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## **APPENDIX A – PROCUREMENT PROCEDURES WITH FEDERAL FUNDS**

### **POLICY**

- 1 All contracts and purchases funded, in whole or in part, with any federal or state grant or loan funds must be procured by all County Departments in a manner that conforms with all Applicable Law, including, without limitation, all federal laws, policies, and standards, including those under the federal Uniform Guidance (2 C.F.R. Part 200). Further, such regulations shall supersede all local purchasing provisions to the extent of any conflict. Without limiting the generality of the foregoing, purchases made by the Union County Department of Transportation with federal transit funds shall comply with the current version of FTA (Federal Transit Administration) Circular 4220.1. All sub-recipient agencies receiving federal or state funds through the County of Union shall also comply with the federal or state granting agency procurement regulations, which supersede all local purchasing resolution provisions. The procurement of goods (apparatus, supplies, materials, and equipment), services, and construction or repair projects funded in whole or in part with federal financial assistance must comply with all of the provisions of this Appendix A, which describe the requirements related to conflicts of interests and gifts. The Procurement Director may establish procedures consistent with this Policy to ensure compliance with the requirements of this paragraph.

This Appendix A applies when procuring goods (apparatus, supplies, materials, and equipment), services, and construction or repair projects funded in whole or in part with federal financial assistance (direct or reimbursed). This Section also applies to any sub-recipient of the funds.

- The Employee responsible for managing the federal financial assistance award shall review the notice of award to identify any additional conflicts of interest prohibitions or requirements associated with the award, and shall notify all Employees, officers, and agents, including sub-  
1.1 recipients, of the requirements of this section and any additional prohibitions or requirements.

### **COMPLIANCE WITH FEDERAL LAW**

- 1.2 All procurement activities involving the expenditure of federal funds must be conducted in compliance with the Procurement Standards codified in 2 C.F.R. §200.317 through §200.327 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds. The County of Union will follow all applicable local, state, and federal procurement requirements when expending federal funds. Should the County of Union have more stringent requirements, the most restrictive requirement shall apply so long as it is consistent with state and federal law. In addition, the County must comply and adhere to any other grant specific requirements.

### **CONTRACT AWARD**

When bids are required by law, or otherwise solicited by the County, all contracts shall

be awarded only to the lowest responsive responsible bidder possessing the ability to perform successfully under the terms and conditions of the contract. Consideration shall be given to contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

### **NO EVASION**

No contract may be divided to bring the cost under bid thresholds or to evade any requirements under this policy or state and federal law.

### **1.3 CONTRACT REQUIREMENTS**

1.4 All contracts paid for in whole or in part with federal funds shall be in writing. The written contract must include or incorporate by reference the provisions required under 2 C.F.R Section § 200.326 and as provided for under 2 C.F.R. Part 200, Appendix II.

### **SELF-CERTIFICATION**

1.5 Annual self-certification shall be included within the annual Budget Ordinance and approved by the Board of Commissioners.

### **CONTRACTOR'S CONFLICT OF INTEREST**

1.6 Designers, suppliers, and contractors that assist in the development or drafting of specifications, requirements, statements of work, invitation for bids or requests for proposals shall be excluded from competing for such requirements.

### **1.7 APPROVAL AND MODIFICATION**

**The Administrative Procedures contained within this policy are administrative and may be changed as necessary at staff level to comply with the Federal Procurement Standards within this Policy. However, any policy changes must be approved by the Board of Commissioners prior to becoming effective.**

2 **Note: As a reminder, if there is a conflict between the Union County Procurement Policy and federal purchasing requirements, the most restrictive purchase policy applies.**

## **PROCEDURE**

Either the Purchasing Department or the Requesting Department shall procure all contracts in accordance with the requirements of this Section of the Policy.

## General Procurement Standards and Procedures:

### NECESSITY

- 2.1 Purchases ***must be necessary*** to perform the scope of work and must avoid acquisition of unnecessary or duplicative items (no stockpiling). The Procurement Department and/or the requesting department should check with the federal surplus property agency prior to buying *new* items when feasible and less expensive. Strategic sourcing should be considered with other departments and/or agencies who have similar needs to consolidate procurements and services to obtain better pricing.

### CLEAR SPECIFICATIONS

- 2.2 All solicitations must incorporate a clear and accurate description of the technical requirements for the materials, products, or services to be procured, and shall include all other requirements which bidders must fulfill and all other factors to be used in evaluating bids or proposals. Technical requirements must not contain features that restrict competition.

### NOTICE OF FEDERAL FUNDING

- 2.3 All bid solicitations must acknowledge the use of federal funding for the contract. In addition, all prospective bidders or offerors must acknowledge that funding is contingent upon compliance with all terms and conditions of the funding award.

### 2.4 COMPLIANCE BY CONTRACTORS.

- 2.5 All solicitations should inform prospective contractors that they will need to comply with all applicable federal laws, regulations, executive orders, FEMA requirements, and terms and conditions of the funding award.

### FIXED PRICE

- 2.6 Solicitations must state that the bidders shall submit bids on a fixed price basis and that the contract shall be awarded on this basis unless otherwise provided for in this Policy. Cost plus percentage of cost contracts are *prohibited*. Time and materials contracts are prohibited *in most circumstances*. Time and materials (cost-plus) contracts will not be used unless no other form of contract is suitable and the contract includes a "not-to-exceed" amount. A time and materials contract shall not be awarded without the express written permission of the federal agency or state pass-through agency that awarded the funds.

### USE OF BRAND NAMES

When possible, performance or functional specifications are preferred to allow for more competition, leaving the determination of how to reach the required result to the contractor. Brand names may be used only when it is impractical or uneconomical to write a clear and accurate description of the requirement(s). When a brand name is

listed, it is used as reference only and "or equal" must be included in the description.

## **LEASE VERSUS PURCHASE**

Under certain circumstances, it may be necessary to perform an analysis of lease versus purchase alternatives to determine the most economical approach. Note: This comparison is necessary for most FEMA financial assistance programs following an emergency or major disaster declaration.

2.7

## **DIVIDING CONTRACT FOR M/WBE PARTICIPATION**

If economically feasible, procurements may be divided into smaller components to allow maximum participation of small and minority businesses and women business enterprises. The procurement cannot be divided to bring the cost under bid thresholds or to evade any requirements under this Policy.

2.8

## **DOCUMENTATION OF PROCUREMENT PROCEDURES**

Documentation must be maintained by the Procurement Department and/or the requesting department detailing the history of all procurements. The documentation should include procurement method used, contract type, basis for contractor selection, price, sources solicited, public notices, cost analysis, bid documents, addenda, amendments, contractor's responsiveness, notice of award, copies of notices to unsuccessful bidders or offerors, record of protests or disputes, bond documents, notice to proceed, purchase order, and contract. All documentation relating to the award of any contract must be made available to the granting agency upon request.

2.9

2.10

## **COST ESTIMATE**

For all procurements costing \$350,000<sup>1</sup> or more, the Procurement Department and/or requesting department shall develop an estimate of the cost of the procurement prior to soliciting bids. Cost estimates may be developed by reviewing prior contract costs, online review of similar products or services, or other means by which a good faith cost estimate may be obtained. Cost estimates for construction and repair contracts may be developed by the project designer.

2.11

## **CONTRACT REQUIREMENTS**

The requesting department must prepare a written contract incorporating the provisions as required by the Uniform Guidance, 2 CFR, Part 200.

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<sup>1</sup> This amount is known as the Simplified Acquisition Threshold (the "SAT") and is set by the federal government in accordance with 2 C.F.R. §§ 200.1 and 200.320. Notwithstanding anything in the Union County Procurement Policy to the contrary, the SAT will be deemed to have been updated in Union County's Procurement Policy any time the SAT is modified by the federal government.

## **DEBARMENT**

No contract shall be awarded to a contractor included on the federally debarred bidders list. Prior to preparing the contract, the Procurement Department or the requesting department must verify that the contractor is not on the federally debarred bidders list.

2.12

## **CONTRACTOR OVERSIGHT**

The requesting department receiving the federal funding must maintain oversight of the contract to ensure that the contractor is performing in accordance with the contract terms, conditions, and specifications.

2.13

## **OPEN COMPETITION**

Solicitations shall be prepared in a way to be fair and provide open competition. The County shall not restrict competition by imposing unreasonable requirements on bidders, including but not limited to unnecessary supplier experience, excessive or unnecessary bonding; specifying a brand name without allowing for "or equal" products, or other unnecessary requirement that have the effect of the restricting competition.

2.14

## **DOMESTIC SOURCING**

The County should provide for domestic sourcing preferences to the greatest extent possible.

2.15

## **GEOGRAPHIC PREFERENCE**

No contract shall be awarded on the basis of geographic preference.

2.16

## **PRE-QUALIFICATION**

At the discretion of the County, contractors for construction and repair projects will be prequalified in accordance with the County's Pre-Qualification for Capital Improvement Projects (Section 3.9 of the Union County Procurement Policy). Protests for denial of prequalification will be in accordance with the pre-qualification policy.

2.17

## **PROTESTS AND DISPUTES**

If required by the federal funding source, bid protests and disputes will comply with any requirements issued by the funding agency.

2.18

## **COMPETITIVE BIDS**

Purchases made through a Cooperative Purchasing Program, or a contract procured by the State of North Carolina may be allowed ONLY if the contracts were procured in compliance with 2 C.F.R. 200.317-327 and written approval is granted by the federal grantor agency. Documentation must be provided by the supplier demonstrating

compliance. However, State Contract or Cooperative Purchasing programs may be used for purchases under the micro-purchase limit.

## **SPECIFIC PROCUREMENT PROCEDURES**

The Procurement Department shall solicit bids/quotes in accordance with the requirements under this Section of the Policy based on the type and cost of the contract.

### **MICRO-PURCHASE**

- 3 Purchase Contracts: Up to \$30,000  
Service Contracts: Up to \$50,000

- 3.1 Shall be procured using the Uniform Guidance micro-purchase procedure (2 CFR §200.320(a)(1)). The thresholds are approved annually as a resolution by the Board of Commissioners to increase the micro-purchase limit. Does not apply to Architectural or Engineering ("A/E") Professional Services.

#### **Procedure**

- 3.1.1
1. No bidding is required.
  2. Price must be considered fair and reasonable.
  3. To the extent practicable, purchases must be distributed among qualified suppliers.
  4. Contract must be in writing (this could be in the form of a purchase order).

### **3.2 SMALL PURCHASE**

Purchase Contracts: At least \$30,000, but less than \$90,000  
Service Contracts: At least \$50,000, but less than \$90,000

- 3.2.1 Shall be procured using the Uniform Guidance "small purchase" procedure (2 CFR §200.320(a)(2)). Does not apply to A/E Professional Services.

#### **Procedure**

1. Cost or price analysis is NOT required prior to soliciting bids.
2. Obtain **written** price quotes from an adequate number of suppliers or sources (which shall not be less than two (2) quotes). Check specific grant as some agencies may require more than two (2) quotes.
3. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. §200.321 by posting on the State's IPS site and the HUB Site.
4. Award contract as a fixed price. A not-to-exceed basis is permissible for service contracts only where obtaining a fixed price is not feasible.
5. Award to lowest responsive, responsible bidder.
6. Contract must be in writing (purchase contracts may be in the form of a purchase order; service contracts and construction or repair contracts require use of contract template).



## SEALED BID

Service Contracts: \$90,000 up to \$350,000

Purchase Contracts: \$90,000+

- 3.3 Shall be procured using a combination of the most restrictive requirements of the Uniform Guidance sealed bid procedure (2 CFR §200.320(b)(1)) and state formal bidding procedures (G.S. §143-129).

### Procedure

1. Cost or price analysis is required prior to soliciting bids.
2. Complete specifications or purchase description must be available to all bidders.
- 3.3.1 3. Public Advertisement: electronic advertising is authorized.
4. Legal notice must reserve to the governing board the right to reject any or all bids only for "sound documented reasons."
5. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 CFR § 200.321 by posting on the State's IPS site and the HUB site.
6. Solicit from adequate number of known suppliers.
7. Bids must be submitted sealed.
8. Must have two (2) sealed bids submitted to open;
9. Public Bid Opening.
10. If fewer than two bids are received, re-advertisement is necessary. If upon re-advertisement only one bid is received, the bid can be accepted and opened.
11. Bids may only be rejected for "sound *documented* reasons."
12. Award contract as a firm fixed-price. A not-to-exceed basis is permissible for *service contracts only* where obtaining a fixed price is not feasible.
13. Award to lowest, responsive, responsible bidder.
14. Contract must be in writing (purchase contracts may be in the form of a purchase order; service contracts and construction repair require use of contract template).
15. **Cannot** use a cooperative purchasing program as an Exception to the Bidding.
- 3.4 16. Governing board approval prior to award is not required (per local policy, the BOCC has delegated award authority to County Manager).

## COMPETITIVE PROPOSALS

Service Contracts: \$350,000+

Shall be procured using the Uniform Guidance competitive proposal procedure (2 CFR § 200.320(b)(2)) when the sealed bid procedure is not appropriate for the particular type of service being sought.

*Note: RFP's (competitive proposals) can **only** be used when conditions are not appropriate for the use of sealed bids such as service contracts. This can be used for all types of contracts \$250,000 and over.*

#### Procedure

1. Public advertisement is required; however, formal advertisement in a newspaper is not required so long as the method of advertisement will solicit proposals from an "adequate number" of qualified firms.
- 3.4.1 2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321 by posting on the State's JPS site and the HUB site.
3. Identify evaluation criteria and relative importance of each criteria (criteria weight) in the RFP.
4. All responses must be considered to the maximum extent practical.
5. Must have a written method for conducting technical evaluations of proposals and selecting the winning firm.
6. Award the contract to the responsible firm with the most advantageous proposal taking into account price and other factors identified in the RFP.
7. Governing board approval is required per local policy.
8. Award the contract on a firm fixed-price or cost-reimbursement basis.
9. Must have written contract with federal contract provisions included.
10. **Cannot** use a cooperative purchasing program as an exception to the bidding.
11. If only one response is received, re-advertisement is not required.

### 3.5 CONSTRUCTION AND REPAIR CONTRACTS – SMALL PURCHASE

At least \$30,000, but less than \$350,000

Shall be procured using the Uniform Guidance small purchase procedure (2 C.F.R. § 200.320(a)(2)). The \$30,000 threshold is approved annually as a Resolution by the Board to increase the micro-purchase limit.

#### Procedure

1. Cost or price analysis is not required prior to soliciting bids, although price estimates may be provided by the project designer.
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321 by posting on the State's JPS site and the HUB site.
3. Obtain written price quotes from an adequate number of suppliers or sources (typically means two (2); however, verify with granting agency).
4. Award Contract on a fixed-price or not-to-exceed basis.
5. Award to lowest responsive, responsible bidder.
6. Award by the BOCC is not required; however, BOCC authorization of the contract may be required pursuant to the BOCC delegation of contracting authority.
7. Must have written contract with federal contract provisions included.

8. If fewer than two bids are received, re-advertisement is necessary. If upon re-advertisement only one bid is received, the bid can be accepted and opened.

### **CONSTRUCTION AND REPAIR CONTRACTS – SEALED BID**

At least \$350,000, but less than \$500,000

Shall be procured using the Uniform Guidance sealed bid procedure (2 C.F.R. § 200.320(b)(1))

#### **3.6**

##### **Procedure**

1. Cost or price analysis is required prior to soliciting bids (this cost estimate may be provided by the project designer).
- 3.6.1 2. Complete specifications must be made available to all bidders.
3. Public Advertisement: Advertise the bid solicitation for a period of time sufficient to give bidders notice of opportunity to submit bids (formal advertisement in a newspaper is not required so long as other means of advertising will provide sufficient notice of the opportunity to bid).
4. The advertisement must state the date, time, and location of the public bid opening, and indicate where specifications may be obtained.
5. Solicit from adequate number of known suppliers.
6. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321 by posting on the State's IPS site and the HUB site.
7. Bids must be submitted sealed.
8. Public Bid Opening
9. Must have two (2) sealed bids submitted prior to opening.
10. Original 5% Bid Bond (a bid that does not contain a bid bond cannot be counted toward the two (2) bid requirement).
11. Performance and Payment Bonds for 100 % of contract price Bids may only be rejected for "sound *documented* reasons".
12. Contract awarded on firm-fixed price basis.
13. Award to lowest responsive, responsible bidder
14. Must have written contract with federal contract provisions included.
15. Award of the contract by the BOCC is not required; however, contract execution authority limits as adopted by the BOCC shall still apply.
16. If fewer than two bids are received, re-advertisement is necessary. If upon re-advertisement and only one bid is received, the bid can be accepted and opened.

**\* Building Projects \$300,000 and above**

**Construction or repair contracts involving a building \$300,000 and above must also include:**

1. Pursuant to N.C.G.S. §143-128.2, formal HUB (historically underutilized business) participation is required, including local government outreach efforts and bidder good faith efforts.
2. Separate specifications shall be drawn up for the HVAC, electrical, plumbing, and general construction work as required under G.S. 143 -128(a).

### **CONSTRUCTION AND REPAIR – SEALED BIDS \$500,000+**

\$500,000 and above

- 3.7 Shall be procured using a combination of the most restrictive requirements of the Uniform Guidance sealed bid procedure (2 C.F.R. § 200.320(b)(1)) and state formal bidding procedures (N.C.G.S. §143-129).

#### **Procedures**

- 3.7.1
1. Cost or price analysis is required prior to soliciting bids (this cost estimate may be provided by the project designer).
  2. Complete specifications must be made available to all bidders
  3. Separate specifications shall be drawn for the HVAC, electrical, plumbing, and general construction work as required under N.C.G.S. 143-128(a).
  4. The project shall be bid using a statutorily authorized bidding method (separate prime, single-prime, or dual bidding) as required under N . C . G.S. §143-129(a)(1).
  5. Public Advertisement: (Electronic Advertising is authorized)
  6. Legal notice must reserve to the governing board the right to reject any or all bids only for "sound documented reasons."
  7. Solicit from adequate number of known suppliers.
  8. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321 by posting on the State's JPS site and HUB.
  9. Good Faith MBE Requirements/Affidavits must be submitted Bids must be submitted sealed and in paper form.
  10. Public Bid Opening
  11. Must have three (3) sealed bids submitted before opening
  12. Original 5% Bid Bond (a bid that does not contain a bid bond cannot be counted toward the three (3) bid requirement) Bid Bonds may not be faxed or emailed. Bid Bonds must be original and submitted with the Bid.
  13. Performance and Payment Bonds for 100% of contract price
  14. Bids can only be rejected for "sound *documented* reasons"
  15. Contract awarded on firm-fixed Price basis
  16. Award to lowest, responsive, responsible bidder
  17. Must have written contract with federal contract provisions included
  18. Award by the BOCC is required (cannot be delegated)
  19. If fewer than three bids are received, re-advertisement is necessary. If upon re advertisement less than three bids are received, bid(s) can be accepted and opened.

## PROFESSIONAL SERVICES (ARCHITECTURAL AND ENGINEERING SERVICES)

### Less than \$50,000

Shall be procured using the RFQ process or Exemption Process

3.8

#### Procedure Under \$50,000

- 3.8.1 Professional Services under \$50,000, for the purchase of services subject to the qualifications-based selection process in the Mini-Brooks Act may be exempt pursuant to N.C.G.S. §143-64.32 as long as the annual self-certification has been included in the annual Budget Ordinance. If the self-certification was not done, the micro-purchase threshold shall be \$10,000.

### \$50,000 - \$350,000

Shall be procured using the state "Mini-Brooks Act" requirements (N.C.G.S. §143-64.31)

#### Procedure \$50,000 - \$350,000

3.8.2

1. Issue a Request for Qualifications (RFQ) to solicit qualifications from qualified firms.
2. Advertisement: Solicit only - Newspaper is not required.
3. Price (other than unit cost) shall not be solicited in the RFQ.
4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided for under 2 C.F.R. §200.321 by posting on the State's IPS site and HUB.
5. Evaluate the qualifications of respondents based on the evaluation criteria developed by the Purchasing Department and/or Requesting Department.
6. State licensure requirements apply.
7. Rank respondents based on qualifications and select the best qualified firm. Price cannot be a factor in the evaluation.
8. Preference may be given to in-state (but not local) firms.
9. Negotiate fair and reasonable compensation with the best qualified firm. If negotiations are not successful, repeat negotiations with the second-best qualified firm.
10. Award the contract to best qualified firm with whom fair and reasonable compensation has been successfully negotiated.
11. Must be a fixed price or not to exceed contract type for services.
12. Governing board approval is not required.
13. Must have written contract with federal contract provisions included.
14. Do NOT have to re-advertise if only one response is received.

### \$350,000 and above

Shall be procured using the Uniform Guidance competitive proposal procedure (2 C.F.R. § 200.320(b)(2))

#### Procedure \$350,000+

1. Issue a Request for Qualifications (RFQ) to solicit qualifications from qualified firms  
Advertisement: Solicit only - Newspaper is not required). Price (other than unit cost) shall not be solicited in the RFQ.
- 3.8.3 2. Take affirmative steps to solicit qualifications statements from M/WBE vendors and suppliers as provided for under 2 C.F.R. § 200.321 by posting on the State's IPS site and HUB site.
3. Identify the evaluation criteria and relative importance of each criterion (the criteria weight) in the RFQ.
4. Proposals must be solicited from an adequate number of qualified sources (an individual federal grantor agency may issue guidance interpreting "adequate number").
5. Must have a written method for conducting technical evaluations of proposals and selecting the best qualified firm.
6. Consider all responses to the publicized RFQ to the maximum extent practical.
7. Evaluate qualifications of respondents based on the evaluation criteria developed by the Purchasing Department and/or Requesting Department
8. Rank respondents based on qualifications and select the most qualified firm.
9. Preference may be given to in-state (but not local) firms provided that granting the preference leaves an appropriate number of qualified firms to compete for the contract given the nature and size of the project.
10. Price cannot be a factor in the initial selection of the most qualified firm.
11. Negotiate fair and reasonable compensation with the best qualified firm. If negotiations are not successful, repeat negotiations with the second-best qualified firm.
12. State licensure requirements apply.
13. Must be a fixed price or not to exceed contract type for services.
14. Governing board approval is required (per local policy)
15. Must have written contract with federal contract provisions included

- 4 Note: The RFQ process cannot be used for general consulting services or other services not defined by state law or federal law even if those services can be performed by an architectural or engineering firm.

#### 4.1 EXCEPTIONS

Non-competitive contracts are allowed **only** under the following conditions and with the written approval of the federal agency or state pass-through agency that awarded the federal funds.

#### SOLE SOURCE

A contract may be awarded without competitive bidding when the item is available from

only one source. The Procurement Department and/or requesting department shall document the justification for and lack of available competition for the item. Written prior approval is required by the granting agency for all sole source procurements in excess of \$350,000. All sole source contracts must be approved by the BOCC when federal funding is involved unless the contract is under \$30,000.

### **PUBLIC EXIGENCY**

- 4.2 A contract may be awarded without competitive bidding when there is a public exigency. A public exigency exists when there is an imminent or actual threat to public health, safety, and welfare, and the need for the item will not permit the delay resulting from competitive bidding. **A cost analysis is still required.**

### **INADEQUATE COMPETITION**

- 4.3 A contract may be awarded without competitive bidding when competition is determined to be inadequate after attempts to solicit bids from a number of sources as required under this Policy does not result in a qualified winning bidder.

### **AWARDING AGENCY APPROVAL**

- 4.4 A contract may be awarded without competitive bidding with the express written authorization of the federal agency or state pass-through agency that awarded the federal funds so long as awarding the contract without competition is consistent with state law. When hiring consultants, prior approval must be obtained from the awarding agency whose rate exceeds the consultant rate maximum limit as specified by the awarding agency.

5

## **CONFLICTS OF INTEREST**

In addition to the prohibition against self-benefiting from a public contract under N.C.G.S. § 14-234, no officer, employee, or agent of Union County may participate directly or indirectly in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. A real or apparent conflict exists when any of the following parties has a financial or other interest in or receives a tangible personal benefit from a firm considered for award of a contract:

1. The employee, officer, or agent involved in the selection, award, or administration of a contract;
2. Any member of his or her immediate family;
3. His or her partner; or
4. An organization which employs or is about to employ any of these parties.

Any officer, employee, or agent with an actual, apparent, or potential conflict of interest as defined in this Appendix shall report the conflict to his or her Department or Division Director. Any such conflict shall be disclosed in writing to the federal award agency or pass-through entity in accordance with applicable Federal awarding agency policy.

## **GIFTS**

In addition to the prohibition against accepting gifts and favors from vendors and contractors under N.C.G.S. § 133-32, officers, employees, and agents of Union County are prohibited from accepting or soliciting gifts, gratuities, favors, or anything of monetary value from contractors, suppliers, or parties to subcontracts. Items of nominal value which fall into one of the following categories may be accepted:

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1. Promotional items.
2. Honorariums for participation in meetings; or Meals furnished at banquets.

Any officer, employee or agent who knowingly accepts an item of nominal value allowed under this Policy shall report the item to his or her immediate supervisor.

## **VIOLATION**

Employees violating Appendix A will be subject to discipline up to and including dismissal. If a contractor violates the conflict of interest or gift rules set out herein, the County may terminate any contract(s) between the County and said contractor and said contractor may not be eligible for future contract awards.

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