# Medina County, Texas

# Purchasing Policy

**MEDINA COUNTY, TEXAS**
**POLICY AND PROCEDURES MANUAL**

effective October 1, 2018
revision effective January 1, 2022

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I.  **PURPOSE**

The purchasing policy for Medina County has four (4) objectives:

1. To obtain goods and services as economically as possible.

2. To obtain the goods and services that are best suited to the particular needs of County departments.

3. To ensure the timely delivery of goods and services and avoid interruption of governmental operations.

4. To ensure that purchasing procedures conform to State Law, County Policies, and are budget compliant.

II.  **APPLICATION**

This policy is to serve as guidance for all internal offices as governed by the Commissioner's Court of Medina County as well as any departments from which the County has fiduciary responsibility to include all Grant Departments.

III.  **DEFINITIONS**

**BLANKET PURCHASE ORDER**   As of January 1, 2022, blanket purchase orders will no longer be utilized.

**COMMODITY** – A product distinguished from a service.

**EMERGENCY PURCHASE** – A purchase necessary only to keep buildings and machinery in operating conditions when their idleness would result in expense to the County, or for extreme emergency cases involving public health and welfare.

**FIXED ASSETS** – Any asset leased, purchased or owned by the County that has an operating value of $500 or more.

**FORMAL BID** – Bids for purchases made according to Chapter 262 of the Local Government Code requiring consideration by the Commissioner's Court, advertisement for bids and formal specifications.

**INVOICE** – Itemized statement of merchandise or services provided from a vendor.

**LINE ITEM** – The budget category for a specified class of goods or services, such as Office Supplies or Professional Services.

**PURCHASE ORDER** – A document and first official offer issued by a buyer to a seller, indicating types, quantities, and agreed prices for products or services.

**REQUISITION** – A request used to indicate the need for goods or services.

**REQUESTOR** – Elected Official, department head or employee that is authorized to make purchases.

IV.     **REQUISITION/PURCHASE ORDERS**
**Items to be purchased out of the 4510 and the 4515 General Ledger account codes will need a purchase order.** 4510 and 4515 items to be exempt from needing a PO will include:

- Ongoing Capital Projects (ie. building construction, land purchases)

- Replacement of a major vehicle part (ie. motor overhaul, major work due to accident)

- Court Approved Emergency Purchases

V.     <u>**PURCHASING GUIDELINES**</u>

In order to obtain the best price in the most efficient manner, 4510 and 4515 purchases will be divided into the following five (5) categories:

1. Under $9,999–Requires a Purchase Order
2. $10,000–$24,999 – Requires quotations from at least three (3) vendors and a Purchase Order
3. $25,000–$49,999 – Requires quotations from at least three (3) vendors, Commissioner's Court approval and a Purchase Order
4. $50,000 and over – Requires formal sealed competitive bids as specified by Chapter 262 of *The Texas Local Government Code*, Commissioner's Court approval and a Purchase Order
5. Cooperative Purchasing -Requires a Purchase Order (Which is usually required to use Co-Op Purchasing)

VI.     <u>**THE PURCHASE REQUISITION**</u>

The purpose of a Requisition is to indicate the needs of the requesting department, to correctly identify the goods or services requested and will serve as the <u>***approval***</u> for the purchase of those goods or services requested.

Prior to having access to the Purchasing module in INCODE please contact the Auditor's Office for log-in information. INCODE is web based.  The website is below:

**incode.tylerhost.net/medinacountytx/apps/dashboard/**

In the INCODE software, requisition entry initiates the purchasing flow.  Purchase Orders cannot be issued unless a requisition has been submitted and approved.

Requisition entry requires close attention to details.  Data entry will affect:

- What approval Path(s) the requisition will follow
  - Departmental
  - Commodity Code
  - GL Account

- What Ship to Address will print on the purchase order
- What Vendor is on the requisition

1. Go to **Add Requisitions**.

**STEP ONE: ENTRY**



Vendor – if you start typing the Vendor name, it should pop up.  If it is a new Vendor, please obtain a W-9 from the vendor and submit it to the Treasurer's office to be set up.

1. Vendor Business Address – will auto populate
2. Requisition Number - will auto populate once submitted
3. Issue Date – Date Created
4. Requested by – Your Name
5. Ship to – Your Dept. address or you can change to another address your desired shipping address
6. Department – Department Number

At this point you can put this requisition on hold if you are not ready to complete.

7. Description – General description for what you are ordering

**STEP TWO:  ADD ITEMS**



1. Commodity Code – see attached descriptions
2. Description – Detailed description of each item, one item per line
3. Quantity – How many?
4. Price – per item (will figure total automatically) the grand total will calculate automatically
5. Ship to: - This will default to your office location

*Please disregard DISTRIBUTIONS at this time.*

6. Account – General Ledger Account Code

At this point, if you only have one item, you can hit Done.  If you have more than one item, please hit SAVE & NEW, and repeat steps 1-6

A warning message will pop up if general ledger line is over budget.  It will also ask you to verify the account you are charging.

After you hit DONE, you will be able to see a list of your items before you submit the requisition. At this point you can also add more items by hitting the plus sign.

### STEP THREE: ATTACHMENTS (OPTIONAL)

If you have attachments please hit continue, otherwise hit Skip to Review. It is encouraged to attach any quotes or other attachments that pertain to the purchase.

### STEP FOUR: SUBMIT

This is where you will have a chance to review your requisition and submit. It is no longer necessary to email your requisition to Purchasing. We will be notified and will process your PO. Once the PO is processed, you will be notified that you have a PO waiting.

You will have the option to add notes to the PO as well as download and print the PO. Unless stated, it is on the requesting department to provide the purchase order to the vendor.

## VII. THE PURCHASE ORDER

A Purchase Order is the seller's authorization to invoice and ship the goods or services specified. The Purchase Order will be checked against the requisition by the Auditor's Office. All Purchase Orders will be generated concisely and clearly to avoid any possible misunderstandings.

A Purchase Order will be issued by the Auditor's Office only. A standard, computer generated Purchase Order will be issued for all non-contracted goods or services upon notification from INCODE. Once verified for accuracy, the Purchase Order will be signed by the County Auditor's Office before it is released. The Purchase Order can then be submitted by the Requestor to the vendor at the time the order is placed.

## VIII. EMERGENCY PURCHASES

Emergency Purchases should be limited as much as possible by anticipating needs far enough in advance that regular purchasing procedures, as outlined in the previous sections, may be followed.

The Emergency Purchase is made by the Requestor, with the approval of the department head, and is allowed only to keep buildings and machinery in operating condition when their idleness would result in an expense to the County. An Emergency Purchase may also be made for extreme emergency cases involving public health and welfare.

**Emergency Purchases will be classified in the following two categories:**

1) Emergency Outside Normal Business Hours
    i. In such instances, the department must take necessary action to obtain the needed goods or services.  If however, the department is aware that the purchase involves an expenditure of $50,000 or more, a reasonable effort should be made to contact the County Judge or designated representative and notify them that the emergency exists.
    ii. Emergency Purchases after-hours will be limited to the Road and Bridge Departments, Buildings and Grounds Departments, Sheriff's Department, Jail, Juvenile Probation, Emergency Management, Loss Control, and the Health Unit.

2) Emergency During Business Hours
    i. The Requestor will initiate an Emergency Purchase contacting the Auditor's Office, notifying them of the nature of the emergency.

Efforts should be made to obtain the best possible price when making an emergency purchase and when possible, purchased from a vendor who has previously supplied the same or similar goods and services.

## IX.    INSPECTING AND RECEIVING

The receiving department will inspect, check, and count the merchandise received to ensure that it satisfies conforms as to quantity, quality and specifications on the Purchase Order.

Upon receipt of merchandise and after inspection, the Requestor will confirm that all merchandise was properly received by sending an email to the purchasing@medinatx.org email.  This step is needed to close the Purchase Order therefore continuing the payment process.  Please note that invoices are needed to pay a claim.  All invoices should be addressed to the Treasurer's Office.

## X.    BLANKET PURCHASE ORDERS

As of January 1, 2022, the Blanket Purchase Order process has been discontinued.

## XI.    FIXED ASSET PURCHASES/DISPOSALS

**Fixed assets:**

The County will maintain an inventory of all fixed assets in accordance with Generally Accepted Accounting Principles (GAAP), including governmental Accounting Standards Board (GASB) Pronouncement Number 34, and this policy.

The purpose of this policy is to ensure that consistent and proper procedures are followed in the recognition of assets held and/or owned by Medina County.  Records of all fixed assets will be maintained in such a manner to sufficiently safeguard these items as public investments and to assure stewardship of all such assets held in public trust.

Fixed assets costs consist of all expenditures necessary to acquire and make the purchase ready for its intended use.  The following costs are to be considered as part of the total: purchase amount (before trade-in allowance), shipping and freight, and installation.  Tangible items calculated at $500 or more will be labelled with a County Property tag that includes a sequential number.  Each elected official or department head is responsible for ensuring that assets are tracked and secured in a manner that is most likely to prevent theft, loss, damage, and misuse of assets.

Each elected official or department head shall maintain control over property less than a value of $500 that are considered high risk. High risk items may include but not be limited to weapons, electronics, tools, and computer peripherals.

Lost or stolen property must be reported immediately to the County Treasurer's Office. The Treasurer's Office will then contact the Auditor's Office so adjustments can be made to the assets on record.

Major repairs to machinery or equipment will be added to the original assets cost if such repairs meet the following criteria:

1. The total cost of repairs exceeds twenty percent of the original acquisition cost and is not due to accidental damage; or
2. The total cost of repairs is $500 or more and the repairs result in extending the life of the asset ie. a motor overhaul or a new transmission.

### Change in Elected Official or Department Head:

When an Elected Official or Department Head leaves their County employment, arrangements must be made with the Auditor's Office to perform an inventory far in advance to ensure that the inventory can be taken before the termination date. The Auditor's Office will provide to the Commissioner's Court a full report, noting discrepancies between property actually located and property listed on the inventory.

### Donated Property:

All assets, services, or material received via donation or contribution, regardless of source, must be evaluated and approved by Commissioner's Court. These items shall be reported to the Auditor's Office immediately upon receipt to possibly adjust the assets on record.

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 a negative impact upon the County's ability to participate in a program.

### Gift Cards:

On occasion, funding sources may allow for the purchase of gift cards. When Gift cards are purchased, without regard to funding source, a detailed log should be kept in the office where the purchase was made. This log should be available for inspection at anytime by the Auditor's Office. Gift cards should be treated like cash and should be secured properly. Gift cards should not be used in any way to circumvent the Purchase Order process nor the purchasing statute.

### Disposal of salvage or surplus property (LGC 263.151 subchapter D):

The Commissioner's Court of Medina County prior to disposal must approve all disposals of fixed assets. Prior to approval, a complete fixed assets disposal form should be submitted to the Auditor's Office, this form is available on the County Website's Auditor page.

<u>**Methods that assets may be disposed of:**</u>

1. <u>**Authorized**</u>
   a. Auctions – The sale of surplus or obsolete assets that have been inspected by other departments for possible use.
   b. Recycled or Trashed – Recycling the asset or disposing of an asset in the garbage.

2. <u>**Unauthorized**</u>
   a. Theft – An asset that has been removed from a location without permission.


When possible, prior to disposing of the assets, decals and other identifiers that identify the asset as part of Medina County must be removed.  Once the asset is disposed of, it will be removed from the County's Fixed Assets System and in-turn removed from the corresponding department's inventory