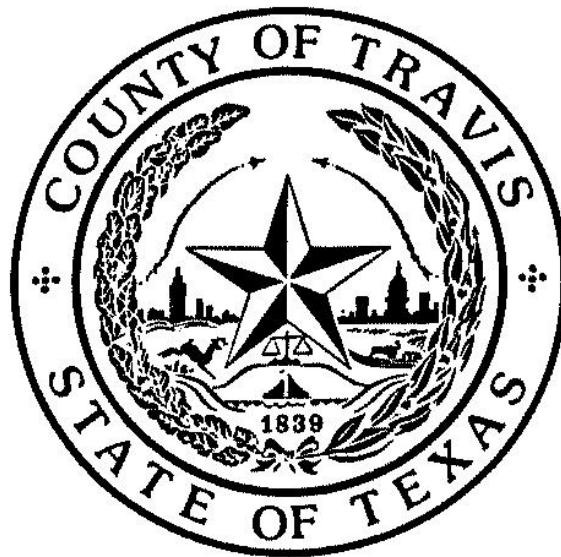


Travis County

Purchasing Policy and Procedures Manual



Office of the Travis County Purchasing Agent

February 2006

(Originally Adopted January 1996)

Travis County Purchasing Policy and Procedures Table of Contents

Section	Title	Page	Rev.Date
Chapter 1	Introduction	1-1	Feb 2006
Chapter 2	Purchasing Authority and Policy	2-1	Feb 2006
Chapter 3	Travis County Purchasing Code of Ethics	3-1	Feb 2006
Chapter 4	Purchasing Agent Authority and Responsibilities	4-1	Feb 2006
Chapter 5	Purchasing Process, Roles and Responsibilities	5-1	Feb 2006
Chapter 6	Historically Underutilized Businesses Program	6-1	Feb 2006
Chapter 7	Other General Purchasing Policies	7-1	Feb 2006
Chapter 8	The Requisitioning Process	8-1	Feb 2006
Chapter 9	Open Market Purchases Under \$25,000	9-1	Feb 2006
Chapter 10	Specifications	10-1	Feb 2006
Chapter 11	Competitively Solicited Purchases Exceeding \$25,000	11-1	Feb 2006
Chapter 12	State Purchasing Programs	12-1	Feb 2006
Chapter 13	Cooperative Purchasing Agreements	13-1	Feb 2006
Chapter 14	Procurement of Professional Services	14-1	Feb 2006
Chapter 15	Construction Procurement	15-1	Feb 2006
Chapter 16	Exemptions to the Competitive Procurement Process	16-1	Feb 2006
Chapter 17	Renewal of Equipment Leases and Maintenance Contracts	17-1	Feb 2006
Chapter 18	Receipt of Goods	18-1	Feb 2006
Chapter 19	Contract Modifications	19-1	Feb 2006
Chapter 20	Contract Administration	20-1	Feb 2006
Chapter 21	Professional Development and Certification	21-1	Feb 2006
Chapter 22	Definitions	22-1	Feb 2006
Appendix A	Travis County Hospital District Procurement Card Policy and Procedures Manual	A-1	Feb 2006

Chapter 1: Introduction

- Background** This manual provides county departments enough information to make decisions necessary to request the purchase of goods and services needed to perform the functions of their offices effectively.
- Mission** The mission of the Travis County Purchasing Office is to:
- Ensure compliance with the County Purchasing Act as well as other state and federal laws applying to county purchasing;
 - Provide equal access to all vendors, including HUBs, participating through competitive acquisition of goods and services;
 - Provide an ongoing supply of quality goods and services to all County offices and the Hospital District;
 - Account for all County assets through an effective fixed asset management system; and
 - Protect the interests of Travis County taxpayers without regard to any undue influence or political pressures.
- Goals of Public Purchasing** Public purchasing has several goals including:
- purchasing the proper goods and services;
 - obtaining the best possible price for the goods or services, without sacrificing the quality needed;
 - ensuring goods and services are available where and when needed and there is a continuing supply available; and
 - guarding against the misappropriation of assets that have been acquired through the procurement process.
- Public purchasing must also ensure:
- **Responsible bidders are given a fair opportunity to compete for the County's business.** This can be accomplished by abiding by statutory requirements regarding competitive bids and proposals, and by the County's purchasing policy.
 - **Public funds are safeguarded.** Although the Purchasing Office does not usually designate the types of purchases to be made, it should attempt to see that the best value is received for the public dollar.
 - **Public spending is not used to enrich elected officials or County employees, or to confer favors.** Adoption and implementation of a code of ethics and employee training and awareness of their responsibilities in the public purchasing area accomplish this.
 - **Historically underutilized businesses (minority and women-owned) have an equal opportunity in the contract awards process.** Travis County achieves this through the implementation of its Historically Underutilized Business (HUB) program and by requiring all vendors to make a "good faith effort" to use HUBs whenever possible.

Travis County Commissioners Court has adopted a centralized purchasing function that provides many benefits:

- It allows for the consolidation of smaller purchases by individual departments into larger purchases for the entire county, resulting in lower unit prices and savings;
- Vendors and the business community have a single, central link to the county procurement process to facilitate consistent communication and understanding;
- Purchasing Office personnel accumulate a solid foundation of knowledge and experience about purchasing, marketing trends, prices, and vendors. This expertise assists users to define their needs better to save the county money and promotes a more efficient procurement process; and
- Centralized expertise puts the purchasing processes on a professional footing and inspires public confidence in the actions of the County.

Other Duties

In addition to the above, the Purchasing Office is responsible for:

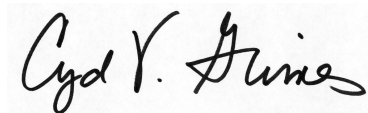
- Procurement for the Travis County Hospital District
- Historically Underutilized Business (HUB) Program
- Interlocal Purchasing Agreements and Cooperative Purchasing Agreements
- Fixed Asset and Warehouse Management
- Disposition of Seized and Abandoned Property
- Auctions of Surplus and Salvaged Property

The Purchasing Office is committed to promoting effective, professional, and consistent procurement in Travis County, as well as championing the public perception that tax dollars are wisely spent.

This purchasing manual is not static. Purchasing procedures in Travis County will change as needed, particularly evolving to incorporate technological advances and changing legislation.

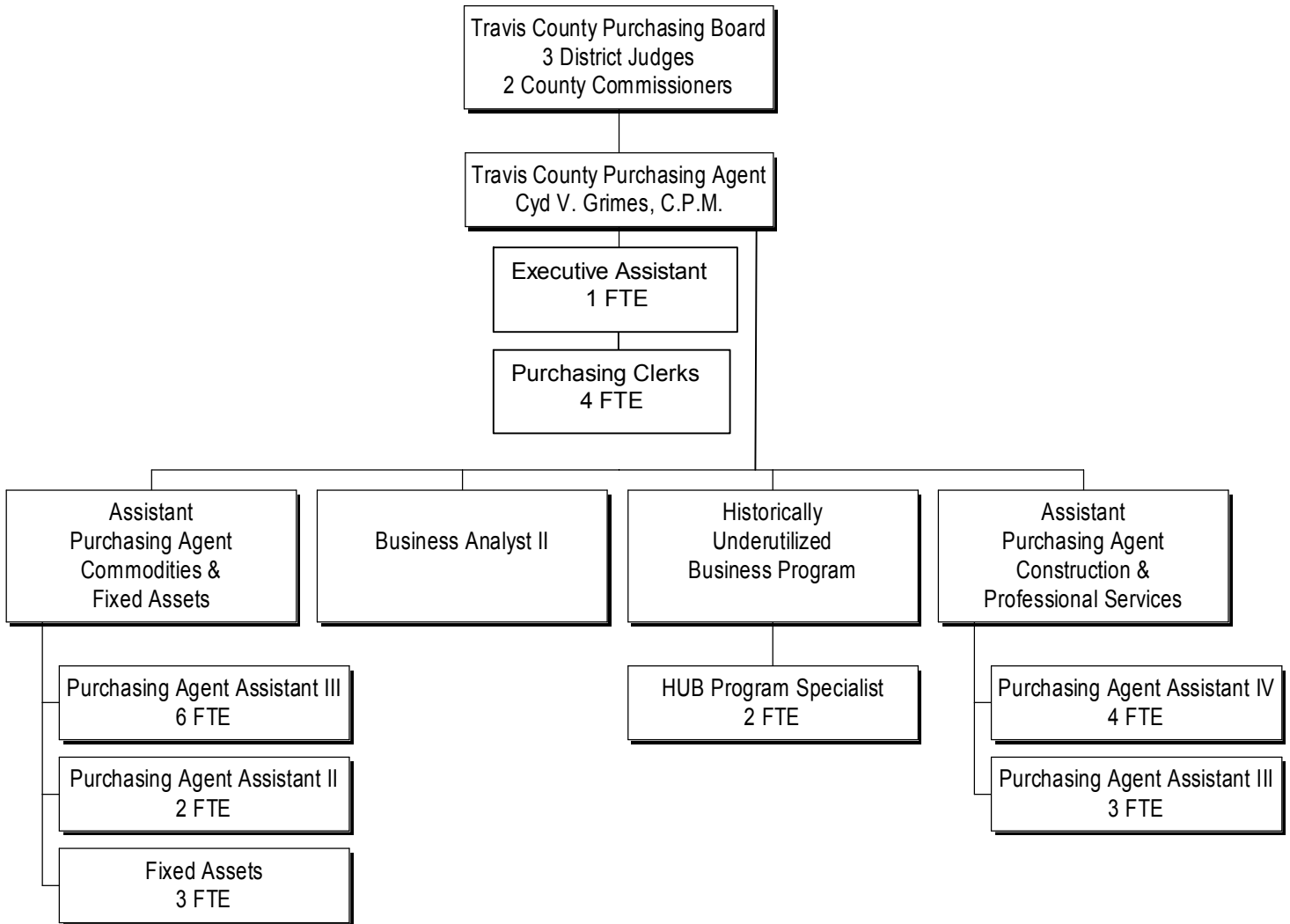
The organization chart of the Purchasing Office is attached as Exhibit 1.

There are many terms that are used throughout this manual that pertain to purchasing activities. Definitions of key terms are found in Chapter 22.



Ms. Cyd V. Grimes, C.P.M.
Travis County Purchasing Agent

Exhibit 1: Travis County Purchasing Office Organizational Chart



Total Staffing: 30 FTE Positions
Revised: 1/3/06

Chapter 2: Purchasing Authority and Policy

Purchasing Laws	<p>The Texas Legislature has enacted purchasing laws. It is the policy of Travis County, acting through its duly appointed Purchasing Agent, to fully comply in all aspects with these laws as they are amended from time to time.</p> <p>The Commissioners Court has directed the Purchasing Agent to provide a centralized purchasing structure.</p> <p>The Purchasing Office, as well as officials, executive managers and employees provide equitable and competitive access to the County procurement process to all responsible vendors. Further, County procurement is conducted in a manner that promotes and fosters public confidence in the integrity of the County procurement process.</p>
Purchasing Policy	<p>The purpose of the County Purchasing policy is to:</p> <ul style="list-style-type: none"> • Seek the best quality, lowest priced goods and services that meet the needs of County and its personnel; • Provide all responsible vendors and contractors, including HUBs, equitable access to servicing the needs of the County and its personnel through competitive acquisition of goods and services; • Comply with all federal and state laws that apply to county purchasing and comply with the policies and procedures in this manual. • Manage County assets and inventory so that replacement costs are minimized and County can account for all assets; and • Dispose of all surplus, salvage, seized and abandoned property in a manner that both provides the most benefit to the taxpayers of County and complies with the law.
Application	<p>The Purchasing Act applies to all departments, all district, county, and precinct officials and employees and all subdivisions of all district, county, and precinct offices. The Purchasing Agent must purchase or lease all goods and services, including maintenance and repair, for all departments. The Purchasing Agent must perform all purchasing for all officials, County executive managers, employees, and precinct employees.</p> <p>These policies and procedures are adopted by the County Purchasing Agent and approved by the Commissioners Court under the authority of the Texas Local Government Code, Chapter 262.</p>
Effective Date	<p>These policies and procedures shall become effective upon approval by the Commissioners Court.</p>
Precedents and Interpretation	<p>(a) These policies and procedures shall be construed liberally to accomplish their purpose.</p> <p>(b) If there is any conflict between the policies and procedures and a State law, or a rule adopted under a State law, the stricter of the two provisions prevails.</p> <p>(c) The masculine, feminine, and neuter genders shall be construed to include the other genders as required. The singular and plural shall be construed to include the other number as required.</p>

- (d) Headings and titles at the beginning of the various sections of these policies and procedures have been included only to make it easier to locate the subject matter covered by that section or subsection and are not to be used in construing these policies and procedures.
- (e) If any provision of these policies and procedures or the application of them to any person or circumstances is held invalid, the validity of the remainder of these policies and procedures and the application of them to other persons and circumstances shall not be affected.
- (f) In general, the Purchasing Agent interprets these policies and procedures but the Commissioners Court shall resolve any question about any interpretation of these policies and procedures when there is a conflict related to an area that is not within the statutory authority of the Purchasing Agent.

Additional Resources

For additional information, the following are listed as references:

- The Model Procurement Manual for Texas Cities and Counties, March 2005, Carole Keeton Strayhorn, Texas Comptroller,
<http://www.window.state.tx.us/lga/purchasing/96-449.pdf>
- The State of Texas Contract Management Guide, Version 1.1
<http://www.tbpc.state.tx.us/stpurch/ContractManagementGuide1-1.pdf>
- The American Bar Association's 2000 Model Procurement Code for State and Local Governments

Chapter 3: Travis County Purchasing Code of Ethics

Policy	<p>It is the policy of Travis County that the following ethical principles govern the conduct of every employee involved, directly or indirectly, in the County procurement process.</p> <p>The following is adapted from the American Bar Association's 2000 Model Procurement Code for State and Local Governments:</p> <p><i>Public employment is a public trust. It is the policy of Travis County to promote the objective of protecting government integrity and the objective of facilitating the recruitment and retention of personnel needed by the County. Such policy is implemented by prescribing essential standards of ethical conduct without unnecessary obstacles to entering public service.</i></p> <p><i>Public employees must discharge their duties impartially so as to assure fair competitive access to County procurement by responsible contractors. Moreover, public employees should conduct themselves in such a manner that fosters public confidence in the integrity of the Travis County procurement process.</i></p> <p><i>To achieve the purpose of this policy, it is essential that those doing business with the Travis County Purchasing Office also observe the ethical standards prescribed in this policy.</i></p>
Responsibility to County	<p>Employees shall avoid activities that compromise or give the perception of compromising the best interests of Travis County. Employees shall not knowingly use confidential proprietary information for actual or anticipated personal gain.</p>
Conflict of Interest	<p>Employees shall avoid any activity that would create a conflict between their personal interests and the interest of Travis County. Conflicts exist in any relationship where the County's best interest may be different from the employee's best interests or the best interest of someone associated with the employee. Conflicts of interest include an employee participating in any way in any procurement in which:</p> <ul style="list-style-type: none"> • The employee or any member of the employee's family has a financial interest in the results of the County procurement process; • A business or organization in which the employee, or any member of the employee's family, has a financial interest in the result of the County procurement process; or • Any other person, business, or organization with whom the employee or a member of the employee's family is negotiating for or has an arrangement concerning prospective employment. <p>If conflicts of interest exist, the employee shall notify the Purchasing Agent in writing and remove him or herself from the County procurement process.</p>
Perception	<p>Employees shall avoid the appearance of unethical or compromising practices in relationships, actions, and communications associated with County procurement.</p>
Gratuities	<p>Employees shall not solicit or accept money, loans, gifts, favors, or anything of value, from present or potential contractors that might influence or appear to influence a purchasing decision. Generally, goods or services with a value of \$50 or less in the aggregate from a vendor during a year do not violate this prohibition unless they influence or appear to influence a specific purchasing decision. If anyone is in doubt about whether a specific transaction complies with this policy, the person should disclose the transaction to the Purchasing Agent for a determination of compliance.</p>

Confidential Information

Employees shall keep the proprietary information of vendors confidential. Employees shall keep County procurement information obtained from a solicitation confidential until after contract award if the solicitation provides for it to be kept secret.


Confidentiality Memorandum

The Travis County Purchasing Office uses a confidentiality memorandum (Exhibit 2) to ensure compliance with the ethics policy for keeping proprietary information confidential. Before the evaluation of confidential proposals, the Purchasing Office sends a memorandum to evaluation committee members for signature and certification. The memorandum contains the following requirements to which the evaluation committee member is expected to adhere during the course of the competitive process and **until an award is approved by the Commissioners Court:**

- All information in the vendor's response is to be kept confidential.
- No discussion of the proposal is to occur with anyone outside of the proposal evaluation committee members.
- Proposal responses are not to be reproduced and should be returned to the designated Purchasing Office staff after evaluation is completed.
- The Purchasing Office is the sole point of communication for any questions from vendors that arise during the evaluation. All questions and requests for information should be referred to the Purchasing Office. There should not be any discussions between evaluation committee members and vendors during the evaluation and award process.
- Evaluation committee members must be familiar with and read the Travis County Purchasing Code of Ethics and agree to comply with its requirements including reporting any potential conflict of interest, undue influence from vendors, or attempted communications from vendors during the evaluation process.

Compliance with the requirements outlined in the Confidentiality Memorandum is crucial. If proprietary information of any vendor is compromised during the procurement process, all proposals may be rejected.

Exhibit 2: Example Travis County Confidentiality Memorandum

	<p>TRAVIS COUNTY PURCHASING OFFICE <i>Cyd V. Grimes, C.P.M., Purchasing Agent</i></p> <hr/> <p>314 W. 11th, Room 400 Austin, Texas 78701 (512) 854-9700 Fax (512) 854-9185</p>
	<p>13.1 MEMORANDUM</p> <p>TO: Proposal Evaluation Team Member</p> <p>FROM: Cyd Grimes, C.P.M. County Purchasing Agent</p> <p>DATE: April 22, 2003</p> <p>SUBJECT: Request For Proposal (RFP) # P010355-FH, Widgets</p> <hr/> <p>In accordance with the County Purchasing Act, this project was issued as a competitive proposal, and, therefore, all information contained in the responses is to be kept CONFIDENTIAL until an award is approved by Commissioners Court.</p> <p>Until that time, and due to the confidential nature of these proposals, no discussion of these proposals shall occur with anyone outside the Proposal Evaluation Committee members. Proposal documents may not be reproduced for any reason and must be returned to (buyer’s name) after the evaluation is complete.</p> <p>Certain information about the proposal, such as vendor name, is public information but may only be released by the Purchasing Office. Please refer all questions or requests for information to the buyer.</p> <p>Please note that if any information about these proposals is compromised, it may be cause for rejection of all proposals.</p> <p>I understand the above information and instructions and agree to not reveal any content of any proposal to anyone outside the evaluation committee membership. I will not discuss the deliberations of the committee with anyone outside the evaluation committee. I will report any vendor contact concerning this evaluation process or any undue influence on my evaluation of proposals to the responsible buyer.</p> <p>Additionally, I have read the attached “Travis County Purchasing Code of Ethics”, extracted from the Travis County Purchasing Policy and Procedures Manual, and agree to conduct myself in accordance with that code of ethics.</p> <p>_____ Signature of Evaluation Committee Member</p> <p>_____ Date</p> <p>Attached: Travis County Purchasing Code Of Ethics</p>

Chapter 4: Purchasing Agent Authority and Responsibilities

Appointment

The Commissioners Court and the District Judges have created a Purchasing Board to implement a centralized purchasing structure and have given the Purchasing Office that mission. The Purchasing Board, composed of three District Judges and two County Commissioners, appoints the Purchasing Agent for Travis County to a two-year term and approves the budget for the Purchasing Office, including the Purchasing Agent's salary.

Statutory Authority and Duties

Texas Local Government Code, Chapter 262, Subchapter B outlines the following duties for purchasing agents:

- The Purchasing Agent shall purchase all goods required or used, and contract for all repairs to property used by the County or a department or employee, except purchases and contracts required by law to be made on competitive bid. **A person other than the Purchasing Agent may not purchase the goods or make the contract for repairs.**
- The Purchasing Agent shall supervise all purchases made on competitive bid and shall see that all purchased goods are delivered to the proper department in accordance with the purchase contract.
- A purchase made by the Purchasing Agent shall be paid for by a warrant drawn by the Auditor on funds in the County treasury in the manner provided by law. The 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 competitive bid as provided by law.
- On July 1 of each year, the Purchasing Agent shall file with the Auditor and each member of the Purchasing Board an inventory of all property on hand and belonging to the County and each subdivision, officer, and employee. The Auditor shall carefully examine the inventory and make an accounting for all property purchased or previously inventoried and not appearing in the inventory.
- Subject to Commissioners Court approval, to prevent unnecessary purchases, the Purchasing Agent shall recommend the transfer of County goods that are not needed or used, from one department or employee, to another department or employee requiring the goods or the use of the goods. The Purchasing Agent shall furnish the Auditor a list of transferred goods.
- Subject to Commissioners Court approval, the Purchasing Agent shall adopt the rules and procedures necessary to implement the agent's duties.
- Rules and procedures adopted by the Purchasing Agent may include rules and procedures for persons to use county purchasing cards to pay for county purchases under the direction and supervision of the county Purchasing Agent.

Additional Responsibilities

In addition to these statutory duties, the Purchasing Agent:

- Develops, implements, and manages the HUB program for the County;
- Develops, implements, and manages a Fixed Asset Management System;
- Encourages and supports compliance with Texas purchasing laws;
- Works in conjunction with the Auditor and other County officials in the development of efficient financial processes;
- Promotes local business participation in County procurement processes;
- Provides the business community with a central link to County business, and
- Procures goods and services for the Travis County Hospital District.

Chapter 5: Purchasing Process, Policy, Roles and Responsibilities

Purchasing Process

The general purchasing process as outlined in Exhibit 3 contains several stages with responsibilities that are often designated by statute. It begins with requirements planning and identification and culminates with the receipt of and payment for goods and services.

Exhibit 3: Purchasing Process

Step	Performed By:
Identify requirements and obtain budget	User Department (“Department”) (Purchasing Office may assist)
Define/finalize requirements	Department and Purchasing Office
Submit electronic requisition outlining requirements to Purchasing	Department
Solicit, advertise, and generate Purchase Orders and Contracts from requisition and send to vendor	Purchasing
Deliver good/service as outlined in contract and submit invoice	Vendor
Receive good/service and verify completeness against contract	Department (Purchasing Office coordinates, especially for fixed assets)
Electronically receive item in H.T.E. system and submit original invoice to Auditor’s Office	Department
Match received amount with invoice and audit	Auditor
Submit payment claim to Commissioners Court for approval	Auditor
Approve payment of claim	Commissioners Court
Disburse payment of claim	County Treasurer

User Do’s and Don’ts

Coordination among many County departments and Offices is necessary for the process to work smoothly. To avoid delays and comply with County policy and state law, user departments should remember the following:

- **Do not authorize the purchase of any goods or services.**
- **Do not purchase any goods or services for your own personal benefit.**
- **Do not obligate the purchase of goods that are delivered for use on a trial basis.**
- **Do not commit to acquire goods or services without an authorized purchase order.** Anyone obligating an expenditure of funds for goods or services before securing a purchase order may be held personally responsible for the payment.
- **Adhere to the County Purchasing Code of Ethics and avoid activities and behaviors that are unethical or create a conflict of interest or the perception of a conflict of interest.** Examples of activities that are inappropriate include:
 - soliciting or accepting gratuities of any kind from present or potential contractors which might influence or appear to influence a purchasing decision;
 - failing to disclose in writing to the Purchasing Agent a conflict of interest and not removing yourself from the procurement process when there is a conflict; and
 - disclosing confidential proprietary information from solicitations to other vendors or using the information for personal gain.

- **Do not use purchasing strategies that violate the law to avoid competition.** Strategies that are prohibited by law include:
 - purchasing a series of component parts that would normally be purchased as a whole (component purchases);
 - purchasing items in a series of separate purchases that normally would be purchased as a single purchase (separate purchases); and
 - purchasing over a period of time, that normally would be done as one purchase (sequential purchases).

A county officer or employee who intentionally or knowingly makes or authorizes separate, sequential, or component purchases to avoid the competitive bidding requirements of Texas Local Government Code, Section 262.023, is committing a Class B misdemeanor according to Texas Local Government Code, section 262.034(a).

- **Do not violate or authorize the violation of the Purchasing Act.** Any person who knowingly violates or authorizes the violation of the Purchasing Act and any county or precinct person who fails to use the Purchasing Agent for purchases, including an agent or employee of the County or of a department of the County commits a criminal offense which is a misdemeanor. Each act in violation of the law is a separate offense.
- **Ensure funding is available before submitting a requisition.** The law does not allow expenditures that exceed budgets. Purchasing does not process requisitions for which there is not adequate funding.
- **Plan purchases to minimize the use of emergency and expedited purchases.** Rush purchases are generally more expensive and they delay other requisitions already in the system. Vendors may attempt to charge premium prices for goods and services when there is insufficient time allowed to explore alternative sources or options.
- **Plan purchases to allow sufficient time to process purchase requests.** The Purchasing Office is committed to processing all requisitions within a reasonable amount of time. In general, departments should allow 2–3 weeks for all non-contract purchases under \$25,000 and 6–8 weeks on all purchases requested over \$25,000 that are not covered by an existing contract. Contract requisitions are generally processed within one day of receipt.
- **Ensure that purchasing policies and procedures are understood before ordering.** Departments must assure that all employees responsible for making department purchase requests (“purchasing liaisons”) have read and understand the purchasing procedures in this manual. Departments should also ensure that liaisons attend any training provided by the Purchasing Office.
- **Coordinate with Purchasing on receipt of goods and services.** Since the County does not have centralized receiving, each department is responsible for individually receiving goods and services. Departments should contact the individual listed as the buyer on the purchase order to make Purchasing aware of vendor performance issues such as shortages, late delivery, or damaged merchandise. If the item received is a fixed asset that must be tracked and reported, departments should contact the Fixed Asset Manager in Purchasing to coordinate tagging.

There are specific roles and responsibilities for both users and the Purchasing Office during

Roles and

Responsibilities

the competitive procurement process. They protect the integrity of the process and provide fair and equal access to all vendors seeking to do business with Travis County. Exhibit 4 outlines the primary roles and responsibilities.

Exhibit 4: Purchasing Process Roles and Responsibilities

Process	User Department Role/Responsibility	Purchasing Office Role/Responsibility
Requirements Definition/ Specification Development	<ol style="list-style-type: none"> 1. Identifies what is needed, when it is needed, the quantity needed and where it is needed and works with Purchasing Office to document need in writing a specification 2. Ensures funding (budget) is available to support need 3. Sends specification and requisition with funding to Purchasing Office 4. Works with Purchasing Office to develop evaluation criteria/ formats (as applicable) 	<ol style="list-style-type: none"> 1. Consults with User Department in development of specification and procurement process to be used 2. Reviews specification to ensure that it is descriptive and specific but does not prevent competitive bidding of comparable goods 3. Works with user department to develop evaluation criteria/formats (as applicable) 4. Prepares agenda item for Commissioners Court (if applicable)
Solicitation	<ol style="list-style-type: none"> 1. Reviews solicitation documents before issuance to ensure department needs are met 2. Provides Purchasing Office with a list of potential vendors that can meet the solicitation requirements 3. Provides technical clarifications to Purchasing Office if vendor questions arise 4. Supports pre-solicitation conferences (as applicable) 	<ol style="list-style-type: none"> 1. Develops solicitation documents based on specification and sends to user department for review before final issuance 2. Issues solicitation to vendors on the vendor list (and those identified by user department) 3. Advertises solicitation in accordance with State law 4. Conducts pre-solicitation conferences (as applicable) 5. Provides answers or clarifications to vendors before solicitation closes 6. Receives and logs vendor responses 7. Prepares responses for evaluation and sends to user department
Evaluation and Negotiation (as applicable)	<ol style="list-style-type: none"> 1. Evaluators from Department signs confidentiality memorandum and sends to Purchasing Office (as applicable) 2. Evaluates response based on established evaluation criteria and formats 3. Completes evaluation and submits recommendation to Purchasing Office 4. Works with Purchasing Office to develop negotiation strategy (as applicable) 5. Participates as member of negotiating team to negotiate Best and Final Offers (BAFOs) (as applicable) 6. Works with Purchasing Office 	<ol style="list-style-type: none"> 1. Issues confidentiality memorandum to all evaluators before evaluation commences (as applicable) 2. Supervises evaluation process to ensure consistent and fair application of evaluation criteria 3. Acts as point of contact for evaluator requests and communications to vendors for additional information 4. Compiles individual evaluation results and works with users to develop recommendation for award and prepares contract award agenda item for Commissioners Court or 5. Works with user department to develop negotiation strategy (as

Process	User Department Role/Responsibility	Purchasing Office Role/Responsibility
	to co-develop final recommendation for award 7. Provides information to Purchasing Office (memorandum) to support contract award agenda development	applicable) 6. Leads negotiating team to negotiate BAFOs (if applicable) 7. Receives BAFOs and co-develops final recommendation for award (if applicable) and 8. Prepares contract award agenda request for Commissioners Court
Contract Modifications	1. Request modifications in writing to Purchasing Office 2. Reviews draft and final modification to ensure it meets department needs	1. Evaluates modification request and works with user department to develop modifications 2. Coordinates with vendor and user department to develop draft modifications 3. Works with County Attorney to review and finalize modifications 4. Obtains appropriate signatures (vendor, attorney, etc.) 5. Purchasing Agent approves modifications or develops Commissioners Court agenda item for approval depending on type and amount of modification
Contract Performance Monitoring	1. Receives copy of contract and monitors vendor performance and delivery 2. Notifies Purchasing Office of non-performance and provides written documentation outlining details of non-performance (dates, description of problem, etc.) 3. Works with Purchasing Office to develop acceptable corrective actions (as applicable)	1. Maintains complete contract file with supporting documentation during term of contract 2. Works with vendor to resolve performance issues as identified by user department 3. Develops corrective actions and timetables for completion to resolve performance issues and documents in contract file (as applicable) 4. Works with user department and County Attorney to terminate contract when necessary because of non-performance 5. Prepares contract termination agenda item for Commissioners Court action (if required)

Chapter 6: Historically Underutilized Business Program

Policy The policy of the Travis County Purchasing Office is to ensure a good faith effort is made to assist certified HUB vendors and contractors in receiving contracts in accordance with the HUB Program policies and the Minority and Woman-Owned Business (M/WBE) goals adopted by the Travis County Commissioners Court.

The HUB Program policies and Minority and Woman-Owned Business goals shall be applicable to the eligible procurement dollars spent in the following areas:

- Purchase of supplies, materials, products, services, and equipment.
- Maintenance or service of County assets and property
- Contracts for professional and non-professional services
- Contracts for commodities, equipment, supplies or materials
- Contracts for repair or alteration of real property
- Contracts for the construction of real property
- Contracts for the repair or construction of roads, bridges, or other related structures and surfaces.

Travis County HUB Goals

	Construction	Commodities	Professional Services	Services
Overall (MBE) Goal	12.9%	3.5%	16.5%	14.1%
Sub-Goals:				
<i>African-American</i>	1.7%	0.3%	1.7%.	2.5%
<i>Hispanic</i>	9.7%	2.5%	9.5%	9.9%
<i>Asian American</i>	0.8%	0.7% (Native/Asian Combined Goal)	4.7%	1.7% (Native/Asian Combined Goal)
<i>Native American</i>	0.7%	0.7% (Native/Asian Combined Goal)	0.6%	1.7% (Native/Asian Combined Goal)
Overall (WBE) Goal	12.6%	6.2%	14.2	15.0%

Each buyer shall, to the maximum extent practical, ensure the HUB goals are met through the award of purchase orders and contracts, in each area defined above, to certified HUBs. This is achieved through a systematic approach of soliciting quotes, bids, and proposals from certified HUBs.

Informal Solicitations For solicitations up to \$2,499, the Purchasing Office solicits a quote from a certified HUB, if possible. For a solicitation from \$2,500 to 24,999, the Purchasing Office requires at least three informal quotes, one of which must be from a certified HUB.

Formal Solicitations The Purchasing Office uses a third party vendor to maintain the Bidders List. All registered vendors within a specific commodity and sub-commodity category are solicited. All HUB vendors are encouraged to register with the third party vendor so they are included in formal solicitations within the commodity code they select.

Eligibility

Travis County does not certify HUB vendors. HUB vendors must complete the certification process with the State of Texas Building and Procurement Commission, the City of Austin, or Texas Unified Certification Program. The vendor must hold a current valid certification from one of these entities.

Travis County may review the certification status of any vendor applying to do business with the County. This review determines the validity and authenticity of the vendor's certification as a HUB. The Travis County HUB Coordinator works in conjunction with the various certifying agencies to conduct random audits of those vendors representing themselves as certified HUBs. If a vendor representing itself as a certified HUB does not meet the requirements of the certifying agency, the vendor may be disqualified as a certified HUB with Travis County.

Outreach Efforts

Outreach activities help educate the HUB community on the logistics of doing business with Travis County. The marketing and outreach programs entail:

- Conducting workshops and seminars on the HUB Program and how it can help the HUB Entrepreneur be an active participant in the Travis County procurement process.
- Identifying certifying agencies accepted by Travis County, and
- Providing overall assistance to HUBs in various areas as required, within the limits of the Purchasing Act.

Good Faith Effort for Construction Projects

Prime Contractors who are awarded contracts with the County are required to make a "Good Faith Effort" to subcontract with HUBs. This includes professional services associated with the projects.

The Prime Contractor shall comply with the following criteria:

1. Divide the contract work into the smallest feasible portions to allow for maximum HUB Subcontractor participation, consistent with standard and prudent industry practices.
2. Notify HUBs of work that the Prime Contractor plans to subcontract, allowing sufficient time for effective participation. The notification shall include:
 - Adequate information about the project and intended subcontracting work (i.e. plans and specifications, scope of work).
 - Bonding and insurance requirements of HUB subcontractor
 - A point of contact within the Prime Contractor's organization that can answer any questions a HUB may have about the project.
3. Provide written notice and explanations to the Purchasing Agent or HUB Coordinator if the Prime Contractor is unable to meet the required goal for HUB subcontractor participation, and why the goal was not met.
4. Negotiate in good faith with interested HUBs, not rejecting bids from HUBs that qualify as lowest, responsive and responsible bidders.
5. Use the services of minority or women trade organizations or development centers to disseminate the subcontracting opportunities to their membership and participants.

6. Communicate to the Purchasing Agent when no HUB participation is achieved and include reasons why.
7. Obtain pre-approval from the Purchasing Agent or the HUB Coordinator of all changes involving Certified HUB Subcontractors. Modifications to the HUB Subcontractor Participation Plan are permitted only after award of the bid and solely with the prior written approval of the Purchasing Office.

The HUB Coordinator provides a list of certified HUBs, upon request, to any prime contractor experiencing difficulty locating certified HUBs to fulfill their subcontracting goals,

Reporting

Prime Contractors report all payments to subcontractors to the Purchasing Office. Payments made to all subcontractors are tracked on a monthly basis. A semi-annual report including information on contracts awarded to HUBs and payments made to those contractors and subcontractors is provided to the Commissioners Court.

Chapter 7: Other General Purchasing Policies

Standard Contract Terms and Conditions

The Commissioners Court directs the Purchasing Agent to include a provision in County contracts that allows the County to pay the Travis County Tax Assessor-Collector directly any sums due as a result of tax delinquencies by any Contractor from sums due to the Contractor instead of paying the Contractor.

A Dispute Resolution Clause is included in County contracts, except Right Of Way (ROW) contracts and contracts with state and federal agencies.

All purchasing contracts must have a place for the Purchasing Agent, the County Auditor, and the County Attorney to sign to indicate that the contract has been reviewed. The Purchasing Agent must review the contract for compliance with purchasing procedures. The County Auditor must verify that there are funds available for the contract. The County Attorney must review the contract for compliance with the law and Commissioners Court policies.

County Auditor Funds Verification

According to Texas Local Government Code, section 111.093, the County Auditor shall:

- Charge all purchase orders, requisitions, contracts, and salary and labor allowances to the appropriate account, and
- Certify the budget contains an ample provision for the obligation and that funds are or will be available to pay the obligation when due.

ITS Review of Data Processing Equipment

The Information and Telecommunications Systems Department (ITS) reviews all purchase requests made by departments for software, hardware and other data processing equipment and provides a written assessment to the requesting department, Purchasing Office, and Commissioners Court before court approval. This procedure is to ensure compatibility and standardization. ITS may provide the Purchasing Agent with a list of the goods and services that have been pre-approved and need no additional review. To purchase any other data processing goods or services, the User Department must obtain ITS approval.

Records Management Review of Storage Equipment

Before purchase, the Records Management and Communications Resources Department (RMCR) reviews requests of record storage equipment (filing cabinets, shelving, etc.), filing supplies (file folders, filing systems), microfilm and micrographic equipment and other emerging record storage technologies. This procedure is to ensure compatibility and standardization.

Facilities Management Review

When new equipment is being acquired, the Facilities Management Department provides a statement about whether adequate space and other facilities resources necessary for the proper operation of the equipment are available in a place accessible to the department requesting it.

Recycling Policy

Travis County departments are encouraged to expend a minimum of 8% of annual purchasing budgets for commodities that have recycled material content or services which achieve conservation benefits.

The Purchasing Office shall:

- provide user departments with information to facilitate their purchase of designated products and inform them of their responsibilities;

- revise minimum content standards as necessary to ensure that designated products contain the maximum practical amount of recovered material and are consistent with guidelines and regulations promulgated by the United States Environmental Protection Agency, and other Federal and State agencies; and
- ensure that environmentally preferable products are designated whenever practicable.

Contractors performing services for County are required to comply with all applicable waste management law. Requirements of the Waste Management Program of the Travis County Transportation and Natural Resources Department which are not specifically required by law are incorporated into service contracts and commodities specifications whenever this inclusion meets the Program Feasibility Criteria.

Risk Management Coverage

When departments sustain loss or damage to goods or buildings, and funding for replacement or repair is coordinated through the Risk Management department, the actual purchase still is processed by the Purchasing Office. Additionally, an Inventory Form is completed by the department and forwarded to the Fixed Asset Manager so that inventory files can be updated if applicable.

After Hours Emergency Purchases

If there is a declaration of a local state of disaster, the County Judge is the authority to approve purchases. When purchases are necessary because any other emergency situation exists, the Purchasing Agent must be contacted to ensure compliance with the Purchasing Act. Emergency, as used in the Purchasing Act and this chapter, is an urgent unforeseeable need to make a purchase that does not result from a local state of disaster as defined in chapter 63 of the Travis County Code.

Each department must have written internal procedures for emergency purchases less than \$25,000 that occurs after regular work hours. Those procedures must be approved in advance by the Purchasing Agent.

The internal department procedure should require that department employees contact their financial officer or other designated person for approval. On the first working day after the purchase, the department must enter a purchase requisition into the H.T.E. system and provide written documentation to the Purchasing Agent. If the Purchasing Agent has not approved procedures for emergency purchases for a department, the department must wait until the next working day to make the purchase.

If the amount exceeds \$25,000, the Commissioners Court by order must grant the exemption from formal competitive bidding even in an emergency situation.

Interlocal Agreements

All interlocal agreements that involve purchase of goods, services, repair, or maintenance agreements must be approved in writing by the Purchasing Agent before being submitted to Commissioners Court for approval. Interlocal agreements approved by the Purchasing Agent are assigned a number and entered into the H.T.E. system for tracking and payment purposes. Other Interlocal Agreements may be added to the H.T.E. system on request.

Bonding Requirements

Bonds for construction contracts are dealt with in chapter 15. For all other contracts, the Purchasing Agent determines whether a bond of any sort is required.

Bid bonds are not required for contracts that are less than \$100,000. Bid bonds are not required from any bidder or proponent whose rates are subject to regulation by a state agency.

Bid bonds may be requested for the construction of public works, or for a contract exceeding \$100,000. The county may require the bidder to furnish a good and sufficient

bid bond in the amount of 5% of the total contract price. A surety company authorized to do business in Texas must execute the bond.

If a bid bond is **not** required by law, the Purchasing Agent may accept a Letter of Credit in place of a bid bond on the following conditions:

- the County Attorney reviews and acknowledges in writing the legal sufficiency of using a Letter of Credit for this contract,
- the County Attorney reviews and acknowledges in writing the legal sufficiency of the terms of the proposed Letter of Credit, and
- the Purchasing Agent has verified the acceptability of the financial condition of the institution providing the Letter of Credit.

Performance bonds are not usually required for contracts that are less than \$50,000, but may be required at the Purchasing Agent's discretion. Performance Bonds are not required from any bidder or proponent whose rates are subject to regulation by a state agency. If the Purchasing Agent decides that a performance bond is required for a particular contract, the solicitation states a performance bond in the full amount of the contract price is required and that it must be executed by a surety company authorized to do business in Texas before the contractor commences work and within 30 days after the notice of contract award is sent to the contractor.

If a performance bond is **not** required by law, the Purchasing Agent may accept a Letter of Credit in place of a performance bond or a bond to cover the repurchase price of equipment on the following conditions:

- the County Attorney reviews and acknowledges in writing the legal sufficiency of using a Letter of Credit for this contract,
- the County Attorney reviews and acknowledges in writing the legal sufficiency of the terms of the proposed Letter of Credit, and
- the Purchasing Agent has verified the acceptability of the financial condition of the institution providing the Letter of Credit.

In a contract for the purchase of earth moving, material-handling, road maintenance or construction equipment, the Commissioners Court may require the contractor to furnish a bond to the County to cover the repurchase costs of the equipment.

A **payment bond** shall be required on all public works projects exceeding \$25,000.

If a payment bond is **not** required by law, the Purchasing Agent may accept a Letter of Credit in place of a payment bond on the following conditions:

- the County Attorney reviews and acknowledges in writing the legal sufficiency of using a Letter of Credit for this contract,
- the County Attorney reviews and acknowledges in writing the legal sufficiency of the terms of the proposed Letter of Credit, and
- the Purchasing Agent has verified the acceptability of the financial condition of the institution providing the Letter of Credit.

**Consideration
of Safety
Records**

If the IFB states that the safety record may be considered in determining the responsibility of the bidder and includes the Safety Record Questionnaire in its Appendix, County takes into account the bidder's safety record in determining the responsible bidder. The safety record includes compliance with requirements for the safety of the environment. In relation to the safety record, bidder includes not only the bidder; but also the firm, corporation, partnership or institution represented by the bidder; or anyone acting for such a firm, corporation, partnership, or institution.

The definition and criteria for determining the safety record of a bidder are as follows:

1. If the bidder reveals more than two (2) cases in which final orders have been entered by the Occupational Safety and Health Review Commission (OSHRC) against the bidder for serious violations of OSHA regulations within the past three (3) years, County will, at its discretion, determine whether to disqualify the bidder.
2. If the bidder reveals more than one (1) case in which bidder has received a citation from an environmental protection agency for violations within the past five (5) years, County will, at its discretion, determine whether to disqualify the bidder.

Environmental Protection Agencies include the U.S. Army Corps of Engineer (USACOE), the U.S. Fish and Wildlife Service (USFWS), the Environmental Protection Agency (EPA), the Texas Commission on Environmental Quality (TCEQ), and its past associated agency, the Texas Natural Resource Conservation Commission (TNRCC), the Texas Department of Health, the Texas Parks and Wildlife Department (TPWD), the Structural Pest Control Board (SPCB), agencies of local governments responsible for enforcing environmental protection laws or regulations, and similar regulatory agencies of other states of the United States. Citations include notice of violation, notice of enforcement, suspension/revocations of state or federal licenses or registrations, fines assessed pending criminal complaints, indictments, or convictions, administrative orders, draft orders, final orders, and judicial final judgments. Notice of Violations and Notice of Enforcement received from TCEQ shall include those classified as major violations and moderate violations under TCEQ's regulations for documentation of Compliance History, 30TAC, Chapter 60.2 (c) (1) and (2).

3. If the bidder reveals that the bidder has been convicted of a criminal offense within the past ten (10) years which resulted in serious bodily harm or death, County will determine whether to disqualify the bidder.

**Electronic
Transactions**

For IFB solicitations and certain other contracts selected by the Purchasing Agent, vendors may submit their response electronically through the third party vendor selected by the Purchasing Agent. That vendor is currently RFP Depot. (www.rfpdepot.com). Responses may be electronically signed and the ethics affidavit may be electronically sworn. All electronic transactions must comply with the Uniform Electronic Transactions Act in Chapter 43 of the Texas Business and Commerce Code and all other applicable law.

**Vendor
List**

The Purchasing Office maintains a list of vendors who have requested that they be sent notices of advertised solicitations. The vendor list is categorized by the commodity and sub-commodity codes for the goods and services that the vendor has indicated it is capable of providing. The Purchasing Office utilizes a third party vendor for maintenance of the vendor list and publication of solicitations. Vendors interested in participating in County solicitations may register with www.rfpdepot.com.

As a courtesy to vendors and as a means of encouraging competition, notification of each solicitation is provided to appropriate vendors. Notices of solicitations are sent by a variety of methods including e-mail and facsimile transmission whenever the vendor has provided appropriate contact information. The Purchasing Office also advertises solicitations on the County's access television channel and on the County Purchasing website at <http://www.co.travis.tx.us/purchasing/solicitation.asp>.

**Prepayments
and Advance
Payments**

Generally, prepayment is not authorized for any purchase of supplies, materials, equipment or services. Exceptions are:

- Library materials
- Merchandise purchased from federal and state agencies
- Realty rental
- Subscriptions
- Rental fee for meeting rooms
- Annual maintenance agreements for information technology
- Tuition to an institution of higher education
- Training and Travel expenses per budget rules
- Other prepayments as authorized by the County Auditor

**Hospital
District
Procurement
Card Policy**

The Travis County Hospital District Board of Managers and Commissioners Court has approved the use of a Texas Building and Procurement Commission State-approved Procurement Card program for small dollar purchases to increase efficiencies and expedite purchases and payment. A copy of the approved Policy and Procedures Manual is attached as Appendix A.

Chapter 8: The Requisitioning Process

Definition	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.
Purpose	The department's purchase requisition authorizes the Purchasing Office to enter into a contract with a vendor to purchase goods or services. This automated form is for internal use and cannot be used by a department to order materials directly from a vendor.
Policy	<p>Travis County uses an automated requisitioning system, commonly referred to as the H.T.E. system. Based on pre-established budget line items, the user department enters purchase requisitions into the H.T.E. system. Adequate budget funds must be available in the departmental line items before the Purchasing Office can purchase the requested goods and services. Manual requisitions and purchase orders are not acceptable, unless the Purchasing Agent has approved the manual process in writing.</p> <p>The only exceptions to automated purchase orders are the Requests of Payment processed directly by the Auditor's Office for the following goods or services:</p> <ul style="list-style-type: none">• Utilities,• cellular telephones,• attorney's vouchers,• foster parents,• court related expenditures,• routine duty travel,• long distance trunk lines,• travel, meals, and lodging,• appropriations to other governments,• RSVP mileage• Training and seminars• Quantum Merit• Risk Management claims• Purchases not required by statute to be processed by the Purchasing Agent
Procedure	<p>Purchase requisitions should fully describe what to buy, when it is required, and where the goods are to be delivered or the services are to be performed. For contract items, the H.T.E. system "builds" the description of the item from a pre-loaded contract. For non-contract or "open market" requisitions, the user department needs to "build" a complete description of the item(s) needed. Exhibit 5 identifies the information and steps the user department should follow to obtain the full descriptive information needed to process open market requisitions expeditiously. The information should be researched and obtained before the user department enters a requisition in the H.T.E. system.</p> <p>After the Purchasing Office receives a purchase requisition, it determines the appropriate purchasing method 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.</p> <p>Specific instructions on entering purchase requisitions into the automated H.T.E. system are not covered in this manual. The user department can contact the Purchasing Office for training.</p>
Types of Purchase Requisitions	The Purchasing Office classifies purchase requisitions according to the type of action and the time required for the purchase. There are four types: contract, routine, expedited, and emergency.

- **Contract Requisitions** - Normal purchases of items ordered from existing contracts that are loaded in the H.T.E. system. Contract requisitions generally require one working day to process.
- **Routine** – Normal purchases that are not under contract (i.e. “open market” requisitions) under \$25,000. These generally require 3 to 10 working days to process.
- **Expedited** - Open market purchases where the goods or services are needed sooner than the routine cycle time. Expedited purchases generally do not qualify as emergency purchases and are subject to all applicable bidding requirements. Expedited purchase requisitions require 1 to 3 working days to process. Expedited purchases are **not** emergency purchases. They are goods or services needed quickly to prevent costly delays, and therefore warrant the additional cost and effort caused by the interruption of the normal work routine. **They should not be used unless absolutely required.** There are two types of expedited purchase requisitions:
 - **Walk Through** – Open market purchases for goods or services needed within three working days to avoid work interruption, loss of service or significant added cost of operations. The user department should hand-carry all paperwork to the Purchasing Office immediately after entering the purchase requisition into the H.T.E. system.
 - **Work Stoppage** – Open market purchases for goods or services needed immediately to prevent work stoppage due to unanticipated conditions. The user department should telephone or e-mail the Purchasing Office immediately upon entering the purchase requisition into the H.T.E. system and should also provide written documentation of the existence of a work stoppage for the contract file (written comments in the requisition or e-mail justification from department head, executive manager or designee are acceptable documentation). The Purchasing Office instructs the user department on what action to take.
- **Emergency** - Purchase of any goods or services needed because of an emergency condition that the Commissioners Court has ordered exempt, in compliance with the Purchasing Act (TEX. LOC. GOV'T CODE ANN., section 262.024 (a) (1)). All emergency exemption orders must be processed through the Purchasing Office. Emergency purchases with a total cost exceeding \$25,000 must be exempted from the requirements of the Purchasing Act by order of Commissioners Court. The Purchasing Agent submits the order and agenda request for Commissioners Court approval for emergency purchases exceeding \$25,000.

Emergency purchases with a total cost under \$25,000 are handled like an expedited purchase requisition. The user department should immediately contact the Purchasing Agent so that proper action can be initiated immediately.

Note: Cycle time to process a requisition refers to the time between when a purchase requisition is received in the Purchasing Office and when an actual purchase order is placed with a vendor. Cycle time does not include the time required for delivery, or the time it takes for the Purchasing Office or the user department to make corrections to budget line item accounts, commodity codes, and similar actions associated with a purchase that are not processed by the Purchasing Office.

Reminder: It is the department's responsibility to follow their requisition to make sure it is released from the Auditor's queue. Time the requisition may spend in the Auditor's queue is not included in cycle time.

Exhibit 5: Open Market Requisition Checklist

Step	Reference Source:
Identify the commodity and sub-commodity code for the item(s) to determine the accounting line item(s) to be used and ensure that there is sufficient budget. Perform budget transfer if necessary, before submitting requisition.	H.T.E. system (purchasing module for commodity/sub-commodity and financial module for account line item balances)
Find the desired item(s) and obtain the following information: <ul style="list-style-type: none"> ✓ Manufacturer Name (e.g. Dell) ✓ Model Number (e.g. Pentium series II, model Number 135867) ✓ Unit of measure (e.g. each) ✓ Unit price, quantity, and total price ✓ Item description (complete description with as much detail as possible) 	Vendor catalog, Internet research Helpful hint: copy the model description information from the source and either type it in the requisition or forward via interoffice mail or e-mail to purchasing. Also, identify where you got the information (e.g. Office Depot catalog p.22 or online at www.officedepot.com , item xxx)
Obtain the full description for the item(s) being purchased.	Example of full description (file cabinet): File Cabinet, Vertical, 2 Drawer, Letter Size, Dimensions 27 3/4"H x 17 11/16"W x 25"D, Color: Steel Gray Shipping Weight: 320 Lb. MFG: FireKing P/N FK25 (seen online at Office Depot catalog)
Check the vendor name to see if the vendor exists in the H.T.E. system and verify the vendor number. If the vendor does not exist, obtain the following to enter into requisition comments: <ul style="list-style-type: none"> ✓ Vendor name ✓ Vendor address ✓ Vendor telephone number ✓ Vendor point of contact (who you talked with to get product information) ✓ HUB status (ethnicity, gender, expiration date) 	H.T.E. Purchasing module (requisition function)
Identify shipping and delivery information including: <ul style="list-style-type: none"> ✓ Date required ✓ Shipping (determine if it is included in price or is a separate item) ✓ Department point of contact to whom item will be delivered ✓ The "Ship to" location ✓ Any specific delivery instructions (location, time of day etc.) ✓ Any special options that are available, but not part of description (color, fabric, etc.) 	H.T.E. Purchasing module (requisition function)

Chapter 9: Open Market Purchases Under \$25,000

Policy	For open market purchases of goods and services totaling less than \$25,000, the Purchasing Agent is authorized to select the exact goods or services to meet the requests of user departments. The Purchasing Agent is authorized to select the vendor and to perform all actions necessary to conclude a contract for the purchase of the goods and services, including execution of the contract without specific approval of the Commissioners Court.
Considerations	<p>In selecting the exact goods or services requested by the user departments, the Purchasing Agent considers the following:</p> <ul style="list-style-type: none"> • the stated needs of the user department and whether the selected goods or services meet those needs; • available information about sources and prices of the goods and services; • the delivery requirements of the vendor and the user department; and • any other information that a reasonable and prudent purchasing professional would consider in all the circumstances of the purchase.
Procedures	<p>The user department submits an open market purchase requisition to the Purchasing Office with detailed descriptions of the goods or services required.</p> <p>Based on the information in the purchase requisition, wherever reasonable and practical the Purchasing Agent or Purchasing Office:</p> <ul style="list-style-type: none"> • attempts to obtain at least three quotations (at least one of which is a certified HUB) before selecting a vendor; • documents in writing the vendors notified and prices offered; • selects the vendor who makes the best offer taking into account not only price but also the urgency of the user departmental need and the speed of delivery and the quality of the goods and services offered; and, • orders these goods and services from the vendor who provides the quality, cost, and delivery schedule most consistent with the best interest of the County. <p>If quality and delivery terms meet County needs, the vendor who provides the lowest price is selected. If the vendor offering the lowest price is not used, a notation is made to the quotation documentation to indicate the reason another vendor is selected.</p> <p>The Purchasing Agent may deviate from the policy for purchases under \$25,000 if it is in Travis County's best interest and if it facilitates specific County operations.</p>
Commodity Purchases Limits	<p>Important: If cumulative purchases from a single commodity code are anticipated to exceed \$25,000 in a fiscal year, then formal competitive bidding is required and an annual term contract is established. Cumulative purchases include countywide purchases, and are not limited to departmental requirements.</p>
Violations and Penalties	Intentionally separating purchases or invoices to avoid the \$25,000 formal competitive bidding limit is a violation of the Purchasing Act. The final conviction of a County officer or employee for this violation results in the immediate removal from office or employment. For four years after the final conviction, the removed officer or employee is ineligible:

- to be a candidate for or to be appointed or elected to a public office in Texas;
- to be employed by Travis County; and
- to receive any compensation through a contract with Travis County.

Chapter 10: Specifications

- Definition** A specification is a concise description of goods or services that user departments seek to buy, and the requirements the vendor must meet to be considered for the award. A specification may include requirements for testing, inspection, or preparing any goods or services for delivery, or preparing or installing them for use. The specification is the total description of the goods and services to be purchased.
- Purpose** The primary purposes of any specification is to provide vendors with firm criteria about a minimum standard acceptable for goods or services by providing reasonable tests and inspections to determine their acceptability and to provide purchasing personnel with clear guidelines from which to purchase. As a result, the specification also:
- promotes competitive bidding, and
 - provides a means to make an equitable award to the lowest and best bid from a responsible bidder.
- Preparation** In writing specifications, user departments are encouraged to obtain an existing specification before starting to write a new one. The existing specification can provide ideas and examples that can be customized for Travis County purposes. The user department should contact the Purchasing Office for assistance in obtaining existing specifications to facilitate the specification development process.
- There are numerous sources for specifications. These include other governments, professional trade associations, professional purchasing associations and user knowledge. Some specification libraries that are available include:
- Texas Specification Library located at the Texas Building and Procurement Commission website: http://www.tbpc.state.tx.us/spec_lib/index.html
 - General Services Administration, Federal Supply Service – Specifications Section found at www.gsa.gov
 - Texas Department of Transportation Standard Specification Index located at http://www.dot.state.tx.us/gsd/purchasing/tssi_alpha.htm
 - National Institute of Governmental Purchasing. Contact Purchasing for assistance because this is available to members only.
- The user department, occupant department, or an outside agency may propose specifications. **To ensure compliance with legal purchasing requirements, the Purchasing Office has final acceptance of the specifications, except those for construction projects.** This ensures proper quality control and avoids the proliferation of conflicting specifications in the different County departments. The Purchasing Office may submit any purchases that were not approved in the budget process to Commissioners Court before specifications are prepared and advertised.
- To facilitate specification development and avoid duplication of their efforts, user departments should submit their specifications in electronic format to the Purchasing Office.
- Characteristics** An effective specification has the following characteristics:
- **Simple:** Avoids unnecessary detail, but is complete enough to ensure that purchased goods and services satisfy their intended purpose.

- **Clear:**
 - Uses terminology that is understandable to the user department and vendors.
 - Eliminates confusion by using correct spelling and appropriate sentence structure.
 - Avoids the use of jargon and “legalese”.
- **Accurate:** Uses units of measure that are compatible with industry standards, identifies all quantities, and describes packing requirements.
- **Competitive:** Identifies at least two commercially available brands, makes, or models (whenever possible) that satisfy the intended purpose. Avoids unneeded “extras” that could reduce or eliminate competition and increase costs.
- **Flexible:**
 - Avoids situations that prevent the acceptance of a response that could offer greater performance for fewer dollars.
 - Uses approximate values that are within a 10% range for the dimensions, weight, speed, etc. (whenever possible) if these values can satisfy the intended purpose.

Types

The Purchasing Office uses a number of specification types:

- **Design** - Details description of a good or service, including details of construction or production, dimensions, chemical composition, physical properties, materials, ingredients and all other details needed to produce an item of minimum acceptability. Design specifications are usually required for construction projects, custom-produced items and many services.
- **Performance** – Details required performance parameters such as required power, strength of material, test methods, standards of acceptability, and recommended practices. Performance specifications are usually used for capital equipment purchases.
- **Brand Name or Equal** - Lists goods or services by brand-name, model, and other identifying specifics, except that products with performance equivalent to the characteristics of the named brand are specified as acceptable. Other manufacturers may provide a nearly identical product under another brand name. **The Purchasing Office uses this method only if there is sound justification. The burden of justification rests with the user department.**
- **Industry Standard** – States an industry standard that is identical, regardless of manufacturer that results in acquisition of goods of uniform quality. The UL standard for electrical products is an example of an industry standard.

Chapter 11: Competitively Solicited Purchases Exceeding \$25,000

Definitions and Use

There are two types of solicited purchases - competitive bidding and competitive proposals. Competitive bidding means letting available vendors compete with each other to provide goods or services.

The Texas Supreme Court states:

"Competitive bidding requires due advertisement, giving opportunity to bid, and contemplates a bidding on the same undertaking upon each of the same material items and services covered by the contract; upon the same thing. It requires that all bidders be placed upon the same plane of equality and that they each bid upon the same terms and conditions involved in all the items and services and parts of the contract, and that the proposal specify as to all bids the same, or substantially similar specifications." Sterrett v. Bell, 240 S.W. 2d 516 (Tex. Civ. App.-Dallas 1951, no writ).

Purpose of Competitive Bidding

The Texas Supreme Court also states:

"The purpose of competitive bidding is to stimulate competition, prevent favoritism, and secure the best work and materials at the lowest practicable price for the best interest of the taxpayers and property owners." Sterrett v. Bell, 240 S.W. 2d 516 (Tex. Civ. App.-Dallas 1951, no writ).

The first purpose of competitive solicitations is to ensure the best possible value is received. Competitive solicitations also increase the likelihood that public monies are spent properly, legally, and for public projects only.

The second purpose is to give those qualified and responsible vendors who desire to do business with the County a fair and equitable opportunity to do so.

Competitive Bidding: The term "Formal Competitive Bidding" used in this manual is generally used in public purchasing when the solicitation process complies with Texas Local Government Code, section 262.023, which requires approval by the Commissioners Court.

"Sealed" bids are solicited through an Invitation for Bid (IFB) for contracts expecting to exceed \$25,000. The IFB is the document used to solicit bids from vendors in response to the County's specifications and contractual terms and conditions. The Commissioners Court must approve the returned and signed IFB. The awarded IFB with the Notice of Contract Award letter signed by the Purchasing Agent forms the contract between Travis County and the vendor. **Competitive bids are not negotiated.** With few exceptions, price is the sole determinant factor if the vendor's product or services meet the requirements of the specification.

The IFB method is the most preferred method of procuring goods and supplies and non-personal services such as janitorial services. It is used when the requirement can be definitively described, is readily available, and is an off-the-shelf kind of requirement.

Competitive proposals: The term "Formal Competitive Proposal" used in this manual is generally used in public purchasing when the solicitation process complies with Texas Local Government Code, section 262.030, which requires approval by the Commissioners Court.

Competitive proposals are solicited through a sealed Request for Proposals (RFP) process. Vendors submit responses to the RFP for consideration. The RFP solicits proposals from vendors in response to the County's requirements and contractual terms and conditions. A formal contract, reviewed by the County Attorney's Office, must be approved by the Commissioners Court.

Formal "sealed" proposals can only be used to procure **insurance, high technology goods and services, landscape maintenance, travel management and recycling.**

"High technology" goods or services mean goods or services of a highly technical nature, including:

- data processing equipment and software and firmware used in conjunction with data processing equipment;
- telecommunications, radio, and microwave systems;
- electronic distributed control systems, including building energy management systems; and
- technical services related to those goods and services.

While the competitive proposal (RFP) process is similar to the competitive bidding (IFB) process, there are notable differences. The primary difference is that the RFP results in a negotiated procurement. Cost is not the only determining evaluation factor; however, its relative importance to other evaluation factors must be specified in the RFP and considered in recommending award. Also, the proposals are received, but are not opened publicly. Proposal contents are not disclosed until after the contract is awarded. Proposal contents that are trademarked or proprietary may remain confidential pursuant to the Texas Public Information Act.

Procedures

In Travis County, competitive solicited procurements which call for approval by Commissioners Court due to an expenditure in excess of \$25,000 is required to comply with the requirements of Subchapter C of the Purchasing Act and, with few exceptions, and are accomplished by the following process. Throughout this chapter, "bids" are vendor responses in the IFB process and "proposals" are vendor responses in the RFP process. Unless specifically noted, the procedures apply to both the IFB and RFP.

Defining the Need

IFB: When the need for a good or service costing more than \$25,000 is identified, the user department should immediately contact the Purchasing Office for assistance in developing the specifications. The specification should be comprehensive and broadly defined to allow for maximum competition.

RFP: When the need for the goods or services (greater than \$25,000) is identified, the user department should immediately contact the Purchasing Office for assistance in defining the requirements to be used for the solicitation. The user department is responsible for submitting a Statement of Work (SOW) or Technical Requirements, which functionally defines its needs and requirements. Purchasing Office staff ensure that the SOW or Technical Requirement is quantified and structured to:

- secure the best economic advantage utilizing best value;
- state the needs clearly;

- be contractually sound;
- be unbiased toward vendors;
- encourage innovative solutions to the requirement described; and
- permit free and open competition to the maximum extent reasonably possible.

Purchase Requisition

A written memo submitted to the Purchasing Agent and signed by the Official or Executive Manager or a direct e-mail from the Official or Executive Manager serves as the initial purchase requisition for goods or services. The memo must include the budget line items from which the purchase is funded or an explanation about how funding is obtained before the Purchasing Office proceeds with the preparation of the competitive solicitation.

Requirements or specifications should be attached to the memo and forwarded electronically to the Purchasing Office. If requirements or specifications are not attached, Purchasing and the user department jointly develop them.

The user department follows up the memo request with entry of a purchase requisition in the H.T.E. system. The Purchasing Office does not proceed with a purchase unless:

- the appropriate budget line item includes sufficient unencumbered funds for the purchase; or
- the Planning and Budget Office verifies that funds are available through budget transfers.

Notice

Once the Purchasing Office has finalized the specification or requirements with the user department, the Purchasing Office prepares the solicitation for issuance and publishes a notice of the proposed purchase that complies with the requirements in Texas Local Government Code, section 262.025.

According to section 262.025, notice of a proposed purchase must be published at least once a week in a newspaper of general circulation in the County, with the first day of publication occurring before the 14th day before the date of the solicitation opening. To ensure vendors sufficient time to complete and return the solicitation, Purchasing generally advertises for 21 days. If necessary, advertising time can be extended or decreased, but must be at least 15 days. The notice must include:

- the specifications (requirements) describing the goods and services to be purchased, or a statement of where the specifications (requirements) may be obtained;
- the time and place for receiving and opening solicitations and the name and position of the employee to whom the solicitations are sent;
- whether the vendor should use lump-sum or unit pricing;
- the type of bond required of the vendor; and
- the method of payment by the County.

Special Considerations

IFB: If unit pricing is required, County must specify approximate quantities estimated on the best available information. The Purchasing Agent explains how the lowest price is calculated in the IFB.

RFP:

- The Purchasing Office publishes a notice of the proposed purchase unless Commissioners Court approval of the RFP is required.
- The Commissioners Court must approve advertising for any RFP for which there is not adequate funding approved in the budget and for which PBO has not verified that the goods and services sought have been approved by the Commissioners Court in the budget process.
- If the RFP is for high technology goods and services, ITS must review it before it is advertised.
- Record Management may also review any technology purchases related to record management.
- For all other purchases, the Commissioners Court delegates its authority to approve the requirements to the Purchasing Agent.

Amendment of Solicitation

The Commissioners Court authorizes the Purchasing Agent to extend the proposal opening date on the notice of a solicitation if an error is discovered, or the nature of the goods or services requires an extension. The Purchasing Agent may amend a solicitation:

- If inquiries about the meaning indicate the need for an amendment to clarify its original intent or to correct clerical errors;
- If the changes are so insignificant that they are not likely to matter to the vendor in determining ability to respond; and
- If the amendment does not change the general scope.

There should be at least three days between the date of the amendment and the opening date in the notice. If there are less than three days, the opening date is extended to allow for a minimum of three days between the date of the amendment and the opening date in the amendment.

Pre-Bid (Proposal) Conference

Texas Local Government Code, section 262.0256 allows counties to require potential vendors to attend a mandatory pre-bid (pre-proposal) conference to discuss contract requirements and answer vendor questions. The Purchasing Agent works with the user department to determine if a pre-bid (pre-proposal) conference is necessary and whether attendance is mandatory or optional. Purchasing staff manages any pre-bid (pre-proposal) conference and requests that the user department makes staff available to answer questions at the conference.

Receipt of Competitive Solicitations

To ensure the identification, security, and confidentiality of responses to solicitations, both electronic and paper, the following procedures are adhered to:

- The Purchasing Agent receives all responses as specified by the solicitation document.

- **Solicitations are not received after the opening time on the day of response opening.** All responses received after the opening time are returned unopened to the vendor with a letter from the Purchasing Agent notifying the vendor that the submitted response was received after the due date and time.
- The Purchasing Office records the name of the vendor's representative submitting the solicitation, and the time and date the response was submitted.
- After a response is received, the Purchasing Office provides a secure place to hold it until the opening date. The responses are only received sealed and remain sealed until the Purchasing Office opens them in a public forum on the advertised date and time.
- On occasion, responses that are received in the mail or by other independent carrier may be inadvertently opened. If this situation occurs, another employee of the Purchasing Office is immediately called to act as a witness that the details of the response (especially the price for a bid) were not reviewed and the response is resealed by that employee of the Purchasing Office, and the incident is documented.

The above process is undertaken to preclude any perception of favoritism, revealing prices or response information. Publicly receiving sealed responses and recording the submission of requested responses is intended to inhibit any perception that the Purchasing Office is manipulating the receipt of solicitations.

Public Opening of Solicitations

IFB: The Purchasing Agent publicly opens and documents the bids on the date, time, and place specified in the notice. Preliminary tabulations are provided to the public upon request.

RFP: The Purchasing Agent publicly opens and documents sealed proposals on the date, time, and place specified in the notice. Only the names of vendors submitting proposals are announced.

Proposals are opened to avoid disclosure of contents to competing proposers and are kept secret during the process of negotiation. All proposals that have been submitted are available and open for public inspection after the contract is awarded, except for trade secrets and confidential proprietary information contained in them. Disclosure of all information obtained from a vendor is subject to the provisions of the Texas Public Information Act.

Confidentiality Memorandum

RFP: As fully described in Chapter 2 of this manual, the Purchasing Office uses a confidentiality memorandum to ensure compliance with the ethics policy for keeping proprietary information confidential. Before the evaluation of confidential proposals, the Purchasing Office sends a memorandum to evaluation committee members for signature and certification. The memorandum contains requirements to which the evaluation committee member is expected to adhere during the competitive process to keep information confidential **until the Commissioners Court approve an award.** These requirements also include disclosure of any potential conflict of interest, or any attempted communication by the proponent to evaluation committee members during evaluation.

Evaluation

IFB: The Purchasing Office evaluates all bids with assistance from the user department and recommends the lowest responsible bid to the Commissioners Court for award. The Purchasing Office evaluates bids based on:

- the relative price, including the cost of repair and maintenance if heavy equipment is the subject of the bid or the cost of delivery and hauling if road construction is involved;

- the compliance of goods and services with specifications; and
- the vendor's past performance, the responsibility of the vendor, including the vendor's financial and practical ability to perform the contract, and the vendor's safety record if the IFB states that it is to be considered.

The Purchasing Office forwards the bids and the Bid Tabulation Package to the Official or Executive Manager for completion and signature. The user department recommendation and other appropriate documentation from the user department are submitted with the agenda request to justify the recommended award.

When the lowest priced bid is not the best bid, clear justification for not selecting the lowest bid must be documented. Commissioners Court either approves the recommendation or rejects all bids and authorizes the Purchasing Agent to re-bid the goods or services.

RFP: The Purchasing Office supervises the evaluation process performed by the user department or committee to ensure that the evaluation is conducted fairly and consistently and that the integrity of the process is maintained. Depending on the procurement, there may be additional technical evaluation assistance provided by the Planning and Budget Office, Auditor, ITS, or Records Management, if applicable.

The RFP must specify the relative importance of price and other evaluation factors including the relative weight of each factor. Evaluators only use these specified factors in evaluating the proposals. Purchasing staff leads the evaluation team and is responsible for:

- tabulating scores;
- calculating values; and
- **either**
 - coordinating follow-up meetings for Best and Final Offer negotiations and recommending an award; or
 - discontinuing the process.

After the evaluation is completed, Purchasing forwards an evaluation summary to the Official or Executive Manager for concurrence with the selection and requests that the Official or Executive Manager submit a memo to the Purchasing Agent signifying their concurrence. Purchasing makes the recommendation to Commissioners Court.

Note: For high visibility or high dollar value procurements, the Purchasing Agent may take the recommendations to Commissioners Court and request its approval to negotiate with top ranked firm(s) before requesting best and final offers.

Negotiations (RFP)

The Purchasing Agent supervises all negotiations. Any conversations with proposers must be coordinated with the Purchasing Agent. **A member of the Purchasing Office should be present for all discussions with proposers.** Departments that contact proposers without coordinating with the Purchasing Agent risk jeopardizing the integrity of the County procurement process.

All proposers must be accorded fair and equitable treatment with respect to any opportunity for discussion and revision of proposals and submittal of a "Best and Final Offer" (BAFO).

After the negotiations are complete, the Purchasing staff requests qualified proposers to submit a BAFO to a specified location by a specified date. Based on the negotiations, the BAFO must allow the proponent to:

- Modify the initial offer;
- Update pricing based on any changes the user department or County has made; and
- Include any added inducements to improve the overall score in accordance with the evaluation plan of the RFP.

Contract Award

IFB: The Purchasing Agent recommends contract award to Commissioners Court. The Commissioners Court either:

- Awards the contract to the responsible bidder who submits the lowest and best bid; or
- Rejects all bids and publishes a new notice if the goods or services are still needed.

If two responsible bidders submit the lowest and best bid, the Commissioners Court decides between the two by drawing lots in a manner prescribed by the County Judge.

A contract may not be awarded to a bidder who is not the lowest priced bidder meeting specifications unless, before the award, each lower bidder is given notice of the proposed award and is given an opportunity to appear before the Commissioners Court and present evidence about its responsibility.

After Commissioners Court approves the contract, the Purchasing Agent issues a Notice of Contract Award. This notice and the original contract form the complete contract. A complete original contract is maintained in the Purchasing Office. The other originals are furnished to the Contractor and the County Clerk. Copies of these are furnished to the user department, the Auditor's Office, and the County Attorney.

RFP: The BAFO is the basis of a recommendation of contract award. The award of the contract is made by Commissioners Court to the responsible proposer, whose proposal is determined to be the lowest evaluated offer resulting from negotiation, taking into consideration the relative importance of price and other evaluation factors in RFP.

Re-solicitation of Annual Contracts

The Purchasing Office, via the H.T.E. system, monitors the expiration dates of all contracts. Purchasing notifies user departments by memo at least four months before contract expiration and verifies whether the goods or services need to be re-bid or extended, if extensions are available. Purchasing also sends the existing specification or requirements to the user department and requests any changes before the solicitation is reissued. The user department returns the specifications or requirements with any additions, deletions, or corrections.

Reverse Auctions

In purchasing goods and services, the Purchasing Agent may use reverse auction procedures under Texas Government Code, chapter 2155. Reverse auction means:

- a real-time bidding process usually lasting less than one hour and taking place at a previously scheduled time and Internet location, in which multiple suppliers, anonymous to each other, submit bids to provide the designated goods or services; or

- a real-time bidding process usually lasting less than two weeks and taking place during a previously scheduled period and at a previously scheduled Internet location, in which multiple suppliers, anonymous to each other, submit bids to provide the designated goods or services.

Exhibit 6: Procurement Methods

Procurement Method	Use When	Advantages	Disadvantages
<p>Competitive Bids (Invitation for Bids)</p>	<p>Adequate competition exists. The product or service is available from more than one source.</p>	<p>Award process is simpler. Award is made to the lowest responsive, responsible bidder providing the best value to the County.</p>	<p>Defined specifications may be difficult to develop. Does not encourage innovative solutions.</p>
<p>Competitive Proposals (Request for Proposals, Request for Offer)</p>	<p>When factors other than price are evaluated. When negotiations are desired. Vendor is expected to provide innovative ideas.</p>	<p>Allow factors other than price to be considered. Allows for customized proposals suggesting different approaches to the same business need. Allows for negotiations in order to obtain the best value for the County.</p>	<p>RFPs can only be used for high technology goods and services, landscape maintenance, travel management and recycling. Lead times for procurement may be greater. Evaluations are more complex and subjective.</p>
<p>Request for Information</p>	<p>There is insufficient information to write specifications for any procurement method.</p>	<p>Provides information to prepare a complete bid or proposal document. Allows the business community to have input into the solicitation document based on current industry practices and market factors. Informs County of any potential problems early in the procurement.</p>	<p>Lengthens the procurement process.</p>
<p>Request for Qualification [This method is required by statute (e.g. Professional Services)]</p>	<p>Selection is made solely on the skills and qualifications of the contractor. Price is not a factor until after a vendor is selected.</p>	<p>Emphasizes the competency of the proposed contractors</p>	<p>Contractor is selected before price is negotiated.</p>

Chapter 12: State Purchasing Programs

Background and Statutory Authority

There are four types of purchasing programs that allow local governments to purchase goods and services using contracts previously competed by the State of Texas or other governments. The Texas Building and Procurement Commission (TBPC) manages three of them. The fourth program allows local governments to purchase computer technology directly from the state's Department of Information Resources (DIR).

- **State Term Contracts** (authorized by sections 271.081 through 271.083 of the Texas Local Government Code). The County may purchase from vendors on the same terms and conditions as the State. The State has entered into term contracts after using competitive bidding procedures. The TBPC manages this program for the State.
- **State Catalog Purchases** (authorized by Chapter 2157 of the Texas Government Code). The TBPC maintains a list of Catalog Information Systems Vendors (CISVs). The County may purchase automated information systems and services from approved vendors based on the catalog prices and negotiations about other contract provisions.
- **Texas Multiple Award Schedule (TXMAS)** (authorized by section 2155.502 of the Texas Government Code). The County may purchase goods and services from a schedule of multiple award contracts developed by the TBPC. The schedule is adapted from General Services Administration (GSA) Federal Supply Service contracts. TXMAS contracts take advantage of the most favored customer (MFC) pricing and under certain circumstances; the County may negotiate a lower price for the goods or services offered on a scheduled contract.
- **DIR** (authorized by the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code). The County may purchase computer-related equipment through the DIR and its contracted vendors.

Official Representative

The Purchasing Agent acts for Travis County in all matters related to purchase of goods and services from a vendor under any contract based on any State Purchasing program. Travis County is responsible for making payments directly to these vendors.

Contract Award

The award of any purchase order contract from state term, catalog, TXMAS or DIR contracts must be in writing, approved and signed by the Purchasing Agent before any goods are delivered or services are rendered. The Commissioners Court authorizes the Purchasing Agent to execute all contracts for state contract purchases that are procured in compliance with this chapter, including purchases in excess of \$25,000, if funding for the purchase was approved by the Commissioners Court.

State Term Contract Purchases

Policy Travis County participates in the purchasing program of TBPC for local governments.

Procedure The Purchasing Agent either submits requisitions to the TBPC under a contract or electronically sends purchase orders directly to vendors and reports to the TBPC on actual purchases in compliance with its regulations. The Purchasing Agent monitors vendor's compliance with all the conditions of delivery and quality of the purchased goods and services. The Purchasing Agent may sign and deliver all necessary documents for all purchases under this program made for the County.

To initiate this process, the user department submits a purchase requisition. The Purchasing Office determines whether or not the requested goods or services are available from TBPC contracts. If they are available, the Purchasing Office assigns a state requisition number that is used for reporting and payments.

State Catalog Purchases (CISV)

Policy	Travis County participates in the State Catalog Purchasing program of TBPC.
Procedure	If the County purchases goods and services from the state catalog, the County fulfills its competitive bidding requirements. To obtain the best value, the County determines that all information system purchases or leases are based on the best value available and are in the County's best interest using the criteria outlined in the law. The County uses a Request for Offer (RFO) process that allows negotiation of catalog pricing.
Automated Information Systems	<p>Catalog purchasing procedures are only available for the purchase of automated information systems. These systems are defined by statute and include:</p> <ul style="list-style-type: none">• The computers on which the systems are automated, or• a service related to the automation of information systems or the computers on which they are automated, including computer software, covered by the Information Resources Management Act, or• any telecommunications apparatus or device that serves as a component of a voice, data, or video communications network for the purpose of transmitting, switching, routing, multiplexing, modulating, amplifying, or receiving signals on that network. <p>These systems can only be purchased from CIS Vendors approved by the TBPC in compliance with State purchasing laws.</p>
Best Value	<p>The best value is the lowest overall cost of information systems taking into consideration the following factors:</p> <ul style="list-style-type: none">• purchase price;• compatibility to facilitate exchange of existing data;• capacity for expanding and upgrading to more advanced levels of technology;• quantitative reliability factors;• the level of training required to bring end-users to a stated level of proficiency;• the technical support requirements for the maintenance of data across a network platform and the management of the network's hardware and software, and• compliance with the applicable statewide standards adopted by the Department of Information Resources or criteria established by Commissioners Court.
Best Interest	<p>The County considers the following factors in determining which products or services are in the County's best interest:</p> <ul style="list-style-type: none">• installation costs and hardware costs;• the overall life cycle cost of the system or equipment;• the estimated cost of employee training and the estimated increase in employee productivity;• the negotiated software and maintenance costs; and

- compliance with applicable statewide standards adopted by the Department of Information Resources or the County as validated by criteria established by Commissioners Court.

Purchasing Procedures

To ensure that the County receives the "Best Value" from catalog purchases the user department, ITS, and Purchasing work together at the beginning of the acquisition process to define the requirement comprehensively. After the requirement has been comprehensively identified, the user department enters an "open market" requisition into the H.T.E. system to reserve funds.

RFO Process

The Purchasing Office supervises the remaining solicitation, negotiation and selection of the CIS vendor using the RFO process.

After the requisition is received, the Purchasing Office researches the State's centralized master bidder's list, selects at least three catalog vendors, contacts the vendors and solicits offers using the RFO process. The RFO provides a means of negotiating prices, terms, and conditions with catalog vendors. It facilitates negotiation for "best value" with catalog vendors, instead of making selections for goods and services based on the published prices, terms and conditions in the catalogs. Factors that may influence the selection of vendors or goods and services include:

- industry reputation,
- user recommendations,
- specifications, prior experience with the vendors or goods and services, and
- quality of service provided after the sale.

In soliciting offers through the RFO process, the Purchasing Office uses an interactive negotiation process with vendors. Each selected vendor is given a written copy of County requirements and its standard contract terms and conditions. Each vendor is provided the same information, including the specifications, deadlines for responses, and other clarifying information. When appropriate, purchasing staff also include a statement of work to be performed, minimum performance requirements, evaluation factors, specific features, service requirements, delivery dates, other terms and any forms that are used to evaluate the vendor's offer. The law requires that all offers remain confidential until the award is final.

Texas Multiple Award Schedules (TXMAS)

Policy

Travis County participates in the purchasing program of the TBPC using TXMAS contracts developed from contracts that have been competitively awarded by the federal government or any other governmental entity of any state.

Procedure

The Purchasing Agent monitors the vendor's compliance with all the conditions of delivery and quality of the purchased goods and services. The Purchasing Agent may sign and deliver all necessary documents for purchases under this program for Travis County.

To initiate this process, the user department may research goods and services on the TBPC website to determine if the goods or services are available from TXMAS. Based on its research, the user department submits an "open market" purchase requisition and identifies in the requisition comments that the good or service may be available through TXMAS. The Purchasing Office determines whether or not the requested goods or services are available from TXMAS and compares prices among TXMAS vendors to obtain the best value. The Purchasing Office works with the user department to determine best value and then issues a purchase order with the selected vendor providing the best value.

Note: If TXMAS contracts have been loaded in H.T.E., the user department submits a contract

requisition using the procedures outlined in Chapter 8 of this manual.

Computer Purchases (DIR)

Policy The County purchases computer-related equipment from the state's Department of Information Resources (DIR) and its contracted vendors. The County contracts with DIR and uses its Go DIRect program.

Procedure The Purchasing Agent either submits requisitions to the DIR under any contract or electronically sends purchase orders directly to DIRect vendors. The Purchasing Agent monitors vendor's compliance with all the conditions of delivery and quality of the purchased goods and services. The Purchasing Agent may sign and deliver all necessary documents for purchases under this program made on behalf of the County.

To initiate this process, the user department may research goods and services on the DIR website to determine if the goods or services are available from DIR or its contracts. Based on its research, the user department submits an "open market" purchase requisition and identifies in the requisition comments that the good or service is available from DIR. The Purchasing Office determines whether or not the requested goods or services are available from DIR, and if available, the Purchasing Office compares prices among DIR vendors to obtain the best value. The Purchasing Office works with user department to determine best value and issues a purchase order with the selected vendor providing the best value.

If the purchase is from a vendor who is part of the Go DIRect program, the County issues the purchase order directly to the vendor and pays the vendor directly. If the purchase is to a vendor that is not part of the Go DIRect program, the County issues the purchase order to DIR, which authorizes a separate purchase order to the vendor.

Chapter 13: Cooperative Purchasing Agreements

Background and Statutory Authority

The Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, authorizes local governments to contract directly with other governments to increase their efficiency and effectiveness. Texas Government Code, Section 791.025(c) states that a local government that purchases goods and services under the Interlocal Cooperation Act satisfies the requirement of the local government to seek competitive bids for the purchase of goods and services. The County has a variety of interlocal agreements.

Policy

The County participates in the purchasing programs of various local, state, and national cooperatives such as Houston Area Council of Governments (H-GAC), Texas Association of School Boards (BuyBoard), The Cooperative Purchasing Network (TCPN) and U.S. Communities. Before using any cooperative, the Purchasing Agent researches and recommends cooperatives to the Commissioners Court. The Commissioners Court approves an interlocal agreement acknowledging the terms and conditions for using each cooperative, including any fee schedules, and authorizes the Purchasing Agent to make purchases under the terms of the interlocal agreement.

Official Representative

The Purchasing Agent acts for Travis County at the direction of Commissioners Court in all matters relating to all cooperative purchasing programs, including the purchase of goods and services from the vendor under any contract.

Procedure

The Purchasing Agent must approve all interlocal agreements involving the purchase of goods, repair, or maintenance agreements before the agreement is submitted to Commissioners Court for approval. Interlocal agreements approved by the Purchasing Agent are assigned a number and entered into the H.T.E. system for tracking and payment purposes. Other interlocal agreements may be added to the H.T.E. system on request. Revenue-generating interlocals are added to the H.T.E. system to aid in tracking these types of interlocal agreements.

To initiate this process, the user department may research goods and services on the approved cooperative's website to determine if the goods or services are available from the cooperative. Based on its research, the user department submits an "open market" purchase requisition and identifies in the requisition comments that the good or service is available from the cooperative. The Purchasing Office determines whether or not the requested goods or services are available from a specific cooperative. If available, the Purchasing Office compares prices among cooperative and local vendors to obtain the best value. The Purchasing Office works with the user department to determine best value and issues a purchase order with the selected vendor using the purchasing method that provides the best value.

The Purchasing Agent either submits requisitions to the applicable cooperative or electronically sends purchase orders directly to vendors using the processes defined by the specific cooperative. The Purchasing Agent monitors vendor compliance with all the conditions of delivery and the quality of the purchased goods and services. The Purchasing Agent may sign and deliver all necessary documents for purchases under cooperative purchasing programs made on behalf of the County.

Contract Award

The Purchasing Agent may execute all contracts for interlocal contract purchases that are procured in compliance with this chapter, including purchases in excess of \$25,000, provided funding for the purchase has been approved by the Commissioners Court and the interlocal agreement was approved by the Commissioners Court.

Chapter 14: Procurement of Professional Services

Background and Statutory Authority

In procuring professional services, the County must comply with two statutes: the Professional Services Procurement Act (Chapter 2254 of the Texas Government Code) and the County Purchasing Act (Chapter 262 of the Texas Local Government Code). There are two kinds of professional services:

- Those professional services specifically listed in the Professional Services Procurement Act; and,
- Those "other" professional services that are not specifically listed which must be obtained in compliance with the County Purchasing Act. The Purchasing Agent relies on court cases and attorney general opinions to determine what services are included in these "other" professional services.

"Professional services" is defined in Chapter 2254 of the Texas Government Code as:

- those within the scope of the practice of accounting, architecture, landscape architecture, optometry, medicine, land surveying, professional engineering, real estate appraising or professional nursing, or
- provided in connection with the professional employment or practice of a person who is licensed or registered as an architect, an optometrist, a physician, a surgeon, a certified public accountant, a land surveyor, a landscape architect or professional engineer, a state certified or state licensed real estate appraiser, or a registered nurse.

Contracts for the procurement of these professional services **may not be awarded on the basis of bids**. Instead, services must be awarded on the basis of demonstrated competence and qualifications.

Request for Qualifications (RFQ)

To ensure professional vendors a fair and equal opportunity to do business with the County, and to ensure that the services of the most qualified professional are obtained, professional services are procured using the Request for Qualifications (RFQ) process.

Procedures

Departments forward a recommendation memo to the Purchasing Agent when professional services are required. The memo identifies the following:

- scope of work
- qualification and experience requirements
- project description and deliverables
- time frames
- budgeted amount and budget line items
- suggested professionals

Based on the information provided in the memo, applicable state laws, and all relevant facts, the Purchasing Agent makes a determination about implementing a formal RFQ or an informal procurement process.

Unless specifically exempted by the Commissioners Court, all professional services anticipated to cost more than \$25,000 are procured using the formal RFQ process. The Purchasing Agent submits all exemption orders to the Commissioners Court. The Purchasing Agent submits the exemption order to the Commissioner Court for approval before selecting and negotiating with any vendors.

Purchase Requisition	<p>Either the memo submitted to the Purchasing Agent, signed by the Official or Executive Manager or a direct e-mail from the Official or Executive Manager serves as the initial requisition. The memo must include the budget line items from which the purchase is funded or an explanation that is acceptable to the Purchasing Office about how funding is obtained before the Purchasing Office proceeds with the preparation of the RFQ. Requirements (scope of work) should be attached to the memo and also forwarded electronically to the Purchasing Office. If requirements are not attached, Purchasing and the user department jointly develop them.</p> <p>The user department follows up the memo request with entry of a requisition into the H.T.E. system.</p>
Notice	<p>After development of requirements and preparation of the RFQ, a notice of the proposed purchase is published by the Purchasing Office unless Commissioners Court approval of the RFQ is required. The Commissioners Court must approve advertising for any RFQ for which there is not adequate funding in the budget or for which the Planning and Budget Office has not verified that the goods and services sought have been approved by the Commissioners Court in the budget process.</p> <p>Notice of a proposed purchase must be published at least once a week in a newspaper of general circulation in the County, with the first day of publication occurring before the 14th day before the date of the solicitation opening. To ensure vendors sufficient time to complete and return their solicitation, Purchasing generally advertises for 21 days. If necessary, advertising time can be extended or decreased, but must be at least 15 days.</p>
Amendment of RFQ	<p>The Purchasing Agent may extend the response opening date on the notice of an RFQ if an error is discovered, or the nature of the services requires an extension. The Purchasing Agent may amend an RFQ to clarify its original intent or to correct clerical errors if:</p> <ul style="list-style-type: none">• inquiries about the meaning of the RFQ indicate the need for an amendment;• changes are so insignificant that they are not likely to matter to the vendor in determining ability to respond; and• the amendment does not change the general scope of the RFQ. <p>There must be at least three days between the date of the amendment and the opening date specified in the notice. If less than three days exist, the opening date should be extended to allow for a minimum of three days between the date of the amendment and the opening date specified in the amendment.</p>
Pre-Proposal Conference	<p>The Purchasing Agent works with the user department to determine if a pre-proposal conference is necessary. Purchasing staff manages any pre-proposal conference and requests that the user department makes staff available to answer questions at the conference.</p>
Receipt of Responses	<p>To ensure confidentiality, the following procedures are adhered to when receiving vendor responses:</p> <ul style="list-style-type: none">• The Purchasing Agent receives all responses as specified by the RFQ.• All responses are stamped with the time and date received. The "Date Stamp Clock" in the Purchasing Office serves as the official time clock for identifying the date and time responses is received in the Purchasing Office.

- **Responses are not received after the opening time on the day of opening.** All responses received after the opening time are returned unopened to the vendor with a letter from the Purchasing Agent notifying the vendor that the submitted response was received after the due date and time.
- The Purchasing Office records the name of the vendor's representative submitting the response, as well as the time and date the response was submitted. If a response is received by mail, express mail, or courier, the method of delivery is reflected in the record.
- After responses are received, the Purchasing Office keeps them secured until the opening date. The responses are to be received sealed and remain sealed until they are opened by the Purchasing Office on the advertised date and time.
- On occasion, responses that are received in the mail, or by some other independent carrier, may be inadvertently opened. If this situation occurs, another employee of the Purchasing Office is immediately called to act as a witness that the details of the response were not reviewed and the response was sealed again by an employee, and the event is documented.

The above process is undertaken to preclude any perception of favoritism, and avoid revealing response information. Publicly receiving sealed responses and recording the submission of requested responses inhibits any perception that the Purchasing Office is manipulating the receipt of responses.

Opening of Responses

Sealed responses are opened and documented by the Purchasing Office. Only the names of vendors submitting responses are announced. The Purchasing Agent opens the responses on the date specified in the notice.

Proposals are opened to avoid disclosure of contents to competing proposers and are kept secret during the process of negotiation. All proposals that have been submitted are available and open for public inspection after the contract is awarded, except for trade secrets and confidential proprietary information. Disclosure of all information obtained from a vendor is subject to the provisions of the Texas Public Information Act.

Confidentiality Memorandum

As described in Chapter 2 of this manual, the Travis County Purchasing Office uses a confidentiality memorandum to ensure that proprietary information is kept confidential. Before the evaluation of confidential proposals begins, the Purchasing Office sends a memorandum to evaluation committee members for signature and certification. The memorandum contains requirements to which the evaluation committee member is expected to adhere during the evaluation process to keep information confidential **until the Commissioners Court approve an award**. This memorandum includes disclosure of any potential conflict of interest, or any attempted communication by the vendor to evaluation committee members.

Evaluation

The Purchasing Office supervises the evaluation process performed by the user department or committee to ensure that it is conducted fairly and consistently and that the integrity of the process is maintained. Depending on the procurement, there may be additional technical evaluation assistance provided by the Planning and Budget Office, Auditor, ITS or Records Management, if applicable.

The RFQ must specify the evaluation factors to be used to determine minimum qualifications. Price is not a factor in this type of solicitation. Evaluators may use only the specified evaluation factors in evaluating the responses. Purchasing staff leads the evaluation team and is responsible for:

- tabulating scores;

- calculating values; and
- **either**
 - coordinating follow-up meetings for Best and Final Offer (BAFO) negotiations and recommending an award; or
 - discontinuing the process.

After the evaluation has been completed, Purchasing forwards an evaluation summary to the Official or Executive Manager for concurrence with the selection and requests that the Official or Executive Manager submit a memo to the Purchasing Agent with their recommendation. Purchasing makes the recommendation to Commissioners Court.

Note: For high visibility or high dollar value procurements, the Purchasing Agent may take the recommendations to Commissioners Court and request its approval to negotiate with top ranked firm(s) before requesting best and final offers.

Negotiations and Best and Final Offer (BAFO)

The Purchasing Agent supervises all negotiations. All conversations with proposers must be coordinated with the Purchasing Agent. A member of the Purchasing Office should be present for all discussions with proposers. Departments that contact proposers without coordinating with the Purchasing Agent risk jeopardizing the integrity of the County procurement process.

All vendors must be accorded fair and equitable treatment with respect to any opportunity for discussion and revision of responses and submittal of a BAFO.

After the negotiations are complete, the Purchasing staff requests qualified vendors to submit a BAFO by a specified date and to a specified location. Based on the negotiations, the BAFO must allow the proponent to:

- modify the initial offer;
- update the response based on any changes the user department or the County has made; and
- include any added inducements that may improve the overall score based on the evaluation plan of the RFQ.

Recommendation for Award

The Purchasing Agent works with the Official or Executive Manager to develop the recommendation for award and present it for approval to the Commissioners Court.

Professional Services “Pools”

If, as a result of an RFQ, County enters into contracts with more than one qualified professional vendor a pool of these professionals is created to provide services as needed. The user department must ensure that an RFQ is distributed at least once every 4 years so that newly qualified professionals may be added to the pool.

Architectural and Engineering Services

When procuring architectural or engineering services, the County follows the RFQ process described above and adds a second step. First, vendors responding to the RFQ are evaluated. The Purchasing Office works with the evaluation committee to develop a rank ordering of vendors. Based on the committee’s evaluation of responses, they identify the “most highly qualified” vendors with whom the County wishes to negotiate. The Purchasing Agent recommends to Commissioners Court the most highly qualified vendors and requests authorization to negotiate on the basis of demonstrated competence and qualifications. The Purchasing Agent and Official or Executive Manager enters into negotiations for a contract at a fair and reasonable price.

If the County is unable to negotiate a satisfactory contract with the most highly qualified vendor,

negotiations formally end with that vendor. The next most highly qualified vendor is then asked to negotiate. Negotiations are continued in this sequence until a contract is finalized.

Any contract with professional vendors based on a competitive bid is void because it is contrary to state law.

Written Contract Before any services are rendered, a contract for professional services, in writing, is approved and signed by either the Purchasing Agent if less than \$25,000 or Commissioners Court if more than \$25,000. The Purchasing Agent may execute any contracts for professional services that are procured in compliance with the Professional Services Procurement Act and in which the cost of services does not exceed \$25,000 if the Planning and Budget Office verifies that the services sought have been approved by the Commissioners Court and adequate funds are budgeted for it and the County Attorney has reviewed the contract.

“Other” Services Defined As defined in this manual "other" personal or professional services are those services usually referred to as a professional service, but not specifically listed in the Professional Services Procurement Act. Various court opinions have stated that these "other" professional services are services requiring technical skill and expertise; labor and skill which is predominantly mental or intellectual, rather than physical or manual; or, a special skill and experience. "Other" personal services have been defined as services that must be performed by a particular person and, by the terms of the contract, no substitutions are allowed. Examples include computer programmers, lawyers, and facilitators.

Request for Services (RFS) To ensure vendors a fair and equal opportunity to do business with County, and to ensure the services of the most qualified person or professional, "other" personal or professional services must be procured using the Request for Services (RFS) process unless the contract is for less than \$25,000 or the Commissioners Court approves another procedure.

Exceptions The Sheriff is authorized to negotiate and execute contracts with independent contractors for the following services if the vendors are selected on the basis of qualifications, the contracts are within budget and the County Attorney and the Purchasing Agent review the contract.

- nursing in the corrections facilities,
- instructors for the sheriff's academy,
- chaplains for the corrections facilities, and
- prisoner detention services.

Procedures User departments forward a memo to the Purchasing Agent when "other" personal or professional services are required. The memo identifies the following:

- scope of work
- qualification and experience requirements
- project description and deliverables
- time frames
- budgeted amount and budget line items
- suggested persons or professionals

- selection criteria

Based on the anticipated costs, information provided in the memo, applicable state laws and all relevant facts, the Purchasing Agent determines whether a formal RFS or an informal procurement process are implemented or recommended to the Commissioners Court.

Unless specifically exempted by the Commissioners Court, all personal or professional services anticipated to cost over \$25,000 are procured using the formal RFS process. The Purchasing Agent submits all exemption orders to the Commissioners Court. Unless there is an urgent need for the services, the exemption order is submitted to the Commissioners Court for approval **before** selecting and negotiating with any vendors.

Purchase Requisition

Either a memo signed by the Official or Executive Manager and submitted to the Purchasing Agent or a direct e-mail from the Official or Executive Manager serves as the initial requisition. The memo must include the budget line items from which the purchase is funded or an explanation about how funding is obtained that is acceptable to the Purchasing Office before the Purchasing Office prepares the RFS. Requirements (scope of work) should be attached to the memo and also forwarded electronically to the Purchasing Office. If requirements are not attached, Purchasing and the user department jointly develop the requirements.

The user department follows up the memo request with entry of a requisition into the H.T.E. system.

Notice

After development of requirements and RFS preparation, the Purchasing Office usually publishes a notice of the proposed purchase unless Commissioners Court approval of the RFS is required. The Commissioners Court must approve advertising for any RFS if PBO has not verified that the services sought have been approved by the Commissioners Court and the Court has placed adequate funding in the budget.

Notice of a proposed purchase must be published at least once a week in a newspaper of general circulation in the County, with the first day of publication occurring before the 14th day before the date of the response opening. To ensure vendors sufficient time to complete and return responses, Purchasing generally advertises for 21 days. If necessary, advertising time can be extended or decreased, but must be at least 15 days.

Amendment of RFS

The Purchasing Agent may extend the response opening date on an RFS notice if an error is discovered, or the nature of the services requires an extension. The Purchasing Agent may amend an RFS to clarify its original intent or to correct clerical errors

- if inquiries about the meaning of the RFS indicate the need for an amendment;
- if the changes are so insignificant that they are not likely to matter to the vendor in determining ability to respond; and
- if the amendment does not change the general scope of the RFS.

There must be at least three days between the date of the amendment and the opening date specified in the notice. If less than three days exist, the opening date should be extended to allow for three days between the date of the amendment and the opening date specified in the amendment.

Pre-Proposal Conference

The Purchasing Agent works with the user department to determine if a pre-proposal conference is necessary. Purchasing staff manages any pre-proposal conference that is held and requests that the user department make staff available to answer questions at the conference.

Receipt of Proposals

To ensure confidentiality, the following procedures are adhered to when receiving vendor responses:

- The Purchasing Agent receives all proposals as specified by the RFS.
- All responses are stamped with the time and date received. The "Date Stamp Clock" in the Purchasing Office serves as the **official** time clock for the purpose of identifying the date and time responses was received in the Purchasing Office.
- **Responses are not received after the opening time on the day of opening.** All responses received after the opening time are returned unopened to the vendor with a letter from the Purchasing Agent notifying the vendor that the submitted response was received after the due date and time.
- The Purchasing Office records the name of the vendor's representative submitting the response, as well as the time and date the response was submitted. If a response is received by mail, express mail, or courier, the method of delivery is reflected in the record.
- After responses are received, the Purchasing Office keeps them secure until the opening date. The responses are to be received sealed and remain sealed until the Purchasing Office opens them on the advertised date and time.
- On occasion, responses that are received in the mail or by some other independent carrier may be inadvertently opened. If this situation occurs, another employee of the Purchasing Office is immediately called to act as a witness that the details of the response were not reviewed and the response is sealed again by that employee, and the incident is documented.

The above process is undertaken to preclude any perception of favoritism and avoid revealing response information. Publicly receiving sealed responses and recording the submission of requested responses should inhibit any perception that the Purchasing Office is manipulating the receipt of proposals.

Opening of Responses

Sealed proposals are opened and documented by the Purchasing Office. Only the names of vendors submitting proposals are announced. The Purchasing Agent opens the proposals on the date specified in the notice. The Purchasing Agent may extend the date specified in the notice if the original RFS needs to be amended

Responses are opened to avoid disclosing the contents to competing vendors and are kept secret during the process of negotiation. All responses that have been submitted are available and open for public inspection after the contract is awarded, except for trade secrets and confidential proprietary information. Disclosure of all information obtained from a vendor is subject to the provisions of the Texas Public Information Act.

Confidentiality Memorandum

As fully described in Chapter 2 of this manual, the Purchasing Office uses a confidentiality memorandum to ensure compliance with the ethics policy for keeping proprietary information confidential. Before the evaluation of confidential proposals, the Purchasing Office sends a memorandum to the evaluation committee members for signature and certification. The memorandum contains requirements to which the evaluation committee member is expected to adhere during the course of the evaluation process to keep information confidential **until the**

Commissioners Court approves an award. The memorandum includes disclosure of any

potential conflict of interest, or any attempted communication by the vendor to evaluation committee members during evaluation.

Evaluation

The Purchasing Office supervises the evaluation process performed by the user department or committee to ensure that it is conducted fairly and consistently and that the integrity of the process is maintained. Depending on the procurement, there may be additional technical evaluation assistance provided by the Auditor, PBO, ITS, or Records Management, if applicable.

In selecting vendors to provide other personal or professional services, a department must base its choice on demonstrated competence, knowledge, and qualifications and on the reasonableness of the proposed fee for the services, as specified in the RFS.

Evaluators use only the specified evaluation factors in evaluating the proposals. Purchasing staff leads the evaluation team and is responsible for:

- tabulating scores;
- calculating values; and
- **either**
 - coordinating follow-up meetings for Best and Final Offer negotiations and recommending an award; or
 - discontinuing the process.

Once the evaluation is completed, Purchasing forwards an evaluation summary to the Official or Executive Manager for concurrence with the selection and requests that the Official or Executive Manager submit a memo back to the Purchasing Agent with their recommendation. Purchasing makes the recommendation to Commissioners Court.

Note: For high visibility or high dollar value procurements, the Purchasing Agent may take the recommendations to Commissioners Court and request its approval to negotiate with top ranked firm(s) before requesting best and final offers.

Negotiations and Best and Final Offer (BAFO)

The Purchasing Agent supervises all negotiations. All conversations with proposers must be coordinated with the Purchasing Agent. A member of the Purchasing Office should be present for all discussions with vendors. Departments that contact vendors without coordinating with the Purchasing Agent risk jeopardizing the integrity of the County procurement process.

All vendors must be accorded fair and equitable treatment with respect to any opportunity for discussion and revision of responses and submittal of a BAFO.

After the negotiations are complete, the Purchasing staff may request that qualified vendors submit a BAFO by a specified date and to a specified location. Based on the negotiations, the BAFO must allow the vendor to:

- modify the initial offer;
- update the response based on any changes the user department or County has made; and
- include any added inducements that may improve the overall score based on the evaluation plan of the RFS.

Recommendation for Award

The Purchasing Agent works with the Official or Executive Manager to develop the recommendation for award and present it for approval by Commissioners Court.

**Vendor
"Pools"**

If, as a result of an RFS, the County enters into contracts with more than one qualified professional to create a pool of these professionals to provide services as needed, the user department must ensure that an RFS is distributed at least once every 4 years so that newly qualified professionals may be added to the pool.

**Disclosure of
Former
Employees**

To be considered responsive, a person who offers to provide personal or professional services to a user department who has been employed by the County at any time during the two years before making the response must disclose in the response:

- the nature of the previous employment with the department;
- the date the employment was terminated; and
- the annual rate of compensation at the time of termination.

Written Contract

Before any services are rendered, a contract for "other" personal or professional services shall be in writing, approved, and signed by either the Purchasing Agent if less than \$25,000 or the Commissioners Court if more than \$25,000. If less than \$25,000, the Purchasing Agent determines which person or professional is selected based on the recommendation of the user department. The Purchasing Agent may execute any contracts for "other" personal or professional services that are procured in compliance with the Purchasing Act and in which the cost of services does not exceed \$25,000.

The Purchasing Agent may execute contracts for legal representation based on the attorney selected by the client on the recommendation of the County Attorney if the cost does not exceed \$25,000.

Chapter 15: Construction Procurement

Purchasing Statutes	<p>Subsection 262.011 (e) of the Texas Local Government Code states that "The County Purchasing Agent shall supervise all purchases made on competitive bid..." Chapter 271 Subchapter C is used only for public works projects funded by Certificates of Obligation. Chapter 271, Subchapter H provisions are used when an alternative project delivery method (other than traditional competitive bidding) is used for public works projects.</p> <p>Construction procurement is consistent with other procurement procedures in this manual and with pertinent statutes. The Purchasing Agent supervises all construction procurements. All competitive bids are accomplished by the following process:</p>
Purchase Requisition	<p>A memo submitted to the Purchasing Agent, signed by the Official or Executive Manager serves as the initial notification that a competitive bid is needed. Before developing the plans and technical specifications, the user department contacts the Purchasing Office to obtain an IFB number and contract number, when applicable. An electronic copy of the technical specifications is submitted with the memo to assist in the development of the project manual. Before the project manual and plans are submitted to the printer for copying, the Purchasing Agent and County Attorney review and approve the Bidding and General Requirements. The Purchasing Agent reviews the specifications for compliance with the Purchasing Act and the County Attorney reviews them for legal considerations.</p> <p>NOTE: Purchasing prints the document when there is only a project manual and no plans. The user department is responsible for printing when there are both plans and a project manual.</p> <p>The user department must provide the Purchasing Office at least ten (10) workdays to develop the IFB, circulate it for the appropriate reviews, and printing. During this time, Purchasing develops a Procurement Schedule detailing the milestones of the solicitation, including dates and times for the pre-bid conference, bid opening, and pre-construction conference. The Purchasing Office assigns an IFB number and contract number to the project at this time if it has not already been assigned.</p>
H.T.E. Use	<p>The Purchasing Office enters all construction contracts into the H.T.E. system. The County uses the H.T.E. system to process and track payments to the prime contractor. Payments to HUB subcontractors are also tracked using a separate software application maintained by the HUB Program Coordinator.</p>
Bidding Notice	<p>The Purchasing Office publishes the advertisement for bid, which must include the following:</p> <ul style="list-style-type: none">• Description of Work;• Location at which the bidding documents, plans, specifications, or other data may be examined without charge by all potential bidders. The location at which plans and specifications may be obtained and the amount of the deposit required;• The County's goal for HUB contractor and subcontractor participation;• Time and place for submitting bids and time and place of bid opening;• The method of payment. If payment is by certificate of obligation, the advertisement must state either :<ul style="list-style-type: none">➤ that the bidder must accept certificates, or➤ that the bidder must elect to accept certificates or assign them to a financial institution with which county has made an arrangement.

If the contract is to be awarded on a unit price basis, the notice must also include the approximate quantities of the goods and services needed that are to be bid on and the quantities must be based on the best available information.

Notice of a proposed purchase must be published at least once a week in a newspaper of general circulation in the County, with the first day of publication occurring before the 14th day before the date of the bid opening. To ensure bidders (proposers) sufficient time to complete and return IFB's, Purchasing generally advertises for 21 days. If necessary, advertising time can be extended or decreased, but must be at least 15 days.

Consideration of Safety Records

If the IFB states that the safety record may be considered in determining the responsibility of the bidder and includes the Safety Record Questionnaire in the IFB, County takes into account the bidder's safety record in determining the responsible bidder. The safety record includes compliance with requirements for the safety of the environment. In relation to the safety record, bidder includes not only the bidder; but also the firm, corporation, partnership or institution represented by the bidder; or anyone acting for such a firm corporation, partnership or institution.

The definition and criteria for determining the safety record of a bidder:

1. If the bidder reveals more than two (2) cases in which final orders have been entered by the Occupational Safety and Health Review Commission (OSHRC) against the bidder for serious violations of OSHA regulations within the past three (3) years, County will, at its discretion, determine whether to disqualify the bidder.
2. If the bidder reveals more than one (1) case in which bidder has received a citation from an environmental protection agency for violations within the past five (5) years, County will, at its discretion, determine whether to disqualify the bidder.

Environmental Protection Agencies include the U.S. Army Corps of Engineer (USACOE), the U.S. Fish and Wildlife Service (USFWS), the Environmental Protection Agency (EPA), the Texas Commission on Environmental Quality (TCEQ), and its past associated agency: the Texas Natural Resource Conservation Commission (TNRCC), the Texas Department of Health, the Texas Parks and Wildlife Department (TPWD), the Structural Pest Control Board (SPCB), agencies of local governments responsible for enforcing environmental protection laws or regulations, and similar regulatory agencies of other states of the United States.

Citations include notice of violation, notice of enforcement, suspension/revocations of state or federal licenses or registrations, fines assessed pending criminal complaints, indictments, or convictions, administrative orders, draft orders, final orders, and judicial final judgments.

Notice of Violations and Notice of Enforcement received from TCEQ shall include those classified as major violations and moderate violations under TCEQ's regulations for documentation of Compliance History, 30TAC, Chapter 60.2 (c) (1) and (2).

3. If the bidder reveals that the bidder has been convicted of a criminal offense within the past ten (10) years which resulted in serious bodily harm or death, County will determine whether to disqualify the bidder.

Bonding

Bonds are not required for construction contracts that are less than \$25,000.

Bid Bonds

Bid bonds are not required from any bidder whose rates are subject to regulation by a state agency. If the Purchasing Agent decides that a bid bond is required for a particular contract, the IFB states that a bid bond in the amount of 5% of the contract price is required and that it must

be executed by a surety company authorized to do business in Texas.

Letters of Credit may not be substituted for any bid bonds related to a public works project, if the cost of the project exceeds \$25,000.

Performance Bonds

For all contracts in excess of \$100,000 for the construction, repair, or alteration of a public work or the prosecution or completion of any public work, before commencing work, the vendor must execute a performance bond that is:

- payable to Travis County, Texas,
- in the full amount of the contract,
- conditioned on faithful performance of the work in accordance with the plans, specifications, and contract documents,
- solely for the protection of the County,
- executed by a corporate surety or sureties in accordance with the Insurance Code, and
- in a form approved by the Commissioners Court.

Any performance bond that is furnished by a contractor in attempted compliance with the requirements of Texas Government Code, chapter 2253 is construed as if it conforms to that chapter in relation to rights created, limitations on the bonds and remedies provided.

Letters of Credit may not be substituted for any performance bonds related to a public works project if the cost of the project exceeds \$25,000.

Payment Bonds

For all contracts in excess of \$25,000 for the construction, repair, or alteration of a public work or the prosecution or completion of any public work, the vendor, before commencing work, must execute a payment bond that is:

- solely for the protection and use of payment bond beneficiaries who have a direct contractual relationship with the prime contractor or a subcontractor to supply labor or material for a public work,
- payable to Travis County, Texas,
- in the amount of the contract,
- executed by a corporate surety or sureties in accordance with the Insurance Code, and
- in a form approved by the Commissioners Court.

Payment bonds must be effective from commencement of performance until the end of the fourth month after all work for the project is completed, unless releases are obtained from all subcontractors and materialmen. Any payment bond that is furnished by a contractor in attempted compliance with the requirements of chapter 2253 of the Texas Government Code are construed as if it conforms with that chapter in relation to rights created, limitations on the bond, and remedies provided.

A bond required under this section must clearly and prominently display on the bond or on an attachment to the bond: (1) the name, mailing address, physical address, and telephone number, including the area code, of the surety company to which any notice of claim should be sent; or (2) the toll-free telephone number maintained by the Texas Department of Insurance under

Article 1.35D, Insurance Code, and a statement that the address of the surety company to which any notice of claim should be sent may be obtained from the Texas Department of Insurance by calling the toll-free telephone number.

The County may not require a contractor for any public building or other construction contract to obtain a surety bond from any specific insurance or surety company, agent, or broker.

Letters of Credit may not be substituted for any payment bonds related to a public works project if the cost of the project exceeds \$25,000.

Pre-Bid Conference

The Purchasing Office provides detailed information on the bidding requirements of the IFB to ensure that purchasing procedures are complied with and the user department provides technical information and ensures that technical standards are complied with. Purchasing schedules the pre-bid conference and assists in conducting the conference as follows:

- Have all attendees sign the attendance roster and provide a detailed Agenda which:
 - Provides a brief introduction of the project title, magnitude, and performance period.
 - Indicates whether there has been any addendum issued, and if so, all attendees and project document holders must receive a copy.
 - Discusses the Purchasing Office role in the procurement and administration process.
 - Establishes a “cut-off” date for questions and request for clarifications, as well as a final date for issuance of addendum
 - Discusses the Historically Underutilized Business (HUB) requirements as outlined in the appropriate section of the project manual.
- Has the project Engineer, Architect or Project Manager discuss the specifics of the project including review of the plans and specifications and allows for a question and answer session.
- Determines any issues discussed during the conference that requires issuance of an addendum. The Purchasing Agent may extend the date specified in the notice if needed. The Purchasing Office issues the amendment only if there are at least five (5) days between the date of the addendum and the date specified for bid opening. If less than five days exist, the opening date should be extended to allow for a minimum of five days between the date of the addendum and the opening date specified in the addendum.
- Has the user department provides Purchasing with the technical documents (i.e. changes or additions to the plans and or specifications). Purchasing prepares addendum using standard form and distributes the addendum to all applicable vendors.
- Records the minutes of the meeting and distributes them to all attendees.

Receipt of Competitive Bids

The following procedures are adhered to when receiving bids:

- The Purchasing Office receives all bids as specified by the IFB.
- **Bids are not received after the opening time on the day of bid opening.** All bids received after the opening time are returned unopened to the bidder with a letter from the Purchasing Agent notifying the bidder that the submitted bid was received after the due date and time.

- The Purchasing Office records the name of the vendor submitting the bid, as well as the time and date the bid was submitted. If a bid is received by mail, express mail, or courier, the method of delivery is reflected in the record.
- After bids are received, the Purchasing Office provides a secure place to hold the bids until the opening date. The bids are to be received sealed and remain sealed until the Purchasing Office opens them in a public forum on the advertised date and time.
- On occasion, bids that are received in the mail or by some other independent carrier may be inadvertently opened. If this situation occurs, another employee of the Purchasing Office is immediately called to act as a witness that the details of the bid, especially the price, were not reviewed, then the bid was sealed again by that employee, and the incident is documented.

The above process shall be undertaken in a manner that precludes any perception of favoritism and avoids revealing bid prices or any bid information. Publicly receiving sealed bids and recording the submission of requested bids inhibits the perception that the Purchasing Office is manipulating the receipt of bids.

Public Opening of Bids

The Purchasing Office publicly opens and documents sealed bids on the date, time and place specified in the notice. Preliminary bid tabulations are provided to the public upon request. The Purchasing Office and the user department determine who is responsible for creating the bid tabulation and, if it is the user department, then the user department provides a copy to the Purchasing Office for distribution to the general public. For those bids that contain numerous line items, a tabulation that includes the total bid amount, excluding individual line item amounts per bidder, can be provided immediately after bid opening. Requests for all-inclusive bid tabulation are honored after it is completed and may require at least four (4) workdays.

The Purchasing Agent provides a copy to the Commissioners Court. A bid that has been opened may not be changed for the purpose of correcting an error in the bid price.

Evaluation of Bids

The Purchasing Office evaluates all bids with assistance from the user department and they jointly develop a recommendation for award to Commissioners Court. The evaluation of bids is based on the following factors:

- the relative prices of the bids, including the cost of repair and maintenance of heavy equipment if that is subject of the bid, or the cost of delivery and hauling if road construction equipment is the subject of the bids;
- the compliance of goods and services offered with specifications; and
- the responsibility of the vendor, including the vendor's past performance, the vendor's financial and practical ability to perform the contract, and the vendor's safety record if Commissioners Court has adopted a definition of safety that is stated in the IFB.

Purchasing forwards a complete bid packet to the Official or Executive Manager for completion and signature. The form and any other documentation from the user department is submitted with the agenda request to justify the award. Purchasing is responsible for placing the item on the agenda of the Commissioners Court.

When the lowest priced bid is not the best bid, clear justification for not selecting the lowest bidder must be documented to the Commissioners Court. This recommendation may be supported by clear and concise documentation from the user department that determines the rationale for awarding to a bidder other than the lowest bidder. A joint review of the bid by the

user department and the Purchasing Office is required.

Contract Award

The Purchasing Agent and the Official or Executive Manager recommend contract award to Commissioners Court in session. The Court shall:

- Award the contract to the responsive and responsible bidder who submits the lowest and best bid; or
- Reject all bids and publish a new notice if the goods and services are still needed.

If two responsive and responsible bidders submit the lowest and best bid, the Commissioners Court shall decide between the two by drawing lots in a manner prescribed by the County Judge.

A contract may not be awarded to a bidder who is not the lowest dollar bidder meeting specifications unless, before the award, each lower bidder is given notice of the proposed award and is given an opportunity to appear before the Commissioners Court and present evidence about its responsibility. After award, the County Judge signs the contract for the County and the Purchasing Agent returns the bid bonds of any vendor that was not awarded a contract.

After an award is made, a notice of contract award form is processed. An original contract, along with contract award form, is maintained in Purchasing. The other originals, along with a contract award form, are furnished to the Contractor and the County Clerk when approved by Court. Copies of all documents are furnished to the user department, the Auditor's Office, and the County Attorney.

A Notice-of-Award ("NOA") letter, issued by the Purchasing Office, accompanies the contractor's copy of the contract. The NOA letter includes the requirements for the contractor to submit various documents, and the time period within which they must be submitted. For example, Payment Bonds, Performance Bonds, HUB documentation and an Insurance Certificate must be submitted within ten (10) workdays after contractor receipt of the NOA letter. Unless otherwise indicated, the NOA also states that Notice-to-Proceed is not issued unless the contractor submits the required documents within the specified time period.

Pre-Construction Conference

Purchasing schedules the Pre-Construction Conference (also known as the Pre-Performance Conference). The user department is responsible for all technical presentations and the Purchasing Office ensures that all applicable purchasing procedures are followed. Purchasing assists in conducting the Conference by:

- Having all attendees sign the attendance roster, introduce themselves, and briefly explain their involvement in the project;
- Discussing briefly the contract requirements, amount, and any other pertinent information about the project. The user department representative (technical representative) is responsible for providing a thorough synopsis of contract requirements and any County policies to which contractor must adhere;
- Establishing dates for Submissions of all required documents such as material submittals, progress reports, payrolls, (when applicable), etc.
- Receiving required documents from the contractor, i.e., Performance Bond, Payment Bond, Insurance Certificate and the optional forms like HUB Documents, Notice of Intent Forms, if not previously provided;

- Working with the user department on the timing of the issuance of the Notice-To-Proceed (NTP). After Purchasing receives all of the required documents, the user department determines when the NTP is issued. The Purchasing Agent sends a copy of the NTP to the Commissioner in whose Precinct the construction is situated. If all is in order, Purchasing issues the NTP.

Note: The NTP is not issued until all required bonds and insurance have been received, reviewed and verified with the appropriate agency (i.e. surety or insurance agency);

- Ensuring a complete understanding by all participants on all issues before adjourning.
- Preparing minutes of the Conference, including all technical discussions and distributing them.

Contract Administration

The user department is responsible for monitoring and documenting contractor performance and compliance and provides Purchasing with copies of this documentation, which keeps the Purchasing Office informed about all performance and compliance issues. Discussions that merely explain the interpretation of the specifications may be dealt with orally by the user department.

If poor performance or non-compliance with the contract is evidenced, the user department initiates written corrective action with the contractor and provides Purchasing with an advance copy of any written correspondence directing correction of a discrepancy. The user department solicits Purchasing to initiate corrective action when the user department cannot resolve conflict through correspondence in consultation with the occupant department.

The user department must not provide any instructions or requests for changes directly to the contractor. The user department must provide all information necessary for the contractor to meet its needs either through the user department that is responsible for constructing the facility or the Purchasing Office. Only the user department's project manager or the Purchasing Agent has the authority to give any directions directly to the contractor.

The Purchasing Agent takes all steps related to correcting non-compliance with the contract but must consult with the County Attorney before taking any steps toward suspension or termination of the contract unless emergency, life safety, or property damage issues require immediate temporary work stoppage. Before any letters, notices or other communication related to termination or suspension are sent to the contractor, the contents of these must be reviewed by the County Attorney as the initial steps toward potential litigation.

Documentation of contractor performance is often overlooked and is most important if suspension or termination is sought. To enforce contractual terms, documentation of specific non-compliance must be available. Specific dates, locations, examples, etc. must be documented.

Contract administration duties are basic daily, weekly, and monthly activities of the Purchasing staff and must take place to ensure successful completion of the project and to ensure the County receives the goods and services for which it has contracted. Unless otherwise noted, the following are responsibilities of the Purchasing Office:

- Schedule and assist in conducting the pre-construction conference.

- Maintain a comprehensive, neat, and orderly contract file that includes all documentation related to the procurement process including the pre-solicitation, solicitation, contract award, post award, and administration phases of the project.
- Monitor the continued insurance coverage and obtain updated certificates on a timely basis
- If project is federally funded, receive and review copies of contractor payrolls to ensure payments made to contractor's employees comply with the prevailing wage rate classifications by trade included in the contract.
- Perform periodic visits to the construction site to perform spot labor interviews to ensure contractor compliance with prevailing labor laws.
- Receive and review copies of contractor invoices for accuracy. Discrepancies are reported to the contractor and user department for resolution. The user department provides Purchasing with a copy of the invoice immediately upon receipt from the contractor. The Purchasing Agent verifies in writing that the invoice is appropriate for payment before submitting it to the County Auditor for payment.
- Maintain and monitor correspondence: The user department may hold oral discussions with the contractor that merely explain or interpret the specifications. All correspondence, concerning major issues involving non-compliance, between the contractor and the County are directed through the Purchasing Office. This ensures that Purchasing is aware of any directives being issued to the contractor or any potential problems that may occur in the performance of the contract.

In emergency situations, or those regarding minor issues, correspondence may be issued directly to the contractor through the user department. **However, Purchasing must be provided a copy immediately.** The professional judgment of the user department representative determines what constitutes an emergency, and what is considered to be a minor issue. If it appears that the level of non-compliance may result in a suspension or termination of the contract, the Purchasing Agent must seek the advice of the County Attorney before sending a notice to show cause not to terminate or placing the contract on the agenda for the Commissioners Court to authorize termination.

Purchasing maintains all insurance and bond certificates. Bid bonds may be required with all bids over \$25,000 and are maintained in the Purchasing Office. The contractor provides payment and performance bonds within ten (10) workdays after receipt of the Notice-of-Award letter. They are reviewed by both the user department representative and Purchasing. Originals are maintained in the Purchasing Office. Copies are provided to the user department upon request. Insurance certificates are provided by the contractor during the pre-construction conference. The certificate is maintained in the main contract file in the Purchasing Office.

Change Orders

The Purchasing Agent on the recommendation of the Official or Executive Manager responsible for the project may approve change orders to construction contracts.

The Purchasing Agent may modify contracts at any time, in writing, if the changes are within the general scope of the contract including changes to any of the following:

1. drawings, designs, or specifications;
2. correction of errors of a general administrative nature or other mistakes;
3. increases or decreases in the quantity of items purchased;

4. increases or decreases in cost of \$50,000 or less; however, the original contract price may not be increased by more than 25 percent unless the change order is necessary to comply with a federal or state statute, rule, regulation, or judicial decision enacted, adopted, or rendered after the contract was made and the original contract price may not be decreased by 18 percent or more without the consent of the contractor, and
5. time extensions allowed by the contract terms and conditions.

Negotiations of change orders, particularly those which result in an increase in contract price or performance period, or change the scope of the project, require that the Purchasing Office be notified on a timely basis so that the Purchasing Agent can approve it. Purchasing shall be provided a copy of the proposed change order, with available supporting documentation.

A change order shall not be issued until it is determined that the necessary funds are budgeted and available. A statement to that effect should be included with the back up documentation.

Close Out Procedures

The Purchasing Agent ensures that all applicable warranty certificates are received and safeguarded throughout the term of the warranty. The Purchasing Office provides copies of the warranty certificates to the user department and the occupant department.

The Purchasing Agent supervises return of bonds in cooperation with the user department to ensure that the contract is complete in all respects before these are returned. The release must state that the subcontractor or materialman releases Travis County from all claims arising from labor or materials provided for the project.

Alternative Project Delivery Methods

Chapter 271, Subchapter H of the Texas Local Government Code applies if an alternative project delivery method (that is, not "traditional" competitive bidding) is being utilized. Specific procedures and requirements are developed for each specific project using an alternative delivery method. If an alternative project delivery method is not being used, the provisions of Chapter 262 of the Texas Local Government Code apply.

Chapter 16: Exemptions to the Competitive Procurement Process

Purchasing Act

Some goods and services can be exempted from the 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. The following is a list of these circumstances:

- Goods and services that must be purchased in a case of public calamity, if it is necessary to make the purchase promptly to relieve the necessity of the citizens or to preserve the property of the County;
- Goods and services necessary to preserve or protect the public health or safety of the residents of the County;
- Goods and services necessary because of unforeseen damage to public property;
- Personal or professional services;
- Work performed and paid for by the day, as the work progresses to a maximum of 20 days within any three-month period;
- Any land or right of way;
- Goods and services that can only be obtained from one source (sole source), including:
 - Goods and services for which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies;
 - Films, manuscripts, or books;
 - Electric power, gas, water, and other utility services; and
 - Captive replacement parts for equipment.
- Food goods;
- Personal property sold at auction by a state licensed auctioneer, in a going out of business sale held in compliance with the Business and Commerce Code, or by a political subdivision, state agency or federal government entity;
- Work performed under a community and economic development contract under section 381.004 of the Texas Local Government Code; and
- Renewal of a lease or equipment maintenance agreement if the lease was competitively bid within the last year and the extension does not exceed one year.

Public Finance Act

In addition, section 271.056 of the Texas Local Government Code lists all the circumstances when exemptions are available for purchases made from funds obtained from certificates of obligation. The following is a list of these circumstances:

- Goods and services that must be purchased in a case of public calamity, if it is necessary to make the purchase promptly to relieve the necessity of the citizens or to preserve the property of the County;

- Goods and services necessary to preserve or protect the public health or safety of the residents of the County;
- Goods and services necessary because of unforeseen damage to public property;
- Personal or professional services;
- Work performed by the County's employees and paid for as the work progresses;
- The purchase of any land, building, existing utility system, or right of way for authorized needs and purposes authorized under the certificate of obligation;
- A contract paid entirely from current funds or bond funds or a contract for which advertising was done in compliance with Chapter 271 of the Texas Local Government Code and certificates of obligation are issued to provide for a deficiency in current funds or bond funds;
- The sale of a public security as defined in section 1204.001 of the Texas Government Code;
- A contract that is not required to be made in accordance with competitive bidding procedures under the County Purchasing Act.

Policy

Exemption orders must be processed through the Purchasing Agent. For purchases exceeding \$25,000, the Purchasing Agent requests the exemption order from Commissioners Court in all cases except the acquisition of interests in land for county purposes

Procedure

The Official or Executive Manager submits a memo to the Purchasing Agent requesting an exemption to the competitive procurement process and identifying the basis for the exemption (e.g. emergency, sole source). The memo must state specific details and explain why an exemption from the competitive procurement process should be requested and granted. When possible, it should also contain the name of the vendor, goods or services covered by the order and the expected maximum cost and other relevant programmatic information justifying the exemption.

Emergency

Emergency means circumstances where an immediate response is required to provide for the safety of persons or property, but does not include any situation which results in the county judge declaring a local state of disaster in compliance with chapter 63 of the Travis County Code.

Emergency purchases exceeding \$25,000 require an exemption order granted by the Commissioners Court before a purchase order can be issued.

Sole Source Goods and Services

Sole-source goods and services require a signed statement from the Purchasing Agent about the existence of only one source, and specifically noting which type of listed sole source good or service is being purchased. For purchases over \$25,000, the statement is submitted for acceptance by Commissioners Court, and must be reflected in the minutes of the meeting of the Commissioners Court. Sole-source items include:

- Goods and services for which competition is precluded from bidding because of the existence of patents, copyrights, secret processes, or monopolies;
- Films, manuscripts, or books;
- Electric power, gas, water, and other utility services; and
- Captive replacement parts for equipment.

Food Purchases The Commissioners Court orders that food purchases for Travis County adult and juvenile correctional facilities are exempt from the competitive bidding requirements of the Purchasing Act if the following procedures are followed in making the purchases:

1. The Food Manager in the Sheriff's Office maintains a list of all vendors that wish to bid on food. To be added to the list, a vendor must request a specification package for each category of food on which the vendor wants to bid.
2. When applicable, specifications for food categories require fixed prices for one year.
3. The Food Manager submits the bids to the Commissioners Court with a recommended award of the food purchase contract(s) to the responsible bidder who submits the lowest and best bid. The Food Manager may also reject all bids and repeat the bidding process if it is determined to be in the best interest of the County. The lowest and best bid is determined based either (1) on the overall low bid or (2) on the line item low bid, whichever is more advantageous to the County. In recommending the responsible and lowest and best bid, the Food Manager considers the relative price of the bids, compliance of the products with the specifications, financial condition of the vendor, ability to perform the contract terms, and past performance with the County. If after award, any vendor does not provide the volume or quality of food, or the timeliness of delivery required by the contract, the Food Manager may procure items from the next lowest vendor, and request the Commissioners Court consider termination of the original vendor.
4. If the Food Manager has maintained documentation on the details that support the removal and presents it to the Commissioners Court, the Food Manager may remove a vendor from the vendor list for the following reason:
 - the vendor has not bid in response to three consecutive requests for bids, or
 - the vendor does not provide the volume or quality of food or timely deliver as required by the contract.
5. The Food Manager encumbers funds for the contracts using either a manual requisition or purchase order or the H.T.E. system.
6. The Food Manager must maintain a record of all bids solicited, vendors contacted, and the awarded food contract for at least two years after expiration of the contract, or until audited by the County Auditor, whichever occurs first.

Real Property The Commissioners Court has directed that the Facilities Management Department, with the advice of the County Attorney, handle the administration of real property. The Purchasing Agent does not supervise the lease or purchase of real property.

Chapter 17: Renewal of Equipment Leases and Maintenance Contracts

Statute	<p>The first renewal or extension of a lease or of an equipment maintenance contract can be exempted from formal competitive bidding, if the Commissioners Court orders the exemption and if:</p> <ul style="list-style-type: none">• the lease or contract has gone through formal competitive bidding within the preceding year; and• the renewal or extension does not exceed one year.
Policy	<p>The Purchasing Office processes the procurement of all equipment leases and maintenance contracts and exemption orders for all renewals or extensions. The Purchasing Agent supervises all negotiations with vendors. Purchasing maintains the document originals and sends the user department a copy. Purchasing monitors maintenance contracts for expiration dates and treats their renewal as annual term contracts.</p> <p>The Purchasing Agent may execute any contracts for equipment leases and maintenance contracts that are procured in compliance with the Purchasing Act and in which the cost does not exceed \$25,000. Commissioners Court must approve all other contracts.</p>
Procedures	<p>The user department enters a requisition into the H.T.E. system identifying the budget line item account. The requisition identifies the purchase as either a lease or maintenance contract. The requisition should include the serial number, model number and physical location of equipment. The beginning and end dates of coverage should be specified.</p> <p>If the user department is processing a renewal, the original contract number should also be identified in the requisition (either the County contract number or the State term contract number).</p> <p>If the request is for a sole source lease or maintenance contract, the user department must follow up the requisition with a memo justifying why it is a sole source purchase.</p> <p>Note: If the lease or maintenance contract is from an authorized State Catalog vendor, the user department must include the Vendor ID number, part number, class and item number, and contact person on the requisition.</p>
Technical Department Approvals	<p>Records Management & Communication Resources (RMCR) and Information and Telecommunications Services (ITS) may be involved in the analysis of whether a maintenance contract or in-house repairs are more appropriate. Departments should coordinate with either RMCR or ITS on these analyses and provide a statement from the appropriate department that the maintenance contract sought is appropriate.</p> <p>Note: An often-overlooked cost of equipment or software is on going maintenance. All on-going maintenance issues should be considered, evaluated, and priced in the initial procurement process.</p> <p>RMCR must be contacted on maintenance contracts for all micro processing and copying equipment.</p> <p>ITS must be contacted on all software and hardware procurements and ongoing maintenance contracts. An ITS Assessment form should be submitted along with each agenda item for Commissioners Court action for these services.</p>

Facilities Management Department must be contacted before any new equipment is acquired so that it can determine whether there is adequate space and other facilities resources for the proper operation of the equipment.

Chapter 18: Receipt of Goods

Policy	Departments must notify the Purchasing Office if goods are not received by the due date or if damaged freight is delivered.
Verify Order	<p>Department employees receiving shipments must pay particular attention to the delivery ticket, and whether it matches the County's purchase order. The person receiving the goods must verify that all goods were shipped as stated on the delivery ticket, and sign in his or her own name (a full signature in ink) on all of the appropriate receiving documentation, particularly the County copy.</p> <p>The user department must acknowledge receipt and acceptance of delivered goods through the H.T.E. system within five working days. (Please do not accept items in the H.T.E. system if damaged freight has to be returned.) Timely receipt of goods in the H.T.E. system is critical to the timely processing of payments to vendors in compliance with Texas Government Code, section 2251.021 Prompt Payment Act. According to this section, payment for goods or services received is overdue on the 31st day after the later of:</p> <ul style="list-style-type: none"> • the date the County receives the good under the contract. • the date the performance of the service under the contract is complete, or • the date the County receives and invoice for the goods or service.
Damaged Freight	<p>When a shipment arrives, the user department must inspect the condition of all cartons. If freight is undamaged, the department receiving the shipment should sign the freight bill. If freight is visibly damaged, the receiving department must instruct the freight line driver to:</p> <ol style="list-style-type: none"> 1. Note the damage on the freight bill, and; 2. Sign the freight bill. <p>If there is concealed damage, save the shipping cartons so that the Purchasing Office can notify the freight line and request an "inspection and report of concealed damage". A receiving report noting the damage should be completed and matched with the receiving copy of the purchase order.</p> <p>All boxes and packing materials should be kept in the event of visibly damaged and concealed damage freight shipments.</p> <p>Damaged freight must be reported to the freight line within 15 days after delivery. After 15 days the freight line is no longer liable for the damage.</p> <p>All goods not received properly or not in compliance with the contract should be documented and reported to the Purchasing Office as soon as possible so that the vendor can be notified and instructed about corrective action. To comply with the Prompt Payment Act, the Purchasing Office notifies the vendor within 21 days of any damaged goods received to avoid interest being paid to the vendor.</p> <p>Damaged goods should not be returned to the freight line or the vendor, unless specifically requested to do so and then only if a claim has been filed or if authorization has been given by the vendor or the Purchasing Office.</p>
Documentation	All receiving documentation must be maintained by the user department for their record. All vendor invoices are sent directly to the Auditor. The department should provide documentation to the Auditor's Office regarding any disputes in receipts of goods.

Any warranty information **must** be copied to the Purchasing Office. Warranty information can be tracked through the H.T.E. system.

Chapter 19: Contract Modifications

Policy

During the term of a contract, it may be necessary to make changes to the contract. These changes can be minor, administrative changes such as a change of address or they can be substantial changes that affect the price and delivery.

There are basically two ways to change a contract. One way is a bilateral modification, in which both parties to the contract agree that a modification is necessary. Both parties must sign to indicate their agreement. The second way is a unilateral modification. In this case, terms and conditions in the original contract set forth the situations under which the County may exercise a right to modify the contract without the contractor's consent.

Unilateral Changes

The Purchasing Agent may modify contracts, in writing, if the changes are within the general scope of the contract including changes to any of the following:

1. drawings, designs, or specifications when the goods to be furnished are to be specially manufactured for the County in accordance with the drawings, designs, or specifications;
2. method of shipment or packing;
3. place of delivery;
4. correction of errors of a general administrative nature or other mistakes;
5. increases or decreases in the quantity of items purchased;
6. increases or decreases in cost of \$50,000 or less; however, the original contract price may not be increased by more than 25 percent unless the change order is necessary to comply with a federal or state statute, rule, regulation, or judicial decision enacted, adopted, or rendered after the contract was made or decreased by 18 percent or more without the consent of the contractor; and
7. time extensions allowed by the contract terms and conditions.

Note: The total contract price may not be increased unless the cost of the change can be paid from current and available funds.

Chapter 20: Contract Administration

Policy

Contract administration and oversight includes four general processes:

- Planning
- Monitoring Contractor Performance
- Payment Approval
- Change Management

This aspect of the procurement process is important. Documentation of specific non-compliance must be available to enforce contractual terms. Documentation includes a description of specific dates, locations, examples, etc. of non-performance and any contact or communication with the contractor about non-compliance.

The user department has primary responsibility for monitoring and documenting contractor performance and compliance. The user department must provide copies of all documentation of non-compliance to the Purchasing Office. Copies may be sent by e-mail to the Purchasing Agent. The Purchasing Office maintains all documents about events during the term of the contract including contract performance including documentation related to clarification of expected performance. The user department does not need to provide copies of documentation about clarification of expected performance standards with which the contract complied after clarification. The user department should contact the Purchasing Office if there is any question about what should or should not be documented.

If the user department observes poor performance or non-compliance with the contract, Purchasing communicates with the contractor and initiates any corrective action. The Purchasing Agent takes all steps related to obtaining contract compliance, but consults with the County Attorney before taking any steps toward contract suspension or termination. Before any letters, notices and other communication related to termination or suspension are sent to the contractor, they are reviewed by the County Attorney as the initial steps toward potential litigation.

Contract Administration

The primary objectives of contract administration are to:

- Ensure the contract requirements are satisfactorily performed,
- Properly discharge of the responsibilities of both parties,
- Verify contractor performance before payment,
- Identify any material breach of contract by assessing the difference between contract performance and material non-performance, and
- Determine if corrective action is necessary and take that action if required.

The statement of work is the guide for contract administration. Therefore, planning for contract administration occurs before issuance of the solicitation. Effective contract administration minimizes or eliminates problems and potential claims and disputes.

Good contract management ensures that the contract requirements are satisfied, that the good and services are delivered in a timely manner, and that the financial interests of the County are protected.

The contractor must perform and meet the requirements of the contract. To do so, contractors sometimes need technical direction and approval from County personnel. County personnel must provide this technical direction and approval in a timely and effective manner. All guidance provided to a contractor must be within the scope of the contract.

Contract Management

The primary responsibilities of the contract manager are:

- Participating, as necessary, in developing the solicitation and writing the draft documents,
- Monitoring the contractor's progress and performance to ensure goods and services conform to the contract requirements,
- Managing any county property used in contract performance,
- Authorizing payments consistent with the contract documents,
- Exercising remedies, as appropriate, where a contractor's performance is deficient,
- Resolving disputes in a timely manner,
- Documenting significant events, and
- Maintaining appropriate records.

A good contract manager ensures that the contract requirements are satisfied, that the goods and services are delivered in a timely manner, and that the financial interests of the County are protected.

Post Award Conference

A post award conference is a meeting with the contractor and includes the principals responsible for administering the contract. The conference is typically held soon after the contract is awarded. It is an orientation for the contractor to ensure a clear and mutual understanding of all contract terms and conditions, and the responsibilities of all parties. The conference also serves as a tool to clarify and resolve any potential misunderstandings early. Although both the contractor and County personnel should be fully aware of the contract requirements, the post award conference ensures that those involved directly in the contract administration process understand all requirements of contract performance.

Monitoring Performance

Monitoring the performance of a contractor is a key function of proper contract administration. The purpose is to ensure that the contractor is performing all duties in accordance with the contract and for the user department to be aware of and address any developing problems or issues.

Monitoring by Third Parties

In some instances the obligation to monitor the progress of a contract is assigned to another contractor. This is known as independent oversight. For example, in a construction contract, the architectural firm that provided the construction plans may perform the task of ensuring progress in accordance with the contract.

Dispute Resolution

Dispute resolution is covered by statute under Texas Government Code Chapter 2260. The goal of the resolution process is to resolve all problems before they escalate to the next level. To avoid escalation of problems to the next level and ensure the County has not exacerbated potential problems, County personnel must respond promptly to all contractor inquiries. Initial steps to be taken are:

- Identify the problem – what may appear to be a problem can sometimes be resolved by providing the contractor with information or clarification
- Research facts – Purchasing should obtain all the information about the potential problem from all relevant sources, including the project manager and the contractor.
- Evaluation – Purchasing should review all of the facts in conjunction with the requirements and terms and conditions of the contract. Purchasing determines the appropriate course of action.

Proper dispute resolution is a core skill of successful contract management. Identifying problems early in the performance period, effectively communicating, and formalizing the process in writing through a cure note procedure or less formal written procedure is essential. A contract termination is a failure by BOTH parties to a contract. Termination is the last resort.

Termination for Convenience

A termination for convenience, also known as a no-fault termination, allows the County to terminate any contract, in whole or in part, at any time in its sole discretion, if it is determined that the termination is in the best interest of the County.

Purchasing provides the contractor a written notice specifying the extent of termination and the effective date, providing as much notice as possible.

The Contractor is generally paid for allowable costs incurred up to the termination. The County is not liable for payment to the contractor related to the terminated portion of the work or any work performed or costs incurred after the effective date of the termination

Termination for Default

A contract may be terminated for default when the County concludes that the contractor fails to perform, make progress, or in any way breaches the contract.

Termination for default should be used as the last resort and not as punishment. The County should do everything within reason to assist the contractor in curing any default. Factors to consider before making a termination for default decision include:

- The provisions of the contract and applicable regulations,
- The specific contractual failure(s) and the explanation provided for the failures,
- The urgency of the need for the contracted supplies or services,
- The availability of the supplies or services from other sources and the time required to obtain them, and
- Availability of funds or resources to re-purchase if the costs cannot be recovered from the delinquent contractor. Under a termination for default, the County may demand re-procurement costs from the defaulting contractor.

Contract File

Keeping one complete master contract administration file is critical. The file provides a basis for settling claims and disputes if they arise in administrative or court actions. Throughout the life of the contract, the Purchasing Office contract administration file should contain such things as:

- An original copy of the current contract and all modifications,
- An original copy of the agenda request(s),

- A copy of all specifications, drawings or manuals incorporated into the contract by reference,
- The solicitation document, the contractor's response, evaluation determination, and the notice of award document,
- A list of contractor submittal requirements,
- A list of County furnished property or services,
- A copy of the pre-award conference summary, if applicable,
- A copy of all general correspondence related to the contract,
- The originals of all contractor data or report submittals,
- A copy of all notices to proceed, to stop work, to correct deficiencies and change orders,
- The records or minutes of all meetings, both internal and external, including sign-in sheets and agendas,
- A copy of the original bidders list, and
- Any other information required by the standard contract file checklist

Chapter 21: Professional Development and Certification

Policy The policy of the Travis County Purchasing Office is to develop and maintain a professional procurement staff that achieves these broad purposes:

- To provide the best service possible to all county departments in a fair and equitable manner;
- To ensure an atmosphere of equality to all vendors without regard to undue influence or political pressures; and
- To protect the interest of county taxpayers in all expenditures.

Key Objectives Within the stated purposes, the Purchasing Office strives to meet the following key objectives:

- The actions of the office must be legal, ethical, and defensible.
- The office contributes to the attainment of Travis County's organizational goals.
- The office effectively communicates with all county employees and vendors.
- The office consistently provides sound management data, including historical performance records.
- The professional staff obtains the skills and training necessary to perform their duties effectively and efficiently.
- The professional staff attempt to obtain purchasing certification.

Training To support these purposes and objectives, the training policy of the Purchasing Office is:

- All staff must maintain an extensive knowledge of software programs to perform effectively within each related job. They must be current on all software applications used by the office. Training courses are assigned depending on knowledge and position requirements of the individual. Staff takes advantage of computer training offered by the County before pursuing external sources.
- Professional staff are required, as funding is available, to attend the following standard seminars:
 - Basic Public Purchasing
 - Public Purchasing Law
 - Advanced Public Purchasing
 - Specification Writing
- Depending on availability, these courses may be substituted for other approved courses. The professional staff may continue their professional education to remain current on purchasing issues through applicable seminars as available.
- All professional staff is encouraged to participate in relevant training to enhance their efficiency and effectiveness in performing their duties.

- Professional staff is encouraged to pursue professional certification through the National Institute of Governmental Purchasing or the Institute of Supply Management.
- Management support and funding are provided for training to allow staff educational opportunities related to the position. Registration for training must have prior approval of the Purchasing Agent, and all expenses must comply with Travis County Travel and Training policies.

Chapter 22: Definitions

Advertisement - A public notice put in a newspaper of general circulation containing information about a solicitation in compliance with legal requirements

Alternate Delivery Method – a method of procuring construction services other than “traditional” competitive bidding. Methods may include design-build, construction manager (either at risk or as agent), and job order.

Amendment/Addendum - A document used to change the provisions of a Solicitation. Addendum is the preferred term in the Construction Industry.

Annual Term Contract - A recurring contract for goods or services, usually in effect on a 12 month basis.

Auditor - Travis County Auditor and her designated representatives.

Best Value - The best available offer, in the county’s best interest. Based on all factors including software cost, hardware costs, overall life cycle cost of equipment, the estimated cost or increased cost of employee training, employee productivity, installation and maintenance costs.

Bid Deposit – A deposit required of bidders to protect the county if a low bidder withdraws its bid or fails to enter into a contract. Acceptable forms of bid deposits are limited to: cashier’s check, certified check, or irrevocable letter of credit issued by a financial institution subject to the laws of Texas and entered on a US Department of the Treasury’s listing of approved sureties; a surety or blanket bond from a company chartered or authorized to do business in Texas.

Bidder – A vendor that submits a bid including anyone acting on behalf of the vendor that submits a bid, such as agents, employees, and representatives.

Bidders List - An automated list of vendors who stated in writing an interest in submitting bids for particular categories of goods and services.

Certified Information System Vendor (CISV) – A manufacturer or reseller of automated information systems who is authorized by the Texas Building and Procurement Commission to publish catalogues of products and services which may be purchased directly by state agencies covered by the Information Resources Management Act in compliance with Texas Government Code, Chapter 2157.

Centralized Master Bidders List (CMBL) - A list maintained by the Texas Building and Procurement Commission containing the names and addresses of prospective bidders.

Change Order - A document used in construction contracts to change the contract by modifying the specifications, increasing or decreasing the cost, adjusting the time for performance or changes the goods or services to be delivered.

Commissioners Court - Travis County Commissioners Court.

Commodity Code - The accounting system classification of goods and services with a unique number assigned to each description.

Competitive Bidding – Process that allows available vendors compete with each other to provide goods or services.

Competitive Proposal Process – Process that allows available vendors to compete with each other to provide goods and services that permits flexibility in product solicitation and negotiation in compliance with TEX. LOC. GOV'T CODE ANN., section 262.030.

Component Purchases - A series of purchases of component parts of goods that are normally purchased as a whole.

Consultant – A person who provides or proposes to provide advice and counsel in a specialized area.

Contract - A formal, written agreement executed by the county and a vendor containing the terms and conditions under which goods or services are furnished to the County which commits the County's funds.

Contractor - A vendor who has been awarded a contract by Travis County.

County - Travis County.

County Attorney - Travis County Attorney or his designated representatives.

County Clerk - Travis County Clerk or her designated representatives.

Customers - The county's departments and officers

Cycle Time - The time between when a purchase requisition is received in the Purchasing Office and placement of a purchase order with a vendor. Cycle time does not include the time required for delivery or the time it takes for the Purchasing Office to obtain corrections to line item accounts, commodity codes, and other necessary information.

Design-Build Contract – A single contract with a vendor for the design and construction of a facility that includes an engineer or architect and builder qualified to engage in building construction in Texas.

Design Criteria Package – A set of documents that provides sufficient information to permit a vendor to prepare a response to County request for qualifications and any additional information requested, including criteria for selection.

Department - All county and precinct offices and subdivisions of them, as well as district offices and subdivisions when the purchases are funded even partially with county funds.

Emergency Purchase - A item that must be purchased in a case of public calamity if it is necessary to make the purchase promptly to relieve the necessity of the citizens or the preserve the property of the county

Employee - Any county or precinct elected official, appointed official, or employee and any district elected official, appointed official or employee when the purchase is funded even partially with county funds or anyone who acts on behalf of any of them.

Executive Manager - Any Executive Manager and any person authorized to act on his or her behalf.

Formal Competitive Bidding - The bidding process in compliance with the County Purchasing Act which requires approval by the Commissioners Court.

Goods - Any personal property purchased by the County, including equipment, supplies, material, and component or repair parts.

Historically Underutilized Business (HUB) - A business in which at least 51% ownership is owned by one or more persons who have been historically underutilized (socially disadvantaged) because of their identification as being African Americans, Hispanic Americans, Asian-Pacific Americans, Native Americans or Caucasian Women.

H.T.E. System - Travis County Financial Management System which includes modules for purchasing and fixed asset management.

Invitation For Bid (IFB) - Specifications and formal bidding documents requesting pricing for a specified good or

service which has been advertised for bid in a newspaper.

Items Less Than \$25,000 - Purchases of goods and services that are accounted for in the same commodity code in the County Chart of Accounts, and purchases of goods and services from a single vendor in a single purchase as defined in the County Purchasing Act.

Lease - A contract for the use of personal property for a period of time in return for a specified compensation.

Lowest Responsible Bid - The offer from a bidder who submits the lowest and best bid meeting all requirements of the specifications, terms, and conditions of the invitation for bid and includes any related costs to the county in a total cost concept and who has the financial and practical ability to perform the contract and whose past performance complies with the contract.

Modification - A document used to change the provisions of a contract.

Negotiations – A consensual bargaining process in which the County and vendors attempt to reach agreement on differences in desired contract provisions or a potentially disputed matter for the purpose of reaching an understanding.

Occupant Department - The department that ultimately uses the finished goods or services when the purchase or construction is completed, which may be different from the user department.

Official - Any elected or appointed official and any person authorized to act on his or her behalf.

Payment Bond - A surety bond executed in connection with a contract that secures the payment requirement of the contractor.

Performance Bond – A surety bond that provides assurance of a bidder's performance of a certain contract.

Pre-Bid/Proposal Conference - A conference conducted by the Purchasing Office for the benefit of those wishing to submit a response for services or supplies required by the County which is held in order to allow vendors to ask questions about the proposed contract and particularly about the contract specifications.

Professional Services - Services directly related to professional practices as defined by the Professional Services Procurement Act, including those services within the scope of the practice of accounting; architecture; optometry; medicine; land surveying; and professional engineering.

Proprietary Information - Information provided in responses to solicitations to which vendor claims ownership or exclusive rights and which is protected from disclosure under the Texas Public Information Act (TEX. GOV'T CODE ANN., chapter 551).

Public Works - Constructing, altering, or repairing a public building or carrying out or completing any public work.

Purchase Order - An order by the Purchasing Office for the purchase of goods and services written on the county's standard Purchase Order form and which, when accepted by the vendor without qualification within the specified time limit, becomes a contract or an amendment to an existing contract which operates as the vendor's authority to deliver and invoice for goods or services specified, and is the County's commitment to accept the specified goods or services for an agreed upon price.

Purchase Requisition - An automated request from a user department submitted to the Purchasing Office that authorizes the Purchasing Office to enter into a contract with a vendor to purchase goods or services for the County and authorizes the Auditor to charge the appropriate department budget and which is for internal use and cannot be used by a department to order materials directly from a vendor.

Purchasing - The acquisition of goods and services including construction and professional services.

Purchasing Act - Chapter 262, subchapter C of the Texas Local Government Code, which governs the conduct of purchasing activity for counties.

Purchasing Agent - A person appointed by the Purchasing Board of County to make contracts on behalf of the County for: (1) erecting or repairing a county building; (2) supervising the erecting or repairing of a county building; or (3) any other purpose authorized by law.

Purchasing Board - A board composed of three district judges and two county commissioners who are responsible for appointing the Purchasing Agent and approving the office's budget.

Purchasing Laws - The laws that govern county purchasing including the following laws:

Purchasing Act, (TEX. LOC. GOV'T CODE ANN., ch. 262, subch. C)

Public Property Finance Act, (TEX. LOC. GOV'T CODE ANN., ch. 271, subch. B)

State Contract, (TEX. LOC. GOV'T CODE ANN., sec. 262.002, 271.081-3)

State Catalog, (TEX. LOC. GOV'T CODE ANN., ch. 2157 in coordination with TEX. LOC. GOV'T CODE ANN., sections 271.101 through 271.103)

Services and Products of Severely Disabled, (TEX. HUM. RES. CODE ANN., chapter. 122.)

Interlocal Cooperation Agreement, (TEX. GOV'T CODE ANN., ch. 791)

Prompt Payment Act, (TEX. GOV'T CODE ANN., ch. 2251)

Bidders from other States and 5% Retainage, (TEX. GOV'T CODE ANN., ch. 2252)

Public Works Performance and Payment Bonds, (TEX. GOV'T CODE ANN., ch. 2253)

Professional Services Procurement Act, (TEX. GOV'T CODE ANN., ch. 2254, subch. A)

Wage Rate for Construction Projects, (TEX. GOV'T CODE ANN., ch. 2258)

Sales tax exemption for governmental entities (TEX. TAX CODE ANN. 151.309)

Worker's Compensation Compliance (Workers Compensation Rule 110.110)

Uniform Electronic Transaction Act (TEX. BUS. & COM. CODE ANN. Chapter 43)

Purchasing Office - Travis County Purchasing Office and its staff.

Purchasing Liaisons – designated purchasing contact within each department

Request for Information (RFI) - A general request to contractors for information for a potential future solicitation which is used as a research and information gathering tool for preparation of specifications and requirements.

Request for Offer (RFO) - A process for soliciting offers from at least three catalog vendors authorized by the

Texas Building and Procurement Commission pursuant to TEX. GOV'T CODE ANN., ch. 2157 and negotiating with them for the best value.

Request for Proposal (RFP) - A document requesting an offer from vendors, which allows for negotiations after a proposal has been received and before award of the contract for goods and services procured in compliance with TEX. LOC. GOV'T CODE ANN., sections 262.0295 and 262.030.

Request for Qualifications (RFQ) - A document that requests details about the qualifications of professionals whose services must be obtained in compliance with the Professional Services Procurement Act.

Request for Services (RFS) - A document that requests information about qualifications and details of services to be provided and costs for other professional services that are not covered by in the Professional Services Procurement Act, but may be exempted from competitive solicitation under the County Purchasing Act.

Responsive – A vendor who has complied with all material aspects of the solicitation document, including submission of all required documents.

Responsible – A vendor who has the capability to perform fully and deliver in accordance with the contract requirements based on consideration of past performance, financial capabilities, and business management.

Sealed Bids - Offers in response to an Invitation for Bids that is advertised in a newspaper and submitted to the Purchasing Office in a manner that conceals the price.

Separate Purchases - Acquisitions made in a series of different orders for goods and services that in normal purchasing practices that would be purchased in a single order.

Sequential Purchases - Acquisitions made over a period of time that in normal purchasing practices, would be made at one time.

Services - The furnishing of labor by a contractor that does not include the delivery of a tangible end product and includes all work or labor performed for the County on an independent contractor basis, including maintenance, construction, manual, clerical, personal 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.

Solicitation - A document, such as an invitation for bid, request for proposal, request for offers or request for qualifications, issued by the Purchasing Office that contains terms and conditions for a contract solicits a response from vendors to provide goods or services needed by the County.

Solicitation Conference – A meeting chaired by purchasing staff, designed to help potential vendors understand the requirements of a solicitation. Also known as a pre-bid or pre-proposal conference

Specifications - A total description of a good or service to be purchased by the County, and the requirements the vendor must meet to be considered for the contract which may include requirements for testing, inspection, or preparing any good or service for delivery, or preparing or installing it for use.

User Department - The department from whose budget line item the contract is paid.

Vendor - A business entity or individual that seeks to have or has a contract to provide goods or services to the County.

Appendix A

TRAVIS COUNTY HOSPITAL DISTRICT PROCUREMENT CARD Policy and Procedures Manual

1.0 PURPOSE

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

2.0 ATTACHMENTS

- 2.1 Employee Agreement
- 2.2 Purchasing Log
- 2.3 Enrollment/Request Form
- 2.4 Dispute Report

3.0 GENERAL

3.1 DEFINITIONS

3.1.1 *Vendor*: A company (partnership, sole proprietorship, or corporation) from which a cardholder is purchasing materials and/or equipment or services under the provisions of this procedure.

3.1.2 *Cardholder*: Personnel who have been issued a purchasing card and who are authorized to make purchases in accordance with these procedures.

3.1.3 *Hospital District Administrator ("Administrator")*: This individual shall review and approve a cardholder's monthly statement of account.

3.1.4 *Purchasing Agent*: The person responsible for all program details, including all cardholder inquires.

3.1.5 *Statement of Account*: This is the monthly listing of all transactions by the cardholder, issued by the bank and distributed to the cardholder.

3.1.6 *Single Purchase Limit*: A dollar amount limitation of purchasing authority delegated to a cardholder. This dollar limit may vary from cardholder to cardholder.

3.1.7 *Requisitioner*: An employee who has a need for materials or services that can only be fulfilled by a vendor. Under this Purchasing Card Procedure, a requisitioner may be a cardholder.

3.1.8 *Bank Account Manager*: Managing representative from the bank who issues the Purchasing Card.

4.0 PROCEDURE:

4.1 INTRODUCTION:

4.1.1 This program is being established in order to provide the Hospital District a more rapid turnaround of requisitions for low-dollar value goods and to reduce paperwork and handling costs. By using the Purchasing Card you dramatically shorten the payment cycle from the traditional requisition process. The traditional process includes pricing inquiry, order placement, delivery of goods, invoice and voucher review. Those requisitioners who have been issued Purchasing Cards may now initiate transactions in person or by telephone, within the limits of this procedure and receive goods. Under certain circumstances, Internet purchases may be made but **must**

first be approved by the Travis County Purchasing Agent. Payments to vendors are made via the MasterCard settlement system. Accounts payable will make monthly settlements with the Bank.

4.2 RECEIVING A PURCHASING CARD

4.2.1 The Administrator may propose personnel to be cardholders by contacting the Purchasing Agent. The Purchasing Agent will issue an employee card request form. Personnel authorized to receive a Purchasing Card must be approved by the Administrator

4.2.2 The proposed Cardholder shall be issued a copy of this procedure and shall be required to sign a Cardholder Enrollment Form and an Employee Agreement. The Agreement (Attachment 1) indicates that the Cardholder understands the procedure and the responsibilities of a Purchasing Card cardholder. The Enrollment Form (Attachment 3) contains all information required to properly enter the Cardholder in the Purchasing Card Program. On the Enrollment Form, the Administrator and the Purchasing Agent will designate:

- 4.2.1.1 a single purchase limit, and
- 4.2.1.2 a monthly limit

The maximum limit shall be \$2500.00 for a single purchase.

4.2.3 The Purchasing Agent and Administrator shall maintain all records of Purchasing Card requests, limits, cardholder transfers and lost/stolen/ destroyed card information.

4.3 AUTHORIZED PURCHASING CARD USE

4.3.1 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 other Hospital District employees with the approval of the Administrator. However, the Cardholder is responsible for all use of his/her card.

4.3.2 Use of the Purchasing Card shall be limited to the following conditions:

4.3.2.1 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.

4.3.2.2 All items purchased "over the counter" must be immediately available at time of Purchasing Card use. No backordering of merchandise is allowed.

4.3.2.3 Transaction volumes must not be exceeded (i.e. # and \$ amount of authorized transactions).

4.3.2.4 Spending limit must be adhered to.

4.4 UNAUTHORIZED PURCHASING CARD USE

4.4.1 The Purchasing Card **SHALL NOT BE USED** for the following:

4.4.1.1 Personal purchases or purchases for family members or friends or for identification.

4.4.1.7 Entertainment expense or meals and travel expenses

4.4.1.7 Cash advances, money orders,

4.4.1.7 Telephone calls/monthly service.

4.4.1.7 Gasoline

4.4.1.7 Alcoholic Beverages and tobacco products

4.4.1.7 Item(s) or service(s) purchased via the Internet, unless prior approval is obtained from the Purchasing Agent.

4.4.1.8 Any additional items/services as may be restricted by Hospital District policy.

4.4.2 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 as provided by the applicable Hospital District policy.

4.5 MAKING A PURCHASE

4.5.1. Procurement procedures permit a purchase of goods or services, if their value is \$2500.00 or less, to be made from a "Vendor of Choice." This implies the possibility of not comparing sources or competition between vendors. However, before making any purchase, the Cardholder shall contact the Purchasing Agent to determine if a county contract exists from which to procure needed goods or services. All county contracts have been competitively procured and offer the best value to the Hospital District

4.5.2 Cardholders will utilize the following "checklist" when making a purchase:

4.5.2.1 Contact the Purchasing Agent to determine if a county contract exists from which to procure needed goods or service. If not, solicit a number of sources according to policy. If vendors furnish standing price quotations or catalog prices on a recurring basis, check that the price listed is current.

4.5.2.2 Assure that **sales taxes** are not added to the purchase.

4.5.2.3 Once a vendor is designated and that vendor confirms that the product or service is available which meets the specification and delivery requirements, take the following steps.

4.5.2.3.1 Confirm that the vendor agrees to accept MasterCard.

4.5.2.3.2 Direct the vendor to include the following information on the packing list/shipping label:

4.5.2.3.2.1 Cardholder's name and telephone number;

4.5.2.3.2.2 Complete delivery address;

4.5.2.3.2.3 The words "Purchasing Card Purchase";

4.5.2.3.2.4 The vendor's order number.

4.5.2.3.3 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.

4.5.2.3.4 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.

4.6 CARDHOLDER RECORD KEEPING

4.6.1 Whenever a purchasing card purchase is made 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 Purchasing Agent each month.

4.6.2 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."

4.6.3 When making a purchase by telephone, the cardholder shall also document the transaction on the "Purchasing Log" and retain all shipping documentation.

4.6.4 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.

4.7 REVIEW OF MONTHLY STATEMENT

4.7.1 At the end of each billing cycle, the Cardholder shall receive from the Bank his/her monthly statement of account that will list the Cardholder's transaction(s) for that period.

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

4.7.2.1 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. This data is critical to enable audit substantiation. **IF THIS PROCEDURE IS NOT ADHERED TO, THE PURCHASING CARD SHALL 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 and supporting documentation to the Administrator for review.

The Administrator will forward the original signed and approved statement and copies of supporting documentation of the reviewed package to the Purchasing Agent for approval and signature. Original receipts and supporting documentation will be retained for Hospital District files. The approved document package must be submitted to the Purchasing Agent **within five (5) days** of the original receipt of the statement.

The Purchasing Agent will return the approved statement to the Administrator who will authorize payments according to Hospital District policies and procedures.

4.7.3 To minimize the risk of late charges and fees, the Purchasing Agent shall have **three (3) days** after receipt of the statement and supporting documentation to check the Cardholder's monthly statement and purchasing log and confirm with the Cardholder the following items as a minimum:

4.7.3.1 Receipts and shipping documents exist for each purchase.

4.7.3.2 The goods were received or the services were performed.

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

4.7.4 The Purchasing Agent's signature/approval of a Cardholder's monthly statement indicates that the Cardholder was authorized to make those purchases and that those purchases were made in accordance with the applicable procedures.

4.7.5 If, as a result of the review, the Purchasing Agent discovers any discrepancies or issues, the Purchasing Agent shall immediately notify the Administrator for resolution. If there are no discrepancies, the Purchasing Agent shall sign and approve the Cardholder's monthly statement and return it to the Hospital District within **five (5) days** of receipt of the initial package.

4.7.6 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.

4.7.7 Purchasing Card Returns – If the wrong item is received, is not satisfactory, or damaged and/or defective, or is a duplicate order, etc., the Cardholder should make contact with the vendor to explain the problem and inquire about return policies.

4.7.8 If the Cardholder is disputing a charge, he/she shall:

4.7.8.1 First contact the supplier in an effort to determine a resolution. If that does not correct the issue,

4.7.8.2 Complete a Dispute Report and submit it to the Bank of America Account Manager with a copy of the Dispute Report to the Purchasing Agent and Accounts Payable. Immediate action to resolve a dispute is of extreme importance.

4.7.8.3 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.**

4.7.9 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 the purchase or credit does not appear on that statement or the next billing cycle statement, the Cardholder or Hospital District Administrator shall notify the Purchasing Agent.

4.7.10 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. (See 4.7.8)

4.8 MONTHLY ACCOUNT SUMMARIES

4.8.1 The Bank of America Account Manager shall issue monthly Account Summaries listing all transactions to the Purchasing Agent and Hospital District Administrator. These listings will allow the Hospital District Administrator to track the Cardholder's activities and act as a checklist for the Purchasing Agent to anticipate which approved monthly statements are due from which Cardholders.

More than two (2) reminders to a Cardholder that an approved monthly statement is delinquent will be grounds for withdrawing the Purchasing Card from that Cardholder.

4.9 CARD SECURITY

4.9.1 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.

4.9.1.1 The Cardholder must not allow anyone to use his/her account number. A violation of this trust shall result in that Cardholder having his/her card withdrawn and disciplinary action shall occur pursuant to the applicable Hospital District policy.

4.9.2 If the purchasing card is lost or stolen, the Cardholder shall immediately notify the Bank at 1-800-890-0669. Representatives are available 24 hours a day. Cardholder must advise the representative that the call is regarding a MasterCard Purchasing Card. The Purchasing Agent is also to be notified immediately.

4.9.3 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.

4.10 CARDHOLDER SEPARATION

4.10.1 Prior to separation from the Hospital District, the Cardholder shall surrender the Purchasing Card and current Purchasing Card purchasing log to the Administrator. Upon its receipt, the Administrator will review, approve, and deliver to the Purchasing Agent. The responsibility of the void card remains with the Cardholder until the Purchasing Agent has received it.

EMPLOYEE CARD AGREEMENT

I, _____, hereby request a Purchasing Card through the Travis County Hospital District’s Purchasing Card Program. As a holder I agree to comply with the following terms and conditions regarding my use of the card.

I understand that I am being entrusted with the Purchasing Card and will be making financial commitments on behalf of the Hospital District.

I understand that the Hospital District is liable to Bank of America for all charges made on the Card. I understand that I am liable for all charges not in compliance with this Agreement or with the Hospital District Purchasing Card Program Policy Procedures Manual (the Manual).

I agree to use the Purchasing Card for purchases in compliance with the Manual and agree not to make personal purchases or any purchase in violation of the policy set forth in the Manual. I understand that the Hospital District Auditor and/or Purchasing Agent will audit the use of the Purchasing Card and that appropriate actions will be taken to enforce this Agreement and violations of the Manual. Failure to follow the Manual may result in the revocation of my use of the Purchasing Card and other possible disciplinary actions.

I have received a copy of the Manual and understand the requirements of the use of the Purchasing Card. I understand that it is my responsibility to safeguard the purchasing card and account number to the same degree that a I safeguard my personal credit information. I agree to return the Purchasing Card immediately upon request or upon termination of my employment (including retirement).

If the Purchasing Card is lost or stolen, I agree to notify the Purchasing Agent and Bank of America immediately. If the Purchasing Card is used in a manner not authorized by the Manual, I agree to notify the Purchasing Agent immediately.

I understand that the burden of proof will be upon me to show that the items purchased were made in compliance with the policy as set forth in the Manual. I agree to comply with competitive procurement policies and will obtain the best value when using the Purchasing Card to make a purchase.

Purchases made in violation of the policy as set forth in the Manual will subject me to disciplinary action, as well as liability for the total dollar amount of such unauthorized purchase(s), including any administrative fees charged by the Bank or other associated costs in connection with the misuse.

Employee Signature	SS#	Date	Department
--------------------	-----	------	------------

Hospital District Administrator/Purchasing Agent	Date
--------------------------------------------------	------

TRAVIS COUNTY HOSPITAL DISTRICT PURCHASING CARD PROGRAM ENROLLMENT/REQUEST FORM

This form is to request and enroll in the Travis County Hospital District's Purchasing Card Program. I understand that, if approved, I will be issued a MasterCard in my name to be used for official Hospital District business only. As a Cardholder, I understand that I will be required to sign a Purchasing Card Agreement prior to issuance of a purchasing card.

REQUESTOR'S NAME: _____

SOCIAL SECURITY NUMBER: _____

DEPARTMENT: _____

ACCOUNT NUMBER: _____

DEPARTMENT ADDRESS: _____

DEPARTMENT PHONE #: _____

DEPARTMENT HEAD NAME: _____

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 Purchasing Agent*).

For Purchasing Agent Use Only

Card Number: _____ Date Issued: _____

Date Returned/Cancelled: _____ 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.

Cardholder Signature _____ **Date**

TRAVIS COUNTY HOSPITAL DISTRICT PURCHASING CARD PROGRAM DISPUTE REPORT

In accordance with the Travis County Hospital District 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: _____

