

10 Minute Supervisor Trainings



December 2019

THE BIDDING PROCESS

In 2019, a change was made to KRS 45A.385 increasing the maximum amount of a contract for which a local public agency may use small purchase procedures. This amendment sets forth that amount as \$30,000 for contracts or purchases, allowing public officials to forgo taking out newspaper advertisements for bids if under this amount, providing their procedures are in writing and available to the public.

With this change, purchasing has become easier, but not necessarily more in line with public perception as an elected official. Each conservation district is allowed to set their own purchasing guidelines, as long as they follow under the state law provided. If a district sets their own guidelines, they can be more stringent than the state law, but not less. Each local board should take into consideration that they are using tax dollars from their community to make purchases and consider how choosing to or not to bid might reflect upon them as custodians of public funds. Supervisors must keep in mind that they do not want to give the appearance that they are giving preferential treatment to certain service providers, dealers, or businesses.

If purchasing or contracting above \$30,000, here are the steps to follow:

- Advertise in the largest county circulation newspaper for at least 7 and not more than 21 days
- Utilize the district website or Facebook to advertise
- Include brief but relevant information about the contract or equipment (direct them to the office for packets with detailed info)
- State whether bids will be awarded on lowest bid price or lowest evaluated bid price
- Provide a date and time for when bids will be opened
- Include that any or all bids may be rejected in the notice

Although the steps on the previous page are only required by the state if the amount is \$30,000 or above, the same process may be used by the district for smaller amounts if the board has adopted a policy more stringent than the state guidelines.

It is standard for purchasing or contracting to have a minimum of 3 bids, however, in some cases, there may be less bids submitted. In this case, the district can choose from the number submitted, or reject all bids. If no bids are received, the district may enter into non-competitive negotiations and select a contractor or dealer through individual contact, without bidding.

Non-Competitive negotiations may also be entered into under the following circumstances:

- An emergency exists that causes public hardship as a result of the delay caused in competitive procedures
- There is only a single source in a reasonable geographic area of the product or service
- The contract for services is a licensed professional (attorney, CPA, etc.)
- The contract is for perishable items on a frequent basis
- The contract is for replacement parts where the need can't be anticipated and stockpiling is not feasible

Although this training was about purchasing items, it's important to keep in mind that you need to safeguard the public's funds when the district is selling items, as well. Be sure that any financial transactions the district makes would stand up to the public's scrutiny. That includes following state and local guidelines to ensure fairness.