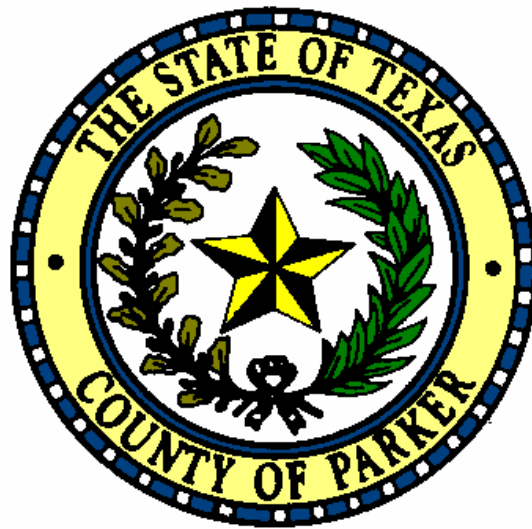


PARKER COUNTY

PURCHASING

POLICY



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INTRODUCTION

This manual contains the authorized policy for purchasing by Parker County Officials and employees. These policies are promulgated by the Parker County Commissioners Court, and changes in the contents of this manual shall be made only by the Commissioners Court.

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 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.

This policy has been adopted by the Commissioners Court for use by Parker County employees and officials and is designed to assist them in complying with the laws governing County Purchasing procedures. This policy does not create any rights of individuals or entities enforceable against Parker County. All Elected Officials and Department Heads are held accountable to insure that all employees are properly instructed in Purchasing law and policy and are cognizant of all legal commitments regarding commodities or services in the name of the County. Such commitments will be VOID unless they are made by the Purchasing Agent or Commissioners Court. An employee, Elected/Appointed Official, or Department Head participating in or making an unauthorized purchase may be held responsible for the unauthorized purchase by any legal or disciplinary means available to Parker County.

The Parker County Purchasing Department abides by the Code of Ethics suggested by the Texas Comptroller of Public Accounts and as attached for governmental purchasing employees. In addition, the Parker County Purchasing Department and the Commissioners Court utilizes the Model Purchasing Manual published by the Texas Comptroller of Public Accounts, as updated, as a reference.

I. STATEMENT OF GENERAL POLICY

PARKER COUNTY PURCHASING STATEMENT OF PURPOSE

- To provide the best service possible to all county departments in a fair and equitable manner.
- To ensure an atmosphere of equality to all vendors without regard to undue influence or political pressures.
- To protect the interests of the Parker County taxpayers in all expenditures.

It is the policy of Parker 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 Parker County. **To avoid violation of or the appearance of violation of the policies in this manual, Parker County employees and officials are prohibited from seeking or accepting directly or indirectly, any loans, 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.

Parker 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 department head and official, but also every supervisor and employee of Parker County. The establishment and maintenance of a good purchasing system is possible only through cooperative effort.

The responsibility for County purchasing ultimately rests with the Commissioners Court. The Purchasing Agent, as appointed by the Purchasing Board consisting of the District Judges and the County Judge, acts as an agent of the Commissioners Court and 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 Agent, as authorized by the Commissioners Court, shall instruct departments and agencies of various rules and procedures needed to fulfill the Purchasing Agent's duties.

The purchasing process is not instantaneous. Time is required to complete the steps required by State law. In order to accomplish timely purchasing of product and services at the least cost to Parker County, all departments must cooperate fully with the Purchasing Policy and Procedures. 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.

II. PURCHASING AUTHORITY AND GENERAL GUIDELINES

Authority to make County purchases resides in either the County Purchasing Agent or the Commissioners Court. The Purchasing Agent is responsible for making purchases of supplies, materials, equipment, and for making contracts for repairs to County owned property and supervises all purchases made on competitive bid to ensure compliance with the purchase contract and shall provide competitive bidding, to the extent practical under the circumstances, for the County to purchase an item under contract that is not subject to competitive bidding. (LGC 262.0115 and 262.011)

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

- (1) Generally, competitive bidding is required on any purchase likely to equal or exceed \$25,000.00. (The competitive bid threshold is set by the Commissioners Court subject to State statute and may be changed by the Commissioners Court. Statutory requirements for competitive bidding may also be met through use of a Co-operative Contract.)
Unless a County bid or Co-Operative contract for the goods or services already exists, the items are required to be purchased through competitive bidding as described in Section V.
Questions regarding the necessity of competitive bidding should be directed to Purchasing.
- (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 Adjustment by the Commissioners Court.
 - (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 which does not specify particular quantities or prices for items. This type of purchase is still subject to all appropriate bidding and purchasing statutes and procedures. (See Section VI, A.)
 - (c) Competitive Proposals -- as an alternative to competitive bidding, (LGC 262.030) competitive proposals from vendors may be solicited by the County. (See Section VI, B.)
 - (d) Travel -- arrangements for travel and reimbursement of travel expenses should be according to the procedures provided by the Parker County Travel Policy and Procedure Guidelines.

- (e) Professional and Personal Services -- Professional and Personal Services are exempted from competitive bidding, in which case they may be obtained through Requests for Proposals or Requests for Qualifications. (See Section VI, B&C.)
- (f) Emergency Purchases -- items otherwise required to be competitively bid may be exempted from the competitive bidding process by order of the Commissioners Court if (1) an item that must be purchased in a case of public calamity is necessary to preserve the public health or safety of County residents, or (2) the purchase is required due to unforeseen damage to public property. (See Section VI, D.)
- (g) Specific Exemptions:
Sole Source Items -- an item available from only one source may be purchased without competitive bidding, with the specific approval of both the Commissioners Court and County Purchasing Agent. (See Section VI, E.)
- (h) Equipment maintenance Services -- Maintenance is arranged through the Purchasing Department. (See Section VI, F.)
- (i) Personal Property Sold -- Personal property sold at auction, at a going out of business sale or by another government entity may be purchased without competitive bid. (See Section VI, G.)

III. REQUISITIONS

General

A requisition/Purchase Order is required for all purchases of supplies and materials (LGC 113.901). Authority to approve requisitions for processing is delegated to the Purchasing Agent. The purpose is twofold: (1) to inform Purchasing of the needs of the requesting department; and, (2) to identify correctly and clearly the material requested. Requisitions must be submitted well in advance to allow sufficient time for the purchasing process to be completed. Purchases made without an approved Purchase order are considered unauthorized purchases for which the individual or department head may be held responsible.

Requisitions are prepared and processed manually or electronically and approved by the department head or their authorized designee with an authorized signature or electronic security code. It is preferred that all departments initiate their own electronic Requisitions, however in special circumstances with proper documentation and authorization, the Purchasing Department will initiate the electronic Requisition. This should be the exception and not the rule. Training and assistance will be made available by the Purchasing Department for all authorized users of the electronic Requisition system subject to the approval of the County Auditor. All information, including complete product or service details, must be provided by the requesting department.

An Authorization Form must be on file in the Purchasing Department for each Elected Official or Department Head to delegate requisitioning authority for assigned budgets to individual employees. Each Elected Official or Department Head is held accountable to insure that all authorized employees are properly instructed in Purchasing law and policy and are cognizant of all legal and disciplinary consequences as a result of violations.

Requisition Deadlines

The following deadlines have been established for each fiscal year to assist the Purchasing Department and County Auditor's office by allowing adequate time to process all of the necessary paperwork, secure bids or quotes and provide for the payment of the majority of expenses prior to September 30th of each year:

- (1) August 1- Deadline for purchase requests for capital items. Requisitions must be received and funds must be available by this date for any capital purchase. Requests after this date would need to be justified through Commissioners Court for items over \$25,000.00 and through the Purchasing Agent for all other capital items.
- (2) September 15- Deadline for all other purchase requisitions. Requisitions received after this date will not be processed in the current fiscal year unless adequate justification is made through the Purchasing Agent. Repair requests will be handled as normal to insure efficient operations.

IV. PURCHASE OF MATERIALS AND SUPPLIES

A. General

All needed goods and services are acquired through the Purchasing Department. Purchase orders are required for all acquisitions of goods or services and must be obtained before the purchase is made. Contractual or other agreement documents obligating the County cannot be signed by any County employee or Official other than those specifically designated by statute or Commissioners' Court. Department Heads should contact Purchasing for assistance with any required agreements or contractual documents.

Authorized Buyers shall use various means to provide for competitive bidding to practicable extent (LGC 262.0241). Methods and procedures for acquisitions through Purchasing are described below.

B. Responsibilities of Purchasing and Requesting Departments

This section of the procedure manual outlines the responsibilities of County departments when making an acquisition through Purchasing.

Purchasing's responsibilities are to:

- (1) Work with department heads and authorized personnel to obtain information about the activities and needs of the departments of the County.
- (2) Secure products departments need at the least cost to the County.
- (3) Know the sources for and availability of needed products.
- (4) Aid and cooperate with all departments of the County to meet their equipment and supply needs.

Requesting Departments' responsibilities are to:

- (1) Make requests early enough to allow sufficient time for the Purchasing process to be completed and for the vendor to make delivery.
- (2) Prepare or assist in the preparation of specifications, if needed.
- (3) Supply a written list to Purchasing of any department personnel (besides the department head or County official) who are authorized to

prepare and/or approve requisition forms. (See Exhibit A- Authorization Form)

- (4) Inform Purchasing of all unusual needs or demands as soon as they are known.
- (5) Take no actions which might be viewed as obligating or committing the County, except in an emergency (as defined in Section VI, D).
- (6) 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 authorized agents of the Purchasing Agent.

C. Purchasing Procedure

- (1) Purchasing Subject to a Bid or Co-op Contract: The Requesting Department will determine that a need exists for a certain good or service to be used in the course of fulfilling the duties of their department. If the good or service is one for which there is a County bid contract, the department will enter a requisition to the awarded vendor for the quantity needed at the bid price for the item(s) or services desired. The bid number or Co-op contract number must be indicated on the Requisition. Any questions regarding bids or Co-op contracts should be directed to the Purchasing Department. Once submitted, the Requisition will be reviewed by Purchasing Department personnel for compliance with the bid contract. Once approved by Purchasing, the Requisition will become a Purchase Order which can be printed and provided to the vendor. In instances where a “blanket” purchase order is issued to a vendor based on a bid contract, the requesting department assumes responsibility for ensuring that the items obtained by use of the blanket purchase order are only those items authorized under the bid and that the vendor charges the correct bid price for all items obtained using the blanket purchase order.
- (2) Purchasing Not Subject to a Bid Contract: Departments will use the following guidelines when purchasing goods or services that do not fall under the statutory bidding requirements (Departments will not be allowed to “split” orders to circumvent these guidelines):

- a. Purchases Totaling Less Than \$2,500.00 - departments should seek pricing from three reputable vendors using catalogs, on-line sources, or by phone. Departments may use their own judgment as to the “best value” for the purchase taking into consideration in order of importance total price, quality of goods or services, and availability for the needs at hand. Once this has been done, a Requisition should be entered to the vendor providing the “best value” for the quantity of items needed at the best available price. No documentation of the informal quotes obtained by the department is required to be provided to the Purchasing Department, however it should be maintained by the ordering department for future reference or audit.
- b. Purchases Totaling Between \$2,500.00 up to \$9,999.99 – departments should seek written quotes from at least three reputable vendors who could reasonably be expected to be able to provide the needed goods or services in the time period required. Departments should enter a Requisition to the vendor offering the lowest pricing for the desired purchase, indicating the quotes obtained on the Requisition and faxing the written quotes to the Purchasing Department. Departments desiring to purchase from a vendor who is not the “lowest dollar” quote should provide information and copies of all quotes to the Purchasing Agent for a determination of the “best value” for the purchase. The Purchasing Agent or their designee will determine the vendor for the purchase and notify the department who will then submit the appropriate Requisition.
- c. Purchases Totaling Between \$10,000.00 up to \$24,999.99 – Departments will provide the Purchasing Department with the written specifications for the needed goods or services and a list of any known vendors. The Purchasing Department will obtain written quotes and will notify the Department of the vendor awarded based on the quotes obtained and will provide the department with copies of the quotes. The department will submit a requisition for the goods/services to the vendor so determined. Any exceptions to this policy requirement must be approved in advance in writing by the Purchasing Agent.

Note: The Purchasing Agent may determine that it is in the best interest of the County to issue a formal bid for a purchase at any

level due to their knowledge of other potential “like” purchases by the County or other statutory concerns.

(3) Receiving Procedures- When items are received, the requesting department confirms that items were received in acceptable condition according to contract terms. If in unacceptable condition, Purchasing should be notified. The department should initiate contact with the vendor regarding the issue in dispute and keep Purchasing notified of the status. The department should maintain good written documentation of all contact with the vendor. Such documentation will be provided to the Purchasing Department if assistance with the issue is needed. In the event of an uncooperative vendor, Purchasing will follow-up with vendor in order to correct any problematic area.

Note: It is the responsibility of each County department to see that all purchased items conform to the quantity, quality and specifications of the order.

If items are in acceptable condition, the department shall process a Receiving Record and submit the invoice, Purchase Order, and receiving record for payment processing by the Auditor.

If goods are unacceptable, the user department must immediately notify Purchasing of the reasons why the merchandise is not acceptable as well as contact the vendor. If needed, Purchasing will then compel replacement, cancel the order, or take other appropriate action to obtain acceptable merchandise. If merchandise replacement or other appropriate action cannot be achieved within a time frame acceptable to the user department, the PO shall be canceled.

Note: The Purchasing Department will endeavor to provide prompt review of all submitted requisitions, however departments should plan ahead and allow at least 24 hours for the processing of any order. In special cases, expedited purchase orders may be issued for specific purchases as approved by the Purchasing Agent and are limited to purchases of items which cannot be planned for in advance; for example, items needed when there is an unforeseeable equipment breakdown. In these cases, it is the responsibility of the Department to contact the Purchasing Office with an explanation of the need for the expedited Purchase Order. Once the items are received or services completed, the PO is processed in the same manner previously described.

D. Miscellaneous Provisions

- (1) County officials or employees shall not purchase supplies, materials or equipment of any kind through the County of Parker for personal use.
- (2) County Departments will follow the County's Fleet Vehicle and Equipment Replacement policies when preparing their annual budgets. Schedules of departmental equipment will be maintained and will include maintenance and repair records. These records will be made available for audit.
- (3) All departments requiring specific uniforms to be worn by County employees shall limit such purchases to only those items indicated in the County's Uniform Policy and not considered to be of a personal nature. Personal nature items include but are not limited to hats and boots. An exception to this policy must be approved by Commissioners Court.
- (4) Parker County attempts to purchase "green" or recycled products when deemed economical and quality standards are met.
- (5) Parker County Commissioners Court has adopted a framing policy that allows elected officials and department heads to expend County appropriated funds to the extent available for the framing and display in County offices of decorative items, if the item is donated to the County in writing. County funds may not be used for the framing of personal items such as diplomas, certificates, etc.
- (6) Items of a personal nature shall not be purchased with County funds. Determination of the designation of any particular item as an item of "personal nature" will be made by the County Auditor.
- (7) The Information Technology Department will approve all purchases of computer equipment, communications equipment and services, and software.
- (8) Procurement of County goods or services via a Procurement Card, if approved by the Purchasing Agent and authorized by Commissioners' Court, will be made under the applicable statute and will adhere to this policy as well as the County Procurement Card Policy and Procedures.

V. BIDDING/PROPOSAL PROCESS AND PROCEDURES

A. Bid Procedures--Statutory Limits

LGC 262.023 sets forth requirements for formal bids. 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 on 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. In applying the competitive bidding and competitive proposal requirements, all separate, sequential or component purchases of items are treated as if they are a single purchase and a single contract.

Requesting Department's Responsibilities

- (1) Obtain bid procedure information from the Purchasing Department.
- (2) Provide bid specifications and approximate quantities, based on the best available information, and information on funding source for the purchase.
- (3) Return the bid information (Item 2) to Purchasing far enough in advance of the desired purchase date to allow time for the formal bidding process.
- (4) Be present at the meeting of Commissioners Court during which the bid specifications and award are discussed, if necessary.

Purchasing Department's Responsibilities

- (1) Determine if such item or items are exempt from competitive bidding procedures (LGC 262.024).
- (2) Review bid specifications to determine adequacy in light of general requirements and to insure they are not restrictive.
- (3) Prepare final bid specifications and solicitation documents and review with the requesting department.
- (4) Finalize agenda request for Commissioners Court authorization to solicit bids and notify the department of agenda date.
- (5) Mail bid notice and/or specifications to vendors.
- (6) Insure publication of the legally required notice (LGC 262.025).

B. Bid Opening/Receipt of Proposals (LGC 262.026/262.030)

All bids and proposals will be received and clocked in by the Purchasing Department. The Purchasing Department's stamped, clock-in time will be the official time of receipt. The Purchasing agent will open all formal bids in an open public forum on the assigned day at the designated time. Bids will be read aloud, recorded on a bid tabulation sheet, and witnessed by Purchasing Office Staff. Purchasing will furnish copies of the bids to the Commissioners' Court, Auditor, the requesting department, and the evaluation committee if applicable.

Proposals will be opened and publicly received and acknowledged only so as to avoid disclosure of the contents to competing offerers and kept secret during the negotiation/evaluation process. However, all proposals shall be open for public inspection after the contract is awarded. Trade secrets and confidential information contained in the proposal, so identified by offerer as such, will be treated as confidential by Parker County to the extent allowable by appropriate statute.

Commissioners Court authorizes the Purchasing Agent to extend bid and proposal opening dates by addenda to, or other needed corrections to the original specifications. (LGC262.026).

C. Bid/Proposal Recommendations (LGC 262.027/262.030)

(1) When an Invitation for Bids is solicited, after examining copies of all the bids, the requesting department and/or evaluation committee will provide a written recommendation for bid award to the Purchasing Agent prior to the deadline for Commissioners Court agenda. A member of the Purchasing staff will be on each evaluation committee. Purchasing will verify recommendation to the lowest bid received from a responsive, responsible bidder. 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 concerning the lower bidder's responsibility. In the event of a recommendation to award to other than the lowest responsible bidder, the Purchasing Agent will ensure that each lower bidder is given the required notice and will inform Commissioners Court of the notification.

(2) When Proposals are Requested rather than formal bids, the Purchasing Agent and evaluation committee shall conduct discussions and negotiate with responsible proposal offerers who submit proposals determined to be reasonably susceptible of being selected for award. (see section VII B) Offerers will be accorded fair and equal treatment with respect to any opportunity or discussions and revisions of proposals. Revisions are permitted after submission and before award for the purpose of obtaining the best and final offer. The Purchasing Agent shall present the best and final offers to Commissioners Court with the recommendation of the committee for award.

Note: After certification of recommendations, Purchasing will submit an agenda item, notify the applicable department(s) and present the bids/proposals and a recommendation for award to the Commissioners Court.

D. Contract Award (LGC 262.027)

Bids/Proposals will be awarded to the lowest and best responsible bidder as described in C. above, or all bids may be rejected.

The Commissioners Court may award contracts for the purchase of road construction material to more than one bidder if each of the selected bidders submits the lowest and best bid for a particular location or type of material. (LGC 262.027(e)).

When only one bid is received by the County, the bid may be accepted if the Commissioners Court determines the price is fair and reasonable. If the price is not fair and reasonable, Commissioners Court will reject and seek new bids. If two or more responsible bidders submit identical bids, the bid award will be made in a manner prescribed by the County Judge.

After award of a contract but before the contract is made, the Purchasing Agent may negotiate a modification of the contract, if the modification is in the best interests of the County and does not substantially change the scope of the contract or cause the contract to exceed the next lowest bid. The Purchasing Agent will forward the modification to Commissioners Court for approval before it may become effective (LGC 262.0305).

E. Surety Bonds (LGC 262.032/GC 2253)

A vendor awarded a contract may be required to post bond. If it is required, the Purchasing Agent will include the requirement in the bid advertisement. A bid bond in an amount not less than 5% of the total contract price may be required if a contract involves construction of public works or is a contract that exceeds \$100,000. A performance bond may be required for all contracts in excess of \$50,000 (LGC 262.032).

A public works contract for more than \$25,000 shall require the contractor to execute a payment bond and contracts in excess of \$100,000 shall require the contractor to execute a performance bond (GC 2253.021). Parker County may not require a bond for public works contracts for \$25,000 or less (GC 2253.022).

F. Acquisition of Item Bid Award

Following award of the bid contract by the Commissioners Court, the requisition is processed in the manner described in Section IV, above.

G. 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 a change order to the original contract price up to statutory limits. All other change orders require Commissioners Court approval according to the provisions of LGC 262.031.

VI. SPECIAL PURCHASES

A. Acquisition Under a Blanket Purchase Order

A blanket purchase order authorizes a County department to obtain up to a specified amount of material (services or supplies) on a continuing basis from a vendor. Such purchase orders are authorized only by the Purchasing Agent in appropriate circumstances, e.g., obtaining rock as needed in variable quantities by the Road and Bridge Department. Any department foreseeing a definite and regular need for items should consider contacting Purchasing to investigate obtaining a blanket purchase order for such items.

Blanket purchase orders for items for which it is anticipated that the County's aggregate expenditure will exceed \$25,000 during the course of a year must be issued under a currently awarded bid. All such Purchase Orders must reference the appropriate bid number. No blanket purchase order may exceed budgeted funds for such purchases by the department.

B. Competitive Proposal Procedure (LGC 262.030)

Various items may be purchased through a "request for proposal" (RFP) process. An RFP may be used for insurance, high technology items and other special services. Professional services other than those covered by GC 2254.004 may be obtained through this process.

C. Request for Qualifications (GC 2254.004)

A Request for Qualifications (RFQ) may be issued for service such as Architectural and Engineering Services in compliance with GC 2254.004.

D. Emergency Purchasing (LGC 262.024)

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 hours emergency--in such instances the department head or elected official or authorized representative, must take the necessary action to obtain the needed goods or services and contact the Purchasing Department in writing as soon as possible with notice of such purchase. Commissioners Court must grant an exemption from bidding of all emergency purchases over \$50,000.

(2) Emergency during working hours--(a) If the purchase is less than \$50,000, approval from Purchasing is required by issuance of a purchase order prior to acquiring the item; or (b) If the purchase is in excess of or equal to \$50,000, Purchasing must obtain approval of Commissioners Court by order that grants the exemption.

E. Sole-Source Purchases (LGC 262.0249(a)(7))

Typical items considered sole source purchases 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 Agent, in writing, after concurrence of the department head, certifies the existence of only one source to the Commissioners Court and the Court enters a finding of such in its minutes (LGC 262.024(c)).

F. Equipment Maintenance

All facility and equipment maintenance and repairs are contracted by Purchasing. The department requiring maintenance should contact Purchasing for authorization.

G. Personal Property Sold (LGC 262.024)

Personal property sold at an auction by a state licensed auctioneer; at a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code; or by a political subdivision of the state, a state agency of this state, or an entity of the federal government may be purchased without competitive bid, if exempted by order of Commissioners Court.

H. Cooperative Purchasing (LGC 791.025)

Parker County participates in several local and State Purchasing Cooperatives. Contracts utilized under these Purchasing Cooperatives can have price advantages due to the larger purchasing power of the Cooperative and meet the statutory requirements for competitive bidding. The Purchasing Department will provide other County departments with information on and procedures for utilizing appropriate Cooperative contracts.

I. Lease/Purchase Capital Lease Agreements

Items obtained by the County through the use of a capital lease will be deemed “purchased” by the County. The acquisition of all such items must comply with County Purchasing policies and statutes for competitive bidding, including cooperative purchasing. The award of the bid/authorization for purchase as well as the use of a capital lease must be approved by Commissioners’ Court for all such purchases. Upon acquisition, items purchased through the use of a capital lease will be tagged and inventoried as capital assets. Departments are responsible for maintaining current records of all capital leases for their department, for requesting sufficient funding in their annual budget for all capital lease liabilities, and for ensuring proper and prompt payment of all capital lease liabilities.

VII. COUNTY-OWNED SUPPLIES AND EQUIPMENT

All County-owned supplies, equipment and machinery must be used only for County business or other approved governmental function. Elected Officials and Department Heads are responsible for the proper security, accounting, maintenance, and use of County supplies and equipment. All capital items purchased must be tagged for inventory reporting purposes as explained in greater detail in the County’s Fixed Asset Manual. It is the responsibility of the department initiating the purchase to ensure that the Purchasing Department is notified of delivery and that the item is properly tagged and reported in the Fixed Asset system.

A. Receipt of New Property--Capital Assets

New property will be tagged for inventory purposes by the Purchasing Department according to the Fixed Assets Capitalization Policy as follows:

Factors considered in determining items to be capitalized are as follows:

- (1) The expected normal useful life is one year or more.
- (2) Items having a unit cost of \$500.00 or more. Unit costs should include any charges for freight, installation, or other costs required to place the item in service.
- (3) The item is such that it is normally used in sets or multiple units, which as a collective unit, have a total value in excess of that established as the dollar threshold for capitalization, or the item is acquired through a funding source (grant) which requires that the item(s) be tracked for reporting purposes, or the item(s) is a member of a class of “controlled” items under the County’s Fixed Asset Policy which requires that they be tracked regardless of unit cost due to their nature, ie. firearms.

Factors considered in excluding items from capitalization are as follows:

- (1) Item is such that it requires regular replacement because of rapid wear.
- (2) Item is such that one-time use of it will destroy the item for further usefulness.
- (3) Items which are installed or otherwise added to an existing fixed asset where such additions are required merely to return the item to a functioning product, e.g. engine overhauls, replacement of lens in cameras so long as the item does not substantially increase the useful life of the asset.

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 compliance with the County's Fixed Asset Policy and for ensuring that assets are tracked and secured in a manner that is most likely to prevent theft, loss, damage or misuse. 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 all County supplies and property assigned to their department but not specifically covered by the Fixed Asset capitalization policy. Internal procedures shall be established by each Elected Official or Department Head to track such items and shall be available and subject to audit.

The County Information Technology **Department** shall maintain an inventory of all computer equipment for the purpose of budgeting, tracking, and maintenance. This inventory does not absolve individual Elected Officials and Department Heads from the responsibility of assuring stewardship for property assigned to their department or from the reporting requirements under the County Fixed Assets Policy. The County Information Technology Department will complete asset transfer documents for all computer equipment obtained from other departments and retained for usage as "spare parts" or "inventory" for future distribution to other departments. When such equipment is used or distributed, transfer forms will again be completed and provided to the Purchasing Department.

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 will notify the Purchasing Department using the Request for Transfer or Deletion From Inventory form. The Purchasing Department will direct appropriate action to be taken.

NOTE: Departments are in no way authorized to dispose of County property or supplies. All supplies and equipment not needed by any County Department must be transferred to the Purchasing Department as surplus property. Disposal will be handled by the Purchasing Department under the Direction and approval of the Commissioners Court in compliance with applicable statutes.

It is the responsibility of the transferring department to assure that the department receiving the property immediately acknowledges receipt of the property. Until the receiving department acknowledges receipt by signing the transfer form, the property shall remain on the inventory of the transferring agency.

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 provide a periodic record of transferred items to the County Auditor and Commissioners Court.

E. Missing Property

Lost, stolen, or damaged property must be reported immediately to the Purchasing Agent and County Auditor. Reports of loss, theft, or accident/damage must be made by the Elected Official or Department Head in writing to the Purchasing Agent and the Auditors office. Reports of theft must have attached a copy of the theft report compiled by the proper law enforcement agency. If an item cannot be located, Purchasing will verify all proper documentation has been submitted by the respective department and remove the item from the financial accounting system. Accidents involving damage to County property must also be immediately reported in writing to the Purchasing Agent and County Auditor. Any injuries to County personnel must also be immediately reported to the County's Human Resources Department. Reporting of accidents which involve

hazardous materials must also include the County's Director of Emergency Management. All applicable insurance and law enforcement reports regarding any accident and damage to County property should be provided to the Purchasing Agent and Auditor as soon as they are available. The Purchasing Agent will coordinate with other appropriate County Departments in filing any appropriate insurance or damage claims.

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

Commissioners Court will periodically authorize the Purchasing Agent to dispose of "surplus" (in excess of needs, but still useful) or "salvage" (valueless property) properties. 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 and 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 for sale at auctions.

No Purchasing Department employees or their 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.

Parker County may sell surplus or salvage property to another county or a political subdivision within the county, or offer the property as a trade-in for new property of the same general type. Commissioners Court may order the property to be destroyed or disposed of if no bids are 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 position, arrangements must be made with Purchasing for an equipment inventory far enough in advance to insure that the inventory can be taken before the termination date. The Purchasing Agent will provide to the Auditor and the Commissioners Court a full report, noting any discrepancies between property actually located and property listed on the inventory. The County official or department head will be personally accountable to the Court for all missing items.

H. Annual Inventory

As required by statute, on July 1 of each year, the Purchasing Agent shall file an inventory of all property of the County with the County Auditor and the members of the Purchasing Board, based on the information submitted by the Elected Officials and Department Heads in compliance with the County's Fixed Assets Policy for the purpose of financial accounting and inventory control. The inventory shall include all property identified in Subsection A. A copy of the Annual Inventory Report shall also be provided to the Commissioners' Court for submission to the minutes of the Court.

VIII. LEGAL BASIS FOR PURCHASING

It is not intended that this section be all-inclusive of the laws governing the County purchasing function.

A. Government Code (GC). Chapter 2254--Professional Services Procurement Act

Under the requirements of this statute, selection of a provider of the specific services listed must be made on the basis of demonstrated competence and qualifications rather than the price of the service to be provided. Counties may not bid contracts for these professional services; they must select the most highly qualified provider for the requested services and then negotiate a contract. Contracts must be awarded on the basis of "demonstrated competence and qualification to perform the service." 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, land surveying, optometry, medicine or professional engineering; this includes services performed by any licensed architect, land surveyor, optometrist, physician, surgeon, certified public accountant or registered professional engineer in connection with his or her professional employment or practice.

B. Local Government Code(LGC)Chapter 217 Subch D-- Purchase Under State Contract

The Texas Procurement and Special Services (TPASS) section of the State Comptroller's Office may perform purchasing services for local governments

(including counties). A County which purchases under state contract satisfies all competitive bidding laws.

C. LGC 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 first 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.

D. LGC Chapter 262 Subch B--County Purchasing Agent

The Parker County Purchasing Board appoints the Purchasing Agent under the provisions of LGC 262.011. Under the supervision of the Purchasing Board, the Purchasing Agent shall carry out the functions prescribed by law for the purchasing agent under Section 262.011 in regard to County purchases and contracts and shall administer procedures prescribed by law for notice and public bidding for county purchases and contracts.

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, and supervise all purchases made by competitive bid.

It is unlawful 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, except those purchases made within the purview of other applicable law [Section 262.011(d)]. The County Auditor may not pay for any purchase unless that purchase has been made by the County Purchasing Agent or by competitive bid as required by law. Id.(f).

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.

E. LGC Chapter 262, Subch C -- County Purchasing Act (Competitive Bidding)

This subsection of the Local Government Code contains the comprehensive County purchasing statute. Procedures must be strictly complied with except for certain specific exemptions enumerated in the statute. These include certain emergencies and cases involving sole suppliers.

All separate, sequential or component purchases of items are treated as parts of a single purchase or contract. Id.262.023(c). Any County officer or employee who intentionally or knowingly makes or authorizes separate, sequential or component purchases in avoidance of the competitive bidding requirements of section 262.023 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. Id.262.034 and 262.035.

F. LGC 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.

The Purchasing Agent may sell surplus property by competitive bid or by auction. It also may be offered as a trade-in on new property of the same general type. If the property cannot be sold or traded, the property can be donated to a civic or charitable organization located in the County or be destroyed.

G. LGC Chapter 271,Subch C--Certificates of Obligation

Certificates of Obligation (COB) are alternative financing instruments and may be issued for the payment of contractual obligations to be incurred in:

- (1) public works construction,
- (2) materials, supplies, equipment, machinery, buildings, land and rights-of-way for authorized needs and purposes,
- (3) professional services,
- (4) constructing or equipping a jail,
- (5) constructing, renovating, or otherwise improving a County-owned building, and
- (6) bridge construction.

Purchases financed with COBs are subject to all bid and advertising requirements.

H. GC Chapter 791.025--Inter-local Cooperation Contracts

Parker County may agree with another local government(s) or with a state agency, including the Texas Procurement and Special Services division of the Comptroller's Office to purchase goods and services.

I. GC 2258.021--Prevailing Wage Rates

Parker County shall adopt a Prevailing Wage Rate as established by this statute.

IX. PARKER COUNTY PURCHASING CODE OF ETHICS

Public employment is a public trust. It is the policy of Parker County to promote and balance the objective of protecting government integrity and the objective of facilitating the recruitment and retention of personnel needed by Parker County. Such policy is implemented by prescribing essential standards of ethical conduct without creating unnecessary obstacles to entering public service.

Public employees must discharge their duties impartially so as to assure fair and competitive access to governmental procurement by responsible contractors. Moreover, they should conduct themselves in such a manner as to foster public confidence in the integrity of the Parker County Purchasing Department. Parker County employees will avoid the appearance of unethical or compromising practices in relationships, actions, and communications.

GENERAL ETHICAL STANDARDS: LGC 176- Disclosure of Certain Relationships with Local Government Officers; Providing Public Access to Certain Information

1. It shall be a breach of ethics to attempt to realize personal gain through public employment with Parker County by any conduct inconsistent with the proper discharge of the employee's duties.
2. It shall be a breach of ethics to attempt to influence any public employee of Parker County to breach the standards of ethical conduct set forth in this code.
3. It shall be a breach of ethics for any employee of Parker County to participate directly or indirectly in a procurement when the employee knows that:
 - (a) the employee or any member of the employee's immediately family has a financial interest pertaining to the procurement;
 - (b) a business or organization with which the employee, or any member of the employee's immediate family is associated, has a financial interest pertaining to the procurement; or
 - (c) any other person, business or organization with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

If such conflicts of interest exist, the employee shall notify the Purchasing Agent in writing and remove him/herself from the County procurement process.

4. It shall be a breach of ethics to offer, give or agree to give any employee or former employee of Parker County, or for any employee or former employee of Parker County to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or purchase request, influencing the content or any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore pending before this government.
5. It shall be a breach for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract for Parker County, or any person associated therewith, as an inducement for the award of a subcontract to order.
6. The prohibition against gratuities and kickbacks prescribed above shall be conspicuously set forth in every contract and solicitation therefore.
7. It shall be a breach of ethics for any employee or former employee of Parker County knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any person. Employees will keep County procurement information obtained from an RFP or RFQ confidential until after contract award if the solicitation provides for it to be kept secret.



AUTHORIZATION FORM

TO: PARKER COUNTY PURCHASING DEPARTMENT

FROM (Department Head/Official):

DEPT:

TITLE:

DATE:

SIGNATURE:

FUND/DEPARTMENT CODE(S):

The Purchasing Agent shall instruct employees, as designated by the department, in purchasing law; county policy regarding purchases. **Elected Officials / Department Heads shall immediately inform the Purchasing Agent of any changes in employees who are no longer authorized by said department. Any change in employees who are authorized under this form will require the completion of a new updated form.**

The following employees are authorized to create electronic requisitions and to sign receiving records for the above department(s).

This form voids any previous authorizations. Be sure all employees sign that are to be authorized. By signing below, employee acknowledges understanding of Parker County Purchasing Policy and is aware of legal and disciplinary consequence as a result of violations.

NAME / TITLE

SIGNATURE

1. _____
2. _____
3. _____
4. _____
5. _____