

McLennan County Purchasing Procedures

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## McLennan County Purchasing Policies and Procedures

It is McLennan County's Purchasing Policy to purchase all materials, supplies and equipment for use by all departments comprising the County government in accordance with all applicable state statutes as set out in Local Government Code, Vernon's Annotated.

In the event that there is a conflict between this policy and the statutes as set out in Local Government Code, Vernon's Annotated, the statutes as set out in Local Government Code, Vernon's Annotated applies.

Purchasing Agent Duties: The County Purchasing Agent shall purchase or provide for the purchasing of all supplies, materials, and equipment required or used, and contract for all repairs to property used, by the County or subdivision, officer, or employee of the County, except purchases and contracts required by law to be made on competitive procurement procedure. Without authorization, 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. The County Purchasing Agent shall supervise all purchases made on competitive procurement procedure and shall see that all purchased supplies, materials and equipment are delivered to the proper County officer or department in accordance with the purchase contract.

To prevent unnecessary purchases, the County Purchasing Agent shall transfer County supplies, materials and equipment from 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 the equipment.

The Purchasing Agent shall dispose of all excess, obsolete or unserviceable supplies, equipment, or materials as provided by statute.

Cooperative Purchase: The Purchasing Agent will research possible available state contracts and/or local cooperative organization agreements for existing contracts for the purchase of one or more items exceeding an expenditure amount greater than **\$50,000**. If it is in the best interest of the County to do so, the County will participate in such existing contracts.

Procurement Procedure Process: If a state contract and/or local cooperative organization agreement does not exist, the Commissioners Court of McLennan County must comply with the competitive bidding, alternate competitive proposal or alternate multi-step competitive proposal procedure before the purchase of one or more items exceeding an expenditure amount greater than \$50,000 can be made. A Request for Qualifications may be used in the selection of Professional and Consulting Services. All bids or proposals must be sealed.

Departmental Review: Before bids are mailed to the vendors, the requesting department must review the bid approving the specifications.

Awarding of Contract: The Purchasing Agent shall present all responses from bids to the Commissioners Court for opening. The Commissioners Court shall 1) award the contract to the responsible bidder who submits the lowest and best bid, 2) reject all bids and cause a new notice to be published, or 3) defer the bids for further analysis. Also, if one bid is received, Commissioners Court may elect to reject the bid.

A contract may be awarded to a bidder who is not the lowest dollar bidder, if before awarded, each lower bidder is given notice of the proposal award and is given an opportunity to appear before the Commissioners Court.

### Purchasing Process

A requisition is required on or before a Purchase Order is issued unless an emergency is declared. A requisition is issued by the Department and should contain a minimum of the following information: a description of the items to be purchased, a quantity (if known), a price and/or overall price total (if necessary, an estimated amount (an estimated amount that should be a close approximation) on the amount to actually be spent, if the amount is underestimated by a large amount, the purchase may be submitted to Court for ratification), a vendor and an accounting line to charge the goods and/or services.

1. All office supplies are to be bought by the Purchasing Department. Requisitions need to be sent or faxed to Purchasing by 10:00 a.m. and then Purchasing will group all the requisitions to make one large buy. Any requisition received after 10:00 a.m. will be purchased the next day.
2. Purchases \$4,999 and under: May receive verbal quotes when deemed economically appropriate and is in the County's best interest to do so. Purchase does not require prior approval of the Commissioners Court. Departments must send a requisition to the Purchasing Department to initiate a purchase.
3. Purchases Between \$5,000 and \$49,999: Will receive a minimum of three informal written quotes when deemed economically appropriate and is in the County's best interest to do so. Purchase must have prior approval of the Commissioners Court.
4. The Purchasing Agent has the authority to deviate from the policy for purchases under **\$50,000** if it is in the best interest of McLennan County and if it will facilitate specific County operations.
5. Formal Sealed Bids Required Over Fifty Thousand Dollars \$50,000: The Purchasing Agent shall initiate the required sealed bid process as outlined in this document. Specification approval, adjustment, bid opening, bid award and notification shall be accomplished in strict compliance with Local Government Code sections 262.025 and 262.030 as revised.
6. Purchasing Requisition: Purchases made for County Departments by the Purchasing Department are initiated by a requisition. In the past, this requisition has been a paper requisition filled out by the department stating their requirements, informing purchasing of the correct account from which the money should be expended, and a signature from the department granting the purchasing department authority to expend the money from that department's budget. With the advent of the new financial system (Tyler Munis), County Departments will be expected to enter a requisition on-line. The on-line requisition is the preferred method of notification to the Purchasing Department that there is a requirement that must be met with a Purchase Order. The paper requisition may still be used for items that do not require a Purchase Order. Purchasing will review purchase requisitions to ensure that the correct budget accounts are being charged. Whether created on-line or in writing, it is the responsibility of the requesting department to ensure there are enough funds in the departmental budget to cover the purchase. If there are not enough funds to cover the

purchase, the requesting department will work with budget to correct the failure. The term requisition will refer to the written or on-line requisition depending on the availability to the department. To ensure fairness and equal opportunity to all vendors, any demonstration of equipment must be scheduled through the Purchasing Department. Emergency requirements are covered elsewhere in this document.

7. Specifications: When practicable, the Purchasing Agent shall maintain standard specifications for budgeted items and supplies of recurring nature. Specifications must be written to provide vendors an equal opportunity to submit quotations on the merchandise. All approved specifications shall be adhered to when making purchases on requisitions from the various departments of the County. The original of the approved standard specifications shall be kept on file in the office of the Purchasing Agent for public inspection and use. If no standard specifications exist for an item, the department shall develop draft plans and specifications. The Purchasing Agent shall make no purchase unless the plans and specifications for the article, service or thing to be purchased have been approved as provided in this policy. If changes must be made to the plans and specifications subsequent to the request for bids, the Purchasing Agent shall immediately notify all prospective bidders by telephone and provide written follow up information of the change.
  
9. Purchase Order: **The Purchasing Agent will issue a Purchase Order from the requisition only after the information provided has been verified, proper procedure has been followed and a vendor has been selected.** The Purchasing Agent reserves the right to select the vendor for any purchase. The Purchasing Agent at the request of the department will place the order for the department or provide the Purchase Order to the department to place the order. A copy of the Purchase Order will be faxed to the Department upon request.  
**Note: No changes should be made to the Purchase Order without notifying the Purchasing Department. Some notable changes would be the pricing, the vendor, or the departmental account.**

Blanket Purchase Order. A Blanket Purchase Order may be issued by the Purchasing Department for orders where an exact quantity or an exact cost total may not be known. The orders are generally limited by time (preferably no more than a week). The Department will issue a requisition with the required information. The only difference is that the requisition should include an estimate for the total cost to be incurred against the Purchase for the week it is in effect. An example is for Road Materials, a Blanket Order may be issued for a certain road material for a total usage or total cost amount estimated for the week, when the invoices come in the Purchase Order will be processed to reflect the actual purchases. Another example is Hardware, a Blanket Order may be issued to a local Hardware store for a weeks time. The Blanket Order is issued for an estimated total dollar amount. When the invoices come in the Purchase Order is resolved to reflect the actual purchases.

10. Receiving: On receipt of materials or services, the department receiving the goods shall complete an on-line receiver. If the department does not have on-line capabilities, the department will sign a copy of the Purchase Order stating that the goods are services are complete. This copy of the Purchase Order will act as a written receiver and should be sent to the Auditor's Office. The receiver shall be reviewed by the County Auditor's Office after the goods or services are received for verification and/or payment to the vendor.

11. Invoices: Vendors should mail invoices directly to:

McLennan County Auditors  
214 North 4<sup>th</sup> Street, Suite 100  
Waco, Texas, 76701-1366

If sent to a Department, the Department should never delay forwarding an invoice to the County Auditor's Office.

12. Request for Proposals: Competitive proposal purchasing may be used in the procurement of insurance and high technology items. In addition the method may be used to purchase other items when the county official who makes purchases for the county determines, with the consent of the commissioner's court, that it is in the best interest of the county to make a request for proposals. Consulting and Professional services may be obtained on a negotiated basis with the discretionary approval of the Commissioners Court, however, the County of McLennan encourages the use of a Request for Proposal either single step or multi-step to provide competition among vendors and fair evaluation of services provided. Or in the case of professional services such as Architectural, Engineering or Surveying, a Request for Qualifications that compares demonstrated competence and qualifications before a fair and reasonable price is negotiated.
13. Emergency Purchases: A department head, elected official or designee may make a necessary emergency purchase and shall report the same in writing to the Purchasing Agent. The report must contain a definite statement of the occasion and reasons for such an emergency. An emergency is considered to be:
- 1) An item that is purchased in a case of public calamity, it is necessary to make the purchase promptly to relieve the necessity of 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; or
  - 3) An item necessary because of unforeseen damage to public property.

Note: the above information on Emergency Purchases are based on statute, we have broadened the definition of an Emergency Purchase to include situations that cost the County money by not being taken care of immediately. An example would be having a piece of equipment down that needs a part to continue a scheduled job.

Should an emergency arise during normal hours in a department requiring the immediate purchase of an article, service or thing involving an expenditure of **\$50,000** or less, and not to be made from bond funds, the department head, elected official or designee shall immediately report the emergency to the Purchasing Agent. The Purchasing Agent may immediately solicit quotes by telephone or otherwise and award such order to the lowest and best quote for immediate delivery. After such emergency purchase is made, the department head, elected official or designee requesting same shall file the usual requisition confirming the request. All such purchases shall be confirmed by the issuance of a purchase order.

14. Grants: County will follow the terms of the grant for the procurement, through written or verbal instruction, of goods and services related to the grant. If procurement terms are not provided or are not clear, County will follow the more stringent of Federal, State or County statutes.

15. Bonding:

**Bid bonds** will not be required for contracts that are less than \$100,000. Bid Bonds will not be required from any bidder or proponent whose rates are subject to regulation by a state agency.

If the Purchasing Agent decides that a bid bond is required for a particular contract, the invitation for bids or request for proposals will state a bid bond in the amount of 5% of the contract price is required and that it must be executed by a surety company authorized to do business in Texas.

**Payment Bonds** will not be required for contracts that are less than \$25,000.

If the Purchasing Agent decides that a payment bond is required for a particular contract, the invitation for bids or request for proposals will state a payment bond in the full amount of the contract price is required and that it must be executed by a surety company authorized to do business in Texas before the contractor commences work and within 30 days after the contract award is sent to the contractor.

**Performance bonds** will not be required for contracts that are less than \$50,000. Performance Bonds will not be required from any bidder or proponent whose rates are subject to regulation by a state agency.

If the Purchasing Agent decides that a performance bond is required for a particular contract, the invitation for bids or request for proposals will state a performance bond in the full amount of the contract price is required and that it must be executed by a surety company authorized to do business in Texas before the contractor commences work and within 30 days after the contract award is sent to the contractor.

16. Conflict of Interest

**Conflict Disclosure Statement**: The Local Government Code creates a filing requirement for a local government officer to disclose, employment or other business relationship and/or any gifts accepted by the local government officer or a family member with an aggregate value of \$250 from an entity doing business with the County is seeking to do business.

**Conflict Disclosure Questionnaire**: A vendor or other person who contracts or seeks to contract for the sale or purchase of property, goods, or services with a local government entity, or is an agent of a vendor or person who is seeking to contract with the county must file a Conflict Disclosure Questionnaire within 7 business days of:

- Beginning contract discussions or negotiations
- Or submitting an application, response to a request for proposal or bid,
- Or other communication related to a potential contract.
- Failure to file a questionnaire is a class C misdemeanor.

## 17. Suspension and Debarment

Vendor will be asked if they have been Suspended or Debarred in any procurement procedure issued from the Purchasing Office. McLennan County Purchasing will check the Excluded Parties List at <https://comptroller.texas.gov/purchasing/programs/vendor-performance-tracking/debarred-vendors.php> before recommending the award for any procurement procedure to the Commissioners Court.

## 18. Code of Ethics

McLennan County Purchasing personnel subscribe to and support high level of ethical and moral conduct. Acceptance of gifts or gratuities of any kind is prohibited by governmental purchasing ethics as well as State and Federal statutes. County officials and employees are strictly prohibited from accepting or soliciting money, property, service, or other items of value by way of gift, favor, loan, or otherwise, which employee or official knows, or should know, is being offered or given in the process of:

- Requesting goods or services
- Receiving or accepting goods or services
- Influencing the discharge of official duties
- Purchasing, approving, or awarding of contracts
- Processing invoices, payments, or other correspondence

Excluded from this prohibition shall be routine items of inconsequential value, normally offered by vendors to the general public, or meals offered on an infrequent basis.

Nothing in this policy shall prohibit any McLennan County official or employee from accepting anything of value by way of gift or loan when such gift or loan is not prohibited by statute, and is accepted on behalf of McLennan County.

## 19. Sale of County Property

After approval of sale by the Commissioners Court, the Purchasing Agent will dispose of surplus property by selling it to the highest bidder at either auction or sealed bid. Proceeds from the sale shall be deposited into the General Fund or into the fund that the original purchase was made from.

Personal Use of Purchase Orders Prohibited: County employees shall not purchase supplies, materials or equipment of any kind through the County of McLennan for personal use.

## 20. Penalties

All personnel are subject to the penalties as outlined in Local Government Code section 262.034 as amended.

### Section 262.034 Criminal Penalties:

- (a) An officer or employee commits an offense if the officer or employee intentionally or knowingly makes or authorizes separate, sequential, or component purchases to avoid the competitive requirements of Section 262.023. An offense under this subsection is a Class B misdemeanor.
- (b) “Repealed by acts 2011”
- (c) A County officer or employee commits an offense if the officer or employee intentionally or knowingly violates this subchapter other than by conduct described by Subsection (a). An officer under this Subsection is a Class C misdemeanor.

21. The following are exceptions where a purchase order will not be required:

- 1. Law Books
- 2. Evidence documents
- 3. All professional services including any medical expenses
- 4. Travel expenses
- 5. Cell Phone usage reimbursements
- 6. Boarding care for placement children
- 7. Communications services including pager services
- 8. Autopsies
- 9. Postage
- 10. Visiting Judges and related charges
- 11. Extra Court reporters
- 12. Jurors and Juror Bailiffs
- 13. All utility bills including phone bills
- 14. Any personnel cost paid through payroll

For the items listed above, Auditor’s Office will send a copy of the invoice to the appropriate department. Upon receipt of the invoice, the department should fill out a Requisition and return to the Auditor’s Office.

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