

NOTE: While many of the procedures contained within these policies directly and/or indirectly address emergency protocols, because of the significant size of these policies, only the word “emergency” or “emergencies” are lighted to bring attention to the reader. The policies are provided in their entirety for complete disclosure of evidence.

13. PETTY CASH POLICY

13.1. POLICY

It is the policy of Johnson County Park and Recreation District (JCPRD) management to establish and maintain controls of petty cash on behalf of JCPRD to ensure budget compliance, cost effectiveness, and appropriate stewardship of JCPRD resources.

13.2. PURPOSE

The purpose of JCPRD’s Petty Cash Fund is to provide a fund for making small, incidental, or emergency expenditures for a broad variety of goods, services and activities related to the conduct of official business. It is recognized that these expenditures are more appropriately made in the form of cash purchases because of the small amounts of money involved, the specific nature of the expenditure, or specific situations where a cash purchase is the most expedient and appropriate method of expenditure. The Petty Cash Fund can also be used as a “change fund” for those departments maintaining a high level of interaction with the public.

Use of the Petty Cash Fund should not be used as a method to bypass JCPRD’s Accounts Payable purchasing system.

A. Restrictions

JCPRD’s Petty Cash Fund may not be used for the following types of transactions:

1. Individual or staff reimbursement for services or work performed.
2. Travel advances, travel expenses (excluding tolls) or staff mileage reimbursement.
3. Payments to vendors for invoices and recurring expenses that can be anticipated in advance and acquired by a Purchase Order.

B. Procedures

1. Staff utilizing personal funds will be immediately reimbursed through the Petty Cash Fund upon presentation of their original receipt.
2. An original vendor receipt is required documentation to complete the Petty Cash transaction process. Vendor receipts must be approved, signed by an immediate supervisor, in order to be processed.

3. Staff must sign a pre-numbered receipt stating the purpose of the reimbursement and the general ledger account code that the purchase should be recorded to.

C. Custodian

1. Departments utilizing a Petty Cash Fund must appoint a custodian to monitor its use and replenishment. It is the responsibility of the custodian to ensure that the Petty Cash Fund is secure at all times and used in a manner consistent with this Policy. The CFO or his/her designee must be notified by the department if there is a change in the Petty Cash custodian.
2. Petty Cash receipts plus cash on hand must equal the total amount of the Petty Cash Fund at all times.
3. Petty Cash Funds are available at the Antioch Park Registration Office, Police Department, 50 Plus Department, Mid-America Sports Complex, Ernie Miller Nature Center, and the Finance Department of the JCPRD Administrative Building located in Shawnee Mission Park during normal business hours.

D. Audit

All Petty Cash Fund transactions are subject to audit by the JCPRD Finance Department. In addition, the Finance Department may perform periodic unannounced audits of these funds to ensure that proper control is maintained.

Approved: Unknown

15. PURCHASING CARDS (P-CARDS)

15.1. POLICY

The purpose of this policy is to provide the Johnson County Park and Recreation District (JCPRD) with structure and direction on how to use the Purchasing Card (P-Card) Program. To improve mission support and efficiency of operations, Johnson County Government has contracted with a sponsoring bank for a purchasing card program under the authority of County's Treasury and Financial Management. As part of JCPRD's migration to the County's Oracle financial accounting system (Oracle), JCPRD will participate in Johnson County Government's purchasing card program. The goal of this program is to reduce the processing cost of procuring goods and services.

15.2. PURPOSE

The purpose of this policy is to provide JCPRD employees with instructions on the proper use of the government purchasing card as an efficient means to purchase and acquire items and services that are considered eligible purchases.

This policy is intended for cardholders who are responsible for making these types of purchases and for those involved in the administration of the purchasing card program.

Failure to adhere to this policy and its procedures and guidelines may result in disciplinary action up to and including termination.

15.3. REFERENCES

A. Johnson County Government Administrative Policies, Procedures, and Guidelines

1. Miscellaneous Expense Policy
2. Travel Policy
3. Johnson County, Kansas, Purchasing Policy and Procedures
4. Gift Certificate/Card Guideline

B. Johnson County Park and Recreation Policies, Procedures and Guidelines

1. JCPRD Purchasing Policy and Procedures
2. P-Card Guideline 110.505 Definitions

15.4. DEFINITIONS

For the purpose of these instructions, certain terms used herein are defined as follows:

- A. **Accounting String Code (General Ledger)** – The Accounting String Code (General Ledger), or ASC-GL, is a combination of accounting codes that is used in the I-Expense module to assign accounting codes to purchasing card transactions. An ASC-GL consists of a fund, cost center, account, project code, TBD2, function code, location code, and TBD, as defined and established in Oracle.

- B. **Automatic Payments** – Recurring payments prior to goods and/or services being received/authorized.
- C. **Billing Cycle Date** - The billing cycle date is the date the bank considers the cut-off date for billing for all cardholders each month. The billing date is used to determine how many days Johnson County needs to pay the sponsoring bank from the billing date. All purchasing card accounts have the same billing cycle date. On behalf of JCPRD, Treasury and Financial Management staff will issue one disbursement to the sponsoring bank the first business day of each month for all reconciled and posted transactions in the Accounts Payable module for the past 30 days.
- D. **Business Purchasing Accounts (BPA)** - BPA's are similar to standard p-card accounts except that all BPA's will be cardless and attached to specific suppliers and contracts. These accounts will be subject to p-card guidelines and purchasing procedures.
- E. **Card Approving Official - Alternate** – An Alternate Card Approving Official is appointed in writing to the Office Program Coordinator and acts as the Card Approving Official (CAO) in the Primary CAO's absence.
- F. **Card Approving Official - Primary** – The Card Approving Official (CAO) in each department is the person who will review and approve the transaction approval report, ensuring that they are complete, accurate, and reflect only authorized purchases as defined herein.
- G. **Cardholder** – The JCPRD employee who is issued a government purchasing card.
- H. **Convenience Fee** – A fee charged for a bona fide convenience of using an alternative payment channel outside of the merchant's normal business practice. The merchant must disclose to the customer the total charge of the conveniences of using the alternative method of payment. The merchant cannot charge a percentage fee as a convenience fee (i.e. 2% of transaction vs. \$2.00 a transaction). The merchant cannot charge for a face-to-face transaction. The fee is assessed by the merchant that provides the goods or services to the cardholder and not a third party, also the fee must be included as part of the total transaction. The customer must be given the opportunity to cancel prior to completion of the transaction.
- I. **Confirmation of Receipt of Goods** - The goods receipt is a confirmation that the goods ordered/purchased have been received by the requestor.
- J. **Cycle Date** – The cycle date is the date the bank will have the latest purchase card transactions available to upload into Oracle. The cycle date is used to determine how many days the cardholder and/or the department-approving official have until the transaction approval report needs to be reconciled. All purchasing card accounts have the same cycle date. The cardholder's weekly transaction approval report will reflect all charges received by the bank for posting from Monday of the preceding week through close of business on Sunday of the current week. The related transaction approval report becomes available in I-Expense some time Wednesday morning each week, unless it's a holiday, then an alternate cycle date will be announced to the organization. The cardholder's weekly transaction approval report will reflect all charges received by the bank for payment from Monday through Sunday of the previous week.
- K. **Foreign Exchange Rates** – A foreign exchange rate is the exchange relationship between two different currencies or how much currency is worth in terms of the other. UMB does not charge a

fee for foreign transactions. If any fee is assessed to a charge, it will be a fee built into the exchange rate (by the merchant bankcard processor). Contact the PCPA for further assistance.

- L. **Goods** - Tangible physical product which is delivered to a purchaser and involves transfer of ownership from a seller to a buyer. For example, supplies are tangible goods, as opposed to consulting fees, which are services.
- M. **Google Wallet** – Google Wallet is an online payment processing service similar to PayPal, however not recommended for County use. The terms of Google Wallet are prohibited practice under the County P-Card Administrative Guidelines; which states, p-card holders “Not allow a merchant or supplier to keep p-card account number on file.” (110.545)
- N. **Independent, Confirmation of Receipt of Goods** - The goods receipt is confirmed by someone other than the requestor.
- O. **Office Program Coordinator** – The Office Program Coordinator is responsible for managing the purchasing card program for a designated office or organizational unit. The Office Program Coordinator serves as liaison between the Purchasing Card Program Administrator and the Cardholders and Approving Officials within JCPRD. The Office Program Coordinator ensures the office or organizational unit is complying with the Government Purchasing Card Administrative Guidelines and all applicable policies, procedures and guidelines.
- P. **PayPal** – PayPal is an electronic commerce business that facilitates the transfer of funds between parties via the Internet. (See Section 110.545)
- Q. **Purchasing Card Program Administrator** – The Purchasing Card Program Administrator (PCPA) or designee is the person responsible for managing the purchasing card program. The PCPA serves as the liaison with the sponsoring bank. The PCPA establishes procedures on I-Expense and develops the training material for using the application. The PCPA maintains and updates the policies and procedures for the p-card guidelines and establishes the training requirements for the purchasing card program. The PCPA maintains lists of designated Approving Officials and Office Program Coordinators that are submitted in writing by each office or organizational unit. The PCPA sets up new cardholder accounts and completes all maintenance actions on these accounts. The PCPA delegates contracting authority to cardholders by signing the cardholder agreement. The PCPA also conducts periodic reviews of cardholder accounts, works with the Office Program Coordinators and/or cardholders, develops purchasing usage reports, and serves as the contact for answering purchasing related questions. The PCPA ensures transactions are compliant with County Purchasing Policy and Procedures. The PCPA manages cardholder accounts in I-Expense, completes all maintenance actions on these accounts, has the authority to force reconcile past due accounts, conducts periodic reviews of cardholders accounts; and serves as the focal point for answering payment related questions. The Purchasing Card Program Administrator for Johnson County is located in the Treasury and Financial Management.
- R. **Public Purpose** – The justification of a purchase using public funds. As related to p-card, public purpose explanations shall include the “who, what, where, when, and why” of the purchase.
- S. **Reallocation** – Reallocation is the process of changing the default ASC to an alternative one for a purchasing card transaction. A single purchasing card transaction may be reallocated to an unlimited number of different ASC’s.

- T. **Services** - Intangible, intended use is to serve in response to demand or need.
- U. **Six-Month Waiver** – Employees that are in their six month introductory period may not be issued a card unless a waiver is obtained. See the Card Issuance Procedures section below for details.
- V. **Smart E-Purchase** – In accordance with the County’s Administrative Purchasing Policy, a Smart E-Purchase is goods or services that cost less than \$10,000; can be obtained immediately or in less than 30 days; and promotes the highest form of procurement efficiency. A proposed purchase may not be divided into several purchases for lesser amounts in order to use the p- card or to further simplify the acquisition process.
- W. **Sponsoring Bank** – The bank that is the issuer of the purchasing card. Their responsibilities will include all activities related to the underwriting, promotion, issuance, and servicing of the card.
- X. **Transaction Approval Report** – A Transaction Approval Report is the equivalent of a transaction log of purchasing card statement transactions within I-Expense. The Transaction Approval Report replaces the paper statements for official reconciliation and payment purposes.
- Y. **Vendor Master**– The Vendor Master (VM) is responsible for managing the p-card vendors in Oracle. The VM is responsible for all 1099 type vendors and purchases and is responsible for merging common vendors paid through the p-card program and the regular accounts payable disbursement process.

15.5. USE OF THE PURCHASING CARD

Using a government purchasing card is an efficient, cost effective method of purchasing and paying for eligible purchases or for any purchases that do not require competitive bids, including all delivery, shipping and/or special handling charges.

- A. The CFO or his/her alternate shall delegate procurement authority to the JCPRD employee requesting use of a government purchasing card. The authority establishes single and monthly dollar limits. These amounts are subject to change.
- B. The purchase is the responsibility of the cardholder. The approving official, however, is ultimately responsible for the proper and correct administration of the program within his/her office. Approving officials have the ultimate responsibility of ensuring government funds are used effectively, efficiently, and in accordance with all applicable policies and procedures.
- C. The unique purchasing card that a cardholder receives from the sponsoring bank has his or her name embossed on it. No other individual may use this card. It has been specifically designed so that it will not be confused with personal credit cards. This card may not be used for personal purchases.
- D. The sponsoring bank, in issuing these cards to JCPRD employees, has established a number of steps in the authorization process that are to be taken each time the card is used. The merchant will use an electronic or telecommunication method for obtaining authorization on all purchases. Such authorization ensures that purchases are within the single purchase and monthly purchasing limits or other restrictions deemed necessary as established by the office program coordinator and the purchasing card program administrator.

- E. Purchasing card transactions are recorded in the accounting system after the cardholder has already made the purchase, during the processing of transaction approval reports in I-Expense. Cardholders are responsible for ensuring funds are available prior to making a purchase with a purchasing card. Often the cardholder is an employee without budget monitoring responsibilities. The cardholder may not be aware of funds availability and should obtain approval from an authority figure.

15.6. CARD ISSUANCE PROCEDURES

The Office Program Coordinator must forward a completed P-Card Cardholder Application & Agreement-Part 1 & 2 to TFM – Purchasing Division for an employee to be issued a government purchasing card.

To be eligible for a purchasing card, an employee must complete his or her six-month introductory or qualifying period, unless the JCPRD Executive Director and the purchasing card program administrator waive the requirement. This six month restriction from card issuance applies to new-hire employees only. The restriction is not applicable to employees who have currently been employed with JCPRD for more than six months. Employees who transfer from one department to another are subjected to the restriction only when they have not been employed by JCPRD for more than six months.

The office program coordinator must also specify the proposed monetary limits for the cardholder. Limits consist of the single purchase limit and the monthly limit. A single purchase may include multiple items. However, no single purchase may exceed the authorized single purchase limit established for each cardholder. Requirements may not be split up to circumvent this limit. Payments for purchases are not to be split in order to stay within the single purchase limit.

The office program coordinator, approving official, and/or cardholder must also specify the default ASC assigned to the cardholder. The operations division within Treasury and Financial Management will assist office program coordinators in establishing the appropriate ASC for each cardholder.

Each cardholder is assigned a default ASC that is the most commonly used ASC for a cardholder. The default ASC is automatically assigned to each transaction in I-Expense. The default ASC helps the office program coordinator reconcile the transaction approval report more easily, and enables the transaction approval report to automatically close and be recorded to a valid ASC in the event a cardholder and/or approving official fails to submit the receipt and charging instructions to the office program coordinator.

The cardholder, approving official, office program coordinator or p-card program administrator may cancel purchasing cards in accordance with the card cancellation section of these guidelines. Employees who have been transferred to another location or position need not cancel their card as long as there is no change in the approving official and the employee remains a cardholder. The default ASC may need to be changed based upon the employee's transfer. The purchasing card must be destroyed and the procedure for card cancellation listed elsewhere in this guide must be followed when an employee terminates employment. A JCPRD employee should not transfer their purchasing card from one department to another without approval. The standard procedure requires the cardholder to return their purchasing card to the original office program coordinator before transferring to a new department.

15.7. PURCHASING LIMITS

- A. Single Purchase Limit

Cardholders will have a purchasing limit per transaction that does not exceed departmental approved levels.

B. Monthly Limit

The monthly limit is a budgetary limit assigned by the JCPRD CFO and the County's Purchasing Administrator.

C. JCPRD Limit

The limit is the maximum dollar amount that may be spent by all cardholders. This is the Control Account limit that JCPRD has agreed upon with the sponsoring bank.

D. Short-Term Authorization Limit Increase:

1. At times, it is necessary for a cardholder to require higher authorization spending limits for a short period of time. The period of time could be for a week to three months. When this occurs, office program coordinators should request a short-term increase for the cardholder.
2. In order to raise the authorization, the cardholder's supervisor needs to obtain approval from the office program coordinator or CFO. They will then send the request to the County in one of the following ways: send a completed cardholder application and agreement form to purchasing staff or by emailing or telephoning purchasing staff.
3. The p-card program administrator can approve temporary authorization increases. Permanent authorization increases require approval from the JCPRD Executive Director or the CFO.

E. Emergency Short-Term Increases

At times, a cardholder is required to spend more than their transaction and/or monthly limit. This should occur infrequently. If this becomes an on-going issue, JCPRD needs to review and possibly modify the dollar thresholds of the cardholder.

15.8. EMERGENCY PROCEDURES

An Office Program Coordinator or authorized approving official will need to contact TFM support staff at 715-0525 and request to speak to one of the p-card administrative staff members and state that your call is about a p-card authorization limit issue and immediate action is requested.

Enhanced **emergency** procedures may be activated by the JCPRD Executive Director.

15.9. FUNDS AVAILABILITY

Cardholders are responsible for ensuring that funds are available to pay for all purchases that they request. The cardholders must comply with their office or organizational unit's procedures for funds control prior to actual purchase.

15.10. GIFT CARDS

Special procedures are required for the acquisition and handling of gift cards, regardless of the payment method used to purchase the gift cards. Gift card purchases must be coded to general ledger natural account code 530116 for tracking purposes. TFM reserves the right to audit all gift card purchases. JCPRD's CFO must approve all purchases of gift cards before the cards are purchased.

15.11. MANDATORY SOURCES OF SUPPLY

Cardholders shall review the County's list of term and supply contractors and purchase from them when applicable.

15.12. BUSINESS PURCHASING ACCOUNTS (BPA)

- A. BPA's are subject to p-card guidelines and purchasing procedures with the following exceptions.
- B. Cards will not be issued for BPA's. The accounts will be card-less.
- C. Standard p-card transaction limits may be waived and replaced with new limits as authorized by the CFO.
- D. Since BPA's will typically be used for larger dollar transactions, the requirements for competition, as dictated by JCPRD's purchasing policy and procedures, must be satisfied in advance.
- E. A request for a BPA must be approved by the JCPRD Executive Director. The account must then be approved by the County Purchasing Manager, the sponsoring bank and the supplier. When reviewing a BPA request for approval, the Purchasing Manager will look for contracts that maximize value and efficiency to the organization. Typically a BPA should equal or exceed \$500,000 in total contract value and generate two or more transactions monthly
- F. A BPA is limited to one supplier and one JCPRD employee.

To meet I-Expense requirements the BPA's are non-transferable accounts assigned to an active JCPRD employee. Card names may be modified to reflect the specific account; however the attachment to the active JCPRD employee is non-transferable.

- G. Once a BPA is established, all transactions against that contract with that particular supplier must be purchased through the BPA. No separate requisition(s) will be allowed against the same contract for the supplier.
- H. BPA's may cross-over multiple fiscal years, as needed. A new BPA will be established with each contract renewal.
- I. Automatic or supplier controlled payments are prohibited when establishing a BPA.
- J. BPA's will expire at the earlier of:
 - 1. The normal expiration date for JCPRD's p-cards as dictated elsewhere in these guidelines,
 - 2. The end of the contract the BPA is related to, or

3. The end of budgetary allowance.

15.13. RESPONSIBILITIES

A. Office Program Coordinator

1. Attend p-card user training class.
2. Serve as liaison between cardholders and approving officials and the purchasing card program administrator on p-card issues.
3. Ensure JCPRD is compliant with all applicable policies, procedures, and guidelines.
4. Document departmental p-card procedures. Maintain this procedure guide and communicate updates to cardholders for training purposes.
5. Certify and submit the weekly transaction approval report in I-Expense by 3 pm Tuesday for the previous weekly cycle upload.
6. Set up a central system for cardholder receipts to ensure supporting receipts are retained for three years as stated by Kansas Statute. All receipts and supporting documents should be attached to the cardholder's weekly reconciliation report and filed by date reconciled. No exceptions are allowed.
7. Reconcile and submit the transaction approval report in I-Expense within three business days after the close of the weekly cycle.
8. Delegate a reconciler in the event of an absence.
9. Ensure the receipt of goods has been verified by someone other than the cardholder.
10. Ensure each transaction has detailed documentation to support the purchase.
11. Periodically review cardholders and the spending limits under their responsibility to ensure accounts and spending controls are accurate.
12. Prepare or review card requests, cancellations, and lost/stolen card reports, as needed.
13. Assist the cardholder in resolving dispute payments.

B. Approving Officials (Supervisors)

1. Attend p-card user training class.
2. Designate cardholders, monetary limits, and default ASCs.
3. Ensure all transactions are in accordance with all applicable purchasing policies and departmental guidelines.

C. Cardholders

1. Attend p-card user training class.
2. Pass p-card test prior to the initial card request and any subsequent JCPRD replacement card issuances.
3. Obtain approval and check for budgetary compliance in advance of any purchase.
4. To avoid duplication of payment, define payment method if not indicated on receipt or payment document. To define payment method, state "Paid by p-card".
5. Purchase only authorized items using authorized sources.
6. Do not exceed assigned transaction and monthly limits.
7. Ensure that the quantity and condition of the items furnished are in accordance with the supplier agreement.
8. Immediately report lost or stolen cards to the sponsoring bank. Then submit a FORM TO REPORT A LOST OR STOLEN P-CARD to the sponsoring bank, office program coordinator, approving official and purchasing card program administrator in TFM - Purchasing Division.
9. Complete the P-Card Transaction Form and attach original merchant receipt. Must be a detailed receipt.
10. Immediately forward all supporting documents to: PRK-P-Card Administrator <prkpcardadmin@jocogov.org> for review, entry into I-Expense and record retention. This includes the P-Card Transaction Form, merchant receipts and/or Johnson County Missing Receipt Declaration and any internal records relating to the prior departmental approval of the purchase.
11. Sign a cardholder agreement.
12. Ensure all transactions are in accordance with all applicable purchasing policies and departmental guidelines.

15.14. PROHIBITED PURCHASES

The P-card will not be used for the following items:

- A. Purchases to Ebay.com or any similar online auction vendor.
- B. Purchase of goods/services for personal use.
- C. Cash advances through an automated teller machine or through a bank teller.
- D. Cash returns.
- E. Purchases of Money Orders and Money Order Fees.
- F. Prepayment of supplies/services to include recurring charges.

- G. Repair of leased or purchased vehicles when the lease/purchase provides for service/maintenance.
- H. Rental or lease of Real Estate.
- I. Other purchases that do not comply with all applicable purchasing policies and procedures.

15.15. ACTIONS REQUIRED ON BILLING STATEMENTS

The transaction approval report printed from I-Expense is considered the official statement for review and submission for public purpose.

A. Cardholder Actions

The cardholder is responsible for making only authorized purchases with the p-card. Once a transaction has occurred, the cardholder must complete a P-Card Transaction Form. The cardholder shall email prkpcardadmin@jocogov.org by the 10:00 AM Monday deadline. This email must include; the date of purchase, merchant, a detailed description, expense type (see list), amount, and the accounting string to be charged. The cardholder shall scan and attach a .pdf image of the original receipt to this email, if possible. The Cardholder shall then route the completed P-Card Transaction Form and the original receipts obtained from the merchant/supplier/or a Johnson County Missing Receipt Declaration. Supporting receipts shall include merchant invoices and/or delivery receipts containing written confirmation of the receipt of goods. An employee independent of the purchase must provide this written confirmation of the receipt of goods by signing the original receipt of purchase. In the event that an independent party is not available, this must be noted on the P-Card Transaction Form and the Office Program Coordinator must also sign the receipt. Any discrepancies in what was received must be immediately discussed with the merchant/supplier involved, and/or the sponsoring bank to resolve the error. The only exception to the 10:00 AM Monday deadline is if the cardholder is traveling. The Accounts Payable Manager should be notified in advance of travel if the Monday deadline will be missed.

When a cardholder encounters a disputed item, he or she may wish to file a formal dispute with the sponsoring bank. This is recommended when the merchant or supplier does not resolve the incorrect billing in a timely fashion. A cardholder must file the dispute within 60 days of the end of the billing cycle. The cardholder shall complete and submit the dispute form to the office program coordinator who will forward the form via email to the p-card program administrator who will forward to the sponsoring bank's customer service center. The forms and contact numbers are found on the TFM-Purchasing intranet site. Check with the office program coordinator for advice when filing disputes. Disputed items are paid for initially like any other card transaction, and it is the cardholder's responsibility to ensure the appropriate credit is received on a future transaction approval report. It is recommended that the same ASC used for the original transaction be applied to the credit, to ensure the two transactions offset each other in the accounting system.

B. Approving Official Actions

After the transaction approval report is submitted to the approving official, the approving official will receive a workflow in Oracle which serves as the approving official's certification that the transaction approval report is accurate and ASCs are properly assigned and that all transactions comply with all applicable purchasing policies and procedures. If the approving official fails to submit the transaction approval report for approval by 3pm Tuesday of the previous week's bank

upload, the purchasing card program administrator will force approve the transactions and close the transaction approval report, assign a status of "autoclose", and forward the transaction approval report to the accounting system for payment. The ASC's assigned at the time of the auto-close process will be the default ASCs used to record the transactions in the Oracle. It will be the responsibility of the department staff to submit a Distribution/Modification form to the finance department for any transactions coded in error.

If the approving official finds an error in the ASC assignment, he or she must reject the transaction approval report back to the office program coordinator. The approving official must immediately notify the office program coordinator of the correct ASC either by telephone or email.

C. Office Program Coordinator Actions

The office program coordinator will be responsible for reviewing and submitting the weekly transaction approval report for all cardholders in I-Expense by 3 pm Tuesday for the previous weekly cycle upload. The office program coordinator will make any corrections to ASC's in I-Expense. The office program coordinator will set up a central filing system for cardholder receipts to ensure supporting receipts are retained for three years as stated by Kansas Statute. All receipts and supporting documents should be attached to the cardholder's weekly reconciliation report and filed by date reconciled. The office program coordinator will maintain all forms, procedures and guidelines related to the p-card program and provide training when necessary.

The office program coordinator will notify the approving official and cardholder of missing receipts or any delays in the process. If the cardholder or approving official do not follow procedures or cause delays in the reconciliation process, the office program coordinator and the CFO have the authority to cancel the cardholder's p-card.

D. Treasury and Financial Management Actions

The purchasing card program administrator will be responsible for the auto-close (force reconcile and/or approve) process. This process is established to ensure JCPRD's p-card payment status remains current. Corrections to the ASC assignment of transactions cannot be made in I-Expense after the statement is closed or auto-closed. These corrections would need to be completed by Finance staff in the Oracle financial system by processing a Distribution/Modification form.

Finance staff will perform on-site spot audits and check for compliance with all applicable policies, procedures and guidelines. Finance staff will provide training and provide suggestions and assistance to departments in using the p-card program.

15.16. TAX EXEMPTION

At the time of purchase, including over-the counter or telephone purchases, cardholders will advise the merchant/supplier that the purchase is for official Johnson County Park and Recreation District, government purposes, and therefore is not subject to state or local sales tax according to Kansas Statute 79-3606(b). According to Kansas Statute 79-3692 local governments were assigned sales tax-exemption numbers. Effective January 1, 2005 all Kansas retailers have been instructed not to accept any other type of exemption certificates except for the certificate form approved by the legislation. The Kansas exemption number is printed on the front of the p-card and a tax exemption form should be provided to the supplier if requested.

A. Out of State Transactions

Purchases made in Missouri must be delivered to a Kansas site to be tax exempt. Orders picked-up or services received in Missouri or any other state will be subject to taxes.

JCPRD is not exempt from taxes on hotel excise taxes, internet purchases, and restaurant purchases outside the State of Kansas

B. Exceptions

At all times, the cardholder should make the merchant aware that the purchase is exempt of taxes and any taxes included on a purchase should be removed immediately after discovery of the tax included. In most cases, that should happen before leaving the merchant's business.

In some rare instances, the cost benefit of obtaining a tax exemption may not be advisable. All of the following conditions must exist before a cardholder forgoes an exemption: 1) Considerable effort and time would need to be expended to obtain the exemption (i.e., it would cost more in labor than the exemption is worth). 2) If taxes are included and the cardholder has made all attempts to get the tax removed from the merchant, the cardholder will be able to waive the sales tax exemption and add the cost to their overall expense of the item if the sales tax amount is less than five dollars. Efforts to try and retain the tax should be noted for auditing purposes and that merchant should not be used again.

C. Assistance

Large companies such as Wal-Mart, Sam's Club, Home Depot, Lowes, and other similar suppliers should never charge taxes on purchases made with a p-card. If this happens, cardholders should first request that the charge for taxes be reversed. If the vendor does not reverse the charge, the cardholder should contact the office program coordinator for assistance. The office program coordinator will furnish these companies with current tax exemption certificates and also determine if any special procedures are needed to purchase goods from these suppliers.

15.17. ORDERS BY TELEPHONE OR INTERNET

When placing a telephone order using the p-card, the cardholder will:

- A. Determine that the merchant or supplier contacted accepts a p-card.
- B. Not allow a merchant or supplier to keep p-card account number on file. Please contact the PCPA for further assistance.
- C. Request price and delivery information. Purchases must be readily available for shipment/delivery.
- D. Request invoices generated by the merchant and paid by the p-card be sent to the cardholder's work location.
- E. Give the merchant/supplier the following information:
 1. Name as it appears on p-card.

2. P-card number and expiration date.
 3. Quantity of each item, unit price of each item, and the extended total of each item.
- F. Remind merchant/supplier that the purchase is not subject to sales tax.
- G. Request a screen print or print copy of an invoice for official record.
- H. Items that cannot be physically received by the cardholder are to be addressed and shipped directly to the purchaser, at their work location address. Any problems with shipments, receipt, etc. must be brought to the immediate attention of the approving official or other designated person in your agency.
- I. When placing an order using the Internet, the cardholder should ensure the supplier's web page is secure. A small picture of a lock will appear in the bottom of the screen when the connection is secure.

15.18. SECURITY OF CARDS

- A. The Cardholder is responsible for exercising the same care and responsibility for the security of the card and the account number as he/she would with a personal credit card. Cardholder shall guard it and use it responsibly.
- B. To prevent unauthorized P-card use:
1. Safeguard cards and card numbers.
 2. Not allow a merchant or supplier to keep p-card account number on file. Please contact the PCPA for further assistance.
 3. Prohibit others from using your purchasing card, this means that the cardholder does not give their card or card number to someone else to use to buy supplies or services. A cardholder can buy items for other employees, but the cardholder must make the purchase for them.
 4. The unique design and color of the purchasing card was selected as a safeguard against accidental use for personal purchases.
 5. If the purchasing card is accidentally used by an employee for a personal purchase, the employee will immediately notify their office program coordinator in writing and provide a payment to "Johnson County Park and Recreation District" for the exact amount of the purchase. JCPRD has the authority to deduct the amount of a personal purchase from the cardholder's paycheck, if immediate reimbursement is not received.
 6. Certain instances may require a transaction on the p-card with a third-party or online payment processor, such as PayPal and Google Checkout. For example, the only vendor offering a particular product or service does not accept credit card payments, although they do accept third-party or online payment processing. Due to the risk of fraud or misuse associated with these types of vendors, extreme caution must be exercised when using the p-card for online payment processor transactions.

Requirements:

- a. The cardholder must submit a detailed invoice from the merchant, not just the PayPal confirmation showing the amount charged.
- b. Detailed information on the business use of the item or service.

15.19. DELEGATION OF AUTHORITY/TRAINING

- A. The CFO will appoint cardholders in writing by signing the cardholder agreement. The appointment will show the cardholder is authorized to purchase and will work with the office program coordinator to establish maximum dollar limits. Purchasing cards are usually ordered with individual transaction dollar limits within the first six authorization level limits. Cardholders requesting higher monthly authorization will need approval from the JCPRD Executive Director and may require additional training.
- B. All cardholders must meet their six-month introductory or qualifying period before being issued a purchasing card unless the JCPRD Executive Director and the purchasing card program administrator agree to waive this rule because of the employee's position or job responsibilities.
- C. All cardholders, approving officials, and office program administrators are required to receive training as referenced below. Prior to issuance of a purchasing card, employees who have been approved to receive a card should contact their office program coordinator for training information. The three levels of training are listed below.
- D. The purchasing card program administrator will train the office program coordinators on the Government Purchasing Card Administrative Guidelines every three years.
- E. The office program coordinators will train the cardholders on the Government Purchasing Card Administrative Guidelines every three years.
- F. The office program coordinators will train approving officials prior to the use of I-Expense and as needed thereafter.

15.20. MONITORING PURCHASING CARD ACTIVITY

Office program coordinators are encouraged to monitor the purchasing card activity in their organization to ensure the purchasing card is being appropriately used. Activity can be monitored within I-Expense using the PRK-Internet Expenses responsibility.

Individual card transactions are recorded in Oracle and are available for viewing through Oracle Accounts Payable, General Ledger, and Grants Accounting. Inappropriate purchasing card use will be brought to the attention of the cardholder's supervisor, department manager, CFO, Deputy Director, purchasing card program administrator, and / or the JCPRD Executive Director.

15.21. CARD ABUSE

There will not be a credit check on the personal credit history of a cardholder. Intentional use of this card for other than official JCPRD business will be considered an attempt to commit fraud against JCPRD

and may result in the immediate cancellation of the card and disciplinary action against the cardholder under applicable government-wide administrative procedures. The cardholder will be personally liable to JCPRD for the amount of any non-approved purchases and may be subject to termination of employment.

15.22. LOST OR STOLEN CARDS

- A. If the purchasing card is lost or stolen, it is important that the cardholder immediately notify the sponsoring bank. The user's department is liable for all charges incurred before the card is reported lost or stolen.
 - 1. Immediately call the sponsoring bank. Bank name, contacts and phone numbers can be found on the FORM TO REPORT A LOST OR STOLEN PURCHASING CARD. This form can be located on the JOCO Connect site under Forms Central. Cardholder should record the name of the person they spoke to at the bank, the time and date the loss/theft is reported, and the reference number provided by the sponsoring bank once the card is reported.
 - 2. Inform the office program coordinator and complete the FORM TO REPORT A LOST OR STOLEN PURCHASING CARD. The original will be sent to the sponsoring bank at the address on the form, forward a copy to the purchasing card program administrator, give one to the office program coordinator and keep one copy for cardholder's records.
- B. Upon notification to the bank, follow up correspondence must be sent from the cardholder's office program coordinator to the purchasing card program administrator with the following information:
 - 1. The cardholder's name and account number.
 - 2. The date of the loss/theft.
 - 3. If stolen, the date the police was notified.
 - 4. The date the bank was notified.
 - 5. Any purchase(s) made on the date the card was lost/stolen.
- C. A new card will be issued to the employee immediately following a report of loss or theft.

15.23. ERRORS AND DISPUTES

- A. When charges appear to be incorrect, the cardholder should do the following:
 - 1. Notify the appropriate office program coordinator.
 - 2. Attempt to resolve the dispute with the supplier. If unsuccessful, contact the office program coordinator within 60 days of the disputed item's transaction date, and:
 - 3. Complete a STATEMENT OF DISPUTED ITEMS and follow the instructions.

- B. If you are still unable to reach an acceptable solution, contact the purchasing card program administrator. Please be ready to provide names and dates of persons contacted, copies of correspondence, and other documentation with your attempts to resolve the dispute.
- C. When a cardholder errors and applies a personal charge to the purchasing card, a personal check made to Johnson County Park and Recreation should be issued immediately and given to the office program coordinator to deposit.

15.24. CARD CANCELLATION, RENEWAL, REPLACEMENTS

A. Cancellation

1. The office program coordinator is responsible for completing the P-CARD CARDHOLDER APPLICATION & AGREEMENT-PART 1 & 2 to cancel cards and for destroying cancelled cards.
2. For terminated employees, the office program coordinator must complete and forward the P-CARD CARDHOLDER APPLICATION & AGREEMENT-PART 1 & 2 to the PCPA in TFM prior to the terminated employee's last day worked in order for the purchasing card to be inactivated by that date.
3. The purchasing card program administrator may:
 - a. Deactivate p-card with 180+days of no activity
 - b. Close p-card with more than 365 days of no activity
 - c. Decrease p-card authority limit to \$500/\$1,000

B. Renewal

Every three years, renewal cards will be sent to the purchasing card program administrator for distribution. Renewal dates will be the same for all cardholders, regardless of the card issuance date.

C. Replacement

The department representative will complete the P-CARD CARDHOLDER APPLICATION & AGREEMENT-PART 1 & 2 form and forward it to the purchasing card program administrator.

15.25. IDENTIFYING AND REPORTING FRAUD ACTIVITY

It is the cardholder's duty as a JCPRD employee to report all suspected instances of fraud to the appropriate personnel because we all share a common goal that is to provide the citizens of Johnson County with an honest, effective, and efficient County government. Further, it is every employee's obligation to report instances of fraud, waste, and abuse to management, and if the employee is uncomfortable with reporting to department/agency management, then they have the opportunity to report it confidentially to the Ethics Hotline administered by Global Compliance at (855) 236-2042. Employees can also make a report via the web at <http://jocgov.alertline.com>.

A. What Is Considered To Be Fraud, Waste or Abuse

1. Fraud

The intentional deception perpetrated by an individual or individuals, or an organization or organizations, either internal or external to JCPRD, which could result in a tangible or intangible benefit to themselves, others, or to JCPRD or could cause detriment to others or JCPRD. Fraud includes a false representation of a matter of fact, whether by words or by conduct, by false or misleading statements, or by concealment of that which should have been disclosed, which deceives and is intended to deceive.

2. Waste

The intentional or unintentional, thoughtless or careless expenditure, consumption, mismanagement, use, or squandering of JCPRD resources to the detriment or potential detriment of the JCPRD. Waste also includes incurring unnecessary costs as a result of inefficient or ineffective practices, systems, or controls.

3. Abuse

Excessive or improper use of a thing, or to employ something in a manner contrary to the natural or legal rules for its use; intentional destruction, diversion, manipulation, misapplication, maltreatment, or misuse of JCPRD resources; extravagant or excessive use as to abuse one's position or authority. Abuse can occur in financial or non-financial settings.

- B. The cardholder should dispute any unauthorized purchases believed to be fraudulent during reconciliation.
- C. The cardholder must also report cases of fraud to the sponsoring bank, the cardholder's approving official, and the purchasing card program administrator.
- D. The cardholder should report all cases of suspected fraud immediately to the sponsoring bank, the cardholder's approving official, and the purchasing card program administrator.
- E. Single purchase amount may not be split between two or more transactions to circumvent the limits. This includes splitting purchases between cardholders.

15.26. AUDITS

- A. Purchase card transactions are subject to audit for compliance with the terms and conditions of the purchasing card program. Finance staff is required to retain all source documents for all purchases made using the purchasing card.
- B. The overall objective of the audit is to ensure proper management controls are maintained over the authorization and use of the purchasing card, the supplies/materials and services procured, as well as provide feedback for process improvement.
- C. A standard internal audit form will be used by the Treasury and Financial Management when performing on-site audits. (See Audit Guide)

D. Audit Objectives:

1. Determine the adequacy and oversight of procedures.
2. Determine if cardholders are making authorized purchases and properly accounting for all items received.
3. Determine if approving officials adequately review, approve, and certify for payment items purchased by the cardholder.
4. Evaluate the effectiveness of the paying office (PRK - Finance Department).
5. Evaluate the spending usage and compare the usage to the authorization levels assigned. Authorization limits that do not reflect adequate spending usage may be decreased by the TFM Director.
6. Evaluate the number of cards with no activity for the past twelve months and make recommendations.
7. Evaluate the implementation of the management control process as it relates to the purchasing card.
8. Provide feedback to the paying office (PRK – Finance Department) in a standard written format that is reviewed by the Purchasing Manager, and filed in Treasury and Financial Management.
9. TFM will NOT audit each employee's transaction approval report.
10. TFM audits various types of transactions such as travel, miscellaneous expense items, commodities and services.

15.27. RECORD RETENTION

To comply with the Kansas Open Records Act, the office program coordinators or alternate will be responsible for all p-card invoices, receipts, transactions logs, and approved transaction approval reports. These records must be retained for a period of three years.

Revised: October 9, 2017

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First Approved: Unknown

16. PURCHASING POLICY

The acquisition of all goods and/or services made by or on behalf of the Johnson County Park and Recreation District (JCPRD), its agencies, departments, officials, and authorized agents shall be made by authorized personnel in accordance with JCPRD Board policies and the established Purchasing Procedures. Such acquisition of goods and/or services will be done in a manner and method which provides for the most proficient and effective expenditure of JCPRD funds. It shall provide for the maximum protection of the County taxpayer. It shall also provide for the prevention of waste, and the elimination of conflict and corruption. It shall provide for accurate accounting by utilizing applicable accepted accounting practices and generally accepted auditable documentation. It shall also provide equal access and opportunity, in an open and competitive market environment, to all suppliers without regard to factors unrelated to quality, cost and availability of the goods and/or services. It shall comply fully with all applicable Federal, State and Local laws, rules and regulations.

16.1. STATUTORY AUTHORITY

Several state statutes govern purchasing and contracting in Johnson County. JCPRD employees involved in the purchasing and/or contracting function are advised to be familiar with the provisions of these statutes. Listed below are a few, but not all, of the most commonly referenced statutes.

- JCPRD Statutes (may override other noted statutes) K.S.A. 19-2859 et seq.
- Bridges K.S.A. 68-1101 et seq.
..... K.S.A. 68-1413 et seq.
- Budget Law..... K.S.A. 79-2925 et seq.
- Preferential Bidding..... K.S.A. 75-3740a
- Real Estate Acquisition, Sale K.S.A. 79-2804 et seq.
- Statutory Bonds..... K.S.A. 60-1110 et seq.

16.2. GOALS, OBJECTIVES, PRINCIPLES

The goal of JCPRD Staff shall be to obtain needed goods and services at the lowest ultimate cost consistent with prevailing economic conditions, appropriate standards of quality and continuity of service, while establishing and maintaining a reputation for openness, fairness and integrity.

- A. The goal of the Johnson County Park and Recreation District’s (JCPRD’s) purchasing activity is to obtain needed goods and services at the lowest ultimate cost consistent with prevailing economic conditions, appropriate standards of quality and continuity of service, while establishing and maintaining a reputation for openness, fairness and integrity. Simply stated, this means "to obtain the right quality, in the right quantity, at the right time, at the right price, from the right source".
- B. Embodied in the above statement are the three major objectives of the public purchasing process, which must be weighed and balanced against one another to achieve value in the procurement:
 - 1. EFFECTIVENESS. The quality of the goods and/or services procured, the units and quantities procured, and the method of procurement are appropriate to the needs of the organization.
 - 2. EFFICIENCY. The time and effort expended, from definition of need through final delivery, and the costs associated with acquiring the needed goods and/or services are reasonable in order to achieve value.

3. **ECONOMY.** The prices paid for goods and/or services reflect savings in taxpayer dollars or product or service improvements and represent the best possible prices obtainable at the time of purchase, consistent with the requirements of the procurement.
- C. To achieve balance in the above stated objectives, all JCPRD employees involved in the procurement process shall subscribe to and work for the following principles:
1. To consider the best interests of JCPRD in all transactions and to carry out JCPRD's policies and procedures.
 2. To purchase without prejudice, seeking to obtain the maximum value for each dollar expended in accordance with established JCPRD quality standards.
 3. To strive consistently for knowledge of materials, supplies and services required by JCPRD and to establish practical methods of acquiring them.
 4. To be receptive to competent counsel from colleagues and to be guided by such counsel without impairing the responsibility of elected officials, department heads and staff to perform the assigned duties of their respective positions.
 5. To foster honesty and truth in buying and to avoid conflicts of interest, unethical practices and the appearance of same.

16.3. SCOPE OF POLICY

This policy shall apply to the purchase of any goods and/or services on behalf of the Johnson County Park and Recreation District (JCPRD) regardless of purpose or necessity unless that purchase is specifically made exempt by the Purchasing Procedures, the JCPRD Board, the Board of County Commissioners, or any applicable Federal, State or local law.

16.4. ETHICS

All elected or appointed officials, employees, agencies, departments, boards, commissions, representatives, and authorized agents of JCPRD involved in the procurement process shall perform their duties impartially so as to assure fair competitive access to JCPRD's procurement process by all responsible suppliers, contractors, and providers of services. Public purchasing is a public trust balancing the objectives of procuring needed goods and services with protecting the integrity of JCPRD. Employees shall conduct themselves in such a manner as to foster public confidence in the integrity of JCPRD's procurement process. The Code of Ethics for Johnson County Government, which has been adopted by the JCPRD Board of Park and Recreation Commissioners, and the Code of Ethics of the National Institute of Governmental Purchasing (NIGP) shall be the standards for employee conduct.

16.5. PREFERENCE POLICY

Preference will be given to vendors which have an office or place of business located in Johnson County when all other considerations are equal. To the extent permitted by federal law and regulations, whenever JCPRD lets bids for contracts for the erection, construction, alteration or repair of any public building or structure or any addition thereto or for any public work or improvement, or for any purchase of goods, merchandise, materials, supplies or equipment of any kind, the contractor domiciled outside

the state of Kansas, to be successful, shall submit a bid the same percent less than the lowest bid submitted for a responsible Kansas contractor as would be required of such Kansas domiciled contractor to succeed over the bidding contractor domiciled outside Kansas on a like contract let in such contractor's domiciliary state in accordance with K.S.A. 75-3740a.

PROCEDURE

- A. The Executive Director is responsible for ensuring that the purchasing policy is applied uniformly and consistently in all JCPRD offices and departments reporting through or supervised by the Executive Director and/or his/her appointees and/or designees. The Executive Director is responsible for establishing administrative guidelines for the purchase of all commodities, materials, equipment and services for JCPRD departments and offices.
- B. The Executive Director and Division Superintendents are responsible for ensuring that JCPRD employees are fully familiar with federal, state and local laws, regulations and procedures regarding the purchase of commodities, materials, equipment and services for use in JCPRD, and that those employees comply fully with the provisions of said laws, regulations and procedures. It is further the responsibility of JCPRD managers and supervisors to ensure that the Purchasing Policy and Procedures are applied uniformly and consistently to all purchases made by JCPRD; to ensure that specifications and requirements submitted for procurements provide for maximum competition among the vendors providing the goods or services required; and to plan purchases to allow sufficient time for compliance with the purchasing policy and procedures.
- C. The CFO recommends rules and procedures relative to the purchasing process for establishment by the JCPRD Board and the Executive Director, and provides assistance and advice, as necessary, in the administration of, and compliance with, the purchasing policy and procedures. The CFO is responsible for the direction and management of JCPRD's procurement processes and operations.
- D. The JCPRD CFO, in cooperation with the Johnson County Purchasing Division, is responsible for the purchase or acquisition of commodities, materials, equipment and services for JCPRD in accordance with all applicable federal, state and local laws, regulations and procedures and modern purchasing principles and techniques. The JCPRD Finance Department, in cooperation with the Johnson County Purchasing Division, is also responsible for providing training to familiarize JCPRD employees with public purchasing law and concepts in general and JCPRD policy and procedures in particular.

16.6. AUTHORITY TO PURCHASE, CONTRACT

Purchases of goods, professional services, and general services in an amount of \$20,000 or more shall require formal, publicly advertised competition and approval by the JCPRD Board, or an agreement with a public agency and approval by the Executive Director.

Purchases of goods and services with a cost exceeding \$10,000 but not over \$20,000 shall require competitive procurement practices, and the Executive Director shall establish Purchasing Procedures consistent with this Policy to ensure the proper and effective procurement.

Purchases of less than \$10,000 may be made, without competition, on the open market upon the authorization of the Executive Director or his/her designee.

PROCEDURE

- A. The splitting of any aggregate purchase requirement to lower the individual portions of the purchase below the limits where a more restrictive level of competitive bidding (informal or formal) is required (e.g., to keep the portions of the requirement below the \$10,000 or \$20,000 levels of competition) is prohibited.
- B. Purchases of less than \$10,000 may be made without competition on the open market upon the authorization of the appropriate division head or department manager.
- C. Purchases of goods, professional services, and general services in an amount of \$10,000 or more but less than \$20,000 shall require documentation of the appropriate method of competition and approval by the Executive Director or his/her designee; provided, however, that construction and renovation projects shall be procured in accordance with the limitations imposed by applicable state or federal law. If requested, JCPRD Legal Counsel will assist in drafting the contracts and will approve the contracts as to form.
- D. Purchases of goods, professional services, and general services in an amount of \$20,000 or more shall require formal, publicly advertised competition and approval by the JCPRD Board. Cooperative purchasing agreements with a public agency require approval by the Executive Director. Approval of such purchases shall be in accord with Contract Signature Authority procedures below. The JCPRD Legal Counsel shall review and approve contracts as to form that require the JCPRD Board's signature and will provide assistance in drafting contract documents upon request.

Contract Signature Authority

All contracts originally awarded by the JCPRD Board require the signature of the Chair of the JCPRD Board. All other contracts properly approved may be executed on behalf of JCPRD by those officials authorized to take such actions by policies of the JCPRD Board and/or under procedures established by the Executive Director.

PROCEDURE

- A. All term and supply contracts awarded by the JCPRD Board may be signed by the JCPRD Board Chair or CFO.
- B. All contracts originally awarded by the JCPRD Board following its own administrative procedures may be signed by the Chair of the JCPRD Board. Such contracts shall be administered in accordance with the Administrative Policy and Procedures for Record Retention of Contacts and Bid/RFP documents.
- C. Any contracts of \$20,000 or more awarded through agreements with any public agency for the purchase of materials, contracts for purchase or sale, lease contracts, and other contractual services, through such governmental units using the bidding procedure of such public agency may be signed by the Executive Director in accordance with these purchasing procedures. The JCPRD Board will authorize the spending authority for these items through the annual CIP review and approval process. A fully executed contract will be uploaded to the IonWave Contract Module.

- D. Any contracts of \$20,000 or more, not awarded through agreements with a public agency, must be accepted by the JCPRD Board and must be signed by the JCPRD Board Chair or his/her designee in accordance with these purchasing procedures.
- E. Any contracts for commodities or services of less than \$20,000 may be awarded and signed by the Executive Director or his/her designee in accordance with these purchasing procedures. A fully executed contract will be uploaded to the IonWave Contract Module (for commodities and services exceeding \$10,000).
- F. Purchasing allowances shall be defined for staff as prescribed in JCPRD's purchasing authority policy/document, subject to temporary increases per approval of the Executive Director or CFO.

Contract Renewal Authority

The Executive Director shall have authority to renew term and supply contracts that were originally awarded by the JCPRD Board, up to 110% of the annual expenditure authority set by the Board. All renewals estimated to exceed 110% of the annual expenditure authority set by the Board must be approved for renewal by the Board. The Executive Director may establish Purchasing Procedures for contract renewals.

PROCEDURE

- A. The Executive Director, upon concurrence of the division superintendents and department managers, is authorized to approve renewal of term and supply contracts originally awarded by the JCPRD Board, up to one hundred ten percent (110%) of the annual expenditure authority set by the Board. The same renewal authority also resides with the Executive Director for maintenance and service agreements that were originally less than \$20,000.
- B. All renewals of the above noted contracts estimated to exceed one hundred ten percent (110%) of the annual expenditure authority set by the JCPRD Board must be approved for renewal by the Board.

16.7. TERM AND SUPPLY CONTRACTS

JCPRD divisions and departments under the scope of this policy should make purchases from the County's term and supply contracts if an applicable term and supply contract exists for the goods or services required unless the purchase would otherwise qualify for an exemption under these Policies and the Purchasing Procedures.

16.8. CHANGE ORDERS

Changes related to work performed under a contract are usually documented through the use of change orders. Change orders may be accepted and approved when justified and when deemed necessary for the completion of public business. Except as hereafter provided, the Executive Director is responsible for the management of the project or administration of the contract is authorized to approve change orders for that project on that contract, whenever the change order is justified and the authority is exercised consistent with these policies and the purchasing procedures established by the Executive Director.

The following categories of change orders must be approved or expressly authorized by the JCPRD Board:

- A. Any change order, regardless of the size of the contract, which itself equals or exceeds the amount of \$100,000.00 and any change order, applicable to a contract having a base contract amount of \$500,000.00 or less, which itself equals or exceeds the amount of \$50,000.00. For the purposes of this part, an individual change order is a single change order covering a specific work item or category of work items (or goods or services) and the related or associated costs. It does not include multiple work items (or goods or services) which are not necessarily related but are grouped together solely for the purpose of efficiently processing them as a single change order document and any change order which individually or in combination with others causes the project to exceed

its project authorization amount or expands the purpose of the project or contract beyond its approved scope; and

- B. Any change order applicable to a contract having a base contract amount less than \$100,000.00 which individually or in combination with others exceeds \$10,000.00 and causes the total contract cost to then exceed \$100,000.00; and
- C. Any change order applicable to a contract having a base contract amount of \$100,000.00 or more but less than \$500,000.00 which individually or in combination with others exceeds \$50,000.00; and
- D. Any change order applicable to a contract having a base contract amount of \$500,000.00 or more but less than \$1,000,000.00 which individually or in combination with others exceeds \$100,000.00; and
- E. Any change order applicable to a contract having a base contract amount of \$1,000,000.00 or more which individually or in combination with others exceeds 10% of the base contract amount.

The splitting of change orders into smaller increments to avoid the defined approval thresholds is not permitted.

At any time when a change order or group of change orders are approved or expressly authorized by the JCPRD Board, the Board may, upon request of the applicable department or official responsible for managing the contract, re-establish a newly defined threshold for further change order approvals applicable to the specific project, contract, or category of change orders and authorize additional methods for approval.

PROCEDURE

A. Term and Supply Contract Change Orders

1. The Purchasing Manager is authorized to approve all change orders derived from term and supply contracts initially approved by the JCPRD Board up to the cumulative maximum of 110% of the initial contract amount.
2. This approval authority also extends to term and supply contracts initially approved by the Purchasing Manager.
3. The JCPRD Executive Director is authorized to approve all change orders derived from term and supply contracts initially approved by the JCPRD Board up to the cumulative maximum of 110% of the initial contract amount.
4. This approval authority also extends to term and supply contracts initially approved by the Executive Director.

16.9. UNAUTHORIZED PURCHASES

Any request for the purchase of goods or services, including those by lease, lease-purchase or rental, which does not conform to the provisions of any applicable federal, state, or local law, regulation or procedure, or which is not properly authorized pursuant to JCPRD Board policy, shall be deemed to be

unauthorized by JCPRD and/or the County. Unauthorized purchases may be rejected by the County, JCPRD staff, or other actions may be taken pursuant to JCPRD Board policies or the Purchasing Procedures established by the Executive Director.

PROCEDURE

- A. Any request for the purchase of goods or services, including those by lease, lease-purchase or rental, which does not conform to the provisions of any applicable federal, state, or local law, regulation or procedure, shall be deemed to be unauthorized by JCPRD and will be brought to the attention of the Executive Director by the Finance Department.
- B. In bringing the unauthorized request to the attention of the Executive Director, the Finance Department will work with the user department to bring the request into compliance with applicable laws, regulations or procedures. If it is not possible to bring the request into compliance, or if the actions required to bring the request into compliance are unacceptable to the Executive Director, the Finance Department will, upon written authorization of the Executive Director, process the request as submitted and issue a purchase order to complete the transaction.
- C. The shipment of goods and services to locations other than JCPRD places of business or authorized work sites shall be prohibited.
- D. Store Accounts
 1. Store accounts are not permitted unless such accounts have been previously approved by the Executive Director or his/her designee. All requests for new store accounts should be sent directly to the Executive Director or his/her designee for consideration. Store accounts are not to be opened or used until approval is granted.
 2. Store accounts are defined as accounts with specific stores that permit JCPRD employees to charge the purchase of goods or services simply by signing their name or in some cases with only verbal purchase authority. These accounts may or may not include an actual "store credit card".
 3. The appropriate method of acquiring goods and/or services on behalf of JCPRD is through the use of a Purchasing Card or a purchase order. These methods are directed by specific purchasing card guidelines and purchasing policies and procedures. They also have appropriate safeguards and tracking capabilities built in for the protection of both JCPRD and the employee.

16.10. COMPETITIVE PROCUREMENTS

JCPRD will obtain goods and services under a system of competitive procurement. This is a system in which multiple willing and able firms may compete openly, equally and non-restrictively for the opportunity to provide goods or services to JCPRD. This system shall provide for maximum competition to affect maximum cost savings and value for tax dollars spent. Unless otherwise authorized by the JCPRD Board or these policies, open and competitive procurement is required for all supplies, materials, equipment and contractual services whose cost is estimated to be \$10,000 or more. Open and competitive procurement is required for professional services, supplies, materials, equipment and contractual services whose cost is estimated to be \$20,000.00 or more. Competitive procurement

practices shall include formal bids, requests for proposals or other established methodologies, which shall be utilized pursuant to the Purchasing Procedures established by the Executive Director.

PROCEDURE

- A. Competition is the defined process in which multiple willing and able firms compete openly, equally and non-restrictively to supply equivalent goods or services to JCPRD. JCPRD seeks to maximize competition within the competitive procurement process to effect cost savings and to provide more value for the tax dollar. When a department reasonably anticipates that annual aggregate totals for specific goods or services may exceed the limits defined by these purchasing procedures, purchasing staff should be contacted for the purpose of establishing a Term and Supply contract.
- B. Competitive procurement is required for all supplies, materials, equipment, contractual and professional services whose cost is estimated to be \$10,000 or more.
 1. INFORMAL BIDS are written documents issued by JCPRD similar to formal bids (see below), with the exceptions that neither public notice nor a stated period of time between bid invitation and bid opening are required. Informal bids may be used to document competition for procurements with an estimated cost of less than \$20,000.00 or for other procurement situations requiring expedited or unusual handling at the discretion of the Executive Director or his/her designee. A fully executed contract will be uploaded to the IonWave Contract Module.
 2. FORMAL BIDS are written documents issued by JCPRD, inviting potential bidders to submit sealed, written/electronic pricing for specific goods and services in conformance with specifications, terms, conditions and other requirements described in the bid invitation documents. Formal bids for improvements require public notice (legal publication), public bid opening at a time and place designated in the bid document, and a minimum of one week between publication of the bid invitation and bid opening. Formal bids shall be utilized to document procurements of goods and contractual services with an estimated contract price of \$20,000.00 or more unless one of the conditions for exceptions to competition exists (see section 16.11). A fully executed contract and associated bonds and exhibits will be provided to the Administration Department for record retention and uploaded to the IonWave Contract Module.
 3. REQUESTS FOR PROPOSALS (RFPs) are written documents issued by JCPRD inviting potential contractors to submit sealed proposals for specific professional and other services in conformance with the scope of services, terms, conditions and other requirements described in the RFP documents. RFPs for specific professional and other services \$20,000.00 and greater will require formal, publicly advertised competition and the award of any resultant contract will require approval by the JCPRD Board. RFPs will not be required for professional services for (1) an approved vendor under a Term and Supply contract or (2) with approval of the Executive Director or his/her designee, an additional RFP will not be required for second or later phases of a project for which the original services were obtained through an RFP.
 - a. JCPRD's RFP process is usually a two-step process. The first step consists of an Evaluation Committee scoring all responsive proposals. This scoring is determined by allocating points totaling 100, which are assigned to evaluation criteria similar to the following.
 - Firm Experience performing similar work

- Key staff or Firm personnel experience
- Responsiveness to the RFP
- Applicable resources
- Project understanding/approach

The Evaluation Committee or department representative prior to opening of proposals shall assign the weights given each category. Each Evaluation Committee member will provide a numerical score. Following the tabulation of numerical scores, each member's set of scores will be ordered by the Purchasing Administrator as to first choice, second choice and so on according to the point scores from that member. To determine the finalists, one point will be assigned for first choice, two points for second choice and so on. Choice points of all members will be added together and the firms receiving the lowest choice point totals will be short listed for the interview/cost proposal phase of the RFP. In some circumstances, interviews may be waived with mutual consent of the Purchasing Administrator and the Evaluation Committee. In the case where interviews are waived, the Purchasing Administrator will request cost proposals from top ranked respondents. Cost points will be calculated and then added to the original proposal points. Using these new totals the Purchasing Administrator will rank vendors by assigning one point for first choice, two points for second and so on. The rankings of all members will be added together and the firm receiving the lowest choice point total after the inclusion of cost points will be selected to begin negotiations with the JCPRD.

- b. The finalist firms invited to participate in step two shall be the highest scoring respondents on the initial proposals. Points from the initial proposal do not carry forward to the interview step. Invited firms shall be interviewed by the Evaluation Committee and shall provide a sealed fee/cost proposal prior to the interview. The fee/cost proposals will not be opened until after the committee has completed the qualifications evaluation of the interviewees.

Finalist firms shall be independently evaluated by each Evaluation Committee member based on points totaling 100. Points are assigned to criteria similar to the initial proposal evaluation. Criteria are to be established by the Evaluation Committee or Department Representative prior to opening of proposals. Fee proposals will be weighted from 10 to 30 points (10% to 30% of the total) as deemed appropriate for the project. The Evaluation Committee will determine the weight of the fee/cost proposal in advance of proposal opening. Fee/cost proposals shall not be opened until all of the technical/qualification evaluations are completed. The Purchasing Administrator coordinating the RFP will open the fee/cost proposals after all evaluations are turned in, signed and dated by each Evaluation Committee member. The Purchasing Administrator will then compute the cost proposal points for each finalist firm and enter those points on each firm's respective interview score sheet. Fee/cost proposal points shall be determined by awarding maximum points to the lowest fee/cost proposal. Fee/cost points for firms other than the lowest will be determined by dividing the lowest proposed cost by other cost proposals being scored, and then multiplying this result times the maximum cost points. The resultant points will then be added to the appropriate firms' total.

- c. The RFP process may be modified to allow for cost to be requested as part of the original proposal with Purchasing Division approval. This may be necessary for different products or

services acquired for grants or other projects. The RFP process may also be modified to be in compliance with State or Federal requirements.

Following the interviews and addition of fee/cost proposal points to each Evaluation Committee member's score sheet, each member's set of scores will be ordered by the RFP administrator as to first choice, second choice and so on according to the point scores from that member. To determine the selection, one point will be assigned for first choice, 2 points for second and so on. Choice points of all members will be added together and the firm receiving the lowest choice point total will be selected. In the case of a tie, interview scores without cost proposal points added will be ranked in the same manner as above and the firm with the lowest overall ranking without cost will be selected. If after these rankings are calculated there is still a tie, the firm with the lowest fee/cost proposal will be selected. If there is still a tie, the selected firm will be decided by drawing lots. The long straw drawn will be the firm selected. The Executive Director or his/her designee will conduct a drawing.

The Evaluation Committee members will be asked to comply with the County Code of Ethics Standard 1101: An official whether elected or appointed and an employee in government service should never act upon any matter in which they, their family, or business has or may have any financial or beneficial interest; and should always declare and disclose the full nature and extent of any personal, family or business interests in any matter related to governmental actions or duties.

4. REVERSE AUCTION ELECTRONIC BIDDING. Unless otherwise prohibited by Kansas statutes, JCPRD or BOCC policy, JCPRD may utilize reverse auction electronic bidding for the purchase of selected goods or materials whereby bidders are invited to bid on specific goods or materials through real-time electronic bidding, with the award being made to the lowest responsible and responsive bidder. During the bidding process, bidders' prices are revealed and bidders shall have the opportunity to modify their bid prices for the duration of time specified for the electronic reverse auction event. The reverse auction process will utilize a third party reverse auction bidding service to facilitate the on-line auction event. Reverse auctioning shall not be used for the acquisition of any services for construction projects or for the acquisition of any other services. All bids submitted under the reverse auction electronic procurement process shall be subject to the open records act. Reverse auctions may be held at the discretion of the County Purchasing Manager with concurrence of JCPRD. Reverse auctions may be used only for purchase of goods or materials with an estimated cost of \$50,000 or more.
 - a. Activities prior to the reverse auction electronic bidding event:
 - (1) Prior to the reverse auction event, discussion and agreement would take place between the Purchasing Division and JCPRD regarding the viability of the use of the reverse auction procurement process for the transaction in question.
 - (2) The Purchasing Division would contact the third party Reverse Auction Contractor to schedule the reverse auction event.
 - (3) The Purchasing Division would issue an Invitation for Bid which would include an announcement stating that JCPRD will use an electronic reverse auction to obtain pricing and including pertinent information in the Invitation for Bid regarding the

reverse auction event. The Invitation for Bid will be advertised in the same manner as the traditional paper bid.

b. Activities the day of the reverse auction electronic bidding event:

- (1) The purchasing division will set up a conference room as a central viewing station for all interested parties. Outside communication would not be permitted in the conference room during the event and attendees would be prohibited from leaving the room prior to conclusion of the event.
- (2) The Purchasing Administrator managing the event for JCPRD will establish a telephone link with the third party Reverse Auction Contractor.
- (3) Interested bidders will log onto the computer website hosted by the Reverse Auction Contractor during the time period specified in the Invitation to Bid.
- (4) At the appointed hour, the reverse auction event will begin.
- (5) Bids are registered on-screen as the bidder submits an opening bid by the appointed deadline. The bidder must submit an opening bid by such deadline to be considered, but is under no obligation to modify that opening bid.
- (6) Bidding activity continues until the conclusion of the planned auction event, including any extended bidding period(s) thereof, as specified in the Invitation to Bid. Extended period(s) of the bidding activity would be allowed as long as the competitive bidding continues.
- (7) When the auction reaches the "final minutes" of the bidding period, or any extended bidding period(s) thereof, as specified in the Invitation to Bid, any bid received that creates a new lowest bid will extend the auction until such time as no bids are placed during the final minutes of the specified bidding period, or any extended bidding period(s) thereof, or if the auction is ended by the Purchasing Administrator managing the event for JCPRD.
- (8) If technical problems should occur during the event, bidders would be provided a toll free telephone number to allow for off-site assistance from the Reverse Auction Contractor. If no immediate technical solution can be found, a representative from the Reverse Auction Contractor will enter pricing by proxy from its command center.
- (9) If bidders do not have internet access at their work location, they may access the event at libraries, schools, home or anywhere internet access is available.

c. Activities after the reverse auction electronic bidding event has concluded:

- (1) An auction summary/tabulation would be provided following conclusion of event.
- (2) If the winning bid is both responsive and responsible and within budget, the department with assistance from the Purchasing Division may proceed to contract with the winning bidder.

- (3) If no bids submitted are deemed acceptable the Purchasing Division may reject all bids without penalty

16.11. EXEMPTIONS FROM POLICY

JCPRD will exempt from the competitive procurement process, purchases and expenditures of JCPRD funds that are not readily adaptable to the competitive procurement and purchase order processes. These purchases are exempt from the provisions of the Purchasing Policy due to express statutory or legislative provisions that govern acquisition of those particular goods or services or due to reasons deemed appropriate by the JCPRD Board. All exemptions from the JCPRD purchasing policy must be approved by the JCPRD Board, unless otherwise exempt pursuant to these policies or by Kansas statute now or hereinafter enacted. Exemptions from these Purchasing Policies include the following:

- A. Sale of temporary notes and bonds, including related fees;
- B. Investment of temporarily idle JCPRD funds;
- C. Employee compensation;
- D. Employee benefits, including but not limited to, premiums for health, life or disability insurance, including self-insured plans; payments to pension or deferred compensation plans; employment or payroll taxes;
- E. Insurance claims, losses and loss adjustment expenses, including payments for policy deductibles, retained losses and self-insured workers' compensation losses. Fees for service paid to agents, brokers, or third party administrators, however, are NOT exempt;
- F. Witness and juror fees;
- G. Interfund transfers and reimbursements;
- H. Employee reimbursements;
- I. Arbitrage and debt service payments;
- J. Lease payments to the Public Building Commission;
- K. Payment of local utility services for JCPRD owned or operated facilities, unless desired for the encumbrance of funds in JCPRD's accounting system;
- L. Items purchased in accordance with the Purchasing Card Policy;
- M. Check requests;
- N. Products intended for resale such as concession or retail goods inventories; and
- O. Costs associated with hospitality venues for events for which the expense is recovered through user fees or payments.

PROCEDURE

- A. Certain purchases and expenditures of JCPRD funds are not readily adaptable to the competitive procurement and purchase order processes. These purchases will be exempt from the provisions of the JCPRD purchasing policy and procedures by virtue of other statutory or legislative provision for the acquisition thereof. Exceptions for these transactions are specifically identified in this section so as to preclude possible misinterpretation of the requirements for exemption.
- B. The following are exemptions from the purchasing policy and procedures and may not require the issuance of a requisition and purchase order:
 - 1. Sale of temporary notes and bonds, including related fees.
 - 2. Investment of temporarily idle JCPRD funds.
 - 3. Employee compensation.
 - 4. Employee benefits, including but not limited to; premiums for health, life or disability insurance, including self-insured plans; payments to pension or deferred compensation plans; employment or payroll taxes.
 - 5. Insurance claims, losses and loss adjustment expenses, including payments for policy deductibles, retained losses and self-insured workers' compensation losses. Fees for service paid to agents, brokers or third party administrators, however, are NOT exempt.
 - 6. Witness and juror fees.
 - 7. Interfund transfers and reimbursements.
 - 8. Employee reimbursements.
 - 9. Arbitrage and debt service payments.
 - 10. Lease payments to the Public Building Commission.
 - 11. Payment of local utility services for JCPRD owned or operated facilities, unless desired for the encumbrance of funds in JCPRD's accounting system.
 - 12. Items purchased in accordance with Purchasing Card Policy.
 - 13. Check requests.
 - 14. Products intended for resale such as concession or retail goods inventories.
 - 15. Costs associated with hospitality venues for events for which the expense is recovered through user fees or payments.
- C. Any department seeking exceptions from the purchasing policy and procedures shall prepare a written request detailing the specific nature of the transaction to be excepted, the statutory or legislative basis for the exception, and the alternative procedure which will be utilized for the

purchase or expenditure. The request will be addressed to the Executive Director, who will review the request and schedule it for action by the JCPRD Board. All additional exceptions from the JCPRD Purchasing Policy and Procedures will be approved by the JCPRD Board.

16.12. EXEMPTIONS FROM COMPETITION

JCPRD may waive the competitive procurement process and exempt qualified purchases from competition. Categories of purchases are exempt from competition under this Policy due to the nature of the goods or services being acquired, and include the following:

- A. Seminar registrations, training classes, professional conferences, subscriptions and professional membership due and fees;
- B. Purchase of local utility services for County-owned or operated facilities;
- C. Utility relocation payments;
- D. Postage expense, when billed by a vendor at the currently prevailing postage rates established by the U.S. Postal Service;
- E. Equipment maintenance or service agreements when purchased from the original equipment supplier, if such maintenance may only be obtained from the original supplier or if obtaining it from another supplier would result in voiding of warranties;
- F. Procurement publications used to reach specific markets;
- G. Construction-related licenses and permits;
- H. Construction and related services that may only be performed by a railroad company;
- I. Purchase of land and land rights, rights of way and easements;
- J. Purchase of existing real property; and
- K. Litigation expense services retained through Legal Counsel.

These procurements, although exempt from competition, are still subject to the purchase order process and must be processed in accordance with applicable purchasing procedures.

16.13. EXCEPTIONS TO COMPETITION

JCPRD may waive the competitive process and authorize an exception to competition for certain situations and circumstances that do not lend themselves to the competitive process or where competition may not be available. Exceptions may be made for:

- A. Emergency procurement situations which are defined as circumstances in which either critical JCPRD operations will be severely affected in an adverse manner unless immediate action is taken to remediate the situation or in which a disaster creates a threat to public health, welfare, or safety;
- B. Sole source procurements;

- C. Procurements of goods or services which are available from or through other governmental entities, including joint construction projects authorized by intergovernmental agreement and when the other governmental party to said agreement is administering the project;
- D. Exact replacement of a components, parts or sub-assemblies when exact replacement is necessary to avoid excessive modifications to operating systems; and
- E. Other documented and justified circumstances approved by the Executive Director.

All exceptions to competition must be specifically authorized and approved by the Executive Director if the procurement is less than \$20,000, or by the JCPRD Board if the procurement is \$20,000 or more.

PROCEDURE

- A. The competitive procurement process may be waived for:
 - 1. Emergency procurement situations which are defined as circumstances in which either critical JCPRD operations will be severely affected in an adverse manner unless immediate action is taken to remediate the situation or in which a disaster creates a threat to public health, welfare or safety. Emergency procurement situations as defined in this Procedure differ from JCPRD declared emergencies.
 - a. The JCPRD Board or the Executive Director or his/her designee may declare an emergency procurement situation as defined above and make immediate purchases of materials, equipment or services with or without benefit of the competitive purchasing process.
 - b. Emergency purchases made in accordance with this procedure will be documented in writing by the person declaring the emergency situation and submitted to the Finance Department with an exception to competition form which will be reviewed by the CFO and sent to the Executive Director for approval if the procurement is less than \$20,000, or to the JCPRD Board if \$20,000 or more.
 - 2. Sole source procurements:
 - a. A sole source purchase is an award of contract for goods or services to the only known source for the required goods or service, occasioned by the unique nature of the requirement, the vendor, the impracticality of obtaining competition or market conditions. A sole source cannot be justified on the basis of quality or price, as quality can be a subjective evaluation based on individual opinion, and price considerations must be evaluated by competitive bidding. If there is more than one product or service that will perform essentially the same functions under essentially the same conditions as the requested product or service, a sole source is deemed not to exist. Sole source purchases shall be re-evaluated at least annually.
 - b. A sole source purchase may be requested by staff to the Executive Director or his/her designee.. It is the responsibility of the requestor to fully justify the requested sole source purchase.

- c. The Finance Department will review the sole source request and provide the Executive Director with a written opinion as to the validity of the sole source.
 - d. The Executive Director, upon review of the request and the opinion furnished by the Finance Department, is authorized to approve the purchase if the aggregate cost of the request is less than \$20,000.
 - e. If the aggregate cost of the sole source request is \$20,000.00 or greater, the Executive Director will forward the request to the JCPRD Board for approval.
 - f. The Finance Department, in cooperation with legal counsel and the user department, may elect to negotiate the prices, terms of sale and other considerations with any approved sole source provider.
3. Procurements of goods or services which are available from or through other governmental entities, including joint construction projects authorized by intergovernmental agreement and when the other governmental party to said agreement is administering the project.
 4. Exact replacement of a components, parts or sub-assemblies when exact replacement is necessary to avoid excessive modifications to operating systems, and it is determined by the CFO that the component, part or sub-assembly is only available through a single, authorized distributor
 5. Seminar registrations, training classes, professional conferences, subscriptions and professional membership dues and fees.
 6. Purchase of local utility services for JCPRD-owned or operated facilities.
 7. Utility relocation payments.
 8. Postage expense, when billed by a vendor at the currently prevailing postage rates established by the U.S. Postal Service.
 9. Equipment maintenance or service agreements when purchased from the original equipment supplier, if such maintenance may only be obtained from the original supplier or if obtaining it from another supplier would result in voiding of warranties.
 10. Publications used to reach specific markets.
 11. Construction related licenses and permits.
 12. Construction and related services that may only be performed by a railroad company.
 13. Purchase of land and land rights, rights of way, and easements.
 14. Purchase/lease/rental of existing real property.
 15. Insurance Coverage where the competition for, and acquisition of, is acquired through authorized agents, broker or third party administrators (TPA).

16. Other documented and justified circumstances approved by the Executive Director, if the procurement is less than \$20,000.00, or by the JCPRD Board if the procurement is \$20,000.00 or more.

16.14. NEGOTIATIONS

The Finance Department may negotiate the specific terms and conditions for the procurement of goods and services in the following:

- A. Defined **emergency** procurement situations;
- B. Sole source purchase, duly documented and approved;
- C. Proprietary items;
- D. Extension of existing contracts;
- E. Final scope of services, compensation and certain contractual elements resulting from Requests for Proposals (RFPs).

No negotiations are allowed in the formal bid process prior to contract award.

PROCEDURE

- A. The Finance Department may negotiate the procurement of goods or services in the following instances:
 1. Defined **emergency** procurement situations.
 2. Sole source purchases, duly documented and approved.
 3. Proprietary items.
 4. Extension of existing contracts. Contract extensions may be granted under certain documented and justified conditions and approved by the Executive Director if under \$20,000 or by the JCPRD Board if \$20,000 or greater.
 5. Final scope of services, compensation and certain contractual elements resulting from Requests for Proposals (RFPs).
- B. No negotiations are allowed in the formal bid process prior to contract award.

16.15. CONSOLIDATION OF REQUIREMENTS

The Finance Department may consolidate the requirements of several JCPRD departments to achieve sufficient volume to acquire the most favorable pricing for goods and services acquired through the competitive process.

PROCEDURE

- A. Term and supply contracts are established by the Finance Department, predominately through the competitive sealed bidding process, for the provision of goods and services commonly required by one or more JCPRD departments. These contracts, featuring pre-determined vendors, terms and conditions, and favorable, consolidated pricing, allow departments to utilize their personnel to accomplish other departmental duties by reducing the necessity for those personnel to perform separate, redundant and conflicting procurement activities. Term and supply contracts will be utilized whenever the contract goods and services are appropriate to the needs of the user department, unless the purchase qualifies as an exemption as defined in Purchasing Procedures.
- B. Blanket purchase agreements may be established for departments utilizing term and supply contracts to facilitate order placement. Blanket purchase agreements (BPA's) should be used when departments purchase goods or services, from term and supply contracts that require numerous orders/shipments over a period of time.

16.16. COOPERATIVE PROCUREMENTS

The Finance Department may elect to participate with other governmental entities in the cooperative procurement of goods and services. Cooperative contracts are derived from the combining of the requirements of two or more political entities to achieve the volume necessary to obtain the most favorable pricing.

PROCEDURE

Cooperative procurements are the combining of the requirements of two or more political entities to obtain the advantages of volume purchases, improved specifications, reduced administrative costs, and increased intergovernmental cooperation. JCPRD may elect to participate with other public agencies in cooperative procurements of goods and services.

16.17. PURCHASE ORDERS

The purchase order serves as an official legal document between JCPRD and a contractor for goods and/or services. The purchase order may be used separately or in conjunction with other documents and delineates the responsibilities of both parties in the provision of goods and/or services required by JCPRD. The purchase order is required for all procurements except those which are exempt under provisions of these Policies.

PROCEDURE

- A. A purchase order serves as an official legal document between JCPRD and a contractor for goods and/or services. It may be issued separately or in conjunction with other documents. The purchase order delineates the responsibilities of both parties in the provision of and payment for goods and services required by JCPRD. The purchase order also is the mechanism by which budgetary and cash balances are encumbered in JCPRD's accounting system.
- B. Issuance of a purchase order to confirm the legal contract between JCPRD and a contractor, and to encumber cash and budgetary balances, is preferred, for all procurements of goods and services.

- C. The following are exemptions from the purchasing policy and procedures and may not require the issuance of a requisition and purchase order:
1. Sale of temporary notes and bonds, including related fees.
 2. Investment of temporarily idle JCPRD funds.
 3. Employee compensation.
 4. Employee benefits, including but not limited to; premiums for health, life or disability insurance, including self-insured plans; payments to pension or deferred compensation plans; employment or payroll taxes.
 5. Insurance claims, losses and loss adjustment expenses, including payments for policy deductibles, retained losses and self-insured workers' compensation losses. Fees for service paid to agents, brokers or third party administrators, however, are NOT exempt.
 6. Interfund transfers and reimbursements.
 7. Employee reimbursements.
 8. Arbitrage and debt service payments.
 9. Payment of local utility services for JCPRD owned or operated facilities, unless desired for the encumbrance of funds in the JCPRD's accounting system.
 10. Items purchased in accordance with Purchasing Card Policy.
 11. Check requests.

16.18. VENDOR RELATIONSHIPS

It is essential to the success of JCPRD to develop and maintain goodwill with its suppliers of goods and services, and to establish and maintain relationships based upon fairness and governmental ethics.

PROCEDURE

- A. It is essential to develop and maintain goodwill between JCPRD and its suppliers. The reputation of JCPRD can be enhanced and promoted by:
1. Giving all salespersons a full, fair, prompt and courteous hearing
 2. Keeping competition open and fair
 3. Keeping specifications fair, accurate and clear
 4. Maintaining consistent buying policies and principles
 5. Observing strict truthfulness in all transactions and correspondence

6. Respecting the confidence of the salesperson or the company in regard to confidential or proprietary information
7. Keeping free from any obligation to any vendor.

16.19. PURCHASES FROM JCPRD AND/OR COUNTY EMPLOYEES

Purchases of goods or services from JCPRD and County employees are prohibited. This includes any business in which a JCPRD or County employee or his/her family has or may have any financial interest or benefit except when specifically authorized by the JCPRD Board or during **emergency** situations.

16.20. PROTESTS BY VENDORS

Vendors or potential vendors who do not agree with the conditions, specifications or scope of services or other requirements contained in any procurement, whether by bid or request for proposal shall be afforded the opportunity to protest the solicitation. Bidders or respondents who do not agree with JCPRD's recommendation for bid or RFP award shall be afforded the opportunity to protest the recommendation. The Executive Director shall establish procedures for vendor protests, including an appeal before the JCPRD Board for any protest related to a procurement that would exceed \$20,000.

PROCEDURE

- A. Potential bidders who do not agree with the conditions, specifications or scope of services, or other requirements contained in any bid or RFP shall be afforded the opportunity to protest the solicitation.
 1. Protests of any bid or RFP solicitation must be submitted to the JCPRD Finance Office or affected division/department within the time frame stated in the bid/RFP documents in order to be considered.
 2. The Executive Director, in consultation with the JCPRD Legal Counsel, shall determine the appropriate method of response to the petitioner.
- B. Bidders or respondents who do not agree with JCPRD's recommendation for bid or RFP award shall be afforded the opportunity to protest the recommendation by submitting written notice to the CFO.
 1. Such notice must be given within five working days of the date the petitioner could reasonably be expected to have known of JCPRD's recommendation.
 2. Protests made after formal award of a bid or proposal shall not be allowed.
 3. Bids or proposals not meeting the minimum published requirements (including specifications and/or scope of service) are not subject to protest.
- C. The RFP/bid administrator shall prepare and submit written determination to the Executive Director recommending either approval or disapproval of the petition. The petitioner shall be furnished a copy of the written determination and recommendation.

- D. The Executive Director shall review and either approve or disapprove the recommendation of the CFO. The petitioner shall be furnished a copy of such action.
 - 1. The Executive Director may employ any reasonable means to reach a decision on the petition.
 - 2. If the aggregate value of the award under protest is less than \$20,000.00, the decision of the Executive Director shall be final.
- E. If the aggregate value of the award under protest is \$20,000.00 or more, and the petitioner desires to protest the decision of the Executive Director, the petitioner shall address written protest of the decision to the Executive Director.
 - 1. The Executive Director shall schedule the protest for the JCPRD Board's review and decision.
 - 2. The decision of the JCPRD Board shall be final.

16.21. SUSPENSION OR DEBARMENT OF VENDORS

JCPRD may suspend or debar a vendor or potential vendor from participation in JCPRD purchasing opportunities and practices upon a showing of just cause, and during the period of suspension or debarment, JCPRD shall reject any bid, proposal or other offer by the vendor and shall return any submission to the suspended/debarred vendor.

- A. Just cause for suspension of a vendor shall include:
 - 1. Failure to comply with the conditions, specifications or terms of a bid or proposal or contract with JCPRD including a recent record of unsatisfactory performance in accordance with the terms of one or more contracts;
 - 2. Commission of any misrepresentation in connection with a bid or proposal;
 - 3. Charged by a court or competent jurisdiction with the commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract. If charges are dropped or the vendor found not guilty, the suspension shall be lifted automatically upon notification and proof of final court disposition provided to JCPRD by the vendor;
 - 4. Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property or any other offense indicating a lack of business integrity or honesty which currently, directly and seriously affects that vendor's responsibility as a JCPRD supplier. If charges are dismissed or the vendor found not guilty, the suspension shall be automatically lifted upon written notification and proof of final court disposition provided to JCPRD by the vendor;
 - 5. Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals;

6. Vendor becomes insolvent, has proceedings in bankruptcy instituted against it or consolidates its debts or assigns over its estate or affects for payment thereof or has a receiver appointed over its property; and
7. Any other cause the department or CFO determines to be so serious or compelling as to materially and adversely affect the responsibility of the business as a government contractor, including but not limited to, suspension by another government entity for substantial cause.

B. Just cause for debarment shall include:

1. Failure to fully comply with conditions, specifications, drawings, schedules or terms of a bid, proposal or contract with JCPRD;
2. Conviction by or judgment obtained in a court of competent jurisdiction for commission of offenses in connection with the vendor's commercial enterprise. If the conviction is reversed through the appellate process, the debarment shall be immediately lifted upon written notification and proof of final court disposition to JCPRD from the vendor;
3. Conviction for the commission of any fraud or act of collusion in connection with a bid, quotation, proposal or other act incident to doing business with JCPRD; and
4. Inclusion on Federal debarred vendor list.

The Executive Director shall establish Purchasing Procedures, consistent with this Policy, for the suspension and/or debarment of vendors, including a procedure for an appeal to the Executive Director of any suspension or debarment action.

PROCEDURE

- A. The CFO at the direction of the Executive Director may suspend or debar for cause the right of a vendor to be included on JCPRD bid lists and any subsequent bids or proposals during the tenure of the suspension or debarment from that vendor shall be rejected by JCPRD and returned to the suspended/debarred vendor unopened.
- B. Suspension – A vendor may be suspended for any of the reasons that follow:
 1. Failure to comply with the conditions, specifications or terms of a bid or proposal or contract with JCPRD including a recent record of unsatisfactory performance in accordance with the terms of one or more contracts.
 2. Commission of any misrepresentation in connection with a bid or proposal.
 3. Charged by a court of competent jurisdiction with the commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract. If charges are dropped or the vendor found not guilty, the suspension shall be lifted automatically upon notification and proof of final court disposition provided to JCPRD by the vendor.

4. Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property or any other offense indicating a lack of business integrity or honesty which currently, directly and seriously affects that vendor's responsibility as a JCPRD supplier. If charges are dismissed or the vendor found not guilty, the suspension shall be automatically lifted upon written notification and proof of final court disposition provided to JCPRD by the vendor.
5. Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals.
6. Vendor becomes insolvent, has proceedings in bankruptcy instituted against it or consolidates its debts or assigns over its estate or affects for payment thereof or has a receiver appointed over its property.
7. Any other cause the department, Executive Director or Purchasing Manager determines to be so serious or compelling as to materially and adversely affect the responsibility of the business as a government contractor, including but not limited to suspension by another government entity for substantial cause.

C. Debarment

1. Failure to fully comply with conditions, specifications, drawings, schedules or terms of a bid, proposal or contract with JCPRD.
2. Conviction by or judgment obtained in a court of competent jurisdiction for commission of offenses in connection with the vendor's commercial enterprise. If the conviction is reversed through the appellate process, the debarment shall be immediately lifted upon written notification and proof of final court disposition to JCPRD from the vendor.
3. Conviction for the commission of any fraud or act of collusion in connection with a bid, quotation, proposal or other act incident to doing business with JCPRD.
4. Inclusion on Federal debarred vendor list.

D. Purpose of Suspension or Debarment - JCPRD shall solicit offers from, award contracts to and consent to subcontracts only with vendors known to be reliable, ethical and responsible. To that end, the suspension or debarment of vendors from JCPRD work that do not meet these criteria may be undertaken. The serious nature of suspension or debarment requires that such sanction be imposed only when it is in the best interest of the public and for the protection of JCPRD and not for purposes of punishment.

E. Effects of Suspension and Debarment – Suspended or debarred vendors are excluded from contracts and departments or agencies shall not solicit offers from, award contracts to or consent to subcontracts with these vendors. Such vendors are also excluded from conducting business with JCPRD as agents, representatives, subcontractors or partners with other vendors.

F. Continuation of Current Contracts

1. The suspension or debarment shall take effect in accordance with the notice provided by the Purchasing Manager, except that if a department continues contracts or subcontracts in existence at the time the vendor was suspended or debarred, the suspension or debarment period shall commence upon the conclusion of that contract and in the interim the vendor shall not enter into any new JCPRD contracts.
2. Departments may not renew or otherwise extend the duration of current contracts or consent to subcontracts with suspended or debarred vendors unless JCPRD determines that an emergency exists justifying the renewal or extension.

G. Suspension or Debarment Procedures

1. Investigation and referral. The department or agency using a specific vendor shall promptly investigate and prepare a written report concerning a proposed suspension or debarment. This report shall be forwarded to the Executive Director stating with specificity the facts supporting the request for suspension or debarment.
2. Within five (5) days of receipt of the department or agency request, the Executive Director, after reviewing the report, may direct the Purchasing Manager to issue a notice of suspension or debarment. The Purchasing Manager shall immediately advise the vendor by certified mail with return receipt requested. The letter will contain the following specific information:
 - a. Statement that suspension or debarment has been imposed by JCPRD effective upon receipt.
 - b. Detailed information as to the reason and causes for the suspension or debarment in terms sufficient that the vendor will understand the conduct or transaction(s) upon which the action is based.
 - c. The vendor may within twenty (20) days of notice, present a written request for reconsideration including additional information relating to the reason given in G2a for suspension or debarment. The Purchasing Manager, in consultation with the Legal Department shall consider such additional information in deciding whether the decision to suspend or debar should be delayed or revised. If the original decision to suspend or debar is determined to be proper and justified, the vendor shall be suspended or debarred as planned.

3. Suspension/Debarment Duration

- a. Suspension – A vendor may be suspended for a minimum period of six (6) months if they are believed to be involved in any of the activities listed in Section 110.220.B.
- b. Debarment – A vendor may be debarred for a period not to exceed five (5) years if after investigation, they are found to be engaged in any of the activities listed in Section 110.220.C.

- H. Appeal of Suspension or Debarment - Because circumstances that led to a suspension or debarment can change over time, a suspended or debarred vendor may at any time during the suspension or debarment period, appeal to JCPRD for reinstatement to the status of active vendor.

1. The term of suspension or debarment shall last until JCPRD reinstates the vendor either due to the suspension or debarment period having elapsed or due to an accepted appeal of the period of suspension or debarment.
2. A vendor wishing to be reinstated to the status of active vendor shall submit a written request to the Executive Director and shall include a minimum of two references from other entities with whom they have successfully conducted business since being suspended or debarred by JCPRD. The written appeal shall include specifics as to why the vendor believes they should be reinstated including details as to how circumstances have changed since the suspension or debarment was imposed by JCPRD.
3. If, in the view of the Executive Director, there is reasonable justification for reinstatement, the appeal application will be forwarded to the Purchasing Manager to verify references and if substantiated, to complete the reinstatement process. The Purchasing Manager may seek advice of the Legal Department in making the final decision regarding reinstatement.
4. The reinstated vendor will be notified of the change in status to active vendor and the vendor will be considered for quotes, bids and proposals on goods/services solicited by JCPRD from the date of reinstatement.
5. If, in the view of the Executive Director, the vendor's appeal is not justified or sufficiently substantiated, the appeal may be denied and the vendor will be notified immediately. The balance of the suspension or debarment period will then be completed, unless a subsequent appeal request prior to the conclusion of the suspension or debarment is deemed to be acceptable.

16.22. BONDS

Unless otherwise approved by the Purchasing Manager, JCPRD will require bonds from bidders or contractors doing business with JCPRD through the competitive procurement process. The Executive Director shall establish Purchasing Procedures specifying the types of bonds required and the manner in which the bond requirements are satisfied.

PROCEDURE

- A. There are three major types of bonds used by JCPRD in the competitive procurement process. Those bonds, along with their utilization, are summarized below.
 1. Bid bonds are used when bid security is required to ensure that the firm or individual awarded a contract will subsequently enter into contract with JCPRD. A bid bond is required for public improvement projects exceeding \$20,000.
 2. Performance Bonds are used when a guarantee is required to ensure that a firm or individual that has entered into contract with JCPRD will complete the work within the terms of the agreement.
 3. Labor and Material Payment Bonds (Statutory Bond) are used for all contracts exceeding \$100,000.00 entered into by JCPRD for the purpose of making public improvement, constructing any public building or making repairs on same. The bonds are required by K.S.A. 60-1111 and

insure the payment of all indebtedness incurred for labor furnished, materials, equipment or supplies used or consumed in connection with, or in or about, the construction, improvements or repairs. These bonds are issued in favor of the State of Kansas and must be filed with the Clerk of the District Court to be enforceable.

- B. The above bonds require the appointment of a Kansas resident agent and must be issued by an acceptable bonding company licensed to do business in the state of Kansas.
- C. Checks or other security deposits shall not be accepted in lieu of the above bonds unless specifically approved by the Purchasing Manager, or otherwise allowed by Kansas state statute, prior to the publication and distribution of the bidding documents.
- D. Bid bonds, when required, are generally written in an amount equal to five percent (5%) of the total amount bid while performance and labor and material payment bonds are normally written in an amount equal to one hundred percent (100%) of the awarded contract.
- E. Construction projects for improvements established to cost \$100,000 or more require performance and statutory bonds. Requirements for a bid bond are stated above under section A.1.

16.23. INSURANCE

Unless otherwise approved by the Executive Director, JCPRD will require that successful bidders, through the competitive procurement process, provide certificates of insurance to assure that risks are prudently protected and JCPRD's insurance program will not be adversely impacted losses or claims attributed to the contractor's operations, products, activities or services for JCPRD. Insurance requirements for specific bids and proposals will be based on an assessment by the Risk Manager. The Executive Director shall establish Purchasing Procedures for ensuring that vendors, bidders, contractors, and suppliers provide adequate insurance for all business conducted for JCPRD.

PROCEDURE

- A. Certificates of insurance shall be provided by the successful bidder to assure that JCPRD's insurance program will not be called upon to respond to losses from, and that the contractor is financially capable of responding to, claims resulting from the contractor's operations, products, activities or services for JCPRD.
- B. Construction and service contractors should provide evidence of commercial general liability, workers' compensation and automobile liability coverage.
- C. Professional services and environmental contractors should provide evidence of professional liability, commercial general liability, workers' compensation and automobile liability coverage.
- D. The certificate of insurance shall be issued to:

Johnson County Park and Recreation District
c/o Risk Management
7900 Renner Road
Shawnee Mission, KS 66219

- E. The certificate should evidence a thirty (30) day cancellation clause and the inclusion of the Johnson County Park and Recreation District, Johnson County, Kansas, its officers, commissions, agents and employees as additional insureds.
- F. Depending on the services requested in the procurement, additional or specialty coverages or specific limits of coverage may be required at the discretion of the Purchasing Manager. The amounts and types of insurance required will be detailed in the bidding or purchase document.

16.24. ADMINISTRATIVE PURCHASING POLICY FOR PURCHASES UTILIZING FEDERAL GRANT FUNDS

A. PURPOSE

To establish standards for the procurement of supplies and other expendable property, equipment, real property and other services purchased with federal funds. When Federal or State grant funds are involved in competitive purchases by JCPRD, it shall be necessary for all bidders and suppliers to comply with all applicable and pertinent Federal or State grant rules, statutes and executive orders and their implementing regulations, or other requirements as set forth in the Purchasing Procedures.

B. SCOPE

This policy applies to all purchases for goods or services and all contracts or leases made using direct awards and pass-through awards of federal funds.

C. POLICY

It is the Policy of Johnson County Park and Recreation District (JCPRD) that officers, employees, and agents of JCPRD shall comply with all applicable Federal laws in the procurement of any assets or services utilizing federal funds, whether awarded directly or indirectly from a Federal Entity. All officers, employees, and agents of JCPRD shall also comply with the specific requirements of any federal contract or federal grant award. Further, all officers, employees, and agents of JCPRD shall comply with all requirements outlined under 2 CFR Part 200 when executing procurements using federal funds, including but not limited to the following:

1. JCPRD shall comply with all general procurement requirements as outlined in 2 CFR 200.318.
 - a. JCPRD shall comply with all applicable state and local laws and regulations, provided that the procurements also conform to applicable Federal law and standards.
 - b. JCPRD shall maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
 - c. Officers, employees, and agents of JCPRD shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subcontracts. JCPRD employees that violate this policy will be subject to the disciplinary process outlined in Human Resource policy 410 and the associated procedures.
 - d. JCPRD shall avoid acquisition of unnecessary or duplicative items. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase.

Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

- e. Officers, employees, and agents of JCPRD are encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.
 - f. JCPRD shall use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
 - g. JCPRD shall use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.
 - h. JCPRD shall award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractor integrity, compliance with public policy, record of past performance and financial and technical resource.
 - i. JCPRD shall maintain records sufficient to detail the history of procurement. These records will include, but are not limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection and the basis for the contract price.
 - j. JCPRD may use time and material type contracts only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and material type contract means a contract whose cost to a non-Federal entity is the sum of:
 - (1) The actual cost of materials; and
 - (2) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.
 - k. If a time and material contract is necessary, JCPRD shall assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.
 - l. JCPRD shall be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes and claims.
2. JCPRD shall comply with all requirements as outlined in 2 CFR 200.321 regarding inclusive contracting practices with small and minority businesses, women's business enterprises, and labor surplus area firms.

- a. JCPRD shall take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are given opportunities to compete.
- b. Affirmative steps shall include:
 - (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - (2) Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;
 - (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises;
 - (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses and women's business enterprises;
 - (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
 - (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.
3. Officers, employees and agents of JCPRD shall comply with all requirements as outlined in 2 CRF 200.322 regarding the procurement of recovered materials.
 - a. JCPRD and its contractors shall comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that improves energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.
4. JCPRD shall comply with all requirements as outlined in 2 CRF 200.320 regarding the allowable methods for procurement utilizing federal funds and shall also comply with JCPRD and County purchasing policies. The allowable purchasing methods and requirements include:
 - a. Purchases up to \$3,000 (Micro-Purchases): Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable. To the extent practicable, JCPRD shall distribute micro-purchases equitably among qualified suppliers.

- b. Purchases above \$3,000 and below \$20,000 (Small Purchases): Small purchase procedures may be used. Price or rate quotations must be obtained from an adequate number of qualified sources per JCPRD's purchasing policy.
- c. Purchases of \$20,000 or more:
 - (1) Procurement by sealed bids with formal advertising is required. Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction.
 - (a) Should sealed bids be used, they shall ensure an adequate number of suppliers and a detailed invitation for bid that includes the time and place for bid;
 - (b) A firm fixed price contract will be granted to the lowest responsive bidder;
 - (c) Any bid may be rejected if there is a sound documented reason.
 - (2) Procurement by competitive proposals may be used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:
 - (3) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
 - (4) Proposals must be solicited from an adequate number of qualified sources;
 - (5) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
 - (6) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
 - (7) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.
- d. Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
 - (1) The item is available only from a single source;

- (2) The public exigency or **emergency** for the requirement will not permit a delay resulting from competitive solicitation;
- (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity;
or
- (4) After solicitation of a number of sources, competition is determined inadequate.

16.25. TAX CLEARANCE

JCPRD will require a tax clearance letter from any bidder/respondent offered a contract award/renewal or purchase order which exceeds the formal bid thresholds as defined in County Policy 110.135 Authority to Purchase and Contract and any entity participating in the CORE4 initiative, currently Jackson County, Missouri, Johnson County, Kansas, the City of Kansas City, Missouri, and the Unified Government of Wyandotte County/ Kansas City, Kansas. Such bidder/respondent must provide a tax clearance certificate for all participating entities before a contract/renewal/purchase order is issued.

- A. "Tax Clearance Letter" means any written communication from an authorized official of a Local Government that states the Contractor has paid all taxes due and owing to the Local Government.
 1. A Tax Clearance Letter issued by a Local Government shall be valid for one year from the date of issuance.
 2. Any tax liability which is currently being protested through a Local Government's recognized legal process shall not be considered an unpaid tax liability as part of this effort and the Local Government may issue a Tax Clearance Letter to the Contractor.
 3. "Taxes" shall include, but are not limited to: real property taxes, personal property taxes, sales and use taxes, earnings and profits taxes, business license taxes, withholdings taxes, or other debts that are regularly referred to as a "tax" by the Local Government.

JCPRD reserves the right to waive the tax clearance requirement in the event of an **emergency** procurement, as defined in Policy 110.180, Exceptions to Competition or other extenuating circumstances which could negatively impact the health, safety or well-being of taxpayers or JCPRD services, as defined by the Executive Director.

PROCEDURE

- A. A tax clearance letter shall be provided by the successful bidder/respondent to ensure compliance with the tax obligations of Johnson County, Kansas and other participating CORE4 entities. The tax clearance letters should be submitted to JCPRD within ten (10) working days of the time said firm is notified they are the top ranked respondent or lowest, responsive, responsible bidder and dated not more than 60 days prior to any notice of intent to contract by JCPRD. Tax clearance letters shall be submitted to the JCPRD representative.
- B. Tax clearance letters are required for any procurement over \$100,000.

- C. Tax clearance letters are provided by the Treasury and Financial Management Department (TFM) in Johnson County, Kansas. Request for tax clearance may be made by submission of a "Tax Clearance Request Form", in person, via email, fax or on line at <http://treasurer.jocogov.org/tre/> for Johnson County. For other participating CORE4 entities contact information, check the "Vendor Resources" tab on line at <http://treasurer.jocogov.org/fin/purchasing.aspx>
- D. If a respondent/bidder is unable to obtain a tax clearance from either Johnson County or another CORE4 entity, due to disputed tax liability, said respondent/bidder shall write a letter/email notifying the JCPRD representative of such status, in lieu of the tax clearance letter within ten (10) working days of notification as the top ranked respondent or lowest, responsive, responsible bidder.

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