

**SECTION 18: CONTRACT PROCEDURE**

18.0 **Contracts in the Procurement Process** - A contract is required for the purchase of any goods or services that will require longer than one fiscal year to complete, crosses fiscal years, or where more than one payment is required by any fiscal year.

18.0.1 Because legal protection is necessary in purchasing transactions, the County has adopted certain requirements and procedures pertaining to the preparation, execution, and monitoring of Procurement contracts.

18.0.2 The contract procedure used depends on the dollar amount of the contract. There are two procedures for processing contracts: (1) informal contracts (to formal level), (2) Board level contracts. Follow whichever procedure applies to your purchase.

**18.1 Informal Contract Requirements & Preparation**

18.1.1 For Procurement purposes, a contract is any formal written agreement between Lee County and a selected vendor for a particular purchase. A contract may be executed by any authorized requisitioner within their authorized dollar level.

18.1.2 A contract may be required for a particular purchase, if deemed necessary and requested by the requesting department or if required by the vendor.

18.1.3 Authority to sign service and/or maintenance agreements, leases, contracts and service provider agreements for the County shall be per the authorization levels in this Manual.

18.1.4 The initiating department preparing a contract will need to have the contract signed by each applicable department/division as it completes its review.

18.1.5 In preparing a contract, the County Attorney should be consulted for legal review of the contract documents.

**18.2 Informal Contract Execution**

18.2.1 Procurement contracts for the County will be executed as follows:

18.2.2 For County required contracts, the requesting department will have the selected vendor execute the contract first.

- 18.2.3 Originals of the contract document will be forwarded to the vendor with instructions to execute the contract.
- 18.2.4 The vendor will return all copies of the contracts and any required certificates of insurance to the requesting department.
- 18.2.5 For vendor required contracts, the requesting department will refer all contract documents to the County Attorney for review and approval.
- 18.2.6 After the County Attorney's review and approval, the contract documents will be returned to the requesting department/division for execution of the contract by the County first.

**18.3 Informal Contract Recording Procedure**

- 18.3.1 A document or agreement, as a result of an informal contract, should be reviewed by the County Attorney's Office and if approved, signed by appropriate County staff under the following conditions:
- A contract is for longer than one fiscal year, crosses fiscal years, or more than one payment is required by any fiscal year.
- 18.3.2 For monitoring and control purposes, the document or agreement then is forwarded to the Minutes Department to be reviewed for administrative approval.

**18.4 Informal Contract Encumbrances**

- 18.4.1 The department/division will be required to enter a requisition into the on-line system.
- 18.4.2 After requisition entry a PURCHASE ORDER for the contract will be issued.

**18.5 Formal Contract Requirements & Preparation**

- 18.5.1 For Procurement purposes, a contract is any formal written agreement between Lee County and a selected vendor for a particular purchase. A contract may be executed by any authorized requisitioner within their authorized dollar level.
- 18.5.2 A contract may be required for a particular purchase, if deemed necessary and requested by the requesting department, the Procurement Director, the County Manager, or if required by the vendor.

- 18.5.3 Authority to sign service and/or maintenance agreements, leases, contracts and service provider agreements for the County, through level four authorization shall be per the authorization levels in this Manual.
- 18.5.4 When required, all contracts will be prepared by County staff.
- 18.5.5 Procurement, in preparing a contract, will attach a Contract Review Checklist (See Forms in this Manual) to the contract to be signed by each applicable department/division as the review is completed.
- 18.5.6 In preparing a contract, Risk Management should be consulted to insure that the proper insurance requirements are included in the contract documents.
- 18.5.7 In preparing a contract, the County Attorney should be consulted for legal review of the contract documents.

**18.6 Formal Contract Execution**

- 18.6.1 Procurement contracts for the County will be executed as follows:
- 18.6.2 For County required contracts, the requesting department will have the selected vendor execute the contract first.
- 18.6.3 Originals of the contract document will be forwarded to the vendor with instructions to execute the contract.
- 18.6.4 The vendor will return all copies of the contracts and any required bonds or certificates of insurance to the requesting department.
- 18.6.5 All contract documents should be referred to the County Attorney for review and approval prior to submission to the County Manager or designee.
- 18.6.6 Contracts under formal level may be approved at the appropriate level as per this Manual. Over formal level, the contract may be authorized by a County Manager, County Attorney, Hearing Examiner, Constitutional Officer, etc. or designee.
- 18.6.7 After the County Attorney's review and approval, the contract documents will be returned to Procurement.
- 18.6.8 Procurement will be responsible for handling of the contract documents during signature, recording and attestation.

**18.7 Formal Contract Recording Procedure**

18.7.1 After the contract document has been signed, it will be forwarded to the Minutes Department for official attestation.

**18.8 Formal Contract Encumbrances**

18.8.1 County contracts no longer need to be encumbered through the issuance of a purchase order. Instead, the contract itself will be created in One World®, and will function as the purchase order by encumbering the funds.

**18.9 Board Level Contract Requirements & Preparation**

18.9.1 For Procurement purposes, a contract is any formal written agreement between Lee County and a selected vendor for a particular purchase. A Board level contract may only be executed by the Chairman or Vice-Chairman of the Board after the Board has approved entering into the contract.

18.9.2 A contract may be required for a particular purchase, if deemed necessary and requested by the requesting department, the Procurement Director, the County Manager, the Board of County Commissioners or if required by the vendor.

18.9.3 When required, all contracts will be prepared by County staff, unless required by a vendor.

18.9.4 Procurement will prepare and attach a Contract/Agreement Review Checklist (See Forms in this Manual) to the contract to be signed by each applicable department/division as it completes its review.

18.9.5 In preparing a contract, Risk Management should be consulted to insure that the proper insurance requirements are included in the contract documents.

18.9.6 In preparing a contract, the County Attorney must be consulted for legal review of the contract documents.

**18.10 Board Level Contract Execution**

18.10.1 Procurement contracts for the County will be executed as follows:

18.10.2 For County required contracts, the requesting department will have the selected vendor execute the contract first.

- 18.10.3 Originals of the contract document will be forwarded to the vendor with instructions to execute the contract.
- 18.10.4 The vendor will return all copies of the contracts and any required bonds or certificates of insurance to the requesting department.
- 18.10.5 All contract documents will be referred to the County Attorney for review and approval prior to submission to the Chairman of the Board for signature.
- 18.10.6 A contract over formal level may be executed only after the approval of the Board and by the signature of the Chairman or Vice-Chairman of the Board.
- 18.10.7 For execution of a contract over formal level by the County, the contract documents will be submitted to the County Manager or designee who will present it to the Board for their consideration.
- 18.10.8 After the County Attorney's review and approval, the contract documents will be returned to Procurement.
- 18.10.9 Procurement will be responsible for handling of the contract documents during signature, recording and attestation.

**18.11 Board Level Contract Recording Procedures**

- 18.11.1 After the contract document has been signed by the Chairman of the Board, it will be forwarded to the Minutes Department for official attestation.

**18.12 Board Level Contract Attestation and Distribution**

- 18.12.1 All contracts executed by the Board must be attested to and recorded by the Clerk to the Board.