

STARR COUNTY, TEXAS



PURCHASING POLICIES AND PROCEDURES MANUAL

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PURCHASING POLICIES AND PROCEDURES

The purpose of this manual is to establish uniform policies and procedures for the procurement of materials and services that are consistent with Vernon's Texas Codes Annotated (Sec. 262.00), a.k.a. Texas Local Government Code, and policies of Starr County.

These procedures apply to all material and service purchases and relation activities.

It is the individual responsibility of each employee involved in the procurement process to understand the policies upon which these procedures are based, the meaning, and intent of the procedures themselves.

If there are any questions relative to policy or procedure, or the ability of the employee to respond effectively to the requirements of the procedures, then it is the responsibility of the employee to bring such matters to the attention of their immediate supervisor before any action is taken.

The fundamental purpose of these procedures is not to restrict the effectiveness of the individuals involved in the procurement, but to provide a foundation for effective and consistent practices resulting in a positive and professional relationship between Starr County and the vendors from whom we are served.

DEFINITIONS

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

Auditor - Starr County Auditor and his/her designated representatives.

Bidders list - A list of vendors who have signified in writing an interest in submitting bids for particular categories or services.

Change order - A document used in construction contracts that changes the contract by increasing or decreasing the cost or the time for performance or changes the goods or services to be delivered.

Commissioners Court – Starr County Commissioners Court consisting of the County Judge and the four Precinct Commissioners.

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

Contract – A formal, written agreement executed by the county and a vendor containing the terms and conditions under which the goods or services are to be furnished to the county.

Department – Any county, precinct, district offices, and subdivisions thereof.

Employee – Any county, precinct or district employee elected, appointed, or hired.

Goods – Includes any personal property to be purchased by the county, including equipment, supplies, material, and component or repair parts.

Lease – A contract for the use of personal property for a period of time in return for a specified compensation. All leases must be approved by the Commissioners Court and signed by the County Judge.

Lowest responsible bid – The offer from the responsible bidder who submits the lowest and best bid meeting all requirements of the specifications, terms, and conditions of the invitation for bid. It expressly is understood that the lowest responsible bid includes any related costs to the county in a total cost concept. The term “responsible” refers to the financial and practical ability of the bidder to perform the contract and take into consideration the past performance of the vendor.

Modification – A document used to change the terms and/or conditions of a contract.

Pass-through entity -A recipient or subrecipient that provides a subaward to a subrecipient (including lower tier subrecipients) to carry out part of a Federal program. The authority of the pass-through entity under this part flows through the subaward agreement between the pass-through entity and subrecipient.

Pre-bid/proposal conference – A conference conducted by the purchasing office for the benefit of those wishing to submit a bid or proposal for services or supplies required by the county. This is to allow bidders/proposers to ask questions about any proposed contract and the specifications contained therein.

Proprietary information – Information in bids or proposals to which a vendor claims ownership or exclusive rights and which are protected from disclosure in the Texas Open Records Act (Texas Local Government Code, Chapter 551).

Purchase Order – A written order issued by the Purchasing Agent, or designee, authorizing the purchasing office to enter into a contract with a vendor to purchase goods or services.

Purchase Requisition – A request by a department to the Purchasing Agent for the purchasing department to enter into a contract with a vendor to purchase particular goods or services.

Purchasing – The act, function, and responsibility for the acquisition of goods and services including construction.

Purchasing Act – As defined in the Texas local Government Code, Chapter 262.

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

Request for Offer (RFO) – An RFO provides a method of negotiating prices, terms, and conditions with catalogue vendors. It assumes that negotiation for “best value” will occur with catalogue vendors, instead of making selections for goods and services based on the published prices, terms and conditions in the catalogues.

Request for Proposal (RFP) – A document requesting an offer be made by a vendor which allows for negotiations after a proposal has been received but before award of the contract for goods and services procured in compliance with TEX, LOC, GOV’T CODE ANN, section 262.0295 or 262.030. All proposals are confidential information and will be open to the public after the award has been made.

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

Sealed bids – Competitive Bids required to be advertised in a newspaper of general circulation and submitted to the purchasing office in a sealed envelope within the specified time period.

Services – Includes all work or labor performed for the county on an independent contractor basis, including maintenance, construction, manual, clerical, or professional services.

Sole source good or service – A good or service that can be obtained from only one source that is purchased in compliance with TEX, LOC, GOV’T CODE ANN., section 262.024 (a)(7) and (c).

Solicitation – A document, such as an Invitation for Bid, Request for Proposal, Request for Offers, or Request for Qualifications, issued by the purchasing office. The document contains the terms and conditions for a contract and seeks (solicits) a bid or proposal for goods or services needed by the County.

Specifications – A concise description of a good or service that the County seeks to buy, including the requirements the vendor must meet in order to be considered for the award. A specification may include requirements for testing, inspection, or preparing any items for delivery, or preparing or installing it for use.

Subaward- An award provided by a pass-through entity to a subrecipient for the subrecipient to contribute to the goals and objectives of the project by carrying out part of a Federal award received by the pass-through entity. It does not include payments to a contractor, beneficiary, or participant. A subaward may be provided through any form of legal agreement consistent with criteria in with [§ 200.331](#), including an agreement the pass-through entity considers a contract.

Subrecipient - An entity that receives a subaward from a pass-through entity to carry out part of a Federal award. The term subrecipient does not include a beneficiary or participant. A subrecipient may also be a recipient of other Federal awards directly from a Federal agency.

Vendor – One who sells a good or service.

PURCHASING AUTHORITY

Purchasing Laws

It is the policy of Starr County, to comply fully with all purchasing laws and amendments of the State of Texas.

Authority

These policies and procedures are adopted and approved by the Commissioners Court acting in its capacity as the governing body of Starr County, Texas. Starr County adopts these policies and procedures under the authority of Texas Local Government Code, Chapter 262.

Effective Date

These policies and procedures will become effective upon approval by Commissioners Court.

PURCHASING POLICY

The Commissioners Court has directed the County Auditor and County Department Heads to provide a decentralized purchasing structure.

Each Department - as well as officials, managers and employees will provide to all responsible vendors an equitable and competitive access to County procurement process.

Further, County purchasing will be conducted in a manner that will promote and foster public confidence in the integrity of the County procurement process.

The County Purchasing Policy is to:

- Seek the best quality, lowest priced goods and services available that meet the needs and delivery requirements of Starr County personnel;
- Provide all responsible vendors and contractors, including DBE's, with equitable access to servicing the needs of Starr County and its personnel through the competitive bidding of goods and services;
- Comply with all state laws that apply to county purchasing and with the policies and procedures in this manual;
- Manage all County assets and inventory so that replacement costs are minimized and Starr County can account for those assets; and
- Disposal of all surplus, salvage and seized and abandoned property in a manner that provides the most benefit to the taxpayers of the county and complies with the law.

Each Department Head shall be responsible for the purchase or lease of all goods and services, including maintenance and repair, for their respective department(s).

COUNTY PURCHASING ACT

The Purchasing Act applies to all departments: all district, county, precinct officials, employees and subdivisions of all district, county and precinct offices.

The County Purchasing Act provides a general legal and procedural framework that emphasizes price (rather than total cost and value), openness, control, and accountability rather than efficiency. It is the duty of the county's chief procurement official to review and to recommend periodic modifications for improvements that will enhance the efficiency and effectiveness of the procurement function.

In Texas counties there are usually ONLY TWO entities that have the authority to sign procurement documents: the Commissioners Court as a voting body only, and the county purchasing agent. The Commissioners Court must approve all contracts exceeding the statutory limit and the purchasing agent must approve all contracts under the statutory limit. Program officials typically do not have procurement authority unless specifically authorized by Commissioners Court under authority of the Purchasing Act or other government code.

The Purchasing Act specifically states (Section 262.011(d)): "The county purchasing agent shall purchase all supplies, materials, and equipment required or used, and contract for all repairs to property used, by the county or a subdivision, officer, or employee the county, except purchases and contract required by law to be made on competitive bid. A person other than the county purchasing agent may not make the purchase of the supplies, materials, or equipment or make the contract for repair."

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

(f) "A purchase made by the purchasing agent shall be paid for by a warrant drawn by the county auditor on funds in the county treasury in the manner provided by law. The county auditor may not draw and the county treasurer may not honor a warrant for a purchase unless the purchase is made by the purchasing agent or on competitive bid as provided by law."

(i) "On July 1 of each year, the county purchasing agent shall file with the county auditor and each of the members of the board that appoints the county purchasing agent an inventory of all property on hand and belonging to the County and each department and employee..."

(j) "To prevent unnecessary purchases, the county purchasing agent, with approval of the commissioners court, shall transfer county supplies, materials, and equipment from a subdivision, department, officer, or employee of the county that are not needed or used to

another” office. The purchasing agent shall furnish to the Auditor a list of transferred goods.

VIOLATIONS OF THE ACT

Any person who knowingly violates or authorizes the violation of the Purchasing Act commits a criminal offense which is a misdemeanor. This offense is punishable by a fine between \$10 and \$100, by not less than 30 days or more than one year in the county jail, or by both. Each act in violation of the law is a separate offense. § 262.011(m)

The following purchasing strategies that are made with the intention of avoiding formal competitive bidding are in violation of the law: (§ 262.023)

- **COMPONENT PURCHASES:** purchasing a series of component parts of an item that normally would be purchased as a whole.
- **SEPARATE PURCHASES:** purchasing goods and services in a series of separate purchases that in normal purchasing practices, would have been purchased in one purchase.
- **SEQUENTIAL PURCHASES:** purchases made over a period of time that in normal purchasing practices would be made as one purchase.

CAUTION: Intentionally separating purchases/invoices to avoid the statutory limit competitive bidding is a violation of the Purchasing Act. (§262.034 & §262.035)

A final conviction of a county officer or employee for this violation results in the immediate removal from office or employment of that person. For four years after the date of the final conviction, the removed officer or employee is ineligible:

1. to be a candidate for or to be appointed or elected to a public office in this state;
2. to be employed by the county with which the person served when the offense occurred;
and
3. to receive any compensation through a contract with that county.

Any commitment to acquire goods or services without an authorized purchase order is prohibited. Anyone obligating an expenditure of funds for goods or services prior to securing a purchase order may be held personally responsible for the payment.

Additional PURCHASING LAWS that govern county purchasing including the following laws:

- Public Property Finance Act, (TEX. LOC. GOV'T CODE ANN., ch. 271, subch. B)
- Services and Products of Severely Disabled, (TEX. HUM. RES. CODE ANN., sec.

122.014)

- 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)
- Wage Rate for Construction Projects, (TEX. REV. CIV. STAT. ANN., Art. 5159a)
- Sales tax exemption for incorporated purchases (TEX. TAX CODE ANN. § 151.131)
- Worker's Compensation Compliance (Workers Compensation Rule 110.110)

Counties must also comply with a host of other procurement and financial requirements, including federal procurement requirements which flow through to states and localities receiving federal funds (grants).

PROFESSIONAL SERVICES PROCUREMENT ACT

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

1. those within the scope of the practice of accounting, architecture, optometry, medicine, land surveying, professional engineering, or real estate appraiser as defined by the laws of the State of Texas;
2. those performed by any licensed architect, optometrist, physician, surgeon, certified public accountant, land surveyor, professional engineer, or state licensed real estate appraiser in connection with his professional employment or practice.

The Act states that 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.

To ensure vendors a fair and equal opportunity to do business with county, and to ensure that the services of the most qualified professional is obtained, commissioners court should direct that professional services be procured using a Request for Qualifications (RFQ) process.

The county shall rank firms based on their qualifications and then enter into negotiations with the most qualified firm based on a fair and reasonable price. If the county is unable to negotiate a satisfactory contract with the most highly qualified vendor, negotiations will formally end with that person or firm. The next most highly qualified vendor will then be asked to negotiate. Negotiations are continued in this sequence until a contract is finalized.

If any contract is entered into with one of the above mentioned professionals on the basis of a competitive bid, it is contrary to state law and is void.

BEST VALUE PROCUREMENT POLICY

The Texas Legislature added the ability for County's to utilize best value analysis for any type of procurement where it has been determined it is in the best interest of the County. The Request for Proposal (RFP) method is used where the evaluation is made by established weighted evaluation factors.

Local Government Code Chapter 262 Purchasing and Contracting Authorities of Counties

Sec. 262.030 ALTERNATIVE COMPETITIVE PROPOSAL PROCEDURE FOR CERTAIN GOODS AND SERVICES.

(a) Except for Subsection (d) of this section, the competitive proposal procedure provided by this section may be used for the purchase of insurance, high technology items, and the following special services:

- (1) landscape maintenance;
- (2) travel management; or
- (3) recycling.

(b) Quotations must be solicited through a request for proposals. Public notice for the request for proposals must be made in the same manner as provided in the competitive bidding procedure. The request for proposals must specify the relative importance of price and other evaluation factors. The award of the contract shall be made to the responsible offeror 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 set forth in the request for proposals.

(c) If provided in the request for proposals, proposals shall be opened so as to avoid disclosure of contents to competing offerors and kept secret during the process of negotiation. All proposals that have been submitted shall be available and open for public inspection after the contract is awarded, except for trade secrets and confidential information contained in the proposals and identified as such.

(d) A county in which a purchasing agent has been appointed under Section 262.011 or employed under Section 262.0115 may use the competitive proposal purchasing method authorized by this section for the purchase of insurance or high technology items. **In addition, the method may be used to purchase other items when the county official who makes purchases for the county determines, with the consent of the commissioners court, that it is in the best interest of the county to make a request for proposals.**

(e) As provided in the request for proposals and under rules adopted by the commissioners court, discussions may be conducted with responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award. Offerors must be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and revisions may be permitted after submission and before award for the purpose of obtaining best and final offers.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, Sec. 59(d), eff. Aug. 28, 1989; Acts 1995, 74th Leg., ch. 464, Sec. 1, eff. Aug. 28, 1995; Acts 1995, 74th Leg., ch. 746, Sec. 3, eff. Aug. 28, 1995; Acts 1999, 76th Leg., ch. 62, Sec. 19.01(85), eff. Sept. 1, 1999.

Amended by:

Acts 2005, 79th Leg., Ch. [640](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02694F.HTM), Sec. 1, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. [1272](http://www.legis.state.tx.us/tlodocs/80R/billtext/html/HB03517F.HTM), Sec. 4, eff. September 1, 2007.

Acts 2007, 80th Leg., R.S., Ch. [1272](http://www.legis.state.tx.us/tlodocs/80R/billtext/html/HB03517F.HTM), Sec. 5, eff. September 1, 2007.

MWBE POLICY

Starr County is wholly committed to developing, establishing, maintaining, and enhancing minority business involvement in the total procurement process. It is the policy of Starr County to involve qualified minority/women-owned businesses to the greatest extent feasible in the County's procurement of goods, equipment, services and construction projects. The County, its contractors, their suppliers and sub-contractors, vendors of goods, equipment, services, and professional services, shall not discriminate on the basis of race, color, religion, national origin, age, handicap, or sex in the award and/or performance of contracts. However, competition and quality of work remain the ultimate standards in contractor, sub-contractor, vendor service, professional service, and supplier utilization. All vendors, suppliers, professionals and contractors doing business or anticipating doing business with Starr County shall support, encourage and implement steps toward our common goal of establishing equal opportunity for all citizens of Starr County.

As an added commitment to minority/women-owned businesses, the Starr County Commissioners Court approved this program which consists of documenting the utilization of MWBE's and asking all vendors and contractors to make a "Good Faith effort" in utilizing such businesses.

HISTORICALLY UNDERUTILIZED BUSINESS POLICY (HUB)

Tex. Gov. Code Chapter 2161

34 Tex. Admin. Code § 20.14 *et seq*

Starr County will strive to ensure that all businesses, regardless of size, economic, social or ethnic status have an equal opportunity to participate in the County's procurement processes. Further, Starr County is wholly committed to developing, establishing, maintaining, and enhancing minority business involvement in the County's total procurement process. It is the policy of Starr County to involve qualified historically underutilized businesses to the greatest extent feasible in the County's procurement processes. The County, its contractors, their suppliers and sub-contractors, vendors of goods, equipment, services, and professional services, shall not discriminate on the basis of race, color, religion, national origin, age, handicap, or sex in the award and/or performance of contracts. However, competition and quality of work remain the ultimate standards in contractor, sub-contractor, vendor service, professional service, and supplier utilization. All vendors, suppliers, professionals and contractors doing business or anticipating doing business with Starr County shall support, encourage and implement steps toward our common goal of establishing equal opportunity for all businesses regardless of size, economic, social or ethnic status. Starr County affirms the good faith efforts of firms/businesses that recognize and practice similar business standards.

Definitions:

Historically Underutilized businesses (HUBs) – also known as a disadvantaged business enterprise (DBE), are generally business enterprises at least 51% of which is owned and the management and daily business operations are controlled by one or more persons who is/are socially and economically disadvantaged because of his or her identification as a member of certain groups, including women, Black Americans, Mexican Americans and other Americans of Hispanic origin, Asian Americans and American Indians.

Certified HUBs – includes business enterprises that meet the definition of a HUB and who meet the certification requirements of certification agencies as recognized by Starr County.

Policy Guidelines:

- A. HUB Certification** – Starr County will recognize the State of Texas HUB Certification Process in conjunction with the implementation of this policy. Starr County reserves the right to review the certification status of any vendor applying at anytime. This review will determine the validity of the applicable vendor's certification as HUB.
- B. HUB Target Goals** – The Starr County Commissioners Court may establish HUB target goals in compliance with State and Federal Law. It is not the intent of this policy to require the Starr County Commissioners Court to award a contract to other than the lowest possible bidder or best value bidder as required by law. Any Target Goals should consider the diversity of Starr County's population and the availability of HUB firms within the specific category of goods or services to be procured.
- C. HUB Program** – Starr County will include a HUB Policy Statement in all specifications. The County may consider the bidder's responsiveness to the HUB Policy in the evaluation process. Failure to demonstrate a good faith effort to comply with Starr County's HUB Policy may result in a bid or proposal being disqualified.

Administration Guidelines:

- 1. The Starr County Federal and State Programs Office shall serve as the County's HUB Office. Starr County will encourage HUB Vendors to participate in all facets of the procurement process by:
 - 2. Seeking communication links with HUB vendors to involve them in the procurement process.
 - 3. Continuing to advertise bids on the County's website and in newspapers including newspapers that target socially/economically disadvantaged communities; where possible.
 - 4. Providing copies of bid specifications to minority Chambers/Community Business Alliances.
 - 5. Monitoring the HUB policy to include good faith efforts, registered HUB Vendors and reviewing documentation submitted by HUB firms.

COOPERATIVE PURCHASING PROGRAMS

A local government may participate in a cooperative purchasing program with another local government or a local cooperative organization (§271.102).

A local government that is participating in a cooperative purchasing program may sign an agreement with another participating local government or a local cooperative organization stating that the signing local government will:

1. Designate a person to act in all matters relating to the program;
2. Make payments provided in the agreement;
3. be responsible for a vendor's compliance with provisions relating to the quality of items and terms of delivery.

A local government that purchases goods or services under this subchapter satisfies any state law requiring the local government to seek competitive bids for the purchase of the goods or services.

STATE CONTRACT AND CATALOG PURCHASES

Created by legislation in 1979, the Texas Procurement and Support Services Cooperative Purchasing Program (State of Texas CO-OP) provides the State of Texas volume pricing power to local governments and assistance organizations. The State of Texas CO-OP offers several purchasing options to members. Specific statutes governing CO-OP purchases from State contracts include:

1. Local Government Code, Section 271.083(4)(b) states: *A local government that purchases an item under a state contract satisfies any state law requiring local governments to seek competitive bids for the purchase of the item.*
2. Government Code, 2155.062 PURCHASE METHODS
 - a. In purchasing goods and services the commission may use, but is not limited to, the:
 - 1) Contract purchase procedure;
 - 2) Multiple award contract procedure, including under any schedules developed under Subchapter I;
 - 3) Open market purchase procedure; or
 - 4) Reverse auction procedure.
 - b. Chapter 2156 provides additional information on purchase methods
 - c. Chapter 2157 provides additional information on purchase of automated information system.

The State of Texas CO-OP has available the following contracts for purchasing:

1. TxSmartBuy (www.txsmartbuy.com)
2. Term Contracts (www.window.state.tx.us/procurement/cat_page/)
3. Food Schedules (Contact CO-OP Staff at: (512) 463-3034)
4. TXMAS Contracts (www.window.state.tx.us/procurement/prog/txmas/)
5. Department of Information Resources (DIR) Contracts
(www2.dir.state.tx.us/ict/contracts/Pages/ProductsServices.aspx)

BIDS/PROPOSALS

The purpose of the procedure is to provide guidance for the regulations that apply to purchases of material, equipment, supplies, and services that are required by law to be a competitive sealed bid or request for proposal, V.T.C.A., Local Government Code Sec. 262.023(a).

These regulations and procedures apply to all purchases as follows:

- A contract or purchase of requiring an expenditure that will exceed \$100,000 in the aggregate for a twelve (12) month period.
- Construction, maintenance, repair, renovation of a building or materials for a renovation project valued at \$100,000 or more in the aggregate for a twelve (12) month period.

Bid Procedures:

- A. **Requisitioning**-The requisitioning department must furnish detailed specifications to the County Judge's Office in the form of a requisition, along with the budget authorization and recommended sources of suppliers (vendors), if known by the user.
- B. **Bid/Proposal Form Preparation**-Upon court approval of the request based on fiscal year budget, completed and approved specifications, the requisitioning Department will finalize into a bid/proposal.
- C. **Advertisement and Notification**-The bid/proposal advertisement, prepared by the requisitioning Department stating a brief description of the item(s), where the documents, plan, or specifications may be examined, the time and place for prior to the opening. Bid/Proposal openings must be at least fourteen days from the date of the first publication. Bid/Proposal requests shall be furnished to known suppliers and to any supplier requesting an opportunity to respond.

SUBAWARDS/SUBRECIPIENTS

(§2 CFR 200.332)

Th County and pass-through entity must:

(a) Verify that the subrecipient is not excluded or disqualified in accordance with [§ 180.300](#). Verification methods are provided in [§ 180.300](#), which include confirming in *SAM.gov* that a potential subrecipient is not suspended, debarred, or otherwise excluded from receiving Federal funds.

(b) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the information provided below. A pass-through entity must provide the best available information when some of the information below is unavailable. A pass-through entity must provide the unavailable information when it is obtained. Required information includes:

(1) Federal award identification.

(a) Subrecipient's name (must match the name associated with its unique entity identifier);

(b) Subrecipient's unique entity identifier;

(c) Federal Award Identification Number (FAIN);

(d) Federal Award Date;

(e) Subaward Period of Performance Start and End Date;

(f) Subaward Budget Period Start and End Date;

(g) Amount of Federal Funds Obligated in the subaward;

(h) Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity, including the current financial obligation;

(i) Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;

(j) Federal award project description, as required by the Federal Funding Accountability and Transparency Act (FFATA);

(k) Name of the Federal agency, pass-through entity, and contact information for awarding official of the pass-through entity;

(l) Assistance Listings title and number; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at the time of disbursement;

- (m) Identification of whether the Federal award is for research and development; and
 - (n) Indirect cost rate for the Federal award (including if the de minimis rate is used in accordance with [§ 200.414](#)).
- (2) All requirements of the subaward, including requirements imposed by Federal statutes, regulations, and the terms and conditions of the Federal award;
- (3) Any additional requirements that the pass-through entity imposes on the subrecipient for the pass-through entity to meet its responsibilities under the Federal award. This includes information and certifications (see [§ 200.415](#)) required for submitting financial and performance reports that the pass-through entity must provide to the Federal agency;
- (4) Indirect cost rate:
- (i) An approved indirect cost rate negotiated between the subrecipient and the Federal Government. If no approved rate exists, a pass-through entity must determine the appropriate rate in collaboration with the subrecipient. The indirect cost rate may be either:
 - (A) An indirect cost rate negotiated between the pass-through entity and the subrecipient. These rates may be based on a prior negotiated rate between a different pass-through entity and the subrecipient, in which case the pass-through entity is not required to collect information justifying the rate but may elect to do so; or
- (5) A requirement that the subrecipient permit the pass-through entity and auditors to access the subrecipient's records and financial statements for the pass-through entity to fulfill its monitoring requirements; and
- (6) Appropriate terms and conditions concerning the closeout of the subaward.
- (c) Evaluate each subrecipient's fraud risk and risk of noncompliance with a subaward to determine the appropriate subrecipient monitoring described in [paragraph \(f\)](#) of this section. When evaluating a subrecipient's risk, a pass-through entity should consider the following:
- (1) The subrecipient's prior experience with the same or similar subawards;
 - (2) The results of previous audits. This includes considering whether or not the subrecipient receives a Single Audit in accordance with subpart F and the extent to which the same or similar subawards have been audited as a major program;
 - (3) Whether the subrecipient has new personnel or new or substantially changed systems; and
 - (4) The extent and results of any Federal agency monitoring (for example, if the subrecipient also receives Federal awards directly from the Federal agency).

(d) If appropriate, consider implementing specific conditions in a subaward as described in [§ 200.208](#) and notify the Federal agency of the specific conditions.

(e) Monitor the activities of a subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved. In monitoring a subrecipient, a pass-through entity must:

(1) Review financial and performance reports.

(2) Ensure that the subrecipient takes corrective action on all significant developments that negatively affect the subaward. Significant developments include Single Audit findings related to the subaward, other audit findings, site visits, and written notifications from a subrecipient of adverse conditions which will impact their ability to meet the milestones or the objectives of a subaward. When significant developments negatively impact the subaward, a subrecipient must provide the pass-through entity with information on their plan for corrective action and any assistance needed to resolve the situation.

(3) Issue a management decision for audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by [§ 200.521](#).

(4) Resolve audit findings specifically related to the subaward. However, the pass-through entity is not responsible for resolving cross-cutting audit findings that apply to the subaward and other Federal awards or subawards. If a subrecipient has a current Single Audit report and has not been excluded from receiving Federal funding (meaning, has not been debarred or suspended), the pass-through entity may rely on the subrecipient's cognizant agency for audit or oversight agency for audit to perform audit follow-up and make management decisions related to cross-cutting audit findings in accordance with section [§ 200.513\(a\)\(4\)\(viii\)](#). Such reliance does not eliminate the responsibility of the pass-through entity to issue subawards that conform to agency and award-specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.

(f) Depending upon the pass-through entity's assessment of the risk posed by the subrecipient (as described in [paragraph \(c\)](#) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

(1) Providing subrecipients with training and technical assistance on program-related matters;

(2) Performing site visits to review the subrecipient's program operations; and

(3) Arranging for agreed-upon-procedures engagements as described in [§ 200.425](#).

(g) Verify that a subrecipient is audited as required by [subpart F of this part](#).

(h) Consider whether the results of a subrecipient's audit, site visits, or other monitoring necessitate adjustments to the pass-through entity's records.

(i) Consider taking enforcement action against noncompliant subrecipients as described in [§ 200.339](#) and in program regulations.

INTERNAL CONTROLS

The County will follow internal control guidelines by verifying that the recipient and subrecipient:

(a) Establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control-Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

(b) Comply with the U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the Federal award.

(c) Evaluate and monitor the recipient's or subrecipient's compliance with statutes, regulations, and the terms and conditions of Federal awards.

(d) Take prompt action when instances of noncompliance are identified.

(e) Take reasonable cybersecurity and other measures to safeguard information including protected personally identifiable information (PII) and other types of information. This also includes information the Federal agency or pass-through entity designates as sensitive or other information the recipient or subrecipient considers sensitive and is consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over confidentiality. (§2CFR 200.303)

EXEMPTIONS AND EMERGENCY PURCHASES

(a) Goods and services can be exempt from competitive procurement process if the commissioners court orders the purchase exempt. Section 262.024 of the Texas Local Government Code lists all the circumstances when exemptions are available for purchases made out of current funds, bond funds, or through time warrants. The following is a list of these circumstances:

1. In case of public calamity, to make the purchase promptly to relieve the necessity of the citizens or to preserve the property of the county.
2. An item necessary to preserve or protect the public health or safety of the residents of

the county.

3. An item necessary because of unforeseen damage to public property,
 4. A personal or professional service,
 5. Any individual work performed and paid for by the day, as the work progresses, provided that no individual is compensated under this subsection for more than 20 working days in any three-month period;
 6. Any land or right-of-way,
 7. Single Source vendor, including:
 - a. Items for which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies;
 - b. Films, manuscripts, or books,
 - c. Electric power, gas, water, and other utility services; and
 - d. Captive replacement parts or components for equipment
 8. An item of food,
 9. Personal property sold,
 - a. At an auction by a state licensed auctioneer;
 - b. At a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code; or
 - c. By a political subdivision of this state, a state agency of this state, or an entity of the federal government.
 10. Any work performed under a contract for community and economic development made by the county under Section 381.004.
 11. Vehicle and equipment repair
- (b) The renewal or extension of a lease or of a lease or of an equipment maintenance agreement is exempt from the requirement established by Section 262.023 if the commissioners Court by order grants the exemption and if:
1. The lease or agreement has gone through the competitive bidding procedure within the preceding year;

2. The renewal or extension does not exceed one year; and
 3. The renewal or extension is the first renewal or extension of the lease or agreement.
- (c) If an item exempted under Subsection (a)(7) is purchased, the commissioners court, after accepting a signed statement from the county official who makes purchases for the county as to the existence of only one source, must enter in its minutes a statement to that effect.
- (d) The exemption granted under Subsection (a)(8) of this section shall apply only to the sealed competitive bidding requirements on food purchases. Counties shall solicit at least three bids for purchases of food items by telephone or written quotation at intervals specified by the Commissioners Court. Counties shall award food purchase contracts to the responsible bidder who submits the lowest and best bid or shall reject all bids and repeat the bidding process, as provided by this subsection. The purchasing officer taking telephone or written bids under this subsection shall maintain a record of all bids solicited and the vendors contacted. This record shall be kept with the purchase order for a period of at least one year or until audited by the county auditor.

If an “EMERGENCY” purchase order is needed, approval must be obtained first. ***Improper planning cannot be considered a true emergency. Care should be taken that emergency purchases do not result from improper planning.***

When an emergency situation exists, the County Judge’s Office must be contacted to ensure compliance with the Purchasing Act. In a declaration of a local state of disaster, the County Judge would be the authority to approve purchases.

QUOTATIONS

The purpose of this procedure is to provide guidance for the regulations that apply to purchase of supplies, material, and equipment required or used, and contract for all services that are not required by law to be bid.

The general practice of the county shall be to accept the *lowest responsible best value* bid or price quotation as specified and on *equal* product standards.

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

These regulations and procedures apply to all purchases less than \$100,000.00.

From \$10,000.00 to \$99,999.99 – If the County is purchasing goods or services costing at least \$10,000.00 but less than \$99,999.99, the requesting Department Head or staff member must:

1. Obtain at least three price quotations by fax, internet, or telephone, before selecting a vendor and make a written memorandum of the vendors solicited and prices offered; and,

2. Select the vendor who makes the best offer taking into account not only price but also the urgency of the departmental need and the speed of delivery and the quality of the goods and services offered; and,
3. Procure these goods and services from the vendor who provides the quality, cost and delivery schedule most consistent with the best interest of the County.
4. If the quality and delivery terms meet County needs, the vendor who provides the lowest price will be selected. If the vendor offering the lowest price is not used, a notation should be made to indicate the reason another vendor was selected.

Items 1-4 above are subject to audit and all quotes should be written down and the documentation kept by the requesting Department. Written quotations from at least (3) vendors must be sent to the County Auditor's Office attached with the Purchase Order for retention or otherwise be rejected if proper documentation is not attached.

PURCHASE AUTHORIZATION

Each department must furnish the County Judge's Office with a list, if other than the elected or appointed official, of employees authorized to sign a requisition for purchase. It is the department's responsibility to ensure that all authorized personnel have read and understand the policies and procedures of this manual.

THE PURCHASE ORDER PROCESS

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

Purchase requisitions should fully describe to the purchasing office what to buy, when it is required, and where the goods are to be delivered or the services to be performed. The requesting Department(s) should contact the County Judge's Office to ensure budget funds are encumbered first and then proceed with the purchase of the requested goods and services.

A requisition must be submitted to the County Judge's Office for any supplies, parts, repairs or other purchases to be made. The County Auditor's Office will review and approve all requisitions for budgetary compliance before issuing a purchase order. The issuance of a purchase order will encumber available funds and provide budgetary control.

Items that are currently not bid items are subject to the procurement of three price quotes prior to the issuance of a purchase order. (*See quotations section*)

All Starr County purchases must be authorized by the County Auditor's Office with a purchase order number prior to any vendor order. Any purchase not following this procedure may be considered void and returned to the vendor.

DEBARMENT

Prior to procuring or entering into contract(s) for any goods/services, the requesting Department Director responsible for the program under which the procurement or contracting is being made, will check the debarment status of the vendor using the System for Awards Management site, www.sam.gov and document verification has occurred.

This policy applies to the procurement of all goods or service(s) regardless of unit price or quantity and applies regardless of tier level only to grant funds in accordance with 44 Code of Federal Regulations (CFR), Part 13.35, Sub-awards to Debarred and Suspended Parties.

Otherwise, this debarment policy shall apply to all other funds within Starr County's management and/or administration only when the purchase(s) and contracting thresholds of \$50,000 or more are proposed.

Furthermore, because vendors are being removed and new ones added daily, Starr County will verify the vendor before issuing a new purchase order, blanket purchase order, contract or single time purchase.

If verification has been performed prior to entering into multiple invoices or multiple billing period contracts, such as a yearly wireless subscription, then verification is not required prior to making each payment to the vendor. However, verification should be performed prior to extending, renegotiating a follow-on contract, or entering into a new contract.

Procedure for Documentation

Before any grant funds may be spent:

1. The requesting Department Director, or his/her designee, will access the System for Awards Management web site (www.sam.gov);
2. A search will be made for the vendor on the site;
3. If the vendor is found not to be debarred, a copy of the screen print indicating the vendor is not debarred at the time of procurement should be included with the documentation for that purchase and retained with the procurement records for audit and monitoring purposes;
4. If the vendor is found to be debarred, Starr County will not conduct business with this vendor.

STARR COUNTY LEASE POLICY

It is the policy of Starr County to consider lease options for capital assets (vehicles & large equipment) for the Starr County Sheriff's Department and/or the Starr County Road & Bridge Department only. Any departments requesting capital assets should obtain proper written quote(s) to attach to budget request documents to ensure proper funding of said request.

CREDIT CARD POLICY

The purpose of this policy is to establish procedures for the use of County Credit Cards. This policy is being established in order to provide immediate access to goods and/or services and basic travel registration. All Credit Card purchases shall adhere to all purchasing statutes, rules, policies and procedures when using the card. The use of a credit card does not automatically exempt a governmental agency or its officers or its employees from any purchasing requirements of state law.

- The Credit Card is provided and utilized to make basic travel registration, and small or spot purchases of business related goods and services.
- All Credit Card purchases must follow Starr County's Procurement Policies and appropriate encumbrances must be made prior to the utilization of any credit card purchases to ensure adequate funds are available.
- All Starr County Credit Cards shall remain in the safe and checked out as needed or issued to departments by the Starr County Auditor or its designee.
- Starr County Credit purchases should be made only when there are specific situations of need and/or the vendor does not direct bill.

Unauthorized Credit Card Use

Starr County Departments may not use a credit card and may not reimburse and officer or employee for use of said credit card for the following:

- A purchase of a personal nature or any other purchase not connected with county business.
- A cash advance.
- Charges for entertainment.
- Purchases made in attempt to bypass the normal purchasing policy.
- A purchase that violates any provision of state law or Starr County's Procurement Policies and Procedures.

Under “**NO**” circumstances should an authorized credit card user allow another person to use the county credit cards either by physically having the card in their possession or by giving a card number to another individual or vendor so as to allow someone other than the designated cardholder to use the card.

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

misuse.

Responsibilities

- Ensure sales tax is not charged at time of purchase.
- Ensure appropriate encumbrances are made with the issuance of a purchase order prior to the utilization of any credit card purchases.
- When a charge is made, documentation shall be retained as proof of purchase.
- Hotel rooms will NOT be charged on the Credit Card; they will only be reserved. It is the responsibility of the department to request a check from the County Auditor for the amount of the hotel room, prior to travel.
- If a county employee requests a designee to reserve a hotel room, airline ticket, or rental car; **it is the responsibility of said employee to cancel reservations in the event the trip is cancelled or they are unable to attend.**
- Personal charges on hotel bills should be paid for at checkout time by the employee and not charged to the county credit card.

Payment

At the end of each billing cycle, all statements shall be mailed directly to the County Auditor's Office. All departments having used a credit card shall submit all purchase orders with accompanying receipts to the County Auditor's Office for processing.

INVENTORY & DISPOSITION

On July 1, of each year, each subdivision, officer, and employee of the County shall file with the County Auditor an inventory of all the property on hand and belonging to the county.

§ 263.152. Disposition: The Commissioners Court of a county may:

(1) Periodically sell the county's surplus or salvage property by **competitive bid or auction**, except that competitive bidding or an auction is not necessary if the purchaser is another county or a political subdivision within the county that is selling the surplus or salvage property;

When property is determined to be surplus/salvage, is no longer needed, is in unusable or unsafe condition, it shall be disposed of as outlined below.

Items purchased by Federal Funds or Grant Funds shall be handled in accordance with their respective regulations.

The originating department must follow the following procedure:

- A. Originator must complete a Starr County Disposal Inventory Form and send original form to the County Auditor's Office for processing.
- B. Purchasing Agent or designee will inspect the property and will make a determination on the nature of the surplus property.
- C. On the recommendation of the Purchasing Agency, the Commissioners Court, by approval, may declare the property surplus and no longer needed by the county and authorize disposal of the property.
- D. Disposal will be as follows:
 - 1. Inventory tags will be removed (by purchasing prior to auction) and a list will be give to the County Auditor.
 - 2. Property will be turned over to an approved auctioneer. The auctioneer will be responsible for following established State of Texas law for the advertisement, soliciting and bidding of property.
 - 3. Auctioneer will auction the property after publication, as per law.
- E. All sales will be handled by the giving of a check or cashier's check. All proceeds will be given to the County and deposited in the account of where the asset was originally purchased giving and receiving of receipts thereof.
- F. Trade-Ins, items that are beyond repair, no longer of use, or surplus may be traded-in on more useful like items, with approval of Commissioners Court.
 - 1. Originator must complete a Starr County Disposal Inventory Form and send the original form to the County Auditor's Office for processing.
 - 2. Commissioner's Court must authorize the trade-in, prior to trade-in.
 - 3. In all cases where property is declared surplus, property shall be removed from County Inventory by the purchasing Department. ***Since title to all personal property is vested to Starr County, no property may be sold, traded, or disposed of without commissioners court action, with the following exceptions:***
 - a. Scrap building materials,
 - b. Parts of equipment that cannot be used or identified. In such cases, the Purchasing Agent shall inspect the personal property and declare them scrap, making a written notation for the record of the nature of the item(s), the reason for scraping, and the date of disposal. Such records shall be kept as outlined by the Local Schedule GR 4th Edition.

Relocation of Furniture and Equipment

The moving of county inventory must be coordinated with the County Judge's Office. Each department must complete a Starr County Disposal Inventory Form and submit the original form to the County Judge's and County Auditor's Office for processing. The County Judge's Office will review the items requested to be re-located and will verify a time and date for said items to be moved.

The County Judge's Office is not responsible for assembly or the disassembly of furniture, equipment, etc. All items must be cleared away from the property to be moved.

All requests to move computer equipment and/or peripherals must be approved by the County Judge's Office and coordinated by the IT Department.

Equipment Purchased through Federal Awards

Equipment that is acquired in part or its entirety under a Federal award, the recipient or subrecipient must manage equipment (including replacement equipment) utilizing procedures that meet the following requirements:

(1) Property records must include:

- a. Description of the property,
- b. Serial number or another identification number,
- c. Source of funding for the property (including the FAIN),
- d. Title holder,
- e. Acquisition date,
- f. Cost of the property,
- g. Percentage of the Federal agency contribution towards the original purchase,
- h. Location of the property,
- i. Use and condition of the property,
- j. Disposition data including the date of disposal and sale price of the property.

The recipient and subrecipient are responsible for maintaining and updating property records when there is a change in the status of the property.

(2) A physical inventory of the property must be conducted, and the results must be reconciled with the property records at least once every two years.

(3) A control system must be in place to ensure safeguards for preventing property loss, damage, or theft. Any loss, damage, or theft of equipment must be investigated. The recipient or subrecipient must notify the Federal agency or pass-through entity of any loss, damage, or theft of equipment that will have an impact on the program.

(4) Regular maintenance procedures must be in place to ensure the property is in proper working condition.

(5) If the recipient or subrecipient is authorized or required to sell the property, proper sales procedures must be in place to ensure the highest possible return.

Disposition. When equipment acquired under a Federal award is no longer needed for the original project, program, or for other activities currently or previously supported by a Federal agency, the recipient or subrecipient must request disposition instructions from the Federal agency or pass-through entity if required by the terms and conditions of the Federal award. (2CFR §200.213)

VENDOR RELATIONS

It is Starr County's policy to maintain and practice the highest possible standards of business ethics, professional courtesy, and competence in all of our dealings. At all times, applicable laws must be scrupulously observed. In this regard, the following should be observed when dealing with suppliers and/or their representatives:

- A. To accord prompt and courteous reception, as well as fair and equal treatment, to all suppliers and their representatives,
- B. Provide equal opportunity for all suppliers to offer price quotes and products,
- C. Guarantee the confidentiality of all price quotations made by vendors,
- D. Explain as clearly and fully as possible to suppliers the reason for any rejection of prices and/or quotes provided,
- E. Remain scrupulously free from obligations to any supplier,
- F. Keep informed about sources of supply, current methods, services, and material; encourage their testing of new product samples,
- G. If, for any reason, one vendor is permitted to re-quote, his competitors will be given the same opportunity. Re-quoting should be restricted to an absolute minimum.

CODE OF ETHICS

Policy

It is the policy of Starr County that the following ethical principles will govern the conduct of every employee involved directly or indirectly in the County procurement process.

Responsibility to County

Employees will avoid any activities that would compromise or give the perception of compromising the best interest of Starr County. Employees will not use confidential proprietary information for actual or anticipated personal gain.

Conflict of Interest

Employees will avoid any activity that would create a conflict between personal interests and the interest of Starr County. Conflicts exists in any relationship where an employee is not acting in the County's best interest and may be acting in their own best interests or the interests of someone associated with them.

Such conflicts of interest would include being involved in any procurement activity in which:

- The employee or any member of the employee's family has any financial interest pertaining to the Starr County procurement process;
- A business or organization in which the employee, or any member of the employee's family, has a financial interest pertaining to the Starr County procurement process; or
- Any other person, business, or organization with whom the employee or member of the employee's family is negotiating or has any arrangement concerning prospective employment.

If any such conflicts of interest exist, the employee will immediately notify the requesting Department's Director and/or the County Judge's Office in writing and will remove himself/herself from the Starr County procurement process.

Perception

Employees will avoid any appearance of unethical or compromising practices in all relationships, actions, and communications.

Gratuities

Employees will never solicit or accept money, loans, gifts, favors, or anything of value, from present or potential vendors which might influence or appear to influence any purchasing decision. If anyone is in doubt whether a transaction complies with this policy, the individual should disclose

the transaction to the County Auditor for interpretation.

Subcontractor(s)

It shall be a breach for any payment, gratuity or offer of employment to be made on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract for Starr County, or any person associated therewith, as an inducement for the award of a subcontract to order.

Confidential Information

It shall be a breach of ethics for any employee or former employee of Starr County knowingly to use confidential information for actual or anticipated personal gain or for the actual or anticipated gain of any person.