Medina County, Texas

Purchasing Policy

effective October 1, 2018
revision effective October 7, 2024

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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 County operations.
4. To ensure that purchasing procedures conform to State & Federal Law, local policies, and that are budget compliant.

II.   APPLICATION

This policy is to serve as guidance for all internal offices as governed by the Commissioners 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.

EMERGENCY PURCHASE – A purchase necessary 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.

CAPITAL ASSETS – Any asset leased, purchased or owned by the County that has a value of $500 or more.

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

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

LINE ITEM – The budget account(s) for a specified class of goods or services,

PURCHASE ORDER – A legal document that authorizes the purchase of a specific products or services issued by a buyer to a seller, indicating types, quantities, and agreed prices for the 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 and coded to accounts ending in 4510 – EQUIPMENT ($500-$4,999) and 4515 – CAPITAL OUTLAY (>$5,000) will require a purchase order.

Items coded to accounts ending in 4510 or 4515 that are exempt from a Purchase Order 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.   PURCHASING GUIDELINES

In order to obtain the best price in the most efficient manner, Purchase Order 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, Commissioners Court approval[*] and a Purchase Order
4. $50,000 and over – Requires formal competitive sealed bids as specified by Chapter 262 of *The Texas Local Government Code*, Commissioners Court approval[*] and a Purchase Order
5. Cooperative Purchasing – Requires Commissioners Court approval[*] and a Purchase Order

[*] **If an item was specifically itemized during the budget process and approved by Commissioners Court as a part of the budget, Commissioners Court approval is not required.**

VI.   THE PURCHASE REQUISITION

The purpose of a Purchase Requisition is to indicate the needs of the requesting department and to correctly identify the goods or services requested. The Requisition will serve as the initial request and as the ***approval*** for the purchase of those goods or services requested.

Prior to having access to the Purchasing module in Tyler's Incode please contact the Auditor's Office for log-in information. Incode is a web-based program and can be accessed through the web link below:

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

The Purchase Requisition entry initiates the purchasing process. Purchase Orders cannot be issued unless a requisition has been submitted accurately with the appropriate supporting documents attached.

Requisitions require attention to detail since the information that is entered will affect the approval paths, accounting codes, shipping address, and the vendor payment process.

STEP ONE: Once logged into Incode, select ADD REQUISTION from your Dashboard.
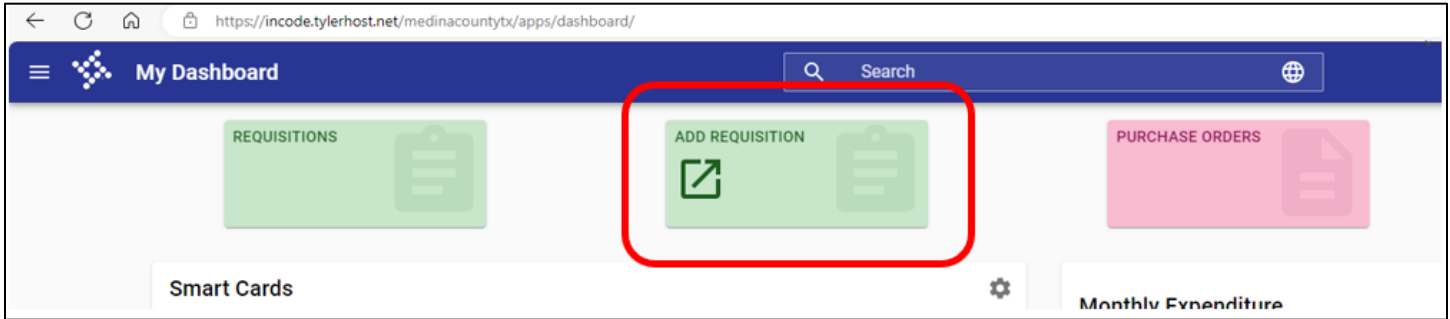
STEP TWO: Navigate through the tabs on the left-hand side of the screen and complete all required and necessary fields. The requisition Number will auto-populate by selecting Next Number.

- All fields with an asterisk require an entry, all other fields are optional and could facilitate the purchase process.
  - Description – Brief and accurate description of your purchase request

- ▪ Department – A drop-down list will appear as you begin to type in a department **number**.
- ▪ Issue Date – Defaults to the present date
- ▪ Ship To – A drop-down list will appear as you begin to type in a department **name**.
- ▪ Vendor – A drop-down list will appear as you begin to type in a vendor **number** OR a vendor **name**. *(If it is a new vendor, please obtain a W-9 from the vendor and submit it to the Treasurer's Office)*
- All Purchase Requisitions are Auto Approved at the department level by default.

    The option to place the requisition On Hold and still save your current work or to indicate that the requisition is based on a Bid/Quote are available on the General tab.

The Item Entry tab will allow you to enter specific details for each individual item.
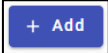
- Commodity Code – A drop-down list will appear as you begin to type in a commodity code name. *(For a full list of commodity codes, please contact the Auditor's Office)*
- Description – Detailed description of each item, one item per line
- Units – Quantity of items
- Price – Cost per unit. The total amount will auto calculate.
- Ship To – If different than the original Ship To destination
- Account – General Ledger Expense Account Code *(xxx-xxx-xxxx; Fund-Department-Account)*
- Split Distribution – This option allows you to select multiple expense accounts

All other options on this tab can be useful for the purchase process or for future reference

At this point, if you only have one item, you may select Done at the bottom right corner of the screen. If you have more than one item, select Done and new. Once you have entered all items, select Done.

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 select Done, you will be able to see a list of your items. At this point you can also add more items by selecting [+ Add].

Note: The columns on this screen are able to be shifted around to fit your needs.

STEP THREE: All bids, quotes, or backup documents must be attached with your requisition. In order to successfully save attachments, the following steps are required.

1. From the Attachments tab, select the + sign
2. This will allow you the option to attach a file by choosing a file from your folders or "drag-and-drop" a file into the middle section of the screen.
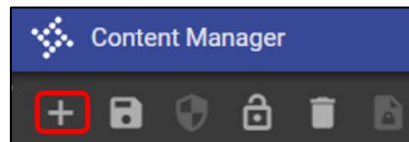
3. Once you have a file in the Import Documents section, select IMPORT
   i. **You must IMPORT one file at a time.**
4. After Importing all documents, you must save the documents to Tyler's Content Manager
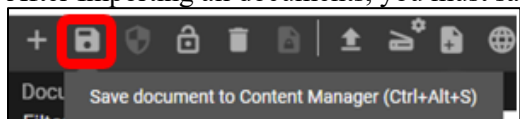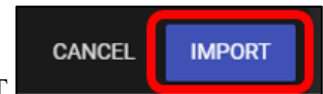
Below is a full view of the Attachments screen.

STEP FOUR: Once all the details and attachments have been entered you will have the opportunity to review your requisition before you submit it. After reviewing the requisition, select save at the bottom right corner of the screen. This Save option is available at all times throughout the purchase requisition process. Once saved, the Auditor's Office will receive a system generated notification and the requisition process is completed.

VII.   THE PURCHASE ORDER

A Purchase Order is a legal document from Medina County to a vendor for specified goods or services to be purchased. It also serves as the vendor's authorization to invoice Medina County once the goods or services are delivered and accepted by the County. Unless a change is discussed with the requesting department, the Purchase Order will be a direct reflection of the purchase requisition. All Purchase Orders will be generated concisely and clearly to avoid any possible misunderstandings.

All Purchase Orders will be approved by the Auditor's Office only. A standard, computer generated Purchase Order will be issued for all non-contracted goods or services.
Once verified for accuracy, the Purchase Order will be released to the requesting department. **It is the responsibility of the requesting department to release the purchase order to the vendor**.

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.

An Emergency Purchase must be approved by the Department Head/Elected Official and are 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
    1.1. In such instances, the department must take necessary action to obtain the needed goods or services. When 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.
    1.2. 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
    2.1. The Requestor will initiate an Emergency Purchase by 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 must inspect all goods or services to ensure that they satisfy the requested quantity, quality, and specifications on the Purchase Order.

Upon receipt of merchandise and after inspection, the Requestor will confirm that all goods or services were properly received by sending an email to the **purchasing@medinatx.gov** email. This step in the process is required in order to complete the Purchase Order process and proceed to the payment process. **Please note that an Invoice from the vendor is required to complete the payment process. 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.   CAPITAL ASSET PURCHASES & DISPOSALS

Capital Assets:

The County will maintain an inventory of all 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 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.

Capital 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 expense; 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 accounted for and secured in a manner that is most likely to prevent theft, loss, damage, and misuse of County property.

Each Elected Official or Department Head shall maintain control over property with a value of less than $500 and that are considered high risk. High risk items may include but not be limited to weapons, electronics, tools, and computer components.

Lost or stolen property must be reported immediately to the County Treasurer's Office. The Treasurer's Office will determine if an insurance claim will be filed. 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 Commissioners 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 Commissioners 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 statutes.

Disposal of salvage or surplus property (LGC 263.151 subchapter D):
The Commissioners Court of Medina County, prior to disposal must approve all disposals of County assets. Prior to approval, a complete assets disposal form should be submitted to the Auditor's Office, this form is available on the County Website under the Auditor's Office page.

medinatx.org_Auditor.Office

Methods that assets may be disposed of:

1. **Authorized**
   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. **Unauthorized**
   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 indicate the asset as part of Medina County must be removed. Once the asset is disposed of, it will be removed from the County's Assets Module and in-turn removed from the corresponding department's inventory