

Chambers County Purchasing Policy



March 25, 2014

Table of Contents

I. Purchasing Statement.....	1
II. Code of Ethics.....	1
III. Purchasing Overview	2
IV. Requisition Forms	3
V. Purchase Order.....	4
VI. Purchases between \$0.01-\$999.....	4
VII. Purchases between \$1,000-\$4,999.....	5
VIII. Purchases between \$5,000-\$49,999.....	5
IX. Purchases over \$50,000/ Competitive Bidding (Statutory).....	6
X. Blanket Purchase Orders.....	7
XI. Open Purchase Orders	7
XII. Expedited Purchases (\$1,000 or more)	8
XIII. Emergency Purchases (\$1,000 or more)	8
XIV. Consequences	9
XV. Addendum #1 Purchasing and Procurement Procedures for Community Development	10
XVI. References	10

I. Purchasing Statement

Public employment is a public trust. It is the policy of Chambers County to promote and balance the objective of protecting government integrity and the objective of facilitating the recruitment and retention of personnel needed by Chambers 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 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 Chambers County procurement organization.

To achieve the purpose of this Article, it is essential that those doing business with Chambers County also observe the ethical standards prescribed herein.

II. Code of Ethics

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

- D. **Gratuities.** It shall be a breach of ethics to offer, give or agree to give any employee or former employee of Chambers County, or for any employee or former employee of Chambers 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 specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, requesting 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 local government.
- E. **Kickbacks.** It shall be a breach of ethics 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 Chambers County, or any person associated therewith, as an inducement for the award of a subcontract or order.
- F. **Contract Clause.** The prohibition against gratuities and kickbacks prescribed above shall be conspicuously set forth in every contract and solicitation therefore.
- G. **Confidential Information.** It shall be a breach of ethics for any employee or former employee of Chambers County knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any person.

III. Purchasing Overview

- A. The following type of purchases, requirements and operations of the County are included under the purchasing policy: office supplies, office furniture and equipment, materials, insurance, high technology items (including data processing equipment, software, hardware, telecommunications, radio and microwave systems), maintenance and construction by County personnel or outside companies, professional services, repairs, professional dues and contributions, legal publications (including subscriptions, pamphlets, manuals, reporters, journals, codes and statutes), and printing.
- B. All purchases will be for a quality suitable to the purpose at least expense to the County.
- C. All departments must be aware of their budget status at all times which requires timely recording of all purchase commitments and review of budget status reports. The Purchasing Department is required to provide timely notification when an appropriated account is depleted to avoid overdrawn accounts.

IV. Requisition Forms

- A. A requisition will be submitted for the approval of a purchase for office supplies, office furniture and equipment when placing the order through the Purchasing Department. Upon receipt of the requisition by the Purchasing Department, they will obtain the lowest quote for the quality desired item which is available from responsible suppliers and furnish to the County Judge, Department Head, or Elected Official (in accordance with spending authority levels) for approval. The appropriate party will approve or deny the purchase.
- B. A requisition form is required for all purchases of \$ 1,000.00 or more.
- C. All purchases made by departments will originate with a request either verbal or via purchase requisition in accordance with authorized spending authority levels from the using department head/official to the Purchasing Department for a purchase order. Department head/official will supply vendor information, account numbers, and amount of purchase (over estimate if the amount is unknown). Requests will then be submitted to the County Judge, Department Head, or Elected Official (in accordance with spending authority levels) for approval. The appropriate party will approve or deny the purchase. If approved, a purchase order will be generated and the purchase can be made by the department.
- D. Change order requests for construction contracts, etc. must be accompanied by a purchase requisition form. If the change order is approved by Commissioners' Court, the purchase requisition will be approved by the County Judge and County Auditor, and then forwarded to Purchasing to increase the blanket purchase order encumbrance. The County Auditor will forward to the budget office to increase the budget for the change order.
- E. In all cases, typed requisitions should be received by the Purchasing Department and/or the Elected Official at least five workdays prior to the date the materials are needed.
- F. If possible, each department head/official should anticipate requirements months in advance and requisition early enough to receive items prior to need.
- G. The department head/official or duly authorized person within the office initiates, prepares, and signs the requisition.
- H. To be processed, a requisition must contain the following information:
 - 1) Any one requisition may include more than one type of purchase;
 - 2) Include date requisition is completed and submitted to the Elected Official;
 - 3) Include number of each item requested;
 - 4) Include the Vendor name and number;
 - 5) Include description, specifications or explanation of request;

- 6) Add date materials are needed, if applicable. Allow at least 3-4 weeks for delivery from date shown on requisition;
 - 7) Add department head/official and approve by signature;
 - 8) County Auditor must approve by signature.
- I. If the Elected Official and County Auditor approves, a purchase order will be generated. If denied, the requisition will be returned to the department head/official.

V. Purchase Order

- A. A purchase order is the seller's authorization to invoice and ship the equipment, materials, services, or supplies; and should specify terms and conditions when necessary to limit the seller's authorization to invoice for an amount different from previously agreed upon. This is important for large purchases, equipment, and vehicle repairs.
- B. A purchase order will be generated only after the Elected Official and County Auditor approves the purchase for purchase orders in excess of \$1,000.00.
- C. Departmental accounts are encumbered at the time a purchase order is generated.
- D. The using department head/official will not enter into negotiations with any vendor for the purchase of equipment, materials, services, or supplies unless authorized by this policy.
- E. When the invoice and receiving copy have been received, the bill will be processed for payment.
- F. The department head/official will send the original purchase order along with the original invoice to the County Auditor.
- G. The County Auditor will approve the invoice and submit to accounts payable.
- H. Purchase orders should be approved prior to committing to a purchase and a purchase order number should be provided to the vendor to be included on the vendor's invoice.

VI. Purchases between \$0.01-\$999

- A. Confirmation purchase orders are authorized for purchases less than \$ 1,000.00 and must be signed by the Elected Official, Department Head, or duly authorized representative.
- B. Confirmation purchase orders that exceed an appropriated budget are to be accompanied by notification in writing from the Purchasing Department to the County Judge, County Auditor, and the department head/official and future purchases ceased until a budget transfer/amendment is approved and processed.

- C. After making the purchase, the department head/official will send: a signed request for payment, a signed original purchase order, an original invoice, a delivery ticket and any other supporting documents to the Auditor's office.
- D. The Auditor's office will then audit, sign, and process for payment.

VII. Purchases between \$1,000-\$4,999

- A. The department head/official will fill out a requisition form, with at least two quotes when possible, that must be approved by the Elected Official and County Auditor.
- B. For department heads, this means the County Judge must approve the requisition along with the County Auditor.
- C. If funds are not available in the account, the requisition will be denied until a budget transfer/amendment is approved and processed.
- D. If approved, a purchase order will be created and the purchase can be made.
- E. After making the purchase, the department head/official will send: a signed request for payment, a signed original purchase order, an original invoice, a delivery ticket and any other supporting documents to the Auditor's office.
- F. The Auditor's office will then audit, sign, and process for payment.

VIII. Purchases between \$5,000-\$49,999

- A. The department head/official will fill out a requisition form, along with three quotes when possible, and it must be placed on the Commissioners' Court agenda for approval.
- B. Upon approval, the County Judge and County Auditor will sign the requisition form authorizing the Purchasing Department to issue a purchase order.
- C. If funds are not available in the account, the requisition will be denied until a budget transfer/amendment is approved and processed.
- D. After making the purchase, the department head/official will send: a signed request for payment, a signed purchase order, an original invoice, a delivery ticket and any other supporting documents to the Auditor's office.
- E. The Auditor's office will then audit, sign, and process for payment.
- F. For capital assets, Form 14-101 needs to be completed and attached to a request for payment.

IX. Purchases over \$50,000/ Competitive Bidding (Statutory)

- A. Purchases of one or more items under a contract that will require an expenditure exceeding \$50,000 will be made on the competitive proposal only. The request to advertise for bid/proposal is made directly to the Commissioners' Court by the department head/official. Request for bid shall be submitted to the County Judge for placement as an agenda item to be considered at the next session of Court.
- B. Upon the Commissioners' Court approval, the department head/official will draw specifications and submit to the County Judge. The County Judge will advertise for bids according to law. All competitive bids/proposals will be received by the County Judge and will be opened during Commissioners' Court and awarded to the lowest and best bidder.
- C. A contract for the purchase of any of the following items is exempt from the competitive bidding requirements if the Commissioners' Court by order grants the exemption:
 - 1) An item that must be purchased in a case of public calamity if it is necessary to make the purchase promptly to relieve the necessity of the citizens or to preserve the property of the County;
 - 2) An item necessary to preserve or protect the public health or safety of the residents of the County;
 - 3) An item made necessary by unforeseen damage to public property;
 - 4) A personal or professional service;
 - 5) Any work performed and paid for by the day, as the work progresses;
 - 6) Any land or right-of-way;
 - 7) An item that can be obtained from only one source, including; items for which competition is precluded because of the existence of patents, copyrights, secret process, or monopolies; films, manuscripts, or books; electric power, gas, water, and other utility service; captive replacement parts or components for equipment; or
 - 8) Lease renewals or equipment maintenance agreements which have previously gone through competitive bid process within the preceding year; providing however, that such extension or renewal period shall not exceed one year and that there shall be not be more than one extension or renewal of such agreement

- D. All purchase orders will be generated and sent to the requesting department. Vendor's copy of purchase of the purchase order will be mailed to them with notification of award.
- E. See Bidding Procedures for Purchases Over \$50,000.00
- F. For capital assets, Form 14-101 needs to be completed and attached to a request for payment.

X. Blanket Purchase Orders

- A. Blanket purchase orders are authorized for larger purchases such as construction contracts, monthly service items, etc. where a commitment is made and invoices may occur monthly.
- B. The blanket purchase order is issued for the full amount and monthly invoices are applied to the balance of the purchase order and the encumbrance is updated to reflect the remaining commitment balance.
- C. Change orders for construction projects must follow the purchase requisition approval process. Invoices from construction contractors must include a fully complete and authorized American Institute of Architects document G-702 Application and Certificate for Payment. Final invoices must also include AIA document G-706 and G-706A (Contractor's Affidavit and Release of Liens and Affidavit of Payment of Debts and Claims.) More information is available in the Chambers County Construction Purchasing Manual.

XI. Open Purchase Orders

- A. Open purchase orders are authorized for small, routine maintenance type purchases such as hardware stores, etc. and are closed monthly for payment processing.
- B. Open purchase orders that exceed an appropriated budget are to be accompanied by notification in writing from the Purchasing Department to the County Judge, County Auditor, and the Elected Official/Department Head and future purchases ceased until a budget transfer/amendments is approved and processed.
- C. Spending authority levels apply to any single purchase.

XII. Expedited Purchases (\$1,000 or more)

- A. Expedited purchases are not emergency purchases. They are for items needed quickly to prevent costly delays, and therefore warrant the additional cost and effort caused by the interruption of the normal work routine. However, they are not to be used unless absolutely required.
- 1) All expedited purchases must be approved by the department head/official prior to purchases; in accordance with the spending authority level.
 - 2) The using department will initiate an expedited purchase by contacting the County Judge, notifying him/her of the purchase, approximate cost and requesting authorization for a purchase order;
 - 3) This purchase order is then given to the vendor supplying the item. The department will secure a sales ticket/invoice for the item from the vendor, complete a requisition form with the ticket/invoice attached and the notation "THIS IS AN EXPEDITED PURCHASE" will be written in the upper part of the requisition;
 - 4) The requisition and invoice are then submitted to the County Judge no later than the next workday after receiving the invoice or sales ticket;
 - 5) A confirming purchase order, bearing the same number as the one originally issued, will be sent to the vendor by Purchasing. All copies of the purchase order will be stamped "CONFIRMED".
 - 6) Failure to comply with the requirements of this section will result in the invoice being denied approval for payment.

XIII. Emergency Purchases (\$1,000 or more)

- A. An emergency purchase is for the purchase of supplies, materials, services, etc. which are so badly needed that the department will suffer financially or operational damage if supplies are not secured immediately or to keep building and machinery in operating condition when their idleness would result in expense to the County. An emergency purchase may also be made for extreme emergency cases involving the public health and welfare.
- B. Emergency purchases should be curtailed as much as possible by anticipating needs far enough in advance that regular purchasing procedures may be followed.
- C. Emergency purchases are authorized in accordance with the following conditions:

- 1) All emergency purchases must be approved by the department head/official prior to purchases; in accordance with the spending authority level.
- 2) During regular working hours (8:00am-5:00pm, Monday through Friday excluding holidays), the using department will initiate an emergency purchase by contacting the County Judge, notifying him/her of the emergency, approximate cost and requesting authorization for a purchase order;
- 3) This purchase order is then given to the vendor supplying the item. The department will secure a sales ticket/invoice for the item from the vendor, complete a requisition form with the ticket/invoice attached and the notation "THIS IS AN EMERGENCY PURCHASE" will be written in the upper part of the requisition;
- 4) The requisition and invoice are then submitted to the County Judge no later than the next workday after receiving the invoice or sales ticket;
- 5) A confirming purchase order, bearing the same number as the one originally issued, will be sent to the vendor by Purchasing. All copies of the purchase order will be stamped "CONFIRMED"
- 6) When an emergency arises during a time when the County Judge's office is closed (weekdays after 5:00pm, weekends and holidays), the using department will follow the same procedure above except that the purchase order number cannot be obtained from the County Judge, cannot be given the vendor at the time of purchase and cannot be approved by the County Judge prior to purchase;
- 7) As soon as the ticket/invoice is received by the using department, it should be attached to a completed requisition form with a purchase order and sent to the County Judge the next working day.
- 8) The requisition should be marked in the upper part as follows: "THIS WAS AN EMERGENCY PURCHASE WITHOUT A PURCHASE ORDER NUMBER"
- 9) Failure to comply with the requirements of this section will result in the invoice being denied approval for payment.

XIV. Consequences

- A. Any commitment for commodities or services made in the name of Chambers County by any department head/official not authorized by this policy shall be void.
- B. V.T.C.A., Local Government Code Chapter 262 Subchapter C, cited as the County Purchasing Act states: "A county officer or employee commits an offense if the officer or employee knowingly or intentionally makes or authorizes separate, sequential, or component purchases to avoid the competitive bidding requirements of Section 262.023.

An offense under Section 262.023 is a Class B Misdemeanor, a final conviction under this subsection result in the immediate removal of the county officer or employee from the office or position. A county officer or employee knowingly or intentionally violates Subchapter C of the County Purchasing Act. An offense under the subsection is a Class C Misdemeanor.

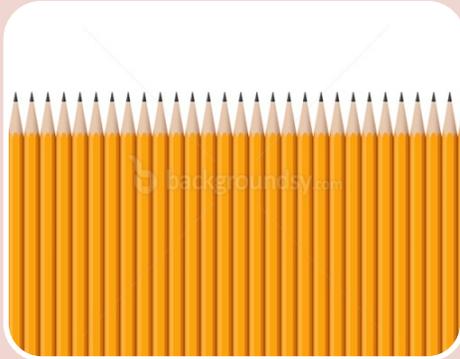
XV. Addendum #1 Purchasing and Procurement Procedures for Community Development

- A. Chambers County is responsible for administering and implementing the Community Development Block Grant Program.
- B. Requesting funds for the Community Development Block Grant Program should coordinate all competitive bids and contracts through the Chambers County Economic Development Department. The County Judge is required to provide approval to initiate any activity and coordinate with the County Auditor for purchases made with Community Development Block Grant funds.
- C. For Community Development Block Grant Program projects, the Department of Economic Development will advertise the letting of a contract including the general conditions, time, and place of opening sealed bids. In addition to following Chambers County and Texas Local Government Code guidelines, all projects through the Community Development Block Grant Program will follow federal procurement Requirements 24 CFR 85.36 and will include Environmental Reviews and Davis Bacon Wage Requirements.

XVI. References

- A. Purchasing Act, Texas Local Government Code, § 262 Subchapter C.
- B. Texas Comptroller Model Purchasing Manual for Texas Cities and Counties 2010.

How to Purchase Supplies, Materials, and Services



\$0.01-\$999

- **Department Head:** Authorized to make purchases without a requisition, but must get a confirmation PO.
- **Department Head:** Sends a signed request for payment, original invoice, signed PO, and any supporting documents to the Auditor's office.
- **County Auditor:** Audits, signs, and process for payment.

\$1,000-\$4,999

- **Department Head:** Fills out a requisition form with two (2) quotes and is sent to be approved.
- **Elected Official & County Auditor:** If signed, a PO can be created and the purchase can be made.
- **Department Head:** Sends a signed request for payment, original invoice, signed PO, and any supporting documents to the Auditor's office.
- **County Auditor:** Audits, signs, and process for payment.

\$5,000-\$49,999

- **Department Head:** Fills out a requisition form with three (3) quotes and must be placed on Commissioners' Court.
- **County Judge & County Auditor:** If signed, a PO will be created and a purchase can be made
- **Department Head:** Sends a signed request for payment, original invoice, signed PO, and any supporting documents to the Auditor's office.
- **County Auditor:** Audits, signs, and process for payment.
- For capital assets, Form 14-101 needs to be completed and attached to a request for payment

\$50,000+

- Follow Competitive bid requirements



Chambers County
Auditor's Office

Form 14-101

Fixed Assets - Acquisition / Disposal / Transfer Form

Date: _____
 Department: _____
 Department Number: _____

Auditor's Office Use ONLY	
Date Entered	_____
By:	_____

Acquisition	Disposal	Transfer
-------------	----------	----------

Acquisition Information

Asset Number: _____	Insurance: _____
Date Received: _____	PO Number: _____
Description: _____	Invoice Price: _____
Make/Model Number: _____	Installation Price: _____
Serial/VIN Number: _____	Other Costs: _____
Vendor: _____	Net Cost: _____

*If there was a Trade-In, the following must be completed.

Asset Number: _____	Insurance: _____
Description: _____	Trade-In Price: _____
Serial/VIN Number: _____	

Asset Number: _____	Insurance: _____
Description: _____	Trade-In Price: _____
Serial/VIN Number: _____	

Disposal Information

Asset Number: _____	Insurance: _____
Description: _____	Date Disposed: _____
Serial/VIN Number: _____	
Name of Purchaser: _____	Disposal Price: _____
Comments: _____	

Transfer Information

Asset Number: _____	Transfer Date: _____
Description: _____	Equipment Number: _____
Serial/VIN Number: _____	
Transferred From: _____	Transferred To: _____
Department: _____	Department: _____

 Department Authorized Signature

 Title or Position

 Date

 Department Authorized Signature

 Title or Position

 Date

*If transferring, signatures from both departments are required.