



SMITH COUNTY, TEXAS

PURCHASING POLICIES AND PROCEDURES MANUAL

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TABLE OF CONTENTS

Purchasing Policies and Procedures	Page 3
Definitions	Pages 4-6
Purchasing Authority/Policy	Pages 7-8
Purchasing Acts	Pages 8-11
MWBE Policy	Page 11
State Contract Purchases	Page 12
Cooperative Purchasing	Page 12
Bids/Proposals	Page 12-13
Exemptions and Emergency Purchases	Pages 13-15
Quotations	Pages 15-16
Purchase Authorization/Requisition Process	Page 16
Lease Policy	Page 17
Credit Card Policy	Pages 17-18
Expediting Purchases	Page 19
Inventory and Disposition	Pages 19-20
Vendor Registration and Relations	Page 21
Ethics	Page 22

APPENDIX

Vendor Performance Evaluation Form

PURCHASING POLICIES AND PROCEDURES

The purpose of this manual is to establish uniform policies and procedures for the procurement of materials and services that are consistent with Vernon's Texas Codes Annotated (Sec. 262.00), a.k.a. Texas Local Government Code, and policies of Smith County.

These procedures apply to all material and service purchases and relation activities.

It is the individual responsibility of each employee involved in the procurement process to understand the policies upon which these procedures are based, the meaning, and intent of the procedures themselves.

If there are any questions relative to policy or procedure, or the ability of the employee to respond effectively to the requirements of the procedures, then it is the responsibility of the employee to bring such matters to the attention of their immediate supervisor before any action is taken.

The fundamental purpose of these procedures is not to restrict the effectiveness of the individuals involved in the procurement, but to provide a foundation for effective and consistent practices resulting in a positive and professional relationship between Smith County and the vendors from whom we are served.

DEFINITIONS

Advertisement or Advertised - A public notice run in a newspaper of general circulation containing information about an invitation for bid or a request for proposal.

Auditor - Smith County Auditor and his/her designated representatives.

Bidders list - A list of vendors who have signified in writing an interest in submitting bids for particular categories or services.

Change order - A document used in construction contracts that changes the contract by increasing or decreasing the cost or the time for performance or changes the goods or services to be delivered.

Commissioners Court – Smith County Commissioners Court consisting of the County Judge and four Precinct Commissioners.

Competitive bidding – The formal process of soliciting sealed bids from vendors as governed by Local Government Code §262.023.

Contract – A formal, written agreement executed by the county and a vendor containing the terms and conditions under which the goods or services are to be furnished to the county.

Department – Any county, precinct, district offices, and subdivisions thereof.

Employee – Any county, precinct or district employee elected, appointed, or hired.

Goods – Includes any personal property to be purchased by the county, including equipment, supplies, material, and component or repair parts.

Lease – A contract for the use of personal property for a period of time in return for a specified compensation. All leases must be approved by the Commissioners Court and signed by the County Judge.

Lowest responsible bid – The offer from the responsible bidder who submits the lowest and best bid meeting all requirements of the specifications, terms, and conditions of the invitation for bid. It expressly is understood that the lowest responsible bid includes any related costs to the county in a total cost concept. The term “responsible” refers to the financial and practical ability of the bidder to perform the contract and take into consideration the past performance of the vendor.

Modification – A document used to change the terms and/or conditions of a contract.

Pre-bid/proposal conference – A conference conducted by the purchasing office for the benefit of those wishing to submit a bid or proposal for services or supplies required by the county. This is to allow bidders/proposers to ask questions about any proposed contract and the specifications contained therein.

Proprietary information – Information in bids or proposals to which a vendor claims ownership or exclusive rights and which are protected from disclosure in the Texas Open Records Act (Texas Local Government Code, Chapter 551).

Purchase order – A written order issued by the Purchasing Agent, or designee, authorizing the purchasing office to enter into a contract with a vendor to purchase goods or services.

Purchase requisition – A request by a department to the Purchasing Agent for the purchasing department to enter into a contract with a vendor to purchase particular goods or services.

Purchasing – The act, function, and responsibility for the acquisition of goods and services including construction.

Purchasing act – As defined in the Texas local Government Code, Chapter 262.

Purchasing agent – In Smith County, the Purchasing Agent and/or designee is employed by the Smith County Commissioners Court.

Request for Offer (RFO) – An RFO provides a method of negotiating prices, terms, and conditions with catalogue vendors. It assumes that negotiation for “best value” will occur with catalogue vendors, instead of making selections for goods and services based on the published prices, terms and conditions in the catalogues.

Request for proposal (RFP) – A document requesting an offer be made by a vendor which allows for negotiations after a proposal has been received but before award of the contract for goods and services procured in compliance with TEX, LOC, GOV'T CODE ANN, section 262.0295 or 262.030. All proposals are confidential information and will be open to the public after the award has been made.

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

Sealed bids – Competitive Bids required to be advertised in a newspaper of general circulation and submitted to the purchasing office in a sealed envelope within the specified time period.

Services – Includes all work or labor performed for the county on an independent contractor basis, including maintenance, construction, manual, clerical, 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 (a)(7) and (c).

Solicitation – A document, such as an Invitation for Bid, Request for Proposal, Request for Offers, or Request for Qualifications, issued by the purchasing office. The document contains the terms and conditions for a contract and seeks (solicits) a bid or proposal for goods or services needed by the County.

Specifications – A concise description of a good or service that the County seeks to buy, including the requirements the vendor must meet in order to be considered for the award. A specification may include requirements for testing, inspection, or preparing any items for delivery, or preparing or installing it for use.

Vendor – One who sells a good or service.

PURCHASING AUTHORITY

Purchasing Laws

It is the policy of Smith County, acting through its duly appointed Purchasing Director, to comply fully with all purchasing laws and amendments of the State of Texas.

Authority

Sec. 262.0115. PURCHASING AGENTS IN COUNTIES WITH POPULATION OF MORE THAN 100,000. (a) In a county with a population of more than 100,000, the commissioners court may employ a person to act as county purchasing agent. However, this section does not apply to a county that has appointed a purchasing agent under Section 262.011 and that has not abolished the position as authorized by law.

(b) A purchasing agent employed under this section serves at the pleasure of the commissioners court.

(c) The commissioners court may employ other persons necessary to assist the purchasing agent in performing the agent's functions.

(d) Under the supervision of the commissioners court, the purchasing agent shall carry out the functions prescribed by law for a purchasing agent under Section 262.011 and for the county auditor in regard to county purchases and contracts and shall administer the procedures prescribed by law for notice and public bidding for county purchases and contracts.

(e) A county that has established the position of county purchasing agent under this section may abolish the position at any time. On the abolition of the position, the county auditor shall assume the functions previously performed by the purchasing agent.

These policies and procedures are adopted by the County Purchasing Director and approved by the Commissioners Court acting in its capacity as the governing body of Smith County, Texas.

Smith County adopts these policies and procedures under the authority of Texas Local Government Code, Chapter 262.

Effective Date

These policies and procedures will become effective upon approval by Commissioners Court.

PURCHASING POLICY

The Commissioners Court has directed the Purchasing Director to provide a centralized purchasing structure.

The Purchasing Office - as well as officials, managers and employees will provide to all responsible vendors an equitable and competitive access to County procurement process.

Further, County Purchasing will be conducted in a manner that will promote and foster public confidence in the integrity of the County procurement process.

The County Purchasing Policy is to:

- Seek the best quality, lowest priced goods and services available that meet the needs and delivery requirements of Smith County personnel;
- Provide all responsible vendors and contractors, including DBE's, with equitable access to servicing the needs of Smith County and its personnel through the competitive bidding of goods and services;
- Comply with all state laws that apply to county purchasing and with the policies and procedures in this manual;
- Manage all County assets and inventory so that replacement costs are minimized and Smith County can account for those assets; and
- Disposal of all surplus, salvage and seized and abandoned property in a manner that provides the most benefit to the taxpayers of the county and complies with the law.

The Purchasing Director must purchase or lease all goods and services, including maintenance and repair, for all departments.

The Purchasing Director must do all of the purchasing for all officials, County managers, and employees including the purchasing for all precinct employees.

COUNTY PURCHASING ACT

The Purchasing Act applies to all departments: all district, county, precinct officials, employees and subdivisions of all district, county and precinct offices.

The County Purchasing Act provides a general legal and procedural framework that emphasizes price (rather than total cost and value), openness, control, and accountability rather than efficiency. It is the duty of the county's chief procurement official to review and to recommend periodic modifications for improvements that will enhance the efficiency and effectiveness of the procurement function.

In Texas counties there are usually **ONLY TWO** entities that have the authority to sign procurement documents: the commissioners court as a voting body only, and the county purchasing agent. The commissioners court must approve all contracts exceeding the statutory limit and the purchasing agent must approve all contracts under the statutory limit. Program officials typically do not have procurement authority unless specifically authorized by commissioners court under authority of the Purchasing Act or other government code.

The Purchasing Act specifically states (Section 262.011(d)): "The county purchasing agent shall purchase all supplies, materials, and equipment required or used, and contract for all repairs to

property used, by the county or a subdivision, officer, or employee the county, except purchases and contract required by law to be made on competitive bid. A person other than the county purchasing agent may not make the purchase of the supplies, materials, or equipment or make the contract for repair.”

(e)“The county purchasing agent shall supervise all purchases made on competitive bid and shall see that all purchased supplies, materials, and equipment are delivered to the proper county officer or department in accordance with the purchase contract.”

(f)“A purchase made by the purchasing agent shall be paid for by a warrant drawn by the county auditor on funds in the county treasury in the manner provided by law. The county auditor may not draw and the county treasurer may not honor a warrant for a purchase unless the purchase is made by the purchasing agent or on competitive bid as provided by law.”

(i)“On July 1 of each year, the county purchasing agent shall file with the county auditor and each of the members of the board that appoints the county purchasing agent an inventory of all property on hand and belonging to the County and each department and employee...”

(j)“To prevent unnecessary purchases, the county purchasing agent, with approval of the commissioners court, shall transfer county supplies, materials, and equipment from a subdivision, department, officer, or employee of the county that are not needed or used to another” office. The purchasing agent shall furnish to the Auditor a list of transferred goods.

VIOLATIONS OF THE ACT

Any person who knowingly violates or authorizes the violation of the Purchasing Act commits a criminal offense which is a misdemeanor. This offense is punishable by a fine between \$10 and \$100, by not less than 30 days or more than one year in the county jail, or by both. Each act in violation of the law is a separate offense. {§ 262.011(m)}

The following purchasing strategies that are made with the intention of avoiding formal competitive bidding are in violation of the law: (§ 262.023)

- **COMPONENT PURCHASES:** purchasing a series of component parts of an item that normally would be purchased as a whole.
- **SEPARATE PURCHASES:** purchasing goods and services in a series of separate purchases, that in normal purchasing practices, would have been purchased in one purchase.
- **SEQUENTIAL PURCHASES:** purchases made over a period of time that in normal purchasing practices, would be made as one purchase.

CAUTION: Intentionally separating purchases/invoices to avoid the statutory limit competitive bidding is a violation of the Purchasing Act. (§262.034 & §262.035)

A final conviction of a county officer or employee for this violation results in the 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:

1. to be a candidate for or to be appointed or elected to a public office in this state;
2. to be employed by the county with which the person served when the offense occurred;
and
3. to receive any compensation through a contract with that county.

Any commitment to acquire goods or services without an authorized purchase order is prohibited. Anyone obligating an expenditure of funds for goods or services prior to securing a purchase order may be held personally responsible for the payment.

Additional PURCHASING LAWS that govern county purchasing including the following laws:

- Public Property Finance Act, (TEX. LOC. GOV'T CODE ANN., ch. 271, subch. B)
- Services and Products of Severely Disabled, (TEX. HUM. RES. CODE ANN., sec. 122.014)
- 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)
- Wage Rate for Construction Projects, (TEX. REV. CIV. STAT. ANN., Art. 5159a)
- Sales tax exemption for incorporated purchases (TEX. TAX CODE ANN. § 151.131)
- Worker's Compensation Compliance (Workers Compensation Rule 110.110)

Counties must also comply with a host of other procurement and financial requirements, including federal procurement requirements which flow through to states and localities receiving federal funds (grants).

PROFESSIONAL SERVICES PROCUREMENT ACT

Professional services are defined in the Professional Services Procurement Act as:

1. those within the scope of the practice of accounting, architecture, optometry, medicine, land surveying, professional engineering, or real estate appraiser as defined by the laws of the State of Texas;

2. those performed by any licensed architect, optometrist, physician, surgeon, certified public accountant, land surveyor, professional engineer, or state licensed real estate appraiser in connection with his professional employment or practice.

The Act states that contracts for the procurement of these professional services may not be awarded on the basis of bids. Instead, services must be awarded on the basis of demonstrated competence and qualifications.

To ensure vendors a fair and equal opportunity to do business with county, and to ensure that the services of the most qualified professional is obtained, commissioners court should direct that professional services be procured using a Request for Qualifications (RFQ) process.

The county shall rank firms based on their qualifications and then enter into negotiations with the most qualified firm based on a fair and reasonable price. If the county is unable to negotiate a satisfactory contract with the most highly qualified vendor, negotiations will formally end with that person or firm. The next most highly qualified vendor will then be asked to negotiate. Negotiations are continued in this sequence until a contract is finalized.

If any contract is entered into with one of the above mentioned professionals on the basis of a competitive bid, it is contrary to state law and is void.

MWBE POLICY

Smith County is wholly committed to developing, establishing, maintaining, and enhancing minority business involvement in the total procurement process. It is the policy of Smith County to involve qualified minority/women-owned businesses to the greatest extent feasible in the County's procurement of goods, equipment, services and construction projects. The County, its contractors, their suppliers and sub-contractors, vendors of goods, equipment, services, and professional services, shall not discriminate on the basis of race, color, religion, national origin, age, handicap, or sex in the award and/or performance of contracts. However, competition and quality of work remain the ultimate standards in contractor, sub-contractor, vendor service, professional service, and supplier utilization. All vendors, suppliers, professionals and contractors doing business or anticipating doing business with Smith County shall support, encourage and implement steps toward our common goal of establishing equal opportunity for all citizens of Smith County.

As an added commitment to minority/women-owned businesses, the Smith County Commissioners Court approved this program which consists of documenting the utilization of MWBE's and asking all vendors and contractors to make a "Good Faith effort" in utilizing such businesses.

(Adopted by Smith County Commissioners Court 11/08)

STATE CONTRACT AND CATALOG PURCHASES

The General Services Commission Cooperative Purchasing Program offers an opportunity to purchase goods and services from state term contracts and the QISV catalogue. Local Government Code Sections 271.081 – 271.083 provide the legal authority for participation. A local government that purchases an item under a state contract satisfies any state law requiring the local government to seek competitive bids for the purchase of the item.

The Qualified Information Systems Vendor (QISV) Program was created to provide a timely means for the purchase of automation and telecommunications products and services. Once approved by the GSC as a QISV, a vendor is allowed to sell directly to Smith County through an approved catalogue of products and services. The QISV program meets all competitive bidding requirements.

Smith County should utilize the RFO process to negotiate published catalogue prices. An RFO provides a method of negotiating prices, terms, and conditions with catalogue vendors. It assumes that negotiation for "best value" will occur with catalogue vendors, instead of making selections for goods and services based on the published prices, terms and conditions in the catalogues.

Smith County requires evaluation of three qualified information system vendor (QISV) proposals, when possible, prior to purchases of automated information system purchases valued at more than \$2,000 unless the best value may be obtained from another purchasing method authorized under Texas Government Code, Chapter 2155. If it is not possible to evaluate three QISV proposals, a statement should be attached to the purchasing file as to the reasons for that fact.

COOPERATIVE PURCHASING PROGRAM

A local government may participate in a cooperative purchasing program with another local government or a local cooperative organization (§271.102).

A local government that is participating in a cooperative purchasing program may sign an agreement with another participating local government or a local cooperative organization stating that the signing local government will

1. Designate a person to act in all matters relating to the program;
2. Make payments provided in the agreement;
3. be responsible for a vendor's compliance with provisions relating to the quality of items and terms of delivery.

A local government that purchases goods or services under this subchapter satisfies any state law requiring the local government to seek competitive bids for the purchase of the goods or services.

BIDS/PROPOSALS

The purpose of the procedure is to provide guidance for the regulations that apply to purchases of material, equipment, supplies, and services that are required by law to be a competitive sealed bid or request for proposal, V.T.C.A., Local Government Code Sec. 262.023(a).

These regulations and procedures apply to all purchases as follows:

Personal property if cost exceeds \$50,000 in the aggregate for a twelve (12) month period.

Construction, maintenance, repair, renovation of a building or materials for a renovation project valued at \$50,000 or more in the aggregate for a twelve (12) month period.

Bid Procedures:

- A. **Requisitioning**-The requisitioning party must furnish detailed specifications to the Purchasing Department in the form of a requisition, along with the budget authorization and recommended sources of suppliers (vendors), if known by the user.
- B. **Bid/Proposal Form Preparation**-Upon court approval of the request based on fiscal year budget, completed and approved specifications, the Purchasing Department will finalize into a bid/proposal.
- C. **Advertisement and Notification**-The bid/proposal advertisement, prepared by the Purchasing Department stating a brief description of the item(s), where the documents, plan, or specifications may be examined, the time and place for prior to the opening. Bid/Proposal openings must be at least fourteen days from the date of the first publication. Bid/Proposal requests shall be furnished to known suppliers and to any supplier requesting an opportunity to respond. Any vendor who fails to respond may be removed from the approved vendor list. Suppliers may be added to the approved vendors list by submitting their request in writing or by completing a Vendor Application Form and returning to the Purchasing Department.

EXEMPTIONS AND EMERGENCY PURCHASES

Goods and services can be exempt from competitive procurement process if the commissioners court orders the purchase exempt. Section 262.024 of the Texas Local Government Code lists all the circumstances when exemptions are available for purchases made out of current funds, bond funds, or through time warrants. The following is a list of these circumstances:

- 1. In case of public calamity, to make the purchase promptly to relieve the necessity of the citizens or to preserve the property of the county.
- 2. An item necessary to preserve or protect the public health or safety of the residents of the county.
- 3. An item necessary because of unforeseen damage to public property,
- 4. A personal or professional service,
- 5. Any individual work performed and paid for by the day, as the work progresses, provided that no individual is compensated under this subsection for more than 20 working days in any three month period;
- 6. Any land or right-of-way,

7. Single Source vendor, including:
 - a. Items for which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies;
 - b. Films, manuscripts, or books,
 - c. Electric power, gas, water, and other utility services; and
 - d. Captive replacement parts or components for equipment
 8. An item of food,
 9. Personal property sold,
 - a. At an auction by a state licensed auctioneer;
 - b. At a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code; or
 - c. By a political subdivision of this state, a state agency of this state, or a entity of the federal government.
 10. Any work performed under a contract for community and economic development made by the county.
- (a) The renewal or extension of a lease or of a lease or of an equipment maintenance agreement is exempt from the requirement established by Section 262.023 if the commissioners Court by order grants the exemption and if:
- 1.) The lease or agreement has gone through the competitive bidding procedure within the preceding year;
 - 2.) The renewal or extension does not exceed on year; and
 - 3.) The renewal or extension is the first renewal or extension of the lease or agreement.
- (b) If an item exempted under Subsection (a)(7) is purchased, the commissioners court, after accepting a signed statement from the county official who makes purchases for the county as to the existence of only one source, must enter in its minutes a statement to that effect.
- (c) The exemption granted under Subsection (a)(8) of this section shall apply only to the sealed competitive bidding requirements on food purchases. Counties shall solicit at least three bids for purchases of food items by telephone or written quotation at intervals specified by the Commissioners Court. Counties shall award food purchase contracts to the responsible bidder who submits the lowest and best bid or shall reject all bids and repeat the bidding process, as provided by this subsection. The purchasing officer taking

telephone or written bids under this subsection shall maintain, on a form approved by Commissioners Court, a record of all bids solicited and the vendors contacted. This record shall be kept in the purchasing office for a period of a least one year or until audited by the county auditor.

If an “EMERGENCY” purchase order is needed, approval must be obtained first. ***Improper planning cannot be considered a true emergency. Care should be taken that emergency purchases do not result from improper planning.***

When an emergency situation exists, the Purchasing Agent must be contacted to ensure compliance with the Purchasing Act. In a declaration of a local state of disaster, the County Judge would be the authority to approve purchases. Emergency, as used in the Purchasing Act and this manual, is different from emergency as used in Chapter 63 of the Smith County Policies, Procedures, and Regulations Manual which defines a local state of disaster.

QUOTATIONS

The purpose of this procedure is to provide guidance for the regulations that apply to purchase of material, equipment, supplies, repairs, and services that are not required by law to be bid.

The general practice of the county shall be to accept the lowest responsible bid or price quotation as specified and on *equal* product standards.

If the County receives two or more quotes or bids from responsible bidders that are identical in amount, as the lowest and best bid, the County shall select only one bidder by casting lots.

These regulations and procedures apply to all purchases less than \$50,000.00.

- A. From \$1.00 to \$500.00 – If the County is purchasing personal property costing at least \$1.00 but less than \$500.00 over an aggregate twelve (12) month period, the county must solicit previously approved vendors and purchase from that vendor.
- B. From \$500.00 to \$5,000.00 – If the County is purchasing personal property costing at least \$500.00 but less than \$5,000.00 over an aggregate twelve (12) month period, the county must solicit vendors by phone, to supply the particular item(s). In the procurement of these item(s), the county must document price quoted from at least three (3) previously established vendors.
- C. From \$5,000.00 to \$10,000.00 – If the County is purchasing personal property costing at least \$5,000.00 but less than \$10,000.00 over an aggregate twelve (12) month period, the county must solicit vendors through written quotations, to supply the particular item(s). In the procurement of these item(s), the county must obtain written price quotations from at least three (3) previously established vendors.
- D. From \$10,000.00 to \$50,000.00 – If the County is purchasing personal property costing at least \$10,000.00 but less than \$50,000.00 over an aggregate twelve (12) month period, the county must solicit vendors through written quotations, to supply the particular item(s). The originator will send their request to the Purchasing

Department, the Purchasing Department will send out Request for Quotation forms with the specifications, date needed, quantity, etc. The opening will be stated and held in the Purchasing Department. The low bidder meeting or exceeding minimum specifications will be awarded the item(s) quoted.

Items B, C & D above are subject to audit and these quotes should be written down and the documentation kept by the County. Written quotations from the vendors must be sent to the Purchasing Department for retention.

PURCHASE AUTHORIZATION

Each department must furnish the Purchasing Agent with a list, if other than the elected or appointed official, of employees authorized to sign a requisition for purchase. It is the department's responsibility to insure that all authorized personnel have read and understand the policies and procedures of this manual.

THE REQUISITIONING PROCESS

Requisitioning is the formal request for a purchase to be made. It is the first step after the need for goods or services is recognized. The user department's purchase requisition authorizes the purchasing office to enter into a contract with a vendor to purchase goods or services.

Purchase requisitions should fully describe to the purchasing office what to buy, when it is required, and where the goods are to be delivered or the services to be performed. Counties should establish a system where adequate budget funds are encumbered first and then precede with the purchase of the requested goods and services.

After the purchasing office receives a purchase requisition, it determines the appropriate purchasing procedures based on the cost of the purchase, the goods and services to be purchased, the existing contracts for goods and services and other relevant factors.

A requisition must be submitted to the Purchasing Department for any supplies, parts, repairs or other purchases to be made. *Requisitions must be submitted electronically; unless in an emergency situation.* The Purchasing Agent or designee will review and approve all requisitions for budgetary compliance before issuing a purchase order. The issuance of a purchase order will encumber available funds and provide budgetary control.

Items that are currently not bid items are subject to the procurement of three price quotes prior to the issuance of a purchase order. (*See quotations section*)

All Smith County purchases must be authorized by the Purchasing Department with a purchase order number prior to any vendor order. Any purchase not following this procedure may be considered void and returned to the vendor.

SMITH COUNTY LEASE POLICY

It is the policy of Smith County to consider lease options for capital assets (vehicles & large equipment) for the Smith County Sheriff's Department and/or the Smith County Road & Bridge Department only. Any departments requesting capital assets should get a proper written quote from the Smith County Purchasing Director or designee to attach to budget request documents to ensure proper funding of said request.

(Policy adopted by the Smith County Commissioners Court 11/09)

CREDIT CARD POLICY

Authority:

Sec. 262.015 (o) allows the Purchasing Agent to establish the credit card rules (subject to Commissioners Court approval) as follows:

(o) The county purchasing agent shall adopt the rules and procedures necessary to implement the agent's duties under this section subject to approval by the commissioner's court. Notwithstanding Subsection (f) or other law, rules and procedures adopted under this subsection may include rules and procedures for persons to use county purchasing cards to pay for county purchases under the direction and supervision of the county purchasing agent.

(f) A purchase made by the county purchasing agent shall be paid for by a warrant drawn by the county auditor on funds in the county treasury in the manner provided by law. The county auditor may not draw and the county treasurer may not honor a warrant for a purchase unless the purchase is made by the county purchasing agent or on competitive bid as provided by law.

Purpose:

The purpose of this policy is to establish procedures for the use of County Credit Cards. This policy is being established in order to provide immediate access to goods and/or services and basic travel registration. All Credit Card purchases shall adhere to all purchasing statutes, rules, policies and procedures when using the card. The use of a credit card does not automatically exempt a governmental agency or its officers or its employees from any purchasing requirements of state law.

- The Credit Card is provided and utilized to make basic travel registration, and small or spot purchases of business related goods and services.
- All Credit Card purchases must follow Smith County's Procurement Policies and appropriate encumbrances must be made prior to the utilization of any credit card purchases to ensure adequate funds are available.
- All Smith County Credit Cards shall remain in the safe and checked out as needed by the Smith County Purchasing Director or its designee.
- Smith County Credit purchases should be made only when there are specific situations of need and/or the vendor does not direct bill.

Unauthorized Credit Card Use:

Smith County may not use a credit card and may not reimburse and officer or employee for use of said credit card for the following:

- A purchase of a personal nature or any other purchase not connected with county business.
- A cash advance.
- Charges for entertainment.
- Purchases made in attempt to bypass the normal purchasing policy.
- A purchase that violates any provision of state law or Smith County's Procurement Policies and Procedures.
- Under "NO" circumstances should an authorized credit card user allow another person to use the county credit cards either by physically having the card in their possession or by giving a card number to another individual or vendor so as to allow someone other than the designated cardholder to use the card.

Any person(s) who makes unauthorized purchases, carelessly uses the card, or fails to turn in the appropriate documentation in a timely manner, will be liable for the total dollar amount of such unauthorized purchases, plus any administrative fee charged by the bank in connection with misuse.

Responsibilities

- Ensure sales tax is not charged at time of purchase.
- Ensure appropriate encumbrances are made with the issuance of a purchase order prior to the utilization of any credit card purchases.
- When a charge is made, documentation shall be retained as proof of purchase.
- Hotel rooms will NOT be charged on the Credit Card; they will only be reserved. It is the responsibility of the department to request a check from the County Auditor for the amount of the hotel room, prior to the conference.
- If a county employee requests Purchasing Personnel to reserve a hotel room, airline ticket, or rental car; **it is the responsibility of said employee to cancel reservations in the event the trip is cancelled or they are unable to attend.**
- Personal charges on hotel bills should be paid for at checkout time by the employee and not charged to the county credit card.

Payment

At the end of each billing cycle, all statements with accompanying purchase orders shall be sent to the Auditor's Office for processing.

EXPEDITING PURCHASE ORDERS

In order to accomplish prompt receipt of materials as required by the County, the Purchasing Department shall:

- A. Review and process requisitions on a daily basis.
- B. Examine and expedite all orders past due.
- C. Follow up with past due orders via phone and/or email.

INVENTORY & DISPOSITION

Per V.T.C.A., Local Government Code Sec. 262.011(l), “On July 1, of each year, the county purchasing agent shall file with the county auditor and each of the members of the board that appoints the county purchasing agent an inventory of all the property on hand and belonging to the county and each subdivision, officer, and employee of the County”

§ 263.152. Disposition: The Commissioners Court of a county may:

(1) Periodically sell the county's surplus or salvage property by **competitive bid or auction**, except that competitive bidding or an auction is not necessary if the purchaser is another county or a political subdivision within the county that is selling the surplus or salvage property;

When property is determined to be surplus/salvage, is no longer needed, is in unusable or unsafe condition, it shall be disposed of as outlined below.

Items purchased by Federal Funds or Grant Funds shall be handled in accordance with their respective regulations.

The originating department must follow the following procedure:

- A. Originator must complete a Smith County Inventory Form and send original form to the Purchasing Department for processing.
- B. Purchasing Agent or designee will inspect the property and will make a determination on the nature of the surplus property.
- C. On the recommendation of the Purchasing Agency, the Commissioners Court, by approval, may declare the property surplus and no longer needed by the county and authorize disposal of the property.
- D. Disposal will be as follows:
 - 1. Inventory tags will be removed (by Purchasing prior to auction) and a list will be give to the County Auditor.

2. Property will be turned over to an approved auctioneer. The auctioneer will be responsible for following established State of Texas law for the advertisement, soliciting and bidding of property.
 3. Auctioneer will auction the property after publication, as per law.
- E. All sales will be handled by the giving of a check or cashier's check. All proceeds will be given to the County and deposited in the General Fund with the giving and receiving of receipts thereof.
- F. Trade-Ins, items that are beyond repair, no longer of use, or surplus may be traded-in on more useful like items, with approval of Commissioners' Court.
1. Originator must complete a Smith County Inventory Form and send the original form to the Purchasing Department for processing.
 2. Commissioner's Court must authorize the trade-in, prior to trade-in.
 3. In all cases where property is declared surplus, property shall be removed from County Inventory by the purchasing Department. *Since title to all personal property is vested to Smith County, no property may be sold, traded, or disposed of without commissioners court action, with the following exceptions:*
 - a. Scrap building materials,
 - b. Parts of equipment that cannot be used or identified. In such cases, the Purchasing Agent shall inspect the personal property and declare them scrap, making a written notation for the record of the nature of the item(s), the reason for scraping, and the date of disposal. Such records shall be kept for at least three years.

Relocation of Furniture and Equipment

The moving of county inventory must be coordinated with the Purchasing Department. Each department must complete a Smith County Inventory Form (*forms located on county's intranet*) and Submit the original form to the Purchasing Department for processing. The Purchasing Department will review the items requested to be re-located and will verify a time and date for said items to be moved within two weeks from the original date of request. (Please note Purchasing has to get aid from other departments to get furniture re-located)

The Purchasing Department is not responsible for assembly or the disassembly of furniture, equipment, etc. All items must be cleared away from the property to be moved.

All requests to move computer equipment and/or peripherals must be approved and coordinated by the IT Department.

VENDOR REGISTRATION

In an effort to provide a fair place for all vendors to do business and to protect our elected officials, Smith County has a no contact clause. It is Smith County's policy that all vendors interested in doing business with the county *must* first register with the Smith County Purchasing Director or designee prior to contacting/meeting with any elected official, department head or employee of Smith County. Vendor Registration can be done through utilization of the county's website and/or contacting the Smith County Purchasing Department directly.

VENDOR RELATIONS

It is Smith County's policy to maintain and practice the highest possible standards of business ethics, professional courtesy, and competence in all of our dealings. At all times, applicable laws must be scrupulously observed. In this regard, the following should be observed when dealing with suppliers and/or their representatives:

- A. To accord prompt and courteous reception, as well as fair and equal treatment, to all suppliers and their representatives,
- B. Provide equal opportunity for all suppliers to offer price quotes and products,
- C. Guarantee the confidentiality of all price quotations made by vendors,
- D. Explain as clearly and fully as possible to suppliers the reason for any rejection of prices and/or quotes provided,
- E. Remain scrupulously free from obligations to any supplier,
- F. Keep informed about sources of supply, current methods, services, and material; encourage their testing of new product samples,
- G. If, for any reason, one vendor is permitted to re-quote, his competitors will be given the same opportunity. Re-quoting should be restricted to an absolute minimum.

The Purchasing Director and Purchasing Department Personnel deal with vendors on a continuous basis. It is important that information be recorded about specific performance of all vendors.

The Purchasing Department welcomes any useful and constructive evaluations from departments. This information will be useful for the Purchasing Department to monitor and effectively stimulate vendor activities and performance.

The Vendor Performance Evaluation form is available in the Purchasing Department.

ETHICAL PRACTICES

Policy

It is the policy of Smith County that the following ethical principles will govern the conduct of every employee involved directly or indirectly in the County procurement process.

Responsibility to County

Employees will avoid any activities that would compromise or give the perception of compromising the best interest of Smith County. Employees will not use confidential proprietary information for actual or anticipated personal gain.

Conflict of Interest

Employees will avoid any activity that would create a conflict between personal interests and the interest of Smith County. Conflicts exists in any relationship where an employee is not acting in the County's best interest and may be acting in their own best interests or the interests of someone associated with them. Such conflicts of interest would include being involved in any procurement activity in which:

- The employee or any member of the employee's family has any financial interest pertaining to the Smith County procurement process;
- A business or organization in which the employee, or any member of the employee's family, has a financial interest pertaining to the Smith County procurement process; or
- Any other person, business, or organization with whom the employee or member of the employee's family is negotiating or has any arrangement concerning prospective employment.

If any such conflicts of interest exist, the employee will immediately notify the Purchasing Director in writing and will remove himself/herself from the Smith County procurement process.

Perception

Employees will avoid any appearance of unethical or compromising practices in all relationships, actions, and communications.

Gratuities

Employees will never solicit or accept money, loans, gifts, favors, or anything of value, from present or potential vendors which might influence or appear to influence any purchasing decision. Generally edible goods with a value of \$50.00 or less are acceptable if shared with the entire staff and will not offend the prohibition unless it appears to influence a purchasing decision. If anyone is in doubt whether a transaction complies with this policy, the individual should disclose the transaction to the Purchasing Director for interpretation.

APPENDIX

VENDOR PERFORMANCE EVALUATION FORM

The Vendor Performance Evaluation Form can be filled out by any employee of Smith County to inform the Purchasing Department of vendor performance. This form must be filled out completely and returned to the Purchasing Department as soon as possible after the occurrence. Be specific as possible to describe the occurrence, good or bad. Please photocopy this form and keep a copy for your records.

Date: _____

Employee's Name: _____

Office/Department: _____

Company Name: _____

Sales Representatives Name: _____

Occurrence:

Signature of Employee