



PROCUREMENT POLICY

RMC Executive Committee

May 18, 2017

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I. INTRODUCTION

The purpose of this manual is to establish, in writing, the policies and procedures of Rural Maryland Council (RMC) concerning appropriate procurement practices. All RMC staff members should be apprised of these policies and procedures. It is the responsibility of the Executive Director to ensure the implementation of these policies and procedures.

II. PROCUREMENT POLICIES GENERALLY

200 GENERAL PROCUREMENT POLICY

This section of the manual concerns the policies and procedures for acquiring goods and services in the marketplace. These policies and procedures are designed to ensure timely and efficient procurements within the guidelines of good business practices. All purchases and procurements shall be reasonable and necessary. When acquiring goods or services, RMC will operate under a best value policy while also striving to satisfy its mission, which is to improve the quality of life in rural Maryland. For this reason, RMC will attempt to acquire goods and services, wherever possible, from rural Maryland vendors. Rural Maryland is defined as the eighteen rural counties designated under State statute and include: Allegany, Calvert, Carroll, Caroline, Cecil, Charles, Dorchester, Garrett, Frederick, Harford, Kent, Queen Anne's, Somerset, St. Mary's, Talbot, Washington, Wicomico and Worcester. To this end, RMC will give a preference to those bids that originate from a rural Maryland county, which can include a price differential of up to 10%. In the absence of a qualified rural Maryland vendor or bid, RMC will adhere strictly to a best value policy.

201 PROCUREMENT INSTRUMENTS

When procuring goods and services RMC will typically use two basic procurement instruments: (1) purchase orders and (2) contract agreements.

- 1. Purchase Orders:** RMC will use purchase orders to procure small quantities of office supplies and equipment. Purchases will be made based on best value in price, support, and delivery services with a rural preference. Purchase Orders will be approved by the Executive Director or a designee. These purchase orders should clearly describe the items being purchased and the amount.
- 2. Contract Agreements:** Contract Agreements are contracts with individuals or businesses for specialized services that RMC employees do not have the knowledge or capability to perform. Contract Agreements will be approved by the Executive Director. The contract will clearly specify the scope of work, rate and terms of compensation, time period, deliverables, and terms of

agreement.

202 FULL AND OPEN COMPETITION

1. Except as specified in paragraph 2 of this section, RMC strives to ensure full and open competition subject to the requirements of quality, price, and performance. RMC will strive to obtain a minimum of three bids on any equipment or service costing more than \$5,000. Purchases of specified materials, supplies, equipment, or services may be made in the open market for immediate delivery if the need arises.

2. Because of specific public policy objectives or performance requirements, a competitive procurement policy is typically not applicable to the purchase of goods or services involving interagency agreements with units of local, State or Federal government. Examples of State or Federal units include, but are not limited to, the Maryland Agricultural Land Preservation Foundation, the Maryland Energy Administration, the University of Maryland Cooperative Extension, the United States Department of Agriculture, or a rural regional planning and development council.

203 SINGLE SOURCE BASIS

RMC reserves the right to award purchase orders or contract agreements on a single or sole source basis. RMC may contract a single source when it has been determined that doing so is in the best interest of RMC. A written justification will be prepared and kept on file for any single source procurement. This justification should include the following information:

- A specific description of the supplies or services required, and a statement of facts that show the unique qualifications or services or items selected to satisfy those needs.
- Documentation that the anticipated price is fair and reasonable.
- Any other information supporting the use of other than full and open competition.

204 CONFLICT OF INTEREST

RMC requires full and open disclosure when dealing with procurement. RMC employees and Board of Directors must at all times provide full disclosure of their relationships with prospective vendors, contractors, or consultants. Any RMC employee or Board member who has a real or apparent conflict of interest must withdraw from the procurement process. An employee or Board member should not participate if the result is likely to affect the financial

interests of his or her household.

III. POLICIES RELATED TO THE PROCUREMENT PROCESS

300 PURCHASING NECESSARY ITEMS

Only items that are necessary for the efficient and effective operation of RMC will be purchased.

301 LEASE VERSUS PURCHASE ANALYSIS

Any analysis as to whether it is more cost effective or practical to purchase or lease an item will be done by the Executive Director.

302 PROCUREMENT AUTHORITY

The authority to approve and execute procurement transactions lies with the Executive Director.

303 PROCUREMENT RECORDS

For each procurement action, the Executive Director shall maintain a procurement file with the following information:

- Procurement Instrument (Purchase Order or Contract)
- Copies of all bids and offers
- All purchase specifications including delivery requirements
- Cost/price analysis that was the basis for the award
- If a single source was used written justification as to why
- Upon completion of the contract, written comments regarding the quality of services and any future recommendations

304 COST/PRICE ANALYSIS

A cost/price analysis shall be conducted for each procurement action greater than \$5,000. The cost analysis shall consist of a review and evaluation of each element of the proposal. The price analysis shall consist of comparing price quotations, market prices, and similar information.

305 COMPETITIVE SEALED PROPOSALS

When specifications cannot be made specific enough to permit the award of a contract on the basis of either the lowest price or the lowest evaluated price or the services to be procured are professional in nature, RMC shall request competitive sealed proposals.

. This solicitation will be performed in accordance with the following steps:

1. **Prepare a Request for Proposal (RFP).** The RFP shall contain the following information:
 - Brief statement of purpose
 - Clear statement of products or services required
 - Date and time by which proposals must be returned
 - Evaluation criteria
 - Any other information which might be necessary or desirable to provide
2. **RFP Distribution.** RMC will send RFPs by fax, mail, electronic mail, or hand delivered. RFP's will be distributed to agencies or companies that have sufficient qualifications and experience to submit a proposal.
3. **Review Proposals.** All proposals will be reviewed by the Executive Director and other appropriate individuals (e.g., staff or board members and technical experts). Standard evaluation criteria will be used to include price, quality, delivery terms, contractor integrity, financial and technical resources, and record of past performance.
4. **Contractor Selection.** The Executive Director will be responsible for final contractor selection.
5. **Contracting.** Once a decision has been made a contract will be negotiated with the selected organization. The contract will be signed by a duly authorized officer or representative of the contracting organization. The Executive Director will verify funds are available to cover the cost of the procurement and review the payment provisions.
6. **Monitoring Performance.** The implementation of the procurement will be monitored to ensure the fulfillment of all written requirements. An RMC employee shall inspect all goods or services upon delivery. If the contracting organization violates any of the terms or conditions of the contract the Executive Director shall be notified immediately. The Executive Director is responsible for taking appropriate corrective action.

306 APPLICABLE STATE PROCUREMENT LAWS

When acquiring goods or services, RMC shall comply with the following provisions of the State Finance & Procurement Article:

1. Section 11-205 (prohibiting collusion”);
2. Section 10-204 (if required by regulation adopted by the Board of Public Works, submitting for the Board’s consideration and approval before execution any proposed contract, contract renewal or change order);

3. Title 12, Subtitle 2 (“Supervision of Capital Expenditures and Real Property Leases”);
4. Section 13-219 (requiring nondiscrimination clause in each procurement);
5. Section 13-221 (requiring a business to disclose certain information to the Secretary of State if, during a calendar year, the business enters into contracts, leases, or other agreements, with the State or its units under which the business is to receive \$100,000 or more);
6. Title 12, Subtitle 4 (following policies and procedures for exempt units, such as RMC”);
7. Title 16 (adhering to statutes pertaining to suspension and debarment of contractors);
8. Title 17 (“Special Provisions”).

IV. PAYMENT FOR GOODS OR SERVICES

Sound business practice calls for each employee to preserve the assets and resources of RMC. All invoices or requests for payment must be processed by the Administrative Assistant using the Maryland Department of Agriculture Coding Sheet, authorized by the Executive Director, and submitted to the Office of Fiscal Services. One copy of the invoice, two copies of receipts, or, if applicable, an expense report must be attached to the MDA Coding Sheet.

INVOICED IN TRIPLICATE TO
BILL TO ADDRESS INDICATED
BELOW TAX EXEMPT 3000256-3

PURCHASE ORDER

RURAL MARYLAND COUNCIL
50 HARRY S. TRUMAN PARKWAY
ANNAPOLIS, MARYLAND 21401

PURCHASE ORDER NO.

DATE:

CONTRACT NO.

SHIP TO: Rural Maryland Council
50 Harry S. Truman Parkway
Annapolis, Maryland 21401

ISSUED TO:

BILL TO: RURAL MARYLAND COUNCIL
c/o MARYLAND DEPARTMENT OF AGRICULTURE
50 Harry S. Truman Parkway
Annapolis, Maryland 21401

VENDOR CONTACT:				VENDOR PHONE:			
DELIVER ON/OR BEFORE		DELIVERY BETWEEN 8:30 a.m. & 4:00 p.m.		DELIVERY FOB DESTINATION UNLESS NOTED BELOW			
ITEM NO.	PART NO./DESCRIPTION			QUANTITY	UNIT	UNIT PRICE	EXTENSION PRICE
							\$0.00
This purchase order is subject to and the vendor agrees to be bound by the conditions noted in Attachment A, "Rural Maryland Council-General Conditions."							
F.Y.	PCA	GRANT/PROJECT	PHASE	EXPENDITURE OBJECT.	AMOUNT	PROCUREMENT REPRESENTATIVE & PHONE	TOTAL
					0		\$0.00
COMMODITY CLASS		TYPE OF VENDOR	TYPE OF PURCHASE	PURCHASE ORDER NO. MUST APPEAR ON ALL PACKAGES SHIPPING PAPER & INVOICES		AUTHORIZED SIGNATURE	

RMC PO (REV 6/5/2015)

INVOICE MUST SHOW CONTRACTOR S/S OR FID. NO.

Initial Board Approval: May 17, 2017

Effective Date: May 18, 2017