

## Chapter 5: Purchasing Process, Policy, Roles and Responsibilities

The general purchasing process responsibilities as outlined below contain 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. For procurements \$50,000 or more, see the following chapters.

For purchases less than \$50,000 this process will apply unless specifically addressed elsewhere. The process begins with the department obtaining three quotes from vendors for a purchase between \$5,000 and \$49,999. The department selects the lowest offer unless there is justification to select other than the lowest price. Purchases between \$25,000 and \$49,999 shall be forwarded to the Purchasing Agent so that a recommendation for the purchase can be presented to Commissioners Court at a noticed meeting for approval. This procedure is by Commissioners Court order (see exhibit 17). The Purchasing Agent will notify the requesting department of Commissioners Court's decision.

Quotes are thereafter entered into the Bi-Tech system for all approvals. If the purchase is between \$25,000 and \$49,999, a statement that indicates the date that the purchase was approved by Commissioners Court will be included in the requisition. The final approved purchase order including terms and conditions are then forwarded to the vendor (see exhibit 4 for sample PO with terms and conditions). **The vendor sends the goods and invoice to the department. The Department forwards the invoice for payment to the County Auditor.** The vendor must insure that the PO number is noted on the invoice.

### Purchasing Process

Step	Performed By:
Identify requirements and obtain budget	User Department ("Department") (Purchasing Department may assist)
Define/finalize requirements	Department and Purchasing Department
Submit electronic requisition outlining requirements to Purchasing	Department
Solicit, advertise, and generate purchase orders from requisition and send to vendor	Purchasing
Deliver good/service as outlined in purchase orders and submit invoice	Vendor
Receive good/service and verify completeness against purchase orders	Department (Purchasing Department coordinates, especially for fixed assets)
Electronically receive item in Bi-Tech system and submit original invoice to County Auditor's Office	Department
Match received amount with invoice and audit	County Auditor
Submit payment claim to Commissioners Court for approval	County Auditor
Approve payment of claim	Commissioners Court
Disburse payment of claim	County Treasurer

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:

## Chapter 18: Receipt of Goods

Departments **must** notify the Purchasing Department if goods are not received by the due date or if damaged freight is delivered.

Department employees receiving shipments must pay particular attention to the delivery ticket, to ensure it matches the County's purchase order. The person receiving the goods must verify that all goods were received as stated on the purchase order, and sign **in his or her own name (a full signature in ink)** on all of the appropriate receiving documentation, particularly the County copy.

The user Department must acknowledge receipt and acceptance of delivered goods through the Bi-Tech system within five working days. (Please **do not** accept items in the Bi-Tech system if damaged freight has to be returned.) Timely receipt of goods in the Bi-Tech 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 31<sup>st</sup> day after the later of:

- 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 an invoice for the goods or service.

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:

1. Note the damage on the freight bill, and;
2. Sign the freight bill.

If there is concealed damage, save the shipping cartons so that the Purchasing Department 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.

All boxes and packing materials should be kept in the event of visibly damaged and concealed damage freight shipments.

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.

All goods not received properly or not in compliance with the contract should be documented and reported to the Purchasing Department as soon as possible so that the vendor can be notified and instructed about corrective action. To comply with the Prompt Payment Act, the Department making the purchase notifies the vendor within 21 days of any damaged goods received to avoid interest being paid to the vendor.

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 Department.

All receiving documentation must be maintained by the user Department for their record. All vendor invoices are sent directly to the user Department and after receiving the items and or service are

forwarded to the County Auditor. The Department should provide documentation to the County Auditor's Office regarding any disputes in receipts of goods.