

Company: Jefferson County Commission
Process: Purchasing
Date: October 1, 2023– September 30, 2024 FY24
Page: 1 of 10

PURCHASING DIVISION PROCESS NARRATIVE

OVERVIEW

The objectives of purchasing are:

- to obtain the right materials or service, meeting quality requirements
- In the right quantity
- For delivery at the right time to the right place
- From the right source (a responsible, reliable supplier)
- With the right service
- At the right price

PROCESS FLOW

Processing of Requisitions

With the exception of several notable purchases (large Public Works contracts, or Community Development Rehab Projects, Department Procurement Card Purchases, Department Petty Cash, and Grant Purchases), procurements at the Jefferson County Commission are executed by the Jefferson County Purchasing Division. Jefferson County Purchasing Division personnel (purchasing coordinator and buyers) are responsible for ensuring that all purchases are executed in accordance with state law, within budget, and in the best interest of the County Commission.

Incoming Requisitions (Munis)

The requesting departments can enter purchase requisitions directly into the Munis system. Requisitions are entered in the Munis system by the requesting department.

Requisition requests are approved by the Department Head presiding over the requesting department or his/her designated approver. Department Heads approve requisitions electronically by using the “Approval” dashboard screen in Munis. Once the Department Head and/or designee approves the requisition is automatically routed to the appropriate area (Purchasing Division or additional approval persons i.e. Human Resources, Fixed Assets, or Information Technology) based on the selected commodity code. The commodity codes represent items that require sourcing and are automatically routed to the buyer/principal buyer assigned to procure that particular product/service.

The Purchasing Agent and staff review outstanding requisitions via the Munis Dashboard and various Munis SSRS reports determining how requests should be processed. Incoming requisitions are automatically assigned to the buyers by the Munis system based on commodity codes. Requisitions are identified and routed through the electronic workflow using established NIGP product codes. Each buyer is assigned various commodities and processes requisitions based on

Company: Jefferson County Commission
Process: Purchasing
Date: October 1, 2023– September 30, 2024 FY24
Page: 2 of 10

their assigned commodities. Commodities are periodically rotated to different buyers so that the buying staff can become familiar with purchasing all types of commodities.

Buyers' Responsibilities

Once the requisition appears in the buyer's daily workflow sourcing area, the buyer first reviews the requisition to see how it should be converted. Requisitions may be converted to: 1) Purchase Orders, or 2) Contracts. Once a conversion/procurement strategy has been verified correct, the buyer reviews the content of the requisition including the justification for purchase and examines any attached source documents which may include quotes or specification information, sole source documentation, etc. The Buyer makes changes and/or adjustments or request additional information as needed.

Requisitions Equal to or Exceeding \$30,000

As noted above (see the State of Alabama Bid Law section), the State Bid Law requires all purchases and contracts of \$30,000 or more to be made through the formal sealed bid process and be awarded to the lowest responsible bidder. The buyer who has been assigned the related requisition is responsible for administering the sealed bid process. The purchasing staff may purchase using State of Alabama contracts or Cooperative Purchasing Organizations as authorized by the State of Alabama Examiner's Office. However, purchasing staff are still required to determine the best approach for each procurement.

Preparing the Bid

At the beginning of the process, a requisition may be secured by the buyer to make sure that the department has a budget for the proposed procurement. The requisition provides details regarding the type, the estimated amount budgeted, and the quantity of the items requested. Sometimes, a requested item (for example, medical equipment) may have detailed specifications, all of which cannot be listed in the text area of the requisition because this area is limited to a certain number of characters. If additional information or attachments are associated with the Munis requisition, the requesting department can upload a document into the requisition via (TCM) with the additional specifications, or they can email, fax, or send the information via interoffice.

The buyers review the requisition and any accompanying attachments to determine the required bid specifications. If necessary, a buyer would contact the requesting department to seek clarification, and in some cases, contact the County attorney to obtain legal input to ensure that the bid is prepared in accordance with all necessary specifications and legal standards.

Once the principal buyer has gathered all necessary information, he/she prepares a rough draft of the bid. The principal buyer has one buyer comprising of a two-person sourcing team. The principal buyer and assigned buyer coordinate to develop all bid documents and related correspondence. Regardless of who prepares the bid, the principal buyer is accountable to ensure that all laws, rules and regulations are followed. Once the draft bid document has been prepared, the principal buyer or buyer would review the final draft for accuracy and completeness and should send the bid to the requesting department for review as needed. Once the bid has been reviewed

Company: Jefferson County Commission
Process: Purchasing
Date: October 1, 2023– September 30, 2024 FY24
Page: 3 of 10

and approved by the requesting department as needed, it is then ready to be published to the Purchasing/PACA website. A one or two paged notification is then mail to potential bidders from the Jefferson County Commission Purchasing Division database.

Bidders' List

Vendors who wish to conduct business with the Jefferson County Commission may do so by registering with the Purchasing Division, on-line using the Vendor Self-Service (VSS) module. All vendors who register are placed in a database commonly referred too as the County Commission's Bidders List. Vendors on the "Bidders List" receive notices of bids issued by the County Commission directly from the purchasing division in accordance with commodities self-selected by the vendor using VSS.

Vendors on the Bidders' List are identified based on the vendors' chosen commodity type. Thus, buyers can sort through vendors via a Vendor SSRS report, Vendor Management Module, or Bid Management Module in the Munis software, based on the commodity code associated with the particular item/service. When a new bid is issued, the buying staff is required to send a notification of the bid to all vendors on the Bidders' List who have signed up for that particular commodity.

Vendors on the Bidders' List cannot be removed unless one of the following two events occurs:

1. The vendor does not participate in three consecutive bids.
2. A County Commission Official launches an official complaint against the vendor based on the poor quality of services and/or products provided.

A vendor could be removed from the Bidders' List if the "end-user department files an official complaint against them. The end-user department has the right to file a complaint with the Purchasing Department if the vendor exhibits poor performance and low quality of services and products provided. These types of complaints are received and reviewed by the buyer who awarded the related bid to the vendor. The buyer would then present a resolution to the County Commission, via the Purchasing Division Agenda to remove the vendor from the vendors' list. All requests are subject to County Commission Approval. It is very rare for an end-user department to file a complaint against a vendor which results in the vendor being removed from the Bidders' List. However, when they occur, such complaints are taken very seriously and reviewed thoroughly, as they may result in vendors being debarred or partially debarred from conducting business with the County.

In addition to notifying vendors on the Bidders' List, all bids are posted to the PACA/ Purchasing website and posted on a public "Solicitation Board located in Purchasing.

Bid Opening and Bid Tabulation

The bid document specifies a deadline for submitting the bids and a bid opening date and time. Sealed bids are received by the administrative clerk(s) or available purchasing staff in the Purchasing Division and are date & time stamped and placed in a cabinet until the date of the bid

Company: Jefferson County Commission
Process: Purchasing
Date: October 1, 2023– September 30, 2024 FY24
Page: 4 of 10

opening. If the online bid method is used, online bids are submitted through the VSS module and electronically sealed until the designated public opening time.

As required by the State Bid Law, sealed bids must be opened in a public setting. The opening process takes place at a conference room at the County Courthouse and any member of the public can attend. Once the bids have been opened, the buyer reviews the bid responses accordingly for responsiveness. After the buyer reviews all bids to determine if they meet all of the pre-determined specifications, the assigned purchasing staff then creates a bid tabulation. Once the bid tabulation has been completed and proofed, all submitted documents are reviewed by the Principal Buyer for responsiveness and responsibility of the submissions. Bids that do not meet all specifications may or may not be considered in the award process, based on the needs of the County. The buyer then reviews the bid tabulation to determine which bidder has submitted the lowest responsible bid. Bid responses that do not meet all specifications may be disqualified through the evaluation process. Once the purchasing review has been completed, the Principal Buyer or buyer, will send the requesting department a copy of all the bidder responses and request the department to complete a technical evaluation which indicates which bidder the department recommends for the bid award. The requesting department is required to complete and sign an evaluation form. All department recommendations must include a justification. The Purchasing Division evaluates the requesting department's recommendation.

Once the buyer has validated and determined the lowest responsible bidder he/she notifies all bidders of the decision to be recommended to the County Commission. The recommendation to the County Commission is placed on the weekly Purchasing Agenda Report. The County Commission would review the recommendation during their next meeting and decide on the award. The County Commission is the final approval authority for awarding County bids/contracts.

Requisitions less than \$30,000

Requisitions in amounts less than \$15,000 do not require competitive bidding. However, the Purchasing Division requires the buyer to obtain at least two-three quotes where possible before they make a purchase decision. The two-three quotes may be verbal or written, depending on the buyer's preference or procurement circumstances. Quotes should be obtained from vendors on the Bidders' List, if there is a registered bidder who can provide the good/service. There is no established methodology in selecting which vendors should be contacted for quotes. Buyers are encouraged to use small or disadvantaged business enterprises (DBEs) where possible. Subsequently, buyers may pick vendors at random or ones that have provided quality services in the past. Additionally, the requesting department may sometimes list a desired vendor in the requisition.

Processing of Purchase Orders

Once the vendor has been selected, the buyer executes the purchase order in the system. The creation of the purchase order converts the open requisition and removes it from the buyer's

Company: Jefferson County Commission
Process: Purchasing
Date: October 1, 2023– September 30, 2024 FY24
Page: 5 of 10

workflow. Once the purchase order is released, the amount of the purchase is automatically encumbered out of the requesting department's budget.

Purchase Order Change Orders – Purchase Order changes requested by the user department are submitted via the Munis financial software system through the workflow. Purchase Order changes are posted in the finance department.

Purchase orders are printed in the Purchasing Division as needed by purchasing staff. Purchase orders in the amount of \$30,000.00 or above, where the expenditure was not previously approved by the County Commission, are not sent to the vendor/contractor until they have been approved. Once the purchase orders have been approved by the Commission, they are released to the vendor. The buyers are responsible ensuring that purchase orders are properly delivered. Purchase orders in amounts less than \$30,000 can be processed and sent to the vendors immediately. Purchase orders equal to or greater than \$14,999.99 are managed by the buyers until they are approved by the County Commission.

Purchase Orders Equal to or Exceeding \$30,000.00

Purchase orders equal to or exceeding \$30,000 must be approved by the County Commission before they can be sent to the vendor(s) unless there is a court order or other approval for the expenditure. The Purchasing Division generates a weekly encumbrance report that summarizes each purchase order that has been printed during the week (regardless of dollar amount). The report is then distributed to the County Commissioners prior to their next regularly scheduled meeting. Weekly generation of the encumbrance report allows the Commissioners adequate time to review the report and all purchase orders equal to or exceeding \$15,000. The County Commission may approve or reject the large dollar purchase orders during their next meeting. A copy of the approval resolution is distributed to Purchasing Division personnel and the purchase orders are released to the vendor/contractor.

Tracking of Open Requisitions/Purchase Orders

The Purchasing Department's internal policy is departments should allow thirty days for delivery of routine purchases under \$30,000 and forty five days for items equal to or exceeding \$30,000 (routine purchases are purchases that do not require a bid process).

Requisitions are reviewed periodically to make sure they are processed in a timely manner. In addition. The purchasing agent reviews the status of all requisitions over 15 days old from the date of receipt into the purchasing division. The purchasing agent or designated manager follows up as needed to ensure older requisitions are either processed, rejected, or canceled.

Public Works Contracts

Public Works Regulations

Company: Jefferson County Commission
Process: Purchasing
Date: October 1, 2023– September 30, 2024 FY24
Page: 6 of 10

In addition to the State of Alabama Bid Law, the Jefferson County Commission is subject to the Title 39 of the Code of Alabama – Public Works. Title 39 defines Public Works as “Any construction, repair, renovation, or maintenance of public buildings or structures on public property and to be paid, in whole or in part, with public funds or with financing to be retired with public funds in the form of lease payments or otherwise.” Title 39 provides the following guidelines that must be followed for Public Works contracts:

- Public Works contracts have a \$100,000 threshold;
- Bids must be advertised once each week for three consecutive weeks in the paper of general circulation in the county if over \$100,000;
- Bids for contracts in excess of \$500,000 must be advertised once in three newspapers of general circulation throughout the state;
- Bid Bond or Cashier’s Check drawn on Alabama bank if required by County Commission
- Performance Bond (100%) required;
- Payment Bond (50%);
- If only one bid is submitted, the government entity can negotiate downward (except for Department of Transportation contracts);
- Public Works contracts are in force until the project is completed;
- Sole Source must still bid.

There are several entities within the Jefferson County Commission that execute Public Works contracts and are affected by these guidelines: Environmental Services, Roads and Transportation (Department of Transportation), General Services, Community Development/Human Services, and Purchasing.

Bidding and Awarding Public Works Contracts

The Public Works bidding process at the Jefferson County Commission follows the regulations established by Title 39 of the Code of Alabama. This narrative focuses on the bidding process administered by the Environmental Services Fund, which evaluates and executes some of the largest contracts for the Commission.

When the need for a new project arises, the Director of Environmental Services would establish the Ad-Hoc Committee responsible for administering the bidding process. The Ad-Hoc Committee consists of three Project Engineers who have been selected by the Director/Assistant Director based on their experience and expertise in the related field. The Ad-Hoc Committee prepares the bid draft based on the project specifications and advertises in local and/or state newspapers as required by Title 39. Contractors who wish to bid on the project are then required to submit written proposals to the Ad-Hoc Committee. The Ad-Hoc Committee reviews all proposals submitted before the bidding deadline and selects at least five of them (if numerous proposals) for further consideration. The selected contractors are then invited to give formal presentations on their proposals in front of the Ad-Hoc Committee. Once all contractors have presented, the Project Engineers meet to discuss their notes and decide on the most qualified contractor. The Ad-Hoc Committee then prepares a Recommendation for Award document based on the winning bid and presents it to the Director for Environmental Services for approval. The Director reviews the recommendation along with the contractor’s proposal, qualifications, and

Company: Jefferson County Commission
Process: Purchasing
Date: October 1, 2023– September 30, 2024 FY24
Page: 7 of 10

references and instructs the Ad-Hoc Committee to proceed with the negotiations. The Project Engineers would then draft the actual contract based on the contractor's proposal. All Public Works contracts must be written in the legal language adopted by the County Commission. In addition, there are certain articles, such as retainage percentages, time tables, materials storage, etc, that must be included in all contracts. Once the contract draft has been prepared, it is presented to the County Commission for review and approval. The County Commission is the final approval authority for all Public Works contracts (PUR02 – E,RO). If the draft is approved by the Commission, a notice to proceed is issued which allows the contract to be executed. If the Commission rejects the draft, the Project Engineers would terminate negotiations with the selected party and begin negotiations with the second ranked contractor.

Awarding Consulting Projects

Consulting firms, such as designers, engineers, lawyers, geologists, etc, do not sell a commodity, but rather provide technical expertise, innovation, and knowledge of the latest technology. The U.S. Congress established a federal law in 1972 (the "Brooks Act") that requires government agencies to select Consultants for projects on the basis of their qualifications subject to negotiation of fair and reasonable compensation. Also, the Alabama State Board of Licensure for Professional Engineers and Land Surveyors Administrative Code prohibits an engineer from competing for work by bidding. Consequently, the selection and awarding of Consulting contracts cannot be administered through the bidding process used for other Public Works projects. To ensure that all laws and regulations are adhered to, while obtaining the best possible level of services at a reasonable price, the County Commission established the Qualifications-Based Selection Program.

Qualifications-Based Selection Program

Qualifications-Based Selection (QBS) is a method of obtaining professional consulting services for a specific task based on the qualifications and competence of a professional firm in relation to the scope and needs of the particular task rather than price factors alone. While initial project cost for consulting services is always a major concern, QBS focuses more on other factors such as qualifications of the engineer, compatibility with the County, and knowledge of and experience with the project requirements. Although the cost for consulting services represents only a fraction of the total project cost, the performance of the Consultant can influence the entire course of the project. The objective of the QBS process is to select a qualified Consultant for the task that will provide the County with a high-quality product for the best value. The QBS process is extremely flexible and can be easily tailored to meet the needs of the County Commission. This process also allows small firms to compete for contracts based on the quality of services provided on equal footing with larger firms. Otherwise, larger firms would have a distinct advantage if competitive bidding were based solely on price.

The QBS process is similar to the bidding process for Public Works contracts as it is also administered by an Ad-Hoc Committee organized by the Director/Assistant Director of Environmental Services. The leading Project Engineer of the Ad-Hoc Committee determines a preliminary schedule for the QBS process for the individual project. He/she then determines the pool of eligible Consultants by reviewing the list of Consultants who have completed the eligibility screening process and have been approved for the designated project category. The Project Engineer prepares a preliminary scope of work for the project and establishes project-specific

Company: Jefferson County Commission
Process: Purchasing
Date: October 1, 2023– September 30, 2024 FY24
Page: 8 of 10

criteria for the selection of the Consultant, which are then incorporated into the request for qualification statements to be sent to eligible Consultants. A request for Qualification Statements is prepared by the Project Engineer and distributed to all of the eligible Consultants. He/she then compiles all Qualification Statements received back from eligible Consultants and forwards copies to the other two Project Engineers on the Ad-Hoc Committee. Each of the three Project Engineers independently reviews the Qualification Statements and creates a list of the Consultants that he/she thinks should be invited for further interviews and/or presentations. Once all interviews/presentations have been completed, the Project Engineers meet to evaluate and rank the Consultants. The highest ranked Consultant is then notified and invited to a meet with them about the project. During the following meetings the Project Engineers and the Consultant more clearly define the scope of work and specific services required of the Consultant in order to complete the task. Once all of the specifications have been determined, the fee negotiations process can commence. If an agreement for the amount of the project fees is reached, the two parties enter into a written agreement which they present to the County Commission for consideration for approval. The County Commission is the final approval authority for all Consulting contracts. If an agreement on project fees cannot be reached or if the Commission rejects the draft, the Project Engineers would terminate negotiations with the selected party and begin negotiations with the second ranked firm.

ROLES AND RESPONSIBILITIES

The purchasing division is made up of 3 distinct functions 1) Procurement which involves purchasing and contracting performed by the principal buyer and buyer functions, 2) PACA (purchasing Association of Central Alabama which is the Jefferson County Commission hosted Purchasing Cooperative performed by Purchasing Management, Administrative Team and Buyers, and 3) Administrative Team which includes; Vendor Registration, Reporting and Recordkeeping.

DOCUMENTATION AND SYSTEMS

The primary output documents produced the purchasing division are:

- Purchase Orders
- Bids/Solicitations
- Contracts
- Reports

Purchase Orders, and Contracts are maintained in electronic files within the Munis System. Reports are maintained on the Jefferson County Purchasing “shared” drive, which is restricted to purchasing personnel only and manually. Manual files include any backup documentation to support commission-approved purchases. The bid files and bid submissions by vendors are currently maintained manually.

Company: Jefferson County Commission
Process: Purchasing
Date: October 1, 2023– September 30, 2024 FY24
Page: 9 of 10

CONTROLS AND CHECKS

The primary trigger for activities in the purchasing division is the “requisition”. Requisitions are routed in a secured workflow within the Munis ERP system. Built-in checks include both supervisory and budgetary. Purchasing Division staff cannot receive requisitions which have not gone through both check points. This ensures authorization to spend County/Departmental funds.

Purchasing activities are authorized and guided by Alabama law.

The Jefferson County Commission is a government entity within the state of Alabama and is thus subject to the State of Alabama Bid Law. The State Bid Law requires all purchases and contracts of \$30,000 or more to be made through the formal sealed bid process and be awarded to the lowest responsible bidder. The \$30,000 threshold cannot be avoided by separating purchases. In other words, a purchase cannot be broken into segments to avoid the sealed bid process.

The State Bid Law provides for several exemptions to the sealed bid requirement, as follows:

- Purchases of real estate;
- Purchases of insurance;
- Purchases of manuscripts, maps, books, pamphlets, and periodicals;
- Purchases for utility services;
- Contracts for services of attorneys, physicians, architects, teachers, superintendents of construction, artists, appraisers, engineers, consultants, certified public accountants, public accountants, or other individuals possessing a high degree of professional skill;
- Purchases of maps or photographs purchased from a federal agency;
- Selection of paying agents and trustees for any security issued by a public body;
- Purchases of computer and word processing hardware when the hardware is the only type compatible with hardware already owned by the purchaser, and purchases of custom software;
- Purchases of products made or manufactured by the blind or visually handicapped under the direction or supervision of the Alabama Institute for the Deaf and Blind;
- Purchases of products where the price of such products is already regulated and established by state law;
- Contractual services and purchases of commodities for which there is only one vendor or supplier and contractual services or purchases of personal property, which by their very nature are impossible to award by competitive bidding;
- Purchases in cases of an emergency affecting public health;
- Purchases in cases of an emergency affecting public safety.

Change orders are also subject to the State Bid Law except upon the occurrence of any of the following circumstances:

- Minor changes for a total amount less than \$30,000.00;
- Changes for minor matters that are incidental to the original contract and caused by unforeseeable circumstances arising during the course of the work;

Company: Jefferson County Commission
Process: Purchasing
Date: October 1, 2023– September 30, 2024 FY24
Page: 10 of 10

- Emergencies arising during the course of the work;
- Changes or alternates provided for in the original bidding if there is no difference in the price of the change order from the original best bid or alternate;
- Changes of minor items that were not contemplated when the plans and specifications were prepared and the project bid that are in the public interest and do not exceed 10% of the contract amount.

Commission Approval and Reporting

As stated in the aforementioned process, Commission approval is required at certain threshold milestones. Commission approval is performed and maintained by periodic reporting through two primary documents: 1. Encumbrance Report and 2. Purchasing Agenda.

The Purchasing Agent (Division Manager) ensures the timely creation and routing of these reports in accordance with the Commission meeting schedule.

End of Narrative