



Medina County, Texas



Purchasing Policy

effective October 1, 2018

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

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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 – A simplified method of filing anticipated repetitive needs for supplies or services to be paid for on a monthly basis.

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.

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IV. REQUISITION/PURCHASE ORDER EXEMPTIONS

The following types of goods and services will not require a Requisition Form or a Purchase Order:

- Fuel
- Contracted Services
- County-Wide Bids
- Court Ordered Vouchers
- Conference Registrations
- Hotel Reservations
- Inmate Medical Expenses
- Legal Notices
- Repair and Maintenance for vehicles, buildings and IT equipment.
- Bonds
- Monthly Leases
- Travel Reimbursements
- Utility Bills (to include Telephone)
- Membership Dues
- Subscriptions (Magazines, newspapers, etc.)
- Insurance Premiums

V. PURCHASING GUIDELINES

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

1. \$9,999 or less – 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

The County will contract annually for supplies and materials for which we spend more than \$50,000 per year. These purchases and contracts that have been bid and approved by Commissioner’s Court are exempt from requiring a Purchase Order. All offices will receive a list of current contracts at the beginning of each fiscal year.

Purchases of supplies and materials that the County has made through Cooperative purchasing agreements are governed by these policies and procedures, except that formal sealed competitive bids as specified by Chapter 262 of the *LGC* do not apply.

Purchases made on behalf of the County are subject to the following:

A Purchase Order will be required prior to any purchase being made regardless of the amount. All vendors have been notified that a Purchase Order number or a copy of the Purchase Order must be presented to indicate the authorization to make the purchase.

If a Purchase Order is not obtained prior to a purchase, the County will assume no responsibility unless other arrangements have been made with the Auditor’s Office.

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VI. THE PURCHASE REQUISITION

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 approval for the purchase of those goods or services requested.

To be properly processed, the highlighted information on the sample requisition form below is required:

Quantity	Item Name	Price per unit	Total	Budget Account Code
Grand Total = \$			-	

Please charge my department with a purchase order to be issued for the following items/services.

* Please allow 3-5 business days for purchase order

For Auditor's Office Use Only:	
Date Received: _____	PO# Assigned: _____
PO Created by: _____	Date Created: _____
Notes: _____	

For questions or concerns please contact the Auditor's Office at (830) 741-6090. Thank you.

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The Requestor should initiate, prepare, and email the Requisition Form to the Auditor's Office at purchasing@medinacountytexas.org.

The Requisition Form should be received by the Auditor's Office far enough in advance of the date the goods and services are required to allow for proper review and preparation of the Purchase Order.

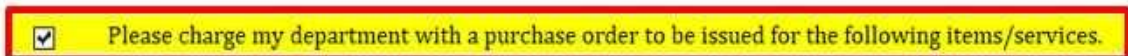
The vendor name should be selected from the drop-down list. If the vendor name is not available, simply provide the vendor name in the body of the email along with the Requisition Form. The Auditor's Office will then update the vendor list.

Item Description should be as detailed as possible to include size, color, type, grade, etc. When necessary, additional information may be stated in the body of the email.

If exact pricing is not available, provide the estimated unit price for each item to be purchase; a grand total will be automatically calculated.

Indicate the appropriate budget account code for each item. If coding issues arise, the Requestor will be notified of any coding changes prior to the creation of the Purchase Order.

Please keep in mind that the submission of a requisition form will also be considered as the department head's ***approval*** for the purchase of the goods or services requested. In order for the Auditor's Office to approve a Purchase Order, the Requestor must select the Check Box towards the center of the form indicating that the Requestor has reviewed the requisition and agrees to the purchase.



The Auditor's Office will charge the proper budget account code with the purchase. If sufficient funds are not available, the Requisition Form will be returned to the Requestor with possible options.

Requisitions should not be issued for account codes that do not have a positive budget balance. Where funds are not available, a line item transfer may be initiated through the Auditor's Office and must receive Commissioner's Court Approval. The Department Head may be asked to be present at Commissioner's Court to answer any questions regarding the Line Item transfer. Except in the case of an emergency, the Auditor's Office will not issue a Purchase Order until funds are available in the budget account code to be charged.

The County Auditor's Office will propose revisions to the Requisition as to the quantity, quality or estimated costs. With the approval of the requesting department, such revisions will be made.

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 receipt of a properly filled out requisition form. Once verified for accuracy, the Purchase Order will be signed by the County Auditor's Office before it is released. The Purchase Order should then be submitted by the Requestor to the vendor at the time the order is placed.

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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 by contacting the Auditor's Office, notifying them of the nature of the emergency, and requesting a Purchase Order number. The Requestor will give this Purchase Order Number to the vendor and secure a sales ticket or receipt for the purchase.

The sales ticket or receipt should be submitted to the Auditor's Office not later than the end of the following business day.

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 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 replying to the purchasing@medinacountytexas.org email.

If the receiving department does not accept the merchandise because of failure to meet the specifications in the Purchase Order and an acceptable resolution cannot be reached, they will immediately contact the Auditor's Office and state their reasons for withholding acceptance. The Auditor's Office will then take immediate action to compel replacement by the vendor or cancel the order.

Medina County does not pay for invoiced items not received. If a partial shipment is received, the receiving department should attempt to contact the vendor and receive the merchandise before the invoice can be submitted for payment. If contact with the vendor is unsuccessful, the receiving department should then contact the Auditor's Office for resolution with the vendor.

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X. BLANKET PURCHASE ORDERS

A Blanket Purchase Order (BPO) is a simplified method of filing anticipated repetitive needs for supplies or services to be paid for on a monthly basis.

BPO'S are designed to reduce administrative costs in accomplishing small purchases by eliminating the need for issuing individual requisitions and Purchase Orders. They are intended for purchases covering a broad class of items that are repetitively needed and for which the exact items, quantities and delivery requirements are not known in advance and may vary considerably.

The use of BPO's does not exempt the department from responsibility for keeping obligations and expenditures within available funds. Appropriate action will be taken by each department to ensure fund availability when payments are due. It is the responsibility of all department heads to ensure that sufficient funds are available for payment of all purchases at the end of each month.

No BPO will be issued for any period exceeding one month. More than one BPO may be issued concurrently for the same category of items with different vendors to provide a choice of brand and quality of items as well as competitive item costs. However, the total of all BPO's issued for any line item will not exceed budgeted funds available at the time the BPO's are issued.

The following vendors with which Medina County pays on a monthly statement basis will be issued BPO for the entire Fiscal Year:

- Bourquin Auto Parts/Bourquin Automotive, Inc.
- Castroville True Value
- Family Auto Parts (NAPA)
- Harrison Supply
- H.E.B.
- Hondo AG Supply
- Lowe's Pay & Save/FoodKing
- Moreno's Service Station
- Mumme's Inc.
- Parker Lumber
- Sam's Club
- Ulbrich's True Value
- Wal-Mart

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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.

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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. After 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.

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 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.