

WALTON COUNTY BOARD OF COUNTY COMMISSIONERS

Office of Central Purchasing

Procedure No: PP-021

Title: Term Contracts

Effective Date: March 25, 2008

Revised Date: September 3, 2008

I. ° Definition:

A Term Contract (TC) is a formal contract (not a purchase order) issued for a specified time period (usually one-year intervals but may be for longer intervals depending on market indexes and other relevant conditions of the procurement), as a result of a competitive bid process for specific items to be purchased for the duration of the contract. Each item on the TC has a firm price, and the TC may allow for a firm discount (percentage) off list prices or indexes that are established at the time of award. TC's are awarded for use by all departments/divisions, and shall be utilized when purchasing a TC commodity.

II. ° Procedure:

- A. ° The user department/division shall notify the Office of Central Purchasing via submission of a purchase requisition for Term Contract of the need for preparation of an Invitation to Bid, and include appropriate documentation, i.e.; estimated quantities, item descriptions, specifications, etc. The Office of Central Purchasing may initiate Invitations to Bid for Term Contracts for countywide use as deemed appropriate by the Finance Director (i.e.; gasoline, paving material, etc.).
- B. ° An Invitation to Bid (ITB) is prepared by the Purchasing Agent utilizing the data supplied by the user department/division, and a draft copy is provided to the Office of County Attorney for review and comment.
- C. ° Bid documents are finalized, and a pre-solicitation conference may be held, as appropriate. The user department/division should clarify technical specifications.
- D. ° Bids are received by the Office of Central Purchasing, a bid tabulation sheet is prepared, and copies of each bid are forwarded to the user department/division for review and recommendation of award. Multiple awards on term contract pricing agreements may be utilized when the County needs a broader base of supplies to meet a broader base of needs.

- E. u Upon concurrence with the user department/division's recommendation, the recommendation for award is submitted for Board award by the Office of Central Purchasing.
- F. u To allow for renewal or extension by the Office of Central Purchasing without further Board approval, the Board agenda item shall include a qualifying statement such as: "That the Board awards a term contract for (title) to (company) to establish a one year contract renewable by the Office of Central Purchasing for up to two (2) additional one-year terms".
- G. u The Office of Central Purchasing notifies the vendor and using department/division as to award via issuance of TC documentation.
- H. u Purchase Orders or Blanket Purchase Orders are issued as needed, referencing the TC number.
- I. u Blanket Purchase Orders may be issued for any amount (within budget constraints) when issued in accordance with the pricing, terms and conditions of a TC.

III. General:

The Office of Central Purchasing shall issue an Invitation to Bid, and recommend Board approval of the contract on an item-item; lot-by-lot, or all-or-none-total offer basis, whichever is most advantageous to the County.

A primary and secondary contractor, whenever feasible, shall be awarded. The secondary contractor shall be utilized when the user department/division determines, in writing, that the primary contractor is unwilling or unable to perform, or whenever scheduling or other factors will benefit the user department/division.

Once a contract is established, departments will be notified of the awarded vendor(s) and the line item pricing. The departments may then order directly from the awarded vendor via issuance of a Blanket Purchase Order (BPO) or a Purchase Order (PO) directly to awarded vendor for the item(s) required. Departments may not order items other than those specifically identified on the TC. Separate BPO's or PO's may be issued to the vendor for the non-contract items. Should additional items be requested in writing to be added to the TC by the user Department/division, said items may be added by the Purchasing Agent in the County's best interest.

IV. Renewals:

TC contracts may provide for additional specified renewal periods. The user department/division(s) will be notified prior to expiration of the TC and queried if vendor performance has been satisfactory and if renewal of the contract for an additional period is desirable.

Should the user department/division and the vendor wish to renew the contract, the Office of Central Purchasing shall renew the contract for additional defined periods. In the event additional time is required to prepare an Invitation to Bid and award prior to expiration, the Purchasing Agent shall have the authority to extend the TC contract for the necessary time period.

The Clerk's Account Payable Section will process payment of invoices for properly purchased and received materials or services.

To ensure that appropriate discounts may be obtained and that the Prompt Payment Act is adhered to, invoices should be sent directly to the Accounts Payable Section by the vendor. Should the vendor send the original invoice to the user department/division, they must forward the invoice to the Accounts Payable Section immediately upon receipt. Additionally, the user department/division shall forward the Receiving Report or other documentation, which evidences the receipt of goods to the Account Payable Section as authority to pay invoices. Purchases from TC contracts may be reviewed periodically by the Office of Central Purchasing to assure compliance with County rules and procedures. The Office of Central Purchasing may actively monitor all or selected BPO's or PO's to ensure adherence to County procedures.