

**Flathead County  
Purchasing  
Policy**

**Adopted April 15, 2021**

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## Flathead County Purchasing Policy

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### Purpose

The purpose of this policy is to define procedures to consistently apply applicable procurement laws to county government within the state of Montana. In addition, this policy establishes efficient procedures and guidelines to aid each department of the County in monitoring its own compliance and commitment to authorizing, approving and processing expenditures. This policy strives to comply with MCA Title 7, Chapter 5, Part 23 "County Contracts" and the applicable parts of MCA Title 18, "Public Contracts" and Rule 2.5 of the Administrative Rules of the State of Montana, "State Procurement".

### Scope

- I. This policy supersedes all previous Flathead County purchasing policies. If future policies conflict with or supersede parts of this policy, the remaining sections of the policy will stay in effect.
- II. The policy applies to ALL County Departments and divisions. It applies to ALL types of expenditures.
- III. Departments may apply additional requirements as long as they are equal to or more restrictive than the procedures and standards established in this policy and consistent with the purposes of this policy.
- IV. Public procurement functions essentially share primary fundamental goals such as obtaining maximum value for each tax dollar expended and establishing systematic, consistent and fiscally responsible accountability and control over all purchases.
- V. The County Finance department shall provide general oversight and assistance to county departments in the administration of this policy and should be considered a resource for questions and information regarding purchasing and contracting.
- VI. The Commissioners approve the Purchasing Policy and have final authority for administration, interpretation and application of terms of this policy.
- VII. The public has the right to inspect and copy all purchasing and contract documents with the exception of sealed bids and legitimate trade secrets as defined by MCA 30-14-4.

### Policy Statement

- I. It is the policy of the County to obtain maximum value for each tax dollar expended in the purchase of goods and services and to establish systematic, consistent and fiscally-responsible accountability and control over all County purchases.
- II. This policy applies to ALL activities, including the County's State and Federally-funded programs or grants. It includes, but is not limited to, the acquisition of:
  - Equipment
  - Merchandise
  - Materials
  - Professional Services
  - Other Services
  - Construction Contracts
- III. This policy is in compliance with all Federal and State laws as they may apply.
- IV. Those who fail to comply with this policy may be subject to disciplinary action.
- V. This policy will be used in conjunction with the policy in place for the Capital Asset Management Policy. This policy is available in [Appendix C](#).

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### General Guidelines

- I. All purchases should have a public purpose.
- II. Purchases or contracts shall not be artificially divided into separate projects or expenditures to circumvent the requirement of a more formal purchasing process. The purchase price of an item includes all ancillary charges such as shipping/handling & taxes, etc.
- III. Long-term service contracts for 12 months or more shall engage in the competitive process at least every five years.
- IV. Maintenance and service contracts related to underlying assets (e.g. software, road maintenance equipment) shall engage in the competitive process at the expiration of the expected useful life of the asset.
- V. Contract provisions shall require the contractor to carry adequate workers' compensation, general liability insurance, and/or other types of insurance as part of Flathead County Risk Management Program approved by the Board of Commissioners. (see Human Resource policy for specific requirements)
- VI. Purchases made with Federal funds must also comply with rules and regulations under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and any additional grant requirements that may be more restrictive than Flathead County's Purchasing Policy. (The County elected to utilize the three-year grace period and chose to use previous procurement standards for all three fiscal years before adopting the updated procurement standards under Uniform Guidance effective July 1, 2018.)
- VII. The List of Excluded Individuals and Entities (LEIE) shall be consulted during the selection of contracted vendors or entities to ensure no local, State or Federal funds are being disbursed to such entities that may appear on the State or Federal LEIE list. Documentation supporting the fact that the list was reviewed should be maintained with the contract.
- VIII. Awards shall be made to responsible vendors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such characteristics as integrity, compliance with public policy, record of past performance, and financial and technical resources. No awards shall be given to any vendor currently in litigation with the County.
- IX. No employee may solicit or accept gifts in excess of \$50 or of a substantial economic benefit tantamount to a gift from potential or actual vendors (MCA 2-2-102).
- X. No employee shall participate in the award and/or administration of a contract if a conflict of interest exists, whether real or apparent. Such a conflict arises when the employee has a special relationship as a related party to a vendor or potential vendor (MCA 2-2-201).
- XI. Flathead County employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for

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that employee or for a relative or other party of interest (as described below) as a result of Flathead County's business dealings.

If employees have any influence on transactions involving purchases, contracts, or leases, it is imperative that they disclose to a supervisor or department head as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties. Personal gain may result not only in cases where an employee or relative has a significant ownership in a firm with which Flathead County does business, but also when an employee or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving the County.

### **PURCHASING PROCEDURES**

The following procedures outline the Purchasing Process and define the involvement of Purchasing.

- I. For purchases \$20 and under, the preferred method of payment is County credit card.
- II. Departments are encouraged to work with all local Flathead County businesses when competitive.
- III. The authority to enter into contracts for the benefit of Flathead County, its departments and entities is exercised by the Flathead County Board of County Commissioners unless specifically authorized otherwise. When authorization is granted, employees must be knowledgeable of the contents of the contract and agreeable to the terms and conditions.
- IV. **Quote & Bid Requirements by Threshold:**
  - A. **<\$5,000** – For purchases of goods and services less than \$5,000, any purchasing technique may be used that best meets the needs of a department. It is recommended that departments use prudent purchasing practices and obtain competitive prices when practical.
  - B. **\$5,001-\$25,000** – The department shall obtain and document an oral or written opportunity for a minimum of two vendors, if possible, to offer a price on the desired item or service according to the specifications established for the purchase. (See [Quote and Bid Requirements for more information pg 5.](#))
  - C. **\$25,001-\$80,000** – The department shall obtain and document a written opportunity for a minimum of three vendors, if possible, to offer a price on the desired item or service according to the specifications established for the purchase. (See [Quote and Bid Requirements for more information pg 5.](#))
  - D. **Over \$80,000** – For procurement of goods, services, and equipment greater than \$80,000, where vendor selection is determined exclusively on price, an invitation for bid process is used. An invitation for bid is also used for multiple purchases of the same item when it is reasonably expected that the annual amount of such purchases will be greater than \$80,000 (MCA 7-5-2301). (See [Requirements for a Sealed Bid for more information pg 5](#)) When it is desirable to incorporate factors other than cost, See [Request for Proposal \(RFP\) for more information.](#)

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### V. Request for Qualifications (RFQ):

- A. A RFQ process is used to acquire **professional services** greater than \$80,000. A lower threshold of \$50,000 applies to architectural, engineering, or land surveying services (MCA 18-8-Part 212).
- B. A provider of professional services is selected based on demonstrated competence and qualifications. The award is made to the firm whose submittal obtains the highest score according to the stated evaluation criteria. A fair and reasonable price for the type of services desired will be negotiated with the highest scoring firm. If an agreement cannot be reached, negotiations will commence with the next highest scoring firm.

### VI. Request for Proposal (RFP):

- A. An RFP is used for procurement of goods and services greater than \$50,000 when it is desirable to incorporate factors other than cost into the selection criteria.
- B. It is recommended that a selection committee be used to consider complex or high-dollar RFPs. The award is made to the responsible bidder whose proposal obtains the highest score according to the stated evaluation criteria. Price should be one of the evaluation criteria.

### QUOTE AND BID REQUIREMENTS

- I. **Quote Requirements** – In addition to the description of the goods or services desired, vendors should be provided with other relevant information. This should include but is not limited to compatibility with other county equipment; date the supplies, services, materials, or equipment must be delivered or be available for county use; anticipated duration of the need for the services requested; and any selection criteria, including relative importance, to be used in addition to price. The vendor will be selected using the criteria stated in the limited solicitation.

The dollar range for use of a limited solicitation applies to the initial contract term and any possible renewal periods. It also includes all ancillary charges such as shipping/handling and taxes, etc.

The department's documentation of the solicitation process should be turned into Finance with the claim including the oral or written solicitation, a summary listing of the vendor responses, and a complete copy of the selected vendor response. Responses shall be available for public inspection or telephone inquiry. If the required number of vendors are not available, an explanation must be provided. Any solicitation received from a related party must be documented and disclosed.

- II. **Requirements for a Sealed Bid** – The requesting department develops a “sealed” invitation for bid package.
  - A. An invitation for bid shall include the following:
    - 1. Instructions and information to bidders concerning the bid submission requirements including submission deadline, the time and date established for bid opening, the address of the office (Commissioners Office) to which bids are to be delivered, and any other special information;

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2. The purchase description, delivery or performance schedule, and any inspection and acceptance requirements not included in the purchase description; and
  3. The contract terms and conditions, including warranty and bonding or other security requirements, as applicable.
- B. The invitation for bid may incorporate documents by reference if the invitation for bid specifies where such documents can be obtained.
  - C. Where a brand name specification is used in a solicitation, the solicitation shall contain explanatory language that the use of a brand name is for the purpose of describing the standard of quality, performance, and characteristics desired, and is not intended to limit or restrict competition. When bidding an “or equal” product, the burden of persuasion is on the bidder. The department head is given the responsibility and judgment for making a final determination on whether a proposed substitution is equal to the brand name specified. All specifications shall promote overall economy for the purposes intended and encourage competition in satisfying the County’s needs and may not be unduly restrictive.
  - D. All bids will be time stamped and stored in a secure place (Commissioner’s office) until the time and date set for bid opening. In order to be considered timely, a complete printed bid response must be delivered to the specified destination by the specified time.
  - E. Bids shall be opened publicly by the Board of Commissioners at the date and time designated in the invitation for bid and entered into the minutes.
  - F. Bid offers will be reviewed to determine which bidder offers the lowest cost to the County in accordance with the specifications set forth in the invitation for bids. The bid will be awarded to the lowest responsible bidder. If there are no out-of-state bidders, MCA 7-5-2309 allows an optional bidding preference to a County resident whose bid is no more than \$500 or 3% higher, whichever is less, than the bid of the lowest responsible bidder who is not a County resident.
  - G. Nothing in this policy shall be deemed to permit contract award to a bidder submitting a higher quality item than that designated in the invitation for bid if such bidder is not also the lowest bidder.
  - H. Multiple award contracts are allowable if determined to be in the best interest of the County.
  - I. In the case of a tie bid, the bidder offering American-made products or supplies must be given preference.
  - J. Proper notice and publication will be arranged by the requesting department in accordance with MCA 7-1-2121. The published notice shall contain:
    1. a brief statement about the procurement for which bids are sought;
    2. where complete specification may be obtained if not provided in the published notice;
    3. the contact information for the County employee responsible for answering questions about the bid;
    4. specific bid requirements for contract or performance security;
    5. the initial contract term and any renewal periods;
    6. the address where bids are to be mailed;
    7. the due date and time for receipt of bids; and,
    8. the location of the bid opening.

Bid award will be made by the Board of Commissioners. After the bid has been awarded, all bids and bid documents must be open to public inspection. The amount of each bid, name of each bidder and any other relevant information will be included in the Board of Commissioner minutes.

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- III. **Bid and Contract Performance Security** – For contracts for the procurement of services or of supplies, the County may (at its discretion) require bid security, performance security, or both. Requirements should be discussed with the County Attorney’s office prior to the invitation for bid.
- A. **Bid Security** – If bid security is required in response to an invitation for bid, it must be provided in accordance with MCA 18-1-201 through 206. Specifically:
1. Each bidder must provide a bid bond or other security in the amount of 10% of the bid price to protect and indemnify the County against the failure or refusal of the bidder to enter into the contract, if awarded.
  2. The bond or other security is subject to forfeit if the bidder fails to enter into a contract within 30 days of bid acceptance.
  3. The bid bond or other security must be in the form specified in MCA 18-1-203 and payable to the County. Although other forms of security are allowed, the most common forms are cashier’s check or bond executed by a surety corporation.
  4. Bid security is returned to bidders whose bids are not accepted.
- B. **Performance Security** – Requirements for contract performance security are determined on a case-by-case basis in conjunction with the County Attorney’s office. This guarantees the faithful performance of the contract and the payment of all laborers, suppliers, mechanics, and subcontractors.
1. In accordance with MCA 18-2-201, all construction contractors shall execute a bond to secure performance on the contract and payment of workers, subcontractors, and suppliers.
  2. MCA 18-2-201(4) allows the bond requirement to be waived for contracts less than \$50,000 except for public works contracts.
  3. All public works contracts greater than \$25,000 are subject to the prevailing wage requirements of MCA 18-2 Part 4.
- IV. **Bidding Preferences** – Per MCA 7-5-2309(2), if one or more out-of-state bidders respond to an invitation for bid for construction, repair, or maintenance of a building, road, or bridge, a resident bidder must be allowed a preference if the state of the non-resident enforces a preference for residents.

### **SUPPLIER AGREEMENT/CONTRACT PROCESS**

Generally, whether it is for goods or services, suppliers will be engaged through a written document. Before payment can be made, all purchases should have an itemized invoice or contract documenting the purchase.

- I. **Invoices** – Although an invoice is a type of contract, it is frequently used in combination with a formal contract to bill for services performed or products delivered to date according to contract terms. In some circumstances, an invoice may be used on a standalone basis.
- A. An invoice-based contract is allowed if:
- A. The total amount of the purchase is less than \$25,000 for goods or less than \$5,000 for purchases other than goods; or
  - B. The contract term is not more than one day (i.e., a single delivery of goods or performance of services on a single day).

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- II. **Contract** – A written contract is required for all purchases of goods and services which do not meet the criteria for use of an invoice. **A written contract must be signed by the Board of Commissioners.** An exception would be maintenance contracts under \$5,000 and within budget authority or delegation of authority by the Commissioners.
- A. Elected officials/department heads are authorized to enter into invoice-based contracts when the requirements above are satisfied and cost of the contract is within their budget authority. This authority can be delegated with **proper written approval.**
  - B. All contracts must comply with any applicable legal requirements, including but not limited to the prevailing wage language required for public works contracts. It is recommended that contracts initially be drafted by vendors. All contracts must be reviewed by the County Attorney's office before submission for approval. Any contract to be funded by one or more grants must conform to grant award documents and include any contract language required by the grant.
  - C. Bonds or other security may be required for any contract to secure performance and payment of workers, subcontractors, and suppliers. Security required for contracts other than construction shall be determined on a case-by-case basis.
  - D. Upon expiration of a contract, the contract may be renewed after sufficient consideration of the following:
    - 1. The renewal periods are consistent with the original solicitation;
    - 2. The total contract term, including extensions and renewals, does not exceed five years;
    - 3. Funds are available to support the continued performance of the contract; and
    - 4. Contract renewal is in the best interest of the County.
    - 5. A new contract must be submitted to the Board of County Commissioners for signature.

### **SPECIAL PURCHASING CONDITIONS**

- I. **State Tax** – One percent (1%) contractors' tax must be deducted from all payments on construction contracts totaling over \$5,000 and paid to the state.
- II. **Public Auction** - In lieu of soliciting bids, the department may make purchases at public auction including online auctions for an amount less than \$80,000 or specifically authorized by the Commission (MCA 7-5-2303). The following conditions must be met:
  - A. Two quotes must first be obtained from viable sources and the lowest of the two quotes must be the amount that the auction price may not exceed;
  - B. Terms of the participation in the auction must comply with State law;
  - C. The auction price must include all fees associated with participating in the auction including shipping and handling; and,
  - D. The terms of the purchase must include a right to return.
- III. **Used Equipment Purchases** - Purchase of used equipment is allowable if in the best interest of the County. The contract will be made by identifying the requirements and proceeding with the competitive bidding or proposal process (ARM 2.5.601). Criteria to consider in making this determination include:
  - A. Consideration of the type, use, and life expectancy of new versus used equipment;
  - B. Comparison of the purchase price of new versus used equipment;
  - C. Comparison of the price and general condition of used equipment among several vendors;
  - D. Consideration of the freight charges and free on board shipping point;



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- E. Investigation of manufacturer or brand and availability of warranty, maintenance, and parts; and,
  - F. Clarification of payment terms.
- IV. **Real Property and Conservation Easements Acquisition** - Acquisitions of real property and conservation easements are subject to the provisions of MCA 7-8-2520. Real property in excess of \$20,000 and conservation easements greater than \$80,000 are subject to valuation prior to purchase either by a certified general real estate appraiser or by three disinterested citizens appointed by a District Court Judge. Payment may not exceed such appraised value. Negotiations for such acquisitions shall be done in consultation with the County Attorney's office.
- V. **Forms and/or Materials Printing** - Printing forms and/or materials must follow MCA 18-7-412:
- A. The contract must be awarded to the printing establishment that, in the judgment of the County Commissioners, is the most suitable for performing the work. The County Commissioners shall require a contractor to perform the printing contract subject to the requirements of MCA 18-1-2.
  - B. Contracts for printed forms and materials may be awarded on an annual basis or may be awarded for a specific print job. The term of a contract for County printing may not exceed a period of two years.
  - C. The Commissioners office maintains a list of willing bidders for county printing needs and shall notify the printing establishments on the list of any call for bids.
- VI. **Public Works Contracts** – In addition to the requirements listed above, all public works bid specifications and contracts for construction and non-construction services greater than \$25,000 are subject to the following provisions:
- A. Contractor shall agree to:
    - 1. Give preference to the employment of bona fide Montana residents in the performance of the work;
    - 2. Include provisions for work that is performed at a project location to:
      - i. Pay the travel allowance that is in effect and applicable to the district in which the work is being performed; and,
      - ii. Pay the standard prevailing wage rates, including fringe benefits, that are in effect and applicable to the district in which the work is being performed;
    - 3. Post a copy of the applicable prevailing wage rates in a prominent and accessible site at the project location; and
    - 4. Maintain payroll records capable of certification for at least three years after completion of work under the Agreement.
    - 5. If the term of the contract calls for more than 30 months to fully perform, contractor further agrees to increase the standard prevailing wage rates by 3% every 12 months after the contract award date and apply the adjustment every 12 months for the duration of the contract.
- VII. **Direct Negotiation** – When no bids or proposals are received in response to an invitation to bid, or no responsible bidders have responded, the department head may negotiate directly with a vendor if a determination is made that a subsequent bid would also be unsuccessful. The department must document the circumstances that lead to direct negotiation for the desired goods or services.

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VIII. **Sole-Source Purchases** – A determination of sole source or single source may be made by the department head after conducting a good-faith review of available sources which demonstrates there is only one source for the required supply, service, or item. A record of determination of the sole source (complete the form “Procurement Form Non Competitive”) shall be maintained by the Finance department. Because this purchase occurs without benefit of competition, departments should exercise great reluctance to use this procurement method.

- A. For a commodity or service to be deemed a sole source procurement, the department must provide the appropriate documentation proving at least one of the following:
  - 1. A different brand, make, or specification would be incompatible with currently owned equipment.
  - 2. The commodity is a component, repair, or replacement part of existing equipment for which no commercially available substitute exists and the purchase can only be made from the manufacturer, sole distributor, or service provider.
  - 3. Additional unanticipated commodities or services are needed to complete an ongoing task.
- B. In order for a vendor to be deemed a single source, the department must provide a justification that:
  - 1. No other source can meet the County’s requirements (a specific reason must be cited); or,
  - 2. The commodity or service is available from more than one source, but there are advantages to the County for choosing that vendor such as qualifications, past experience, uniqueness, or timeliness.

Sole-source requests must be renewed once a year including justification and reaffirmation that a good-faith effort has been made to find other available sources.

IX. **Emergencies** – Under very limited circumstances, a department may need the flexibility to make an emergency purchase. Such purchases are typically made outside of the normal purchasing procedures due to the sudden and unexpected situation that requires immediate action. The Board of County Commissioners shall be notified as soon as possible about the need for emergency purchases and/or contract. The purchase shall be limited to the supplies or services necessary to address the emergency. Competition to the extent practical shall be obtained and the department making the emergency purchase shall maintain a file of each emergency purchase including a brief description of the emergency conditions justifying the purchase.

### **EXCEPTIONS TO THIS POLICY**

Any request for variance from the provision of this policy must be petitioned by the department head and have approval by the Board of County Commissioners. To support the request for variance, the department head shall be prepared to demonstrate good cause for the variance, as well as;

- A. Show how compliance with legal requirements will be achieved.
- B. Show how clear contract obligations will be formulated without undue exposure to liability; and,
- C. Show how a fair and open process for the expenditure of public funds will be maintained.

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- I. **Purchases made under State Bid Contracts** – Under this exception, the state of Montana has engaged in the competitive procurement process. Reference to the state contract number must be documented on all purchases (MCA 7-5-2308).
  
- II. **Competitive procedures are not necessary for the following purchases:**
  - A. Salaries
  - B. Fees for those professions exempted by MCA 18-4-132:
    1. a physician, dentist, pharmacist, or other medical, dental, or healthcare provider.
    2. an expert witness hired for use in litigation, a hearings officer hired in rulemaking and contested case proceedings under the Montana Administrative Procedure Act, or an attorney as specified by Governor’s executive order.
    3. consulting actuaries;
    4. a private investigator licensed by any jurisdiction;
    5. a claims adjuster; or,
    6. a court reporter appointed as an independent contractor under [3-5-601](#)
  - C. Real Property Acquisitions, such as land, easements, rights-of-way, existing buildings, structures, or improvements, resulting from negotiations and approved by the Commissioners
  - D. Legal services
  - E. Court-ordered fines and judgments, resulting from litigation
  - F. Court-ordered fees, resulting from the judicial process, processed by the Clerk of Court and charged against the appropriate budget for such fees
  - G. Investment transactions for fiscal management purposes, processed through the Treasurers’ department
  - H. Debt service payments
  - I. Refunds
  - J. Grant disbursements to federal, state, or local government agencies or to private groups or agencies
  - K. Gas credit card charges
  - L. Postage or express mail charges
  - M. Dues or memberships to trade or professional organizations
  - N. Subscriptions for periodicals, magazines, newspapers, copyrighted material, etc.
  - O. Vehicle registration fees
  - P. Office space rental or lease
  - Q. Travel, training and per diem; **Please refer to Personnel Policy for travel and training policy.**
  - R. Retirement and Social Security payments
  - S. Freight
  - T. Landfill charges
  - U. Supplies or services whose prices are regulated by the Public Service Commission or other governmental authority
  - V. Pastoral services
  - W. Training and conference space rental and catering
  - X. Fresh fruits and vegetables
  - Y. Food products produced in Montana subject to the provisions of MCA 18-4-132
  - Z. Advertising placed in publications or on radio, television, or other electronic means.  
(Development, design, and distribution of the advertising are not included in this exception)
  - AA. Educational instructors and guidance counselors for inmates under the supervision of the Department of Corrections

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BB. Books and periodicals

CC. Food purchases following food policy (Appendix A)

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## Appendix A

### Food/Beverage Purchase Policy

#### Purpose

This policy defines the circumstances under which Flathead County will pay or reimburse using County funds for a meal or the cost of food and/or beverages when the employee is **not in travel status**. County funds include any money deposited into any County fund through the County Treasurer. Grant and gift funds are treated the same as property tax funds.

#### Scope

- I. This policy supersedes all previous Flathead County food/beverage purchasing policies. If future policies conflict with or supersede parts of this policy, the remaining sections of the policy will stay in effect.
- II. The policy applies to ALL County departments and divisions. It applies to ALL types of food and or beverage expenditures.
- III. Departments may apply additional requirements as long as they are equal to or more restrictive than the procedures and standards established in this policy and consistent with the purposes of this policy.
- IV. Public procurement functions essentially share primary fundamental goals such as obtaining maximum value for each tax dollar expended and establishing systematic, consistent and fiscally responsible accountability and control over all purchases.
- V. The County Finance department is responsible for maintaining overall control and implementation of the policy.
- VI. The Commissioners approve the Food/Beverage Purchasing Policy.

#### General Guidelines

The following criteria need to be present before public money can be expended on food and/or beverages. In order to receive reimbursement or process payment, documentation of all these criteria must be received with the reimbursement or payment request.

- I. The identity of those consuming the food and beverages, which should take the form of a sign-in sheet and should include name and positions/titles of attendees. If identity is protected by law, only first names should be used.
- II. Purchase costs should follow per diem rates (including tip and delivery) identified in the Flathead County Travel Policy located in the employee handbook. Any non-compliance needs justification by the department head. The estimated number of attendees should be included with payment/reimbursement request.
- III. Documentation that the meeting had a public purpose of conducting County business.
- IV. Documentation that the food is necessary to achieve the objectives of the training or meeting and it would be disruptive to the success of the training if employees dispersed for lunch or breaks.
- V. Original itemized receipt.

#### Allowable Purchase Examples

- I. Meetings/trainings that go beyond four hours without being relieved of duty. Examples include Search & Rescue missions or Elections.

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- II. Employee is required to work unexpectedly for more than three hours beyond his or her normal shift and not relieved of duty. This must be approved or requested by the department head.
- III. Staff meetings or trainings that are designed to exceed four hours, such as an all-staff training day or citizen academy.
- IV. A meeting involving multiple agencies or nongovernmental participants. Examples include:
  - A. Open house where public is invited;
  - B. Public meetings where public is invited, such as board meetings or informational meetings;
  - C. Training sessions that involve other agencies from outside Flathead County;
  - D. Formal volunteer recognition programs
- V. Safety meetings that have only safety agenda items that promote safe work environments.
- VI. Promotional giveaways supported by mission of program that are not funded by general county tax dollars. Examples would include candy distributed at a parade by Drug Task Force or snacks at Library public programs.
- VII. Hosting a seminar that specifically includes a fee for meals. Payment or reimbursement will be processed for up to the dollar amount of fees collected.
- VIII. If a department has a food purchase that doesn't fit in one of the above categories the purchase will need prior Commissioner approval.

### **Unallowable Purchase Examples**

- I. Food at regularly-scheduled departmental staff meetings unless they meet one of the above requirements.
- II. Alcoholic beverages.
- III. Food or beverage provided to vendors outside of contract requirements.
- IV. Meals furnished to boost morale.
- V. Retirement or going away party supplies.

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## Appendix B

### Purchases Not Allowed

#### Purpose

Public procurement functions essentially share primary fundamental goals such as obtaining maximum value for each tax dollar expended and establishing systematic, consistent and fiscally-responsible accountability and control over all purchases. With the stated goal the following items are not approved for purchase using funds from the County:

- I. Coffee makers;
- II. Coffee, creamer, sugar outside of the food policy (Appendix A);
- III. Breakroom supplies;
- IV. Facial tissue;
- V. Food/beverage outside of the food policy (Appendix A);
- VI. Alcoholic beverages;
- VII. Over-the-counter medications such as aspirin, cough drops, etc.;
- VIII. Flowers/plants for individuals;
- IX. Retirement parties (food and cakes);
- X. Memorials;
- XI. Bottled water outside of the food policy (Appendix A);
- XII. Greeting cards and gifts;
- XIII. Items for classes other than books;
- XIV. Items sponsored or owned by County employees (conflict of interest);
- XV. Recognition gifts for employees or volunteers

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## Appendix C

### Capital Asset Management Policy

#### Purpose

The purpose of this policy is to define the procedures related to capital assets and the capital plan to consistently apply the procedures across Flathead County. This policy will establish efficient procedures and guideline to aid each department of the County with Capital Assets.

#### Scope

- I. This policy supersedes all previous Flathead County purchasing policies. If future policies conflict with or supersede parts of this policy, the remaining sections of the policy will stay in effect.
- II. The policy applies to ALL County Departments and divisions. It applies to ALL types of Capital expenditures.

#### Definition

A capital asset is property that meets all of the following requirements. It must be tangible in nature, it must have a useful life of five years or more and it must have a value of \$5,000 or more. Capital assets may be acquired through donation, purchase or may be self-construction. The asset value, plus all cost associated with making the asset operational should be capitalized. These additional costs might include labor, shipping, and additional parts. Self-constructed assets should include both the materials used and the cost of labor involved in the construction of the asset.

#### Capital Improvement Plan

Flathead County Capital Improvement Plan (CIP) is a five-year planning document created by the County to identify future timing of capital needs, estimated capital costs and sources of funding. The total expenditures of projects includes County-funded sources as well as other resources such as grants, fees, donations, bonding, etc. All capital assets/projects should be listed in the plan with an estimated value and estimated purchase date. The CIP is a planning document that is updated and adopted annually. The first year of the adopted CIP shall be included in the proposed budget. The CIP allows a comprehensive look at the County's capital needs for both facilities, projects and equipment. The plan allows for adequate planning and allows the Commissioners to make the necessary decisions to ensure financial resources match forecasted needs.

#### Capitalized Purchases

- I. Assets must have an individual value of \$5,000 or greater and have a life of five years or longer.
- II. Assets that are repairing existing capital assets must be over \$5,000 and extend the life of the current asset an additional five years or more.

#### Non Capitalized Purchases

- I. Library books, the law library and video libraries will not be capitalized
- II. Computer equipment and software that have been determined to have a useful life of less than five years
- III. Inventory
- IV. Routine maintenance that doesn't extend the life of an asset (paint and flooring)



## Flathead County Purchasing Policy

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### Asset Disposal

Department heads are responsible for reviewing the Surplus Property Policy for all asset disposals. Capital asset disposal should be reported to the Finance department.