



ELLIS COUNTY, TEXAS

PURCHASING POLICIES AND PROCEDURES MANUAL

Adopted by Commissioners Court, July 22, 2013

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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 Vernon's Texas Codes Annotated (Sec. 262.00), a.k.a. Texas Local Government Code, and policies of Ellis County.

262.011

(d) The county purchasing agent shall purchase all supplies, materials, and equipment required or used, and contract for all repairs to property used, by the county or a subdivision, officer, or employee of the county, except purchases and contracts required by law to be made on competitive bid. A person other than the county purchasing agent may not make the purchase of the supplies, materials, or equipment or make the contract for repairs.

(e) The county purchasing agent shall supervise all purchases made on competitive bid and shall see that all purchased supplies, materials, and equipment are delivered to the proper county officer or department in accordance with the purchase contract.

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 Ellis County and the vendors from whom we are served.

DEFINITIONS

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

Auditor - Ellis 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 – Ellis County Commissioners Court consisting of the County Judge and four Precinct Commissioners.

Competitive bidding – The formal process of soliciting sealed bids from vendors as governed by Local Government Code §262.023.

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, precinct, district offices, and subdivisions thereof.

Employee – Any county, precinct or district 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.

Pre-bid/proposal conference – A conference conducted by the purchasing 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 Local Government Code, Chapter 551).

Purchase order – A written order issued by the Purchasing Agent, 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 Purchasing Agent 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 Texas local Government Code, Chapter 262.

Purchasing agent – In Ellis County, the Purchasing Agent and/or designee is employed by the Ellis County Commissioners Court.

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 TEX, LOC, GOV'T CODE ANN, section 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.

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 TEX, LOC, GOV'T CODE ANN., section 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.

PURCHASING AUTHORITY

Purchasing Laws

It is the policy of Ellis County, acting through its duly employed Purchasing Agent, to comply fully with all purchasing laws and amendments of the State of Texas.

Authority

Sec. 262.0115. PURCHASING AGENTS IN COUNTIES WITH POPULATION OF MORE THAN 100,000. (a) In a county with a population of more than 100,000, the commissioners court may employ a person to act as county purchasing agent. However, this section does not apply to a county that has appointed a purchasing agent under Section 262.011 and that has not abolished the position as authorized by law.

These policies and procedures are adopted by the County Purchasing Agent and approved by the Commissioners Court acting in its capacity as the governing body of Ellis County, Texas.

Ellis County adopts these policies and procedures under the authority of Texas Local Government Code, Chapter 262.

Effective Date

These policies and procedures will become effective October 1, 2013.

PURCHASING POLICY

The Commissioners Court has directed the Purchasing Agent 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:

- Seek the best quality, best value, lowest priced goods and services available that meet the needs and delivery requirements of Ellis County personnel;
- Provide all responsible vendors and contractors, including HUB, with equitable access to servicing the needs of Ellis County and its personnel through the competitive bidding of goods and services;
- Comply with all state laws that apply to county purchasing and with the policies and procedures in this manual;
- Manage all County assets and inventory so that replacement costs are minimized and Ellis County can account for those assets; and

- 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 purchasing agent shall purchase all supplies, materials, and equipment required or used, and contract for all repairs to property used.

COUNTY PURCHASING ACT

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 price (rather than total cost and value), openness, control, and accountability rather than efficiency. It is the duty of the county's chief procurement official to review and to recommend periodic modifications for improvements that will enhance the efficiency and effectiveness of the procurement function.

In Texas counties there are usually two entities that have the authority to sign procurement documents: the commissioners court as a voting body only, and the county purchasing agent. The commissioners court must approve all contracts exceeding the statutory limit for supplies, materials, and equipment required or used, and contract for all repairs, the purchasing agent must approve all contracts under the statutory limit. Program officials typically do not have procurement authority unless specifically authorized by commissioners court under authority of the Purchasing Act or other government code. (section 262.011(d)).

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: (§ 262.023)

- **COMPONENT PURCHASES:** purchasing a series of component parts of an item that normally would be purchased as a whole.
- **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.

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

PROFESSIONAL SERVICES PROCUREMENT ACT

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

1. 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;
2. 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.

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.

COOPERATIVE PURCHASING PROGRAM

A local government may participate in a cooperative purchasing program with another local government or a local cooperative organization (§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:

1. designate a person to act in all matters relating to the program;
2. make payments provided in the agreement; and
3. 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.

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, V.T.C.A., Local Government Code Sec. 262.023(a).

These regulations and procedures apply to all purchases as follows:

The County as a whole if cost exceeds \$50,000 in the aggregate for a twelve (12) month period.

Construction, maintenance, repair, renovation of a building or materials for a renovation project valued at \$50,000 or more in the aggregate for a twelve (12) month period.

Requisitioning-The requisitioning party must furnish detailed specifications to the Purchasing Department in the form of a requisition, along with the budget authorization and recommended sources of suppliers (vendors), if known by the user.

EXEMPTIONS AND EMERGENCY PURCHASES

Some goods and services can be exempt from competitive procurement process if the commissioners court orders the purchase exempt. Section 262.024 of the Texas Local Government Code 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 order is needed, approval must be obtained first. *Improper planning cannot be considered a true emergency. Care should be taken that emergency purchases do not result from improper planning.*

(C) electric power, gas, water, and other utility services; and (D) captive replacement parts or components for equipment; (11) vehicle and equipment repairs, according to LGC, Sec. 262.024 (C), (D), and (11), to be effective until policy revisions are deemed necessary by Commissioners Court.

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.

The general practice of the county shall be to accept the lowest responsible bid or price quotation as specified and on *equal* product standards. Vendors operating within Ellis County may be given a 5% local preference when all other criteria are equal.

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

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

- A. From \$1.00 to \$999.99 – If the County is purchasing items covered by this policy costing at least \$1.00 but less than \$1,000.00, the county shall obtain one (1) quote by informal telephone, email, fax, or internet quotes, or solicit previously approved vendors and purchase from that vendor.
- B. From \$1,000.00 to \$4,999.99 – If the County is purchasing personal property costing at least \$1,000.00 but less than \$5,000.00, the county must solicit vendors by phone, fax, internet or email to supply the particular item(s). In the procurement of these item(s), the county must document price quoted from at least two (2) vendors.
- C. From \$5,000.00 to \$9,999.99 – If the County is purchasing personal property costing at least \$5,000.00 but less than \$10,000.00, the county must solicit vendors through written quotations, to supply the particular item(s). In the procurement of these item(s), the county must obtain written price quotations from at least two (2) vendors.
- D. From \$10,000.00 to \$49,999.99 – If the County is purchasing personal property costing at least \$10,000.00 but less than \$50,000.00, the county must solicit vendors through written quotations, to supply the particular item(s). The originator will send their request to the Purchasing Department, the Purchasing Department will send out Request for Quotation forms with the specifications, date needed, quantity, etc. The opening will be stated and held in the Purchasing Department. The low bidder meeting or exceeding minimum specifications will be awarded the item(s) quoted.

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 Purchasing Department for retention.

PURCHASE AUTHORIZATION

Each department must furnish the Purchasing Agent 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.

THE REQUISITIONING PROCESS

General

Requisitioning is the formal request for a purchase to be made. It is the first step after the need for goods or services is recognized. The user department's purchase requisition authorizes the purchasing office to enter into a contract with a vendor to purchase goods or services.

A requisition is required for all supplies, materials, and equipment required or used, and contract for all repairs to property used, by the county or a subdivision, officer, or employee of the county. A person other than the county purchasing agent may not make the purchase of the supplies, materials, or equipment or make the contract for repairs (§262.011(d)), (§113.901). Authority to approve requisitions for processing is delegated to the Purchasing Agent. The purpose is threefold: (1) to inform Purchasing of the needs of the requesting department; (2) to

identify correctly and clearly the material requested and (3) to ensure funds are budgeted before the purchase is made.

Purchase requisitions should fully describe to the purchasing office what to buy, when it is required, and where the goods are to be delivered or the services to be performed. Counties 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)

After the purchasing office receives a purchase requisition, it determines the appropriate purchasing procedures based on the cost of the purchase, the goods and services to be purchased, the existing contracts for goods and services and other relevant factors.

A requisition must be submitted to the Purchasing Department purchase for all supplies, materials, and equipment required or used, and contract for all repairs to property used, by the county or a subdivision, officer, or employee of the county, except purchases and contracts required by law to be made on competitive bid. The Purchasing Agent or designee will review and approve all requisitions for budgetary compliance before issuing a purchase order. The issuance of a purchase order will encumber available funds and provide budgetary control.

Items that are currently not bid items/or exempted as discretionary are subject to the purchasing policy. *(See quotations section, page 10)*

All Ellis County purchases made under this policy must be authorized by the Purchasing Department with a purchase order number prior to any vendor order. Any purchase not following this procedure may be considered void and returned to the vendor.

Requisition Deadlines

The following deadline for has been established for each fiscal year to assist the Purchasing Agent and County Auditor's offices by allowing adequate time to process all of the necessary paperwork, secure bids or quotes and provide for the payment of the majority of expenses prior to September 1st of each year.

- 1) September 1st is the deadline for all purchase requisitions. Requisitions received after this date will not be processed in the current fiscal year unless adequate justification is made through the Purchasing Agent. Repairs and general supplies will be handled as normal to insure efficient operations.

EXPEDITING PURCHASE ORDERS

In order to accomplish prompt receipt of materials as required by the County, the Purchasing Department shall:

- A. Review and process requisitions promptly.
- B. Examine and expedite all orders past due.
- C. Follow up with past due orders via phone and/or email.

INVENTORY & DISPOSITION

Per V.T.C.A., Local Government Code Sec. 262.011(i), “On July 1, of each year, the county purchasing agent shall file with the county auditor and each of the members of the board that appoints the county purchasing agent an inventory of all the property on hand and belonging to the county and each subdivision, officer, and employee of the County”.

§ 263.152. Disposition: 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;

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.

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. Originator must complete an Ellis County Inventory Add/Delete/Transfer Form (page 32) and send form to the Purchasing Department for processing.
- B. Purchasing Agent or designee will inspect the property and will make a determination on the nature of the surplus property.
- C. On the recommendation of the Purchasing Agent, 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 (by purchasing prior to auction) and a list will be give to the County Auditor.
 - 2. Purchasing will properly dispose of the said property in accordance with local government code sec. 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 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. Originator must complete an Ellis County Inventory Form and send the original form to the Purchasing Department for processing.

2. Commissioner's Court must authorize the trade-in, prior to trade-in.
3. In all cases where property is declared surplus, property shall be removed from County Inventory by the purchasing Department. *Since title to all personal property is vested to Ellis 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 Purchasing Agent 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.

VENDOR REGISTRATION

In an effort to provide a fair place for all vendors to do business and to protect our elected officials, Ellis County has a no contact clause during the formal bidding process. It is Ellis County's policy that all vendors interested in doing business with the county *must* first register with the Ellis County Purchasing Agent or designee prior to contacting/meeting with any elected official, department head or employee of Ellis County. Vendor Registration can be done through utilization of Public Purchase at www.publicpurchase.com or by contacting the Ellis County Purchasing Department directly.

VENDOR RELATIONS

It is Ellis 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 accord 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 Purchasing Department welcomes any useful and constructive evaluations from departments. This information will be useful for the Purchasing Department to monitor and effectively stimulate vendor activities and performance.

The Vendor Performance Evaluation form is available on page 31 of this policy and in the Purchasing Department.

ETHICAL PRACTICES

Policy

It is the policy of Ellis 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 Ellis 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 Ellis 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:

- The employee or any member of the employee's family has any financial interest pertaining to the Ellis County procurement process;
- A business or organization in which the employee, or any member of the employee's family, has a financial interest pertaining to the Ellis County procurement process; or
- 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 Purchasing Agent in writing and will remove himself/herself from the Ellis 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 Purchasing Agent 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 Ellis 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 Ellis County knowingly to use confidential information for actual or anticipated personal gain or for the actual or anticipated gain of any person.

CREDIT CARD POLICY

PURCHASING CARD POLICY AND PROCEDURES

Authority:

Sec. 262.015 (o) allows the Purchasing Agent to establish the credit card rules (subject to Commissioners Court approval) as follows:

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 an individual, permanent full-time employee for purchases by the designated employee only.

Purchasing Card Program Administrator – The County Purchasing Agent will be the single point of contact between Ellis 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 – Full-time, permanent employees that have been designated by the Elected Official or Department Head to be issued a Purchasing Card in their name for use under these policies and procedures.

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

- The Credit Card is provided and utilized to make basic travel registration, and small or spot purchases of business related goods and services.
- All Credit Card purchases must follow Ellis 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.
- Ellis 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:

Ellis 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 purchase of a personal nature or any other purchase not connected with county business.
- A cash advance.
- Charges for entertainment.
- Purchases made in attempt to bypass the normal purchasing policy.
- A purchase that violates any provision of state law or Ellis County’s Procurement Policies and Procedures.
- Under “**no**” circumstances should an authorized credit card user allow another person to use the county credit cards either by physically having the card in their possession or by giving a card number to another individual or vendor so as to allow someone other than the designated cardholder to use the card.

Any person(s) who makes unauthorized purchases, carelessly uses the card, or fails to turn in the appropriate documentation in a timely manner, will be liable for the total dollar amount of such unauthorized purchases, plus any administrative fee charged by the bank in connection with misuse.

Responsibilities

- Ensure sales tax is not charged at time of purchase.

- Ensure appropriate encumbrances are made with the issuance of a purchase order prior to the utilization of any credit card purchases.
- 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 statements, invoices and purchase orders shall be sent to the Purchasing Department for processing within five (5) business days.

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

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 Purchasing Card Coordinator. The Coordinator 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 be required to attend a Purchasing Card training session, sign a Cardholder Enrollment Form and an Employee Agreement. The Agreement (page 25) indicates that the Cardholder understands the procedure and the responsibilities of a Purchasing Card cardholder. The Enrollment Form (page 26-27) contains all information required to properly enter the Cardholder in the Purchasing Card Program. On the Enrollment Form, the Elected Official/Department Head or Approving Supervisor will designate:

- a single purchase limit, and
- a 30-day limit

The Purchasing Card Coordinator and 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 Cardholder receives will have his/her name embossed on it and shall only be used by the Cardholder. No other person is authorized to use that card. The Cardholder

may make transactions on behalf of others in their department with the approval of a supervisor authorized to approve such purchases. However, the Cardholder is responsible for all use of his/her card.

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. 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).

Spending limit must be adhered to.

Unauthorized Purchasing Card Use

The Purchasing Card shall not be used for the following:

- Personal purchases or purchases for family members or friends or for identification.
- 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.
- Entertainment expense or meals and travel expenses for non-County related business.
- Cash Advances.
- Alcoholic Beverages.
- 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. The Cardholder will also be subject to disciplinary action.

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 statutes, 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. Where possible the Purchasing Department will establish pricing agreements and identify the contract suppliers.

Cardholders will utilize the following “checklist” when making a purchase:

1. Check the Contract Suppliers list provided by Purchasing, to determine if vendors and prices have already been established for the required goods. If not, solicit a number of sources according to policy (page 10). If vendors furnish standing price quotations or catalog prices on a recurring basis, check that the price listed is current.
2. Advise vendor of tax exempt status and assure that sales taxes is not added to the purchase.
3. Once a vendor is designated and that vendor confirms that the product or service is available which meets the specification and delivery requirements.
4. Confirm that the vendor agrees to accept MasterCard.
5. Submit requisition to the purchasing department, if needed.
6. A purchase order will be issued for encumbrance of funds.
7. Direct the vendor to include the following information on the packing list/shipping label:
 - Purchase order;
 - Cardholder’s name and telephone number;
 - Complete delivery address;
 - The words “Purchasing Card Purchase”; and
 - 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 purchases 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 Program Coordinator 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" (Attachment 2).

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 Cardholder shall receive by means of downloading from the issuing website or by requesting a copy from the purchasing department, his/her monthly statement of account that will list the Cardholder's transaction(s) for that period.

The Cardholder shall check each transaction listed against his/her purchasing log, receipts and any shipping documents to verify the monthly statement.

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 the statement, and present this monthly statement to his/her approving supervisor for approval and signature.

The approving supervisor shall check the Cardholder's monthly statement and purchasing log and confirm with the Cardholder the following items as a minimum:

Receipts and shipping documents exist for each purchase.

The goods were received or the services were performed.

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

The Approving Supervisor's signature/approval of a Cardholder's monthly statement indicates that the Cardholder was authorized to make those purchases and those purchases were made in accordance with the applicable procedures. The approved document package must be submitted to the Purchasing Card Coordinator within five (5) days of the original receipt of the statement.

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:

- First contact the supplier in an effort to determine a resolution. If that does not correct the issue,
- Complete a dispute Report (page 28) and submit same to the issuing bank Account Manager with a copy of the Dispute Report to the Purchasing Card Coordinator and Accounts Payable. Immediate action to resolve a dispute is of extreme importance.
- 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.
- 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.
- 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 considered in dispute.

Monthly Account Summaries

Monthly Account Summaries listing all transactions shall be issued by the issuing Account Manager to the appropriate Coordinator and Approving Supervisor. These listings will allow the Approving Supervisors to track their Cardholder's activities and act as a checklist for the Coordinator to anticipate which approved monthly statements are due from which Cardholders.

Departments/offices turning in statements past the five (5) 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 must not allow anyone to use his/her account number. 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 issuing bank at the number located on the back of your card. Representatives are available 24 hours a day. Cardholder must advise the representative that the call is regarding a MasterCard Purchasing Card. The Purchasing Card Coordinator is also to be notified immediately.

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 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 County Purchasing Card Coordinator the month-end Purchasing Card statement and the Purchasing Card. Please be aware that the responsibility of the void card remains with the Cardholder/ Department Head until it has been received by the Purchasing Card Coordinator.

APPENDIX

ELLIS COUNTY

Purchasing Card Cardholder Agreement

Ellis 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 an Ellis County MasterCard 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 Ellis County is liable to the issuing bank and MasterCard for all charges made to this card.

I agree to use this card for Ellis County approved purchases only and agree not to charge personal purchases. I understand that Ellis 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, up to and including termination of employment. Should I fail to use this card properly, I authorize Ellis County to deduct from my salary an amount equal to the total of the discrepancy. I also agree to allow Ellis County to collect any amounts owed by me even if Ellis County no longer employs me.

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

Cardholder:

Signature: _____

Date: _____

Printed Name: _____

Location: _____

Approving Officer:

Signature: _____

Date: _____

Printed Name: _____

Phone: _____

ELLIS 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 and attend a Purchasing Card training session prior to issuance of a purchasing card.

Card holders Name: _____

Mother’s Maiden Name: _____

SSN (last four) Digits: 900-00-_____

DOB: _____

Ellis 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 Purchasing Card Coordinator 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: _____

ELLIS COUNTY
Purchasing Card Program
Dispute Report

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

Item Ordered:	_____
Date Ordered:	_____
Date Received:	_____
Authorized Amount:	_____
Statement Amount:	_____
Vendor:	_____
Card Number:	_____
Cardholder Name:	_____
Phone Number:	_____
Department:	_____
Department Account:	_____

Reason for Dispute: _____

Actions taken to Remedy: _____

VENDOR PERFORMANCE EVALUATION FORM

The Vendor Performance Evaluation Form can be filled out by any employee of Ellis County to inform the Purchasing Department of vendor performance. This form must be filled out completely and returned to the Purchasing Department as soon as possible after the occurrence. Be specific as possible to describe the occurrence, good or bad. Please photocopy this form and keep a copy for your records.

Date: _____

Employee's Name: _____

Office/Department: _____

Company Name: _____

Sales Representatives Name: _____

Occurrence:

Signature of Employee

Inventory Add/Delete/Transfer

Add (Circle One)	Delete (Circle One)	Transferred
Purchased	Sold	Tag #
Traded	Stolen *attach documentation	From
Seizure award *attach order	Traded	Dept.
Donated	Destroyed	Cost
Constructed	Other (Explain)	To
Previously deleted		Dept.
*Attach copy of invoice		Category

For additions and deletions complete the following

Tag number:

Department:

Cause/case number:

Description:

Date: _____

Signed: _____