



Freestone County Purchasing Policy

Approved March 19, 2014

PURCHASE PROCESS

All purchases require a purchase order issued by the Auditor's Office, unless listed under exemptions or specifically exempted by law. By routing all purchases through the Auditor's Office, it becomes possible for purchases of similar good and/or services to be identified and the purchases from the same vendor to be noted. In this manner, it becomes possible to identify areas where competitive bidding or proposals will be required. It also places an encumbrance on budgeted funds.

PURCHASE ORDER

The purchase order is a contract between the County and a vendor. A purchase order authorizes the vendor to both invoice and ship the materials or supplies specified. It is also the vendor's indication to expect timely payment if good and/or services are rendered as specified on the purchase order. All purchases require a purchase order issued by the Auditor's Office prior to the purchase being made unless listed under exemptions, or specifically exempted by law. All purchase orders will be written concisely and clearly to avoid misunderstandings and unnecessary correspondence with vendors.

Each Department Head is responsible for maintaining the integrity of his/her department budget. Anyone obligating an expenditure of funds for goods or services in excess of their line item budget, or prior to securing a purchase order, may be held personally responsible for the payment. **Purchase orders are issued prior to the purchase being made.**

If a line item has an insufficient remaining budget for a purchase order, the Commissioners Court must approve a budget transfer **BEFORE** you commit to a purchase.

PURCHASES LESS THAN \$50,000

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

The general practice of the County shall be to accept the lowest responsible quote or the bidder who provides goods or services at the best value for the municipality.

(b) In determining the best value, the County may consider:

- (1) the purchase price;
- (2) the reputation of the bidder and of the bidder's goods or services;
- (3) the quality of the bidder's goods or services;
- (4) the extent to which the goods or services meet the municipality's needs;
- (5) the bidder's past relationship with the municipality;
- (6) the impact on the ability of the municipality to comply with laws and rules relating to contracting with historically underutilized businesses and nonprofit organizations employing persons with disabilities;
- (7) the total long-term cost to the municipality to acquire the bidder's goods or services; and
- (8) any relevant criteria specifically listed in the request for bids or proposals.

All purchases require a purchase order issued by the Auditor's Office regardless of price unless listed under exemptions, or specifically exempted by law.

Purchases from \$1.00 to \$5,000.00 –

Purchase order only is required if adequate funds are available in the appropriate budget line item.

Purchases \$5,000.01 to \$20,000.00 of NEW COMMODITIES –

Three telephone quotations at a minimum are required. Exceptions are purchases made at auction, off state contract, or from buy boards which do not require quotations.

Purchases \$20,000.01 to \$49,999.99 of NEW COMMODITIES –

Three written quotations at a minimum are required. Exceptions are purchases made at auction, off state contract, or from buy boards which do not require quotations.

Purchases \$5,000.01 to \$49,999.99 of USED COMMODITIES or SERVICES –

One telephone or written quotation required.

All purchases of NEW COMMODITIES between \$20,000.01 to \$49,999.99 require Commissioner's Court approval.

EMERGENCY PURCHASES

Emergency purchases should be curtailed by proper planning and anticipating needs far enough in advance that regular purchasing procedures may be followed.

Emergency purchases may be made without obtaining quotations from three responsible suppliers with the department head/elected official's approval, and should only be allowed to keep buildings and machinery in operating condition when their idleness would result in expense to the County, or for extreme emergency cases involving public health and welfare cases. In the case of emergency purchases, the purchase order should be marked "EMERGENCY PURCHASE".

Emergency purchases are subject to approval by the Commissioners' Court.

PURCHASES OF \$50,000 OR MORE

The purpose of this section is to provide guidance for the regulations that apply to purchases subject to the Texas Local Government Code that requires competitive bidding or proposals for all county purchases exceeding \$50,000 in amount for a product or with a vendor. The laws also prohibit “separate, sequential, or component purchases to avoid the competitive bidding requirements”. A violation is a Class B misdemeanor (\$2,000 fine and/or 180 days in jail) and conviction results in immediate removal from employment and ineligibility for other public office for four years (LGC Section 262.034 – 262.035).

Sealed competitive bids or proposals must be secured for all transactions reasonably anticipated to be equal to or in excess of \$50,000 (annually county wide) unless offered on State contract or Inter-local agreement. This category not only includes single product or service purchases, but several purchases with the same vendor for different products.

Bids must be approved by the Commissioners Court prior to purchase orders being issued for purchases from this category.

EXEMPTIONS FROM THE PURCHASE ORDER PROCESS

- Utilities: phone, water, electricity, gas
- Building Rents
- Insurance Premiums
- Professional services for unforeseeable expenses such as: autopsy fees, court appointed attorney fees, doctors
- Routine Duty Travel
- Employee Travel Expenses
- Appropriations approved by the Commissioners Court during the budget process
- Monthly billings for items purchased under contract
- Monthly billings for maintenance under a service agreement
- Payroll and Employee Benefits
- Postage from county postage machine
- Jurors
- Indigent bills
- Emergency Purchases made in (1) a case of public calamity where the prompt purchase of items are required to provide for the needs of the public or to preserve the property of the County, (2) a case where the item is necessary to preserve or protect the public health or safety of residents of the County; and (3) a case where the purchase of an item is made necessary due to unforeseen damage to public property.

TRADE-INS

If a purchase requires a trade-in, such as an automobile, office machines, or other equipment, the department head/elected official should request approval of the trade-in from Commissioners' Court prior to the purchase of the new asset.

AGREEMENTS

All lease/purchase agreements must be approved by the Commissioners' Court and signed by the County Judge, unless the Commissioners' Court authorized someone else to sign the agreement. All lease/purchase agreements must contain the "government clause" authorizing the return of the equipment if the Commissioners' Court does not appropriate funds for the lease/purchase in a future year.