



# HOW TO DO BUSINESS WITH POLK COUNTY, TEXAS

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## **MISSION STATEMENT**

### **Polk County Purchasing Department Mission Statement**

The Purchasing Department serves to acquire goods and services essential to the operation of Polk County government for the best value possible in compliance with the Texas Local Government Code and the policies set forth by the Commissioners Court.

We seek to provide equal opportunity to all vendors participating through competitive acquisition of goods and services and providing an ongoing supply of quality goods and services to all County offices.

## **GOALS OF PUBLIC PURCHASING**

Public purchasing has several goals including but not limited to:

- Purchasing the proper goods and services.
- Obtaining the best possible price for goods and services, without sacrificing the quality needed.
- Ensuring goods and services are available where and when needed and there is a continuing supply available.
- Guard against the misappropriation of assets that have been acquired through the procurement process.

## **GENERAL ETHICAL STANDARDS**

Public employees should conduct themselves in such a manner as to foster public confidence in the integrity of Polk County's purchasing practices. To achieve this purpose, it is essential that person or companies doing business with Polk County observe standards prescribed below:

- It shall be a breach of ethics to attempt to realize personal gain through public employment with Polk County by any conduct inconsistent with the proper discharge of the employee's duties.
- It shall be a breach of ethics to attempt to influence any public employee of Polk County to breach the standards of ethical conduct set forth in this code.
- It shall be a breach of ethics for any employee of Polk County to participate in directly or indirectly in a procurement when the employee knows that:
  - The employee or any member of the employee's immediate family has a financial interest pertaining to the purchase.
  - A business or organization in which the employee or any member of the employee's immediate family has a financial interest in the purchase.

- Any other person, business, or organization with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment and is involved in the procurement.
- **Gratuities.** It shall be a breach of ethics to offer, give, or agree any employee or former employee of Polk County, or for any employee of Polk County to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendations, preparation of any part of a program requirement or purchase request, influencing the content of any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or contract or subcontract, or to any solicitations or proposals therefore pending before this County.
- **Kickbacks.** It shall be a breach of ethics for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract for Polk County, any person associated therewithin, an inducement for the award of a subcontract or order.
- It shall be a breach of ethics for any employee or former employee of Polk County knowingly using confidential information for actual or anticipated personal gain, or the actual or anticipated gain of a person.

## **PURCHASING LAW**

The most important aspect of purchasing is adherence to applicable statutory requirements. Regardless of how attractive a business offer may be, it simply cannot be done under any circumstances, unless it follows applicable law.

The laws that govern the way Texas counties procure goods and services, in large part, are specified in the Texas Local Government Code, Chapter 262.021, Subchapter C, as well as the County Purchasing Policy. This information related to the specific bid requirements prior to a purchase being made.

There are other laws as well, such as the Texas Government Code, Chapter 113.901, Subchapter Z, which requires the issuance of Purchase Order for materials and supplies prior to a purchase being conducted.

## **COMPETITIVE BIDDING**

Competitive bidding means letting the available suppliers compete to provide goods and/or services. In the case of local governments, the bidding process has two additional purposes.

The first purpose is to ensure that the public monies are spent properly, legally and for public projects only, and that the best possible value is received for the money. The second purpose is to give those qualified and responsible suppliers who desire to do business with the County a fair and equitable opportunity to do so. The use of a standard bidding procedure gives the public assurance that their monies are properly safeguarded.

Competitive bidding can be accomplished on two levels. The first level of bidding consists of contacting suppliers, either by telephone or in writing, to allow them the opportunity to give a price quotation on a desired good or service. The next level uses formal sealed bids, which the process that is normally referred to as “competitive bidding”.

Price quotations should be sought on all purchases less than the dollar level which requires sealed competitive bids unless the purchase is a relatively minor purchase or an emergency purchase. Even emergency purchases should use all practical means to obtain the best price available. This is discussed in the section on negotiated or non-bid purchases.

Formal sealed bids are used for those bids exceeding a set dollar level, specified by statute. The bid consists of the items offered by the supplier in response to the specifications, along with details governing the offer. Bidding for the various local governments is controlled by the appropriate purchasing statute. All statutes contain the following general requirements:

- The bids are to be advertised based on the specifications and conditions of purchase provided by the government.
- Bids are received until a certain future date and hour set out in the specifications. After that date and time, no further bids are accepted.
- The bids are opened on the specified date and hour and submitted to the governing body. Generally, the lowest and best responsible bid is accepted.
- Bids may be subject to bonding requirements. A performance bond may be required for public works projects or on bids exceeding \$100,000. This is to ensure that if the bidder attempts to withdraw after his bid is accepted, the County will not suffer loss.
- The successful bidder on a public works contract exceeding \$25,000 must post a payment bond.
- Bonds must be executed with a surety company authorized to do business in the State of Texas.

## **COMPETITIVE PROPOSALS**

Competitive proposals are similar to competitive bids but are limited in scope by the Texas statutes. They are used for high-technology products or services, procuring insurance, and construction projects.

However, the Texas code allows this method to be utilized for other goods and services, if it is in the best interest of the county.

A specification is written using performance standards rather than the description of the good and/or service. The specification also lists the factors by which the proposal will be judged, and the weight to be given to each vendor.

Suppliers submit proposals of their own design for a system to satisfy the requirement set forth in the proposal. Proposals may incorporate entirely different hardware or services to accomplish the same performance.

## **INVITATIONS FOR BIDS/REQUESTS FOR PROPOSALS**

Invitations for Bid (IFB) / Requests for Proposals (RFP): These documents are designed to solicit bids or purposes from well-qualified suppliers. They are usually sent to suppliers known to provide the particular commodity, or who are on a list of suppliers as providing that particular commodity. The IFB/RFP is also advertised in the local newspaper per statutory requirements.

Competitive bidding and competitive proposals are required by statute for purchases over certain dollar limits. Currently, most counties and all cities with over 50,000 population must competitively bid on all contracts for amounts exceeding \$50,000.

The system should be simple and practical, and the bids must be advertised as widely as possible, for competition to work. Complicated IFB/RFPs discourage competition and drive-up prices.

IFBs and RFPs may be cancelled by the County at any time before the date set for opening bids. Notice should be made to all suppliers receiving bid/proposal invitations. IFBs and RFPs may also be modified after being issued.

## **PROCEDURE FOR MAKING NORMAL NON-BID PURCHASES**

For any purchase that is less than the level requiring competitive bids, the following procedures should be used:

### **A. Purchases from \$1.00 to \$2,499 –**

Purchases \$2,499 and below requires only a purchase order if adequate funds are available in the appropriate budget line item.

### **B. Purchases from \$2,500 or more, but less than \$15,000 –**

For purchases of \$2,500 or more, competitive quotations are encouraged, but not required. Three quotations at a minimum are required for purchases of goods and services with a total cost of \$5,000 or more, but less than \$15,000. Purchases made at auction, state contract, or buy board do not

require quotations. Unbudgeted purchase of capital items must be authorized through a budget amendment by the Commissioners Court.

**C. Purchases of \$15,000 or more, but less than \$50,000 –**

All purchases over \$15,000 require a minimum of three written quotes. Purchases made at auction, state contract, or buy board do not require quotations. Unbudgeted purchase of capital items must be authorized through a budget amendment by the Commissioners Court.

All purchases require a purchase order issued by the Purchasing Office regardless of price unless specifically exempted by law. Purchase orders are issued prior to the purchase being made.

**BILLING/PAYMENT**

We understand that cash flow is a concern for anyone involved in business. That is why we encourage you to know what our payment process is *before* we do business.

To speed up the payment process as much as possible, you are encouraged to forward invoices directly to the department you are providing your product or service to. If you are not sure about the mailing address or contact information, you can contact our Accounts Payable department, and they will assist you. There are a couple of things that are very important to assure that your invoice is processed in the most expeditious manner possible.

Please ensure that:

- You have entered accurate totals, shipments, delivery, unit price, address.
- You have included the Purchase Order Number on your invoice.
- You have mailed the invoice to the correct address.
- You have directed the invoice to the appropriate contact person; and
- You have communicated with the department regarding receipt of the item or service ordered (**the County cannot pay for an item or service that has not been received**).

When the requesting department receives the invoice, they will verify the information for accuracy. If everything is in order, they will forward it to the Auditor’s Office for review. Presentation to the Auditor’s Office is a process that must occur by law. All requests for payment of invoices must be audited prior to presenting the invoice to the Commissioners Court for approval.

The speed of the process relies on the accuracy of the invoice which you are submitting for payment. If the information is not accurate, the possibility of delay is greater at any step along the approval route. Texas’ “prompt payment law” establishes when some types of payments are due. The law says that payments for goods and services are due 30 days after the goods are provided, the services are completed, or a correct invoice is received, whichever is later.