emergency” is defined as any situation resulting in imminent danger to the public health or safety or the loss of an essential governmental service. In the event of an emergency that threatens the public health, safety, or welfare of the County, the Procurement Manager and/or Finance Director will have the authority to suspend formal competitive bidding procedures to the extent required to rectify the emergency. In the absence of the Procurement Manager and Finance Director, the affected Division Director(s) will have the same authority, but will report such emergency purchases to the Procurement Manager promptly (within two working days if possible).

Sole Source Purchases

Sole source is defined as those procurements made pursuant to a written determination by a governing authority that there is only one source for the required supply, service, or construction item. Departments are to contact Procurement for verification of a “sole source” purchase. Before making a determination of Sole Source, research must be conducted to determine if other products or service providers exist and can satisfy procurement requirements. Sound procurement practice requires that Sole Source procurement be used when it is the only option and not as an attempt to contract with a favored service provider or for a favored product.

Professional Services

1. Although professional services are not required to be competitively procured, when determined to be in the best interest of Columbia County, requests for proposals may be issued for professional services.
2. A professional service is defined as any service performed by a person or firm that is registered with Georgia Secretary of State and required to maintain a valid State of Georgia license to provide their respective service, including but not limited to the following:
 - a. Engineering
 - b. Architectural
 - c. Surveying
 - d. Testing and Special Studies
 - e. Audit and Accounting
 - f. Insurance

- g. Financial Management
 - h. Fiscal Advisor
 - i. Court Reporting
 - j. Legal
3. Purchases of goods and services including professional services should have a purchase order issued in order to help provide a good audit trail, encumber the funds, and avoid duplicating routine approval of timely invoices.
 4. Procurement strongly encourages to competitively seek all Professional Services \$20,000 or greater.

Contracts

1. The Board must approve any lease-purchase agreement, long-term lease or contract. Exempted from this provision are short-term lease (rental) agreements, routine maintenance or service agreements, and items otherwise identified herein, which may be signed by the department manager.
2. Change order is defined as an alteration, addition, or deduction from the original scope of work as defined by the contract documents to address changes or unforeseen conditions necessary for project completion.
3. Bid and contract documents may contain provisions authorizing the issuance of change orders, without the necessity of additional requests for bids or proposals, within the scope of the project when appropriate or necessary in the performance of the contract. Change orders may not be used to evade the purposes of the Procurement Policies.
4. Contract Change Orders for Public Works projects less than \$20,000 may be approved by the Department Manager and/or Division Director.
5. The Board of Commissioners may, at their discretion, designate alternate signors unless prohibited by law with relation to the item being signed. However, no employee or official of the County has the authority to obligate the County in any manner without prior approval from the Board of the Commissioners.

Surplus Property Sales

1. These procedures are intended to be used as a guideline under which Columbia County will dispose of surplus property.
2. The Columbia County Board of Commissioners, through the Director of Financial Services, has authorized the Procurement Department to dispose of surplus items. As appointed agent, Procurement, is the only department authorized to enter into and sign contracts for the disposal of property; and is charged with the responsibility of assuring that all disposal actions are in accordance with the Code

of Columbia County, Code of the State of Georgia, and applicable Federal government regulations.

3. The Board of Commissioners is authorized to sell via GovDeals online auction any personal property belonging to the County that is deemed to be of any value.
4. The Warehouse Foreman and/or Administrative Assistant will be the point of contact for managers, staff, suppliers, consultants, and the public interested in information on Columbia County surplus property activities. All departments will complete the warehouse request form provided by Procurement for any unneeded or unwanted materials, equipment, and supplies. Procurement will then notify the Facility Maintenance Department to have items delivered to the warehouse.
5. Procurement will attempt to utilize excess materials to satisfy other requirements whenever possible. Procurement will oversee and supervise the disposal of all materials that are no longer of value to Columbia County.
6. An inventory of surplus property must be taken and presented by the Procurement Manager to the Management and Financial Services Committee and then to the full Board of Commission for approval. The following departments are responsible for assisting Procurement in ensuring that all items are the property of the County and do need to be declared surplus property:
 - Fleet Services – vehicles and heavy equipment
 - Information Technology – computer equipment
 - Maintenance – miscellaneous equipment / furniture
7. To maintain fairness, reduce potential conflicts of interest, and encourage competition among all parties, any regular employee, temporary staff, or payroll outsource position of the Columbia County Board of Commissioners is prohibited from participating in the competitive sealed bid disposal or online auction of surplus items.
8. Procurement Department personnel will be responsible for coordinating any sale action required in the disposal operations. All funds, cash, checks, or other negotiable instruments collected must be accounted for and turned over to the Finance Director as soon as possible after receipt.
9. It is essential the Procurement Department personnel be well trained and acquainted with the legal requirements and regulations governing the disposal function. When potential conflict with an existing regulation is suspected, or legal assistance is advisable, it is the responsibility of the Procurement Manager to notify county officials of conflicts or potential conflicts, and/or that legal counsel is needed.
10. The Board of Commissioners retains the right to reject any and all bids/offers or to cancel any proposed sale.

11. The Board of Commissioners may sell an asset in as-is condition to another government entity for full trade-in value either as listed in the Kelley Blue Book for vehicles, the Green Guide for heavy equipment, or appraised by another independent entity. Cost of appraisal, if any, will be added to the cost of the asset.

Georgia Security and Immigration Compliance Act

Columbia County is subject to the requirements of the Georgia Security and Immigration Compliance Act. Accordingly, the requirements of O.C.G.A. §13-10-91 and Georgia Department of Labor Rule 300-10-1-.02 are conditions that must be included in any contract. Compliance with these requirements shall be attested by the execution of the Contractor Affidavit which can be obtained from Procurement, and shall become a part of the awarded contract. In the event the Contractor employs or contracts with any subcontractor(s) in connection with the awarded contract, the Contractor shall secure from such subcontractor(s) attestation of the subcontractor's execution of the Subcontractor Affidavit which can be obtained from Procurement, and shall also become a part of the awarded contract and also a part of the contractor/subcontractor agreement. Contractor shall maintain records of such attestation for inspection by Columbia County at any time. Contractor shall be required to provide copies to Columbia County upon request. Failure to comply with these rules will result in the rejection of the bid and/or termination of any awarded contract where it is subsequently determined that there has been a violation of any provision of the Act or implementing rules and regulations.

Ethics Policy

The Procurement Division shall maintain multiple sources of supply for all procurements, and shall maintain the best possible source relationships. The goodwill of sources and the reputation of Columbia County will be promoted by:

1. Giving all sales personnel a full, fair, prompt and courteous hearing.
2. Keeping competition fair and open.
3. Soliciting source suggestions in the determination of standards and specifications and assuring that the same are both fair and clear.
4. Having consistent buying policies and principles.
5. Observing strict truthfulness in all transactions and correspondence.
6. Being scrupulous about maintaining the highest level of business ethics when dealing with sources and user divisions.
7. Respecting the confidence of the sales personnel or their companies as to confidential or proprietary information.

Conflicts of Interest:

No affiliate or employee of Columbia County shall submit offers for, enter into, or be in any manner interested in entering into a contract for Columbia County purchases or contract for

services in which they would be financially interested, directly or indirectly. Nor shall any affiliate or employee of Columbia County seek to influence in any manner, the award of a contract, purchase of a product or service from any offeror. Further, affiliates and employees must immediately disclose to Columbia County any silent partnership, proprietorship, employment, other involvement or relationship in a prospective contract or procurement.

Acceptance of gifts by employees from sources or potential sources, or their salesmen or representatives, at any time is strictly prohibited, except for inexpensive advertising items of nominal value (see CONFLICTS OF INTEREST Policy) with the firm's name clearly imprinted on them. These items shall not be displayed publicly in the Procurement division offices. Employees must not become obligated to any source and shall not conclude any transaction from which they may personally benefit, directly or indirectly.

Vendors shall be advised from time to time that employees may not solicit or accept gratuities such as any type of compensation, contribution, emolument (kick-backs), offer of employment, loan, reward, rebate, gift, money, lodging, service, or "other things of value", except as specifically exempted herein. Employees of Columbia County are not to participate in any type of extravagant entertainment with the supplier, customer, or consultant, or a contractor. These restrictions do not include entertainment such as business meals that are customary and proper under the circumstances; as long as they are consistent with good business ethics, and do not place the recipient under an obligation of any kind.

Noncompliance with this policy either from a vendor, customer, consultant, contractor, or employee will be justification for disciplinary action, including termination of said employee, and /or immediate termination of the business relationship.

In the event that employee visits to a vendor's plant or distribution center become necessary for technical or other reasons, trips must be made at Columbia County expense, unless provided contractually by the vendor.

No money shall be paid to any person, firm or corporation who is indebted to Columbia County.

Laws and Regulations:

It is essential that Procurement Division personnel be well trained and acquainted with the legal requirements and regulations governing the purchasing function. When potential conflict with an existing regulation is suspected, or legal assistance is advisable, it is the responsibility of the Procurement Division Director to notify management of conflicts or potential conflicts, and/or that legal counsel is needed.