



Burnet County Purchasing Policy

Table of Contents

Page

I. Introduction	3
II. Mission of Burnet County Auditor's Office	4
III. Burnet County Fiscal Year.	4
IV. Purchasing Laws	5
V. Purchasing Code of Ethics.....	6-7
VI. Purchasing Authority & Guidelines.....	8-9
VII. Purchase Orders & Requisitions.....	10-14
VIII. Competitive Procurement, Exemptions, & Contracts	15-19
IX. Inventory & Fixed Assets.....	20-22
X. Credit Card Policy & Procedures.....	23-24

I. Introduction

The County Auditor's primary responsibility is to oversee financial record-keeping for the county and to assure that all expenditures comply with the county budget. By law, the County Auditor has continuous access to all books and financial records, and conducts detailed reviews of all county financial operations. The County Auditor is appointed by the District Judges pursuant to Texas Local Government Code 84.001 and performs statutory audit and oversight duties independently of the Commissioner's Court. The County Auditor and Commissioners Court each have roles prescribed by law in the review and approval process for claims for the disbursement of county funds. The County Auditor has general oversight of the books and records of all county officials and is charged with strictly enforcing laws governing county finances.

The Burnet County Purchasing Department exists to provide the best customer service possible to all Burnet County Departments in a fair and equitable manner and to protect the interests of the Burnet County Taxpayers in all county expenditures. Included in this responsibility is assuring fair treatment to all vendors doing business with Burnet County.

Authority - Texas Local Government Code 262.011

The Burnet County Purchasing Agent is responsible to direct and oversee the county procurement process for all elected and appointed officials. Your Purchasing Office is the "single point of contact" for doing business with Burnet County. The office is overseen by a Purchasing Agent who is appointed by the Burnet County Purchasing Board. This board is comprised of Burnet County's two District Judges, and the County Judge. County purchasing procedures are governed by Texas statutes, Local Government Code, Chapter 262. Purchasing procedures are governed by applicable Texas statutes and relevant judicial interpretations. The Purchasing Agent of Burnet County is responsible for purchasing all supplies, materials, and equipment required or used, and contract for repairs to property used by the County and supervises all purchases and contracts required by law to be made on competitive bid. The purchasing agent maintains surplus inventory and disposes of all excess, obsolete or unserviceable equipment by auction, or other mean as provided by law.

The mission of the Burnet County Purchasing Department is to procure goods and services in the most efficient and cost-effective manner possible. This is accomplished by standardization, competitive bidding on the basis of adequate specifications, and cooperative purchasing; all in compliance with the Texas Local Government Code (LGC), other relevant laws and best business practices.

In many cases, this policy will reference state law, often paraphrasing or offering broad generalization to aide in the application of the law. All unique circumstances cannot be addressed, and in the case of unusual circumstances the final authority will be the law itself.

Adopted by the Commissioners Court of Burnet County on_____.

II. Mission of Burnet County Auditor's Office

1. To procure the goods and services necessary to Burnet County with optimal quality and cost in a timely manner.
2. Ensure compliance with state and federal laws applying to county purchasing.
3. Help guide departments in the evaluation of vendors and analyzation of market pricing to reduce cost and ensure the quality of goods or services.
4. Provide equal access to all vendors participating through competitive acquisition of goods and services and ensure responsible bidders are given a fair opportunity to compete for the County's business. This can be accomplished by abiding by statutory requirements regarding competitive bids and proposals.
5. Account for and guard against the misappropriation of all County assets that have been acquired through the procurement process.
6. Ensure public funds are safeguarded and that the best value is received for the public dollar.
7. Protect the interests of Burnet County taxpayers without regard to any undue influence or political pressures and ensure public spending is not used to enrich elected officials or county employees, or to confer favors.
8. To develop policies and procedures to ensure the proper, prompt and responsive purchase of all supplies, materials, equipment, and services required or used, and to contract for all repairs to property used by the County or employees of the County, and to implement such policies and procedures in the operation of the office.

III. Burnet County Fiscal Year

The fiscal year for Burnet County begins on October 1st and ends on September 30th. Generally accepted accounting principles require expenditures recognized in each fiscal year for goods and services to be received by September 30th. This treatment aligns with accrual and modified accrual basis of accounting (GASB 33) and codification section 1600.102 which emphasizes that the receipt of goods or services is the event that determines expenditure recognition.

The Burnet County Auditor's Office reserves the right to set a deadline for issuing purchase orders and prepare line item transfers. This process ensures that goods and services are received by September 30th and will be funded with the current fiscal year budget.

III. Purchasing Laws

State law requires that public entities:

- Engage in competitive bidding based on purchase amount required by law
- Have specific legal authority to make the purchase (cannot spend unless budgeted)
- Meet the requirements of specialized purchasing statutes (cannot pay if the purchase was not according to law)
- Meet certain budget & finance restrictions

It is the policy of Burnet County to comply fully in all aspects with these laws as they are amended from time to time. The provisions contained herein are not intended to be all inclusive. Rather, it is intended to set forth policies and procedures relating to the most frequently discussed topics. Numerous statutes exist that mandate additional requirements and procedures.

A. Laws Governing Purchasing

The Basic Purchasing Law is Texas Local Government Code Chapter 262, The County Purchasing Act, which sets out procurement requirements for counties and provides a general legal and procedural framework that emphasizes price, openness, control, and accountability. 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).

Some laws, in addition to the County Purchasing Act, that may govern or impact purchasing in given circumstances include but are not limited to the following:

- Disclosure of Certain Relationships with Local Government Officers, Chapter 176 of the Texas Local Government Code;
- Competitive Bidding on Certain Public Works Contracts, Subchapter B of Chapter 271 of the Texas Local Government Code;
- Cooperative Purchasing Program, Subchapter F of Chapter 271 of the Texas Local Government Code;
- Interlocal Cooperation Act, Chapter 791 of the Texas Government Code;
- Payment for goods and Services (commonly known as the Prompt Payment Act), Chapter 2251 of the Texas Government Code;
- Disclosure of Interested Parties, §2252.908 of the Texas Government Code;
- Public Works Performance and Payment Bonds, Chapter 2253 of the Texas Government Code
- Professional Services Procurement Act, Subchapter A of Chapter 2254 of the Texas Government Code
- Prevailing Wage Rates for Construction of Public Works, Chapter 2258 of the Texas Government Code;
- Contracting and Delivery Procedures for Construction Projects, Chapter 2269 of the Texas Government Code

IV. Purchasing Code of Ethics

Public employment is a public trust. It is the policy of Burnet County to promote and balance the objective of protecting government integrity and the objective of facilitating the recruitment and retention of personnel needed by Burnet County. Such a policy implemented by prescribing essential standards of ethical conduct without creating unnecessary obstacles to entering public services. Public servants 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 the Burnet County procurement organization. To achieve the purpose of this article, it is essential that those doing business with Burnet County also observe the ethical standards prescribed here. It shall be a breach of ethics to attempt to influence any public employee, elected official or department head to breach the standards of ethical conduct set forth in this code. It shall be a breach of ethics for any employee of Burnet County or a vendor doing business with the county to participate directly or indirectly in a procurement when the employee or vendor knows that: The employee or any member of the employee's immediate family, or household has a substantial financial interest pertaining to the procurement. This means ownership of 10% or more of the company involved and/or ownership of stock or other interest or such valued at \$2500.00 or more. 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. Gratuities: It shall be a breach of ethics to offer, give or agree to give any employee of Burnet County or for any employee to solicit, demand, accept or agree to accept from a vendor, a gratuity of consequence or any offer of employment in connection with any decision approval, disapproval, recommendation, preparation or any part of a program requirement or purchase request influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or controversy, any particular matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore pending before this government.

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 Burnet County as an inducement for the award of a contract or order.

Contract Clause: The prohibition against gratuities and kickbacks prescribed above shall be conspicuously set forth in every contract and solicitation, therefore. Any effort to influence any employee, elected official, or department head to violate the standards of the code is grounds to void the contract. Please certify, by your signature below, that you understand the ethics policy of Burnet County and in no way will attempt to violate the code.

V. Purchasing Authority & Guidelines

1. 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 of the County, except purchases and contracts 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 repairs (§262.011(d) Texas Local Government Code).
2. The County Purchasing Agent shall supervise all purchases made on competitive bid and shall see to it that all purchased supplies, materials, and equipment are delivered to the proper county officer or department in accordance with the purchase contract (§262.011(e) Texas Local Government Code).
3. A purchase made by the County Purchasing Agent shall be paid for by an electronic transfer, check, or 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 (§262.011(f) Texas Local Government Code).
4. Purchases for supplies, materials, or equipment of any kind for personal use is prohibited.
5. Purchase orders will be issued only by the County Purchasing Agent or designated staff. **Any commitment to acquire goods or services without an authorized purchase order is prohibited.**
6. There are only two entities that have the authority to approve contracts: the Commissioners Court, as a voting body only, and the County Purchasing Agent. The Commissioners Court must approve, and the County Judge must sign, all contracts exceeding the statutory limit of \$100,000 and the Purchasing Agent must approve and sign all contracts under the statutory limit of \$100,000. Elected Officials, Department Heads, or employees do not have authority to sign any contracts.
7. Selection and/or approval of vendor on non-bid purchases rests exclusively with the County Purchasing Agent.
8. Governmental purchases are not instantaneous. Time is required to complete the steps mandated by State law and shortcuts cannot be taken. In order to accomplish timely purchasing of products and contracts for services, at the least cost to Burnet County, all departments must cooperate fully.

9. Software services or renewals, equipment maintenance services or renewals, or any purchase requiring a contract, must be submitted in a timely manner of at least 60 – 90 days before renewal or requested start date in order to ensure the best vendor, price and proper contracts are in place. This will also allow time for any necessary competitive bidding obligations to be met and adhered to.

10. It is illegal to use purchasing strategies that violate the law to avoid competition. Strategies that are prohibited by law include:

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

11. Prior to payment of goods and services, the County Auditor will audit all payments for legality with the various Texas State Statutes and approve the purchases for submission to the Commissioners' Court. The Commissioners' Court will approve all payments for ordinary and necessary purposes.

12. If it has been identified that a line item transfer is required for a purchase, the line item transfer must be approved in Commissioners Court. Prior to court the line item transfer form must first be reviewed, approved, and signed by the Auditor, and also signed by the Department Head, and the Elected Official/Sponsor for the department. Once it has been approved in court, the Auditor's Office will process the purchase order request within 1-3 business days.

Definitions:

PO – Purchase Order

Purchasing Agent –The County Auditor, as appointed by the Commissioner's Court, and acting within the authority provided by Texas Local Government Code Chapter 262..

Budget Adjustment – recognizes new or additional revenues, authorizes the expenditures of new or additional revenue or authorizes the use of Fund balance. This may also be used to transfer funds between Departments.

Line Item Transfers – Increases and decreases within one department's Line items.

VI. Purchase Orders & Requisitions

County acquisitions are initiated with a purchase order request made to the Auditor's Office with a detailed description of the goods or services being requested. The Purchasing Agent is authorized to select the vendor and to perform all actions necessary to conclude a contract, if needed, with the vendor to purchase the goods or services. Upon obtaining the required information for the request, and after appropriate review or contract discretion, a purchase order number will be issued by the Auditor's Office. It is the responsibility of the department head/elected officials to ensure that funds are available in their budget before purchase order requests are made. If funds are not available, you must request a budget adjustment or receive approval from the County Auditor before a purchase order is authorized by the Auditor's Office. If the purchase amount exceeds the capital outlay threshold set by the Commissioners Court, then the item must have already been budgeted for.

Purchases under \$10,000:

Any purchases for goods or services less than \$10,000 will require, at the discretion of the Purchasing Agent, at least one quote upon request for the Auditor's Office to approve.

Purchases \$10,001 to \$99,999:

Any purchases for goods or services between \$10,001 and \$99,999 will require, at the discretion of the Purchasing Agent, at least three quotes upon request for the Auditor's Office to approve. NOTE: Capital asset purchases may be subject to procurement through a recognized Cooperative Purchasing Program (COOP), and may take several business days for approval.

The Commissioner's Court shall decommission an item prior to a PO being issued for a replacement item. Example: A vehicle is over the 175K mileage. It would qualify for replacement but needs to be decommissioned by the Court prior to a PO being issued for a new one.

Purchases \$100,000 or above

Any purchases for goods or services \$100,000 or above will require the Commissioners Court to comply with the competitive bidding or competitive proposal procedures prescribed by the requirements set forth in Texas Local Government Code §262.023; use the reverse auction procedure, as defined by §2155.062(d), Government Code, for purchasing; comply with a method described by Chapter 2269, Government Code; or must be procured through a recognized Cooperative Purchasing Program whenever beneficial.

A. Standard Purchase Orders

The standard purchase order is the most commonly used. The standard purchase order is used for routine purchases. A Purchase Order request submitted to the Auditor's Office will serve as the initial purchase request for goods or services. Descriptions, specifications, or quotes, should be attached. It is the intention of the Auditor's Office to process all requests within a reasonable amount of time. If a request cannot be processed within a reasonable time, or if more information is necessary, the requesting department will be notified. The Auditor's Office will not proceed with a purchase unless the appropriate budgeted line item includes sufficient funds for the purchase. Purchases made without an approved purchase order will be considered unauthorized, and the department head or elected official are required to explain to Commissioners Court the reason for the unauthorized purchase. Shipping, transit or freight costs must be included in the quote.

B. Open Purchase Orders

Open purchase orders are at the discretion of the Purchasing Agent. They may be authorized for small, routine maintenance type purchases such as repair supplies, vehicle maintenance repairs, or any ongoing project, etc. Open Purchase Orders are not to be used to circumvent the competitive pricing system. Its general purpose is to eliminate numerous requisitions, and purchase orders, for small or frequent dollar items or services, and to allow for consolidation of the payment process. Purchases using an open purchase order may not exceed \$500.00. In the event a purchase exceeds that amount, the department must call the Auditor's Office to request a standard purchase order. Open purchase orders are not to exceed the appropriated funds available in a line item.

C. Expedited Purchase Orders

The Expedited Purchase Order is used to lessen the downtime of equipment when idleness of that equipment would result in unnecessary hardship or expense to the County. An Expedited Purchase Order may also be used for extreme emergency cases. Emergency purchases are governed by Texas Local Government Code §262.024(a); and are only authorized in the following circumstances:

- In the case of public calamity if it is necessary to make the purchase promptly to relieve the necessity of the citizens to preserve the property of the county;
- To purchase an item necessary to preserve or protect the public health or safety of the residents of the county; or
- To purchase an item necessary because of unforeseen damage to public property.

All expedited purchases occurring during normal working hours are processed through the Auditor's Office as normal. The requesting department will notify Purchasing by telephone or email immediately, with as much information as possible about the emergency purchase required, so that purchasing action can be initiated immediately. The invoice for payment will be sent to Commissioners Court for approval.

When an emergency, according to the reasons governed by the Local Government Code, arises during a time when the Auditor's Office is closed, it shall be processed as follows:

- The requesting department is authorized to take the necessary actions to responsibly procure the emergency purchase. If possible, only the goods or services needed during the evening, weekend or holiday are procured.
- On the first working day following the emergency, the requesting department must submit a requisition to the Auditor's Office, with the invoices, receipts or other documents related to the purchase.

NOTE: In the event of an emergency, a repair may be approved, however a full replacement may not. For example, if plumbing backs up and it needs to be repaired immediately, the repair may be considered an emergency. Replacing the plumbing system would fall under regular purchasing procedures.

The official in charge of the user department must justify in writing on the next business day that the purchase involved was necessary for bypassing standard procurement procedures in accordance with the provisions of Texas Local Government Code §262.024. The emergency purchase must be approved by Commissioners Court.

D. Emergency Purchases Related to Natural Disasters:

In cases of emergency purchases related to natural disasters, such as hurricanes, floods, fires, or other declared emergencies, the procurement process must adhere to specific procedures outlined in applicable guidelines (e.g., Governor's Disaster Declaration, FEMA rules). These types of purchases are handled with greater flexibility to ensure that immediate needs are met.

- **Governor's Disaster Declaration:** Purchases made under a Governor's Disaster Declaration will be governed by the terms of the declaration, which may include specific processes for procurement and reimbursement.
- **FEMA Guidelines:** For purchases related to federally declared emergencies, FEMA's procurement guidelines must be followed, including compliance with federal rules, especially when seeking reimbursements.

Additional Considerations for Emergency Purchases Related to Natural Disasters:

- **Advance Preparation:** Burnet County shall develop and maintain pre-qualified lists and pre-positioned contracts to ensure rapid response capabilities during emergencies. This proactive approach ensures that critical needs are met without delay when disasters strike.
- **Compliance with Federal Procurement Standards:** All procurement activities shall comply with federal procurement standards outlined in 2 C.F.R. §§ 200.317–200.327. This includes adhering to state procurement policies, actively involving diverse businesses, and ensuring that all required contract provisions are included.
- **Documentation and Justification:** Thorough documentation for all emergency purchases must be maintained, including justifications for noncompetitive procurements. This is essential for transparency and meeting federal requirements, especially when seeking reimbursements.
- **Contract Clauses:** All necessary federal contract clauses shall be included in procurement documents. This ensures compliance and facilitates the smoother processing of federal funds.
- **Avoiding Conflicts of Interest:** Burnet County shall establish and maintain procedures to prevent organizational conflicts of interest in the procurement process, maintaining fairness and integrity in awarding contracts.

- **Use of Federal Funds:** Burnet County shall ensure compliance with restrictions on the use of federal funds, including prohibitions on certain telecommunications and video surveillance services. Ensuring that funds are used appropriately is vital for compliance.
- **Post-Disaster Reviews:** After a disaster, Burnet County shall conduct reviews of procurement activities to ensure compliance with all applicable regulations and to identify areas for improvement in future disaster responses.

E. Conclusion:

A simple and adaptable approach to emergency procurement allows Burnet County to respond swiftly to emergencies while ensuring compliance with both state and federal requirements. This policy emphasizes the importance of clear documentation, appropriate approvals, and adherence to disaster-specific procedures when applicable.

F. Requisitions

Local Government Code, §113.901 requires the use of requisitions. In order to be processed, a requisition form must include the following information:

- Purchase order number (Only one number per requisition)
- Date purchase order is requested
- Vendor complete name
- Department line-item number(s) to which the expenditure is to be charged
- Description of the item(s)
- Cost of item(s)
- Signature of the department head/elected official or his authorized representative

According to Texas Local Government Code, §113.064 and §113.065 the County Auditor:

- Shall examine and approve each claim, bill and account against the County;
- The county auditor may not audit or approve a claim unless the claim was incurred as provided by law.

G. Sales Tax Exemption

Burnet County is exempt from Texas sales tax. Any purchase made for goods and/or services should be exempt from Texas sales tax. When purchasing from a vendor, a Texas Sales and Use Tax Exemption Certificate (Form 01-339) should be used to notify the vendor of the County's tax-exempt status.

If making a purchase in person, please request a copy of the form to take with you to the vendor so that sales tax is not added to the purchase. A copy of the form can be obtained through the Purchasing or County Auditor's office. Please have the vendor information, such as name and address, available for the form to be filled out and signed by either the County Auditor or Purchasing Agent. If requesting reimbursement for goods and/or services bought personally, sales tax **will not** be included in the reimbursement amount.

H. Forms and Applications

Do not add personal information or use personal emails, addresses, or phone numbers on any county accounts or forms other than personnel related. All tax-exempt forms, W9's, and vendor credit applications are to be processed by the County Auditor or Purchasing Agent. Invoices shall be placed under the name of Burnet County with the Burnet County Tax ID information and addressed to 220 S. Pierce St. Burnet, TX 78611.

I. Vendor W-9 & Address Requirement

All vendors are required to have a current W-9 form on file with the County Treasurer's office prior to payments being made. All vendors are required to inform the County Treasurer's office of their mailing address and must maintain accurate information on file for payment purposes. Once vendors have been authorized by the Treasurer's Office, a unique number is assigned in the county financial system to the vendor. Only authorized vendors with a W-9 on file will be paid by Burnet County. Employees shall keep the proprietary information of vendors confidential.

DRAFT

VII. Competitive Procurement, Exemptions, & Contracts

A. Competitive Bidding

Before any person, department, official or agent of the County may purchase one or more items under contract that requires an expenditure One Hundred Thousand Dollars (\$100,000.00) or greater, the competitive bidding requirements prescribed by Chapter 262, Texas Local Government Code must be met. This requirement includes leases, installment payments and lease purchases in the event the total amount of payment will exceed the \$100,000 threshold over the life of the contract.

Competitive bidding exists for a good reason. The first purpose of competitive bidding is to ensure that public monies are spent properly, legally, and for the least cost. The second purpose is to give those qualified and responsible vendors who desire to do business with the County, a fair and equitable opportunity to do so. All bidders shall have the opportunity to:

- Bid on the same items
- On equal terms
- Have bids judged by the same standards as set forth in the specifications
- Have their bids and proposals be received in a fair and confidential manner

B. Invitation to Bid

In order to initiate the Invitation to Bid (ITB) process, the user department develops the scope of service or specifications and submits the Invitation to Bid and specifications to the Auditor's Office far enough in advance of the desired purchase date to allow time for the formal bidding process (6-8 weeks) to take place. After review, the Purchasing Agent will submit an agenda item to Commissioners Court for approval to proceed with the bidding process. After Commissioners Court approval, the Purchasing Agent sends an advertisement notice to be published in the newspaper as well as posting the bid documents on the County website.

In accordance with Texas Local Government Code (LGC) §262.025, a notice of a proposed purchase under a competitive bid must be published at least once a week for two consecutive weeks in a newspaper of general circulation in the county, with the first day of publication occurring at least 14 days before the date of the bid opening. Notice published in a newspaper must include:

- The specifications describing the item to be purchased and a statement of where the specifications may be obtained;
- The time and place for receiving and opening bids and the name and position of the county official or employee to whom the bids are to be sent;
- Whether the bidder should use lump-sum or unit pricing;
- The type of bond required of the bidder; and
- The method of payment by the County
- The county website address

The Purchasing Agent will receive and open all bids on the specified date and time and then present the bid results to the Commissioners Court at a regular meeting. According to Texas Local Government Code

(LGC) §262.027, in the event two responsible bidders submit the lowest and best bid; the Commissioners Court shall decide between the two by drawing lots in a manner prescribed by the County Judge or reject all bids and publish a new notice. No contract shall be awarded to a bidder who is not the lowest bidder meeting the specifications unless, before the award, each bidder is given notice of the proposed award and is given an opportunity to appeal before the Commissioners Court and present evidence concerning the lower bidder's responsibility. After the Commissioners Court approves the lowest bid, a draft contract is submitted for legal review and for Commissioners Court approval for contract award. Following the award of the bid contract, a purchase order, award letter or official notice to proceed will be sent to the vendor by the Auditor's Office. Trade secrets and confidential information in competitive sealed bids are not open for public inspection.

C. Bid or Performance Bond

The County may, and if mandated by statute, shall, require a bid bond, a performance bond and/or a payment bond, to the extent permitted by applicable state statutes, for any contracts, by including such requirement in the solicitation. Any such bond so required shall be executed with a surety company authorized to do business in the State of Texas. The County reserves the right to request bonds to minimize risk and liability when in the best interest of the County.

D. Request for Proposals

The Request for Proposal (RFP) acquisition method is utilized when the scope of work cannot be completely defined by the user department, or scope of work is complex and is subject to interpretation. An RFP is 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 construction, goods, and or services.

An RFP is similar to the competitive request for bid process with the following exceptions:

- Negotiations are allowed after the proposals are opened
- No contents of the proposals will be read aloud at the opening, only the names of the respondents.

The purpose of an RFP is to provide details to a potential service provider about what kind of services the department is seeking. RFPs must be advertised in the same manner prescribed for competitive bidding. The RFP uses performance standards rather than the description of the good or service and specifies the relative importance of price and other factors used to evaluate the proposal. All proposals are confidential information and will be opened to the public after the award has been made, but trade secrets and confidential information in the proposals are not open for public inspection.

E. Negotiations

The Purchasing Agent will supervise all negotiations. Any conversations with proponents must be in coordination with the Purchasing Agent. Departments contacting proponents without coordinating with the Purchasing Agent risk jeopardizing the integrity of the County procurement process. All proponents must be accorded fair and equitable treatment with respect to any opportunity for discussion and revision of proposals. The same respect of proponents will apply to vendors on competitive bid as well.

F. Request for Qualifications

Professional services, as defined by the Professional Services Procurement Act, Texas Government Code Chapter 2254, are procured using the Request for Qualifications (RFQ) process, unless otherwise exempted by Commissioners Court. A Request for Qualifications ensures vendors a fair and equal opportunity to do business with Burnet County, and guarantees that the services of the most qualified professional are obtained. 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 and a fair and reasonable price in accordance with the Professional Services Procurement Act. A Statement of Qualifications are not opened to avoid disclosure of contents to competing vendors and are kept confidential during the procurement process. If the county is unable to negotiate a satisfactory contract with the most qualified vendor, negotiations will formally end with that vendor. The next most highly qualified vendor will then be asked to negotiate. This sequence will continue until a contract is negotiated and executed.

G. Contracts

Contracts for goods and services are initiated through the Purchasing Agent. Once a request is received and reviewed by the Purchasing Agent, it will be sent to General Counsel for legal review and contract creation. The contract will be sent to the vendor by the Purchasing Agent for signature. After receiving the vendor's signature, and all other necessary requested documents, the contract will be signed by the Purchasing Agent if below \$100,000. If the contract exceeds \$100,000, it will be signed by the County Judge if approval for the contract was granted by Commissioners Court.

Any contract for professional services shall be in writing, approved and signed by the Commissioners Court, prior to any services being rendered.

H. Contract Change Order

If it becomes necessary to make changes in plans, specifications, or proposals after a contract is made or if it becomes necessary to increase or decrease the quantity of items purchased, the Commissioners Court may make the changes. However, the total contract price may not be increased unless the cost of the change can be paid from available funds. If a change order involves an increase or decrease in cost of \$100,000 or less, the Commissioners Court may grant general authority to the Purchasing Agent to approve the change orders. However, the original contract price may not be increased by more than 25 percent unless the change order is necessary to comply with a federal or state statute, rule, regulation, or judicial decision enacted, adopted, or rendered after the contract was made. The original contract price may not be decreased by 18 percent or more without the consent of the contractor.

I. Contract Termination

The user department is on the "front line" and has the best capability to monitor and document contractor performance/compliance. All documentation of non-compliance must be shared with Commissioners Court. If there has been poor performance or non-compliance with the contract, the user department will

be responsible to initiate corrective action with the vendor and will consult with the purchasing agent and legal counsel before taking any steps toward suspension or termination of the contract. The purchasing agent will coordinate with legal counsel to develop any letters, notices and other communication related to termination or suspension. If termination/suspension is warranted, upon recommendation provided by legal counsel, then the purchasing agent will present an agenda item to Commissioners Court for contract termination.

J. Discretionary Exemptions

Many goods and services can be exempt from the competitive procurement process if the Commissioners Court grants the exemption. §262.024 of the Texas Local Government Code lists all the exemptions. In all cases, the Purchasing Agent will request the exemption order from Commissioners Court.

(a) A contract for the purchase of any of the following items is exempt from the requirement established by §262.023 (Competitive Requirements for Certain Purchases) 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 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) an item that can be obtained from only one source, 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 (Definition), Chapter 17 (Deceptive Trade Practices), Business & Commerce Code; or*
 - (C) by a political subdivision of this state, a state agency of this state, or an entity of the federal government;*
- (10) any work performed under a contract for community and economic development made by a county under §381.004 (Community and Economic Development Programs); or*
- (11) vehicle and equipment repairs.*

K. Cooperative Purchasing Programs

A Cooperative is an organization of governments established to provide local governmental entities access to contracts with vendors for the purchase of materials, supplies, services, or equipment as defined by Texas Local Government Code §271.101. The use of purchasing cooperatives is allowed under Local Government code, Chapter 271. Counties may purchase items by participating in a cooperative purchasing program with another governmental entity or with a local cooperative organization, instead of going through a competitive procurement process. The county must contract with the government or local cooperative organization in order to participate in their program.

Burnet County is a member of several cooperative purchasing programs. The Auditor's Office will use their discretion when making purchases if it is in the best interest of the county to utilize a cooperative versus competitive bidding or proposal, or to seek a discounted price on a submitted quote from a department for goods or services.

The county may purchase from vendors on the same terms and conditions as the State of Texas as well. The State has entered into term contracts after using competitive bidding procedures. Texas Comptroller Statewide Procurement Division manages this program for the State as authorized by Texas Local Government Code §271.082.

VIII. Inventory & Fixed Assets

A. Fixed Assets

Fixed asset costs consist of all expenditures necessary to acquire and make the purchase ready for its intended use, including all items that are components. Purchase cost (before trade-in allowance), shipping/freight, testing, assembling, and installation costs are all considered part of the cost of an asset. All items that are components of the fixed asset shall be added together. All equipment and vehicle titles shall run through the Auditor's Office or Auditor's Office. All assets that exceed \$500 will be issued an inventory asset ID number, tagged (if possible).

1) Non-Assets/Small Inventory:

These assets will be tagged if the Auditor's Office deems necessary or at the using departments request.

2) Classifications of the County fixed assets

- a. LAND** - Any land purchased or donated to Burnet County will be placed on the fixed asset inventory at the price paid for the land at the time of purchase or the appraised value of any land which is donated or traded to the County.
- b. BUILDINGS** - County buildings will be placed on the fixed asset inventory at actual cost of the building if this actual cost is available. If actual cost is not available, the value of the building will be the appraised value plus or minus any necessary adjustments to determine the actual cost of the building at the time it was constructed or purchased by the County. If the building is donated or received in trade, it will be recorded at appraisal value. Major renovation or construction of additions to existing building will be recorded on fixed asset inventory at actual cost. Only those items that will improve the long-term value of the buildings will be considered as additions to the value of the buildings.
- c. IMPROVEMENTS OTHER THAN BUILDINGS** - Improvements may, or may not, be placed on fixed asset records. This determination will be made by the County Auditor. Items, which are deemed to be fixed assets, will be recorded at cost.

- d. **MACHINERY AND EQUIPMENT** - All machinery and equipment including any moveable piece of property purchased, donated, or built by
- e. County or acquired from surplus property agencies.
- f. **MOTOR VEHICLE EQUIPMENT** - Motor Vehicle Equipment is defined as that which is mobile.
- g. **DATA PROCESSING EQUIPMENT AND SOFTWARE** - Data processing equipment includes equipment used centrally in the IT department or in individual departments of the County. All computer-related products will be delivered to the Auditor's Office for tagging, and then forwarded to the I.T. Department for programming before being installed at the using department.
- h. **DONATED PROPERTY** - All assets received via donation or contribution, regardless of source, will be included in fixed assets. All departments receiving donated equipment or items must fill out and submit a donation form to the County Auditor. The County Auditor will then take the donation forms to Commissioners Court for their approval and acceptance of the donation. These approved items must be reported to the Auditor's Office immediately upon approval. For financial reporting these assets shall be recorded at fair market value on the date of receipt. Proper recording of these assets is essential as some contributed assets, such as those received from the Federal Government, must be tracked at several levels and improper disposition of these assets could have penalties or severe negative impact upon the County's ability to participate in a program.

B. Department Head Responsibility

Each department head and/or elected official is responsible for all county property that they purchase or that is transferred to their department, as well as be responsible for informing the Auditor's Office of any assets leaving their area of responsibility.

The Elected Official or Department Head shall report item(s) lost immediately to the Auditor's Office or designated Auditor's Office employee. Any item(s) not located in a department will require a letter from the Elected Official or Department Head to the Commissioners' Court detailing

the circumstances surrounding the missing item(s) and detailing the search for the missing items(s). A copy of the letter and listing of the lost assets are presented to Commissioners' Court for approval to remove the assets from the inventory listing. Commissioners' Court must approve all replacement of lost item(s). Recovered item(s) are similarly reported to Commissioners' Court.

AN ELECTED OFFICIAL OR DEPARTMENT HEAD DOES NOT HAVE THE AUTHORITY TO TRANSFER EQUIPMENT FROM ONE DEPARTMENT TO ANOTHER, DESTROY EQUIPMENT, THROW AWAY OR DISCARD EQUIPMENT, OR ALTER A FIXED ASSET IN ANY WAY.

Whenever practical, the Purchasing Agent, with the 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 subdivision, department, officer, or employee requiring the supplies or materials or the use of equipment.

Commissioners' Court must approve any transfer, disposal, or alteration. Otherwise, the Elected Official or Department Head is responsible for all equipment assigned to his/her department. Any surplus inventory in any department in the County should be returned to the Auditor's Office for reassignment or auction.

C. Disposition of County Assets

To dispose of county property the Local Government Code §263, Subchapter D, requires that the Commissioners Court dispose salvage and surplus county property in the following manner:

- Competitive bid or auction; or
- Sell to another county or political subdivision within the county; or
- Offer the property as trade-in; or
- After the above has been attempted – the county may: destroy, donate to a civic or charitable organization located in the county, or otherwise dispose of said property.

County property that must follow the above law is all property, other than items routinely discarded as waste (e.g. pens, paper, used ribbons) that because of use, time, accident, or any other cause is so worn, damaged, or obsolete that it has no value for the purpose it was intended.

IX. Credit Card Policy & Procedures

Burnet County may provide certain departments with credit cards that can be used for business-related expenses. Use of these cards allows Burnet County to provide a cost effective, convenient and streamlined method of paying for business travel and related expenses and for making purchases from vendors whom the County does not maintain regular charge accounts with. A credit card is not to be used to purchase separate, sequential, and component purchases made with intent to circumvent the purchasing policy or procurement law. Credit cards are issued in the name of Burnet County. The cards are administered through the Auditor's Office.

A. Guidelines

“Cardholders”, for the sake of this policy, are considered anyone who has a card in their possession; whether they have been issued a departmental card for use in their department, or have temporarily checked out a card from the Auditor's Office on an as needed basis.

- 1) Credit cards must be used for business purposes only and in conjunction with the employee's job duties. They may only be used for emergency purchases, a purchase order is still required to use a credit card. Receipts and documentation must be turned in to the Auditor's Office no later than 3 days after the purchase.
- 2) Unauthorized purchases or personal purchases are prohibited and purchaser will be subject to disciplinary action. A cardholder who makes unauthorized purchases or carelessly uses the Procurement card will be liable for the total dollar amount of such unauthorized purchases, and will also be subject to disciplinary action. When a cardholder has a doubt as to whether the purchase is allowable under County policy, the cardholder shall contact the Auditor's Office for verification.
- 3) In the event of accidental use of a county credit card, the Cardholder will immediately notify Purchasing of the incident. The cardholder will be held responsible to reimburse the County immediately.
- 4) Purchase Orders are still required prior to using the credit card for ANY purchase. If an absolute dollar amount is not known when obtaining a purchase order in advance of the purchase, a good estimate is acceptable. Credit cards should not be used to replace mindful planning.
- 5) Credit cards may be used for travel related purchases (e.g. registration, hotel, airfare, parking, rental car) in compliance with the Burnet County travel policy. Meals while at a conference or training are not to be charged on the County credit card. These are to be reimbursed to the employee upon submission of their detailed receipts along with the Travel Reimbursement Request Form.
- 6) Any time a purchase is made using the credit card, **a detailed itemized receipt shall be obtained** as proof of purchase. Summary receipts are not acceptable in any circumstance.
- 7) As a tax-exempt government agency, Burnet County does not pay sales tax. It is the responsibility of the cardholder making the purchase to ensure that the vendor does not include sales tax in the transaction. If tax is included, the cardholder is responsible for obtaining a refund to the card or may be responsible for reimbursing the tax amount to Burnet County.

- 8) The Cardholder is responsible for coordinating returns with the vendor and making sure a proper credit slip is obtained. Credit shall be issued to the purchasing card. **Cash refunds are not allowed. If the vendor will only provide a cash refund, the cash must be immediately taken to the County Treasurer for deposit.**
- 9) Should the Cardholder lose or have their credit card stolen, it is the responsibility of the Cardholder to immediately notify the Auditor's Office.
- 10) All employees who check out a credit card on an as needed basis shall submit to the Auditor's Office a signed requisition made payable to Citibank with all itemized and original documentation attached as soon as possible, but no later than 3 business days after making the purchase.
- 11) All employees who check out a credit card on an as needed basis shall submit to the Auditor's Office a signed requisition made payable to Citibank with all itemized and original documentation attached as soon as possible, but no later than 3 business days after making the purchase.
- 12) The credit card and itemized receipts must be returned to the Auditor's Office within two business days of the employee's return from approved County travel. If multiple employees are going to the same destination, they may be required to coordinate and schedule check-in times using the same travel card.

PROHIBITED USES:

A Burnet County credit card shall not be used for the following:

- 1) personal purchases
- 2) purchases that exceed card dollar limits
- 3) entertainment expenses
- 4) cash advances
- 5) saved as payment for vendor accounts
- 6) meals

IMPORTANT INFORMATION: A cardholder who makes unauthorized purchases, carelessly uses the purchasing card, or fails to turn in the appropriate documentation may be liable for the total dollar amount of such unauthorized purchases, plus any administrative fee(s) charged by the bank in connection with the misuse. The cardholder will also be subject to disciplinary action and potential termination.

The Auditor's Office will train all cardholders on the proper procedures of card use and statement verification. Use of County-issued credit cards is a privilege, which the county may withdraw from any one person or department in the event of serious or repeated abuse.