

# HUNT COUNTY

## Purchasing Policy and Procedures Manual



## Office of the Hunt County Purchasing Agent

**Amended by the Hunt County Commissioners' Court - August 2025**

*Revision: Competitive Bidding Threshold increased from \$50,000 to \$100,000 in accordance with Senate Bill 1173, effective September 1, 2025.*

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## INTRODUCTION

This manual contains the authorized policy and procedures for purchasing and asset management by Hunt County officials and employees. The Hunt County Commissioners' Court promulgates these procedures, and only the Hunt County Commissioners' Court shall approve changes in the contents of this manual.

The Hunt County Commissioners' Court has adopted a centralized purchasing function that provides many benefits:

- It allows for the consolidation of smaller purchases by individual departments into larger purchases for the entire county, resulting in lower unit prices and savings;
- Vendors and the business community have a single, central link to the county procurement process to facilitate consistent communication and understanding;
- Purchasing Office personnel accumulate a solid foundation of knowledge and experience about purchasing, marketing trends, prices, and vendors. This expertise assists users to define their needs better to save the County money and promotes a more efficient procurement process; and
- Centralized expertise puts the purchasing processes on a professional footing and inspires public confidence in the actions of the County.

County purchasing procedures are governed by Texas statutes; and these statutes, including interpretations of them made by Texas courts, are the ultimate authority on the validity of purchasing procedures. Because the procedures described in this manual are based on state law, this manual, in many instances, contains language taken directly from statutes, and paraphrases of and broad generalizations about Texas statutory law which have been included where appropriate to assist in applying the law in routine situations. ***This manual cannot address every situation***; and when an unusual situation occurs or a difficult legal or factual problem arises, the exact statutory language must be reviewed and analyzed. In every situation, the final authority for county purchasing procedures is the law itself.

It is the intent of the Purchasing Department to promote the County's reputation for courtesy, fairness and impartiality. The responsibility for achieving this goal rests with each individual who participates in the procurement process. This includes the using agencies, the vendors, as well as the purchasing personnel. The Purchasing Department adheres to the ethics set forth by the National Association of Purchasing Management, the National Institute of Governmental Purchasing, the Uniform Commercial Code and The Texas Public Purchasing Association.

This manual is for the use of Hunt County employees and officials and is designed to assist them in complying with the laws governing county purchasing and asset management procedures. This manual does not create any rights of individuals or entities enforceable against Hunt County.

## **PURCHASING MISSION STATEMENT**

### **Hunt County**

The Purchasing Department is committed to procuring goods and services in the most efficient and effective way to achieve the best price consistent with the quality needed to meet the requirements of the County, as purchasing professionals:

- **Seek to maximize the purchasing power of public funds, while promoting fair and open competition.**
- **Work together to create innovative approaches to the procurement process for the benefit of the County.**
- **Follow a strict Code of Ethics, avoiding the appearance of and preventing the opportunity for favoritism.**
- **Strive to create a friendly work environment through teamwork, respect, integrity and honest communication.**
- **Ensure compliance with the County Purchasing Act as well as other state and federal laws applying to county purchasing.**
- **Provide equal access to all vendors, participating through competitive acquisition of goods and services.**
- **Provide an ongoing supply of quality goods and services to all County offices.**
- **Account for all County assets through an effective fixed asset management system.**
- **Protect the interests of Hunt County taxpayers without regard to any undue influence or political pressures.**

### **I. STATEMENT OF GENERAL POLICY**

It is the policy of Hunt County that all purchasing shall be conducted strictly on the basis of economic and business merit. This policy is intended to promote the interest of the citizens of Hunt County. Elected Officials or County Employees shall not purchase supplies, materials or equipment of any kind for personal use through Hunt County.

To avoid violation of or the appearance of violation of the policies in this manual, Elected Officials and County Employees are prohibited from:

**Seeking or accepting, directly or indirectly, any personal loans from individuals, (not to include loans from banks, credit unions or other recognized lending institutions) services, payments, entertainment, trips or gifts of merchandise or money in any amount from a business or an individual doing or seeking to do business with the county.**

It is important to remember that county purchasing operates in full view of the public. In order to assure an open purchasing process and economy in purchasing, the Commissioners' Court has determined that competitive bidding will be used as much as possible in the purchase of goods and services for the County. Public purchasing must also ensure that responsible bidders are given a fair opportunity to compete for the County's business. This can be accomplished by abiding by statutory requirements regarding competitive bids and proposals, and by the County's purchasing policy. Public purchasing insures the safeguard of public funds. Although the Purchasing Office does not usually designate the types of purchases to be made; it should attempt to see that the best value is received for the public dollar.

Hunt County intends to maintain a cost effective purchasing system conforming to good management practices. To be successful, the system must be backed by proper attitudes and cooperation of not only every elected official and department head, but also every supervisor and employee of Hunt County. The establishment and maintenance of a good purchasing system is possible only through cooperative effort.

The responsibility of purchasing ultimately rests with the Commissioners' Court. The Purchasing Agent, as an agent of the Commissioners' Court, aids in the purchasing process but is subject to the Court's direction as to reasonable specifications and maximum prices on items to be purchased.

The purchasing process is not instantaneous. Time is required to complete the steps required by State law. In order to accomplish timely purchasing of products and services at the least cost to Hunt County, all departments must cooperate fully. Prior planning and the timely submission of requisitions are essential to expedite the purchasing process and to assure that the process is orderly and lawful.

Hunt County strives to develop effective relationships with vendors and encourages full and open competition wherever possible. All vendors are afforded equal opportunity to participate in public bidding. To accomplish this intent, all contracts between Hunt County and the vendor should be coordinated through the purchasing department.

## **II. PURCHASING AUTHORITY AND GENERAL GUIDELINES**

Authority to make County purchases resides in either the County Purchasing Department or the Commissioners' Court. The Purchasing Department is responsible for making purchases of supplies, materials, equipment, and for making contracts for repairs to County owned property, except in cases where competitive bids are required by law. All competitively bid contracts are made by and through the Commissioners' Court. Such purchases made on competitive bids shall be supervised by the Purchasing Agent in accordance with the purchase contract. (Code, Chapter §262.011(e)). Competitive bidding is generally required on all purchases or repair contracts for **\$100,000** or more, in accordance with Senate Bill 1173 (effective September 1, 2025). At the request of the Hunt County Purchasing Board any single item, **\$10,000** or more, will also fall under the competitive bidding requirements.

General guidelines for purchasing and utilization of this manual are as follows:

- (1) Determine whether the county is required to make the purchase by competitive bidding. Generally, competitive bidding is required on any purchase likely to equal or exceed **\$100,000**. Unless a bid contract for the goods or services already exists, the items required to be purchased through competitive bidding will be purchased as described in (Section VII, pp. 19-22). Questions regarding the necessity of competitive bidding should be directed to the Purchasing Department.

- (2) Other Purchases -- Special procedures are available for and applicable to the purchase of particular goods and services, summarized as follows:
- (a) Unbudgeted Capital Expenditures -- purchases not authorized in a Department's current budget must be authorized through a budget amendment by the Commissioners' Court. (See Section VIII, A, p.22).
  - (b) Blanket Purchase Orders -- acquisition of goods or services on an "as needed" basis may be authorized in appropriate instances by a blanket purchase order. (See Section VIII, B, p.23).
  - (c) High Technology and Insurance -- as an alternative to competitive bidding, in the case of high technology items and insurance, competitive proposals from vendors may be solicited by the county when, in the judgment of the Commissioners' Court, this procedure is preferable. (See Section VIII, C, p.23-24).
  - (d) Professional and Personal Services -- Professional and Personal Services are exempted from competitive bidding, in which case they are obtained through Requests for Proposals as described in (Section VIII, D, p.24-26).
  - (e) Emergency Purchases -- items otherwise required to be competitively bid may be exempt from the competitive bidding process by the Commissioners' Court if (1) a prompt purchase is required, due to a public calamity, to meet a necessity of the citizens or preserve public property, (2) the purchase is necessary to preserve the public health or safety of a county residents, or (3) the purchase is required due to unforeseen damage to public property. (See Section VII, E, p.26).
  - (f) Work in Progress -- this may be exempted by the Commissioners' Court and paid for by the day, after it is performed.
  - (g) Land and Right-of Way Acquisition -- this has been exempted by the Commissioners' Court from competitive bidding.
  - (h) Sole Source Items -- an item available from only one source may be purchased without competitive bidding, with the approval of the Commissioners' Court, as provided in (Section VII, F, p.26-27).
  - (i) Equipment Maintenance Services -- Maintenance is arranged through the Purchasing Department as described in (Section VIII, H, p.27).

**\*Important\***

**Under no circumstances shall any employee of the Hunt County authorize a purchase without a formal means of order placement. An order is official when an employee pays with his/her procurement card, orders from a blanket purchase order/contract or a Signed Purchase Order is faxed to the vendor, by means of an approved requisition. This offense is punishable per Local Government Code Chapter 262 Section 262.034 and Section 262.035 as a Class B Misdemeanor and if convicted results in immediate removal from office or employment of that person. For four years after the date of the final conviction, the removed officer or employee is ineligible to be a candidate for or to be appointed or elected to a public office in this state; to be employed by the**

**county with which the person served when the offense occurred; to receive any compensation through a contract with that county.**

(3) Exemptions from the Requisition / Purchase Order Process – The following are exceptions to purchase orders and the Requests of Payment are processed directly by the Auditor's Office:

- Utilities, building rental, insurance premiums, professional services,
- purchases from annual contracts for road materials, fuel, inmate jail meals,
- attorney's vouchers,
- foster parents,
- court related expenditures, bailiff uniforms, court reporter supplies
- routine duty travel,
- long distance trunk lines,
- travel, meals, and lodging,
- appropriations to other governments,
- RSVP mileage
- Training and seminars
- Quantum Merit
- Risk Management claims
- Purchases not required by statute to be processed by the Purchasing Agent

### **After-the-Fact Purchases**

An After-the-Fact (ATF) purchase occurs when a department makes a purchase before a purchase order number is issued or procurement card is used. For example, authorizing a vendor to begin work before the Purchasing Department issues a purchase order, even though the department has submitted a requisition, is an AFT. Similarly, obtaining goods or services on credit and subsequently submitting the invoice with a payment voucher is an AFT, unless it is a purchase specifically allowed to be paid by payment voucher. All ATFs, regardless of the dollar amount, presents problems for the Purchasing Department, Accounts Payable, vendors, and end-users. In many cases, these transactions:

- Place Hunt County at financial and credit risk and result in higher than necessary cost paid for products and services
- Create unnecessary administrative effort
- Bypass and Violate Hunt County Procurement Rules and Procedures
- Result in supplier contracts with unfavorable terms and conditions signed by unauthorized Hunt County personnel.

### **ATF Procedures**

1. When an ATF purchase has been identified the Purchasing Department shall complete a Non-Compliant Purchase Requisition Letter with all supporting documentation attached (i.e. invoices) and forward to the Elected Official or Department Head for review.
2. The Elected Official or Department Head shall review the purchase and complete the Non-Compliant Purchase Request Letter which shall include a detailed statement explaining the circumstances surrounding the purchase, what corrective steps have been taken to avoid repetition of the problem and any corrective action with the responsible account manager or employee.
3. The Elected Official or Department Head shall return the complete Non-Compliant Purchase

Requisition Letter to the Hunt County Purchasing Agent who shall review for approval or denial. If approved, the invoice will be processed according to standard procedures. If denied, one or more of the following actions may be taken:

- Return of the item(s);
- Responsible person paying for the difference of item(s) if found to be less expensive by the Purchasing Department; or
- Responsible person paying for the item(s)

### **ATF Actions**

1. First violation is a written warning via the Non-Compliant Purchase Requisition Letter no later than ten (10) days from the first knowledge of the violation by the Purchasing Agent. This document shall be signed and dated by the Elected Official or Department Head and Purchasing Agent upon Non-Compliant Department receiving notice. Said documentation shall precede a meeting between the Purchasing Agent and County Employee who is allegedly violated the Purchasing Policy and said employee shall be occupied by Elected Official and/or Department Head. This meeting if deemed to be in the best interest of the County or Employee may be recorded. The Elected Official and/or Department Head shall have ten (10) days to respond in writing with a detailed statement explaining the circumstances surrounding the purchase with the corrective actions that have been taken to eliminate this action from occurring in the future. Failure of Elected Official and/or Department Head that violated the Purchasing Policies to respond within the ten (10) days shall result in immediate referral to the Criminal District Attorney.
2. Second violation of Purchasing Policy by same department shall result in a public verbal warning in a meeting with the non-complying department and the Purchasing Board.
3. 3. Third violation of Purchasing Policy by same Department or Office shall result in the matter being referred in writing to the Hunt County Criminal District Attorney to be processed according to the Local Government Code 262.011.
4. 4. The Purchasing Board reserves the right to refer any matter to the Criminal District Attorney if deemed appropriate with any or none of the above actions.

## **III. DO'S AND DON'TS OF PURCHASING**

### **A. Don'ts**

Coordination among many County departments and Offices is necessary for the process to work smoothly. To avoid delays and comply with County policy and state law, user departments should remember the following:

- **Do not authorize the purchase of any goods or services.**
- **Do not purchase any goods or services for your own personal benefit.**
- **Do not obligate the purchase of goods that are delivered for use on a trial basis.**
- **Do not commit to acquire goods or services without an authorized purchase order.**
- **Do not use purchasing strategies that violate the law to avoid competition.**

Strategies that are prohibited by law include:



- purchasing a series of component parts that would normally be purchased as a whole (component purchases) ;
- purchasing items in a series of separate purchases that normally would be purchased as a single purchase (separate purchases) ; and
- purchasing over a period of time, that normally would be done as one purchase (sequential purchases).

A county officer or employee who intentionally or knowingly makes or authorizes separate, sequential, or component purchases to avoid the competitive bidding requirements of Texas Local Government Code, Section §262.023, is committing a Class B misdemeanor according to Texas Local Government Code, section §262.034(a).

- **Do not violate or authorize the violation of the Purchasing Act.** Any person who knowingly violates or authorizes the violation of the Purchasing Act and any county or precinct person who fails to use the Purchasing Agent for purchases, including an agent or employee of the County or of a department of the County commits a criminal offense which is a misdemeanor. Each act in violation of the law is a separate offense. Anyone obligating an expenditure of funds for goods or services before securing a purchase order may be held personally responsible for the payment.

## **B. Do's**

- **Adhere to the County Purchasing Code of Ethics and avoid activities and behaviors that are unethical or create a conflict of interest or the perception of a conflict of interest.**

Examples of activities that are inappropriate include:

- **Soliciting or accepting gratuities of any kind from present or potential contractors which might influence or appear to influence a purchasing decision;**
- **Failing to disclose in writing to the Purchasing Agent a conflict of interest and not removing yourself from the procurement process when there is a conflict;**
- **Disclosing confidential proprietary information from solicitations to other vendors or using the information for personal gain.**
- **Ensure funding is available before submitting a requisition.** The law does not allow expenditures that exceed budgets. Purchasing does not process requisitions for which there is not adequate funding.
- **Plan purchases to minimize the use of emergency and expedited purchases.** Rush purchases are generally more expensive and they delay other requisitions already in the system. Vendors may attempt to charge premium prices for goods and services when there is insufficient time allowed to explore alternative sources or options.
- **Plan purchases to allow sufficient time to process purchase requests.** The Purchasing Office is committed to processing all requisitions within a reasonable amount of time. In general, departments should allow 2–3 weeks for all non-contract purchases under \$50,000 and 6–8 weeks on all purchases requested over \$50,000 that are not covered by an existing contract. Contract requisitions and requisitions less than \$500.00 are generally processed within one day of receipt.
- **Ensure that purchasing policies and procedures are understood before ordering.**

Departments must assure that all employees responsible for making department purchase requests (“purchasing liaisons”) have read and understand the purchasing procedures in this manual. Departments should also ensure that liaisons attend any training provided by the Purchasing Office.

- **Coordinate with Purchasing on receipt of goods and services.** Since the County does not have centralized receiving, each department is responsible for individually receiving goods and services. Departments should contact the individual listed as the buyer on the purchase order to make Purchasing aware of vendor performance issues such as shortages, late delivery, or damaged merchandise. If the item received is a fixed asset that must be tracked and reported, departments should contact the Fixed Asset Manager in Purchasing to coordinate tagging.

## IV. REQUISITIONS FOR PURCHASE

### A. Necessity of Requisition for Purchase

A requisition for purchase is required for all purchases (Art. §1661, V.T.C.S.). The purpose is two fold: (1) to inform the Purchasing Department of the needs of the requesting department; and (2) to identify correctly and clearly the material requested. Requisitions must be prepared well in advance to enable the Purchasing Department to find a vendor and to allow for delivery by the vendor.

### B. Types of Requisitions

The Purchasing Office classifies purchase requisitions according to the type of action and the time required for the purchase. There are four types: contract, routine, expedited, and emergency.

- **Contract Requisitions** - Normal purchases of items ordered from existing contracts. Contract requisitions generally require one working day to process.
- **Routine** – Normal purchases that are not under contract (i.e. “open market” requisitions) under \$100,000. These generally require 3 to 10 working days to process.
- **Expedited** - Open market purchases where the goods or services are needed sooner than the routine cycle time. Expedited purchases generally do not qualify as emergency purchases and are subject to all applicable bidding requirements. Expedited purchase requisitions require 1 to 3 working days to process. Expedited purchases are **not** emergency purchases. They are goods or services needed quickly to prevent costly delays, and therefore warrant the additional cost and effort caused by the interruption of the normal work routine. **They should not be used unless absolutely required.** There are two types of expedited purchase requisitions:

**Walk Through** – Open market purchases for goods or services needed within three working days to avoid work interruption, loss of service or significant added cost of operations. The user department should hand-carry all paperwork to the Purchasing Office immediately after entering the purchase requisition into the Incode system.

**Work Stoppage** – Open market purchases for goods or services needed immediately to prevent work stoppage due to unanticipated conditions. The user department should telephone or email the Purchasing Office immediately upon entering the purchase requisition into the Incode system and should also provide written documentation of the existence of a work stoppage for the contract file (written comments in the requisition or email justification from department head, executive manager or designees are acceptable documentation). The Purchasing Office instructs the user department on what action to take.

**Emergency** – Purchase of any goods or services needed because of an emergency condition that the Commissioners’ Court has ordered exempt, in compliance with the Purchasing Act (Tex. Loc. Gov’t Code, section §262.024 (a) (1)). All emergency exemption orders must be processed through the Purchasing Office. Emergency purchases with a total cost exceeding \$100,000 must be exempted from the requirements of the Purchasing Act by order of Commissioners’ Court. The Purchasing Agent submits the order and agenda request for Commissioners’ Court approval for emergency purchases exceeding \$100,000. Emergency purchases with a total cost under \$100,000 are handled like an expedited purchase requisition.

### **C. Preparation of Requisition for Purchase**

Use a separate requisition for each class of items. i.e. copier toner, tires, capital equipment would all be entered on separate requisitions. Requisition forms are available manually or electronically. A requisition may be delivered electronically (Incode) by e-mail, fax, inter-office mail or hand delivered to the Purchasing Department. The requisition must be approved by authorized personnel who have the authority to make purchases for the department.

A requisition must contain the following information for proper processing (See Exhibit A to this Manual).

- (1) **DEPARTMENT & DATE.** Give the name of the Department; date the requisition is forwarded to Purchasing and the date on which the item is needed.
- (2) **VENDOR.** (a) If the item is acquired under an existing bid contract, the vendor awarded the contract must be identified. (b) If the item is not under contract, vendor designation is requested. When possible, refer the Purchasing Department to vendors whose products have been used previously and found to be satisfactory. If the vendor is unknown enter “TBA” (To be Assigned) and the purchasing department will select the vendor.
- (3) **QUANTITY REQUIRED.** State the number required. In addition to the number, where needed also provide the unit measure such as “dozen”, “gallon”, “each”, etc.
- (4) **DESCRIPTIONS AND SPECIFICATIONS.** Describe the item needed clearly. Provide size, color, type, grade, etc. Departments must also provide detailed and technical specifications when needed. When necessary, write descriptive information on a separate sheet and attach the sheet to the requisition. When buying printed material a sample of the form or document should be sent to the purchasing department.
- (5) **ESTIMATED COST.** (a) If the item is covered by a bid contract, insert the contract price on a per unit basis. (b) If not subject to an existing contract, provide an estimated price.
- (6) **FUND/DEPARTMENT NUMBER AND BUDGET LINE ITEM.** Identify, according to the County budget, the fund/department number from the department making the purchase. Designate, according to the County budget, the department’s budget line item against which the purchase should be charged. If the purchase exceeds the available budget, the Elected Official or Department Head should contact the Auditor to arrange for a budget transfer (if approved by the Auditor and the Commissioners’ Court) prior to placing the requisition with the purchasing department.
- (7) **CERTIFICATION.** The Elected Official, Department Head or authorized person must forward this requisition to the Purchasing Department. Electronic generated requisitions do not require signature.

### **D. Office Supply Orders**

- (1) Office supplies are purchased via the Internet from a current contract. The department will be issued a Password and User ID for authorized users. Instruction on how to purchase via the Internet will be given to authorized personnel in each department.
- (2) Authorized personnel will place orders for office supplies, which will be forwarded, to the Purchasing Department, via the Internet, to review order and verify funds. Purchasing will then release the order to the vendor. Delivery will be made to the department. The department may pickup supplies if so desired.

#### **E. Blanket Orders**

- (1) Blanket orders may be placed with vendors for the purchase of small parts or services on an “as needed” basis. Blanket orders should not be used for the purchase of fixed assets or individual purchases exceeding \$1,500.00. Blanket orders are implemented through the Requisition process just like any other purchase. It is the responsibility of the department assigned the blanket order to track the order through-out the year and insure that each vendor tags all invoices with the appropriate blanket order number.
- (2) Examples of blanket orders would be orders for flat repair, small parts purchased from hardware stores, automotive parts stores, electrical supplies, building maintenance items such as paint, lumber, nails etc.
- (3) Blanket orders are re-issued on an annual basis beginning in October of each new fiscal year. Blanket orders will end the first week of September of the fiscal year.

#### **F. Orders from Annual Contracts for Road Materials**

- (1) Individual purchase orders are not required for purchases made off of annual contracts for road and bridge materials. These are contracts which have been awarded on an annual basis by the Commissioners’ Court and blanket purchase orders are issued for these items.
- (2) The following are examples of Annual Contracts for Road & Bridge Materials:
  - All Hauling
  - Rock
  - Premix Oil & Sand
  - Recycled Asphalt & Concrete
  - Clear Span Bridges
  - Box Culverts
  - Steel Culverts & Metal Sheets
  - Road Oil
  - Seal Coat Emulsion
  - Fuel & Lubricants
  - Uniform Rentals
  - Asphalt – Hot & Cold
  - Rock for Seal Coat

#### **G. Orders from Annual Contracts for Jail Meals**

- (1) Purchase orders are not required for purchases made off annual contracts for Jail Meal Services.

#### **H. Orders from Commissary Funds, Seized Funds, Grants**

- (1) Manual requisitions are issued by the Sheriff's Department for purchases made for commissary funds, seized funds or forfeited funds. Manual purchase orders are issued to vendors upon completion of the bid process by the purchasing department.
- (2) Purchases from grants should be made through the normal requisition process with the appropriate notation made on the requisition identifying the grant fund and the county match if any.

#### **I. Capital Purchases after August 31 of the Current Fiscal Year**

- (1) Only requisitions for capital equipment **emergency purchases** will be processed after August 31<sup>st</sup> of the current fiscal year. Elected Officials and Department Heads should begin reviewing their end of year requirements as early as June with regards to any capital equipment purchases (normally taking 6-8 weeks to complete).
- (2) Please remember to allow adequate time for the purchasing department to complete the purchasing process and for the vendors to be able to deliver the goods or complete the service no later than September 30<sup>th</sup> of the current fiscal year.

### **V. PURCHASE OF MATERIALS AND SUPPLIES**

#### **A. General**

Materials and supplies not available from current contracts are acquired through the Purchasing Department. Additionally, contracts for repairs to property used by the county are entered through the Purchasing Department.

**Under no circumstances shall any employee of the Hunt County authorize a purchase without a formal means of order placement. An order is official when an employee pays with his/her Procurement Card, orders from a blanket purchase order/contract or a Signed Purchase Order is faxed to the vendor, by means of an approved requisition. This offense is punishable per Local Government Code Chapter 262 Section 262.034 and Section 262.035 as a Class B Misdemeanor and if convicted results in immediate removal from office or employment of that person. For four years after the date of the final conviction, the removed officer or employee is ineligible to be a candidate for or to be appointed or elected to a public office in this state; to be employed by the county with which the person served when the offense occurred; to receive any compensation through a contract with that county. Please reference Section Two for further information concerning unauthorized purchases.**

Methods and procedures for acquisitions through the Purchasing Department are described below:

## **B. Responsibilities of the Purchasing Department and Requesting Departments**

This section of the procedure manual outlines the responsibilities of the county departments when making an acquisition through the Purchasing Department. It should be used as a guide to help departments do their part in purchasing.

### **(1) The Purchasing Department's responsibilities are to:**

- (a) Obtain information about and to know the functions of the departments of Hunt County.
- (b) Secure the product that best meets the needs of each department, at the least cost to the County.
- (c) Know the sources for and availability of needed products. Maintain an adequate pool of vendors.
- (d) Aid and to cooperate with all departments of the County to meet their equipment and supply needs.

### **(2) Requesting Departments' responsibilities are to:**

- (a) Make requests early enough to allow sufficient time for the vendor to make delivery.
- (b) Supply detailed specifications of item requested. Provide vendor contact information. The user department, occupant department, or an outside agency may propose specifications. **To ensure compliance with legal purchasing requirements, the Purchasing Office has final acceptance of the specifications, except those for construction projects.** This ensures proper quality control and avoids the proliferation of conflicting specifications in the different County departments. The Purchasing Office may submit any purchases that were not approved in the budget process to Commissioners' Court before specifications are prepared and advertised. To facilitate specification development and avoid duplication of their efforts, user departments should submit their specifications in electronic format to the Purchasing Office.
- (c) Inform the Purchasing Department or Commissioners' Court of all unusual demands.
- (d) Take no actions that might be viewed as obligating or committing the County, except in an emergency.
- (e) Make no commitments regarding commodities or services in the name of the County. Such commitments will be VOID unless they are made by the Purchasing Agent, the Commissioners' Court, or other agents of the Commissioners' Court.

## **C. Purchasing Procedures**

- (1) Capital Purchases: If the requisition is for the purchase of a capital item (\$10,000.00 or more) one of the following alternative procedures should be followed:
  - (a) If an Unbudgeted capital expenditure, See (Section VIII, A).
  - (b) If the capital expenditure is budgeted and the item is **\$100,000** or more it must be competitively bid, as described in (Section VII).
  - (c) If a budgeted capital expenditure of less than **\$100,000.00**, the item may be acquired through Purchasing as described on the next page.
- (2) Requisition: complete a requisition as described in Section III, B, and forwarding a copy to the Purchasing Department.
- (3) Preparation of Purchase Order: Purchasing will enter the requisition into the computer system for preparation of a purchase order document. If funds are unavailable, the Purchasing Department will return the requisition to the department. Purchasing will attempt to obtain three written or phone quotations for purchase orders with a value of \$2,500 to \$9,999.99. Purchasing will attempt to obtain three written quotes for purchases orders with a value of \$10,000 but less than \$100,000.00. Purchases in excess of \$100,000 require the formal bid process as described on pages 20-22, Section VII.
- (4) Placing Order: For purchases requiring delivery of items, Purchasing will send the original copy of the purchase order to the vendor (if required) and distribute copies as follows:
  - (a) a copy to Purchasing to be retained with original requisition.
  - (b) a copy to the Auditor.
  - (c) a copy to the originating department.

#### **D. Purchasing Procedures for Facilities Department Only**

If a requisition requires an expenditure of funds the Purchasing Department shall use the following guidelines:

- All purchase made by the County in excess of \$49,999.99 must have award approval by Commissioner's Court
- Cooperative contracts (Co-OP's) may be used for purchases or alternative solicitations listed below. All contract numbers must be noted on the purchase order.
- All purchases will require a requisition prior to the conversion to a purchase order will be reviewed by the Purchasing Agent and County Auditor.

#### **❖ \$0.00 TO \$10,000.00**

Verbal or written quote may be solicited by the Purchasing Department and/or the Facilities Department as deemed necessary

❖ **\$10,000.01 TO \$24,999.00**

Written quote will be solicited by the Purchasing Department and/or the Facilities Department. All quotes will be documented and/or attached to the requisition.

❖ **\$25,000.00 TO \$49,999.99**

Solicitations will be conducted by the Informal Bid Process.  
Payment and/or Performance Bonds required.

❖ **Purchases Exceeding \$100,000.00**

Solicitation will be conducted by the Formal Bid Process which is governed by statute (TLGC §262.023)

**Policy and Procedures for Purchases \$0.00 to \$24,999.99**

The Facilities Department submits a purchase requisition to the Purchasing Department with detailed descriptions of the goods or services required. The Purchasing Department will perform all actions necessary to conclude a contract for the purchase of the goods and services.

**Policy and Procedures for Purchases \$25,000.00 to \$49,999.00**

For purchases of goods and services totaling \$25,000.00 TO \$49,999.99, solicitations will be conducted by the Informal Bid Process or through a cooperative contract. All Informal Bid documents will be documented and/or attached to the requisition. If a cooperative contract is used the contract number will be on the requisition. If the vendor offering lowest price is not used, a notation is made in the quotation documentation to indicate the reason another vendor is selected. The claim for payment will be subject to audit by the County Auditor and approval by the Commissioner's Court. Payment and/or Performance Bonds will be required.

**Policy and Procedures for Purchases that exceed \$100,000.00**

For purchases of goods and services that exceed \$100,000.00, solicitations will be conducted by the Formal Bid Process or through a cooperative contract. All Formal Bids will be documented. If a cooperative contract is used the contract number will be on the requisition.

The Facilities Department submits a purchase requisition to the Purchasing Department with detailed descriptions of the goods or services required. Based on the information in the purchase requisition the Purchasing Department will prepare Formal Bid documents unless purchased through a cooperative contract. The Purchasing Department will make a recommendation to Commissioner's Court for a selected vendor. The claim for payment will be subject to audit by the County Auditor and approval by the Commissioner's Court.

**Violations and Penalties**



Intentionally separating purchased or invoices to avoid the \$100,000.00, formal competitive bidding limit is a violation of the Purchasing Act.

### **Vendor Contracts**

Any contract that the vendor requires on a contract must be presented and approved by Commissioner's Court with the County Judge signature.

## **VI. CONSTRUCTION PROCUREMENT**

Subsection §262.011 (e) of the Texas Local Government Code states that "The County Purchasing Agent shall supervise all purchases made on competitive bid..." Chapter §271 Subchapter C is used only for public works projects funded by Certificates of Obligation. Chapter §271, Subchapter H provisions are used when an alternative project delivery method (other than traditional competitive bidding) is used for public works projects. Construction procurement is consistent with other procurement procedures in this manual and with pertinent statutes. The Purchasing Agent supervises all construction procurements. All competitive bids are accomplished by the following process:

- A memo submitted to the Purchasing Agent, signed by the Official or Executive Manager serves as the initial notification that a competitive bid is needed.
- Before developing the plans and technical specifications, the user department contacts the Purchasing Office to obtain an RFB number and contract number, when applicable. An electronic copy of the technical specifications is submitted with the memo to assist in the development of the project manual. Before the project manual and plans are submitted to the printer for copying, the individuals assigned to the project by the Commissioner's Court, the Purchasing Agent and the County Attorney review and approve the Bidding and General Requirements. The Purchasing Agent reviews the specifications for compliance with the Purchasing Act and the County Attorney reviews them for legal considerations.

**NOTE: Purchasing prints the document when there is only a project manual and no plans. The user department is responsible for printing when there are both plans and a project manual.**

- The user department must provide the Purchasing Office at least ten (10) workdays to develop the RFB, circulate it for the appropriate reviews, and printing. During this time, Purchasing develops a Procurement Schedule detailing the milestones of the solicitation, including dates and times for the pre-bid conference, bid opening, and pre-construction conference.
- The Purchasing Office assigns an RFB number and contract number to the project at this time if it has not already been assigned.
- The Purchasing Office publishes the advertisement for bid, which must include the following:

- Description of Work;

- Location at which the bidding documents, plans, specifications, or other data may be examined without charge by all potential bidders. The location at which plans and specifications may be obtained and the amount of the deposit required;
  - Time and place for submitting bids and time and place of bid opening;
  - The method of payment. If payment is by certificate of obligation, the advertisement Must state either:
    - 1) that the bidder must accept certificates, or
    - 2) that the bidder must elect to accept certificates or assign them to a financial institution which has made arrangements with the county.
- The Purchasing Office provides detailed information on the bidding requirements of the RFB to ensure that purchasing procedures are complied with and the user department provides technical information and ensures that technical standards are complied with. Purchasing schedules the pre-bid conference and assists in conducting the conference as follows:  
Have all attendees sign the attendance roster and provide a detailed Agenda which:
    - a) Provides a brief introduction of the project title, magnitude, and performance period.
    - b) Indicates whether there has been any addendum issued, and if so, all attendees and project document holders must receive a copy.
    - c) Discusses the Purchasing Office role in the procurement and administration process.
    - d) Establishes a “cutoff” date for questions and request for clarifications, as well as a final date for issuance of addendum.
    - e) Has the project Engineer, Architect or Project Manager discuss the specifics of the project including review of the plans and specifications and allows for a question and answer session.
  - Determines any issues discussed during the conference that requires issuance of an addendum. The Purchasing Agent may extend the date specified in the notice if needed. The Purchasing Office issues the amendment only if there are at least five (5) days between the date of the addendum and the date specified for bid opening. If less than five days exist, the opening date should be extended to allow for a minimum of five days between the date of the addendum and the opening date specified in the addendum.
  - Has the user department provide Purchasing with the technical documents (i.e. changes or additions to the plans and or specifications). Purchasing prepares addendum using standard form and distributes the addendum to all applicable vendors.
  - The following procedures are adhered to when receiving bids:  
The Purchasing Office receives all bids as specified by the RFB.
  - **Bids are not received after the opening time on the day of bid opening.** All bids received after the opening time are returned unopened to the bidder with a letter from the Purchasing Agent notifying the bidder that the submitted bid was received after the due date and time.
  - The Purchasing Office records the name of the vendor submitting the bid, as well as the time and date the bid was submitted. If a bid is received by mail, express mail, or courier, the method of delivery is reflected in the record.
  - After bids are received, the Purchasing Office provides a secure place to hold the bids until the opening date. The bids are to be received sealed and remain sealed until the Purchasing

Office opens them in a public forum on the advertised date and time.

- On occasion, bids that are received in the mail or by some other independent carrier may be inadvertently opened. If this situation occurs, another employee of the Purchasing Office is immediately called to act as a witness that the details of the bid, especially the price, were not reviewed, then the bid was sealed again by that employee, and the incident is documented.

The above process shall be undertaken in a manner that precludes any perception of favoritism and avoids revealing bid prices or any bid information. Publicly receiving sealed bids and recording the submission of requested bids inhibits the perception that the Purchasing Office is manipulating the receipt of bid.

- The Purchasing Office publicly opens and documents sealed bids on the date, time and place specified in the notice. Preliminary bid tabulations are provided to the public upon request. The Purchasing Office and the user department determine who is responsible for creating the bid tabulation and, if it is the user department, then the user department provides a copy to the Purchasing Office for distribution to the general public. For those bids that contain numerous line items, a tabulation that includes the total bid amount, excluding individual line item amounts per bidder, can be provided immediately after bid opening. Requests for all inclusive bid tabulation are honored after it is completed and may require at least ten (10) workdays.
- The Purchasing Agent provides a copy to the Commissioners' Court. A bid that has been opened may not be changed for the purpose of correcting an error in the bid price.
- The Purchasing Office evaluates all bids with assistance from the user department and they jointly develop a recommendation for award to Commissioners' Court. The evaluation of bids is based on the following factors:
  - a) equipment if that is subject of the bid,
  - b) or the cost of delivery and hauling if road construction material is the subject of the bids;
  - c) the compliance of goods and services offered with specifications; and
  - d) the responsibility of the vendor, including the vendor's past performance, the vendor's financial and practical ability to perform the contract, and the vendor's safety record if Commissioners' Court has adopted a definition of safety that is stated in the RFB.
- Purchasing forwards a complete bid packet to the Official or Executive Manager for completion and signature. The form and any other documentation from the user department are submitted with the agenda request to justify the award. Purchasing is responsible for placing the item on the agenda of the Commissioners' Court.
- When the **lowest** priced bid is not the **best** bid, clear justification for not selecting the lowest bidder must be documented to the Commissioners' Court. This recommendation may be supported by clear and concise documentation from the user department that determines the rationale for awarding to a bidder other than the lowest bidder. The Purchasing Agent and the Official or Executive Manager recommend contract award to Commissioners' Court in session. The Court shall:
  - Award the contract to the responsive and responsible bidder who submits the **lowest** and **Best** bid; or

- Reject all bids and publish a new notice if the goods and services are still needed. If two responsive and responsible bidders submit the lowest and best bid, the Commissioners' Court shall decide between the two by drawing lots in a manner prescribed by the County Judge. A contract may not be awarded to a bidder who is not the lowest dollar bidder meeting specifications unless, before the award, each lower bidder is given notice of the proposed award and is given an opportunity to appear before the Commissioners Court and present evidence about its responsibility.
- After award, the County Judge signs the contract for the County and the Purchasing Agent returns the bid bonds of any vendor that was not awarded a contract.
- After an award is made, a notice of contract award form is processed. An original contract, along with contract award form, is maintained in Purchasing. The other originals, along with a contract award form, are furnished to the Contractor and the County Clerk when approved by Court. Copies of all documents are furnished to the user department, the Auditor's Office, and the County Attorney.
- A Notice-of-Award ("NOA") letter, issued by the Purchasing Office, accompanies the contractor's copy of the contract. The NOA letter includes the requirements for the contractor to submit various documents, and the time period within which they must be submitted. For example, Payment Bonds, Performance Bonds and an Insurance Certificate must be submitted within ten (10) workdays after contractor receipt of the NOA letter. Unless otherwise indicated, the NOA also states that Notice-to-Proceed is not issued unless the contractor submits the required documents within the specified time period.
- Purchasing schedules the Pre-Construction Conference (also known as the Pre-Performance Conference). The user department is responsible for all technical presentations and the Purchasing Office ensures that all applicable purchasing procedures are followed. Purchasing assists in conducting the Conference by:
  - Having all attendees sign the attendance roster, introduce themselves, and briefly explain their involvement in the project;
  - Discussing briefly the contract requirements, amount, and any other pertinent information about the project. The user department representative (technical representative) is responsible for providing a thorough synopsis of contract requirements and any County policies to which contractor must adhere;
  - Establishing dates for Submissions of all required documents such as material submittals, progress reports, payrolls, (when applicable), etc.
  - Receiving required documents from the contractor, i.e., Performance Bond, Payment Bond, Insurance Certificates.
- Reviews pay applications received during the project for approval. Forwards approved pay applications to the Auditor.
- Reviews requests for change orders from contractor or architect and places on Commissioners' Court agenda for approval if required.

- Upon completion of project, prepare Commissioners' Court agenda item for court's acceptance of the project. Advise auditor of release of retainage funds. Receive all final as built documentation and warranties. Notify bonding agencies of completion of project.

## **VII. BIDDING PROCESS AND PROCEDURES**

### **A. Open Market Purchases Under \$100,000**

For open market purchases of goods and services totaling less than \$100,000, the Purchasing Agent is authorized to select the exact goods or services to meet the requests of user departments. The Purchasing Agent is authorized to select the vendor and to perform all actions necessary to conclude a contract for the purchase of the goods and services, including execution of the contract without specific approval of the Commissioners' Court.

In selecting the exact goods or services requested by the user departments, the Purchasing Agent considers the following:

- the stated needs of the user department and whether the selected goods or services meet those needs;
- available information about sources and prices of the goods and services;
- the delivery requirements of the vendor and the user department; and
- any other information that a reasonable and prudent purchasing professional would consider in all the circumstances of the purchase.

The user department submits an open market purchase requisition to the Purchasing Office with detailed descriptions of the goods or services required.

Based on the information in the purchase requisition, wherever reasonable and practical the Purchasing Agent or Purchasing Office:

- attempts to obtain at least three quotations before selecting a vendor;
- documents in writing the vendors notified and prices offered;
- selects the vendor who makes the best offer taking into account not only price but also the urgency of the user departmental need and the speed of delivery and the quality of the goods and services offered; and,
- orders these goods and services from the vendor who provides the quality, cost, and delivery schedule most consistent with the best interest of the County.

If quality and delivery terms meet County needs, the vendor who provides the lowest price is selected. If the vendor offering the lowest price is not used, a notation is made to the quotation documentation to indicate the reason another vendor is selected. The Purchasing Agent may deviate from the policy for purchases under \$100,000 if it is in Hunt County's best interest and if it facilitates specific County operations.

### **B. Bid Procedures for Budgeted Item -- Purchase over \$100,000 or less if determined to be in the best interest of the county.**

#### **Requesting Department's Responsibilities**

- (1) Submit a requisition, specifications and recommended vendors to the Purchasing Department far enough in advance of the desired purchase date to allow time for the formal bidding process. (6-8 weeks)
- (2) Be present and prepared to discuss the request at the meeting of the Commissioners' Court during which the need of the item and the bid specification are considered.

#### **Purchasing Department's Responsibilities**

- (1) Review bid specifications to determine adequacy in light of general requirements and to insure that they are not unduly restrictive.
- (2) Prepare final bid specifications for Department's approval.
- (3) Prepare advertising request, vendor list and conduct pre-bid conferences if required.
- (4) Distribute bid specifications to vendors.

#### **C. General Bidding Information**

The Purchasing Agent will insure publication of the legally required notice. No specifications are to be written with the intent to exclude a possible bidder. Competitive bidding can be let on either a lump sum or a unit price basis. If unit price bids are solicited, the needed quantities of each item are to be estimated in the requisition based on the best available information. The successful bidder's compensation, however, will be based on the actual quantities supplied, furnished or constructed.

#### **D. Bid Opening**

Following receipt of bids by Purchasing Department, bids will be publicly opened in the Purchasing Agent's Office. Anyone may attend. All sealed bids will be opened on the assigned day at the designated time. A bid tabulation sheet will be furnished to all bidders and the requesting department.

#### **E. Bid Recommendations**

After examining copies of all the bids, the requesting Department will send a written recommendation for bid award to Purchasing at least seven days prior to the deadline for Commissioners' Court agenda. The Purchasing Agent will verify recommendation to the lowest bid received. Any recommendation to award to other than the low bidder will be presented to the County Judge for resolution prior submission to Court.

After certification of recommendations the Purchasing Agent will obtain an agenda setting, notify the Department and forward the bid recommendation; along with a bid tabulation, to the Commissioners' Court.

A contract may not be awarded to a bidder, who is not the lowest dollar bidder meeting specifications unless, before the award, each lower bidder is notified by the Purchasing Agent of the proposed award and offered an opportunity to appear before the Court and present evidence concerning the lower bidders responsibility.

## **F. Bid Award**

Bids will be awarded to the lowest and best responsible bidder. In addition to the price, the Commissioners' Court will consider:

- (1) The quality of the product;
- (2) The adaptability of the product to the intended use;
- (3) The ability, experience, efficiency integrity, and financial responsibility of the bidder;
- (4) If the vendor is delinquent in taxes to Hunt County; (LGC §262.0276)
- (5) Compliance with all insurance requirements of Hunt County; and
- (6) Any conflict of interest.

When the county receives only one bid, that bid is presented to the Commissioners' Court and may be accepted if the Commissioners' Court determines the price is fair and reasonable as per §262.027 (a)(1)(2). If the price is not fair and reasonable, the bid is rejected.

If two or more responsible bidders submit identical bids, the bid award will be made by drawing lots by the County Judge as per §262.027(b).

## **G. Bid Bonds for Public Works**

A vendor awarded a contract for Public Works will be required to post bond. The Purchasing Agent will include the bonding requirement in the legal bid advertisement. A Performance Bond is required for contracts over \$100K (100% of cost) and a Payment Bond for contracts over \$25,000 (100% of cost). A Bid Bond (5% of cost) is required to assure the county that the firm is bondable and protect the county if the contractor fails to sign the contract. See §262.032(a)(b)(c)(d).

## **H. Acquisition of Item After Bid Award**

Following award of the bid contract by the Commissioners Court, a purchase order, award letter or official notice to proceed will be sent to the vendor by the Purchasing Department.

## **I. Change Order**

A change order may be required when it becomes necessary to make changes after performance of the contract has commenced. The Purchasing Agent is authorized to approve increase or decreases to the original contract price of \$5,000 or less. The original contract price may not be increased by more than 25%. All change orders requiring increases or decreases to the contract price involving more than \$5,000 must be approved by the Commissioners' Court. All decreases of 18% or \$5,000 or more of the original contract price must have the written consent of the contractor. The Auditor shall ascertain that adequate funding is available for any increase in contract price.

Any major alterations of the plans or specifications must be submitted to the originating department and the Commissioners' Court for approval.

## VIII. SPECIAL PURCHASES

### A. Unbudgeted Capital Purchases

If the needed capital item was not included as part of the County Budget, the following procedures should be followed in order to obtain budgetary authorization:

- (1) The requesting department must fill out a requisition form and attach a memo justifying the need for the item.
- (2) The requesting department shall include in the memo a cost estimate justifying the need and a statement of whether there are available departmental funds that may be used for this purchase.
- (3) The requesting department must fill out a line item amendment form and submit to the County Auditor.
- (4) The Auditor will then present the request to the Court. The Commissioners' Court will approve or decline the request. If approved, normal purchasing procedures apply.

**After the Commissioners' Court has granted budget authorization, the item will be competitively bid if over \$100,000.**

### B. Acquisition under a Blanket Purchase Order

#### (1) Authorization of Blanket Purchase Order

A Blanket Purchase Order authorizes a County department to obtain material (services or supplies) on a continuing basis from a vendor. Such Purchase Orders are authorized only by the Purchasing Department in appropriate circumstances, e.g., obtaining parts for vehicle maintenance as needed by a County Barn. Any department foreseeing a definite and regular need for items should consider contacting the Purchasing Department to investigate obtaining a Blanket Purchase Order for such items. (See Section IV, E, p 12)

**Blanket Purchase Orders anticipated to exceed \$100,000 during the course of a year must be competitively bid, as described in Section VII, B, p 20-22. No Blanket Purchase Order may exceed budgeted funds for such purchases by the Department.**

#### (2) Procedure for Acquisition under Blanket Purchase Order

All Blanket Purchase Orders will be for goods not delivered to purchasing. Procedures to acquire items under these contracts are as follows.

- (a) The department will pick-up or receive items during the course of a calendar month according to the terms of the contract.
- (b) The department will retain receipts and/or delivery tickets for all items picked up or



delivered during the month.

(c) At the end of each month, the department will attach receipts/delivery tickets to the department's copy of the Blanket Purchase Order and forward them to the Purchasing Department.

(d) The Purchasing Department shall enter into the computer information concerning the items received, and payment will then be made.

(3) Utility Blanket Purchase Orders (if required by the utility provider) may be used for utilities expenses. ie; electric, water, gas and telephone.

### **C. Insurance and High Technology Items**

(1) All Insurance specifications must be approved by the H/R Department, Treasurer, and the Commissioners' Court. Insurance items are obtained through the Formal Proposal Process.

(2) High Technology items valued in excess of \$100,000 may be obtained through the sealed proposal process, sealed bid process or through the Texas Department of Information Services (DIR) or other cooperative contract. The Information Systems Department (IS) reviews all purchase requests (*regardless of value*) made by departments for software, hardware and other data processing equipment and provides a written assessment to the requesting department, Purchasing Office, and Commissioners' Court before court approval. This procedure is to ensure compatibility and standardization. IS may provide the Purchasing Agent with a list of the goods and services that have been pre-approved and need no additional review. To purchase any other data processing goods or services, the User Department must obtain IS approval.

***"High Technology Item"*** means a service, equipment or good of a highly technical nature, including:

(a) data processing equipment and software / firmware used in conjunction with data processing equipment, any devices connected to or used in conjunction with the county intra-net;

(b) telecommunications, radio and microwave systems;

(c) electronic distributed control systems, including building energy management systems; and technical services related to the above items.

(2) DIR Catalogue Purchasing Program

(a) The requesting department must clearly and accurately describe the goods/services to be purchased

(b) High Technology items may be purchased by RFQ through the DIR system.

### **D. Professional and Personal Services**

(1) Definition of Professional Services

Professional services are services provided by or within the scope of services provided by licensed physicians, optometrists, dentists, architects, funeral directors, certified public accountants, land surveyors, artists, psychologists, school teachers and professional engineers. (LGC§ 215.021 et seq.)

Professional services are procured through the Request for Proposal process. The selection of providers of professional services will be based on the competency of the firm or individuals--not on competitive bidding. Departments requiring professional services must review the experience and capabilities of the prospective service providers through proposals and interviews.

(2) Definition of Personal Services

Personal Services contracted to be performed by a specific person.

(3) Procedure

(a) Solicitation of Proposals

Purchasing will send the RFP to potential professional / personal service providers. Purchasing Agent will order advertisement of the request. The service providers will submit proposals to the Purchasing Department. Providers will not be required to propose fees in the initial response. Providers may be required to state projected number of hours or number of staff required to provide service requested. The Purchasing Department shall open proposals on the date specified in the request for proposals. **Opening of Proposals is Confidential** identified as such in the proposal, and shall not be publicly disclosed, but the proposal shall be open for public inspection following award of the contract by the Commissioners' Court as to the extent allowed by law.

(b) Evaluation of the Proposals

Purchasing Department and submitting Department may conduct further discussions and negotiations with responsible offerers after the opening. All offerers receive fair and equitable treatment with regard to such discussions and negotiations. An evaluation of proposals shall be made by the Purchasing Department or by committee. A proposal evaluation committee may be appointed by the Commissioners' Court or by the purchasing agent. The evaluation of each service provider will cover at least the following:

General quality and responsiveness of proposals received,

Organization and personnel, proposed approach completion of project (hours to complete, number of staff assigned to project, ect.) and delivery schedule.

Professional Certifications held by the proposer.

Proof of general liability, workers compensation and professional insurance if applicable.

Once the Purchasing Department, submitting Department (or committee) determines the best qualified proposer the Purchasing Department will enter into price negotiations with that proposer.

(c) Recommendation

After completion of evaluation and pricing, Purchasing will arrange an agenda date, notify the Department, and transmit the recommendation to the Commissioners' Court.

The Commissioners' Court will award the contract. A purchase order will be issued for the services after the contract award has been made.

The County Judge must approve any exceptions to the procedures outlined above for professional services, in writing. On a case-by-case basis, the County Judge will determine whether to approve exceptions to these procedures.

(4) Confidentiality of Proposals

The Hunt County Purchasing Office uses a confidentiality memorandum (Exhibit "B") to ensure compliance with the ethics policy for keeping proprietary information confidential. Before the evaluation of confidential proposals, the Purchasing Office sends a memorandum to evaluation committee members for signature and certification. The memorandum contains the following requirements to which the evaluation committee member is expected to adhere during the course of the competitive process and **until an award is approved by the Commissioners' Court.**

All information in the vendor's response is to be kept confidential.

- No discussion of the proposal is to occur with anyone outside of the proposal evaluation committee members.
- Proposal responses are not to be reproduced and should be returned to the designated Purchasing Office staff after evaluation is completed.
- The Purchasing Office is the sole point of communication for any questions from vendors that arise during the evaluation. All questions and requests for information should be referred to the Purchasing Office. There should not be any discussions between evaluation committee members and vendors during the evaluation and award process.
- Evaluation committee members must be familiar with and read the Hunt County Purchasing Code of Ethics and agree to comply with its requirements including reporting any potential conflict of interest, undue influence from vendors, or attempted communications from vendors during the evaluation process. Compliance with the requirements outlined in the Confidentiality Memorandum is crucial. If proprietary information of any vendor is compromised during the procurement process all proposals may be rejected

E. Emergency Purchases [LGC §262.024 (1) (2) (3)]

Emergency purchases are authorized in extremely limited circumstances: (a) in the event of public calamity for the benefit of the county citizens or to protect public property; (b) in order to protect the public health or safety of county residents; or (c) when made necessary by unforeseen damage to public property. Depending upon the time of the emergency and type of purchase necessary, one of the following procedures should be followed:

- (1) After hour's emergency -- in such instances the department must take the necessary action to obtain the needed goods or services. If, however, the Department is aware that the purchase involves an expenditure of \$100,000 or more, a reasonable effort should be made to contact the County Judge to notify him or his designated representative that the emergency exists. The next working day the Department should contact Purchasing to obtain a requisition and purchase order; procedures applicable to phone in purchase orders may be followed.
- (2) Emergency during working hours -- (a) If the purchase is for less than \$100,000 and budgeted funds are available, phone-in purchase order procedures may be utilized; (b) if the purchase is less than \$100,000 and funds are not available, approval of the County Judge must be obtained by Purchasing prior to acquiring the item using the phone in purchase order procedure; or (c) if the purchase is in excess of \$100,000, Purchasing must obtain approval of the 3 members of the Court for the purchase and then utilize phone in purchase order procedures.

#### **F. Sole-Source Purchases**

An item valued in excess of \$100,000, which would otherwise be purchased by competitive bidding, may be purchased without the necessity of bidding if it is available from only one source. Typical items in this category include patented or copyrighted material, secret processes, natural monopolies, utility services, captive replacement parts or components for equipment, and films, manuscripts or books. Such items may be purchased from a sole source without competitive bidding only after the Purchasing Administrator, in writing, certifies the existence of only one source to the Commissioners' Court and the Court enters a finding of such in its minutes.

Any item with a value less than \$100,000 may also be purchased from a sole source vendor. Any department wishing to declare a vendor as a sole source should make a notation on the requisition to that effect. The department shall forward in writing, to the purchasing department a statement detailing why the vendor is to be considered sole source. The purchasing department may approve the sole source requirement or may place the department request on the agenda for the Commissioners' Court to approve.

#### **G. Grant Funded Purchases**

Purchases funded by Grants shall be made in accordance with the procedures detailed within this manual, in accordance with the provisions of LGC §262 and any special purchasing provisions required by the grant. Vendors awarded grant purchases will be subject to Debarment verification as per the Excluded Parties List System (EPLS); 31 U.S.C. 6101, 48CFR 9.404 and Uniform Grant Management Standards (UGMS) 2004.

#### **H. Equipment Maintenance**

Maintenance service on County owned equipment is arranged through the Purchasing Department. The Department requiring maintenance should contact Purchasing, which will issue a Purchase Order to the appropriate vendor.

- (1) Equipment under warranty or existing maintenance contract -- Department will contact the appropriate vendor and arrange for the service. After the equipment is serviced, the Department

should forward the service ticket to Auditing for processing. If the service was preformed as a “No Charge” warranty, Auditing will not require a service ticket.

## (2) Service of Other Equipment

- (a) Department will contact vendor(s) and obtain estimate(s) of cost. If estimated cost is not justified (e.g., cost of repair exceeds replacement cost or value of equipment), Department will advise the Purchasing and declare the equipment surplus. If the Department objects to the equipment being declared surplus, the final decision on whether or not to declare the equipment surplus will be made by the Commissioners’ Court.
- (b) If the cost of maintenance is justified, Purchasing will prepare a purchase order, notify the vendor of the purchase order, and arrange for the service.
- (c) After the equipment has been serviced, the Department will forward the service ticket to Auditing.

## **I. Impracticality of Preparing Detailed Specifications**

If the Purchasing Agent determines that it is impractical to prepare detailed specifications for an item to support the award of a purchase contract, the Purchasing Agent shall notify Commissioners’ Court that it is impractical to prepare detailed specifications for an item to support the award of a purchase contract, Commissioners’ Court shall instruct the Purchasing Agent to follow purchasing procedures as prescribed in “Alternative Multistep Competitive Proposal”, Section §262.0295 of the Local Government Code.

## **IX. INSPECTING AND TESTING UPON RECEIPT**

It is the responsibility of each County department to see that all purchased items conform to the quantity, quality and specifications of the order. After delivery of the merchandise to the requesting department, the department must determine whether the goods are acceptable. If they are not, the Purchasing Department must immediately be notified of the reasons why the merchandise is not acceptable. The Purchasing Department will then compels replacement, cancel the order, or take other appropriate action to obtain correct merchandise.

## **X. PURCHASE ORDER AND DELIVERY**

The successful offeror shall not deliver products or provide services without a Hunt County Purchase Order, signed by an authorized agent of the Hunt County Purchasing Department. The fastest, most reasonable delivery time shall be indicated by the offeror in the proper place on the Pricing/Delivery Information form. Any special information concerning delivery should also be included, on a separate sheet, if necessary. All items shall be shipped **F.O.B. INSIDE DELIVERY** unless otherwise stated in the specifications. This shall be understood to include bringing merchandise to the appropriate room or place designated by the using department. Every tender or delivery of goods must fully comply with all provisions of these requirements and the specifications including time, delivery and quality. Nonconformance shall constitute a breach, which must be rectified prior to expiration of the time for performance. Failure to rectify within the performance period will be considered cause to reject future deliveries and cancellation of the contract by Hunt

County without prejudice to other remedies provided by the law. **Where delivery times are critical, Hunt County reserves the right to award accordingly.**

## **XI. COUNTY-OWNED SUPPLIES AND EQUIPMENT**

All County-owned supplies, equipment and machinery must be used only for County business. Elected Officials and Department Heads are responsible for the proper accounting for, maintenance of and use of County equipment.

### **A. Receipt of New Property -- Tagging**

New expendable equipment with a value of \$500 to \$9,999.99 will be tagged with a **GREEN** Hunt County Property tag with a sequential number; capital equipment with a value of \$10,000.00 or more will be tagged with a **BLUE** Hunt County Property tag with a sequential number; any equipment purchased with grant funds will be tagged with a **RED** Hunt County Property tag with a sequential number for inventory purposes by the Purchasing Department. Should the tagging of weapons be impractical the serial number of the weapon shall be used as the county property tag number.

### **B. Elected Official and Department Head Responsibility**

Each Elected Official and Department Head is responsible for the custody and care of county property assigned to their respective department. County property may be used only for County purposes. Each Elected Official and Department Head is responsible for ensuring that assets are tracked and secured in a manner that is most likely to prevent theft, loss, damage or misuse of assets. Care shall be taken to insure all necessary precautions are in place so that assets are secured.

### **C. Controlled Property**

Each Elected Official and Department Head shall maintain control over property not defined under the capitalization policy, yet considered high-risk items. High-risk items include, but are not limited to, weapons, electronics, tools, and computer peripherals. Each Elected Official or Department Head to track such items shall establish internal procedures. The County Auditor upon request shall make reports of high-risk items available for inspection.

The Information Systems Department shall maintain an inventory of all computer equipment for the purpose of tracking and maintenance. This inventory does not absolve Elected Officials and Department Heads from the responsibility of assuring stewardship of the property or the reporting requirements for the property.

### **D. Transfer of Property (LGC§262.011(j))**

The Purchasing Agent is authorized by Commissioners' Court to transfer supplies, materials and equipment among the various County departments. The transfer or trade of any equipment (not limited to capital items) from one department to another must be handled through Purchasing. In the event an item is no longer required, the department shall notify the Purchasing Department in writing. The Purchasing Department will direct appropriate action to be taken.

The Purchasing Department and other departments are encouraged to make inquiries as to unused or unneeded equipment in the possession of other departments, but the decision as to whether the property is unneeded ultimately rests with the Purchasing Agent as authorized by Commissioners' Court.

The Purchasing Agent shall furnish a list of transferred supplies, materials and equipment to the County Auditor.

**E. Missing or Stolen Property**

Lost or stolen property must be reported immediately. The Elected/Appointed Official or Department Head must make reports when an item is identified as “missing” and the department cannot prove that theft occurred. Assets identified as “missing” shall not be immediately removed from the inventory listing, but shall be retained until a thorough search can be made to determine that the asset is not located elsewhere in the county. The user department is required to make a thorough and adequate search for the missing item and document steps taken to locate the asset.

After the initial physical inventory certification is provided to a County Department, items not located during subsequent inventories will be subject to a timeframe before allowing any removal of assets from inventory.

To allow sufficient time to find the item, “missing” assets will be retained on the inventory list for a one year period. At the end of the one year period in which a missing item is not located, the responsible Elected/Appointed Official or Department Head shall provide a memo to the Purchasing Agent and the Commissioners’ Court outlining the circumstances surrounding the missing item. The Elected/Appointed Official or Department Head shall also jointly present to the Commissioners’ Court voting session in which the Purchasing Agent makes a request of the Commissioners’ Court to remove the item from inventory.

If an item is stolen, the Elected/Appointed Official or Department Head shall report the stolen item(s) from their department immediately to the Hunt County Sheriff’s Office and the Hunt County Risk Manager and shall complete an incident report. The user department shall send a copy of the incident report to the Purchasing Department.

**F. Disposal of Surplus or Salvage Property (LGC§263, Subchapter D)**

The Purchasing Agent may periodically request that the Commissioners’ Court declare property “surplus” (in excess of needs, but still useful) or “salvage” (valueless property). Surplus or salvage property may be sold by competitive bid or auction by the Purchasing Agent as provided in Section §263 of the Local Government Code. Surplus or salvage property is not limited to capital items as defined herein.

County employees will be given the same opportunity afforded to other persons to bid on and purchase surplus properties offered at a public sale or auction. Purchasing Department employees (directly or through third party) **may not** bid on items sold at auction.

No Purchasing Department employee or his or her immediate family may bid on property sold through a Sealed Bid Sale. Purchasing Department employees may not knowingly purchase or receive merchandise through a third party through a Sealed Bid Sale.

Hunt County may sell, donate surplus or salvage property to another county, political subdivision or non-profit organization within the county, or offer the property as a trade-in for new property of the same general type with approval of the Commissioner’s Court. The Commissioners’ Court may order

the property to be destroyed or disposed of if bids are not received from a public auction or sealed bid sale.

**G. Inventory Arrangements – Resignation, Retirement or Removal**

When an Elected Official or a Department Head leaves his or her County employment, arrangements must be made with auditing for an inventory far enough in advance to insure that the inventory can be taken before the termination date. The Auditor / Purchasing department will provide to the Commissioners' Court a full report, noting any discrepancies between property actually located and property listed on the inventory. The Elected/Appointed Official or Department Head will be personally accountable to the Court for all missing items.

**H. Annual Inventory**

On July 1 of each year, the Purchasing Agent shall file an inventory of all property of the county with the District Judges, County Auditor and Commissioners' Court based on the information submitted by the Elected/Appointed Officials and Department Heads for the purpose of financial accounting and inventory control.

**I. Annual Inventory of Weapons**

Any department that is in the possession of a Hunt County issued firearm(s) will have their firearm(s) inventory done on an Annual basis.

## **XII. LEGAL BASIS FOR PURCHASING**

**A. Govt. Code Chapter §2254 -- Professional Services Procurement Act**

Counties may not bid contracts for professional services. These contracts instead must be awarded on the basis of "demonstrated competence and qualification for the type of professional services to be performed." Fees must be "fair and reasonable," consistent with and not in excess of published recommended practices and fees of applicable professional organizations, and not in excess of any maximums specified by State law. "Professional services" includes services within the scope of the practice of: accounting, architecture, optometry, professional engineering; this includes services performed by any licensed architect, optometrist, physician, surgeon, certified public accountant or registered professional engineer in connection with his or her professional employment or practice.

**B. Code Chapter §271, Subch. D -- Purchase Under State Contract**

The State Purchasing and General Services Commission may perform purchasing services for local governments (including counties). The county may participate by adopting a resolution. The contents required in the resolution are stated in the statute. A county that purchases under state contract satisfies all competitive bidding laws. As per Resolution #11132007 adopted by the Commissioners' Court 11/13/07.

**C. Code Chapter §171 -- Conflict of Interest**



Ownership of certain property or business interests may require that a local public official refrain from participation in votes or decisions and/or refrain from certain acts if the vote, decision or act involves the business interests or property owned by the public official or by a person related to the public official within the second degree of consanguinity or affinity.

“Local public official” includes members of the county governing body or other county officers, whether elected or appointed, paid or unpaid.

A person is deemed to have a substantial interest in a business entity “if”:

- (1) Ownership of ten per cent (10%) or more of voting stock or shares of the business entity, or ownership of \$2,500 or more of the fair market value of the business entity; or
- (2) Proceeds received from the business entity exceed ten per cent (10%) of the person’s gross income for the prior year.

An outside consultant or contractor is prohibited from submitting a bid or proposal for services on a Hunt County project which the consultant or contractor was a designer or other previous contributor, or was an affiliate, subsidiary, joint venture or was in any other manner associated by ownership to any party that was a designer or other previous contributor. If such a consultant or contractor submits a prohibited bid or proposal, that bid or proposal shall be disqualified on the basis of conflict of interest, no matter when the conflict is discovered by Hunt County. Potential bidders are advised that they may have to disclose requirements pursuant to Texas Local Government Code, Chapter 176. This law requires persons desiring to do business with the County to disclose any gifts valued in excess of \$100.00 given to any County Official’s family member, or employment of any County Official’s family member during the preceding twelve (12) month period. This disclosure questionnaire must be filed with the Hunt County Clerk. Refer to Texas Local Government Code, Chapter 176 for details of this law.

A person is deemed to have a substantial interest in real property if the interest, whether involving equitable or legal ownership, has a fair market value equal to or exceeding \$2,500. A local public official is deemed to have a substantial interest in the business entity or in land if a person related to the official within the second degree by consanguinity or affinity has a substantial interest in said business entity or land as defined above.

If the local public official has a substantial interest in a business that seeks to do business with the county, the official must file with the county clerk an affidavit stating clearly the nature and extent of his interest. The public official must then abstain from participation in any matter involving or between the county and the business in which he has the substantial interest. In particular, this includes abstention from votes or other decisions regarding the business entity, if it is reasonably foreseeable that action taken on the matter would or might confer an economic benefit on the business. The official must not act as surety for the business if it has work, business or contracts with the county. An official may not knowingly act as a surety on any official bond required of an officer of the county. A violation of any of these is a crime (CLASS A misdemeanor).

The County Commissioners’ Court may, however, contract for services or personal property with a business entity in which a member of the court has a substantial interest if the business entity (1)

is the only business entity which can provide the needed service or property within the jurisdiction of the Commissioners' Court, and (2) bids on the contract.

The Commissioners' Court must take a separate vote on any budget item that is specifically concerned with a contract involving a business entity in which a member of the Court has a substantial interest. The Commissioner having the substantial interest may not participate in that separate vote; he may, however, vote on the final budget if: (1) he has otherwise complied with the requirements of Chapter 171, some of which are indicated above, and (2) the matter regarding the business entity with which the member is concerned by virtue of his substantial interest has been resolved. (Formerly article 988b)

#### **D. Certificate of Interested Parties (Form 1295):**

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a government entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

The Texas Ethics Commission was required to adopt rules necessary to implement that law, prescribe the disclosure of interested parties form, and post a copy of the form on the commission's website. The commission adopted the Certificate of Interested Parties for (Form 1295) on October 5, 2015. The commission also adopted new rules on November 30, 2015, to implement the law.

#### **E. Organization Name – House Bill 89 Verification**

House Bill 89, effective September 1, 2017, amended the Texas Government Code to add Chapter 2270, Prohibition on Contracts with Companies Boycotting Israel. Effective September 1, 2017, a state agency and a political subdivision (which includes a county) may not enter in a contract with a company for goods or services unless the contract contains written verification from the company that: (i) it does not Boycott Israel: and (ii) will not Boycott Israel during the term of the contract.

Pursuant to Section 2270.001, Texas Government Code:

1. "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on , or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and
2. "Company" means a for-profit sole proprietorship, organization, corporation, partnership, joint venture, limited partnership, limited liability partnership, or any limited liability company, including wholly owned subsidiary , majority-owned subsidiary, parent company or affiliate of those entities or business associations that exist to make profit.

**F. Code Chapter §262, Subch. A -- County Contracting Agent**

The Commissioners' Court may at its discretion appoint an agent with authority to contract on behalf of the county for (1) erecting or repairing county buildings; (2) supervising same; or (3) any other purpose authorized by law. Any contract or other act of such an agent that is properly executed on behalf of the county and is within the agent's authority is binding on the county for all purposes. (Formerly article 1580)

**G. Code Chapter §262, Subch. B -- County Purchasing Agent**

A board composed of the judges of the district courts in a county and the county judge, by majority vote, may appoint a suitable person to act as the county purchasing agent.

The purchasing agent's term of office is two (2) years. The agent is subject to removal by the judges. A \$5,000.00 performance bond is required of the agent.

If appointed, the county purchasing agent "shall" purchase all supplies; materials and equipment required or used by the county and "shall" contract for all repairs to county property, except purchases and contract that are required to be obtained by competitive bid. The purchasing agent also supervised all purchases made by competitive bid.

It is unlawful (and there may be criminal penalties) for any other person, firm or corporation, other than the County Purchasing Agent, to purchase any supplies, materials or equipment or to contract for repairs to property used by the county. Section §262.011(d), (m). The county auditor may not draw or approve and the county treasurer may not honor a warrant for any purchase unless that purchase has been made by the County Purchasing Agent or by competitive bid as required by law.

The Agent has a number of other duties that are specifically set out in Chapter §262, Subch. B. e.g., the County Purchasing Agent may cooperate with a City Purchasing Agent to purchase items in volume. The County Purchasing Agent is responsible for filing with the County Auditor, the Commissioners' Court on each July 1st and inventory of all county property on hand and belonging to the county.

In order to prevent unnecessary purchases, the County Purchasing Agent shall transfer any county supplies, materials and equipment from any department not needing them to another department requiring them. Upon so doing, the Purchasing Agent shall furnish the departments with a form to sign to transfer such item.

The County Purchasing Agent may have assistants. The Agent and her assistants may have any help, equipment, supplies and/or traveling expenses that may be approved and considered advisable by the Commissioners' Court.

The authority of the County Purchasing Agent applies to all purchases of supplies, materials and equipment for the use of the county and its officers, including purchases made by officers paid out of fees of the office or otherwise, regardless of whether the purchase contract is made by officers paid out of fees of the office or otherwise, regardless of whether the purchase contract is made by the commissioners' court or any other officer authorized to bind the county by contract.

## **H. Code Chapter §263, Subch. D -- Disposition of Salvage or Surplus Property**

Surplus property is property in excess of needs, but property that still has some usefulness. Salvage property is defined as property having no value for the purpose for which it was originally purchased.

Surplus or salvage property may be sold by competitive bid or may be auctioned. It also may be offered as a trade-in on new property of the same general type. If the Commissioners' Court cannot sell or trade in the property, the property can be destroyed.

## **I. Code Chapter §262, Subch. C -- County Purchasing Act (Competitive Bidding)**

The legislative scheme contained in the newly codified Local Government Code continues the substance of (now repealed) Article §2368a-5, and became effective September 1, 1987. It is a comprehensive county purchasing statute. The statute includes:

1. Competitive bidding requirements, procedures and exemptions;
2. An alternative competitive request scheme and proposal procedure for insurance or high technology items (see section §262.030); and
3. Bond requirements for bidders.

The competitive bidding procedures must be strictly complied with except for certain specific exemptions enumerated in the statute. These include certain emergencies and cases involving sole suppliers. Failure to follow the bidding requirements of the act may subject the contract to injunction to prohibit its performance. See section §262.033.

All separate, sequential or component purchases of items ordered or purchased by the same officer or department from the same supplier in any attempt to avoid the bidding requirements are treated as parts of a single purchase or contract. §262.023(c). Any county officer or employee who knowingly or intentionally makes or authorizes separate, sequential or component purchases in avoidance of the competitive bidding requirements is guilty of a CLASS B misdemeanor. Automatic and immediate removal of the officer or employee from his county office or position results upon final conviction. §262.034(a).

**Intentional or knowing violation of the subchapter is a CLASS C misdemeanor.**

## **J. Code Chapter §111.093 & §113 -- Approval of Claims by County Auditor**

According to Texas Local Government Code, section §111.093, the County Auditor shall:

- Charge all purchase orders, requisitions, contracts, and salary and labor allowances to the appropriate account, and
- Certify the budget contains an ample provision for the obligation and that funds are or will be available to pay the obligation when due.

Each claim, bill and account "against the county" must be filed with the county auditor, allowing sufficient time for the auditor to "examine and approve" the claim before the meeting of the Commissioners' Court at which time it is to be approved. Such claim, bill or account may not be paid

or allowed until it has been “examined and approved” by the county auditor. Section §113.064(a). The auditor may not audit or approve a claim unless the claim was “incurred as provided by law.”

The auditor may not audit or approve and account (i.e., claim) for the purchase of supplies or materials for the county unless a requisition properly signed by the officer ordering the supplies or materials and approved by the county judge is attached to the account (claim). Section §113.901(a). The county judge may, by written order, waive the requirement that he approve requisitions. If this approval requirement is waived, all claims must be approved by the Commissioners’ Court in open court.

### **XIII. PURCHASING CARD POLICY AND PROCEDURES**

#### **1. PURPOSE**

To establish policies and procedures for procuring goods and/or services using a Purchasing Card. The Purchasing card program is designed to streamline the purchasing and accounts payable process by reducing the paperwork generated by small dollar, high volume transactions, providing immediate access to goods and/or services, and facilitating quick payment to vendors.

This policy includes procedures for the following:

- Establishing Purchasing Limits
- Establishing Allowable/Prohibited Purchases
- Security
- Charge Transaction Declines
- Merchandise Returns
- Monthly Statements and Reports
- Reconciliation
- Payment Processing
- Records Management

#### **2. SCOPE**

This policy applies to all Hunt County departments and individual, permanent employees. All Purchasing Cards shall be governed by this policy and used in a manner that complies with State Law and Hunt County policy regulating the procurement of goods and services.

#### **3. POLICY**

Employees who use the Purchasing Card to perform official County business will use the Card as provided in this policy.

#### **4. AFTER THE FACT PURCHASES (ATF)**

Under no circumstances shall any employee of the Hunt County authorize a purchase without a formal means of order placement. An order is official when an employee pays with his/her Procurement Card, orders from a blanket purchase order/contract or a Signed Purchase Order is faxed to the vendor, by means of an approved requisition. This offense is punishable per Local Government Code Chapter 262 Section 262.034 and Section 262.035 as a Class B Misdemeanor and if convicted results in immediate removal from office or employment of that person. For four years after the date of the final conviction, the removed officer or employee is ineligible to be a candidate for or to be appointed or elected to a public office in this state; to be employed by the county with which the person served when the offense occurred; to receive any compensation through a contract with that county. Please reference Section Two for further information concerning unauthorized purchases.

#### **5. DEFINITIONS**

**Purchasing Card** – The Purchasing Card is a commercial credit card for small dollar purchases of goods and/or services necessary for official county business. The Purchasing Card may be issued to an individual, permanent employee for purchases by the designated employee only.

**Purchasing Card Program Administrator** – The County Purchasing Agent will be the single point of contact between Hunt County and the Bank for general oversight of the Purchasing Card Program.

**Departmental Purchasing Card Coordinator** – An individual or backup approved by the Elected Official or Department Head who is responsible for administration and control of the departmental implementation of the Purchasing Card Policies and Procedures.

**Purchasing Cardholders** – Full-time, permanent employees that have been designated by the Elected Official or Department Head to be issued a Purchasing Card in their name for use under these policies and procedures.

**Bank** – The bank selected by the County to provide the Purchasing Card program.

## **6. RESPONSIBILITIES**

It shall be the responsibility of the Purchasing Department to:

Develop policy and procedures for the use of Purchasing Cards that comply with State Law.

Administer the Purchasing Card Program, to include the following responsibilities:

- Serve as primary contact with the Bank for Purchasing Cards.
- Serve as primary contact with the Departmental Purchasing Card Coordinators.
- Approve/process applications for the issuance of Purchasing Cards for users in compliance with the requirements as stated in the policy.
- Establish guidelines and criteria for transactions and cumulative dollar limits for Purchasing Cards.
- Approve/process changes to Cardholder limits and restrictions as authorized by Elected Officials, Department Heads or the Departmental Purchasing Card Coordinators.
- Keep a current list of Cardholders, card numbers and card limits.
- Coordinate training on Purchasing Card usage and small purchase policies and procedures. Potential cardholders must receive training prior to receiving a Purchasing Card.
- Review departmental compliance/submission of approved Monthly Statement reconciliations.
- Cancel and suspend cards as requested by Elected Officials, Department Heads, Departmental Purchasing Card Coordinators.
- Coordinate any system updates needed to interface with the County's accounting system.
- Review transactions for verification of small dollar purchases and price agreement opportunities.
- Cardholders are considered assistants of the Purchasing Agent for purposes of Purchasing Card use. Therefore, final authority for usage and control resides with the Purchasing Agent. The Purchasing Agent may cancel a Purchasing Card at any time without cause.
- Spending limits may be adjusted at the Purchasing Agent's discretion to accommodate emergency purchases.
- Maintains and updates Purchasing Card Guidelines.

Provide direction for vendor enrollment.

It shall be the responsibility of the Auditor's Department to:

Establish General Ledger hierarchy for Purchasing Card purchases in conjunction with current financial software program.

Review Monthly Billing Statement from the Bank and supporting documentation from the Departments ensuring timely payment of monthly indebtedness.

Process General Ledger interface for monthly County Purchasing Card purchases.

Conduct random audits of Purchasing Card transactions to act as a check on departments carrying out their responsibility for audit and compliance with State Law and County policies.

It shall be the responsibility of all Elected Officials or Department Heads to:

Designate which employees will receive a Purchasing Card and set limits for each Cardholder's account. Cardholder limits will include monthly spending limits, number of transactions per day, number of transactions per billing cycle, and merchant category restrictions. These limits will be based on the Cardholder's purchasing requirements and will not exceed the limits established by Purchasing Card Program Administrator.

Approve all departmental transactions for processing by Auditor's Office.

Recommend suspension or cancellation of a card to Purchasing Card Program Administrator.

Notify Purchasing Card Administrator to cancel card privileges, if employee is terminated or changes positions; collection of card from employees.

Designate Departmental Purchasing Card Coordinator (and alternate) for each Department who will be responsible for the following:

- Verify that information on Requests for Purchasing Cards is correct and that Purchasing Cards are issued within the guidelines established by Purchasing Card Program Administrator. (Exhibit #1)

- Monitor purchases made by Cardholders.

- Enforce timely compliance of submission requirements; review receipts and Monthly Statement reconciliations for submission to the Auditor

- Review Purchasing Card applications or changes to card controls prior to submission.

- Designate a system to maintain receipts and reconcile to the Monthly Statement for each Cardholder reporting to him/her.

Designated Cardholders will be responsible for the following:

- Read and sign a Purchasing Card Cardholder Agreement (Exhibit #2) prior to being issued a Purchasing Card.

- **Keep the Purchasing Card in their possession, not allow anyone else to use the Purchasing Card issued in their name.**

- Assume responsibility for all purchases made with the Purchasing Card, adhering to this policy insuring that no unauthorized purchases are made. Unauthorized purchases could be considered misappropriation of County funds. Validate that the merchandise is received.

- **Maintain the Purchasing Card data in a secure location at all times.**

- Purchase from term contracts any items that are available on contract.

- Inform merchant of tax exempt status; cardholder will be responsible for reimbursing the tax amount to the County.

- Keep receipts and update transaction log on a daily basis. Cardholder will be held personally responsible for items purchased without the supporting documentation.

- Immediately report lost or stolen cards to the Bank toll-free number and the Purchasing Card Program Administrator by phone and then notify the Department Purchasing Card Coordinator on Lost/Stolen Form (Exhibit #3) to be forwarded to the Purchasing Card Program Administrator.

- Make every reasonable effort to resolve disputed purchases with the vendor.

- Immediately report all unresolved disputed purchases to the Departmental Purchasing Card Coordinator using the Purchasing Card Dispute Form (Exhibit #4).

## **7. PROCEDURES**

### **Purchasing Limits:**

Each Department will establish limits for individual Purchasing Cards and aggregate limits for combined card totals. The maximum amount of a single item purchase of supplies or materials will not exceed \$500. In all cases, a monthly maximum per card will be established by the Elected Official or Department Head. Any purchases in excess of the \$500 amount will automatically be rejected by the Purchasing card system. If travel expenses might be incurred that exceed \$500 amount, user must notify

purchasing to request an increase in card amount or request a travel check in advance. Any purchases over the established dollar limit must be approved by the Purchasing Card Administrator. For Purchases of this nature and purchases that cannot be obtained any other way, the Purchasing Department will have an unlimited purchasing card.

**Purchases Allowed with the Purchasing Card** – Purchasing Cards may be used to purchase any item and/or service for immediate use not prohibited by law, this policy, or other policies approved by the Commissioners' Court. The total purchase with the Purchasing Card will not exceed the limits established for that Card. All other purchasing policies remain in effect and Purchasing Cards should not be used to circumvent them.

**Purchases Prohibited with the Purchasing Card:**

- Personal expenditures
- Cash Advances, refunds or gift cards.
- Sales tax except in cases where State law does not exempt local governments.
- Purchases that exceed the County's policy for purchases of equipment of any type.
- Entertainment of any kind, including the purchase of alcohol.
- Purchases of items /services under contract, unless purchasing from the contracted vendor or an emergency exception is granted.
- Printing
- Internet purchases without prior written approval from Purchasing Department
- Separate, sequential, and component purchases or transactions made with the intent to circumvent State Law or County policy.
- Purchases that are split to stay within card transaction limits.
- Transaction amounts greater than Cardholder's transaction limit.
- Telephone calls/monthly service
- Weapons, Firearms, Ammunition
- Animals (including dogs used in police work)
- Consulting services.
- Inventoried assets
- Prescription drugs or over the counter medications/drugs. (Exception: prisoner items with Wal-Mart card only)
- Decorations
- Hazardous chemicals or materials
- Organization Memberships, Charitable and Social Services, Associations, Civic, Social, and Fraternal.
- Purchases involving equipment trade-in.
- Other purchases specifically excluded in other County policies or by law.

The items shown above are intended to guide you in which form to use for processing payments and orders.

These are not representative of all restrictions, and may change without notice. It is recommended that you contact the Purchasing Card Administrator to ensure the proper expenditure of funds.

**Security** – The Cardholder is responsible for the security of the card. This card should be treated with the same level of care as the Cardholder would use with his/her own personal charge cards.

**Supporting Documentation for Card Purchases** – All transactions must be supported by receipts or credit slips. In instances where the receipt is lost, **Cardholder** must obtain a copy at their own expense from the Bank or vendor. For purchases made over the phone or on the Internet, a logging



system with unique transaction identifiers should be maintained and a faxed copy or e-mail confirmation of the order retained as the receipt. Written authorization from Purchasing Department for internet purchase must be attached.

**Declined Transactions** – If a Vendor receives a “Decline” response from the Bank after attempting to put through a Purchasing Card transaction, Cardholders may contact the Bank’s customer service toll free number to determine the cause for decline. It may be necessary to contact the Purchasing Card Department Coordinator with the following information for resolution:

- Account number
- Business where decline occurred
- Total transaction amount of the decline
- Date the decline occurred

After determining the reason for the “Decline” it may be necessary for the Purchasing Card Department Coordinator to contact the Purchasing Card Administrator for temporary or permanent changes to the Cardholder’s control limits to process the transaction.

**Using the Card** – A need for an item and/or service is established when it is not readily available through a County contract. In making a purchase, the Cardholder must abide by the following rules:

- The Cardholder must first get a Purchase Order with the estimated amount to be purchased.

After the purchase is final the Purchasing Department is to be notified to update PO. The only exception is emergency purchases made after hours or on weekends and holidays.

- The Cardholder must ensure that the item or service purchased is not restricted (see Purchases restricted with purchasing card).

## **XIV. DEFINITIONS**

**Advertisement** – A public notice put in a newspaper of general circulation containing information about a solicitation in compliance with legal requirements.

**Alternate Delivery Method** – A method of procuring construction services other than “traditional” competitive bidding. Methods may include design build, construction manager (either at risk or as agent), and job order.

**Amendment/Addendum** – A document used to change the provisions of a Solicitation. Addendum is the preferred term in the Construction Industry.

**Annual Term Contract** – A recurring contract for goods or services, usually in effect on a 12 month basis.

**Auditor** – Hunt County Auditor and designated representatives.

**Best Value** – The best available offer, in the county’s best interest. Based on all factors including software cost, hardware costs, overall life cycle cost of equipment, the estimated cost or increased cost of employee training, employee productivity, installation and maintenance costs.

**Bid Deposit** – A deposit required of bidders to protect the county if a low bidder withdraws its bid or fails to enter into a contract. Acceptable forms of bid deposits are limited to: cashier’s check, certified check, or irrevocable letter of credit issued by a financial institution subject to the laws of Texas and entered on a US Department of the Treasury’s listing of approved sureties; a surety or blanket bond from a company chartered or authorized to do business in Texas.

**Bidder** – A vendor that submits a bid including anyone acting on behalf of the vendor that submits a bid, such as agents, employees, and representatives.

**Bidders List** - An automated list of vendors who stated in writing an interest in submitting bids for particular categories of goods and services.

**Centralized Master Bidders List (CMBL)** – A list maintained by the Texas Building and Procurement Commission containing the names and addresses of prospective bidders.

**Change Order** – A document used in construction contracts to change the contract by modifying the specifications, increasing or decreasing the cost, adjusting the time for performance or changes the goods or services to be delivered.

**Commissioners' Court** – Hunt County Commissioners' Court.

**Commodity Code** – The accounting system classification of goods and services with a unique number assigned to each description.

**Competitive Bidding** – Process that allows available vendors compete with each other to provide goods or services.

**Competitive Proposal Process** – Process that allows available vendors to compete with each other to provide goods and services that permits flexibility in product solicitation and negotiation in compliance with Tex. Loc. Gov't Code, section §262.030.

**Component Purchases** – A series of purchases of component parts of goods that are normally purchased as a whole.

**Consultant** – A person who provides or proposes to provide advice and counsel in a specialized area.

**Contract** – A formal, written agreement executed by the county and a vendor containing the terms and conditions under which goods or services are furnished to the County which commits the County's funds.

**Contractor** – A vendor who has been awarded a contract by Hunt County.

**County** – Hunt County.

**County Attorney** – Hunt County Attorney or designated representatives.

**County Clerk** – Hunt County Clerk or designated representatives.

**Customers** – The County's departments and officers

**Cycle Time** – The time between when a purchase requisition is received in the Purchasing Office and placement of a purchase order with a vendor. Cycle time does not include the time required for delivery or the time it takes for the Purchasing Office to obtain corrections to line item accounts, commodity codes, and other necessary information.

**Design Build Contract** – A single contract with a vendor for the design and construction of a facility that includes an engineer or architect and builder qualified to engage in building construction in Texas.

**Design Criteria Package** – A set of documents that provides sufficient information to permit a vendor to prepare a response to County request for qualifications and any additional information requested, including criteria for selection.

**Department** – All county and precinct offices and subdivisions of them, as well as district offices and subdivisions when the purchases are funded even partially with county funds.

**Emergency Purchase** – An item that must be purchased in a case of public calamity if it is necessary to make the purchase promptly to relieve the necessity of the citizens or to preserve the property of the county.

**Employee** – Any county or precinct elected official, appointed official, or employee and any district elected official, appointed official or employee when the purchase is funded even partially with county funds or anyone who acts on behalf of any of them.

**Formal Competitive Bidding** – The bidding process in compliance with the County Purchasing Act which requires approval by the Commissioners' Court.

**Goods** – Any personal property purchased by the County, including equipment, supplies, material, and component or repair parts.

**Invitation For Bid (IFB)** – Specifications and formal bidding documents requesting pricing for a specified good or service which has been advertised for bid in a newspaper.

**Items Less Than \$25,000** – Purchases of goods and services from a single vendor in a single purchase as defined in the County Purchasing Act.

**Lease** – A contract for the use of personal property for a period of time in return for a specified compensation.

**Lowest Responsible Bid** – The offer from a bidder who submits the lowest and best bid meeting all requirements of the specifications, terms, and conditions of the invitation for bid and includes any related costs to the county in a total cost concept and who has the financial and practical ability to perform the contract and whose past performance complies with the contract.

**Modification** – A document used to change the provisions of a contract.

**Negotiations** – A consensual bargaining process in which the County and vendors attempt to reach agreement on differences in desired contract provisions or a potentially disputed matter for the purpose of reaching an understanding.

**Occupant Department** – The department that ultimately uses the finished goods or services when the purchase or construction is completed, which may be different from the user department.

**Official** – Any elected or appointed official and any person authorized to act on his or her behalf.

**Payment Bond** – A surety bond executed in connection with a contract that secures the payment requirement of the contractor.

**Performance Bond** – A surety bond that provides assurance of a bidder's performance of a certain contract.

**Pre-Bid/ Proposal Conference** – A conference conducted by the Purchasing Office for the benefit of those wishing to submit a response for services or supplies required by the County which is held in order to allow vendors to ask questions about the proposed contract and particularly about the contract specifications.

**Professional Services** – Services directly related to professional practices as defined by the Professional Services Procurement Act, including those services within the scope of the practice of accounting; architecture; optometry; medicine; education; clergy; funeral directors; and surveying; and professional engineering.

**Proprietary Information** – Information provided in responses to solicitations to which vendor claims ownership or exclusive rights and which is protected from disclosure under the Texas Public Information Act (Tex. Gov't Code, chapter §551).

**Public Works** - Constructing, altering, or repairing a public building or carrying out or completing any public work.

**Purchase Order** – An order by the Purchasing Office for the purchase of goods and services written on the county's standard Purchase Order form and which, when accepted by the vendor without qualification within the specified time limit, becomes a contract or an amendment to an existing contract which operates as the vendor's authority to deliver and invoice for goods or services specified, and is the County's commitment to accept the specified goods or services for an agreed upon price.

**Purchase Requisition** – An automated request from a user department submitted to the Purchasing Department that authorizes the Purchasing Department to enter into a contract with a vendor to purchase goods or services for the County and authorizes the Auditor to charge the appropriate department budget and which is for internal use and cannot be used by a department to order materials directly from a vendor.

**Purchasing** – The acquisition of goods and services including construction and professional services.

**Purchasing Act** – Chapter §262, subchapter C of the Texas Local Government Code, which governs the conduct of purchasing activity for Texas Counties.

**Purchasing Agent** – A person appointed by the Purchasing Board of County to make contracts on behalf of the County for: (1) erecting or repairing a county building; (2) supervising the erecting or repairing of a county building; or (3) any other purpose authorized by law.

**Purchasing Board** – A board composed of two district judges and the county judge who are responsible for appointing the Purchasing Agent and approving the office's budget.

**Purchasing Laws** – The laws that govern county purchasing including the following laws:

Purchasing Act, (TEX. LOC. GOV'T CODE ANN., ch. §262, subch. C)  
Public Property Finance Act, (TEX. LOC. GOV'T CODE ANN., ch. §271, subch. B)  
State Contract, (TEX. LOC. GOV'T CODE ANN., sec. §262.002, §271.0813)  
State Catalog, (TEX. LOC. GOV'T CODE ANN., ch. §2157 in coordination with TEX. LOC. GOV'T CODE ANN., sections §271.101 through §271.103)  
Services and Products of Severely Disabled, (TEX. HUM. RES. CODE ANN., chapter. 122.)  
Interlocal Cooperation Agreement, (TEX. GOV'T CODE ANN., ch. §791)  
Prompt Payment Act, (TEX. GOV'T CODE ANN., ch. §2251)  
Bidders from other States and 5% Retainage, (TEX. GOV'T CODE ANN., ch. §2252)  
Public Works Performance and Payment Bonds, (TEX. GOV'T CODE ANN., ch. §2253)  
Professional Services Procurement Act, (TEX. GOV'T CODE ANN., ch. §2254, subch. A)  
Wage Rate for Construction Projects, (TEX. GOV'T CODE ANN., ch. §2258)  
Sales §151.309) □ tax exemption for governmental entities (TEX. TAX CODE ANN.  
Worker's Compensation Compliance (Workers Compensation Rule §110.110)  
Uniform Electronic Transaction Act (TEX. BUS. & COM. CODE ANN. Chapter 43)

**Purchasing Office** – Hunt County Purchasing Department and its staff.

**Purchasing Liaisons** – designated purchasing contact within each department

**Request for Information (RFI)** – A general request to contractors for information for a potential future solicitation which is used as a research and information gathering tool for preparation of specifications and requirements.

**Request for Offer (RFO)** – A process for soliciting offers from at least three catalog vendors authorized by the Purchasing Policy and Procedures Manual Definitions.

**Request for Proposal (RFP)** – A document requesting an offer from vendors, which allows for negotiations after a proposal has been received and before award of the contract for goods and services procured in compliance with TEX. LOC. GOV'T CODE ANN., sections §262.0295 and §262.030.

**Request for Qualifications (RFQ)** – A document that requests details about the qualifications of professionals whose services must be obtained in compliance with the Professional Services Procurement Act.

**Request for Services (RFS)** – A document that requests information about qualifications and details of services to be provided and costs for other professional services that are not covered by in the Professional Services Procurement Act, but may be exempted from competitive solicitation under the County Purchasing Act.

**Responsive** – A vendor who has complied with all material aspects of the solicitation document, including submission of all required documents.

**Responsible** – A vendor who has the capability to perform fully and deliver in accordance with the contract requirements based on consideration of past performance, financial capabilities, and business management.

**Sealed Bids** – Offers in response to an Invitation for Bids that is advertised in a newspaper and submitted to the Purchasing Office in a manner that conceals the price.

**Separate Purchases** – Acquisitions made in a series of different orders for goods and services that in normal purchasing practices that would be purchased in a single order.

**Sequential Purchases** – Acquisitions made over a period of time that in normal purchasing practices, would be made at one time.

**Services** – The furnishing of labor by a contractor that does not include the delivery of a tangible end product and includes all work or labor performed for the County on an independent contractor basis, including maintenance, construction, manual, clerical, personal or professional services.

**Sole Source Good or Service** – A good or service that can be obtained from only one source that is purchased in compliance with TEX. LOC. GOV'T CODE ANN., section §262.024.

**Solicitation** – A document, such as an invitation for bid, request for proposal, request for offers or request for qualifications, issued by the Purchasing Office that contains terms and conditions for a contract solicits a response from vendors to provide goods or services needed by the County.

**Solicitation Conference** – A meeting chaired by purchasing staff, designed to help potential vendors understand the requirements of a solicitation. Also known as a pre-bid or pre-proposal conference.

**Specifications** – A total description of a good or service to be purchased by the County, and the requirements the vendor must meet to be considered for the contract which may include requirements for testing, inspection, or preparing any good or service for delivery, or preparing or installing it for use.

**User Department** – The department from whose budget line item the contract is paid.

**Vendor** – A business entity or individual that seeks to have or has a contract to provide goods or services to the County.

### **Additional Resources**

For additional information, the following are listed as references:

- The Model Procurement Manual for Texas Cities and Counties, March 2005, Carole Keeton Strayhorn, Texas Comptroller, <http://www.window.state.tx.us/lga/purchasing/96449.pdf>
- The State of Texas Contract Management Guide, Version 1.1, <http://www.tbpc.state.tx.us/stpurch/ContractManagementGuide11.pdf>
- The American Bar Association's 2000 Model Procurement Code for State and Local Governments.