GRIMES COUNTY, TEXAS

PURCHASING

POLICIES AND PROCEDURES

MANUAL

Adopted by Commissioners Court, February 7, 2018
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PURCHASING POLICIES AND PROCEDURES

The purpose of this manual is to establish uniform policies and procedures for the procurement of materials and services that are consistent with Chapter 262 TEXAS LOCAL GOVERNMENT CODE ("LGC" herein, and policies of Grimes County.

It is the individual responsibility of each employee involved in the procurement process to understand the policies upon which these procedures are based, the meaning, and intent of the procedures themselves.

If there are any questions relative to policy or procedure, or the ability of the employee to respond effectively to the requirements of the procedures, then it is the responsibility of the employee to bring such matters to the attention of their immediate supervisor before any action is taken.

The fundamental purpose of these procedures is not to restrict the effectiveness of the individuals involved in the procurement, but to provide a foundation for effective and consistent practices resulting in a positive and professional relationship between Grimes County and the vendors from whom we are served.
I. DEFINITIONS

Advertisement or Advertised - A public notice placed in a newspaper of general circulation containing information about an invitation for bid or a request for proposal.

Auditor - Grimes County Auditor and his/her designated representatives.

Bidders List - A list of vendors who have signified in writing an interest in submitting bids for particular categories or services.

Change Order - A document used in construction contracts that changes the contract by increasing or decreasing the cost or the time for performance or changes the goods or services to be delivered.

Commissioners Court - Grimes County Commissioners Court consisting of the County Judge and the four Precinct Commissioners.

Competitive Bidding - The formal process of soliciting sealed bids from vendors as governed by LGC §262.023.

Component Purchases – Purchasing a series of component parts of an item that normally would be purchased as a whole.

Contract - A formal, written agreement executed by the county and a vendor containing the terms and conditions under which the goods or services are to be furnished to the county.

Department - Any county offices, precinct, district offices, and subdivisions thereof.

Employee - Any county employee, elected, appointed, or hired.

Goods - Includes any personal property to be purchased by the county, including equipment, supplies, material, and component or repair parts.

Lease - A contract for the use of personal property for a period of time in return for a specified compensation. All leases must be approved by the Commissioners Court and signed by the County Judge.

Lowest Responsible Bid - The offer from the responsible bidder who submits the lowest and best bid meeting all requirements of the specifications, terms, and conditions of the invitation for bid. It expressly is understood that the lowest responsible bid includes any related costs to the county in a total cost concept. The term “responsible” refers to the financial and practical ability of the bidder to perform the contract and take into consideration the past performance of the vendor.

Modification - A document used to change the terms and/or conditions of a contract.

Personal Property- Possessions other than real estate or buildings. Personal property is movable and includes tangible (electronics/technology, vehicles, furniture, and etc.).
Pre-bid/Proposal Conference - A conference conducted by the auditor’s office for the benefit of those wishing to submit a bid or proposal for services or supplies required by the county. This is to allow bidders/proposers to ask questions about any proposed contract and the specifications contained therein.

Proprietary Information - Information in bids or proposals to which a vendor claims ownership or exclusive rights and which are protected from disclosure in the Texas Open Records Act (TEXAS GOVERNMENT CODE, Chapter 552).

Purchase Order - A written order issued by the Auditor’s Office, or designee, authorizing the purchasing office to enter into a contract with a vendor to purchase goods or services.

Purchase Requisition - A request by a department to the Auditor’s Office for the purchasing department to enter into a contract with a vendor to purchase particular goods or services.

Purchasing - The act, function, and responsibility for the acquisition of goods and services including construction.

Purchasing Act - As defined in the LGC, Chapter 262.

Quote- to state (a price) or state the price of (something)

Request for Offer (RFO) - An RFO provides a method of negotiating prices, terms, and conditions with catalogue vendors. It assumes that negotiation for “best value” will occur with catalogue vendors, instead of making selections for goods and services based on the published prices, terms and conditions in the catalogues.

Request for Proposal (RFP) - 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 goods and services procured in compliance with LGC, sections 262.0295 or 262.030. All proposals are confidential information and will be open to the public after the award has been made.

Request for Qualifications (RFQ) - A document that requests details about the qualifications or professionals whose services must be obtained in compliance with the Professional Services Procurement Act.

Sealed Bids - Competitive Bids required to be advertised in a newspaper of general circulation and submitted to the purchasing office in a sealed envelope within the specified time period.

Separate Purchases- Purchasing goods and services in a series of separate purchases that in normal purchasing practices would have been purchased in one purchase.

Sequential Purchases- Purchases made over a period of time that in normal purchasing practices would be made as one purchase.

Services - Includes all work or labor performed for the county on an independent contractor basis, including maintenance, construction, manual, clerical, or professional services.
Sole Source Good or Service - A good or service that can be obtained from only one source that is purchased in compliance with LGC 262.024(a) (7) and (c).

Solicitation - A document, such as an Invitation for Bid, Request for Proposal, Request for Offers, or Request for Qualifications, issued by the purchasing office. The document contains the terms and conditions for a contract and seeks (solicits) a bid or proposal for goods or services needed by the County.

Specifications - A concise description of a good or service that the County seeks to buy, including the requirements the vendor must meet in order to be considered for the award. A specification may include requirements for testing, inspection, or preparing any items for delivery, or preparing or installing it for use.

Vendor - One who sells a good or service.

II. PURCHASING AUTHORITY

Purchasing Laws

It is the policy of Grimes County to comply fully with all purchasing laws and amendments of the State of Texas.

Authority

These policies and procedures are adopted by the County Auditor’s Office and approved by the Commissioners Court acting in its capacity as the governing body of Grimes County, Texas.

Grimes County adopts these policies and procedures under the authority of LGC, Chapter 262.

Effective Date

These policies and procedures will become effective February 7, 2018.

III. PURCHASING POLICY

The Commissioners Court has directed the Auditor’s Office to provide a centralized purchasing structure.

The Purchasing Office - as well as officials, managers and employees will provide to all responsible vendors an equitable and competitive access to County procurement process. Further, County purchasing will be conducted in a manner that will promote and foster public confidence in the integrity of the County procurement process.
The County Purchasing Policy is to:

A. Seek the best quality, best value, lowest priced goods and services available that meet the needs and delivery requirements of Grimes County personnel;

B. Provide all responsible vendors and contractors, including HUB, with equitable access to servicing the needs of Grimes County and its personnel through the competitive bidding of goods and services;

C. Comply with all state laws that apply to county purchasing and with the policies and procedures in this manual;

D. Manage all County assets and inventory so that replacement costs are minimized and Grimes County can account for those assets; and

E. Disposal of all surplus, salvage and seized and abandoned property in a manner that provides the most benefit to the taxpayers of the county and complies with the law.

The county Auditor’s Office will ensure that all purchases of supplies, materials, and equipment required new or used, shall comply with the purchasing policy and procedures manual.

*Each Department Head or Elected Official is responsible for following the purchasing policy to secure goods and/or service for their departments.*

**IV. COUNTY PURCHASING ACT** (LGC 262.021 et.seq.)

The Purchasing Act applies to all departments: all district, county, precinct officials, employees and subdivisions of all district, county and precinct offices.

The County Purchasing Act provides a general legal and procedural framework that emphasizes best value practice, openness, control, accountability, and efficiency. It is the duty of the County Auditor’s Office to review and recommend periodic modifications for improvements that will enhance the efficiency and effectiveness of the procurement policy to Commissioner’s Court.

The Commissioners’ Court must approve all county contracts. The Auditor’s Office will ensure that county contract are in compliance with the purchasing policy.

*A. BIDS/PROPOSALS*

The purpose of the procedure is to provide guidance for the regulations that apply to purchases of material, equipment, supplies, and services that are required by law to be a competitive sealed bid or request for proposal, LGC §262.023.

These regulations and procedures apply to all purchases as follows:
LGC Sec. 262.023 COMPETITIVE REQUIREMENTS FOR CERTAIN PURCHASES

(a) Before a county may purchase one or more items under a contract that will require an expenditure exceeding $50,000, the commissioners court of the county must:

(1) comply with the competitive bidding or competitive proposal procedures prescribed by this subchapter;

(2) use the reverse auction procedure, as defined by Section 2155.062(d), Government Code, for purchasing; or

(3) comply with a method described by Chapter 2269, Government Code.

(b) The requirements established by Subsection (a) apply to contracts for which payment will be made from current funds or bond funds or through anticipation notes authorized by Chapter 1431, Government Code, or time warrants. Contracts for which payments will be made through certificates of obligation are governed by The Certificate of Obligation Act of 1971 (Subchapter C, Chapter 271).

(b-1) A county that complies with a method described by Chapter 2269, Government Code, as provided by Subsection (a)(3), to enter into a contract for which payment will be made through anticipation notes authorized by Chapter 1431, Government Code, may not issue anticipation notes for the payment of that contract in an amount that exceeds the lesser of:

(1) 20 percent of the county's budget for the fiscal year in which the county enters into the contract; or

(2) $10 million.

(c) In applying the requirements established by Subsection (a), all separate, sequential, or component purchases of items ordered or purchased, with the intent of avoiding the requirements of this subchapter, from the same supplier by the same county officer, department, or institution are treated as if they are part of a single purchase and of a single contract. In applying this provision to the purchase of office supplies, separate purchases of supplies by an individual department are not considered to be part of a single purchase and single contract by the county if a specific intent to avoid the requirements of this subchapter is not present.

TEX. TRANSPORTATION CODE Sec. 252.312. COMPETITIVE BIDDING

(a) Except as provided by Subsection (b), the commissioners court shall purchase the equipment, materials, and supplies for the county road department through competitive bidding in conformity with estimates and specifications prepared by the county road engineer.

(b) If the county road engineer so recommends and the commissioners court considers it to be in the best interest of the county, a purchase in an amount of $25,000 or less may be made through negotiation by the commissioners court or the court's authorized representative on requisition to be approved by the commissioners court or the county auditor without advertising for competitive bids.

(c) A purchase may not be divided or reduced to avoid the competitive bidding requirement on a purchase that would otherwise cost more than $25,000.
**B. EXEMPTIONS AND EMERGENCY PURCHASES**

Some goods and services can be exempt from competitive procurement process if the Commissioners Court orders the purchase exempt. LGC §262.024 lists all the circumstances when exemptions are available for purchases made out of current funds, bond funds, or through time warrants.

If an “EMERGENCY” purchase is needed, approval must be obtained by the Elected Official or delegated Department Head first. Improper planning cannot be considered a true emergency. Care should be taken that emergency purchases do not result from improper planning.

**LGC Sec. 262.024. DISCRETIONARY EXEMPTIONS.**

(a) A contract for the purchase of any of the following items is exempt from the requirement established by Section 262.023 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, Chapter 17, 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 Section 381.004; or

11. vehicle and equipment repairs.
(b) The renewal or extension of a lease or of an equipment maintenance agreement is exempt from the requirement established by Section 262.023 if the commissioners court by order grants the exemption and if:

(1) the lease or agreement has gone through the competitive bidding procedure within the preceding year;
(2) the renewal or extension does not exceed one year; and
(3) the renewal or extension is the first renewal or extension of the lease or agreement.

(c) If an item exempted under Subsection (a)(7) is purchased, the commissioners court, after accepting a signed statement from the county official who makes purchases for the county as to the existence of only one source, must enter in its minutes a statement to that effect.

(d) The exemption granted under Subsection (a)(8) of this section shall apply only to the sealed competitive bidding requirements on food purchases. Counties shall solicit at least three bids for purchases of food items by telephone or written quotation at intervals specified by the commissioners' court. Counties shall award food purchase contracts to the responsible bidder who submits the lowest and best bid or shall reject all bids and repeat the bidding process, as provided by this subsection. The purchasing officer taking telephone or written bids under this subsection shall maintain, on a form approved by the commissioners' court, a record of all bids solicited and the vendors contacted. This record shall be kept in the purchasing office for a period of at least one year or until audited by the county auditor.

C. VIOLATIONS OF THE ACT

The following purchasing strategies that are made with the intention of avoiding formal competitive bidding are in violation of the law: (LGC§ 262.023)

A. Component Purchases;

B. Separate Purchases;

C. Sequential Purchases.

CAUTION: Intentionally separating purchases/invoices to avoid the statutory limit on competitive bidding is a violation of the Purchasing Act. (LGC §262.034)

Any commitment to acquire supplies, materials, and equipment required or used, and contract for all repairs that are not covered by a current contract, available from a co-op or where a discretionary exemption has been granted without an authorized purchase order is prohibited. Anyone obligating an expenditure of funds for supplies, materials, and equipment required or used, and contract for all repairs prior to securing a purchase order may be held personally responsible for the payment or the purchase may deemed void and returned to the vendor.

Counties must comply with a host of procurement and financial requirements, including federal procurement requirements which flow through to states and localities receiving federal funds (grants).
D. BEST VALUE PROCUREMENT POLICY

The Texas Legislature added the ability for County's to utilize best value analysis for any type of procurement where it has been determined it is in the best interest of the County. The Request for Proposal (RFP) method is used where the evaluation is made by established weighted evaluation factors.

E. QUOTATIONS

The purpose of this procedure is to provide guidance for the regulations that apply to purchase of supplies, materials, and equipment required or used, and contract for all repairs that are not required by law to be bid.

If a County representative receives two or more quotes or bids from responsible bidders that are identical in amount, as the lowest and best bid, the County representative shall select only one bidder by casting lots.

These regulations and procedures apply to all purchases less than $50,000.00.

A. From $0.01 to $999.99 - If a County representative is purchasing items covered by this policy costing at least $0.01 but less than $1,000.00, the County representative shall obtain one (1) quote by informal telephone, email, fax, receipts or internet quotes, or solicit previously approved vendors and purchase from that vendor.

B. From $1,000.00 to $4,999.99 - If a County representative is purchasing personal property costing at least $1,000.00 but less than $5,000.00, the County representative must document price quoted from at least two (2) vendors. Example, in person quotes, fax, email, phone, etc.

C. From $5,000.00 to $9,999.99 - If a County representative is purchasing personal property costing at least $5,000.00 but less than $10,000.00, the County representative must obtain written price quotations from at least two (2) vendors.

D. From $10,000.00 to $49,999.99 - If a County representative is purchasing personal property costing at least $10,000.00 but less than $50,000.00, the County representative must solicit three (3) vendors through written quotations. The lowest responsible valued quote meeting or exceeding minimum specifications will be awarded the item(s) quoted.

Item A, turn in receipt only, items B, C & D above are subject to audit and these quotes should be written down and the documentation kept by the County. Written quotations from the vendors must be sent to the Treasurer's office along with the invoice to be paid.

F. PURCHASE AUTHORIZATION

Each department must furnish the Auditor's Office with a list, if other than the elected or appointed official, of employees authorized to sign a requisition for purchase. It is the department's responsibility to insure that all authorized personnel have read and understand the policies and procedures of this manual.
G. THE REQUISITIONING PROCESS

Requisitioning is the formal request for a purchase to be made. If a department would like the Auditor's Office to make a purchase on their behalf the purchase requisition form shall be submitted. The requisitioning party must furnish detailed specifications to the Auditor's Office, (in the form of a requisition), along with the budget authorization and recommended sources of suppliers (vendors), if known by the user. It is the first step after the need for goods or services is recognized. The user shall identify correctly and clearly the material requested and ensure funds are budgeted before the purchase is made.

Purchase requisitions should fully describe to the Auditor's Office what to buy, when it is required, and where the goods are to be delivered or the services to be performed. Purchaser should establish a system where adequate budget funds are encumbered first and then proceed with the purchase of the requested goods and services. (Requisitions forms located on page 30)

Items that are currently not bid items/or exempted as discretionary are subject to the purchasing policy. (See Quotations section above)

H. COOPERATIVE PURCHASING PROGRAM

A local government may participate in a cooperative purchasing program with another local government or a local cooperative organization (LGC §271.102). A local government that is participating in a cooperative purchasing program may sign an agreement with another participating local government or a local cooperative organization stating that the signing local government will:

A. designate a person to act in all matters relating to the program;
B. make payments provided in the agreement; and
C. be responsible for a vendor's compliance with provisions relating to the quality of items and terms of delivery.

A local government that purchases goods or services under this subchapter satisfies any state law requiring the local government to seek competitive bids for the purchase of the goods or service.

I. PROFESSIONAL SERVICES PROCUREMENT ACT

TEX. GOVERNMENT CODE Chapter 2254. PROFESSIONAL AND CONSULTING SERVICES

Professional services are defined in the Professional Services Procurement Act as:

A. those within the scope of the practice of accounting, architecture, optometry, medicine, land surveying, professional engineering, or real estate appraiser as defined by the laws of the State of Texas;
B. those performed by any licensed architect, optometrist, physician, surgeon, certified public accountant, land surveyor, professional engineer, or state licensed real estate appraiser in connection with his professional employment or practice.

V. INVENTORY & DISPOSITION

On July 1st, of each year, the Department Head/Elected Officials shall file with the County Auditor's Office an inventory of all the property on hand and belonging to the county.

When property is determined to be surplus/salvage, is no longer needed, is in unusable or unsafe condition, it shall be disposed of as outlined below.

LGC Sec. 263.152. DISPOSITION.

(a) The commissioners' court of a county may:
   (1) periodically sell the county's surplus or salvage property by competitive bid or auction, except that competitive bidding or an auction is not necessary if the purchaser is another county or a political subdivision within the county that is selling the surplus or salvage property;
   (2) offer the property as a trade-in for new property of the same general type if the commissioners court considers that action to be in the best interests of the county;
   (3) order any of the property to be destroyed or otherwise disposed of as worthless if the commissioners court undertakes to sell that property under Subdivision (1) and is unable to do so because no bids are made;
   (4) dispose of the property by donating it to a civic or charitable organization located in the county if the commissioners court determines that:
       (A) undertaking to sell the property under Subdivision (1) would likely result in no bids or a bid price that is less than the county's expenses required for the bid process;
       (B) the donation serves a public purpose; and
       (C) the organization will provide the county with adequate consideration, such as relieving the county of transportation or disposal expenses related to the property;
   (5) transfer gambling equipment in the possession of the county following its forfeiture to the state to the Texas Building and Procurement Commission for sale under Section 2175.904, Government Code; or
   (6) order any vehicle retired under a program designed to encourage the use of low-emission vehicles to be crushed and recycled, if practicable, without a competitive bid or auction.

(a-1) The commissioners court shall remit money received from the Texas Building and Procurement Commission from the sale of gambling equipment under Section 2175.904(c), Government Code, less administrative expenses incurred by the county in connection with the transfer and sale of the equipment, to the local law enforcement agency that originally seized the equipment.

(b) If the property is earth-moving, material-handling, road maintenance, or construction equipment, the commissioners court may exercise a repurchase option in a contract in disposing of property under Subsection (a)(1) or (a)(2). The repurchase price of equipment contained in a previously accepted purchase contract is considered a bid under Subsection (a)(1) or (a)(2).

(c) Disposal under Subsection (a)(3) may be accomplished through a recycling program under which the property is collected, separated, or processed and returned to use in the form of raw materials in the production of new products.
Items purchased by Federal Funds, Grant Funds or Asset Forfeitures shall be handled in accordance with their respective regulations.

The originating department must follow the following procedure:

A. Department must complete a Grimes County Inventory Add/Delete/Transfer Form (page 31) and send form to the Auditor’s Office for processing.

B. The department head or designee will inspect the property and will make a determination on the nature of the surplus property.

C. On the recommendation of the Auditor’s Office, the Commissioners Court, by approval, may declare the property surplus and no longer needed by the county and authorize disposal of the property.

D. Disposal will be as follows:

   1. Inventory tags will be removed (prior to auction) and a list will be given to the County Auditor.
   2. The items will be disposed of properly in accordance with LGC §263.152.

E. All sales will be handled by the giving of a check or cashier’s check. All proceeds will be given to the County Treasurer and deposited in the Designated Fund with the giving and receiving of receipts thereof.

F. Trade-Ins, items that are beyond repair, no longer of use, or surplus may be traded-in on more useful like items, with approval of Commissioners Court.

   1. Commissioners Court must authorize the trade-in, prior to trade-in
   2. Department must complete a Grimes County Inventory Form and send the original form to the Auditor’s Office for processing.
   3. In all cases where property is declared surplus, property shall be removed from County Inventory by the Auditor’s Office.

Exception: Property awarded under forfeiture to law enforcement agencies (Grimes County Sheriff’s Office, Constables or the District Attorney’s Office) does not require authorization from Commissioners Court prior to trade-in. The trade-in shall be authorized by the department head.

Since title to all personal property is vested to Grimes County, no property may be sold, traded, or disposed of without Commissioners Court action, with the following exceptions:

A. Scrap building materials,

B. Parts of equipment that cannot be used or identified. In such cases, the Department Head/Elected Official shall inspect the personal property and declare them scrap, making a written notation for the record of the nature of the item(s), the reason for scraping, and the date of disposal. Such records shall be kept for at least three years.

C. Miscellaneous office supplies and/or equipment valued at one hundred dollars (100.00) or less to include but not limited to staplers, calculators, pens, pencils and etc.
VI. VENDOR RELATIONS

It is Grimes County’s policy to maintain and practice the highest possible standards of business ethics, professional courtesy, and competence in all of our dealings. At all times, applicable laws must be scrupulously observed. In this regard, the following should be observed when dealing with suppliers and/or their representatives:

A. To render prompt and courteous reception, as well as fair and equal treatment, to all suppliers and their representatives,
B. Provide equal opportunity for all suppliers to offer price quotes and products,
C. Guarantee the confidentiality of all price quotations made by vendors, until awarded,
D. Remain scrupulously free from obligations to any supplier,
E. Keep informed about sources of supply, current methods, services, and material; encourage their testing of new product samples; and
F. If, for any reason, one vendor is permitted to re-quote, his competitors will be given the same opportunity. Re-quoting should be restricted to an absolute minimum.

The Auditor’s Office welcomes any useful and constructive evaluations from departments.

VII. ETHICAL PRACTICES

Policy

It is the policy of Grimes County that the following ethical principles will govern the conduct of every employee involved directly or indirectly in the County procurement process.

Responsibility to County

Employees will avoid any activities that would compromise or give the perception of compromising the best interest of Grimes County. Employees will not use confidential proprietary information for actual or anticipated personal gain.

Conflict of Interest

Employees will avoid any activity that would create a conflict between personal interests and the interest of Grimes County. Conflicts exist in any relationship where an employee is not acting in the County’s best interest and may be acting in their own best interests or the interests of someone associated with them.

Such conflicts of interest would include being involved in any procurement activity in which:

A. The employee or any member of the employee’s family has any financial interest pertaining to the Grimes County procurement process;
B. A business or organization in which the employee, or any member of the employee's family, has a financial interest pertaining to the Grimes County procurement process; or

C. Any other person, business, or organization with whom the employee or member of the employee's family is negotiating or has any arrangement concerning prospective employment.

If any such conflicts of interest exist, the employee will immediately notify the Auditor's Office in writing and will remove himself/herself from the Grimes County procurement process.

**Perception**

Employees will avoid any appearance of unethical or compromising practices in all relationships, actions, and communications.

**Gratuities**

Employees will never solicit or accept money, loans, gifts, favors, or anything of value, from present or potential vendors which might influence or appear to influence any purchasing decision. Generally edible goods with a value of $50.00 or less are acceptable if shared with the entire staff and will not offend the prohibition unless it appears to influence a purchasing decision. If anyone is in doubt whether a transaction complies with this policy, the individual should disclose the transaction to the Auditor's Office for interpretation.

**Subcontractor(s)**

It shall be a breach for any payment, gratuity or offer of employment to be made on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract for Grimes County, or any person associated therewith, as an inducement for the award of a subcontract to order.

**Confidential Information**

It shall be a breach of ethics for any employee or former employee of Grimes County knowingly to use confidential information for actual or anticipated personal gain or for the actual or anticipated gain of any person.
VIII. CREDIT CARD POLICY

PURCHASING CARD POLICY AND PROCEDURES

Purpose:

The purpose of this policy is to establish procedures for the use of County Credit Cards. This policy is being established in order to provide immediate access to goods and/or services. All Credit Card purchases shall adhere to all purchasing statutes, rules, policies and procedures when using the card. The use of a credit card does not automatically exempt a governmental agency or its officers or its employees from any purchasing requirements of state law.

Cardholders must remember that this is a payment method only, and all other purchasing processes, including obtaining a requisition and purchase order first, when needed, applies to these transactions.

Definitions:

Purchasing Card - The Purchasing Card is a commercial credit card for purchases of goods and/or services necessary for official county business. The Purchasing Card may be issued to each department. Number of cards to be issued to be determined by Department Heads, Elected Official and Treasurer’s Office. If an agreement cannot be reach between the parties, Commissioners’ Court will make the final decision.

Purchasing Card Program Administrator - The County Treasurers’ Office will be the single point of contact between Grimes County and the Bank for general oversight of the Purchasing Card Program.

Departmental Purchasing Card Coordinator - An individual or backup approved by the Elected Official or Department Head who is responsible for administration and control of the departmental implementation of the Purchasing Card Policies and Procedures.

Purchasing Cardholders – Any Full-time, permanent employees that have been designated by the Elected Official or Department Head shall have authority to use department purchasing card under these policies and procedures.

Bank - The bank selected by the County to provide the Purchasing Card program.

A. The Credit Card is provided and utilized to make basic travel registration and small or spot emergency purchases of business related goods and services.
B. All Credit Card purchases must follow Grimes County’s Procurement Policies and appropriate encumbrances must be made prior to the utilization of any credit card purchases to ensure adequate funds are available. This applies during normal operating business hours (8:00am – 4:30pm M-F).

C. Grimes County Credit Card purchases should be made only when there are specific situations of need and/or the vendor does not direct bill.

Unauthorized Credit Card Use:

Grimes County may not use a credit card and may not reimburse an officer or employee for use of said credit card for the following:

A. A purchase of a personal nature or any other purchase not connected with county business.
B. A cash advance.
C. Charges for entertainment.
D. Purchases made in attempt to bypass the normal purchasing policy.
E. A purchase that violates any provision of state law or Grimes County’s Procurement Policies and Procedures.

Any person(s) who makes unauthorized purchases, carelessly uses the card, or fails to turn in the appropriate documentation in a timely manner, may be liable for the total dollar amount of such unauthorized purchases, plus any administrative fees charged by the bank in connection with misuse. However, if there is no intended, agreed resolution of such an issue, the Commissioners Court alone shall decide the liability of any such cardholder.

Responsibilities

A. Ensure sales tax is not charged at time of purchase, or immediately after transaction occurs.

B. Ensure appropriate encumbrances are made with the issuance of a purchase order prior to the utilization of any credit card purchases. If unable obtain prior purchase order and email to accounts payable will be sufficient.

C. Personal charges on hotel bills should be paid for at checkout time by the employee and not charged to the county credit card.
Payment

At the end of each billing cycle, all credit card receipts, invoices, purchase orders, and transaction logs shall be sent to the Treasurer’s Office for processing on the first business day of each month.

To establish a methodology for use and to define the limits of County issued purchasing cards provided to department personnel in order to make purchases of goods and/or services. Please see attachments below.

Attachments
- Employee Agreement
- Purchasing Log
- Enrollment/Request Form
- Dispute Report

Receiving a Purchasing Card

Elected Officials/Department Heads and managers may propose personnel to be cardholders by contacting the Treasurer’s Office. The Treasurer’s Office will issue an employee card request form. Personnel authorized to receive a Purchasing Card must be approved by the appropriate Elected Official/Department Head responsible for the department in which the employee works.

The proposed Cardholder shall be issued a copy of this procedure and shall sign a Cardholder Enrollment Form and an Employees Agreement. The Agreement (page 26) indicates that the Cardholder understands the procedures and responsibilities of a Purchasing Card cardholder. The Enrollment Form (page 27) contains all information required to properly enter the Cardholder in the Purchasing card program.

The Treasurers’ Office/Accounts Payable shall maintain all records of Purchasing Card requests, limits, cardholder transfers and lost/stolen/ destroyed card information.

Authorized Purchasing Card Use

The unique card that the Department receives will have the department name embossed on it and shall only be used by approved personnel. No other person is authorized to use that card. Ultimately Department Head/Elected Official are responsible for the issued purchasing cards.

Use of the Purchasing Card shall be limited to the following conditions:

A total value of a transaction shall not exceed a Cardholder’s single purchase limits if any; and any spending limits must be adhered to. Payment for a purchase will not be split into multiple transactions to stay within the single purchase limit.
All items purchased “over the counter” must be immediately available at time of Purchasing Card use. Back orders should be avoided if possible.
Transaction volumes must not be exceeded (i.e. # and $ amount of authorized transactions).

Unauthorized Purchasing Card Use

The Purchasing Card shall not be used for the following:

A. Personal nature purchases or purchases for family members or friends or for identification.
B. A single purchase that exceeds the monthly limit or the Cardholder’s single purchase limit; unless a higher limit has been agreed in writing with the Elected Official/Department Head.
C. Meals may not be purchased with county purchasing cards, except for
   1. Group meals purchased for county-sponsored trainings or meetings which are authorized by department head/elected official
   2. To feed victims or witnesses during trial
   3. Group meals purchased in response to emergencies or situations critical to the health and safety of Grimes County citizens for an extended period of time and outside of normal business hours, which are approved by the Commissioners Court
   4. Sequestered Jury meals
D. Cash Advances.
E. Alcoholic Beverages.
F. Any additional items/services as may be restricted by County policy.

A Cardholder who makes unauthorized purchases or carelessly uses the Purchasing Card may be liable for the total dollar amount of such unauthorized purchases plus any administrative fees charged by the Bank or other associated costs in connection with the misuse. However, if there is no intended, agreed resolution of such an issue, the Commissioners Court alone shall decide the liability of any such cardholder.

The Cardholder may also be subject to disciplinary action by their respective Department Heads.

Making a Purchase

Procurement procedures permit a purchase of goods or services up to the card limits, to be made from solicited vendors. All credit card purchases shall adhere to all purchasing statues, rules, policies and procedures when utilizing the card. It is policy to seek competition and the lowest prices within the parameters of quality and delivery.

Accordingly, whenever making a Purchasing Card purchase the Cardholder will check as many sources of supply as reasonable to the situation to assure best price and delivery.
Cardholders will utilize the following “checklist” when making a purchase:

A. Solicit a number of sources according to policy. If vendors furnish standing price quotations or catalog prices on a recurring basis, check that the price listed is current.

B. Advise vendor of tax exempt status and assure that sales taxes is not added to the purchase.

C. Confirm that the product needed is made readily available if possible.

D. Confirm that the vendor agrees to accept the procurement card.

E. Submit requisition to the purchasing department, if needed.

F. A purchase order will be issued for encumbrance of funds.

G. If applicable, direct the vendor to include the following information on invoices
   1. Purchase order number (if applicable);
   2. Cardholder’s name and telephone number;
   3. Vendor’s billing address
   4. The words “Purchasing Card Purchase”;
   5. The vendor’s order number.

It is extremely important that all purchases be sent to the cardholder ordering the merchandise, as this will ensure that the documents necessary for record keeping are readily available to the cardholder.

If necessary, advise the individual within your area who receives merchandise of the vendor’s name and order number, anticipated delivery date, number of boxes expected, carrier (UPS, Fed Ex, etc.). The receiver must notify the actual Cardholder when delivery is made so that proper documentation is recorded.

Cardholder Record Keeping

Whenever a purchasing card purchase is made, either over the counter, by telephone, or internet, documentation shall be retained as proof of the purchase. Such documentation will be used to verify the purchase(s) listed on the Cardholder’s monthly statement of account. An itemized listing of all items purchased shall be forwarded with the Cardholder’s monthly statement to the Treasurer’s Office each month.

When the purchase is made over the counter, the Cardholder shall retain the invoice and “customer” copy of the charge receipt. Prior to signing this slip, the Cardholder is responsible for making sure that the vendor lists the quantity, and fully describes the item(s) on the charge slip. The transaction details shall also be added to the cardholder’s “Purchasing Log" (page 29).
When making a purchase by telephone, internet or counter the cardholder shall also document the transaction on the “Purchasing Log” and retain all shipping documentation. In addition to email confirmations or any other supporting documentation.

The Purchasing Log is designed to assist Cardholders in maintaining reliable information when making card purchases and assists Accounts Payable by providing correct information for all payments. The Purchasing Log must be continually maintained and include all pertinent information regarding each and every purchase legibly listed.

**Review of Monthly Statement**

At the end of each billing cycle, the Treasurer’s Office shall receive by means of downloading from the issuing website the monthly statement of transaction(s) for that period. The original sales documents (packing slip, invoice, cash register tape and purchasing card slips, etc.) for all items listed on the monthly statement MUST be neatly attached, in purchasing log sequence, to the statement and Purchasing Log. All receipts shall be taped top and bottom to an 8-1/2” x 11” sheet of paper capable of being scanned through a document scanner for record purposes. This data is critical to enable audit substantiation. If this procedure is not adhered to, the purchasing card will be revoked.

The careful matching of complete support documents to the log and then to the statement is vital to the successful use of this program.

After this review, the Cardholder shall sign off on the monthly transaction log, and present to his/her approving supervisor for approval and signature.

The approving supervisor shall check the Cardholder’s monthly transaction log and confirm with the Cardholder the following items as a minimum:

A. Receipts and shipping documents exist for the purchase.

B. The goods were received or service was performed.

C. The Cardholder has complied with applicable procedures, including this Purchasing Card procedure.

The Approving Supervisor’s signature/approval of a Cardholder’s monthly transaction log indicates that the Cardholder was authorized to make those purchases.

All documentation must be submitted to the Treasurer’s Office no later than the first (1st) business day of the new month.
If the Cardholder does not have documentation of a transaction listed on the monthly statement, he/she shall attach a signed explanation that includes a description of the item(s) purchased, date of purchase, vendor’s name and reason for lack of supporting documentation.

Purchasing Card Returns - If the wrong item is received, is not satisfactory, or damaged and/or defective, duplicate order, etc., the Cardholder should make contact with the vendor to explain the problem and inquire about return policies.

**If the Cardholder is disputing a charge, he/she shall:**

A. First contact the supplier in an effort to determine a resolution. If that does not correct the issue,

B. Complete a dispute Report (page 28) and submit it to the Treasurer’s Office. Immediate action to resolve a dispute is of extreme importance.

C. If an item has been returned and a credit voucher received, the Cardholder shall verify to Accounts Payable that this credit is reflected on the monthly statement. Under no circumstances are Cardholders to accept a cash refund.

D. If purchased items or credits are not listed on the monthly statement, the appropriate transaction documentation shall be retained by the Cardholder until the next monthly statement.

E. If items purchased by the use of the purchasing card are found to be unacceptable, the Cardholder is responsible for obtaining replacement or correction of the item as soon as possible. If the vendor has not replaced or corrected the item by the date the Cardholder receives his/her monthly statement, then the purchase of that item will be disputed with the credit card company.

**Monthly Account Summaries**

Departments/offices turning in required documentation past the three (3) business day period will be considered delinquent. Two (2) or more consecutive delinquent months will be grounds for withdrawing the Purchasing Card from the cardholder.

**Card Security**

It is the Cardholder’s responsibility to safeguard the purchasing card and account number to the same degree that a Cardholder safeguards his/her personal credit information.
The Cardholder should not allow anyone to use his/her account number. An exemption to this rule will allow the shift supervisor of the Grimes County Sherriff’s office and Department Heads to share cards as needed. A violation of this trust will result in that Cardholder having his/her card withdrawn and disciplinary action may occur.

If the purchasing card is lost or stolen the Cardholder shall immediately notify the Treasurer’s Office.

A new purchasing card shall be promptly issued to the Cardholder after the reported loss or theft. A purchasing card that is subsequently found by the Cardholder after being reported lost shall be turned in to the Treasurer’s Office to be destroyed.

Cardholder Separation

Prior to separation from the County or transfer to another department, the Cardholder shall surrender the Purchasing Card, current Purchasing Card purchasing logs and supporting documentation to his/her Approving Supervisor. Upon its’ receipt, the Approving Supervisor will review, approve and deliver to the Treasurer’s Office.
APPENDIX
GRIMES COUNTY

Purchasing Card Cardholder Agreement

Grimes County is pleased to present you with this Purchasing Card. It represents trust in you and your empowerment as a responsible agent to safeguard and protect county assets.

I, ________________________________, hereby acknowledge receipt of a Grimes County Purchasing Card, No. __________________________. As a cardholder, I agree to comply with the terms and conditions of this Agreement and the Purchasing Card procedures.

I acknowledge receipt of said Agreement and confirm that I have read and understand the terms and conditions. I understand that Grimes County is liable to the issuing bank and MasterCard for all charges made to this card.

I agree to use this card for Grimes County approved purchases only and agree not to charge personal purchases. I understand that Grimes County will audit the use of this card and report any discrepancies.

I further understand that improper use of this card may result in disciplinary action by Elected Official or designated Department Head, up to and including termination of employment, should I fail to use this card properly. I understand that Grimes County may peruse collection of any monies owed to the County by me even if no longer employed by the County.

I understand that Grimes County may terminate my right to use this card at any time for any reason.
I agree to return the card to Grimes County immediately upon request or upon termination of employment.

Cardholder:

Signature: ________________________________  Date: _____________

Printed Name: ________________________________

Department: ________________________________

Approving Officer:

Signature: ________________________________  Date: _____________

Printed Name: ________________________________  Phone: _____________
GRIMES COUNTY

Purchasing Card Program
Enrollment Request Form

This form is to request and enroll in the County’s Purchasing Card Program. I understand that if approved, I will be issued a MasterCard in my name to be used for official County business only. As a Cardholder, I understand that I will be required to sign a Purchasing Card Agreement.

Card holders Name: ________________________________

Mother’s Maiden Name:

SSN (last four) Digits:

DOB: ____________________

Grimes County Email Address:

Department: _______________________________________
Department Address: __________________________________
Department Phone #: ________________________________
Department email: ___________________________________
Department/Elected Official or Director: _________________
Immediate Supervisor: _________________________________

Request a single purchase limit of $ __________, not to exceed $ __________ per month. Attached to this form is a list of merchants/product categories/activities to be restricted from purchase by this Cardholder (to be completed by requesting department).

For Treasurer’s Office Use Only

Card Number: ________________________________

Date Issued: __________ Holder’s Initials: _______

Date of Training/Manual Issuance: ________________

Coordinator Signature: ________________________________

As Cardholder, my signature acknowledges that I have received the listed purchasing card, training and purchasing card procedures manual.

__________________________________________________ ____________________________

Date Returned/Cancelled: __________ By: ________________________________
GRIMES COUNTY
Purchasing Card Program
Dispute Report

In accordance with the Grimes County Purchasing Card Program procedures, the listed product/service is in dispute:

<table>
<thead>
<tr>
<th>Item Ordered:</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>Date Ordered:</td>
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</tr>
<tr>
<td>Date Received:</td>
<td></td>
</tr>
<tr>
<td>Authorized Amount:</td>
<td></td>
</tr>
<tr>
<td>Statement Amount:</td>
<td></td>
</tr>
<tr>
<td>Vendor:</td>
<td></td>
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<tr>
<td>Card Number:</td>
<td></td>
</tr>
<tr>
<td>Cardholder Name:</td>
<td></td>
</tr>
<tr>
<td>Phone Number:</td>
<td></td>
</tr>
<tr>
<td>Department:</td>
<td></td>
</tr>
<tr>
<td>Department Account:</td>
<td></td>
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</tbody>
</table>

Reason for Dispute:

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

Actions taken to Remedy:

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
Monthly Transaction Log

This form should be attached to monthly memo statement with all receipts, packing slips, invoice copies, etc.

Cardholder ______________ Department ___________ Billing Cycle ___________

<table>
<thead>
<tr>
<th>Order</th>
<th>Date</th>
<th>Vendor</th>
<th>Item Description</th>
<th>Line Item</th>
<th>Cost</th>
<th>Purchase Order</th>
</tr>
</thead>
</table>

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GRAND TOTAL $__________

I certify that the above listed items have been purchased by me for the sole and exclusive use of Grimes County.

Cardholder Signature ___________________________ Date ___________

Elected Official/ ___________________________ Date ___________ Department

Head Approval
# GRIMES COUNTY PURCHASE REQUISITION

<table>
<thead>
<tr>
<th>Date:</th>
<th>Vendor:</th>
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<tbody>
<tr>
<td>Deliver to:</td>
<td></td>
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<tr>
<td>Department:</td>
<td>Address:</td>
</tr>
<tr>
<td>Department Head Signature:</td>
<td>City/St/Zip:</td>
</tr>
<tr>
<td>Charge to line item:</td>
<td>Phone:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Qty</th>
<th>Unit</th>
<th>Description</th>
<th>Estimated Unit Cost</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
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### Inventory Add/Delete/Transfer

<table>
<thead>
<tr>
<th>Add (Circle One)</th>
<th>Delete (Circle One)</th>
<th>Transferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased</td>
<td>Sold</td>
<td>Tag #</td>
</tr>
<tr>
<td>Traded</td>
<td>Stolen</td>
<td>From</td>
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<tr>
<td></td>
<td>*attach documentation</td>
<td></td>
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<tr>
<td>Seizure award</td>
<td>Traded</td>
<td>Dept.</td>
</tr>
<tr>
<td>*attach order</td>
<td>Destroyed</td>
<td>Cost</td>
</tr>
<tr>
<td>Constructed</td>
<td>Other (Explain)</td>
<td>To</td>
</tr>
<tr>
<td>Previously deleted</td>
<td></td>
<td>Dept.</td>
</tr>
<tr>
<td></td>
<td>*Attach copy of invoice</td>
<td>Category</td>
</tr>
</tbody>
</table>

For additions and deletions complete the following:

**Tag number:**

**Department:**

**Cause/case number:**

**Description:**

**Date:** ________________  **Signed:** ________________