RESOLUTION NO.1157

A RESOLUTION ADOPTING THE 2025 FALLON COUNTY PROCUREMENT POLICY

WHEREAS, the Fallon County Commission adopted the 2020 Fallon County Procurement Policy on May 18, 2020, recorded as Document #500390 of the records of Fallon County, Montana.

WHEREAS, a review has been conducted of the 2020 Fallon County Procurement Policy by the Fallon County Commissioners, and the County Attorney's Office,

WHEREAS, it has been determined that amendments to the 2020 policy should be made to reflect Fallon County's current procurement policies and procedures, and to incorporate certain statutory requirements,

WHEREAS, upon adoption of the 2025 Fallon County Procurement Policy, the 2020 policy will be rescinded and replaced; and

WHEREAS, notice of this Resolution has been provided through publication in the *Fallon County Times* and on the Fallon County website.

NOW THEREFORE BE IT RESOLVED:

1. The 2020 Fallon County Procurement Policy, which was adopted on May 18, 2020, is hereby rescinded and replaced.
2. The 2025 Fallon County Procurement Policy, attached and incorporated by this reference is passed and adopted by the County Commissioners of the County of Fallon, Montana meeting at regular session held on the 21st day of July, 2025.

	Attest:
Presiding Officer	
	Clerk & Recorder
Commissioner	Approved as to Form:
Commissioner	County Attorney

2025 FALLON COUNTY PROCUREMENT POLICY

Section I. Purpose

A. Purpose. This Fallon County Procurement Policy ("policy") establishes uniform, transparent, and equitable rules regarding the procurement of goods and services with public funds. The policy promotes accountability and public trust by establishing specific spending limits and required actions regarding the procurement of goods and services. This policy is further intended to achieve the best value for goods and services through the use of various competitive methods.

B. Applicability. This policy applies to the acquisition of all goods and services by the county. Each elected official, department head, and board is responsible for implementing this policy and ensuring compliance therewith and keeping documentation.

C. Montana Procurement Act. No part of the State Procurement Act has been adopted by Fallon County unless it is specifically set forth in this policy.

D. Administration. The County Commissioners shall provide general oversight and assistance in the administration of this policy and it is the primary resource for questions and information regarding county procurement.

Section II. Definitions

A. Bid. A competitive price offer, usually in response to an invitation for a bid.

B. Construction. Includes the construction, alteration, repair, maintenance, and remodeling of a building and the equipping and furnishing of a building during construction, alteration, repair, maintenance, and remodeling. "Construction" also includes improvement to real property.

C. Formal Procurement. Solicitation of Goods or Services by Invitations for Competitive Sealed Bids, Requests for Qualifications, or Sole Source Procurement.

D. Goods. Supplies, equipment, materials, commodities, specially manufactured products, vehicles, and other personal property acquired to conduct the routine activities of county government.

E. Invitation for Competitive Sealed Bids. A method for establishing a price on desired goods using a written description of the specifications or attributes of the items sought, published notice, and sealed bids.

F. Invoice. An itemized statement furnished to a purchaser by a seller, usually specifying the price of goods or services and the terms of sale.

G. **Preferred Vendor.** A vendor that has a continuing arrangement with the county to provide goods or services during a given period subject to certain terms and conditions memorialized in writing, such as by a master service agreement.

H. **Procurement.** The acquisition, buying, purchasing, renting, or leasing of any goods or services. Procurement does not include collective bargaining or employment agreements. Procurement also does not include any real estate transactions, such as the purchase, sale, or exchange of land, lease of land, or license to use land.

I. **Purchasing Agent.** The elected official, department head, or board, that is procuring goods or services.

J. **Quote.** An informal method of establishing a price on desired goods or services.

K. **Request for Qualifications.** A formal process of inviting statements of qualifications used to contract for engineers, architects, and land surveyors.

L. **Services.** Labor, time, or effort furnished by a vendor. Services do not include those provided by an attorney hired to defend the county as part of an insurance claim.

M. **Specification.** A detailed description of what the purchaser requires and what a bidder or offeror must offer to be considered for an award. A specification may be a description of physical, technical, or functional characteristics, the nature of a good or service; or requirements for inspecting, testing, or preparing a good or service for delivery.

N. **Total Contract Price.** The total amount of funds committed in the contract. For example, a three-year contract for services at $40,000 per year has a total contract price of $120,000.

O. **Vendor.** A person or company offering goods for purchase or services for hire.

Section Ill. Purchasing, Authority, Purchasing Limitations, and Solicitation Requirements

A. **Purchasing Authority.** Procurements by any county officials, department heads, or boards must comply with the "purchasing limits" shown in the table below. All procurements over $2000.00, (exceptions: bulk fuel/propane), must be scheduled on the Commission agenda by the Purchasing Agent for approval by the County Commissioners.

Total Procurement Price	Requirement
Between $2,000 & $79,999.99	If possible, a minimum of 3 written quotes that contain the date of the quote, vendor name, contact name, telephone number, and quoted cost for the goods or services. A description of the goods or services to be provided, and the date the goods or services will be delivered or made available for county use. Goods and services may not be split to fall below the procurement price.
$80,000 & over	Formal procurement is required. All formal procurements must be coordinated with and approved by the Commission.

Section IV. Specific Procurement Processes

A. Quotes. When quotes are used to solicit goods or services, generally the lowest price available should be used to select the vendor. However, other factors may be considered, such as quality and availability of the goods or services desired, responsiveness to the specifications for the goods or services, and past experience with the vender.

B. Invitation for Competitive Sealed Bids. When formal procurement is required, this process will be used to solicit competitive sealed bids set forth in § 7-1- 2121.

1. The bid will be published in the Fallon County Times.
2. The notice must be published twice, with at least 6 days separating each publication.
3. The published notice must contain the date, time, and place of the bid opening and a brief statement of the action to be taken.
4. The address and telephone number of the person who may be contacted for further information on the action to be taken.

C. Request for Qualifications. Services provided by engineers, architects, or land surveyors must be procured as set forth in Title 18, Chapter 8, Part 2, MCA, which requires selection based on:

1. Qualifications of the engineer, architect, or land surveyor.
2. Capability to meet time and budget requirements.
3. Capacity to perform during the specified time period.
4. Location.
5. Present and projected workloads.
6. Related experience on similar projects.
7. Previous work for the county.

Pursuant to § 18-8-205, MCA, the county shall contract with the most qualified firm at the price the county determines to be fair and reasonable. If the county is unable to

negotiate a satisfactory contract with the firm selected at a price that is fair and reasonable, negotiations shall be terminated and a different firm selected in accordance with § 18-8-204, MCA. Engineer, Architect, or Land Survey or Services estimated not to exceed $50,000 may be contracted for by direct negotiation upon approval of the Fallon County Commissioners.

D. Sole Source Procurement. Except for the procurement of those goods and services identified at § 7-5-2301, MCA and valued in excess of $80,000, a contract may be awarded without competition in the limited circumstances identified below. In accordance with § 18-4-306, MCA, the County Commissioners may approve the Sole Source Procurement if:

1. There is only one source for the good or service item, or
2. Only one source is acceptable or suitable for the good or service item, or
3. The good or service item must be compatible with current goods or services.

The Purchasing Agent shall require the submission of cost or pricing data in connection with a Sole Source award. The Purchasing Agent shall maintain a record listing of the Sole Source contract for a minimum of 4 years. The record must contain:

1. The contractor's name,
2. The amount and type of the contract, and
3. A listing of the goods or services procured under the contract.

E. Specifications. All quotes, bids, and proposals must be solicited using specifications that are appropriate, clear and accurate, reasonable, and fair. Specifications should allow the county to obtain the best value and shall provide vendors a fair opportunity to consider the project or procurement requirements. All specifications shall promote overall economy for the purposes intended, encourage competition in satisfying the county's needs, and may not unduly restrict competition.

F. Emergency Exception to Competitive Bidding. There may be times when this policy cannot be followed because of an emergency. An emergency may be based on fire, flood, explosion, storm, earthquake, other elements, epidemic, or riot or insurrection; for the immediate preservation of order or the public health; for the restoration of a condition of usefulness that has been destroyed by accident, wear, tear or mischief; or for relief of a stricken community overtaken by calamity. § 7-5- 2304, MCA.
The procurement must be limited to only those goods or services necessary to address the emergency. A written determination of the emergency and for the selection of the particular vendor shall be maintained.

G. Cancellation of Invitations for Bids or Requests for Proposals. An Invitation for Competitive Sealed Bids, Requests for Qualifications, Sole Source Procurement, or other solicitation may be cancelled, and any or all bids or proposals may be rejected in whole or in part, when it is in the best interests of Fallon County.

Section V. Invoices & Contracts

A. All procurements must be documented in writing, either by an invoice or a contract as provided herein.

B. Invoices. An invoice may be used on a stand-alone basis, without a separate contract, if:

1. The purchase for goods and services is less than $80,000.00, and the vendor previously has been approved by the county as a preferred vendor.
2. A contract cannot be entered due to an emergency, as defined at Section F above.

C. Additional Contract Requirements. All contracts must comply with the following requirements:

1. A contract must be signed by the vendor before the contract is routed to the authorized county representative for signature.
2. Any required documents, such as Certificates of Insurance, Bonds, an Independent Contractor Exemption Certificate, or Construction Contractor Registration, must be attached to the contract before it is routed for signature by the authorized county representative.
3. All original signed contracts must be filed with the Clerk & Recorder's Office.
4. The Purchasing Agent is responsible for verifying that all requirements of this policy have been complied with prior to signing or routing a contract for signature.
5. Upon execution, the Purchasing Agent shall confirm the contract has been filed with the Clerk & Recorder's Office and shall monitor the contract's performance.

Section VI. General Requirements

A. Accountability & Public Trust. All persons involved in the procurement of goods and services or expenditure of county funds are accountable for their actions. All actions must be fair and impartial to avoid any appearance of or actual impropriety. Proper record keeping and the avoidance of conflicts, favoritism, and self-dealing are essential to promoting the public trust. Persons with authority to procure goods and services must exercise independent judgment and uphold the highest standards of integrity and fiduciary responsibility.

B. Conflicts of Interest. No official, employee, or board member of the county may participate in the selection, award, or administration of a contract if a conflict of interest exists, whether real or apparent. Such a conflict arises when:

1. The county official, employee, or board member has an "interest" in the contract per § 2-2-201, MCA.

2. The county official, employee, or board member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

In addition, county officials, employees, and board members of the county may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts in excess of the limits set forth at 2-2-104, MCA. A violation of this section may result in legal enforcement or discipline pursuant to § 2-2-144, MCA.

C. Prohibition on Division of Contracts. Pricing for goods and services may not be artificially divided to remain below a certain purchase threshold. Supply and output contracts may over time exceed the allowable thresholds; therefore, it is advisable to maintain compliance in advance with formal procurement requirements based on the anticipated length of the contract.

D. Length of Contracts. No contract for the procurement of goods or services shall exceed seven (7) years in accordance with § 18-4-313, MCA, except for contracts:

1. Otherwise provided for by law or approved by the County Commission to have a greater term length; or
2. Contracts for hardware, software, or other information technology resources, which may be made for a period not to exceed 3 years.

E. Competition, Efficiency, Value & Quality. The county reserves the right to negotiate with vendors and will make every reasonable effort to acquire the best value and quality through competition. In some cases, the best value may not be the lowest purchase price. Consideration should be given to quality, reputation, serviceability, maintenance, costs of operation and ownership, warranty, suitability for particular purpose and other considerations.

F. County Attorney Approval. The County Attorney is not required to review procurements of or contracts for goods or services.

G. Insurance and Risk Management. County officials, department heads, and boards shall utilize reasonable risk management practices. Reasonable risk management practices shall include the use of vendors that provide goods and services reasonably insured based on the scope of the project and that provide a certificate of insurance, naming Fallon County as additional insured. The amount of insurance required for a vendor should be assessed based on all relevant circumstances of the procurement, including, but not limited to, the contract length, type of services or goods procured, contract amount, and vendor's performance history with the county.

H. Conflicts. County officials, department heads, and boards must be aware of any applicable resolutions, by-laws, budgets, statutes and other matters that may apply to a procurement. In the event of a conflict with this policy, the more stringent rule, law or

regulation applies. In the event that any part or provision of this policy is deemed unenforceable, then the remainder shall apply.

I. **Public Records.** Purchasing Agents are responsible for maintaining complete documentation regarding procurements and the solicitations used, including, as applicable: a summary listing of all written quotes received; all requests for proposals, bids, or qualifications; all proposals, bids, or qualifications received; proof of publication of public notice; and a copy of the procurement invoice or contract.

J. **Federal award or subaward**. County officials, department heads, and boards shall ensure that procurement of goods and services are made in compliance with applicable federal regulations and other procurement requirements specific to a federal award or subaward, and that no subaward, contract or agreement for purchase of goods or services is made with any suspended or debarred party. The County official, department head, and board shall comply with CFR§180.300 by checking SAM.gov exclusions or collecting a certification from that person or adding a clause or condition to the covered transaction with that person that the person or entity is not excluded or disqualified.

Section VII. Exceptions to Purchasing Limitations & Solicitation Requirements

Section III - Purchasing Authority, Purchasing Limitations, and Solicitation Requirements and Section IV - Specific Procurement Processes do not apply to the types of Procurements listed below. All other sections of this policy still apply (e.g. Section V Invoices & Contracts and Section VI General Requirements).

A. **Purchases made under State bid contracts pursuant to § 7-5-2308, MCA.** Under this exception, the State of Montana has engaged in the competitive procurement process.

B. **Purchases made through membership in a purchasing alliance.** Under this exception, the county has a membership in a purchasing alliance that serves public agencies. The purchasing alliance engages in a competitive process on behalf of its members.

C. **Purchases at public auction pursuant to § 7-5-2303, MCA.** Under this exception, in lieu of soliciting bids as required by§ 7-5-2301, MCA, the county purchases at public auction a vehicle, road machinery, or other machinery, apparatus, appliances, equipment, or materials or supplies for an amount less than $150,000.

D. **Services provided by a grant co-applicant.** Under this exception, the specific federal or state procurement regulations applicable to the grant supersede this policy. The elected officials, department heads, or boards administering the grant also must comply with the Fallon County Grants Policy and any procedures adopted thereunder.

E. **Services provided by a community-based organization.** This exception applies to services provided by a community-based organization to the extent such services are approved in the county's budget for the applicable fiscal year.

F. **Maintenance Agreements** provided by an existing software vendor or software upgrades under software licenses.

G. **Transfers of personal property between governmental entities,** pursuant to § 7-8-101, MCA.

H. **Interlocal Agreements** entered pursuant to Title 7, Chapter 11, Part 1, MCA.

I. **Goods or Services Received by gift, donation, devise, or bequest** per § 7-8-103, MCA.