

**WINNIE STOWELL HOSPITAL DISTRICT
PURCHASING POLICIES AND PROCEDURES**

Adopted: December 12, 2018

SECTION I – GENERAL

I. POLICY

It is the policy of the Winnie Stowell Hospital District (“District”) to assure good control and coordination of District wide of procurement, reporting capabilities for management, equitable treatment of vendors and service providers, and adherence to federal, state and local law applicable to procurement. Those involved in the purchasing process shall become familiar with, and adhere to, the guidelines set forth in this manual.

II. PURPOSE

The purpose of this policy is to define the functions, responsibilities of the procurement policies.

III. OBJECTIVES

General: The policies and procedures are to assist personnel by defining general and specific management decisions as included in, but not limited to the following:

1. To define procurement authority, activities, and procedures.
2. To develop improved policies and procedures through ongoing review and update.
3. To assist in supervision.
4. To standardize and communicate approved practices.
5. To promote understanding, cooperation and a sense of equitable treatment among suppliers.
6. To assist in training and personnel development.
7. To maintain efficient management practices.
8. Purchases throughout the District should be monitored by the Administrator or Designee on daily, weekly, and monthly bases. All purchases should be made within the best interest of residents and decisions should be placed on practical and sufficient needs

SECTION 2 - DEFINITIONS

I. DEFINITIONS

- A. Accounts Payable Copy – The copy of the purchase order which is sent to accounts payable for processing.
- B. Blanket Purchase Order – Refers to an unspecified request for supplies usually for contracted services and supplies.
- C. Budget Authorization – The budget is the document through which allocations for various expenditures are authorized by the Board Members. The Administrator and Assistant Administrator shall insure that funds are allocated in the budget before any procurement.
- D. Board Member Authorization – Any purchase in excess of \$5,000 must have Board Member approval before the goods or services are ordered except in case of emergency. In case of an emergency, the Board Member will be advised of the purchase as quickly as possible.
- E. Contractual Agreement – Refers to any contract for purchase of goods or services and may include several classes of items.
- F. Departmental Copy – The copy of the purchase order which gives the applicable department a copy of purchases may also be used for vendor copy.
- G. Insurance Requirements – Before any individual or company can enter into a contract for performance of a specified service for the District, proof of commercial general liability insurance and workers' compensation insurance, in the amount specified, must be provided prior to the commencement of the work. There shall be no exception to this requirement except in emergency situations.
- H. Purchasing – The process through which materials, supplies, and services are obtained for operations and organizations.
- I. Purchase Order – The document used to initiate and control purchases.
- J. Received Copy – The copy of the purchase order that allows the department and accounts payable to ascertain whether the supplies, materials and/or services have been delivered or rendered will be stamped with a "Received" stamp and dated.
- K. Request for Proposal (RFP) – As authorized by State Purchasing Law, Ch. 252 of the Local Government Code. Requests for Proposal shall be evaluated based on relevant criteria on a case by case basis. This section shall not apply to procurement exempted from competitive bidding, i.e. personal and professional services. Buy Board or HGAC buying procedures may be used for bidding purposes.
- L. Purchase Order Number – The computer-generated number issued upon the encumbrance of budgeted funds.

- M. Sole Source Procurement – An award for a commodity or service to the only known capable supplier, occasioned by the unique nature of the requirement, the supplier, or market conditions.

SECTION 3 – RESPONSIBILITIES

I. RESPONSIBILITIES

- A. The Administrator and/or her authorized designee has the responsibility for the procurement of all goods and services and to either provide the services for such procurement and processing or give functional directions to others delegated the authority to perform such services.
- B. The Administrator has the responsibility for obligating the Board Members and for making determination of source of supply, quantities purchased, and delivery schedule and price negotiations, except where others are so authorized.
- C. The Administrator and/or her authorized designee shall insure that the billing/invoice address provided to any and all vendors shall be: Winnie Stowell Hospital District – Attention: Accounts Payable, P.O. Box 1997, Winnie, Texas 77665.
- D. The Administrator and/or her authorized designee must originate all purchases of goods and services with an issued Purchase Order Number or other approved document.
- E. The Administrator and/or her authorized designee is responsible to assure that all commitments to a vendor or service provider are stated in writing by purchase order, contract or letter with appropriate terms.

SECTION 4 – PURCHASES \$2500.00 OR LESS

II. GUIDELINES

The Administrator has the authority to authorize the purchase of budgeted items without the approval of the Board Members.

III. PROCEDURES

- A. The Administrator and/or their authorized designee shall complete a Purchase Order form prior to acquisition of the item(s) being purchased.
- B. All necessary information is required to be noted on the Purchase Order. This shall include information regarding the competitive quotations with vendors and pricing noted.
- C. The District accountant verifies that sufficient funds are available for the purchase and account coding is proper.
- D. The Purchase Order is sent to the vendor if requested.

- E. The Administrator and/or her authorized designee shall place the order for the item(s).
- F. The vendor will deliver the item(s) to the specified location. The fire department representative receiving the item(s) shall sign the receiving slip.
- G. The Administrator and/or her authorized designee shall ensure that the receiving slip and invoice are all properly executed before payment is made.

SECTION 5 – PURCHASES \$2500.00 to \$5000.00

I. GUIDELINES

The Board President and one (1) Board Member shall typically authorize the purchase of items in excess of \$2500.00 dollars to \$5000.00, unless it directly effects emergency operations within the district. The Administrator can authorize and advised the Board Members as soon possible of the occurrence and furnish reasoning of emergency purchase.

II. PROCEDURES

- A. The Administrator and/or their authorized designee shall complete a Purchase Order form prior to acquisition of the item(s) being purchased.
- B. The Administrator and/or their authorized designee shall obtain, whenever possible, three (3) competitive quotations. The Administrator shall retain and have available documentation verifying each quotation. The District Board Members have the authority to waive this requirement.
- C. All necessary information is required to be noted on the Purchase Order. This shall include information regarding the competitive quotations with vendors and pricing noted.
- D. The District Accountant verifies that sufficient funds are available for the purchase and account coding is proper.
- E. Once approved by the Administrator, the request shall be placed on a Board Members agenda for consideration and approval.
- F. The Purchase Order is sent to the vendor if requested.
- G. The Purchase Order is sent to the Accountant.
- H. The Administrator and/or her authorized designee shall place the order for the item(s).
- I. The vendor will deliver the item(s) to the specified location. The fire department representative receiving the item(s) shall sign the receiving slip.

- J. The Administrator and/or her authorized designee shall ensure that the receiving slip and invoice are all properly executed before payment is made.

SECTION 6 – PURCHASES \$5000.00 or over

I. GUIDELINES

The Board Members shall authorize the purchase of items in excess of \$5000.00 dollars, except for emergency purchases, that if not otherwise done, will affect emergency services within the district.

II. PROCEDURES

- A. The Administrator and/or their authorized designee shall place the item on the agenda and justify the purchase either in writing or verbal communication. Board Members will vote on major purchases. Votes will be tabulated and awarded by majority vote.
- B. The Administrator and/or their authorized designee shall obtain, whenever possible, three (3) competitive quotations. The Administrator shall retain and have available documentation verifying each quotation. The Board Members maintain the authority to waive this requirement.
- C. All necessary information is required to be noted on the Purchase Order. This shall include information regarding the competitive quotations with vendors and pricing noted.
- D. The Accounting Department verifies that sufficient funds are available for the purchase and account coding is proper.
- E. The Purchase Order is submitted to the Board President for approval.
- F. The Board President shall grant permission to the Administrator in writing or verbal communication to order the item(s).
- G. The purchase order is sent to vendor.
- H. The purchase order is sent the Accountant.
- I. The Administrator and/or her authorized designee shall place the order for the item(s).
- J. The vendor will deliver the item(s) to the specified location. The fire department representative receiving the item(s) shall sign the receiving slip.
- K. The Administrator and/or her authorized designee shall ensure that the receiving slip and invoice are all properly executed before payment is made.

SECTION 7 – PURCHASES \$50,000.00 OR MORE

I. GUIDELINES

State law requires that purchase of \$50,000 or more utilize a process of competitive sealed bids or proposals. The Emergency Services District may, however, elect to make purchases in excess of \$50,000 through legally established purchasing cooperatives (such as HGAC or Buy Board) that seek and award competitive bids and/or proposals on behalf of participants in the cooperative.

II. EXCEPTIONS

The following items are exempted from State bidding requirements:

1. Items purchased in case of public calamity that requires the immediate appropriation of money to relieve the needs of citizens or to preserve property within the emergency service district;
2. Items to preserve or protect the public health or safety of the residents within the emergency service district;
3. Items necessary because of unforeseen damage to public machinery, equipment, or other property;
4. Personal, professional, or planning services;
5. Work that is performed and paid for on a daily basis (day labor) as the work progresses;
6. Land or right-of-way; and
7. Items available from only one source, including: patented, copyrighted, natural monopoly, or secret processes items; films, manuscripts, or books; gas, water, or other utilities; captive replacement parts or components for equipment; books, papers, and other library materials subject to exclusive distribution rights; and management services provided by non-profit organizations to a municipal museum, park, zoo, or other facility to which the organization has financially or otherwise supported.

III. PROCEDURES

- A. The Board Members shall authorize the initiation of the bid process or purchase of the item through a purchasing cooperative. In certain situations, the Administrator may request that the Board Members authorize the bid process.
- B. The Administrator or Designee shall prepare the necessary bid specifications or documents.
- C. The bid notice dates and opening date shall be coordinated with the Board Member's Legal Counsel to ensure compliance with State statute.
- D. The Administrator and/or authorized designee shall be responsible for the distribution of bid packets to interested vendors.

- E. Bids shall be opened in accordance with State statute and a bid tabulation prepared.
- F. The Administrator and/or her authorized designee shall complete a Purchase Order form prior to acquisition of the item(s) being purchased.
- G. All necessary information is required to be noted on the Purchase Order. This shall include information regarding the competitive quotations with vendors and pricing noted.
- H. The Accounting Department verifies that sufficient funds are available for the purchase and account coding is proper.
- I. The Purchase Order is submitted to the Board Members for approval.
- J. The Board Members shall grant permission to the Administrator in writing or verbal communication to order the item(s).
- K. The purchase order is sent to vendor.
- L. The purchase order is sent the Accountant.
- M. The Administrator and/or her authorized designee shall place the order for the item(s).
- N. The vendor will deliver the item(s) to the specified location. The fire department representative receiving the item(s) shall sign the receiving slip.
- O. The Administrator and/or her authorized designee shall ensure that the receiving slip and invoice are all properly executed before payment is made.

IV. IDENTICAL BIDS

If the District receives bids from two (2) or more responsible bidders, staff will consider previous products and/or work supplied to the District and if the bidders reside in the District. If all factors are equal, lots shall be drawn to award the bid.

SECTION 8 – CONTRACTS FOR PROFESSIONAL SERVICES

I. GUIDELINES

The hiring of professional services shall be conducted in compliance with State statute.

II. PROCEDURES

- A. Professional services cannot be awarded on the basis of bids. Professional services are awarded on the basis of demonstrated competence and qualifications. Professional fees should be consistent with recommended fees of the professions and cannot exceed any maximums established by State law.

- B. The District Board Members shall be responsible for negotiating necessary contracts.
- C. The Board Members shall authorize contracts with costs in excess of \$5,000.00.
- D. When awarding contracts for professional services the following procedures should be followed:
 1. The Administrator or Designee recommends the most qualified firm on the basis on competence and qualifications;
 2. The Board Members then attempts to negotiate a fair and reasonable contract with this firm;
 3. If the Board Members cannot negotiate a contract the negotiations are ended with this firm;
 4. The next qualified firm is then selected;
 5. Negotiations begin with the next firm;
 6. This procedure is repeated until a fair and reasonable contract is made.

SECTION 9 – STATE EXCEPTIONS

State statute may allow for certain exceptions or alternate means of purchasing items or acquiring services other than specified within this Policy. In such circumstances, State statutory requirements shall be followed.

SECTION 10 – EMERGENCY PURCHASES

I. GUIDELINES

Emergency purchases are categorized as those which are necessary to preserve and protect the public health or safety of the residents of District and those items necessary due to unforeseen damage to public property.

II. PROCEDURES

- A. Competitive bidding or proposal requirements do not apply in this situation.
- B. The Administrator or designee shall attempt to contact the Board President and one (1) Board Member for authorization of the purchase; however, if the Board President or Board Member is unavailable, the Administrator has the authority to purchase necessary items or services.
- C. The Administrator shall make the necessary purchases and note on all Purchase Orders and other documentation that they are emergency purchases.
- D. Depending upon the circumstance, Board Member's approval may be required prior to authorization of an emergency purchase.