

**Missouri Association of Counties
Purchasing Training**

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PURCHASING 101

- Bid Threshold for Counties (Revised Statute 50.660)
- Single Feasible Source (Sole Source)
- Intergovernmental Agreement
- Cooperative Contracts
- Emergency Procurement
- Solicitation Types
- Bonds
- Prevailing Wage
- Federal Grant Funded Projects
- Surplus
- Ethics

County Bid Threshold

- When the purchase is under the bid threshold of \$12,000 in a 90-day period.
 - Section 50.660 RSMo. It is not necessary to obtain bids on any purchase in the amount of **twelve thousand** dollars or less made from any one person, firm or corporation during any period of ninety days. All bids for any contract or purchase may be rejected and new bids advertised for.

Single Feasible Source (Sole Source)

- Single Feasible Source (Sole Source)
 - Section 50.783 RSMo. A **single feasible source** exists when:
 - (1) Supplies are proprietary and only available from the manufacturer or a single distributor; or
 - (2) Based on past procurement experience, it is determined that only one distributor services the region in which the supplies are needed; or
 - (3) Supplies are available at a discount from a single distributor for a limited period of time.

Note: This must be advertised in at least one daily and one weekly newspaper for ten days.



Intergovernmental Agreement

- Intergovernmental Agreement

- 70.220 RSMo.

- **70.220 is the basic authority we rely upon for cooperative contracting. We refer to 70.220 for both intergovernmental agreements and cooperative contracts.**
 - **The key is that the procedure for exercising that power is via Commission Order per RSMo Sec. 70.230 which requires the terms agreed upon by the contracting parties by order of the County Commission.**
 - **Examples of intergovernmental contracts at Boone County include Preprinted Envelopes with the University of Missouri Printing Services and Medical Examiner Services with the University of Missouri Health Sciences Center, Department of Pathology & Anatomical Sciences.**



Cooperative Agreement

Cooperative Agreement

Using a contract for a commodity/service that was competitively bid by another public agency or 3rd party aggregate.

- (4) Types of Cooperative Purchasing:
 - Piggybacking
 - Joint Solicitations
 - 3rd Party Aggregates
 - Multiple Award Schedules (MAS) (GSA)

1) Piggybacking

- Agency independently solicits / awards
- Contract language allows other agencies to use. Boone includes in our bids:
Will you honor the submitted prices for purchase by other entities in Boone County who participate in cooperative purchasing with Boone County, Missouri?
____ Yes ____ No
- No user or vendor fee
- Realistic expectation of additional usage is unknown.
- Examples:
 - State of Missouri
 - New Vehicles – Qualified Vendor Lists
 - Tires
 - Sign Language Interpretation Services
 - City of Columbia
 - Drug and Alcohol Testing Services
 - Collision Repair Services
 - Ready Mix Concrete and Cement Products

2) Joint Solicitations

- Combine usage of multiple agencies to encourage greater competition in pricing
- Realistic expectation of usage
- No user or vendor fee
- MMPPC – (Mid-Missouri Public Procurement Cooperative) – some of the agencies in this cooperative include Boone County, City of Columbia, Columbia Public Schools, University of Missouri, City of Ashland, City of Hallsville, Boone County Group Homes, City of Centralia.
- Examples of Boone County contracts include Bituminous Material, Fuel, Rock

3) 3rd Party Aggregates

- Acts on behalf of many organizations
- Identifies co-op market opportunity & supplier base
- Amass broad potential user agencies
- Provides administrative and contract management support to lead agency
- Extension of government or independent entity
- User and/or vendor fee
- Some our County has used in the past:

- U.S. Communities

www.uscommunities.org

- NASPO Value Point

<http://www.naspovaluepoint.org/#/home/contracts>

- The Interlocal Purchasing System (TIPS)

bids@tips-usa.com

Examples for Boone County: OMNIA Partners contract for MRO Supplies with Lowes, Liquidity Services/ (GovDeals) contract for On-line Auction Services, Omnia Partners contract for Technology products with World Wide Technology, Sourcewell contract for office supplies with Staples, Omnia Partners contract for office supplies with Office Essentials.

4) Multiple Award Schedules (MAS)

- Schedule – collection of contracts
- Contract awarded to one or more suppliers
- Minimum criteria established and met
- “Favored customer pricing”
- User and/or vendor fee
- Those who meet a minimum requirement. It’s not that they are offering the lowest price but that agree to a ceiling – they will not sell it for more than that.
- A vendor pool is identified; then users are encouraged to further negotiate.
- Example: GSA (General Services Administration) – federal contracts. GSA contracts are negotiated, not competitively bid. http://gsa.federalschedules.com/?gclid=CK2J3N_70LICFVBgMgodPhcAmA
- Counties cannot use GSA contracts since they are negotiated and not competitively bid

Advantages of Cooperative Purchasing

- Provides lower prices from large agencies' volume purchases
- Provides lower costs to smaller entities that would otherwise pay higher prices
- Combines quantities so that each entity will obtain good value
- Reduces administrative costs of purchasing
- To shorten the procurement cycle and make it less labor intensive for staff
- To purchase a specific brand (i.e. the Sheriff Department is standardized with a particular type of radio and we're able to get competitive pricing by utilizing the cooperative).
- Boone County has 345 Term & Supply contracts in place. Of those, 125 are cooperative contracts. We would need more buyers if we were issuing that many more bids. (On that list, 184 were from bids/RFPs, 29 from sole source, and 7 less than bid threshold)

Emergency Procurement

- **Emergency**

- Section 50.780 RSMo. An **emergency** exists when:

The county commission may waive the requirement of competitive bids or proposals for supplies when:

- (1) There exists a threat to life, property, public health, or public safety or when immediate expenditure is necessary for repairs to county property in order to protect against further loss of, or damage to, county property to minimize serious disruption in county services or to ensure the integrity of county records.
- (2) Emergency procurements shall be made with as much competition as is practicable under the circumstances.
- (3) After an emergency procurement is made by the county commission, the nature of the emergency and the vote approving the procurement shall be noted in the minutes of the next regularly scheduled meeting.

Solicitation Types

Request for Bid

Request for Proposal

Request for Qualifications

Informal Quote

Invitation for Bid

Electronic Procurement

- Vendor Registration
- Online Bidding
- Contract Management

PCards

- Procurement cards
- Thresholds
- Do's & Don'ts

Bonds

- **Bid Bond**
 - Not required by law to be in County bids
 - Boone County typically adds to bids if we have Performance and Labor and Materials Payment Bond requirements
 - Require proposal guaranty equaling 5% of the total amount of the bid from a surety company
- **Performance Bond**
 - Required by law if total bid price exceeds \$50,000
 - Bond for full price of contract from surety company
- **Labor and Materials Payment Bond**
 - Required by law if total bid price exceeds \$50,000
 - Bond for full price of contract from surety company* Labor and Materials
- **Seeding and Erosion Control Bond**
 - Not required by law. We typically put a set amount in our bid requirements.

Prevailing Wage – new law August 2018 – language the County inserts in our Term and Supply bids

1. If a quote received for a project from this Term and Supply contract for a “major repair” or “construction” of a public work project is \$75,000 or less, then the Prevailing Wage Law will **NOT** apply to that project.
2. If a quote received for a project from this Term and Supply contract for a “major repair” or “construction” of a public work project is greater than \$75,000, then the Prevailing Wage Law **WILL** apply to the entire project.
3. **Special Rule for Change Orders:** If the County accepts a quote for less than \$75,000 for a “major repair” or “construction” of a public work project and that project is later subject to a change order that raises the total project price over \$75,000, then the vendor is responsible for identifying that portion of the work causing charges that are in excess of \$75,000 and the Prevailing Wage Law **WILL** apply to only that portion of the project that is in excess of \$75,000.

Federal Grant Funded Projects

- Must include 2 CFR Part 200 requirements
- Typically provide federal requirements at attachment at end of bid/RFP and put the following language in the bid document (edit by name of grant):
 - The County will be awarding this contract based on an *ARPA* grant (add name of grant). All applicable federal laws, rules and regulations, including, without limitation, OMB Circular 2 CFR 200-230, FAQs and other guidance from the U.S. Treasury Department, and all *ARPA-required* federal contract clauses shall be deemed a part of this Agreement whether or not said clauses are specifically reproduced in the contract documents.
- Lessons Learned:
 - MBE / WBE – it's not good enough to advertise. You must actively seek MBE / WBE vendors. We go to the State of Missouri, Office of Equal Opportunity website. <https://oeo.mo.gov> . Then select "Supplier Diversity", then select "Certified Vendors". You can search by commodity.
 - Davis Bacon Wage – must check to see if the wage has changed before you open your bid. MO Prevailing wage – it's the wage rate on the date you issue the bid.

Surplus

Statute 49.270 is clear that the County Commission has the authority to control and manage property belonging to or purchased by the County.

In addition, the case of Butler County, Missouri vs. Campbell, 182 S.W.2d 589 (MO 1944) defined in general the County Commission's duties in relation to the sale of county property.

It is reasonable to conclude that the County Commission should use some method calculated to obtain a fair market value return on any property which is sold.

Surplus, continued

The Purchasing Department manages the disposal of surplus under the direction of the County Commission.

(1) Is this something other departments/offices could use?

If not;

(2) Place on a surplus website i.e.,

GovDeals.com/PurpleWave

(3) Boone County also uses MRC Recycling Center (\$50/load). All items are recycled, not reused, so nothing ends up in our landfill.

Ethics in Public Purchasing

● Employee Conflict of Interest

- A County employee shall not participate directly or indirectly in the procurement process when:
 - That employee or any member of that employee's immediate family has a financial interest pertaining to the procurement contract
 - A St. Louis County Recorder of Deeds lost her office when she approved a remodeling contract with her relative (an independent contractor).
 - Any other person, business, or organization with whom the County employee or any member of that employee's immediate family is negotiating or has an arrangement concerning prospective employment.
 - Missouri Constitution of 1945. Article /III. Section 8. Any public officer or employee in this state who by virtue of his office or employment names or appoint to public office or employment any relative within the fourth degree, by consanguinity or affinity, shall thereby forfeit his office or employment.

Ethics in Public Purchasing, continued

- **Definition of Gratuity:** A payment, loan, subscription, advance, deposit of money, services, or anything of **more than nominal value**, present or promised, unless consideration of substantially equal or greater value is received in return.
- **What is Considered “of nominal value”?**
 - Unsolicited advertising or promotional material such as pens, pencils, note pads, calendars, or other business-related items of nominal intrinsic value.

Purchasing Associations

- **Missouri Association of Public Purchasing**
 - Membership is \$40 / person
 - Spring Conference: *Commitment to Excellence*. April 10-12, 2024 at Camden on the Lake. \$175 members, \$200 non-members
- **NIGP: The Institute for Public Procurement**
 - Membership is \$195 for Base Agency + \$95 per person
 - There are 2,600 state & local agency members and 17,300 procurement professional members.
 - NIGP Forum. August 25-28, Charlotte, NC. \$925 members; \$1,150 non-members

Questions you might have

- Can we accept a late bid? One past it's due date and time? What if it's only 2 seconds late?
- Can I split the purchase across multiple months to stay under the \$12,000 in a 90-day period?
- What are considered "minor irregularities" in a bid that I can clarify and not deem the bid "non-responsive".
- Can we have local preference and keep all our money in our County?
- Can I accept a bid from a vendor who did not attend the "mandatory" pre-bid?



QUESTIONS?

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