



Kelly E. Johnson, C.P.M., C.P.C.M.
Harris County Purchasing Agent

May 13, 2013

Commissioners Court
Harris County, Texas

RE: Purchasing Rules and Procedures Manual

Members of Commissioners Court:

Local Government Code 262.011(o) requires the Harris County Purchasing Agent to establish rules and procedures necessary to fulfill the duties of the Purchasing Agent required by Section 262 of the Code, subject to Commissioners Court approval.

Please approve the attached updated Purchasing Rules and Procedures Manual which replaces the version approved by Commissioners Court on June 17, 2008.

The document will be posted on the Harris County intranet website.

Sincerely,


Kelly E. Johnson
Purchasing Agent

KEJ:lmw
Attachment

cc: County Judge
Commissioners Pct. 1-4
Barbara Schott, County Auditor
Art Storey, PID
Bruce High, ITC

Presented to Commissioner's Court

MAY 21 2013

APPROVE KEJ
Recorded Vol _____ Page _____

Pur. copy

Att. copy FOR INCLUSION ON COMMISSIONERS COURT AGENDA MAY 21, 2013



HARRIS COUNTY PURCHASING AGENT

RULES AND PROCEDURES

MAY 21, 2013

With revisions to the version
Approved by Commissioners Court
June 17, 2008

FORWARD

This document is prepared in accordance with Texas Local Government Code (LGC), § 262.011(o) which requires the Purchasing Agent to adopt rules and procedures necessary to implement the Purchasing Agent's duties, subject to approval by Commissioners Court.

This document is intended to be a general guideline for Harris County employees addressing purchasing requirements and general operating procedures. End users are encouraged to contact the Purchasing Office with questions concerning the procurement process. The Purchasing Office goal is to assure that end users are able to obtain needed goods and services in a timely, cost effective manner in accordance with LGC and other statutes.

This document is not all inclusive and the Purchasing Office maintains a more detailed set of procedures, designed for internal use. Purchasing policies approved by Commissioners Court are on file in the Purchasing Office.

This set of rules and procedures is current as of the date of publication. As circumstances dictate, this document will be revised and updated. This document dated May 21, 2013 supersedes all previous documents.

TABLE OF CONTENTS

| | <u>Page Nos.</u> |
|--|------------------|
| Glossary of Terms | 5-7 |
| 1. General Information | 8 |
| 1.1 Mission Statement | 8 |
| 1.2 The Office of the Purchasing Agent | 8 |
| 1.3 Public Information Act Requests | 9 |
| 1.4 Code of Ethics | 9 |
| 1.5 The Responsibilities of the Office of the Purchasing Agent | 9-10 |
| 1.6 Vendor Outreach | 10 |
| 2. Unadvertised Purchases (Informal) | 11 |
| 2.1 Cooperative Procurement Sources | 11 |
| 3. Advertised Purchases (Formal) | 12 |
| 3.1 Specifications | 12 |
| 3.2 Competitive Bid Procedures | 12-13 |
| 3.3 Request For Proposals Procedures | 13 |
| 3.4 Request for Qualifications Procedures | 13-14 |
| 4. Exemptions | 15 |
| 5. Purchase Orders and Check Requests | 16 |
| 5.1 Purchase Orders | 16 |
| 5.2 Blanket Purchase Orders | 16-17 |
| 5.3 Documentation and Record Retention | 17 |
| 5.4 Check Requests | 17-18 |
| 5.5 Emergency Expenditures | 18 |
| 5.6 Purchases Involving the Use of Grant Funds | 18-19 |
| 5.7 Purchases Involving Real Estate (buy, lease, rent, etc.) | 19 |
| 6. Computer Hardware and Software Purchases | 20 |
| 6.1 General Requirements | 20-21 |
| 6.2 Computer Hardware/Software Demonstration | 21 |

| | | |
|------------|---|-----------|
| 7. | Contract Management | 22 |
| | 7.1 Term Contracts | 22 |
| | 7.2 Contract Renewals | 22 |
| | 7.3 Changes in Contracts/Amendments to Agreements | 22 |
| | 7.4 Post Award Meeting | 22 |
| | 7.5 Contract Compliance | 22-23 |
| | 7.6 Notice Requirements | 23 |
| | 7.7 Contract Termination | 23 |
| 8. | Travel Card Program | 24 |
| 9. | Procurement Card Program | 25 |
| | 9.1 Purchasing Office Procurement Card Purchases for End Users | 25 |
| | 9.2 User Department Cards | 25 |
| 10. | Vendor Requirements | 26 |
| | 10.1 Debarment and Suspension (Executive Order 12549) | 26 |
| | 10.2 Delinquent Taxes | 26-27 |
| | 10.3 Vendor Registered to do Business in Texas | 27 |
| 11. | County Inventory Management | 28 |
| | 11.1 Harris County Property | 28-29 |
| | 11.2 Inventory Control | 29-30 |
| | 11.3 Disposal of County Property | 31-32 |

GLOSSARY OF TERMS

Addendum to Purchase Order

Any change in quantity, pricing, additions or deletions to an existing purchase order. Addendums are initiated by end users through a request for purchase order.

Agreement

See Contract.

Amendment

A change in plans, specifications, price, or quantity to an existing agreement prepared by the County Attorney's Office.

Bidder (non-resident)

A person or entity whose principal place of business is not in the State of Texas.

Bidder (Texas resident)

A person or entity whose principal place of business is in the State of Texas, including a contractor whose ultimate parent company or majority owner has its principal place of business in the State of Texas.

Calamity

The purchase of an item required to relieve the necessity of the citizens or to preserve the property of the County. Commissioners Court must approve the calamity as an exemption to waive the competitive bid requirements.

Capital Assets

County personal property with a unit value of \$5,000 or more. These items are recorded as fixed assets on the General Ledger, depreciated over the useful life of the asset, and must be recorded on the County Inventory Listing. These items are physically tagged by the Purchasing Office with a preprinted inventory identification number.

Change in Contract

A change in plans, specifications, price, or quantity to an existing contract. A change in contract does not apply to agreements prepared by the County Attorney's Office.

Competitive Procurement Procedure (Advertised)

The process in which the Purchasing Office procures goods and/or services through the development of specifications, solicitation of bids or proposals through advertisement within the legal time frame, evaluation of responses and making recommendations, including awards, to Commissioners Court. This process is utilized when the anticipated expenditure exceeds the competitive bid limit (currently \$50,000).

Competitive Procurement Procedure (Unadvertised)

The process used by the Purchasing Office when advertised competitive bids are not required by law. Generally, this process is used for purchases less than the competitive bid limit or for purchases utilizing state contracts or cooperatives.

Construction Projects

Public Works and other projects which include the construction, renovation, erection, alteration, improvement, demolition and repair work involving any public owned, leased or operated facility. The Purchasing Office generates the competitive bid/RFP/RFQ documents, advertises, receives, and evaluates the responses in conjunction with using department(s) and makes award recommendations to Commissioners Court. The Purchasing Office also advertises, receives and presents the Harris County Toll Road Authority and Flood Control District bids to Commissioners Court; however, these entities make award recommendations to Commissioners Court independently.

Contract

An agreement between Harris County and another party with specific terms enforceable by law. Contracts include, but are not limited to, executed bids, purchase orders, or agreements prepared and/or approved by the County Attorney's Office.

Governing Authority

Designation of the governing body which has the contracting authority for that agency, i.e. Harris County Commissioners Court, Harris County Hospital District Board of Managers, Community Health Choice, Inc. Board of Directors, and Juvenile Probation Board.

Interlocal Agreement

A contract between governmental agencies to provide cooperative sharing of resources for mutual benefit as defined by Texas Government Code (TGC) §§ 791.001 *et seq.*

Item

Any service, equipment, goods, or other tangible or intangible personal property, including insurance and high technology as defined by LGC § 262.022(5).

Personal Services

Services which are performed by an individual and not a company or corporation. If the anticipated cost exceeds the current bid limit, Commissioners Court must exempt the purchase from the competitive bid process.

Professional Services

Services which require a technical skill or unique function within a scope of practice such as engineering, architecture, accounting, and medicine. If the anticipated cost exceeds the current bid limit, Commissioners Court must exempt the purchase from the competitive bid process as defined by TGC §§ 2254.001 *et seq.*

Project

The purchase of an item(s) requiring the expenditure of public funds, by the same County officer, department or entity, generally at the same location within a given time frame. If the County officer, department or entity expects to exceed the statutory competitive bid limit with the same or generally the same category of vendors, then the purchase is subject to the competitive bidding or the request for proposal process. Expenditures may not be broken down into components, or differing timeframes, to avoid the competitive bid or the request for proposal process, LGC §§ 262.023(a) and (c).

Purchase

Any acquisition of an item including a lease or revenue contract. In accordance with LGC § 262.011(f), "The County Auditor may not draw and the County Treasurer may not honor a

warrant for a purchase unless the purchase is made by the Purchasing Agent or on a competitive bid as provided by law.”

Purchase Order

An official and binding document issued by the Purchasing Agent to a vendor authorizing the expenditure of funds for goods and services.

Requisition

A document, electronic or otherwise, used by departments to submit a request to the Purchasing Office for the procurement of supplies, services, or equipment. A requisition must describe the requirements as completely as possible.

Salvage Property

Personal property that has no value for the purpose for which it was originally intended, but may have value for other use.

Sole Source Item

An item that can only be purchased from one source. Purchases of sole source items in excess of the statutory competitive bid limit must have a written statement from the Purchasing Agent declaring an exemption to the bid process and be approved by Commissioners Court.

Surplus Property

Personal property not currently needed by a department, but may have future usefulness within the County. These items may be transferred to other departments by the Purchasing Agent.

Term Contract

An agreement for a specific product or service at a specified price for a definitive time frame. Other governmental entities may utilize an existing term contract with permission of Commissioners Court.

User Department

Generally, a County department requiring the services of the Purchasing Office.

Vendor

A person or business that offers goods or services for sale. Another term for vendor is supplier or contractor.

Waste Property

Property that has no value, either as originally intended or otherwise. This property may be disposed of utilizing existing county contracts.

1. GENERAL INFORMATION

1.1 Mission Statement

The mission of the Office of the Purchasing Agent is to acquire appropriate goods and services essential to the operation of Harris County government and certain other governmental agencies in a timely and prudent manner, considering quality, value, and economy. All purchases are made in compliance with Texas Local Government Code (LGC), Texas Government Code (TGC), other relevant law and best business practices. Through anticipation of County requirements, proper planning, preparation and development of its employees, the Purchasing Office actively pursues opportunities for cost savings, economies of scale and broadening and diversification of its vendor base.

1.2 The Office of the Purchasing Agent

The Harris County Purchasing Agent is appointed by a Board comprised of three State District Judges and two members of Commissioners Court in accordance with LGC § 262.011(a).

The primary function of the Purchasing Office is to acquire goods and services meeting quality standards at the lowest cost, considering prevailing economic conditions and end user requirements. The Purchasing Agent establishes rules and procedures, subject to Commissioners Court approval, to provide procurement methods that ensure openness, fairness, and integrity. The Purchasing Office is created for the purpose of providing a "checks and balances" system for expenditure of public funds. The Purchasing Office strives to maintain consistent and open communication with the vendor community and the various supported County departments and agencies. Every effort is made to operate in an efficient and economical manner consistent with existing laws and sound business practices.

The Purchasing Agent is an independent officer of the County. The Purchasing Office is responsible for ensuring that all County offices have the goods and services needed to perform the essential functions of their missions. Additionally, the Purchasing Office provides an expenditure control function, responsible for supervising the Commissioners Court contracting authority and ensuring compliance with the County Purchasing Act. Purchases made for Harris County use are generally exempt from the Texas sales tax (Texas Tax Code § 151.309, as amended.)

The Harris County Purchasing Office currently provides procurement services for the following governmental agencies/entities:

- Harris County Departments (elected and appointed)
- Harris County Flood Control District
- Harris County Toll Road Authority
- Community Supervision and Corrections Department
- Protective Services for Children and Adults
- Harris County Hospital District dba Harris Health System
- Community Health Choice, Inc.
- Greater Harris County 9-1-1 Emergency Network
- Juvenile Probation
- Mental Health & Mental Retardation Authority

1.3 Public Information Act Requests

Harris County Purchasing is subject to the Texas Public Information Act, Section 552 of TGC. Requests for information pertaining to Purchasing Office records must be in writing, directed to the Purchasing Agent, and be specific enough that information requested is easily identifiable. The Purchasing Agent adheres to current law in the handling of public information requests. For portions of documents identified as confidential by a vendor, Harris County must rely on advice, decisions and opinions of the Attorney General of the State of Texas relative to the disclosure of data or information.

1.4 Code of Ethics

Purchasing employees must adhere to the highest standards of honor and integrity with regard to all business and personal relationships in order that they may inspire the confidence of those served. Questionable practices, such as "bid shopping" or the extended free use of products under the guise of "demos," should be avoided by all employees.

Credibility and public confidence are vital throughout the purchasing and contracting system. Purchasing employees must realize the importance and dignity of the service rendered by government and be aware of their own responsibilities as public servants. Every person employed by a public purchasing agency shall abide by a code of ethics. In accordance with State law and County purchasing requirements, County purchasing personnel, and other employees involved in the purchasing process, shall adhere to the following ethical standards; these employees *may not*:

- participate in work on a contract by taking action as an employee through decision, approval, disapproval, recommendation, giving advice, investigation or similar action knowing that the employee, or member of their immediate family, has an actual or potential financial interest in the contract, including prospective employment;
- solicit or accept money, credit, gifts, excessive entertainment, or other special considerations from an individual or business organization doing business with the County;
- accept employment from a vendor or potential vendor while working for the County; or
- knowingly disclose confidential information for personal gain.

Potential conflict of interest:

Any employee, contract employee or appointed member who participates in the recommendation, requisitioning, bid solicitation, evaluation, or otherwise takes part in the purchasing decision-making process and who has a whole or partial ownership in, or derives some income or personal benefit from the recommended or selected vendor should disclose the relationship as a potential conflict of interest. For the purposes of this section, acts of reciprocity or exchange of favors from which an employee derives some income or personal benefit shall be considered conflicts of interest.

In the event an outside consultant or contractor submits a bid or proposal on a project, of which the consultant or contractor was a previous contributor, other than an open forum, then the bids or proposals from that consultant or contractor shall be disqualified on the basis of conflict of interest.

1.5 The Responsibilities of the Office of the Purchasing Agent

The Purchasing Agent shall direct the procurement activities of the County as required by applicable statutes. Accordingly, it is the duty of the Purchasing Agent to purchase all supplies, materials, and

equipment, and to contract for all repairs to property used by the County (or a subdivision, officer, or employee of the County), except purchases or contracts required by law to be made by competitive bid. Only the Purchasing Agent may make the purchase of supplies, materials, or equipment or make a contract for repairs [LGC § 262.011(d)]. Further, the Purchasing Agent shall supervise all purchases made by the competitive bid or proposal processes, 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 [LGC § 262.011(e)]. The Purchasing Agent shall also maintain an inventory of County property and transfer surplus County property between County departments as required [LGC § 262.011(i)(j)]. Violation of these laws by any County official or employee carries criminal penalties [LGC 262.011(m)].

The duties of the Purchasing Agent include, but are not limited to, the following broad categories:

- a. Unadvertised purchases (informal): purchases of items valued at or below the competitive bid limit, purchases made through a federal or state agency (see Section 2 for detailed information), or purchase of items not requiring the advertised bid process.
- b. Advertised purchases (formal): purchases of items valued above the competitive bid limit, which must be advertised and comply with all applicable competitive bid laws and requirements (see Section 3 for detailed information).
- c. Contract administration: oversight/ management of a purchase commitment, which includes the initial procurement, renewal, termination of an existing contract, Change in Contract or Amendment to existing contract (see Section 7 Contract Management).
- d. County inventory management: storage, transfer, and/or disposal of county property, including recycling (see Section 11).

1.6 Vendor Outreach Program

Harris County supports the principles of equal opportunity. The County encourages the participation of all vendors in the procurement of supplies, materials, equipment, and services. The Purchasing Agent maintains an "outreach" program designed to encourage participation in County procurement. To introduce vendors to the County, the Purchasing Agent conducts seminars to aid smaller and developing businesses in doing business with Harris County. Additionally, the Purchasing Office participates in several local events and seminars designed to promote opportunities for small businesses. Purchasing employees are encouraged to contact potential new vendors weekly so that the benefit of governmental purchasing is made available to as many vendors as possible.

2. UNADVERTISED PURCHASES (INFORMAL)

Only the Purchasing Agent may commit the County for a purchase of an item that has not been formally competitively bid. Texas law prohibits all separate, sequential or component purchases made with the intent of avoiding the competitive bid requirements [LGC § 262.023(c)]. The Purchasing Agent will not issue purchase orders, and the Auditor will not pay, for purchases made outside the directives of this manual.

Unadvertised purchases, those equal to or below the competitive bid limit, do not require an advertised solicitation placed in a local newspaper of general circulation prior to procurement. However, the Purchasing Agent reserves the right to advertise for bids or proposals for purchases of any amount. Requisitions for purchases equal to or below the competitive bid limit will be received in the Purchasing Office and assigned to the appropriate buyer by commodity. Although not required, user departments may include quotes to aid the buyer in comparison of price, quality and delivery terms. The buyer will allow for as much competition as practical, consistent with user requirements, dollar value of procurement, and purchasing directives. Typically, pricing and delivery terms will be handled by email, telephone, or fax, if advertised solicitations are not required.

2.1 Cooperative Procurement Sources [LGC §§ 271.081, 082, 083 & 271.101, 102, 103]

State laws allow procurement through federal, state, and local governmental agencies as well as cooperative purchasing organizations. The Purchasing Agent is the authorized representative of Harris County to make purchases through those agency contracts or cooperative purchasing organizations, at the Purchasing Agent's discretion. The Purchasing Agent is required to effect as much competition as practical for the circumstances when using a cooperative procurement source.

The Purchasing Agent may solicit advertised bids if deemed appropriate to ensure the best values for the County.

3. ADVERTISED PURCHASES (FORMAL)

The County Purchasing Agent Act [LGC §§ 262.021 *et seq.*] requires that purchases with an estimated cost greater than the competitive bid limit be advertised at least once a week in a local newspaper of general circulation in the county, with the first publication occurring before the 14th day before the date of bid opening. The Purchasing Agent is responsible for supervising the competitive bid process [LGC § 262.011(e)] and presenting the responses to Commissioners Court for award, rejection, or referral. Commissioners Court has authorized the Purchasing Agent to place the advertisements required by the competitive bids statute and to transmit a schedule of the advertisement to Commissioners Court at its next regularly scheduled meeting.

3.1 Specifications

Specifications for a bid solicitation include detailed, relatively precise, written descriptions of the goods and services required to be purchased. Specifications for a request for proposals (RFP) generally describes the needs, or required solution to meet the procurement requirement. Both types of specifications should describe the functions to be accomplished as thoroughly as possible. Specifications for a request for qualifications (RFQ) are used to procure professional services of the most qualified vendor on the basis of demonstrated competence and qualifications, and after negotiations, if required, whose pricing is considered to be fair and reasonable.

It is the responsibility of the Purchasing Agent to ensure specifications are prepared in a manner consistent with the requirements and the “spirit of competitive bidding” (i.e., non-restrictive). A consultant who participates in the drafting of specifications may not bid on the subsequent job (Texas Attorney General Opinion Nos. JM-940 and JM-282, both cited in Texas Attorney General Opinion No. JC-0124). Equipment trade-in provisions may be allowed, if authorized by Commissioners Court and disclosed in the specifications, but must be coordinated with Purchasing Services in order to make necessary adjustments to the department’s inventory. Specifications must describe functional needs, and may not:

- include unrelated, non-functional requirements, such as participation in other government programs, estimates of economic benefit conferred upon a local economy, or a requirement that independent contractors provide certain benefits to their employees (Texas Attorney General Opinion No. JC-0124)
- include requirements that restrict competition. Therefore, brand names may not be used except to indicate a level of quality. Specifications “may not restrict material specifications to suit the products of only one vendor if other vendors have similar products of equal quality.” (Texas Attorney General Opinion No. JC-0124).

3.2 Competitive Bid Procedures, LGC §§ 262.023 and 262.0235

Bids and proposals received by the Purchasing Office must be received by the date and time specified. *Late bids/proposals will not be considered under any circumstances.* All bids are presented to Commissioners Court for award, rejection, or referral for further evaluation. If referred, the Purchasing Office will make award recommendations to Commissioners Court at a later date. Any vendor objecting to an award recommendation should first contact the Purchasing Office and, if necessary, appear at Commissioners Court, or to the appropriate governing body, on the scheduled award day. (A protest concerning an award made for the benefit of a governmental entity that has its own governing body, such as 9-1-1, the Harris County Hospital District dba Harris Health System, or

Community Health Choice, Inc. generally will be referred to the governing board of such entity for resolution.)

Project solicitations not receiving any response will be canceled or carried over to the next bid opening date. The Purchasing Agent is authorized by Commissioners Court to extend the due date of an advertised project when circumstances require an extension and when the extension will be in the best interest of the County [LGC § 262.026].

3.3 Request for Proposals (RFP) Procedures, LGC §§ 262.030 and 262.0295

The RFP (LGC § 262.030) or alternative multi-step competitive proposal procedure [LGC § 262.0295] may be used instead of the competitive bid procedures. These processes may be undertaken only under the supervision of the Purchasing Agent [LGC § 262.011(e)]. RFP documents must contain evaluation criteria and address the relative importance of various factors regarding the overall evaluation. Under both procedures, if provided for in the specifications, responses will be opened in private and confidentiality will be maintained prior to award. Breach of the confidentiality could result in cancellation of the job, and possible civil and/or criminal penalties.

The Purchasing Office coordinates the appointment of a committee responsible for evaluation and negotiation of RFP responses. Members of an Evaluation Committee shall include at least one person from the Purchasing Office, one person from the using department(s), and one or more persons from a technical committee, if applicable; others may be appointed as appropriate.

Evaluation Committee members are required to sign a conflict of interest statement/code of ethics document concerning the conduct of the RFP process prior to proposal review.

The purpose of the Evaluation Committee is to carefully examine the proposals and,

- participate in presentations by those offerors reasonably susceptible of being selected for award;
- evaluate the proposal based on the criteria stated in the RFP documents. The committee recommendation should address the RFP requirements and consider the relative importance of evaluation criteria as specified in the RFP;
- enter into discussions and/or negotiations with those offerors;
- review best and final offers requested by Purchasing; and
- develop an award recommendation for consideration by the Purchasing Agent through the designated voting members of the Evaluation Committee. If approved by the Purchasing Agent, the recommendation is presented to Commissioners Court. The County Attorney's Office will prepare/review an agreement for execution prior to submission of award recommendation to Commissioners Court.

3.4 Request for Qualifications (RFQ) Procedures

The RFQ [TGC § 2254] shall be used to procure professional services of the most qualified offeror on the basis of demonstrated competence and qualifications, and after negotiations, if required, whose pricing is considered to be fair and reasonable. RFQ documents shall contain evaluation criteria and address the relative importance of various factors in regard to the overall evaluation.

If specified in the RFQ, responses will be opened in private and confidentiality will be maintained prior to award. Breach of confidentiality could result in cancellation of the job, and possible civil and/or criminal penalties.

The Purchasing Office coordinates the appointment of a committee responsible for evaluation and negotiation of RFQ responses. Members of an evaluation committee shall include at least one person from the Purchasing Office, one person from the using department(s), and one or more persons from a technical committee, if applicable; others may be appointed as appropriate.

Evaluation Committee members will be required to sign a conflict of interest statement/code of ethics document concerning the conduct of the RFQ process prior to review of responses.

The purpose of the Evaluation Committee is to carefully examine offerors qualifications and:

- participate in presentations by those offerors reasonably susceptible of being selected for award;
- evaluate and rank the responses based on the criteria stated in the RFQ documents. The committee recommendation should address the RFQ requirements and consider the relative importance of evaluation criteria as specified in the RFQ; and
- develop an award recommendation for consideration by the Purchasing Agent through the designated voting members of the Evaluation Committee. If approved by the Purchasing Agent, the recommendation is presented to Commissioners Court. The County Attorney's Office will prepare/review an agreement for execution as applicable.

The various divisions of the Public Infrastructure Department also conduct RFQs and make recommendations to Commissioner Court for selection of Professional Services. Each division administers their own procedures, or may request the Purchasing Office administer the RFQ process.

4. EXEMPTIONS

The County Purchasing Act provides that Commissioners Court may exempt certain items [LGC § 262.024] from the competitive bid requirements. The most common exemptions granted are:

a. Professional and Personal Services

As designated in TGC §§ 2254.001 *et seq*, professional services include: accounting, architecture, landscape architecture, optometry, medicine, land surveying, professional engineering, real estate appraising, or professional nursing. The County Attorney's Office typically prepares agreements for professional and personal services.

Agreements for non-construction professional and personal services shall be processed through the Purchasing Office prior to presentation to Commissioners Court. TGC § 2254.004 states specific requirements for contracting for engineering, architectural, or land surveying services valued in excess of the current bid limit.

Purchase orders may be issued for professional and personal services following Commissioners Court approval of exemption from the competitive bid process.

b. Sole Source

Commissioners Court may grant a sole source designation, usually valid for one year or for the term of the contract, at the request of the Purchasing Agent. The Purchasing Agent will review requests, conduct further research as required, and make a sole source determination. The Purchasing Agent shall submit to Commissioners Court a signed statement verifying a sole source, and Commissioners Court may grant the exemption. Examples of sole source designations include manuscripts, books, monopolies, captive replacement parts or components, utility services, and software maintenance/license fees.

c. Health & Safety

The purchase of an item necessary to preserve or protect the public health or safety of the residents of the County.

d. Food

When the exemption for an item of food is granted by Commissioners Court, the Purchasing Agent will attempt to solicit at least three informal bids biannually, quarterly, or on a more frequent basis as appropriate. A record of these bids will be maintained for at least one year.

e. Calamity

A purchase required to relieve the necessities of the citizens or to preserve the property of the County.

5. PURCHASE ORDERS AND CHECK REQUESTS

5.1 Purchase Orders

Texas State Law requires the Purchasing Agent to issue an approved purchase order prior to the delivery of goods or services from a vendor. This requirement assures the transaction is in compliance with the County Purchasing Act, funds are available and contracts have been reviewed by the County Attorney's Office when applicable. Invoices presented to the County Auditor for goods received or services rendered must reference a valid purchase order number to ensure prompt payment. Exceptions to this requirement are listed in Section 5.4 below, Check Requests.

The appropriate authority within the user department must approve a requisition for a purchase order before it is electronically transmitted to the Purchasing Office. Requisitions are distributed electronically in the Purchasing Office and are assigned by commodity to the appropriate buyer. The requisition should convey an adequate description of the goods/services to allow the Purchasing Office to procure the required goods and/or services for the end user. All additional applicable paperwork, including scope of work, preliminary quotes, samples, etc., should be forwarded to the Purchasing Office.

Prior to procurement, the Purchasing Office will contact vendors to obtain final quotations for procurements less than or equal to the competitive bid limit, determine delivery and payment terms, and issue a purchase order. The advertised competitive bid process may be utilized for procurements exceeding the competitive bid limit if there is no existing term contract. If the requested goods and/or services do not conform to Commissioners Court policy, the Purchasing Office or the user department must request Commissioners Court approval prior to procurement.

Requisition addendums to modify purchase order requirements are processed in the Purchasing Office at the request of the user department. The appropriate buyer will review the requisition and original purchase order, then process an addendum within Purchasing Office guidelines.

5.2 Blanket Purchase Orders

a. Blanket Purchase Orders for Products/Services \leq \$50,000 (Non-Advertised)

A blanket purchase order is a purchase order issued without unit pricing, and limited to a specified sum. Blanket purchase orders are typically utilized for goods or services to be purchased before a formal competitive bid process has been completed, to cover products or services required on short notice, or for the purchase of unspecified miscellaneous items purchased at a low cost on an as needed basis. Blanket purchase orders are not intended to replace a term contract.

Because blanket purchase orders generally do not have fixed pricing and may be the most costly method of procurement for the County, this method of procurement should be used sparingly. Blanket purchase orders are not to be used to procure County inventory items, and typically should not exceed a fifteen (15) month period. Blanket purchase orders should not exceed \$20,000. The Purchasing Agent may approve amounts over \$20,000 on a case-by-case basis.

b. Blanket Purchase Orders for Products/Services > \$50,000 (Advertised)

Blanket purchase orders are utilized for multiple and/or frequent purchases of products or services with fixed prices on a contract with a specific vendor over a specified term.

Blanket purchase orders should not be used to procure County inventory items, and should not be issued to cover multiple fiscal years. The term of a blanket purchase order must coincide with the term of the contract.

5.3 Documentation and Record Retention

All purchasing transactions shall be thoroughly documented and provide an audit trail. Purchasing shall determine the location of official purchasing records, and shall maintain records according to the requirements of the Texas Records Retention law, TGC §§ 441.151 *et seq.*, as amended.

5.4 Check Requests

Purchases are typically made through issuance of a purchase order. However, there are specific situations in which the use of a purchase order is not efficient or effective. The Auditor's Office may disburse County funds with the required documentation, and without a purchase order, for the following items:

- a. Utility bills are processed directly from a utility company's invoice. Reports are available to the user department to review the amount of funds expended and services provided.
- b. Request for Payment County Auditor's Form 1268 and supporting documentation are acceptable to pay the following types of claims:
 - Application and filing fees for submittals to federal, state or local agencies, e.g. FEMA and TCEQ
 - Bank charges and fees
 - Book loan fees
 - Booth rentals – seminar or conference
 - Certain procurement card purchases, as allowed by the rules and procedures prescribed for the use of County purchasing cards as adopted by the County Purchasing Agent under LGC 262.011(o).
 - Courier and shipping charges
 - Employee reimbursements (as authorized by County policy and the Purchasing Agent and County Auditor's prescribed procedures)
 - Flood Control relocation expenses
 - Grant/client reimbursements
 - Grant/living allowances
 - Grant/mortgages
 - Grant/rents
 - Grant/stipends
 - Interlocal agreements (funding agreements/county partnerships in joint projects)
 - Juror Meals
 - Land and right-of-way purchases approved by Commissioners Court
 - Permit fees

- Postage
 - Professional membership fees and dues
 - Publications and subscriptions
 - Refunds (lost books, park facilities, licenses, fees and taxes deposits, etc.)
 - Seminar fees
 - Taxes
 - Tort claims, court settlements
 - Transfer of forfeited assets
 - Travel agency expenses
 - Travel expenses
 - Visiting judge expenses
- c. Petty Cash County Auditor's Form 1267 and supporting documentation are required to obtain reimbursement for authorized petty cash fund expenditures (County Auditor's Accounting Procedures D.3, D.3-1, D.3-2, or others, as applicable).
- d. Travel Expense Claim County Auditor's Form 1263 and supporting documentation are required to obtain reimbursement for out of county travel that has been authorized by Commissioners Court.
- e. Automobile Expense Claim County Auditor's Form 1241 and supporting documentation are required to obtain reimbursement for in County travel and related parking expenses.
- f. Court Services – Court Appointed Attorney Fees and related expenses, Substitute Court Reporters, Statement of Facts, Guardianship and Ad Litem expenses must be submitted on specific forms prescribed by the County Auditor's office.
- g. Payments to outside entities not involving the purchase of goods and services which have been appropriated in the Harris County budget must be supported by an executed contract setting forth payment dates and invoices. An example might be an interlocal agreement.

5.5 Emergency Expenditures

Emergency expenditures are processed on a case-by-case basis. The Purchasing Office should be contacted as soon as possible when an emergency situation appears imminent.

When an emergency situation occurs on a weekend or holiday and no Purchasing employees are available, depending on the urgency, the end user should take steps to protect County property and to protect human life. Existing contracts should be utilized whenever possible. The Purchasing Office must be contacted as soon as possible on the next business day. This procedure does not authorize a non-contractual expenditure of more than \$50,000. The County Judge or County Commissioners must be contacted prior to an expenditure greater than \$50,000.

5.6 Purchases Involving the Use of Grant Funds

Before the Purchasing Office will issue an RFP/RFQ, bid, informal quote, purchase from a cooperative, or a purchase order involving the use of grant funds, Purchasing will require appropriate documentation of the procurement requirements including a copy of the grant award letter and corresponding documents. This documentation is normally contained in the master grant contract.

Purchasing should be notified on the purchase requisition or as soon as possible concerning a request using grant funds. Most grants require the use of the local entity's current procurement process; therefore, time must be allowed for the appropriate competitive bidding procedures.

5.7 Purchases Involving Real Estate (buy, lease, rent, etc.)

All real estate transactions involving parking space, file storage, office space, etc., that require payment with County funds must have prior Commissioners Court approval. The Purchasing Office will provide the applicable purchase order for a real estate transaction to departments that forward an approved purchase requisition, applicable pricing, and an approved Commissioners Court letter authorizing the transaction. The Purchasing Office will assist in obtaining pricing, as requested.

Prior to requesting a parking space, departments should coordinate their requests with Facilities and Property Management prior to requesting Commissioners Court approval.

6. COMPUTER HARDWARE AND SOFTWARE PURCHASES

6.1 General Requirements

Commissioners Court policy requires technology purchases be reviewed and approved through the Information Technology Center (ITC) to facilitate standardization across the County, validate compatibility with existing enterprise systems and best practices, as well as ensure the environmental stability and security of technical systems throughout the County.

To initiate a request, the user department submits a User Service Request (USR), including technical requirements and estimated cost, and Total Cost of Ownership document (TCO), if required, to ITC. ITC will then review the USR and supporting documentation to confirm that the purchase aligns with ITC strategy and presents no threat to the integrity or stability of County systems. The USR form is available on the employee intranet at <http://www.hcintranet.net/>.

For approved USRs, ITC will add a signed approval letter to the USR and forward to the Purchasing Office. A copy of the USR with the approval letter will be sent to the requesting user department as well. Upon receipt, the Purchasing Office will match the approved USR with the user department's requisition for a purchase order and begin the procurement process. An approved USR applies to a single purchase or project only, and expires six months from the date issued.

For USRs that ITC determines do not align with the County IT strategy, or present other significant issues or concerns, ITC will contact the submitting department and provide recommendations of viable options. If it is not possible to negotiate a workable solution and the USR is determined by ITC to be contrary to the County IT strategy, ITC will issue a refusal letter outlining all concerns with the purchase and forward it to the Purchasing Office, with a copy to the user department. If a USR is denied by either Purchasing or ITC, the user department may direct an appeal of this decision to Commissioners Court.

Generally, any new technology (hardware or software) exceeding \$500/purchase requires a USR. The following examples apply:

- a. Computer equipment including laptops, desktops, mobile devices/components
- b. Scanners/printers
- c. Servers/server storage systems
- d. Networking systems/equipment
- e. Radio or telecommunications systems/equipment
- f. Document imaging systems
- g. Professional services for hardware/software application development
- h. Any other application, software/hardware technical purchase exceeding \$500
- i. Domain names

Exceptions to the above which may also require review by the Purchasing Office and ITC include the following:

- a. Standardized personal computers, workstations and laptops
- b. Standardized printers that interface with standardized personal computers
- c. Standardized ruggedized laptop computers for law enforcement
- d. Microsoft Enterprise Software managed through ITC

- e. Configurations of hardware/software recommended by ITC/Purchasing to promote standardization throughout the County

6.2 Computer Hardware/Software Demonstration

County agencies may arrange for the demonstration or trial use of computer hardware, software, or other technical systems. In the course of testing technology products and services, it will be the responsibility of the user department to advise the Purchasing Office of any companies and technologies evaluated under this procedure and provide the general results. Under no circumstances should any County department install or implement any trial or evaluation technical system or software on the production County network that has any potential to adversely affect the performance, security or stability of any production County resources, without informing and engaging ITC. Demonstrating hardware and software does not assure that the vendor will be awarded a contract in the subsequent bid process, and all relevant policies on Purchasing will still apply. User departments are cautioned against giving vendors or potential vendors the impression that their products/services will be purchased as a result of any demonstration, trial or evaluation use of any system.

7. CONTRACT MANAGEMENT

7.1 Term Contracts

A term contract is an agreement for a specific product or service at a specified price for a definitive time frame. County departments may utilize an established term contract with proper authorization and funds availability. Items purchased under term contracts include, but are not limited to, office supplies, plumbing supplies, vehicle repairs, janitorial services and parking facilities.

Upon receipt of a requisition, the Purchasing Office will issue a purchase order for the appropriate value against an existing term contract. The user department may make releases against the purchase order not to exceed the total amount of the purchase order. The Purchasing Office maintains contract files, renews or rebids term contracts, and administers contracts related to the purchase of goods and services.

All contracts or agreements for Harris County, Harris County Juvenile Probation, Community Supervision and Corrections, Harris County Hospital District, Community Health Choice, Inc. or any other applicable governing body are scanned and attached in the financial system used by the County.

7.2 Contract Renewals

Certain contracts include options to renew for multiple one-year terms. The Purchasing Office contacts the user department and vendor prior to expiration of the contract term to determine if the contract will be renewed. If vendor performance is satisfactory and the department and vendor agree to renew, the Purchasing Office will submit a renewal recommendation to the applicable governing body for approval, as required.

7.3 Changes in Contracts/Amendments to Agreements

If changes to plans, specifications, terms, conditions, or pricing occur after a contract has been executed or if the quantity of a fixed quantity/price contract increases or decreases, the Purchasing Office must be contacted to prepare a change in contract, or the County Attorney will prepare an amendment to the agreement. The Purchasing Agent is authorized to approve changes in contracts in amounts not exceeding the current bid limit. Changes in contracts and amendments in amounts that exceed the current bid limit require the approval of the applicable governing body.

7.4 Post Award Meeting

When a contract is awarded, a post award meeting will be held to discuss contract terms such as, but not limited to, point of contact, time-lines, delivery, quality assurance, reporting, invoicing and problem resolution methodologies. The Purchasing Office will schedule and conduct the post award meeting to include representatives from Purchasing, Auditing, end user(s), vendor and others as required.

7.5 Contract Compliance

Vendor's performance shall be monitored throughout the contract term. During the term of the contract, the buyer should consult with the user department and vendor to determine contract performance.

At any time during the contract period, users are encouraged to discuss with the appropriate buyer any contract issues and actions. It is important that the buyer be notified of problematic vendor performance. All problems with vendors should be documented and forwarded to the buyer as the problems occur and will be maintained in the Purchasing Office. Documentation will be considered during any discussions of contract termination, as well as reviewed prior to future award and/or renewal recommendations.

7.6 Notice Requirements

A copy of any notice sent between a user department and a vendor must be sent to the Purchasing Office. The notice provision of a contract must include notification to the Purchasing Agent. For example:

| | |
|---|--|
| Any notice required or permitted to be given by one party to the other party under this agreement shall be mailed by certified or registered U.S. mail, postage prepaid return receipt requested, or delivered to the following applicable address: | |
| Harris County User Department Address Houston, Texas 770xx | Vendor's Name Address City, State, Zip |
| Attention: Appropriate Party | |
| <u>With a Copy to:</u> | Harris County Purchasing Agent 1001 Preston, Suite 670 Houston, Texas 77002-1890 |
| Any notice given as provided above shall be deemed given upon deposit in the U.S. mail. | |

7.7 Contract Termination

Contract termination for cause or non-performance may include the following:

- a. written notification from the user to the Purchasing Office, describing in detail the need for termination
- b. confirmation and concurrence from the Purchasing Office
- c. notice from the Purchasing Office to the vendor in accordance with contract terms
- d. termination request letter from the Purchasing Office to the applicable governing body
- e. addendum issued, canceling the existing purchase order(s) at end of notice period
- f. any other terms as included in the executed agreement

8. TRAVEL CARD PROGRAM

Travel cards are issued to departments, not individuals, to be used only for approved travel related purchases, such as airline tickets, rental cars, hotels, meals, and airport parking. Travel cards are blocked for all other categories. No charges for personal items are permitted on the cards.

When purchasing airline tickets more than thirty (30) days in advance of travel, it is necessary to submit a Request for Payment (County Auditor's Form 1268) payable to the bank issuing the travel card to authorize payment for the ticket charges on the monthly statement.

Within five (5) working days of completion of travel, documentation must be completed and forwarded to the Auditor's Office:

- a. Travel Expense Claim form (County Auditor's Form 1263): This form must account for all travel charges relating to the trip, including "pre-paid" expenses, items paid for in cash, or with a personal credit card. Copies of all receipts and a copy of the approved Commissioners Court travel letter must be attached to the claim form.
- b. Request for Payment (County Auditor's Form 1268): The user department must prepare a check request payable to the bank issuing the travel card to cover payment of the charges on the billing statement. Depending upon when the billing cycle begins and ends, travel charges may be split between two monthly statements. In that case, a separate Request for Payment must be prepared for the charges on each billing statement.

The Auditor's Office will process the expense claim, issue payment to the individual traveler for any travel expense purchases not charged on the travel card, and will pay the bank for the charges on the monthly statement.

User departments are responsible for assigned cards and reconciliation of travel expenses to invoices. A user department may establish rules, within the department, to insure compliance with County procedures.

The Purchasing Agent reserves the right to cancel any travel card for failure to adhere to the procedures or for abuse of the card.

9. PROCUREMENT CARD PROGRAM

Procurement cards are used when a vendor will not accept a purchase order or check. Procurement cards are specialized credit cards which have additional control features such as the ability to block certain types of vendors, and the ability to capture additional transaction information for the purchase of small-dollar goods and services.

9.1 Purchasing Office Procurement Card Purchases for End Users

- a. The department requesting utilization of the Purchasing Office procurement card shall send a request in writing to the Purchasing Office Procurement Card Administrator (Administrator) including the reason a purchase order cannot be used.
- b. The Administrator will obtain management approval for use of the card.
- c. After approval, the requesting department will be required to sign a document agreeing to this procedure and return it to the Administrator.
- d. The requesting department will submit a requisition for a purchase order issued to the bank providing the procurement card. In the description area of the requisition, the department will indicate the details of the procurement card purchase: vendor name, item(s) being purchased, and model/part numbers, etc.
- e. The Purchasing Administrative Assistant will contact the department to provide the Purchasing Office procurement card information to complete the transaction.
- f. Upon receipt of the credit card statement, the Purchasing Administrative Assistant will email a copy of the statement to the department. The department must submit a Request for Payment (County Auditor's Form 1268) to the Auditor's Office (Accounts Payable), with a copy of the credit card statement showing the charge, by the 5th of the month following the transaction.
- g. If a Request for Payment is not submitted within forty-five (45) days of the transaction, the Administrator will contact the department in writing to determine why the Request for Payment has not be submitted. Upon notification by the Administrator, the department has three (3) business days to submit a Request for Payment.

Failure to comply with this procedure may terminate user department rights to utilize the Purchasing Office procurement card.

9.2 User Department Cards

It is rare that a user department will require its own departmental procurement card. Should business circumstances dictate that a user department procurement card may be required; the user department should contact the Purchasing Office. An application must be completed and submitted to the Purchasing Agent indicating the need for, and the expected uses of, the card. It is at the sole discretion of the Purchasing Agent, or designee, as to whether the department will be issued a procurement card or the number of cards issued.

The Purchasing Agent reserves the right to cancel any procurement card should abuse occur, or for failure to adhere to the procedures.

10. VENDOR REQUIREMENTS

10.1 Debarment and Suspension (Executive Order 12549)

Prior to award by Commissioners Court, the Harris County Purchasing Office will determine if a vendor has been debarred or suspended by the Federal Government by entering the vendor name in the name search field of the System for Awards Management (SAM) website, <https://www.sam.gov/portal/public/SAM>. This search will be conducted prior to award, renewal of contract(s), changes of contract(s) or as otherwise necessary for all projects including grant projects.

A search of the SAM website may be made at any time if discrepancies are determined or suspected with any vendor.

Departments are responsible for notifying the Purchasing Office if grant funds are being utilized. See Section 5.6 of the Rules and Procedures.

Wherever a check of the SAM website is made, a "screen shot" of the "Results" page should be made and placed into the appropriate contract file. Supervisors are required to see that the "screen shot" is present in the job file prior to signing off on any agenda recommendations.

The following paragraph will also be included in "General Requirements" for all advertised contracts. For purposes of this document "Contractor" also means vendor or supplier.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION INELIGIBILITY, AND VOLUNTARY EXCLUSION

The Contractor certifies by execution of this Contract that it is not ineligible for participation in federal or state assistance programs under Executive Order 12549, "Debarment and Suspension." The Contractor further agrees to include this certification in all contracts between itself and any subcontractors in connection with the services performed under this Contract. Contractor also certifies that contractor will notify Harris County in writing immediately if contractor is not in compliance with Executive Order 12549 during the term of this contract. Contractor agrees to refund Harris County for any payments made to the contractor while ineligible.

10.2 Delinquent Taxes

Pursuant to LGC § 262.0276, Harris County Commissioners Court has adopted a policy that allows Harris County to refuse to enter into a contract with a person indebted to the County. The policy requires vendor's taxes be current as of the date bids/proposals are due. Bidders with delinquent taxes on the due date will not be eligible for award. This policy is effective for all designated purchases on or after November 1, 2009.

Whether or not a vendor's taxes are delinquent will be determined by an independent review of the Harris County Tax Office records. Tax records are available online at the Tax Office website - www.hctax.net. Prior to submitting an offer, vendors are encouraged to visit the Tax Office website, set up a portfolio of their accounts and make their own initial determination of the status of their tax accounts. Vendors who believe a delinquency is reflected in error must contact the Harris County Tax Office to correct any error or discrepancy prior to submitting their offer in order to ensure that their offer will be considered. All vendors must complete the Tax Form provided in the bid/RFP/RFQ document.

This policy will also apply to other forms of debt owed to the County such as court judgments, tolls, tickets, fines, etc. Furthermore, if, during the performance of a contract, a vendor's taxes become delinquent, Harris County reserves the right to provide notice to the Auditor or Treasurer pursuant to LGC § 154.045.

At its discretion, Commissioners Court may grant a waiver of technicality when it is in the best interest of the County to do so.

10.3 Vendor Registered to Do Business in Texas

Vendor must be registered with the Texas Secretary of State to transact business in Texas, and must be current on all state and local fees and taxes, including but not limited to Franchise Account Status with the Texas Comptroller of Public Accounts in good standing, delinquent taxes, court judgments, tickets, tolls, fees, or fines. Taxes are deemed delinquent on the date certain as specified by the Harris County Tax Office, and for procurement purposes, a court judgment is not required for delinquent taxes to be considered a debt.

11. COUNTY INVENTORY MANAGEMENT

The Purchasing Office includes the Purchasing Services Division, which is responsible for County inventory records, transfer, sale, and disposition of County surplus, salvage, and/or abandoned or unclaimed property [LGC § 267.011(j); §§ 263.151 *et seq.*, as amended; and Texas Code of Criminal Procedure § 18.17, as amended]. Additionally, Purchasing Services oversees the County recycling program. The entire fixed asset procedure manual may be accessed at:

<http://www.harriscountytexas.gov/CmpDocuments/98/PDF/FixedAssetTrainingManual%203.0.pdf>

11.1 Harris County Property

The following definitions are provided to assist County departments and agencies in effectively fulfilling their responsibilities as required by law for the safeguarding of, and accounting for, all inventoried County assets.

a. **Category I**

Capital County Assets - County personal property with a unit value of \$5000 or more. These items will be tagged by the Purchasing Agent with a white tag and maintained in the County financial system on the County Inventory Listing.

Items in this category include but are not limited to rolling equipment, generators, pumps and mainframe computer equipment. Items in this category must be received and paid by line item.

b. **Category II**

Controlled County Assets - County personal property with a unit value of \$500 to \$4999.99, with a unique identifying number, such as a manufacturer's serial number, and not a part of a larger inventory item. An example is a transmission which is part of a vehicle. These items will be maintained in the County financial system on the County Inventory Listing and, at the option of the user department may be tagged by the user department with a blue tag.

Items in this category include but are not limited to central processing units, radios, small rolling equipment, power tools, etc. Items in this category must be received and paid by line item.

c. **Category III**

Discretionary County Assets - County personal property with a unit value of less than \$5000 which does not have a unique identifying number such as a manufacturer's serial number. At the option of the user department, these items may be maintained in the County financial system and/or tagged by the user department with a blue tag.

Items in this category include chairs, desks, file cabinets, book cabinets, hand tools, small equipment, etc.

d. **Salvage Property** - Personal property that has no value for the purpose for which it was originally intended, but may have value for other use.

- e. **Waste Property** - Property that has no value, either as originally intended or otherwise. This property may be disposed of utilizing existing county contracts.
- f. **Missing items** - Property unable to be located but for which recovery is anticipated, usually within a year.

11.2 Inventory Control

The Purchasing Office records changes for all items on the County Inventory Listing. Changes to records must be requested by user departments with the appropriate County form. Each individual user department is responsible for all items assigned to its department, regardless of value.

When requested, Purchasing Services will assist any user department in conducting its inventory. Purchasing Services will randomly schedule periodic inventories and spot checks of user departments in order to verify the accuracy of the inventory records. As required by law, the County Auditor is responsible for verifying the inventory records maintained by the Purchasing Office [LGC § 262.011(i)].

11.2.1 Inventory Responsibilities by Department

a. Purchasing Agent

LGC § 262.011(l) requires that 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 property on hand and belonging to the County and each subdivision, officer, and employee of the County."

Further, LGC § 262.011(j) states: "...the County Purchasing Agent shall transfer County supplies, materials and equipment from a subdivision, department, officer, or employee of the County that are not needed or used to another subdivision, department, officer, or employee requiring the supplies, materials and equipment."

b. Auditor's Office

"The County Auditor shall carefully examine the inventory and make an accounting for all property purchased or previously inventoried and not appearing in the inventory." Further, the Harris County Road Law, Section 10, requires the County Auditor to take inventory of property assigned to any County official whose employment is terminated due to death, resignation, or retirement.

c. All Departments

Each department manager or elected official has the primary responsibility for safeguarding and accounting for assets which have been assigned to their department. This responsibility includes conducting an annual departmental inventory and comparing the results to the County Inventory Listing. Any appropriate reconciling documentation should be submitted to Purchasing Services.

11.2.2 County Inventory Procedures

The following inventory control guidelines are designed to assist departments in conducting a successful inventory. In addition, Purchasing Services or the Auditor's Office is available to assist if requested.

a. Inventory Detail Listing

An Inventory Detail Listing indicating the current departmental inventory of record is available in the County financial system to each department manager and elected official for the applicable department. No later than May 1 of each year, every department and elected office is required to submit to Purchasing Services a completed Inventory Completion Statement (County Auditor's Form 3368). Thereafter, that department or office inventory is considered current and acceptable for filing with the County Auditor and each of the members of the board that appoints the county Purchasing Agent, as required by LGC § 262.011 (i). Any department or office submitting Inventory Completion Statement (County Auditor's Form 3368) later than May 1 will be considered delinquent, and included on a quarterly report submitted by Purchasing Services to the Purchasing Office and the County Auditor for communication to Commissioners Court, as necessary.

b. Determine Actual Inventory

Organize and count all items within the department, which are considered to be "inventoried" by definition. This can be more effectively accomplished by first grouping items by similarity, i.e., purpose, size, performance characteristics, etc., and then assigning pairs of employees to count, record and tag all merchandise within a specific area. Leaders may be appointed to "float" among pairs of employees, answering questions and resolving problems, so as to avoid delaying the process.

The inventory count and location should be recorded next to the appropriate item found on the Inventory Detail Listing. Any items accounted for, but not found on the Inventory Detail Listing, should be so noted on the listing.

c. Reconcile Actual to Recorded Inventory

Using departments should review the Purchasing Procedure for County Inventory Management located on the Harris County Employee Intranet, <http://www.hcintranet.net/>, for instructions on reconciling actual to recorded inventory.

d. Notify Purchasing Services of Required Inventory Changes

The department shall notify Purchasing Services of any required changes or submit Inventory Completion Statement (County Auditor's Form 3368) no later than the date specified in the instructions provided by Purchasing Services. Purchasing Services will, in turn, update the official County records, and forward the inventory results to the County Auditor, the user department, and the board that approves the appointment of the Purchasing Agent. The department should maintain a copy of its latest reconciled inventory.

11.3 Disposal of County Property

The Purchasing Agent has been designated as the representative of Commissioners Court to dispose of County salvage or surplus property [LGC § 263.154]. Surplus items and salvage items, other than waste paper, may be transferred to Purchasing Services for sale. The user department, using one of several available disposal contracts, may dispose of salvage and/or waste items. However, all Capital County Assets, Controlled County Assets, and Discretionary County Assets must be submitted to Purchasing Services for Commissioners Court approval prior to removal from the inventory records and disposal.

Upon proper authorization from the Court, Purchasing Services will remove and/or delete an inventory item from County inventory records and notify the department. The department must dispose of the item. Through the Purchasing Agent, County property may be disposed of accordingly:

- by sealed bid,
- by public auction,
- discarded as worthless scrap, or
- trade-in, approved by Commissioners Court.

11.3.1. Surplus Property

Purchasing Services is responsible for the storage of surplus County property and will make it available for transfer to County departments as requested [LGC § 262.011(i)]. Department managers are encouraged to check the warehouse inventory for surplus items prior to requesting a purchase. Some surplus items may be viewed on the Purchasing website.

11.3.2 Salvage or Waste Property

With the approval of Commissioners Court, salvage or waste property may be disposed of as follows:

- a. **Disposal Contracts** - The County has disposal contracts awarded by Commissioners Court that departments are authorized to use. Inventoried items require a County Property Deletion/Indemnification Request Form (County Auditor's Form 3351). Disposal contracts such as, but not limited to, the sale of scrap metal, surplus/salvage petroleum products, used vehicle components, and scrap tires may be used as needed. Please contact the Purchasing Office for further information.
- b. **Waste Items** - These may be disposed of as trash. The Purchasing Office is available for assistance or Facilities and Property Management may be contacted for removal. Inventoried items require a County Property Deletion/Indemnification Request Form (County Auditor's Form 3351).
- c. **Recycling** - Various products and materials such as paper, cardboard, etc., are collected from County departments, processed and sold by the County. Departments are encouraged to participate in the effort to conserve and recycle. Recycling bins are located throughout County buildings inside Loop 610 and are to be used for paper products only, not trash. In addition, departments are encouraged to use "green" products in their day-to-day activities. Buyers can recommend recycled products for purchase when appropriate. For additional information, please contact the Purchasing Office.

- d. **Trade In** - A trade in may be in the best interest of the County if the trade-in price offered is greater than the anticipated amount that may be received by other means. Trade-in's shall be part of the specifications and coordinated through the Purchasing Office. For additional information, please contact the appropriate buyer in the Purchasing Office.
- e. **Sealed Bids** - Sealed bids may be a viable means of property disposal. For additional information, please contact the Purchasing Office.
- f. **Auctions** - Auctions may be a viable means of property disposal. Notices for sale of County property are properly published in a newspaper of general circulation and may be auctioned on the County's Internet site. For additional information, please contact Purchasing Services.