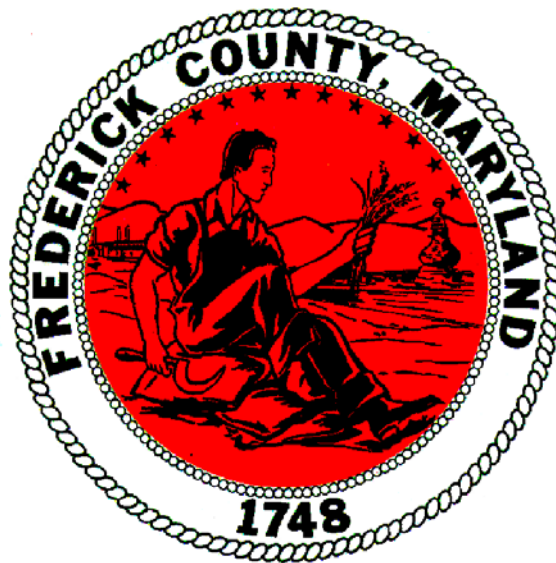


# **PURCHASING RULES AND REGULATIONS**

## **FREDERICK COUNTY BOARD OF COUNTY COMMISSIONERS FREDERICK COUNTY, MARYLAND**



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Sec. 1-2-16 Definitions.

The following words, terms and phrases, when used in this Article, shall have the meanings ascribed to them in this Section:

*Agency:* shall mean any service area, division, department, board or commission of the County, including all entities, however structured, that utilize the County's financial system, except the County Board of Education and Frederick Community College.

*Alternative delivery method process:* shall mean a process of construction using a construction manager process, a design/build process or job order cost process instead of the traditional design-bid-build process.

*Amendment:* shall mean an addition to, deletion from, correction or modification of a solicitation or contract.

*Architectural services:* shall mean professional or creative work in connection with the design and supervision of construction or alteration of a building or its parts, requiring architectural education, training, and experience in consultation, investigation, evaluation, planning, architectural design and preparation of related documents, and coordination of services furnished by structural, civil, mechanical, electrical engineers, and other consultants.

*Best value:* shall mean a technique, in a competitive bid/quote process, which permits the evaluation of objective criteria in addition to price to determine the best overall value to the County.

*Bid:* shall mean a formal price offer submitted by a prospective vendor to furnish specific goods and/or services to the county in response to an Invitation for Bids (IFB).

*Blanket purchase order:* shall mean a purchase order whereby a vendor provides to the county supplies, or services including maintenance work on demand or on a prescribed schedule, which shall not exceed a period of 12 consecutive months. A blanket purchase order may be used as a release and encumbrance document to authorize the county to order on an as-needed basis a predetermined amount of supplies, services, or construction work from an indefinite quantity contract.

*Board:* shall mean the Board of County Commissioners of Frederick County, Maryland, a body politic and corporate of the State of Maryland.

*Brand name:* shall mean a specification limited to one (1) or more items by manufacturers' names or catalog numbers.

*Capital improvement project:* shall mean any public improvement undertaken by the County, including the construction or reconstruction, in whole or in part, of any building, plant, structure, road or other facility necessary in carrying out the activities of the County government.

*Catalog price:* shall mean the price included in a catalog, price list, or schedule, which:  
(1) Is regularly maintained by a manufacturer or contractor; or  
(2) Is either published or otherwise available for inspection by customers; and

- (3) States prices at which sales are currently or were last made to a significant number of any category of buyers or buyers constituting the general buying public for the supplies or services involved.

*Change order:* shall mean any written modification to an existing contract authorizing changes within the scope of work, additions or deletions to the work or an adjustment to any other provision of the contract.

*Consultant Selection Committee:* shall mean the committee that reviews offers and responses to requests for proposals (RFP) from consultants, including but not limited to those for engineering and architectural services, in accordance with the policies and procedures of this Article.

*Construction:* shall mean the process of building, improving, altering or demolishing improvements. *Construction* shall not include the operation, repair or maintenance of improvements.

*Consultant:* shall mean a person who: agrees to provide certain services under a contract with the County, works according to his own methods, is not subject to the direction and control of the County except as to the results of the work, does not receive a salary, from the county, does not accrue annual or sick leave, frequently does the majority of the work in his own office instead of in a county office, and does not receive county benefits.

*Construction manager process:* shall mean the process of entering into a contract for the design and construction of a project together with a contract with a business organization having the expertise and resources to help manage the design and construction of the project and establish a guaranteed maximum price for the project.

*Contract:* shall mean any agreement enforceable by law between the County and one (1) or more outside parties, regardless of form or title, for the procurement of materials, services or construction or the disposal of materials.

*Contract amendment:* shall mean any written alteration to the terms and conditions of any contract accomplished by mutual action of the parties of the contract.

*Contractor:* shall mean any person having a contract with the County.

*Cooperative purchasing:* shall mean procurement conducted by, or on behalf of, more than one public procurement entity.

*Cost data:* shall mean factual information concerning the cost of labor, material, overhead and other cost elements which are expected to be incurred or which have been actually incurred by the contractor in performing the contract.

*Days:* shall mean calendar days unless otherwise specified.

*Department:* shall mean the Purchasing Department.

*Design-bid-build:* shall mean a construction project delivery method in which the agency or owner contracts with separate entities for each of the design and construction of a project.

*Design/build process:* shall mean a process for managing a construction project in which a primary or main contractor submits a combined proposal to provide the design and construction services for the entire construction project.

*Designee:* shall mean a duly authorized representative of a person holding a superior position.

*Director:* shall mean the Purchasing Director.

*Discount-from-list contracts:* shall mean those contracts whereby price is determined by applying a percentage discount from established catalog prices. This type of contract may be used when it is determined by the Purchasing Director that this contracting methodology is in the best interest of the county.

*Discussions:* shall mean communication with an offeror, bidder or respondent for the purpose of:

- (a) eliminating minor irregularities, informalities, or apparent clerical mistakes in the offer or response;
- (b) clarifying any offer or response to assure full understanding of, and responsiveness to, solicitation requirements;
- (c) resolving minor variations in contract terms and conditions; or
- (d) establishing the competency or financial stability of any offeror, bidder or respondent.

*Eligible Public Procurement Entity:* shall mean any state, county, city, town, other political subdivision, and any other public authority, educational, health or other institution, and to the extent provided by law, any other entity which expends public funds for the procurement of supplies, services and construction.

*Electronic:* shall mean electrical, digital, magnetic, optical, electromagnetic, or any other similar technology.

*Engineering services:* shall mean professional or creative work in connection with public or private utilities, structures, buildings, machines, equipment and processes for projects requiring engineering education, training, and experience and the application of special knowledge of the mathematical, physical and engineering sciences to such professional service or creative work as consultation, investigation, evaluation, planning, design, and supervision of construction for the purpose of assuring compliance with specifications and design.

*Force account:* shall mean construction work performed by the County's regularly employed personnel.

*Goods:* shall mean any tangible personal property other than services or real property.

*Improvements:* shall mean any structure, building, street, utility or other valuable addition to real property amounting to more than mere repairs or partial replacement and intended to enhance its value or utility or to adapt it for new or further purposes.

*Indefinite quantity contract:* shall mean a master contract for completion of a project or provision of services or materials on an as-needed basis establishing all terms and conditions requested by the County except those contained in the task (work) orders to be issued pursuant to the indefinite quantity contract.

*Informality:* shall mean a minor or immaterial irregularity in a bid that is a matter of form rather than of substance; a variation of a bid or proposal from the exact requirements of the IFB or RFP, which can be corrected or waived without being prejudicial to other bidders, and has no material effect on the price, quality, quantity or delivery schedule of the goods, services or construction being procured.

*Invitation for bids (IFB):* shall mean a formal request to prospective vendors soliciting bids; contains, or incorporates by reference, the specifications or scope of work and all contractual terms and conditions.

*Invitation for reverse auction bid:* shall mean all documentation, written or electronic, whether attached or incorporated by reference, which are used for soliciting bids in accordance with procedures prescribed in Section 1-2-29 of this Article.

*Job-order-contracting:* shall mean a construction project delivery method in which:

- (a) The contract is a requirements contract for indefinite quantities of construction.
- (b) The construction to be performed is specified in job (task) orders issued during the contract.
- (c) Finance services, maintenance services, operations services, preconstruction services, design services and other related services may be included.

*Landscape architect services:* shall mean professional or creative work such as consultation, investigation, research, planning, design, and preparation of drawings and specifications. "Landscape architect services" may also mean responsible supervision of the development of land areas when the objective is to preserve, enhance, or determine the following:

- (a) Proper land uses;
- (b) Natural land features;
- (c) Planting;
- (d) Natural and aesthetic values;
- (e) Settings and approaches to structure or other improvements;
- (f) Settings of grades and determining drainage;
- (g) Providing for storm drainage systems when these systems do not require the hydraulic design, structural design, or system components and are restricted to the use, when relevant, of any standards prescribed by local or State authorities; and
- (h) Determination of environmental problems of land, including erosion, blight, and other hazards.

*Litigation services:* shall mean professional or other services procured by the County Attorney for the purpose of evaluating, preparing, providing or presenting evidence at the trial of any lawsuit to which the County is a party.

*Maintenance:* shall mean acts of repair, replacement or other acts necessary to keep any improvements or personal property in proper condition and good working order, to prevent decline in, failure or cessation of the existing condition of the improvement or personal property or to restore any improvement to its original condition after partial failure or destruction. This term shall not include improvements.

*Materials:* shall mean all personal property, including but not limited to supplies, equipment, parts, printing and insurance; excluding, however, leases of a permanent interest in real property, securities and financial paper.

*Multiple-award contracts:* shall mean those contracts, which provide awards to more than one vendor for the same item or type of items. The County may use this type of contract only when it is determined by the Purchasing Director that the use of more than one vendor is in the best interest of the county.

*Negotiations:* shall mean an exchange of information or any form of cooperation during which the offeror and the County may alter or otherwise change the conditions, terms, and price, unless prohibited, of the proposed contract.

*Payment voucher:* shall mean the method of payment for certain approved transactions for which there is no competitive purchasing function; and the using agency may make a request for payment directly to accounts payable without processing the transaction through the office of purchasing. Direct payment vouchers require all the necessary approvals and signatures as a requisition. The following transactions are normally approved for payment using a payment voucher:

Debt-related expenses, mileage reimbursements, towing, forensic services, witness expenses, storage expenses, copies of records, transcripts, child support payments, housing assistance payments, payments issued to constitutional officers, indigent medical payments, indigent burials, medical insurance refunds (personnel only), memberships, outside counsel, other legal services, including paralegal services, expert witnesses, and court reporters, all types of taxes, assessments, fees, permits, utility payments for utilities which cannot be competed, deposits, postage (U.S. Post Office only), pre-approved interview and/or moving expenses (personnel only), taxes, parking violations, risk management claims settlements, subscriptions to and legal advertisements in newspaper and periodicals, tax deed application expenses, tuition, lab fees and books required course materials to approved schools (registration forms required).

*Piggyback:* shall mean a procedure of procuring goods or services without formal bid procedures via utilizing other public entity's award of an Invitation to Bid or Request for Proposal. This procedure permits piggybacks off contracts awarded by the State of Maryland and contracts, and awarded bids by local, and state government agencies and cooperative purchasing organizations or purchasing associations and, schedules allowable by law of national government agencies such as General Services administration (GSA).

*Price data:* shall mean factual information concerning prices for items substantially similar to those being procured. *Prices* as used in this definition shall refer to offered or proposed selling prices, historical selling prices and current selling prices.

*Pricing agreement:* shall mean an agreement by which procurements are conducted by or on behalf of more than one (1) governmental body.

*Procurement:* shall mean the purchasing, renting, leasing or other acquisition of any materials, services, professional services or construction. It shall also include all functions that pertain to obtaining any supplies, services including professional services or construction, including the description of requirements, the selection and



solicitation of sources and the preparation and award of contract. *Procurement* shall not include the buying, purchasing, renting or leasing of real property.

*Professional services:* shall mean the furnishing of labor, time, effort or expertise by a contractor with specialized knowledge in a field, including but not limited to architecture, engineering, medicine, finance, accounting, appraisal and land surveying.

*Proposal:* shall mean the documents submitted in response to a RFP to be used as the basis of negotiation, and/or to become incorporated in a contract upon acceptance by the County.

*Proposal revision:* shall mean a change to a proposal made after the solicitation closing date, at the request of or as allowed by the Purchasing Director, as the result of negotiation.

*Public notice:* shall mean any publication reasonably calculated to inform responsible bidders or offerors. Public notice shall occur for a reasonable time and may be disseminated through any means of mass communication, including but not limited to newspapers, other written publications, posting, television, radio, other broadcasting media, web publishing and electronic billboards.

*Purchase order:* shall mean a County document used to authorize a purchase transaction with a vendor. It should contain provisions for goods and/or services ordered; applicable terms as to payment, discounts, date of performance and transportation and other factors or conditions relating to the transaction. Acceptance by vendor of a County purchase order shall constitute a contract.

*Qualifications Based Selection (QBS):* shall mean a process for selecting professional design services based on qualifications and experience designing similar work. The QBS process usually includes all or part of the following steps:

1. The using agency identifies the general scope of work and project definition.
2. A schedule for selecting a design professional is established.
3. Purchasing calls for Statements of Qualifications (SOQs).
4. Statements of Qualifications are received and evaluated.
5. All firms are informed of their rating and ranking (optional).
6. A short-list of four to six firms is prepared, and a Request for Proposal (RFP) is issued (if required).
7. A tour of the site and/or facility may be arranged for short-listed firms.
8. After proposals are received, interviews are conducted and the firms are ranked based on pre-established criteria.
9. The client negotiates scope of services, fees/expenses, and payment schedules with the top-ranked firm. (If an agreement cannot be reached with the top-ranked firm, those negotiations are ended and negotiations begin with the second-ranked firm, and so on down the list until an agreement is reached.)
10. An agreement is prepared.
11. An award recommendation is made to the BOCC
12. All firms involved are informed of the outcome after the selection has been made.

*Quotation:* shall mean a document containing cost information for goods and services valued at \$30,000 or less submitted in response to a solicitation from a contracting authority.

*Reduced Candidate List:* shall mean a “short list”.

*Request for information (RFI):* shall mean a solicitation of responses which will satisfy a need rather than a firm specification and in which the respondent is given latitude in order to develop a product and/or service which will fulfill the need.

*Request for letter of interest (RLI):* shall mean a solicitation of responses from vendors whereby vendors are invited to state their interest in performing a specific job or service for the county. Requests for letters of interest are usually issued with requests for qualifications and utilized by the county to determine which vendors shall be short listed, interviewed, and selected for final contract negotiations.

*Request for qualifications:* shall mean all documents, written or electronic, whether attached or incorporated by reference, which are used for soliciting responses from qualified respondents.

*Request for quotation:* shall mean an informal request to prospective vendors soliciting pricing for goods and services valued at \$30,000 or less.

*Request for proposals:* shall mean all documents, whether attached or incorporated by reference, utilized for soliciting proposals.

*Responsible bidder or offeror:* shall mean a person who meets the criteria specified in this Article and who has the capability in all respects to perform fully the contract requirements and the experience, integrity, reliability, capacity, facilities, equipment, insurance and credit which will ensure good-faith performance.

*Responsive bidder or offeror:* shall mean a person whose bid or offer conforms in all material respects to the requirements set forth in the invitation for bids or request for proposals.

*Services:* shall mean the furnishing of labor, time or effort by a contractor, consultant, subcontractor or subconsultant which does not involve the delivery of a specific end product other than required design documents or reports and performance. Services do not include employment agreements or collective bargaining agreements. The definition of services includes, but is not limited to, consulting, personal, professional, legal counsel, auditing, technical, professional design and construction services.

*Short list:* shall mean a reduced list of candidates winnowed by application of an approved process applying uniform criteria from a longer list who have been selected for further consideration for award, and from which the successful offeror will be chosen.

*Specification:* shall mean any description of the physical or functional characteristics of or the nature of the material, service or construction item. It may include a description of any requirement for inspecting, testing or preparing a material, service or construction item for delivery or a procedure for determining whether the requirements are satisfied.

*Subcontractor or subconsultant:* shall mean a person who contracts to perform work or render service to a contractor or consultant as defined by this section or to another subcontractor or subconsultant as a part of a contract with the County.

*Task order:* shall mean a written order defining a discrete service and/or material with a definite project, price and time of completion which is used in conjunction with a work order contract to create an enforceable contract.

*Using agency:* shall mean any service area, division, department, board or commission of the County except the County Board of Education and Frederick Community College.

*Written or In Writing:* shall mean the product of any method for forming characters on paper, or other materials, or viewable screens, which can be read, retrieved, and reproduced, including information that is electronically transmitted and stored.

#### Sec. 1-2-17 Purpose and Applicability

(a) The purposes of this Article are:

- (1) to provide for the fair and equitable treatment of all persons involved in public purchasing by the County, to maximize the purchasing value of public funds, to codify and standardize the County's purchasing procedures for the orderly and efficient administration thereof, to provide safeguards for maintaining a procurement system of quality and integrity and to foster effective, broad-based competition within the free enterprise system.
- (2) to secure for the County taxpayers the advantages and economies which will result from centralized control over the expenditures of County funds for supplies, materials, equipment, public improvements, professional and contractual services by the application of modern, business like procurement and contracting methods and by better utilization of the articles procured at public expense. (Code 1959, Sec. 36-2)
- (3) to memorialize the Board's intent that with respect to Procurement activities, the regulations and rules established by or promulgated under authority of the Article shall extend to all agencies as defined herein and established a uniform and standard Court Procurement practice.

(b) Applicability: the provisions of this chapter shall apply to the following:

- (1) every expenditure of public monies by this County unless otherwise exempted by the Board, irrespective of their source, including federal assistance monies;
- (2) disposal of surplus material; and
- (3) contracts where there is no expenditure of public monies or where the County is offering something of value to the business community when the County determines source selection and award of a contract.

(c) Requirement of good faith: The provisions of this Article require all parties involved in the development, performance, or administration of purchasing contracts of the Board to act in good faith.

(d) The following are exempt from the provisions of this Article:

- (1) the sale or lease of County real property;

- (2) contracts for professional witnesses if the purpose of such contracts is to provide for services or testimony relating to an existing or probable judicial proceeding in which this County is or may become a party or to contracts for special investigative services for law enforcement purposes;
- (3) agreements negotiated by the County Attorney in settlement of litigation or threatened litigation;
- (4) the purchases of materials for resale in a concession operation which shall be made in accordance with procedures prescribed by the Director; or
- (5) contracts for municipal improvement districts.
- (6) Items identified as eligible for payment via payment voucher
- (7) Insurance Proposals pursuant to the provisions of the most recently adopted Resolution
- (8) The Board may authorize, in writing, any agency to purchase or contract for certain specified supplies, materials, equipment, capital improvement or contractual services independently of the Purchasing Director, but shall require that such purchases or contracts shall be made in conformity with the applicable provisions of this Article and shall further require periodic reports from the agency on the purchases and contracts made under such written authorization. (Code 1959, Sec. 36-5)

Sec. 1-2-18 Powers and Duties of Purchasing Director Generally

- (a) The Purchasing Director shall serve as the public purchasing official for the County, and shall be responsible for the procurement of all materials, services, professional services and construction for the County, which are governed by the terms of this Article.
- (b) The Purchasing Director or such individual as he may designate shall, subject to the provisions of this Article:
  - (1) Purchase all supplies, materials, equipment and contractual services required by the agencies and for all capital improvement projects of the County, subject to the approval of the Board, when necessary.
  - (2) Negotiate contracts for professional services, subject to the approval of the Board, when necessary.
  - (3) Use specifications established in accordance with this Article wherever they are applicable to purchase orders and contracts, and insure compliance with such specifications through adequate inspection, including testing.
  - (4) Transfer to or between agencies or exchange, trade-in or sell those supplies, materials and equipment, which are surplus, obsolete or unused.
  - (5) Develop, with the approval of the County Attorney as to legal sufficiency, standard forms and conditions of invitations to bid, purchase orders and contracts. Develop and prescribe the use by agencies of other forms required in

carrying out the provisions of this Article and amend or eliminate any forms.

(6) Terminate contracts of \$50,000.00 or less when he determines that it is in the best interest of the County. The Purchasing Director shall submit as required to the Board a report on the work of his office in carrying out the provisions of this Article. (Code 1959, Secs. 36-3, 36-19)

(c) The Purchasing Director shall formulate and promulgate rules for the administration of this Article, not inconsistent with the provisions of this Article, with respect to purchasing procedures.

#### Sec. 1-2-19 Rules and Regulations.

The Purchasing Director shall prepare rules for the implementation of this Article. Such rules shall include, but not be limited to, provisions for:

(a) The handling of bids, including their custody and safeguarding, advertising, opening and tabulation, rejection and re-advertising, and the procedure for determining:

(1) the lowest, responsive and responsible bidder;

(2) award recommendations based on "best value" when applicable

(b) The procedure and the forms for securing from bidders and prospective bidders the data necessary to determine whether or not the bidders are responsible and the bids are responsive.

(c) The procedure and the forms for reporting receipt of supplies, materials, equipment, and services, and for reporting progress on and completion of capital improvements.

(d) The procedure for submission, examination and approval of invoices for supplies, materials, equipment and services delivered to any and all agencies, and for progress and final payment on capital improvements.

(e) Such other matters as may be necessary to give effect to such rules and to the provisions of this Article. The Purchasing Director shall submit such rules to the Board for approval. The Purchasing Director shall enforce such rules. A copy of them shall be kept in his office and shall be open to public inspection during regular business hours. (Code 1959, Sec. 36-4)

#### Sec. 1-2-20 Purchases or Contracts Made Contrary to Article to be Void; Splitting of Requirements Prohibited.

(a) If any agency purchases or contracts for any supplies, materials, equipment or services contrary to the provisions of this Article, such purchase or contract shall be void and of no effect. The head of the agency making such purchase transaction shall be personally liable for the costs of such purchase or contract and, if already paid for out of County funds, the amount thereof may be recovered in the name of the County in an appropriate action therefore.

(b) It shall be unlawful for any agency to split its requirements for supplies, materials, equipment and services in order to bypass, avoid or evade the provisions of section

1-2-25 of this Code. (Code 1959, Sec 36-14)

Sec. 1-2-21 Procedural Prerequisites for Award of Contracts.

- (a) In the case of a contract for procurement primarily for the use of a specific department or agency of the County, the head of such using agency or designee thereof shall also approve an award before written notice of the award is sent.
- (b) In any case where competitive sealed bids or proposals are required by this Article and only one is received, the Purchasing Director shall document the rationale for rejecting or awarding the bid or proposal.
- (c) The Purchasing Director shall not award any contract or finalize any procurement until the funds necessary to defray the cost of such procurement are appropriated and available, excepting only:
  - (1) Cases of emergency as defined in Section 1-2-30 of this code and
  - (2) Cases where revenue to pay the bidder or offeror will be raised through the performance of the contract.
- (d) No contract for the acquisition of property or the construction of improvements or other expenditures which is to be financed by bonds or other obligations shall be effective until the proceeds of the bonds or obligations have been received and verified by the Finance Director. Improvements to be paid for by special assessments are exempted from this requirement.

Sec. 1-2-22 Specifications.

- (a) Intent. All specifications, including but not limited to design, performance and brand name specifications, shall be drafted so as to provide a clear and concise description of the material, service or construction desired.
- (b) Preparation. Before any procurement, the Purchasing Director shall cause to be prepared written specifications detailing the County's requirements for the materials, service or construction. The Purchasing Director may request other departments or agencies of the County to prepare specifications for procurements to be made primarily for such department or agency.
- (c) Approval.
  - (1) Specifications prepared primarily for a procurement for a specific department or agency of the County shall be approved by both the Purchasing Director and the head of the using agency before being submitted for bid.
  - (2) If the Purchasing Director and head of the using agency cannot agree, the matter shall be referred to the County Manager.
- (d) Brand name specification.
  - (1) A brand name specification may be used when the Purchasing Director has determined that sufficient sources for competition exist for the procurement of

the material and that the use of the brand name specification is not intended to limit or restrict competition.

- (2) A brand name specification may also be used to describe the standard of quality, performance and other salient characteristics of a material in lieu of a description of its physical or functional characteristics. In such cases, the solicitation shall contain explanatory language that the use of a brand name is for the purpose of describing the standard desired and that the substitution of equivalent materials is permitted.
- (3) A user agency requesting a brand name specification shall provide written evidence to support a brand name determination. Inconvenience of drawing specifications or developing performance specifications do not justify the use of a brand name specification.
- (e) Specifications Prepared by Other Than County Personnel. The requirements of this Article regarding the intent and nonrestrictiveness of specifications shall apply to all specifications prepared other than by County personnel, including, but not limited to, those prepared by architects, engineers, designers, and consultants for public contracts, or subcontractors. No person preparing specifications shall receive any direct or indirect benefit from the utilization of such specifications.

Sec. 1-2-23 Contract Formation and Award-Methods of Source Selection. (Purchases in excess of \$30,000)

All procurements subject to the terms of this Article shall be awarded by competitive sealed bidding pursuant to § 1-2-24, except as provided in:

- (1) Section 1-2-25 concerning awards by competitive sealed proposals; and
- (2) Section 1-2-26 concerning procurement of architectural and engineering services by qualification based selection (QBS)
- (3) Section .1- 2-27 concerning piggybacking off other entities contracts and cooperative purchasing
- (4) Section. 1-2-28 concerning competitive negotiated procurement. (Enterprise Funds)
- (5) Section. 1-2-29. concerning competitive reverse auctions
- (6) Section. 1-2-30 concerning emergency purchases
- (7) Section 1-2-31 concerning "Single Source" procurements

Sec. 1-2-24 Competitive Sealed Bidding. (Purchases in excess of \$30,000)

- (a) Procurements accomplished pursuant to this Section shall be awarded to the lowest responsive and responsible bidder after competitive sealed bidding.
- (b) An invitation for bids shall be issued and shall include specifications and all evaluation criteria. Contractual terms and conditions applicable to the procurement may be included within the solicitation document or incorporated by reference.

- (c) Public notice shall be given and shall include the bid title, place, date and time of bid opening.
- (d) All bids shall be opened in public at the time and place stated in the invitation for bids. The amount of each bid and such other relevant information as the Purchasing Director deems appropriate, together with the name of each bidder, shall be recorded. Thereafter, the record of bids and each bid shall be available for public inspection in the office of the Purchasing Director in the same manner as are other public records. In the event of good cause as determined by the Purchasing Director, bid openings may be postponed by issuance of written addenda prior to the time and date established for the opening of bids.
- (e) Late Bids. A bid is late if it is received at the location designated in the invitation for bids after the time and date set for bid opening. The Department's clock is the governing clock. A late bid shall be rejected. A late bid shall not be opened except for, if necessary, identification purposes. Such bids may be returned to the bidder. Bidders submitting bids that are rejected as late shall be so notified.
- (f) Bids shall be accepted without alteration or correction, except as authorized in Subparagraph (g) of this Article. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria and/or processes for determining acceptability, such as inspection, provision of sample materials, testing, quality, workmanship, delivery and suitability for a particular purpose. Those criteria that will affect the bid price shall be objectively measurable, such as discounts, transportation costs and total or life cycle costs. The invitation for bids shall set forth all evaluation criteria to be used. No criteria may be used in bid evaluations that are not set forth in the invitation for bids.
- (g) Correction or withdrawal of inadvertently erroneous bids before or after bid opening, or cancellation of awards or contracts based on such bid mistakes, may be authorized in adherence to the following:
  - (1) Mistakes of any type discovered before bid opening may be corrected or withdrawn in writing by the bidder. Any such corrections or notices of withdrawal must be received in the office designated in the invitation for bids prior to the time set for bid opening.
  - (2) After bid opening, a low bidder alleging a clerical error was made may be permitted by the Board to withdraw its bid if:
    - (a) The clerical mistake is clearly evident on the face of the bid but the intended correct bid is not similarly evident, or
    - (b) The clerical mistake is not clearly evident on the face of the bid but the bidder submits evidence to the Purchasing Director which clearly and convincingly demonstrates that a clerical mistake was made, in which case the bidder must show the nature of the mistake and the bid price actually intended.
    - (c) A bidder who is requesting to withdraw his bid based a judgmental mistake of fact shall not be permitted to withdraw his bid after bid opening



- (d) Errors in bids awarded by unit price may be corrected as follows:
  - (1) Errors in the extension of unit prices stated in a bid or in multiplication, division, addition, or subtraction in a bid may be corrected by the Purchasing Director prior to award. In such cases, the unit prices shall not be changed.
  - (2) No bidder shall be permitted to correct a bid mistake after bid opening that would cause such bidder to have the low bid, except that any bidder may correct errors in extension of unit prices stated in the bids, or in multiplication, division, addition, or subtraction. In such cases, unit prices bid shall not be changed.
  - (3) Nothing herein is intended to prohibit the acceptance of a voluntary reduction in price from the lowest responsive and responsible bidder after bid opening provided such reduction is not conditioned on, or does not result in, the modification or deletion of any specifications or conditions contained in the invitation for bids.
- (e) A prequalification process may be conducted prior to the issuance of an invitation for bids in order to establish a list of qualified bidders. In the event a prequalification process is used, only bids that are submitted from prequalified bidders shall be considered for award.
- (f) Contract Award Based on "Best Value". Notwithstanding Sec. 1-2-24(a), a contract may be awarded on best value analysis provided that the criteria for analysis was included in the invitation for bids. The contract shall be awarded by written notice to the responsive, responsible bidder whose bid is determined to be the best value to the County and that conforms in all material respects to requirements and criteria set forth in the invitation for bids.
- (g) All contracts in excess of \$50,000 shall be awarded by the Board.

Sec. 1-2-25 Competitive sealed proposals. (Contracts in excess of \$30,000)

- (a) Procurements for the following are eligible for award by competitive sealed proposals:
  - (1) Services when the Purchasing Director determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the County;
  - (2) Professional services and complex capital improvement projects when the Consultant Selection Committee, determines that the use of alternative project delivery methods will provide substantial benefit to the County while retaining sufficient competitive pricing and performance.
    - (i) The selection of Architects and Engineers and other selected professional services for the various projects undertaken by Frederick County is administered by the Frederick County Consultant Selection Committee under the chairmanship of the Frederick County Purchasing Director. It

shall be the responsibility of the Consultant Selection Committee to make recommendation for professional service contracts in excess of \$30,000 subject to the provisions of this subsection.(2).

- (ii) The Consultant Selection Committee shall be made up of the following members:
    - Purchasing Director – Chairman
    - County Manager or Assistant County Manager
    - Public Works Division Director
    - Utilities and Solid Waste Management Division Director
    - Finance Division Director
    - Planning Division Director
    - Management Services Division Director
    - Representative of Contracting Division or Agency (if not represented above)
  - (iii) The County Manager shall have the authority to designate selected professional services other than construction related services for Consideration by the Consultant Selection Committee referenced under (i) above
- (3) High technology and software procurements when the Purchasing Director determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the County;
- (b) Procurements accomplished pursuant to this Subsection shall be solicited through a request for proposals, subject to the following:
- (1) Public notice shall be given and shall include the proposal title, place, date and time of proposal opening.
  - (2) The request for proposals shall state evaluation factors and their relative importance.
  - (3) Proposals shall be “opened” so as to avoid disclosure of contents to competing offerors during the process of negotiation. A register of proposals shall be maintained containing the name of each offeror and shall be open for public inspection after the award of the contract in the office of the Purchasing Director in the same manner as are other public records.
  - (4) Selection Committee. The Director shall appoint a selection committee to evaluate the proposals and make a recommendation based on the criteria set forth in the request for proposals. No other factors or criteria may be used in the evaluation.
  - (5) Interviews may be conducted with the highest ranked responsible offeror or offerors for the purpose of clarification and to assure full understanding of, and responsiveness to, solicitation requirements. Offerors selected for interview shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals. Revisions may be permitted after submissions and prior to award in order to reflect clarifications in the proposal's scope of work or contract amount. In conducting interviews, there shall be no disclosure of any information derived from proposals submitted by competing offerors, or of information discussed by the evaluation

committee in selecting the highest ranked offeror. After the contract has been awarded and a written contract executed with the selected offeror(s), the scoring of the evaluation committee will be retained by the Purchasing Director for a period of time consistent with the County's record retention policy. Individual rating sheets and notes prepared or utilized by members of the evaluation committee shall not be made available for public inspection.

- (6) Recommendation for award shall be for the selected responsible offeror whose proposal is determined to be the most advantageous to the County, taking into consideration the evaluation factors set forth in the request for proposals. No other factors or criteria shall be used in the evaluation.
- (7) The Purchasing Director is authorized to negotiate the final price and precise scope of work with the selected offeror.
- (8) A prequalification process may be conducted prior to the issuance of a request for proposals in order to establish a list of qualified offerors. In the event a prequalification process is used, the Purchasing Director and the proposal evaluation committee shall only consider proposals that are submitted from prequalified offerors.
- (9) All contracts in excess of \$50,000 shall be awarded by the Board.

Sec 1-2-26 Procurement of Architectural and Engineering Services by Qualification Based Selection

(a) Applicability.

- (1) This Article establishes policy and procedures for the procurement and award of contracts, consultant agreements, or other for architectural services or engineering services utilizing Qualifications Based Selection.
- (2) The QBS process may be utilized to compete and develop contracts for all architectural & engineering services related to all or any combination of the phases listed:
  - (a) Preliminary and schematics phase;
  - (b) Design development phase;
  - (c) Contract document phase;
  - (d) Bidding phase;
  - (e) Construction phase;
  - (f) Post-construction phase;
  - (g) Commissioning Services;
  - (h) Construction Observation Services.

(b) Architectural/Engineering Services Defined. For the purposes of this section, architectural services and engineering services are defined in Section 1-2-16 under Architectural Services and Engineering Services and Landscape Architectural Services. The definition does not include Construction Inspection Services.

(c) Requests for Procurement of A & E Services.

(1) A user division desiring to procure architectural services or engineering services shall submit its request to the Purchasing Director including the following:

(a) A comprehensive program for the project which sets forth all information necessary to design the proposed improvement.

(b) A projected project time line.

(2) Review of Request.

(a) If the division director of the user department or the Purchasing Director believe that the requested solicitation should be conducted utilizing QBS. The Purchasing Director will schedule the request for consideration by the Consultant Selection Committee (CSC).

(b) The Consultant Selection Committee will determine whether QBS will be utilized for this solicitation. If QBS is selected a Request for Qualifications and Letters of Interest will be utilized to create a short list of qualified candidates.

(d) Solicitations of Letters of Interest and Statements of Qualification.

(1) Purchasing shall request Statements of Qualification and Letters of Interest from firms who have registered to receive notification and via public announcement. An electronic Federal Form SF-330 Parts I and II, modified for County use may be utilized to facilitate the collection and evaluation of qualifications.

(2) Public announcement and notification guidelines:

(a) Generally, public announcements shall be placed for a specific project. However, to the extent practical and feasible, as determined by the Purchasing Director, two or more projects which are similar in nature and scope of services may be included in a single public announcement, and multiple reduced candidate lists established from those responding to the announcement.

(b) In some cases, the County may desire to award two or more open-end contracts which are identical in nature and scope of services, for work to be performed. In these cases, the public announcement shall indicate that two or more contracts may be awarded from a single reduced candidate list.

(c) The requirement for public announcement pertains only to solicitation for which an award is estimated to be in excess of \$30,000. However, if state or federal guidelines related to a solicitation require public notice for a lesser

amount the state or federal guidelines shall prevail.

(3) The public announcements shall normally include the following:

- (a) Name of the using division(s).
- (b) Project number.
- (c) Description of the project, and the architectural or engineering service to be procured.
- (d) Notice that respondents must indicate their prime participant or participants, and the areas of involvement of each named subcontractor and that if respondents are placed on the reduced candidate list, their submission of proposals must substantially reflect this same composition and areas of involvement.
- (e) Indication that reduced candidate lists shall consist of two or more firms from whom technical proposals shall be requested, and that contract negotiations shall be conducted with the firm which submits the highest rated technical proposal.
- (f) Indication that multiple reduced candidate lists may be established for two or more projects similar in nature and scope of services.
- (g) Indication that a single reduced candidate list may be established for two or more identical open-end contracts.
- (h) Specific requirements as a prerequisite for consideration.
- (i) Major factors/criteria for the establishment of a reduced candidate list.
- (j) Indication how interested firms may receive additional documentation about the procurement, if available.
- (k) Provision of 15 days, or other minimum period from the date of announcement for response by interested firms.

(e) Selection Procedures.

- (1) Candidate List. The Purchasing Department shall establish a list of all persons who have responded to the QBS solicitation.
- (2) Qualification Criteria. Beyond the specific criteria to be applied to individual projects, general qualification criteria to be evaluated for each respondent firm may include, but not be limited to, the following:
  - (a) General competence;
  - (b) Past performance on similar work;

- (c) Compatibility of the size of the firm with the size of the proposed project;
  - (d) Capacity to accomplish the proposed work in the required time;
  - (e) Financial responsibility;
  - (f) Measures of protection for the County against errors and omissions.
- (3) Reduced Candidate List. The consultant screening committee shall evaluate the candidate list and establish a recommended reduced candidate list composed of two or more candidates.
- (4) The recommendation for reduced candidate list shall be submitted to the Purchasing Director.
- (5) The Purchasing Director shall present the screening committee's recommendation to the Consultant Selection Committee for action officially establishing a reduced candidate list and authorizing release of a request for proposals to all firms on the reduced candidate list
- (6) Notification to Solicitation of Interest Respondents.
- (a) The Purchasing Department shall promptly notify the respondents on the reduced candidate list that they can anticipate a request for technical proposals.
  - (b) The Purchasing Department shall promptly notify the respondents not on the reduced candidate list and inform them that they might request a debriefing:
- (f) Request for Technical Proposals.
- (1) Upon establishment of a reduced candidate list, the Purchasing Department shall:
- (a) Forward the reduced candidate list to the user division; and
  - (b) In collaboration with the user division, prepare a request for technical proposals package, including a description of the project and a comprehensive scope of the services required, major factors/criteria to be used in evaluating proposals, and any other project requirements.
- (2) After preparation of technical proposals package, the Purchasing Department shall request technical proposals from each firm on the reduced candidate list. The request for proposals shall state that the County shall conduct contract negotiations with the firm that submits the highest rated technical proposal.
- (g) Pre-Proposal Meeting. Along with the request for proposals, a date shall be designated for a pre-proposal meeting, if deemed necessary by the Purchasing Director.

(h) Technical Proposal Evaluation and Recommendation.

- (1) The consultant screening committee shall:
  - (a) Review technical proposals for consistency with the statement of qualifications submitted by each firm. Substantial modification in either composition or areas of involvement from that shown in the firm's statement may disqualify a proposal. However, upon a showing of compelling justification, the consultant screening committee may accept a proposal, as modified, if this is determined, in the committee's discretion, as necessary. This determination shall be made as soon as practicable after justification is submitted by a firm.
  - (b) Evaluate technical proposals received in response to the request for proposals.
  - (c) Recommend possible consultants for selection, in ranked order, to the Purchasing Director.
- (2) The Purchasing Director shall either concur with the recommendations of the consultant screening committee or otherwise document his reasons for non-concurrence.
- (3) The Purchasing Director shall present a ranked order recommendation to the Consultant Selection Committee. If the Purchasing Director's award recommendation differs from that of the Consultant Screening Committee, both recommendations shall be represented to the CSC. A representative of the Consultant Screening Committee shall be provided opportunity to present the committee's recommendation.
- (4) The Consultant Selection Committee shall establish an official ranking of all firms on a reduced candidates list.
- (5) The user department(s), after receiving negotiating direction from the Purchasing Director, shall proceed with contract negotiations with the top-ranked firm.
- (6) The Consultant Selection Committee may, with the concurrence of the Purchasing Director, elect to negotiate a contract with the top ranked firm based on the rankings from the Request for Qualifications and interviews without issuing technical proposals if after careful consideration of the project requirements and/or time considerations the Consultant Selection Committee believes that is in the best interests of the County.

(i) Contract Negotiations.

- (1) Negotiating teams shall include representation from the user agency(s) and purchasing. Additional team members may be added.
- (2) A negotiating team shall be designated for the purpose of conducting contract negotiations.
- (3) Contract negotiations shall be initiated as follows:

- (a) The Purchasing Department, through the negotiating team, shall initiate contract negotiations with the firm which the agency's consultant screening committee has ranked highest based on the evaluation of the technical proposals.
  - (b) In those cases where the County desires to award two or more identical open-end contracts, negotiations may be conducted simultaneously with two or more of the firms which have submitted the highest rated technical proposals.
- (4) The negotiating team shall determine that the negotiated price and all rates to be paid under the contract are fair, competitive, and reasonable. In making that determination, the negotiating team shall:
- (a) Consider the scope and complexity of the professional services required; and
  - (b) Conduct a detailed analysis of the cost of the services.
- (5) In cases of unsuccessful negotiations, the negotiating team shall act as follows:
- (a) If the negotiating team is unable to negotiate a satisfactory contract with the highest ranked firm at a price which it determines to be fair, competitive, and reasonable, user division, with the approval of the Purchasing Director, shall terminate negotiations with that firm. The user division then shall negotiate with the second-ranked firm in the same manner. If agreement cannot be reached with the second-ranked firm, the user department shall negotiate with other ranked firms, consecutively in their order of ranking.
  - (b) In those cases when simultaneous negotiations are being conducted with two or more firms for the awarding of identical open-end contracts, and the user division is unable to negotiate a satisfactory contract with any of the highest ranked firms, the transportation agency then shall negotiate with other ranked firms, consecutively in their order of ranking.
- (6) If the user agency is unable to negotiate a satisfactory contract with any of the firms selected and ranked by the consultant screening committee, the agency head shall request the:
- (a) Consultant screening committee to make recommendations for the selection of additional firms, in ranked order; and
  - (b) Negotiating team to continue negotiations in accordance with this section until a satisfactory agreement or impasse is reached.
- (7) The negotiating team shall submit its recommendations to the Purchasing Director for concurrence. The Purchasing Director may elect to reject all remaining proposal and re-advertise.
- (j) Recommendation to the Board. The Purchasing Director shall submit the recommendations of the agency's Consultant Selection Committee and negotiating



team, with indication of his concurrence, to the Board, along with the documentation for the selection

Sec.1- 2-27 Piggybacking Off Other Entities Contracts and Cooperative Purchasing

- (a) Piggybacking: The County is authorized to utilize other public entities' awards of an Invitation to Bid or Request for Proposal under the following conditions:
  - (1) A piggybacked bid should not have been awarded more than twelve (12) months prior to piggyback, or currently be during the term of the contract.
  - (2) The award must be in accordance with all the terms and conditions, prices, time frames, and other criteria as included in the Invitation to Bid. Changes to terms and conditions, are not allowable except for changes driven by locale such as application of Maryland law and public disclosure policy, Adjustments to delivery costs are permitted. Additional options may be included including additional items if they are provided at the same discount pricing structure and are required to meet the intended use by the County.
  - (3) The documentation necessary to authorize shall include as relevant, complete copies of the Invitation to Bid or Request for Proposal, pricing and cost data, and documentation of award including dates, signatures and expiration date.
  - (4) Purchasing Department obtains a Commitment letter/ quotation letter from vendor offering to honor the same prices under the same terms and conditions as indicated in the Invitation to Bid or the final contract resulting from an RFP process.
  - (5) Only purchases can be piggybacked, sale or trade-ins must be sold separately. Should the piggybacked bid have a line item(s) for trade-in of used equipment, this line item(s) cannot be piggybacked
  - (6) All piggyback purchases must be approved by the Purchasing Director and purchases exceeding \$50,000 must also be approved by the Board of County Commissioners.
- (b) Cooperative Purchasing: The County may participate in public cooperative purchasing when a cooperative purchasing agreement between public entities has been executed between the parties or the parties are members of a cooperative purchasing group or authority that permits cooperative use amongst its membership. All cooperative agreements entered into pursuant to this Article shall be approved by the Purchasing Director. Contracts exceeding \$50,000 shall also be approved by the Board of County Commissioners.
  - (1) The County may either participate in, sponsor, conduct or administer a cooperative purchasing agreement for the procurement of any materials, services, or construction with one or more "eligible public procurement entity" in accordance with an agreement entered into between the participants.
  - (2) Parties under a cooperative purchasing agreement may:
    - (a) Sponsor, conduct or administer a cooperative agreement for the procurement or disposal of any materials, services, or construction.

- (b) Cooperatively use materials or services.
  - (c) Commonly use or share warehousing facilities, capital equipment and other facilities.
  - (d) Provide personnel resources in accordance with the agreement.
  - (e) On request, make available to other eligible public procurement units informational, technical or other services that may assist in improving the efficiency or economy of procurement.
- (3) Independent fire and rescue companies, financially supported by the Board, may participate through Frederick County Government in piggyback or joint or cooperative purchases.
- (4) With respect to purchases for the County's Citizens Care & Rehabilitation Center or Montevue Home, the Purchasing Director may participate in piggyback or joint or cooperative purchases with private purchasing groups if prices available to the County through a private purchasing group were (i) obtained by the private purchasing group on a verifiable competitive basis, or (ii) would be in addition to prices for the same or essentially similar items otherwise available to the County through existing public entity purchase agreements, it being the County's intent to obtain the lowest possible price for required materials and supplies meeting specifications and the "best value" for equipment and services

Sec. 1-2-28 Competitive Negotiated Procurement.

- (a) Procurement for goods, services, products for resale or redistribution, distribution services usage and competitive business arrangements that are related to the establishment of strategic business plans or relationships of any County utility or agency in a competitive market environment shall be eligible for award by competitive negotiation under this Section, provided that the following conditions are met:
- (1) The Purchasing Director determines in writing, that the use of competitive sealed bidding or competitive sealed proposal processes are either not practicable or not advantageous to the County; and
  - (2) There is a minimum of two (2) vendors/businesses willing and able to provide the basic goods, services or products to be procured through competitive negotiation.
- (b) In order to initiate a competitive negotiated procurement under this Section, the procuring utility or agency shall, in a manner acceptable to the Purchasing Director as sufficient to identify potential appropriate and qualified vendors of the goods or services to be procured, investigate and research the market for such goods or services, and identify those vendors determined to be appropriate and qualified candidates in light of the competitive and other interests of the procuring utility or agency.

- (c) The procuring utility or agency may contact selected vendors, or may consider appropriate and qualified vendors that have initiated contact with the County, provided that a rational basis for identifying and selecting candidate vendors in view of the interests of the procuring utility or agency are applied consistently to all vendors reasonably known to the procuring utility.
- (d) The Purchasing Director shall, be responsible for accepting and soliciting all offers made on behalf of the procuring agency under the provisions of this Section.
- (e) Each vendor participating in competitive negotiations under this Section shall be accorded a fair and reasonable opportunity to present and explain the goods or services to be provided by such vendor.
- (f) The basis for final selection of a vendor under a competitive negotiation process, and the final terms of the contract under which goods or services shall be procured under this Section, shall each be subject to the review and approval of the Purchasing Director and Board if appropriate.
- (g) Prior to the renewal or extension of any contract for goods or services under this Section beyond the original potential term of such contract, the Purchasing Director may require that an assessment of the subject vendor's performance and the benefits to the County of the terms of such contract be conducted by a qualified third party, to be selected by the Purchasing Director.

Sec. 1-2-29. Competitive Reverse Auctions

- (a) Competitive reverse auction bids shall be solicited through an invitation for reverse auction bids. The invitation for reverse auction bids shall be issued and shall include specifications and any applicable evaluation criteria. Contractual terms and conditions may be included within the solicitation document or incorporated by reference.
- (b) A prequalification process may be conducted prior to the issuance of an invitation for reverse auction bids in order to establish a list of qualified bidders. In the event a prequalification process is used, only bids that are submitted from prequalified bidders shall be eligible for award.
- (c) Public Notice. Notice of the invitation for reverse auction bids shall be electronically posted and the invitation for reverse auction bids shall be available for public inspection not less than fourteen days prior to the date set forth therein for the close of the auction. A shorter time may be deemed necessary for a particular procurement as determined in writing by the Director. The public notice shall state the location of the internet website hosting the reverse auction.
- (d) Bid Acceptance and Bid Evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this Article. Bids shall be evaluated based on the requirements set forth in the invitation for reverse auction bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. The invitation for reverse auction bids shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluation that is not set forth in the invitation for reverse auction bids.

- (e) Correction or Withdrawal of Bids; Cancellation of Awards. Correction of inadvertently erroneous bids before or withdrawal of inadvertently erroneous bids after auction closing, or cancellation of awards or contracts based on such bid mistakes, may be permitted where appropriate. Mistakes discovered before auction closing may be modified or withdrawn by written notice received in the department prior to the time set for auction closing. Mistakes discovered after auction closing may be withdrawn only to the extent that the bidder can show by clear and convincing evidence that a mistake of a nonjudgmental character was made, the nature of the mistake, and the bid price actually intended. After auction closing, no changes in bid prices or other bid provisions prejudicial to the interest of the County or fair competition shall be permitted. In lieu of bid correction, a bidder alleging a mistake may be permitted to withdraw its bid if:
- (1) the mistake is clearly evident in the auction transcripts, but the intended correct bid is not similarly evident; or
  - (2) the bidder submits evidence that clearly and convincingly demonstrates that a mistake was made.

All decisions to permit the correction or withdrawal of bids, or to cancel awards based on bid mistakes, shall be supported by a written determination made by the Director.

- (f) Contract Award. The contract shall be awarded to the lowest responsible and responsive bidder whose bid conforms in all material respects to requirements and criteria set forth in the invitation for bids.

#### Sec. 1-2-30 Emergency Purchases

- (a) The rules and regulations adopted pursuant to section 1-2-19 of this Code shall provide the procedures under which emergency purchases may be made. An emergency shall be deemed to exist when a threat to the health, safety, and or welfare exists, when a breakdown in equipment or in an essential service occurs or when unforeseen circumstances arise, including delays by contractors, and delays in transportation or when a revenue source may be compromised.
- (b) If an emergency occurs during regular business hours, the head of the using agency shall immediately notify the Purchasing Director, who shall either purchase the required commodity or authorize the head of the using agency to do so.
- (c) If an emergency occurs at times other than regular business hours, the using agency may purchase directly the commodity required. However, the head of such agency shall, wherever possible, secure competitive telephone bids and order delivery to be made by the lowest responsible bidder. The agency head shall also, not later than the next regular business day thereafter, submit to the Purchasing Director a requisition, explanation of the circumstances of the emergency. The records of such emergency transactions shall be open to the public inspection during regular business hours.
- (d) The Purchasing Director shall submit, as required, to the Board, a tabulation of all emergency purchases, with an explanation of the circumstances of each individual emergency purchase in excess of Thirty Thousand Dollars (\$30,000.00). (Code

1959, Sec. 36-6)

Sec. 1-2-31 "Single Source" Procurements

- (a) When the County requires supplies, materials or equipment which are produced by only one manufacturer, the Purchasing Director shall specify such manufacturers make or brand in the invitation to bid and shall obtain competitive bids from authorized dealers or distributors of such manufacturer. If such manufacturer is the sole bidder and sole source of supply, the Purchasing Director is authorized to negotiate an open market purchase order or contract with the manufacturer at prices and on terms most advantageous to the County.
- (b) When the County requires supplies, materials, or equipment which are patented or proprietary and which are obtainable in two (2) or more equally satisfactory and competitive makes, brands or types, the Purchasing Director shall list such acceptable and competitive makes, brands or types in the invitations to bid. Unless a pre-qualification process has been completed or the item has been "standardized" such lists shall also include the phrase "or equal" to.
- (c) The Purchasing Director may permit bidders to bid on alternate or additional makes, brands or types. It shall be incumbent on each such bidder to prove to the satisfaction of the County that the alternate or additional make, brand or type is equal in quality or performance to those listed in the invitation to bid. (Code 1959, Sec. 36-11)
- (d) Except as provided in Sec 1-2-31(e), a contract may be awarded without competition when the Director determines in writing, after conducting a good faith review of available sources, that there is only one responsible source for the required material, service, or construction item. The using agency requesting a sole source procurement shall provide written evidence to support a sole source recommendation. The Director may require that negotiations are conducted as to price, delivery, and terms. The Director may require the submission of cost or pricing data in connection with an award under this section. Sole source procurement shall be avoided, except when no reasonable alternative sources exist. A record of sole source procurements shall be maintained as a public record.
- (e) Miscellaneous exemptions.
  - (1) A contract for materials, professional services or services may be awarded without competition if the Purchasing Director determines in writing that one (1) or more of the following conditions exists:
    - (a) Although there exists more than one (1) responsible source, a competitive process cannot reasonably be used or, if used, will result in a substantially higher cost to the County, will otherwise injure the County's financial interests or will substantially impede the County's administrative functions or the delivery of services to the public;
    - (b) A particular material or service is required to maintain interchangeability or compatibility as a part of an existing integrated system;

- (c) A particular material, professional service or service is required in order to standardize or maintain standardization for the purpose of reducing financial investment or simplifying administration;
  - (d) The material is perishable;
  - (e) The material qualifies as an object of fine art;
  - (f) A particular material is required to match materials in use, so as to produce visual harmony;
  - (g) The material, professional service or service is the subject of a change order.
- (2) Any construction change order which authorizes a new improvement under a construction contract may be executed without competition when:
- (a) The new improvement is required for the completion of an improvement which is currently under construction pursuant to a competitive bidding or competitive proposal process;
  - (b) The new improvement results from the discovery of differing or unforeseen physical conditions at the site of the improvement under construction and is required for the completion of the improvement under construction; and
  - (c) An administrative finding has been made by the Purchasing Director that it would be in the County's best interest to negotiate with the on-site contractor for the construction of the new improvement.
- (f) The requirements of any procurement requiring use of federal or state of Maryland bid processes take precedence to the aforementioned requirements.

Sec. 1-2-32 Open Market Purchases and Sales. (Not in excess of \$30,000)

- (a) If the amount of the expenditure for a service, commodity or for a class of commodities normally obtainable from the same source of supply is estimated to be no more than Thirty Thousand Dollars (\$30,000.00) or if the sale of personal property which has become obsolete or unusable is estimated to no more than Thirty Thousand Dollars (\$30,000.00) it shall not be subject to the requirements of section 1-2-24 or any of the processes referenced in Section 1-2-23 of this Article. All such open market transactions shall, wherever possible, be based on at least three (3) competitive quotes and the approval of the Purchasing Director or his designee.
- (b) The Purchasing Director, or his designee, shall solicit quotes by direct mail requests, telephone, or electronically to prospective bidders for the class of commodities or services being purchased or sold, and recorded properly. When quotations are necessary, use of eMaryland marketplace or purchasing's electronic bid process is strongly preferred. If the above systems are not utilized, quotations shall be solicited from at least three suppliers who have registered themselves on the County's Prospective Vendor list.
- (c) Purchases less than \$2,500.00, whenever possible, shall made from pricing

agreements, term contracts or should be based on at least three competitive quotes

- (d) All open market purchases shall be awarded to the lowest responsive and responsible bidder or on the basis of “best value” and all open market sales shall be made to the highest responsive and responsible bidder. (Code 1959, Sec. 36-9)
- (e) Use of electronic transmissions: The use of electronic media, including acceptance of electronic signatures, is authorized consistent with the State of Maryland’s applicable statutory, regulatory or other guidance for use of such media, so long as such guidance provides for (i) appropriate security to prevent unauthorized access to the quotation, approval, and award processes; and (ii) accurate retrieval or conversion of electronic forms of such information into a medium which permits inspection and copying.
- (f) Notwithstanding the provisions of this section, the Purchasing Director may elect to handle any purchase not exceeding \$30,000.00 according to any of the procurement methods listed under Section 1-2-23 or in the case of construction Section 1-2-33.

Sec. 1-2-33 Procurement of Construction (Capital Improvement Projects).

- (a) If a capital improvement project is to be constructed by contract, and an alternate construction delivery method has not been authorized by the Board competitive bids shall be secured and the contract shall be awarded by the Board in accordance with the requirements of section 1-2-24 of this code except for the provisions of 1-2-24 (g) (2) (f) Contract Award Based on Best Value.
- (b) Capital Improvement Construction competitive sealed bid except as otherwise provided in this code.

Sec. 1-2-34 Cancellation of Solicitations.

- (a) Cancellation of Solicitations. An invitation for bids, a request for proposals, a request for qualifications, an invitation for reverse auction bids or other solicitation may be cancelled, or any or all bids, proposals or statements of qualifications may be rejected in whole or in part as may be specified in the solicitation, when it is in the best interest of the County.
- (b) Prior to opening a solicitation may be cancelled in whole or in part when the Purchasing Director determines in writing that such action is in the County’s best interest for reasons including but not limited to:
  - (1) the County no longer requires the materials, services, or construction;
  - (2) the County no longer can reasonably expect to fund the procurement; or
  - (3) proposed amendments to the solicitation would be of such magnitude that a new solicitation is in the best interest of the County.
- (c) When a solicitation is cancelled prior to opening, notice of cancellation shall be publicly posted.
- (d) The notice of cancellation shall:

- (1) identify the solicitation;
  - (2) briefly explain the reason for cancellation; and
  - (3) where appropriate, explain that an opportunity will be given to compete on any resolicitation or any future procurements of similar materials, services, or construction.
- (e) After opening, but prior to award, all bids, proposals or statements of qualifications may be rejected in whole or in part when the Purchasing Director determines in writing that such action is in the County's best interest for reasons including but not limited to:
- (1) the County no longer requires the materials, services or construction;
  - (2) ambiguous or otherwise inadequate specifications or scopes of work were part of the solicitation;
  - (3) the solicitation did not provide for consideration of all factors of significance to the County;
  - (4) prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;
  - (5) all otherwise acceptable bids, statements of qualifications or proposals received are at clearly unreasonable prices;
  - (6) there is reason to believe that the bids, statements of qualifications or proposals may not have been independently arrived at in open competition, may have been collusive, or may have been submitted in bad faith; or
  - (7) competition was insufficient.
- (f) A notice of rejection shall be sent to all persons that submitted bids, statements of qualifications or proposals, and it shall conform to Subsection 1-2-34(d).

Sec. 1-2-35 Responsibility of Bidders and Offerors.

- (a) In determining whether a bidder or offeror is responsible, the following shall be considered:
- (1) The ability, capacity and skill of the bidder or offeror to perform the contract or provide the services required;
  - (2) Whether the bidder or offeror can perform the contract or provide the service promptly and within the time specified without delay or interference;
  - (3) The character, integrity, reputation, judgment, experience and efficiency of the bidder or offeror;
  - (4) The quality of the bidder's or offeror's performance of previous contracts or services;



- (5) The previous and existing compliance by the bidder or offeror with laws and ordinances relating to the contract or service;
- (6) The sufficiency of the financial resources and ability of the bidder or offeror to perform the contract or provide the service;
- (7) The quality, availability and adaptability of the materials and services to the particular use required;
- (8) The ability of the bidder or offeror to provide future maintenance and service for the use of the subject of the contract;
- (9) Any other circumstances which will affect the bidder's or offeror's performance of the contract.
- (10) No contract shall be awarded to any bidder who is in default on the performance of any other contract with the County or in the payment of any taxes, licenses or other monies due to the County.

Section 1-2-36 Hiring of Illegal Aliens Prohibited for Performance of County Work.

- (a) Frederick County Government does not knowingly hire illegal aliens through direct employment or through its vendors, contractors, or their suppliers or subcontractors. Frederick County Government expects its vendors, contractors and their subcontractors and suppliers to comply with all applicable federal, state and local laws, rules and regulations concerning lawful entitlement to work in Frederick County, the State of Maryland and in the United States of America. Therefore, the following shall be a requirement of all contracts for services entered into by the County:

“The contractor warrants and, if requested, shall certify in writing that the contractor and its subcontractors do not, and shall not employ under this contract, an illegal alien or any individual while knowing the illegal alien or individual is not authorized to work within the United States of America or without otherwise complying with all requirements of the federal immigration and nationality laws, including verification and record keeping requirements.”

- (b) Compliance with the contractual requirement that contractors hire only individuals lawfully entitled to work in the United States of America is material to Frederick County Government. Breach of this material contractual obligation could result in contract termination in addition to, and not in lieu of, any and all other remedies available to Frederick County Government and any and all other damages for which a contractor might be liable. Nothing herein shall require Frederick County Government to elect to terminate a contract for default to the exclusion of any other remedy.

Sec. 1-2-37 Inspections and Tests of Materials, Supplies, etc.

- (a) The Purchasing Director, or his designee, shall inspect or otherwise assure the

inspection of deliveries of supplies, materials and equipment, or the furnishing of contractual services and the construction of capital improvement projects to determine their conformance with the specifications or fitness for use and or performance requirements set forth in the purchase order or contract.

- (b) Any agency which has the facilities for adequate inspection may be authorized by the Purchasing Director to inspect deliveries made to it or may be designated by the Purchasing Director to inspect deliveries made to other agencies.
- (c) The Purchasing Director shall have authority to require chemical and physical tests of samples submitted with bids and of samples of deliveries to the extent necessary to determine their quality and conformance with the specifications. For such tests, the Purchasing Director shall have authority to make use of laboratory facilities of any County agency or to engage the services of any outside laboratory.
- (d) The Purchasing Director shall prescribe any necessary rules and regulations for inspection of deliveries, in accordance with section 1-2-19 of this Code. (Code 1959, Sec. 36-16)

Sec. 1-2-38 Surplus, Obsolete and Waste Articles.

- (a) All agencies shall submit to the Purchasing Director, at such times and in such form as he shall prescribe, reports showing stocks of all supplies, materials, and equipment which are no longer used or which have become obsolete, worn out or scrapped. The Purchasing Director shall have authority to transfer such supplies, materials and equipment to another or other agencies in lieu of filling requisitions for the purchase of new and additional stock of the same or similar articles.
- (b) The Purchasing Director shall have authority to sell all such supplies, materials and equipment which cannot be used by any agency or which have become unsuitable for County use or to exchange or trade in such articles in part of full payment for new supplies, materials or equipment of a similar nature. (Code 1959, Sec. 36-18)

Sec. 1-2-39 Health Department Purchases.

The Frederick County Health Department is authorized to fulfill its procurement requirements by:

- (a) Conducting procurement actions through the Frederick County Government procurement process;
- (b) Conducting procurement in-house as authorized in writing by the Frederick County Government Finance Division Director; or
- (c) Conducting all procurement following the state procurement regulations as delineated in COMAR, Title 21.  
(Ord. 95-18-142, 10-10-1995; Ord. 06-10-406, 5-11-2006)

Sec. 1-2-40 Bid and Purchase Approval.

- (a) Notwithstanding any other provision of these purchasing rules, the Purchasing Director shall have the authority to approve all bids or purchases in the amount of Fifty Thousand Dollars (\$50,000.00) or less.

- (b) The Purchasing Director is authorized to sign and bind the County to all documents necessary or incidental to all bids or purchases in the amount of Fifty Thousand Dollars (\$50,000.00) or less.
- (c) The Board must approve all bids and purchases in excess of Fifty Thousand Dollars (\$50,000.00).

AND BE IT FURTHER ENACTED AND ORDAINED BY THE BOARD that this Ordinance shall take effect on or after a copy of the Ordinance has been filed with the Clerk of the Court and a fair summary of the Ordinance has been published in at least one newspaper of general circulation, pursuant to Section 4(b) of Article 25 of the Maryland Code, as amended, whichever last occurs.

The undersigned hereby certified that this Ordinance was approved and adopted on the \_\_\_\_\_ day of \_\_\_\_\_.

ATTEST:

BOARD OF COUNTY COMMISSIONERS  
OF FREDERICK COUNTY, MARYLAND

\_\_\_\_\_  
Ronald A. Hart  
County Manager

By \_\_\_\_\_  
Jan Gardner  
President

## **PURCHASING RULES**

### Section I. Definitions

For the purpose of these rules, the definitions set forth in Section 1-2-16 of the County Code are incorporated herein.

### Section II. Purchasing Authority

In accordance with the statutory authority and subject to all statutory regulations, the Board delegates the purchasing authority for Frederick County as follows.

#### A. Purchasing Director

The position of Purchasing Director is established. All authority not specifically delegated to the Purchasing Director is retained by the Board.

#### B. Purchase Orders and Issuing Authorities

1. The Purchasing Director is the sole authority for issuing all County purchase orders. The Purchasing Director, or his designee from that office, will collaborate with all division/department heads at the beginning of all procurement processes.
2. No purchases shall be made without a purchase order or contract except for the authorized use of procurement cards or as otherwise provided in the provisions of the County Code. Division/department heads are personally liable for all purchases or expenses incurred contrary to the provisions of the Purchasing Rules and Regulations.
3. It shall be verified that an unencumbered balance in excess of all unpaid obligations is sufficient to defray the amount of the purchase order, contract award or procurement card purchase. No notice of award will be signed and no open market purchase order shall be issued to a vendor without this verification in accordance with Sec. 1-2-21 of the Code. It is the responsibility of the Budget Officer to provide the Purchasing Department with a detailed budget and capital outlay listing of each County department. It is the responsibility of division/department heads to monitor and control expenditures for the purchases made via procurement cards.

### Section III. Purchasing Principles and Policies

#### A. Purchasing Principles

Personnel associated with the purchasing function are to comply with the following principles.

1. To consider first the interest of the County in all transactions and to carry out its established policies.

2. To be receptive to competent counsel from his colleagues and to be guided by such counsel without impairing the dignity and responsibility of his office.
3. To buy without prejudice, seeking to obtain the maximum “best value” for each dollar of expenditure.
4. To strive consistently for knowledge of the materials and processes of manufacture, and to establish practical methods for the conduct of his office.
5. To subscribe to and to work for honesty and truth in buying and selling and to denounce all forms and manifestations of commercial bribery.
6. To accord a prompt and courteous reception, so far as conditions will permit, to all who call on a legitimate business mission.
7. To respect the obligations of a caller and to require that your obligations to him and to the County be respected and be consistent with good business practice.
8. To counsel and assist fellow purchasing professionals in the performance of their duties whenever occasion permits.
9. To cooperate with all organizations and individuals engaged in activities designed to enhance the development, standards and integrity of the public purchasing profession.

#### B. Purchasing Policies

1. Personal Purchases for Employees
  - a) In consideration of legal requirements and trade relations with local merchants, the Purchasing Department may not purchase supplies for the private use of employees.
  - b) No County employee, in any of his private purchases, will use his position with the County in an effort to obtain a price consideration better than that offered the general public, unless it is offered as a group discount rate to all County employees sponsored by a County employee association or committee.
2. Relations with Other Divisions/departments
  - a) Professional buying/contracting personnel are to familiarize themselves with the particular requirements of the various users of goods and services and be receptive to their needs and counsel.
3. Joint or Cooperative Purchasing
  - a) The Purchasing Director may undertake programs involving joint or cooperative purchases with other public jurisdictions, such as the municipalities of Frederick County, The Frederick County Board of

Education, and Frederick Community College. The programs may also include, but shall not be limited to, participation in cooperative public purchasing organizations such as Metropolitan Washington Council of Governments Cooperative Purchasing (MWCOG) and Baltimore Regional Cooperative Purchasing Committee (BRCPC). In doing so, independent fire and rescue companies, financially supported by the board of County Commissioners, may participate through Frederick County in such joint or cooperative purchases.

- b) With respect to purchases for the County's Citizens Care & Rehabilitation Center or Montevue Home only, the Purchasing Director may participate in joint or cooperative purchases with private purchasing groups if prices available to the County through a private purchasing group were (i) obtained by the private purchasing group on a verifiable competitive basis, or (ii) would be in addition to prices for the same or essentially similar items otherwise available to the County through existing public entity purchase agreements, it being the County's intent to obtain the lowest possible price for required materials and supplies meeting specifications and the "best value" for equipment and services.

#### 4. Relations with the Public

- a) An "open record policy" shall be maintained whereby prices obtained through open competition and quotations are available to the public after a purchase is made, upon written receipt of a request to the Purchasing Director pursuant to the Public Information Act State Government Article Title 10, Subtitle 6, Annotated Code of Maryland.

#### 5. Avoidance of Oral Arrangements

- a) Insofar as possible any communications with vendors should be in writing, facsimile, e-mail, or other electronic method to avoid misunderstandings and to provide an historical file and audit trail.

#### 6. Negotiations with Vendors

- a) No officer or employee of the County shall contract directly or indirectly with any vendor except with the approval of the Purchasing Director, or in his absence his designee.

#### 7. Relations with Suppliers

- a) It is not permissible to favor any particular individual or firm with orders or to give those submitting bids or quotations, information which will give anyone advantage over others seeking County business.
- b) County employees are not to accept gratuities from any vendor doing business with the County in the form of entertainment, gifts or anything of monetary nature. Any vendor who provides or attempts to provide gratuities shall be disqualified from obtaining and/or terminated from carrying out any contracts with the County. In the

event the contract is terminated, the County shall be entitled to pursue the same remedies against the vendor as it could pursue in the event of a breach of contract by the vendor. Should there be a contradiction between this sub-section (III-B-7-b) and Section 1-7.1-1 et seq. of the Frederick County Code (Ethics Law), the ethics law shall prevail.

- c) Negotiations with employees of a using agency by a supplier's representatives should be through or with the knowledge of the appropriate purchasing representative.

#### 8. Local Purchasing

- a) Purchasing of goods or services from vendors whose place of business is physically located in Frederick County is in the best local interest, providing cost, quality and service are equal. In so much as is practical and permitted by the applicable state and federal regulations advertising for bids will be made targeted to reach sufficient potential vendors to achieve adequate competition. For example, small purchases funded by local funds may be advertised to Frederick County region vendors only. An advertising area may be expanded to meet the requirements of funding agencies and to insure adequate completion for solicitations where insufficient local competition exists.

#### 9. Purchasing Department Files and Records

Complete files are to be maintained in or electronically accessible by the Purchasing Office consisting of at least the following:

- a) Requisitions and purchase orders with copies of related correspondence,
- b) Catalog files (descriptive literature of commodities regularly purchased),
- c) Prospective Vendor list,
- d) Capital Improvement contracts (Copy),
- e) Formal bid documents,
- f) Service contracts and agreements,
- g) Emergency report files, and,
- h) Professional services contracts.
- i) Other items identified in the County's records retention policy.
- j) The retention time for all records shall be as provided in the County records retention policy.

#### Section IV. Types of Purchases

Since every County expenditure must have supporting data as to its authorization and an acknowledgment of services or materials received, all County expenditures must come under one of the following types of purchases with the corresponding procedure related to the category of the purchase.

All procurements subject to the terms of the County Code shall be awarded by competitive sealed bidding pursuant to § 1-2-24, except as provided in:

1. Section 1-2-25 concerning awards by competitive sealed proposals; and
  2. Section 1-2-26 concerning procurement of architectural and engineering services
  3. Section 1-2-27 concerning piggybacking off other entities contracts and cooperative purchasing
  4. Section 1-2-28 concerning competitive negotiated procurement.
  5. Section 1-2-29 concerning competitive reverse auctions
  6. Section 1-2-30 concerning emergency purchases
  7. Section 1-2-31 concerning "Single Source" procurements
  8. Section 1-2-32 concerning open market purchases (less than \$30,000)
- A. Purchases Exceeding \$30,000
1. All purchases exceeding \$30,000 must be made by utilization of one of the contract formation and award methods listed in Section 1-2-23 of the Purchasing Regulations. (Also see Section V - Limitations; and Section VII - Bidding Procedures of these rules.)
  2. Purchases for Architectural and Engineering Services shall be governed by the processes provided in the Purchasing Regulations. The processes for choosing project specific source selections for professional design services, developing a decreased consultant list (short listing) and developing recommendations for award of contract(s) shall be the business of the Consultant Selection Committee (CSC). The Consultant Selection Committee shall be chaired by the Purchasing Director. It's permanent members shall be as follow:
    - (a) Purchasing Director
    - (b) County Manager and/or Assistant County Manager
    - (c) Division Director, Department of Public Works
    - (d) Division Director, Department of Utilities and Solid Waste Management



- (e) Division Director, Finance
- (f) Division Director, Planning
- (g) Division Director, Management Services
- (h) In the event any of the above members cannot attend a meeting they may send a designee who will have the same voting privileges as the permanent member.

A Consultant Selection Committee may also be utilized to develop contracts for professional services other than Architectural and Engineering (“A & E”). The processes shall be conducted according to the procedures governing development of professional service contracts in Purchasing Regulations. The task of the committee shall include approval of a shortened consultant list (short listing) and approval of award recommendations to be submitted to the Board. When the Consultant Selection Committee meets to develop contracts for professional services other than A & E services, the member shall include:

- (a) Purchasing Director (chairman)
- (b) County Manager and/or Assistant County Manager
- (c) Division Director, Finance
- (d) Division Director, User Division
- (e) Division Director, User Division (if more than one)
- (f) Division Director, Customer Division (if applicable)
- (g) In the event any of the above members cannot attend a meeting they may send a designee who will have the same voting privileges as the permanent member.

B. Open Market Purchases (Purchases not exceeding \$30,000)

1. Made on definite quantity, purchase orders based on a requisition from a department head, for no more than \$30,000.
2. Made on indefinite quantity (blanket) purchase orders on the basis of a negotiated price. Used for recurring purchases of services, supplies and materials, etc., for a period not to exceed a fiscal year. Exact amount of purchase may not be stated. Only an estimate may be given.

C. Emergency Confirmation Open Market Purchases

Used only when the Purchasing Department is closed and the Purchasing Director or authorized buyers cannot be contacted by phone. (See Section VI-L)

D. Purchases from County Inventories (Management Services)

Goods such as paper supplies, janitorial supplies, health care supplies and safety supplies inventoried by Management Services must be obtained from that department, provided quality is greater than or equal to what is required.

E. Charges and Petty Cash Purchases of \$50 or less

Purchases of Fifty Dollars (\$50) or less can be charged without a purchase order with vendors who have an authorized charge account for the County. In cases where a charge account is not authorized, petty cash purchases of Fifty Dollars (\$50) or less may be made.

1. In either case, department head approval is required prior to the purchase.
2. A department is allowed to make only one charged or petty cash purchase per vendor per day. Departments may not split orders to evade Section V - Limitations.
3. Items which are available in the County warehouse or on County contracts will only be authorized in cases of emergency.
4. When a purchase is charged, the employee must secure a charge slip from the vendor and forward the slip to the Accounting Department for payment. The employee must also include the employee's agency, account number and the signature of the department head.
5. When petty cash is used for a purchase, the employee must secure a receipt from the vendor and attach it to a completed petty cash slip.
6. Meals, travel expenses, and all other employee reimbursements shall be paid through the mileage/expense reimbursement process and not from petty cash funds, unless prior approval is given by the Purchasing Director.

F. Procurement Cards:

1. Purchases for goods amounting to not more than \$2,500 shall be made by use of price agreements, term contracts and procurement cards whenever possible.
2. Procurement cards are assigned to individual users who have been authorized according to limits approved by the Purchasing Director. Use of a procurement card by other than the designated user whose name appears on the card is prohibited.
3. Procurement cards may not be used to contract for services of any amount with the exception of authorized travel related services such as airfares, shuttle services etc.
4. In cases of a documented emergency, procurement cards may be utilized for emergency purchases. Use of contractors with existing service contracts is strongly preferred and encouraged.

5. All procurement card purchases are subject to the policies and procedures provided to each card holder, each transaction approver and all Division/Department Directors in the “Frederick County Procurement Card Policies and Procedures”.
6. Procurement Card use is a privilege. Misuse is subject to suspension or revocation of the card and/or disciplinary action depending on the severity of the misuse.

G. Check Requests

Check requests may be used for dues, subscriptions, travel advances, prepaid orders and reimbursements to independent contractors.

Section V. Limitations

- A. All purchases more than \$30,000 must be made by utilizing one of the methods listed under Article 1-2-23 or in the case of construction under Article 1-2-33 of the County Code
  1. Where there is only a single source of supply and the cost is more than \$30,000, the Purchasing Director is authorized to negotiate an open market order on terms most advantageous to the County, or
  2. Where it is necessary to make an additional purchase of supplemental equipment for original equipment that was purchased via competitive bidding, and it is necessary to make the supplemental equipment compatible with the equipment purchased from the original low bidder, the Purchasing Director is authorized to negotiate an open market order on terms most advantageous to the County.
- B. All purchases more than \$15,000 but not more than \$30,000 shall be made using existing term contracts or approved pricing agreements when available. When no applicable existing contract is available, quotations are required.
  1. When quotations are necessary, use of eMaryland marketplace or purchasing’s electronic bid process is strongly preferred. If the above systems are not utilized, quotations shall be solicited from at least three suppliers who have registered themselves on the County’s Prospective Vendor list.
  2. The Quotation package shall contain at a minimum:
    - a) Detailed specification(s) of the goods/services requested or performance specifications that will identify the minimum requirements, allow for competition, and provide for an equitable award at the lowest possible cost;
    - b) Special Terms and Conditions as may be appropriate, i.e. delivery requirements, site visits, due date and time for the quotation, point of contact for the quotation, etc;

- c) Boilerplate Terms and Conditions for Written Quotations approved by Purchasing including appropriate signature blocks approved by the Purchasing Director; and
  - d) A proposal page that clearly delineates unit pricing for all items, or a lump sum price line when appropriate.
3. Copies of the quotations received shall be provided to the Purchasing Department for review. If the quotations are solicited by the using Department, the using department shall evaluate the quotes and forward a written recommendation for award to the Purchasing Director who upon his concurrence, shall be responsible for award.
  4. When a quotation related document is entered into the PeopleSoft Procurement System, the Quotation number shall be referenced.
- C. Purchases of not more than \$15,000 and exceeding \$2,500 shall be made off existing pricing agreements or term contracts when possible. When existing agreements are not available, purchases shall be based on obtaining at least three competitive priced quotations which may be solicited by telephone, facsimile, e-mail, or direct mail from prospective vendors registered on the prospective vendor list.
  - D. Purchases of not more than \$2,500, whenever possible, shall be made utilizing price agreements or term contracts. Use of procurement cards is encouraged for small purchases of supplies and materials.
  - E. When an advantage may be obtained by buying from surplus lists or supply contracts of other governmental purchasing agencies, competitive bidding is not required.
  - F. All purchases of more than Fifty Thousand Dollars (\$50,000) must be approved by the Board who possess the sole authority to award the contract.

#### Section VI. General Purchasing Procedures

- A. All goods, supplies and services purchased for the County shall be made in conformity with the following procedures. For purchases not made in conformity with these procedures the Division/Department Head in whose department such violation takes place will be personally liable for the amount of the purchase.
- B. To initiate competitive bidding purchases, open market purchases and purchases of service, the using agency completes the appropriate screen in the Frederick County procurement system.
- C. All purchases for goods amounting to not more than \$2,500 shall be made by use of price agreements, term contracts and procurement cards whenever possible.
- D. All purchases for services amounting to not more than \$2,500 shall be made

by use of indefinite quantity contracts or term contracts whenever possible. Purchases of services for services not covered under an existing contract may not be made utilizing procurement cards regardless of the amount. All service purchases must be approved by the Purchasing Director and shall be made utilizing an agreement approved in form by the Office of County Attorney and insurance as required by the Risk Manager.

E. All purchases between \$2,500 and \$15,000 not made utilizing term contracts or pricing agreements shall require a minimum of three prices quoted from vendors registered on the prospective vendor list. A full explanation must be made if less than three vendors were solicited. If the quotation process is conducted via use of Procurements electronic procurement system and/or eMaryland market place direct solicitation of vendors is not required.

F. Purchase Requisitions

1. Purchase requisitions are used as the basis for issuance of a purchase order.

2. Each purchase requisition must contain the following:

a) Name of using agency, agency requisition number, date prepared, proper fiscal budget account number to be charged, appropriate department approval, and name and address (including zip code) of vendor recommended.

b) Complete description of goods or services ordered including the proper commodity code number must be given. If the requisition is for a replacement item or a "trade-in", the model and serial number of the original item and location where it may be inspected should be included.

c) Quantity and price of each item ordered is to be listed.

d) Delivery date, if of primary importance to the using agency.

e) Delivery point. If delivery point other than the using agency is desired, indicate the name of a specific responsible person at the delivery point and coordinate receiving with him.

f) Any pertinent special instructions.

g) Approval of the authorized person verifying that the goods or services are necessary to that agency's operation and that sufficient funds are available in the appropriate budget account. Improperly or insufficiently filled out requisitions shall be returned to the agency.

G. Processing of Requisitions

1. Prior to processing, the Purchasing Department will review the requisition to insure sufficient information is included. Incomplete or inaccurate requisitions will be returned with an indication of the required

correction.

2. The Purchasing Director has the right and the duty to question any item(s) on a requisition that he feels may be unnecessary and/or unreasonable. The Purchasing Director does not, however, have the authority to refuse to purchase the item(s) requisitioned, provided funds have been provided for the item(s) in the annual budget of the department.
3. In the event the Purchasing Director feels the need to question item(s) on a requisition, he will request the department head to substantiate the validity in writing.
4. If the Purchasing Director remains unsatisfied with the letter of explanation due to a sincere difference of opinion, the matter will then be brought to the attention of the Board who will make the final decision concerning the purchase.

#### H. Preparation of Purchase Order

Purchase orders are to be carefully prepared as follows:

##### 1. Minimum Requirements

The following information is to be included in the purchase order for the purpose of establishing conditions of purchases, providing instructions to the vendor and coordinating with departments.

- a) Purchase order number.
- b) Date purchase order is printed.
- c) Name and address of vendor.
- d) Shipping instructions to vendor - delivery point as indicated from requisition with special instructions if required.
- e) Delivery date - every attempt should be made to indicate a specific date, if of importance.
- f) Quantity required - appropriate quantity expressed for items ordered.
- g) Complete description of item to be purchased, pertinent descriptive data, including catalog number, style number, color, etc., when available. The description might refer to "see specifications attached" and made a part thereof.
- h) Price - the quoted or bid price. In instances where the price might be unknown, such as on a vehicle repair, an estimate is to be made or a "not to exceed" figure given.
- i) Terms of payment - if special terms or discount have been determined, these are to be stated.

- j) Specific conditions, where applicable.
- k) All purchase orders issued must be signed by the Purchasing Director or his designee.

2. Other Desirable Information

- a) Warranty provisions, if applicable.
- b) Indication of items for which a credit could result in the future. Example of such item is a returnable shipping container such as a drum, etc.
- c) Contracts for services - format for these contracts shall contain provisions relative to:
  - (1) The scope of work.
  - (2) Basis of payment.
  - (3) Method of payment.
  - (4) Reports to be submitted.
  - (5) Subcontracting if applicable.
  - (6) Termination of contract.
  - (7) Drawings.
  - (8) Designs.
  - (9) Specifications, etc.
  - (10) Responsibility for property loss or damage and personal injury, or death.
  - (11) Required insurance coverage.
  - (12) Release of confidential information, etc.
  - (13) All applicable legal and constitutional requirements.
- d) Consulting contracts must be covered by a purchase order and all pertinent information must be shown or attached.

I. Processing of Purchase Order

- 1. The purchase order form will be mailed to the vendor or provided to the using department upon request.
- 2. After receipt of the material, the using agency completes the receiving

screens in the procurement system and forwards to the Accounting Department any invoices. The Accounting Department authorizes invoice payment.

J. Change/Cancellation of a Purchase Order

1. Change/cancellation requested by vendor. The vendor must submit written request for a change or cancellation of a purchase order. Vendors cannot change or cancel purchase orders without first receiving a “change order” by the Purchasing Office.
2. Change/cancellation by the County. The County may change or cancel a purchase order at any time, as long as change or cancellation is within legal boundaries of contract law and in accordance with the change order policy.
3. Change/cancellation procedures. To change a purchase order, a “change order” is initiated on a change purchase order screen in the procurement system by modifying the amount and distribution in the same manner as the original purchase order.
4. To cancel a purchase order, notify Purchasing by memo or create a message in the appropriate document to same.

K. Indefinite Quantity Purchase Orders

1. Charge account agreements may be set up by the Purchasing Director with selected vendors for use by authorized personnel.
2. An indefinite-quantity purchase order for a specific period of time not to exceed any fiscal year will be issued to each vendor, with the name of the authorized persons who may purchase items as the need occurs.

L. Emergency Confirmation Purchases

An “emergency” shall be deemed to exist, when a threat to the health, safety, and or welfare exists, when a breakdown in equipment or a threatened termination of essential services or a dangerous condition develops, or when any unforeseen circumstances arise causing curtailment or diminution of an essential service, or when a revenue source may be compromised.

If the emergency purchase exceeds \$2,500 every attempt shall be made to receive three competitive quotes as the circumstances allow.

1. If an emergency occurs during regular County business hours, the using agency shall immediately notify the Purchasing Director, who shall either purchase the required goods or services or authorize the using agency to do so.
2. If an emergency occurs at times other than regular business hours, the using agency may purchase directly the goods or services required. The agency shall also, not later than the next regular business day thereafter, submit to the Purchasing Director a requisition, a tabulation of bids



received, if any, a copy of the delivery record, a memorandum explaining the circumstances of the emergency transaction, and, if three competitive quotes were not received, the rationale for not obtaining the quotes.

3. A complete, current file record shall be maintained by the Purchasing Director explaining and supporting the particular basis upon which each emergency purchase order was issued. Such records shall be available for public inspection upon written request to the Board of County Commissioners. All emergency orders will be listed as required for the Board of County Commissioners.
4. Man made emergencies, through neglect, **MUST BE AVOIDED**. Typical examples of these situations are depletion of stock due to negligence or failure to anticipate needs in advance of requirements.
5. It shall be the responsibility of the respective agency and the Purchasing Director to reduce the practice of making emergency purchases to an absolute minimum. The use of an emergency purchase to circumvent normal purchasing procedures **WILL NOT BE PERMITTED**. Any violation or any abuse of the emergency procedures identified by the Purchasing Director will result in:
  - a) Returning requisition to agency.
  - b) Sending a copy of invoice to vendor with a statement that the invoice is not a legitimate County expense.
  - c) Advising vendor that the department head is personally responsible for the entire payment of invoice or for the return of merchandise.

#### M. Electronic Transactions

1. Procurement may be conducted, to include the solicitation, quoting, award, execution, and administration of a contract, by electronic means.
2. Quoting on a procurement contract by electronic means shall constitute consent by the bidder to conduct by electronic means all elements of that procurement and all resulting procurement contracts with the County by electronic means.
3. The terms and conditions of a procurement conducted under this section shall comply with the Commercial Law Article, Title 21 of the Maryland Uniform Electronic Transactions Act.

### Section VII. Bidding Procedures

#### A. General

1. All purchases, contracts for supplies, equipment, materials or construction costing over \$30,000 shall be made by formal competitive bidding except as provided in the processes summarized in Article 1-2-123 of the County code.

## B. Formal Competitive Bid

1. The intention of formal competitive bidding procedures is the determination and selection of the “lowest responsive and responsible bidder”. If the contract, in an amount of \$50,000 or less is not recommended for award to the lowest, responsive and responsible bidder, the requesting agency, shall make a written statement of the reasons for such recommendation. The Director of Purchasing, after conferring with the Office of County Attorney will decide whether or not to follow the department recommendation of not. All award recommendations for contracts in excess of \$50,000 are routed through the Director of Purchasing to the Board for award consideration.
2. The Purchasing Director shall discourage and report questionable bidding to the County Attorney and to endeavor to obtain as much competition as possible on all purchases. If there is a reasonable basis for believing that collusion has occurred among any persons for any reason, the Purchasing Director shall send a written notice of this belief to the Office of County Attorney.

All documents involved in any procurement in which there is reasonable basis for believing that collusion has occurred shall be retained by the procurement agency until the Office of County Attorney gives notice that they may be destroyed. These documents shall be made available to the Office of County Attorney immediately on request.

3. If two or more bidders shall be tied for the lowest bid, quality and service being equal, the Board may award the contract to one of the bidders by drawing lots in public.
4. In a formal competitive bid, the Purchasing Director shall be responsible to determine the applicability and amount, if any, of a bid bond, performance bond, and/or a payment bond with the following exceptions: Bid Bonds shall be required for all construction contracts estimated to be \$100,000 or more. For construction purchases, performance and material and labor payment bonds shall be required in the amount of 100% if the construction purchased is \$100,000 or greater.
5. When a successful bidder fails to execute a contract after the stipulated time, his bid deposit or his bid bond may be forfeited and considered as liquidated damages, and not as a penalty for failure to execute the contract. Upon the proper execution of the contract by the successful bidder and County, his bid deposit or bid bond shall be returned to him.
6. Bidders may withdraw proposals, and resubmit them before the bid opening.
7. Alternate bids shall be allowed only if the bid documents specifically allow for submittal of alternate bids.
8. The Board may waive irregularities and informalities in bids if such action is considered to be in the best interest of the County.

9. Formal Competitive Bids will be accomplished in the following manner:

a) Pre-Bid Procedures

- (1) The Purchasing Director shall review requirements and specifications prior to advertising the bids. After this has been accomplished, the bid will be advertised.
- (2) The originating office and Purchasing Department will each maintain a complete set of documents relating to the procurement. (Bid packages will be supplied by the Purchasing Department.)
- (3) Full opportunity to bid shall be granted to all qualified and responsible bidders. Determination of qualification may occur prior to conducting the bid process. It is suggested that the originating office supply a list of possible bidders. Those bidders suggested by the originating office and those whose names result from searching the "Prospective Vendor List" and qualify for the particular bid, will be electronically notified by the Purchasing Department of the bid.
- (4) Unless otherwise required by the terms and conditions of Federal, state or other grant funded projects, at least one public notice of the Formal Competitive Bid and any pre-bid meeting shall be announced in a media accessible to the general public within the County. It must state the basic description of the desired goods or services, where specifications may be secured; date the Board and/or the Purchasing Director must receive any such bid; time, date and place of bid opening; and amount of bid bond or deposit, if required.
- (5) Bid documents may contain the name and phone number of staff member(s) in the department originating the bid to answer questions pertaining to the bid item(s). All questions concerning the bidding process will be the responsibility of the Purchasing Director.
- (6) Pre-bid meetings will be held as needed and at the discretion of the Purchasing Director and the department head of the office originating the bid. The Purchasing Director and department head, or their designee, shall be present at all pre-bid meetings. Pre-bid meeting may be mandatory if the Purchasing Director believe it necessary and in the best interests of the County
- (7) Any modification of bid specifications must be submitted uniformly to everyone who has received the original specifications. This will be done in the form of an addendum issued by the Purchasing Department.
- (8) Any acquisition or disclosure of terms, quotations or conditions of bid submitted by other competitors in advance of the formal bid opening, shall render the bid of such bidder or bidders void.

b) Qualification of Bidders

- (1) The Purchasing Director, with the assistance of the using agency, shall determine what qualifications, if any, the bidder must possess.
- (2) Should it be determined that certain qualifications are required for a particular bid, bidders may be requested to submit a "statement of qualification" The process shall provide for allowing reasonable and sufficient time to analyze and approve the intended bidder's or offeror's qualifications. Bidder will be notified of their status prior to the release of the bid documents.

c) The Bid

- (1) Bids shall be submitted in a sealed envelope to the Board and/or Purchasing Director and show the name of the particular bid, and the approval number, if required.
- (2) All formal bids shall be opened publicly in the presence of the Board of County Commissioners and/or Purchasing Director, or the Purchasing Director's representative, at the stated place and date, and, at the designated time as determined by the Board of County Commissioners, Purchasing Director or Purchasing Director's representative.
- (3) An evaluation committee may be convened after the bid opening to review the bids submitted, and to make a determination on the recommendation of the bid award.
- (4) A tabulation of all bids received shall be public information and kept as a permanent record in the Purchasing Office for a period of one year.
- (5) Applicable processes including resolution of issues pertaining to Letters of Credit, design fees, site fees, acquisition of right of-ways, etc., shall be completed before bids are submitted for formal consideration of award by the Board.
- (6) The office originating the bid will review the bid submissions and present its recommendation to the Purchasing Director for his consideration. The award recommendation will be placed on the Board public meeting agenda by the Purchasing Director. Final recommendation of the bid award to the Board will be the responsibility of the Purchasing Director.
- (7) The award by the Board on formal bids shall be made at a public meeting.
- (8) After the Contractor's execution of the contract and receipt by the County, sureties will be returned to the bidders who were not selected with the notification of the selected bidder. The

sureties of bidders ranked fourth or lower on the eligibility for award list may be returned earlier at the discretion of the Director of Purchasing.

(9) The awarded bidder will have his bid surety returned after the all of the required submissions including insurance, performance and payment bonds have been received and the contract has been executed.

(10) After final approval by the Board, the bid document will be made available to the department originating the bid. It will be that department's responsibility to have all needed contract and supporting documents contained in the bid package completed. After review by the County Attorney, the original bid document and performance and materials and labor payment bonds, if required, must be returned to the Purchasing Department before a purchase order will be issued on the awarded bid.

(11) All original bid documents will remain in the custody of the Purchasing Department for not less than 3 years or as provided in the County's Record retention Policy.

#### C. Formal Competitive Sealed Proposals/Competitive Negotiation

1. The system of formal competitive sealed proposals is used to select the firm submitting the highest rated responsive and responsible proposal. Competitive negotiation is used to select the firm submitting the most advantageous proposal. Competitive Negotiation may be used at the recommendation of the Purchasing Director with the County Manager's written approval.

Formal Competitive Sealed Proposals is the preferred method for the procurement of most services other than construction when competitive sealed bidding cannot be used because:

- a) Specifications cannot be prepared that would permit an award based solely on price, or
- b) Competitive sealed bidding is not practical or is not advantageous to the County and price is not the sole or most important criteria to be utilized in developing a contract..

2. The request for proposals shall include:

- a) Information concerning proposal submission requirements of the proposal including time, date, and place for the submission of proposals.
- b) The evaluation factors and an indication of the relative importance of each factor, including price.
- c) A work statement or scope of services statement, performance

requirements, project schedule, and any special requirements and or instructions.

- d) A statement that negotiations may be conducted if Competitive Negotiation is selected as the type of procurement.
  - e) A statement of how and when price proposals shall be submitted.
  - f) A statement that proposals shall be irrevocable for a minimum of ninety days following the closing date for submission of price proposals or the closing date for best and final offers, where requested. The Purchasing Director may reduce or increase the period if he determines that it is in the best interest of the County, provided that the period is reasonable and is clearly stated in the request for proposals.
  - g) A sample agreement containing the county's required contract terms and conditions. (Attachment to the RFP document)
  - h) A requirement that receipt of any amendments to the request for proposals be acknowledged by Offerors known by the Purchasing Director to have been issued, or otherwise to have received, the request for proposals.
3. Public Notice shall be in accordance with Section VII B. 9.a) (4), unless the firms are short-listed in which case only the short listed firms will be invited to participate.
  4. Any proposal, or modification received after the established due date and time shall not be considered.
  5. Proposals shall be held securely by the Purchasing Director until the established due date. At the established time, receipt of proposals, (identification of the offeror), may be publicly acknowledged. If receipt and acknowledgement of proposals is public, the Purchasing Director will prepare a register of proposals that identifies each offeror. If the receipt and opening of the proposals is not public, the Purchasing Director shall open the proposals in the presence of at least two county employees. He shall prepare a register of proposals that identifies each offeror. It shall not be made public until after an award is made. After award, the proposals shall be open to the public for inspection, subject to the provisions of State Government Article, Title 10, Subtitle 6, Annotated Code of Maryland.
  6. The evaluation shall be based on the evaluation factors set forth in the request for proposals and developed from the work statement, the price and the interview if interviews are held.
  7. When more than one proposal has been received for a particular procurement, and Competitive Negotiation is approved, the Purchasing Director may classify proposals as reasonably susceptible of being selected for award. Offerors being judged by the Purchasing Director to be not reasonably susceptible for award may be so notified and

eliminated from further consideration for award.

8. If competitive negotiation is approved, discussions may be held with two or more highest rated "qualified offerors". If multiple awards are anticipated, more high rated Offerors may be invited for discussions. Additional offerors invited for discussion will be selected in the order of their evaluated ranking. Qualified offerors include those offerors thought to be responsible who had been initially classified by the Purchasing Director as being reasonably susceptible of being selected for award. Discussions are held to assure full understanding of the agency's requirements and of the qualified offerors proposals and abilities to perform, to obtain the best value cost to the County, and to facilitate agreement on a contract that shall be most advantageous to the County, taking into consideration price and the relevant evaluation factors set forth in the request for proposals.
9. If competitive negotiation is approved, the highest rated offerors shall be accorded fair and equal treatment with respect to any opportunity for discussions, negotiations, and clarifications of proposals. Procedures and schedules shall be established for conducting discussions. If discussions show the need for substantial clarification or change in the request for proposals, the procurement officer shall amend the request for proposal to incorporate the change and distribute the change to the offerors participating in the discussions.
10. When in the best interest of the County, the Purchasing Director may permit qualified offerors to revise their initial proposals by submitting best and final offers. The Purchasing Director shall establish a date and time for the submission of best and final offers. More than one series of best and final offers may be required when the Division Director makes a written determination that is in the best interest of the County to conduct additional discussions or change the requirements and to require another submission of best and final offers. If more than one submission of best and final offers is requested, an offeror's immediate previous offer shall be construed, as it's best and final offer unless the offeror submits another best and final offer. Unsolicited best and final offers shall be rejected.
11. The Purchasing Director, upon the recommendation of the evaluation committee to award a contract to the highest rated responsible offeror, or in competitive negotiation to the most advantageous responsible offer, considering price, and the evaluation factors set forth in the request for proposal, will award the contract if he concurs and it is within his authority to do so, or will forward and present an action item to the Board for award.
12. After an award is made, notice of the award may be executed by the Purchasing Department.
13. The mutual understanding of the parties on all basic issues shall be the objective of the negotiations.
14. Debriefing of unsuccessful offerors shall be conducted in accordance

with the policy stated in the request for proposals.

D. Open Market Purchases (Informal Competitive Procurement)

1. All purchases of supplies and contractual services, except as provided herein, which are not more than \$30,000, shall be subject to “open market competitive procurement procedures.”
2. An “open market competitive procurement” is defined as obtaining the cost of desired goods or services from several available sources without the formalities of public notice, newspaper advertising and sealed bids.
3. All purchases or contracts for goods or services costing not more than \$15,000 but at least \$2,500 shall be made by quotations by direct mail, facsimile, telephone, or electronic mail, preferably in writing, from vendors.
4. All purchases/contracts for goods or services costing not more than \$2,500 shall, whenever possible, be made by the use of price agreements. It is suggested, but not required that three (3) quotes be obtained if price agreements are not used.
5. If there is a critical time element in obtaining materials, the Purchasing Director may consider using the last supplier and his price without further price checking of that particular item if the elapsed time is reasonable and there is a rush status and the purchase is not more than \$30,000. The requisition should specifically reflect this.

E. Price Agreement Purchases

1. Price agreements are utilized to purchase commodities for which there is no adequate storage space, commodities which cannot be stored because of spoilage, or for those commodities for which no definite estimate of required amounts can be made. Such commodities include drugs, food, etc.
2. Price agreements are established by the Purchasing Director, or his designee, by informal competitive bids, whenever possible for purchases estimated to be not more than \$30,000 per year.
3. Provisions for Reduction of Number of Contracts and Amount of Paper Work.
  - (a) It shall be the responsibility of the Purchasing Director:
    - (1) To reduce, to the maximum extent possible, the number of purchase transactions by combining into bulk orders and contracts the requirements of agencies for common-use items repetitively purchased.
    - (2) To develop and use those type of contracts and purchase orders which will reduce to the minimum the accompanying paper work and which, in other respects, will be most advantageous to the



County.

- (b) In carrying out the provisions of subsection (a) of this section, the County Purchasing Director is authorized to prescribe in the rules adopted pursuant to section 1-2-19 of this Code the use of various types of contracts and orders, including, but not limited to the following:
  - (1) Definite-quantity contracts, whereby the contractor agrees to furnish a specified quantity of supplies, materials or equipment at a specified time.
  - (2) Indefinite-quantity contracts, whereby the County agrees to obtain from the contractor all its requirements for specified supplies, materials or equipment in an estimated but indeterminate amount during a prescribed period of time at a definite unit price or at a discount from list or posted prices.
  - (3) Price agreements, whereby the contractor agrees to supply the County's requirements for items such as replacement parts for different makes of mechanical or automotive equipment during a prescribed period of time at specified discounts from list prices.
  - (4) Price agreements for contractual services, such as washing, towing, and repairing automotive equipment, whereby the contractor agrees to supply such services for a prescribed period of time and within a designated geographical area of the County at definite prices for labor and materials.
- (c) Agencies to File Estimates of Required Supplies, Materials, etc.  
All agencies shall file with the Purchasing Director detailed estimates of their requirements for supplies, materials, equipment and contractual services on such forms, at such time, and for such future periods as the County Purchasing Director shall prescribe in the rules adopted pursuant to Section 1-2-19 of the County Code. (Code 2004 Sec. 1-2-23) (Code 1959, Article 36-6)

#### Section VIII. Surplus, Obsolete and Waste Articles

- A. The Purchasing Director shall have the authority to transfer or dispose of surplus, obsolete and waste articles.
  - 1. When the using agencies have determined that the commodities are beyond use, or of no further use to their agency, they shall originate a request addressed to the Purchasing Director. No using agency shall in any event permit any such materials to be loaned, destroyed or otherwise removed from the County's custody without prior approval of the Purchasing Director. Failure to do so will make the Department Head of the using agency responsible for the cost of the disposed item.
  - 2. Materials and equipment that are of no further use by an agency, if usable, may be transferred to another agency if a need for said material or equipment has been established by that agency. If no agency

demonstrates a need for this material or equipment, the Purchasing Director, after proper approval, will proceed to dispose of said items as soon as practicable.

3. The Purchasing Director shall negotiate for the disposal of all items in the same manner that is provided for the purchase of items under County Law and Rules. The method of disposal may be via competitive auction.
4. As deemed necessary, the Purchasing Director shall contact all agencies for the listing of surplus, obsolete or waste articles.
5. The Purchasing Director shall circulate a listing of available items among all County agencies to allow the departments to make requests for any items for which they might have a need. The listing may be in electronic form and distribution may be on the County intranet.
6. Following this procedure, the Purchasing Director may dispose of items in accordance with (3) above.

#### Section IX. Property Accountability

A. Supervision of property accountability and inventory control shall come under the jurisdiction of the Purchasing Director. A comprehensive inventory maintained by the Accounting Department shall be kept and recorded setting out quantity, building location and full description for identification, including model number and serial number, and establish monetary value for each item setting out price where possible.

B. All County property shall be classified into one of the following two categories:

##### 1. Real Estate and Improvements

All land and structures are to be placed in this category. These records will be maintained by the Division of Public Works except for financial records, which will be maintained by the Accounting Department. Included in the financial records will be an annual appraisal performed by a recognized appraisal firm. A major purpose of the appraisal will be to determine a stated replacement value on which the County insurance coverage is based.

##### 2. Capital Property

a) Capital property is that equipment purchased by the County to carry out the services of the County and having a utility, which extends beyond a year and/or estimated to be valued in excess of Five Thousand Dollars (\$5,000).

b) At various times there may be purchases (such as a chair) that have a utility of more than one year, but cost less than Five Thousand Dollars (\$5,000). In such cases, it will be up to the Purchasing Director to decide whether the item is to be listed as capital property.

- c) All capital property will be assigned a property number, recorded as to type, department to which assigned and relative physical location by the Purchasing Department with assistance from the related department, if needed. In cases where property is procured for a common use area in a multi-use building and no one department is specifically responsible for the area, the Management Services Department will assume responsibility for the property.
- d) Each agency will assign an individual from his department to act as coordinator to maintain and control that department's property inventory record.

(1) Recording

All unexpendable property shall be recorded on the Property Accountability Form by the Purchasing Department at the time of requisition or on notice of a property donation to the County.

C. The Property Accountability Form:

- 1. The property accountability form consists of two elements: the form itself, which is in four parts, and a property record number which corresponds to the number on the property accountability form, but which is placed on the related item for identification purposes.
  - a) The property accountability form shall be filled out with a complete description of the item, purchase order number and vendor, date purchased, trade-in, value of trade-in, life and current value, model number, serial number and building location. If the item has a service contract, details of the contract on the item shall be listed together with the assignment date, as well as the department to which the item is assigned.
  - b) Upon receipt of the invoice for the property, the Accounting Office will record the actual cost and check number on the Property Accountability Form along with model and serial number, if not previously noted. The property clerk will obtain this data, along with the building location from the department property coordinator.

Upon receipt of the property record number (sticker) it will be the responsibility of the department property coordinator to physically place the proper record number (sticker) immediately to the proper item. The sticker is to be placed in a readily accessible area on the item, but not in such a way that it can be destroyed.

- c) The Property Accountability form will be maintained on data processing inventory records in the Accounting office.
- d) Copies of the Property Accountability Form will be distributed and maintained as follows:

(1) White copy - by Purchasing Department filed according to

departments.

- (2) Yellow copy - by Accounting Department filed by property number.
  - (3) Green copy - by Designated Department filed by property number.
  - (4) Pink copy - by Purchasing Department filed by property number.
- e) The Property Accounting Clerk will record all purchases on a monthly basis via terminal on the data processing inventory records. Transfers and deletions of property will be recorded routinely upon receipt of the Property Transfer Form from the County agency disposing or transferring the property. The Data Processing inventory will provide the same information as recorded on the Property Transfer Form.
  - f) Annually, or more often if necessary, the Accounting Office will produce a Property Accountability Listing, by departments, type code, and property number in duplicate. Each department head shall receive a list of property assigned to his/her department, which the property coordinator will check for accuracy.
  - g) Differences will be reported to the Accounting Office on the Property Transfer Form and the necessary adjustments will be made by the Property Accounting clerk in the Accounting Office.
  - h) A copy of the property lists will be made available for audit.
  - i) Annual inspection will be made by the County Comptroller, Internal Audit or the Independent Audit to determine that the listed property is on hand in selected departments. All changes and corrections will be made by the Accounting Office after concurrence with the department property coordinator.
2. Notice of Property Transfer
- a) The Property Transfer Form is the official form to be used when items are transferred from one department to another, traded in on new merchandise, or disposed of in any manner whatsoever.
  - b) No transfer, trade-in or disposal of any county property can be made without written authority from the Purchasing Department. It is the responsibility of the department head to initiate the Property Transfer Form.
  - c) The form is filled out in triplicate with the first copy being retained by the department concerned; second copy to the Purchasing Department; and third copy to the Accounting Office.
  - d) No property is to be transferred without proper authority from the

Purchasing Department, and no property transfer will be recognized until the department head completes the Property Transfer Form.

- e) Copies of this form will be retained in all related files until one year after the annual physical audit of property is completed by the Purchasing Department and each department has been officially notified by the Purchasing Department that such an audit has been approved by the Purchasing Director.

### 3. Accountability and Instructions

- a) Each department head shall be held responsible for all property assigned to his department.
- b) No property can be removed from an assigned department without first receiving written authority from the Purchasing Department.
- c) All computer-related equipment after it has been received by the requesting department shall be transferred to and become the property of the Interagency Information Systems. Hook-up to the IIS centralized computer will not be allowed until the property transfer has been executed.
- d) When a department head leaves his assigned department, all property assigned to his department must be accounted for according to the records maintained by the Purchasing Department. The final paycheck of the department heads shall be held by the Accounting Office until all property is accounted for.
- e) As deemed necessary, a representative of the Purchasing Department will visit each department to ascertain -
  - (1) That all property assigned to that department is accounted for and that proper records are being maintained in each department on property accountability.
  - (2) Condition of property.
  - (3) Degree of utilization.
- f) After this inspection, a property inspection report shall be prepared for the Board prior to the annual budget hearings. A copy of this report shall be given to each department head. Department heads desiring to respond to comments shown on the Property Inspection Report should do so in writing within fifteen (15) days after receiving a copy of said report.

## Section X. Travel Regulations - Expense Reports

### A. Definitions

- (1) County vehicles

County vehicles are those vehicles owned by and titled by the Board.

(2) Private vehicles

Private vehicles are those vehicles owned by County employees and/or County designees.

(3) Public transportation

Transportation supplied by a franchised public carrier includes all buses, trains, taxis, planes and ship transportation. This does not include private vehicles, County vehicles, or State and Federal agency vehicles.

(4) Per Diem

Per Diem means 24-hour day.

(5) County Designee

A traveler who is not an employee of Frederick County, but is authorized to travel at County expense.

B. General Travel Policies

(1) Employees are responsible for making their own travel arrangements in accordance with this policy. All employees and/or designees of Frederick County traveling on official business are expected to exercise the same care in incurring expenses as they would if traveling on personal business at their own expense. Mode of travel should be determined by a cost analysis of the various modes available.

(2) All non-routine travel must be approved in advance by the employee's Division Director.

(3) When traveling within the State of Maryland on official County business, employees should utilize the County Sales Tax Exemption number 30001185 to receive exemption from the payment of State taxes for expenses incurred during travel, including lodging.

(4) Only employees and/or designees of Frederick County will be reimbursed for expenditures while on official County business when the expenditures have been incurred in accordance with established regulations. Expenditures for spouses, children, etc. are not reimbursable.

(5) Exclusions from reimbursement include:

a. Purchase of personal items, personal telephone calls, alcoholic beverages, entertainment/recreational expenses or the expenses of the employee's family, friends or non-employee personnel.

b. Vehicle rentals when County or privately owned vehicles or reasonable public transportation is available. Vehicle rental requires prior authorization by the County Manager, or his/her

designee in accordance with section X.F., Travel by Rental Vehicle, below.

- c. Any class of travel other than “economy”.
- d. Payment of any fine or traffic violations incurred.

(6) Request For Reimbursement

- a. All requests for travel reimbursement shall be made by following the reimbursement procedures and using the reimbursement process accessed through the Frederick County Government Timesheet Program.

(7) The County reserves the right to refuse payment for any items or amounts that it considers excessive, personal in nature, or not required for the business purpose.

(8) When more than one County employee is traveling to the same conference, meeting, or on official business away from the County, they are expected to carpool and/or otherwise share expenses to the extent possible to minimize the overall expense to the County.

C. Travel by County Vehicles

(1) Travel by County vehicles is permitted. Length of trip, time spent traveling and cost of traveling should be considered in determining the mode of travel. Mode of travel should be determined by the Division Director and employee involved.

(2) Drivers must be certified and approved by the office of risk management.

(3) Gasoline and oil for all County vehicles must be obtained at County-owned fueling sites whenever possible. When a County vehicle must be refueled away from a County-owned fueling site, employees must make a reasonable effort to use fueling locations pre-approved for use with the County’s fueling card. If use of a pre-approved fuel card location is not possible, County vehicles may be refueled at retail gas stations.

(4) The driver shall be responsible for the conduct of all passengers in the County vehicle.

(5) With the exception of vehicles used by the Sheriff’s Department, County vehicles shall be used only by County employees or representatives of the County in performing their prescribed duties. County vehicles may not be used for travel from home to work or work to home unless approved under the County’s Take Home Vehicle Program.

(6) Overnight parking, tolls and daytime parking fees are reimbursable on overnight trips. Tolls and daytime parking fees during authorized trips outside of Frederick County are reimbursable. Reimbursements for parking meter fees in Frederick County may not be reimbursable.

- (7) Any traffic ticket or parking violation ticket incurred by a County employee, while operating a County vehicle, is the responsibility of the individual and NOT FREDERICK COUNTY GOVERNMENT.

D. Travel by Private Vehicle

- (1) Employees using private vehicles for County Business will be reimbursed at the County's reimbursement rate in effect at the time of travel. Mileage will be accounted for on the mileage form on the Intranet, Purchasing Page, and submitted for reimbursement monthly. The mileage reimbursement includes the cost of gas, oil, insurance, maintenance and repairs. Toll road charges shall be reimbursed when valid receipts are presented.
- (2) Overnight parking, tolls and daytime parking fees are reimbursable on overnight trips. Daytime parking fees during authorized trips outside of Frederick County are reimbursable. Parking meter fees in Frederick County may not be reimbursable.
- (3) Any traffic ticket or parking violation incurred by a County employee is the responsibility of the individual and NOT FREDERICK COUNTY GOVERNMENT.
- (4) Gasoline, oil and maintenance expenses are the responsibility of the vehicle owner.

E. Travel by Rental Vehicle

- (1) The use of vehicles from commercial vehicle rental firms will be limited to those instances when other means of transportation are not available, not reasonable or practical.
- (2) An anticipated use of a rental vehicle shall be approved in advance by the County Manager or the County Manager's designee. When the need for a rental vehicle is impossible to anticipate and becomes a necessity, written justification for the vehicle rental signed by the Division Director must be submitted with the reimbursement request.
- (3) Vehicle Insurance shall be obtained from the rental company for the full amount of coverage available. The County's insurance coverage will be secondary to the insurance obtained from the Rental Company.
- (4) Notify the rental vehicle company and the Risk Manager immediately if any accidents, damage to property, or injuries occur with or while using the rental vehicle.
- (5) Vehicles rented for County Business purposes shall not be used for personal business/pleasure while traveling. Accidents or claims made for a rental vehicle used for personal business/pleasure shall be denied. Further, appropriate disciplinary action may be taken against the employee for personal use of a vehicle rented for County Business purposes.



F. Travel by Public Transportation

- (1) Travel must be made by the most practical route using the most cost beneficial mode of transportation. Employees are expected to secure fares in an appropriate manner consistent with obtaining the lowest fare.
- (2) The employee will be reimbursed the lowest reasonable fare for public transportation, airline, train, bus or taxi. round-trip tickets, should be purchased and used whenever possible. If an employee chooses to travel differently, i.e. use a particular airline or flight, etc., and the cost exceeds the lowest reasonable fare, the cost to be reimbursed shall only be for the lowest reasonable fare.
- (3) When traveling, economy class tickets shall be obtained by the most economical method.
- (4) When traveling by train, coach rates should be used unless the trip is overnight. Pullman or roomette fares, whichever is available, is allowed if overnight travel is authorized.
- (5) Prior to fares being booked, travel shall be approved by the Division Director.
- (6) Before reservations are booked, travel shall be approved by the Division Director.
- (7) Travel fares should be obtained in advance, within a reasonable time of the travel, by Procurement Card or County Check. If an employee purchases advance travel fares with their personal credit card, a copy of the ticket(s) along with a copy of their credit card statement shall be presented with the prescribed forms for reimbursement.
- (8) If a previously purchased ticket is unused, the Division Director and Purchasing Director shall be notified in writing of the particulars. Unused tickets constitute a loss to the County and must be justified.
- (9) The County will allow the traveler to accrue frequent flier points when traveling on County business. The County encourages the traveler to use frequent flier credits obtained from official travel to reduce future official travel expenses.

G. Airport Parking / Airport Bus or Limo Service

- (1) Employees are encouraged to get rides to and from airports. If an employee must park at an airport, the County will reimburse only for costs incurred up to the current long-term rate in effect at the airport. Parking will not be reimbursed for parking at the short-term lots. Receipts must be furnished for reimbursement for airport parking.
- (2) The traveler is expected to use the least expensive reasonable means of transportation from the airport to the hotel. Receipts must be provided for this expense.

#### H. Conference and Overnight Travel

- (1) Official travel that will require an employee to be out of the county overnight must be approved by the Division Director. Travel by Division Directors must be approved by the County Manager, or the County Manager's designee, prior to such travel.

#### I. Meals

- (1) The per diem rate for employees away on official County business for twenty-four (24) hour period, or longer, is fifty dollars (\$50). This allowance includes all meals and related tips. Actual expenses greater than the per diem can be made with the approval of the Division Director with the appropriate receipts. No reimbursement shall be made for alcoholic beverages

The flat rate for meals when traveling or while engaged in County business or approved conferences is as follows: breakfast \$10; lunch \$15; and dinner \$25. These rates include tips. These expenses must be reported on the Expense Report Form. If employees are traveling daily to meetings they will only be allowed the \$15 lunch expense.

The allowance for the cost of meals includes tips. These amounts will be allowed without receipts or other documentary evidence. Restaurant receipts are required for reimbursement requests for [of] any reasonable amount over the established rate.

- (2) Meals that are part of the program or registration fee or are otherwise complimentary will not be reimbursed and/or the per diem amount of such meal(s) deducted from any reimbursement due.

#### J. Lodging

- (1) Room sharing is encouraged as a cost saving method, but is not required. Lodging within a reasonable distance of the County, as determined by the Division Director, will not be an allowed expense or reimbursed.
- (2) When an employee is attending a conference, the County will reimburse expenses for a room at the headquarters hotel, unless the traveler wishes to find a convenient nearby hotel that will result in a savings. Local public transportation and parking is a consideration but will be reimbursed if a savings can be realized. While conference rates are generally offered, the traveler shall investigate the availability of Government Rates at the conference hotel.
- (3) The County will provide reimbursement for the least expensive room available at the hotel. If a spouse and/or children are accompanying the traveler, any additional or higher charge will be the responsibility of the traveler.
- (4) If a deposit is required, it is recommended that a Procurement Card be used. If the charges are within the limits of the traveler's Procurement

Card, the Procurement Card may be used to pay the hotel expense. If the total charges will be greater than the Procurement Card limit, it is recommended that a voucher be processed and a check sent prior to the travel to cover expenses of lodging. Charges may be placed on a personal credit card if necessary and reimbursement requested.

- (5) If a County employee can leave home at 7:00 AM and arrive at the start of the conference or meeting, overnight travel will not be reimbursed. If an employee can return home at or prior to 8:00 PM overnight hotel reimbursement will not be reimbursed. Dinner reimbursement shall be allowed for a traveler arriving home after 8:00 PM. Breakfast, on the departure date, may be reimbursed if the employee is scheduled to leave home prior to 7:00 AM.
- (6) At the discretion of the Division Director, reimbursement for a hotel room near the train station or airport of departure may be considered if the employee's rail or flight time is scheduled to leave at 9:00 AM or earlier. Consideration shall be given to whether the early departure time was required by the County business. Consideration shall also be given to the cost/benefit of staying at, near the airport, which provides a free or economical airport shuttle and free or economical parking compared to the cost of airport parking.
- (7) Documentary evidence, such as receipts or paid bills are required to support:
  - (a) Any expenditures, regardless of amount, for lodging.

#### K. Telephone Calls

- (1) While away on County Business Travel, one personal telephone call home per day of reasonable length will be reimbursed. Calls shall be made in the most economical way. A business telephone log should be maintained for all business related telephone calls, emails, and faxes. Travelers shall use the County's toll free telephone number (888-694-MAIL 6245) to access the County's voice mail system and can transfer to other County phone numbers within the system. Use of aircraft telephones is prohibited. For calls from personal cellular telephones, only the cost of the phone call shall be reimbursed.
- (2) Official business faxes, emails and telephone calls will be reimbursed with receipts and proper identification regarding who was called, and the purpose of the call. Receipts and documentation shall be furnished with other travel documents when being submitted for reimbursement.

#### L. Miscellaneous Expenses

- (1) Receipts are required for any expenditure, except meals, in excess of \$10. Miscellaneous expenses under \$10 do not require documentation. Expenditures over \$10 must include sufficient information to establish the amount, date, place and essential character of the expenditure.

#### M. Reimbursement Process

- (1) All approved requests for reimbursement should be submitted via the County Government Timesheet Process with the necessary attachments.

#### N. Travel Advances

- (1) The County may provide cash advances for employees traveling on Official Business for incidental, out-of-pocket expenses, such as ground transportation and meals not included in the registration or chargeable to the P-Card. Cash advances will not be issued for airfare, lodging, conference fees, or other substantial costs that can be prepaid, prearranged, or invoiced. Advances may be limited to \$200.
- (2) Advances for anticipated out-of-pocket expenses will generally be issued no earlier than one week prior to the departure and are to be used only during the travel period. The traveler acknowledges by receipt of the advance that it is his/her responsibility to account to the County for the amount of the advance and to repay the County for any unsubstantiated or disallowed amounts.
- (3) The advanced funds must be accounted for within thirty days after the completion of the trip by submitting the Travel Voucher. The County will not process advances, prepayments, or reimbursements to an individual who has failed to properly account for a previous advance. If after sixty days the advance has not been accounted for, the following restrictions will apply:
  1. Suspending of cash advance and/or reimbursement privileges.
  2. The unreconciled advance shall be reported to the IRS as required by Federal Law as taxable compensation.
  3. Once the advance has been added to the traveler's taxable wages it cannot be reversed even if settled.
  4. Appropriate disciplinary action.
  5. Collection of outstanding funds not accounted for by payroll deduction, or any other means necessary.

#### O. Receipt Requirement

- (1) Individuals traveling on Official County Business are required to submit dated original receipts for all travel related expenses, except as specified above in section L., Miscellaneous Expense. The County expects the individual to submit the following documentation:
  - a. Air or Rail Transportation – original receipt and tickets.
  - b. Hotel – original folio showing a breakdown of the expenses, including detail of items to be charged/reimbursed by the County.

- c. Car Rental – car rental agreement and receipt showing the breakdown of costs, i.e., daily rental rate, taxes, insurance, surcharge, etc.
- d. Personal Car Usage – Receipts for Tolls and Parking and daily mileage log, if appropriate.
- e. Meals – credit card or cash receipt showing the breakdown of items purchased/consumed. Restaurant “tear tabs” are not acceptable. All receipts must include name, location, date and dollar amount.

P. Missing or Lost Receipts

- (1) An individual incurring a travel expense who losses a required receipt should seek a duplicate and submit it stating that the original was lost.

The undersigned hereby certifies that this Resolution was approved and adopted on the \_\_\_\_\_ day of \_\_\_\_\_, 2009.

ATTEST:

BOARD OF COUNTY COMMISSIONERS  
OF FREDERICK COUNTY, MARYLAND

\_\_\_\_\_  
Ronald A. Hart  
County Manager

By \_\_\_\_\_  
Jan H. Gardner  
President

Approved by the Board of Frederick County Commissioners of Frederick, Maryland on

\_\_\_\_\_.