

NORTH GEORGIA HEALTH DISTRICT
County Board of Health Administration Policy #3003
Cherokee, Fannin, Gilmer, Murray, Pickens, Whitfield

PURCHASING POLICY

EFFECTIVE DATE: August 1, 2010

RELEASE DATE: August 1, 2010

PURPOSE: The purpose of this policy is to standardized the District purchasing process and to implement financial safeguards.

REQUIRED APPROVALS

1. If a purchase order is being submitted to purchase equipment from a State Program, the purchase order must have an e-mail attached where permission has been obtained by the State Program Manager.
2. For the purpose of this policy, purchase thresholds include either single item or total invoice charge.
3. Purchases equaling \$2,500 or less require written approval of the Program/Location Manager.
4. Purchases of \$2,501 to \$12,500 require written approval of the Program/Location Manager and one level higher in the Line of Authority (District Manager over the Program).
5. Purchases of \$12,501 to \$25,000 require written approval of the Program/Location Manager, one level higher in the Line of Authority, District Administrator and District Deputy Director or District Health Director.
6. Purchases of \$25,001 to \$100,000 require written approval of the Program/Location Manager, each level higher in the Line of Authority, District Administrator and District Health Director.
7. Exceptions to the above approval limits are as follows:
 - a. Purchases of any computer equipment must also have written approval of the IT Director. This includes printers, scanners, laptops, portable devises, software (of any type) as well as monitors, CPU's, keyboards/mouse and external drives. ANY computer equipment as listed here must be ordered on a separate purchase order and should NOT be co-mingled with other items.

PURCHASING POLICY (continued)

- b. Purchases of medications through the Pharmacy at the District Office. These items must have the District Pharmacist's written approval.
- c. Purchases of ANY equipment over \$1,000 and an estimated life of over one year other than those stated in the computer equipment provision above, must have written approval of the Program/Location Manager, each level higher in the Line of Authority and the District Administrator.
- d. Client routine medical and pharmacy supplies needed, and budgeted, for operations of the program/location must be ordered in a timely fashion. With this in mind, client routine medical and pharmacy (not acquired through the District Pharmacy) supplies totaling \$10,000 or less per order must have the written approval of the Program/Location Manager. Routine client medical and pharmacy supplies ordered in excess of \$10,000 must have District Line of Authority written approval.

**BIDDING &
PROCUREMENT
PROCESS**

Small businesses, minority businesses or women's businesses shall be afforded a fair and equal opportunity to participate in the bidding process.

- 1. Purchases from \$1,000 to \$5,000 do not require competitive bidding, but must be documented by three (3) telephone bids. If three (3) bids cannot be obtained, it shall be documented on the purchase order and presented to the District Administrator for approval.
- 2. In accordance with the Georgia State DOAS Manual, all purchases over \$5,000 shall be based on a competitive bidding process whenever possible. Purchases of \$5,001 to \$10,000 must be documented by three (3) written bids. An attempt should be made to acquire a mixture of written and telephone bids and presented to the District Administrator for approval.
- 3. Purchases over \$10,001 must be documented by three (3) sealed bids. These sealed bids must be presented to the District Health Director or designee for review and approval.

PURCHASING POLICY (continued)

**RECORDS &
CONTRACTS**

1. All accounting records and supporting documentation pertaining to a specific bid or award shall be retained for a period of three (3) years from the date of bid acceptance.
2. An annual review and evaluation of the contractor's performance and conformance with contract terms and conditions will be conducted to ensure acceptable and adequate compliance.
3. All contracts in excess of stated purchasing and acquisition thresholds will include provisions and conditions that allow for administrative, contractual or legal remedies or termination when the contractor violates or breaches contract terms or when conditions or circumstances exist beyond the control of the contractor.

**CODES OF
CONDUCT**

The following standards shall govern the conduct and performance of all employees engaged in the award or administration of contracts in accordance with the Department of Health and Human Services guidelines.

1. No employee, officer or agent shall participate in the selection, award or administration of a contract supported by Federal funds if a real or apparent conflict of interest exists due to direct or indirect affiliations.

NOTE: A conflict of interest exists when an employee, a member of his or her immediate family, his or her partner or any organization which employs or is about to employ any of the above stated parties has any financial or other interest in the firm selected for an award.

**PURCHASE
ORDER
GUIDELINES**

The products, goods and supplies necessary to maintain daily operations of the programs are to be ordered via means of a standard purchase order system. When the specific item is identified, a purchase order must be completed to include the following:

- a. Date purchase order is issued
- b. Vendor to whom purchase order is issued (complete with address and phone number)
- c. Detailed description of item or items being purchased. This must include item number,

PURCHASING POLICY (continued)

description and cost of item with necessary extensions.

- d. Each purchase order must contain the total fund obligation of the transaction, estimated shipping cost and must have written signature of person requesting and Line of Authority approval based on the limits listed in the REQUIRED APPROVALS section of this policy.
- e. If the items require shipping or mailing and additional cost will be incurred, it must be noted on the purchase order by stating “shipping should not exceed “\$xx.xx” (give specific amount).
- f. All purchase orders must reflect the following signatures prior to processing:
 - i. The first signature represents the employee initiating the purchase and **MUST** be someone other than the supervisor.
 - ii. The second signature is the supervisor authorizing the purchase.
 - iii. The third signature and all additional signatures represent the approval and level of authority required based on the amount of the purchase in accordance with REQUIRED APPROVALS section of this policy.

NOTE: It is a policy violation for an employee to sign a purchase order on behalf of another employee or supervisor.

**CLIENT
SERVICE
PROVIDER
CONTRACT**

Only the District Health Director has the authority to sign Client Service Provider Contracts (CSP). Examples of CSP include physicians and individuals or agencies under contract to provide a direct client service as required by a program/location.

- 1. No Client Service Provider Contract may exceed a term of three (3) years in length without written approval of the District Management Team. All CSP’s must contain a provision for termination based on lack of funding and 30 days without cause by either party.

PURCHASING POLICY (continued)

2. After the CSP has been signed, it will be maintained in the District Accounting office. A copy of the contract will also be maintained by the Program Manager. The CSP must be approved and on file in Accounting prior to any services rendered under the contract or payments outlined in the contract being processed.
3. Individual invoices submitted to Accounts Payable under a CSP must include a legible, written approval (in ink) of the Program/Location Manager.