



LOWER BRUSHY CREEK WCID BOARD APPROVED POLICY

PURCHASING AND PAYMENT POLICY

The purpose of this policy is to identify procedures to be utilized by District staff and officials in connection with purchasing and payment for goods and services on behalf of the Lower Brushy Creek Water Control & Improvement District.

Prior to the start of each fiscal year, the Board approves the District's budget. In approving the budget, the Board authorizes District staff to expend funds in the manner and amount that has been identified in the budget, and subject to the following procedures.

Staff and officials should never personally benefit from selecting a specific vendor or expending District funds, and all purchasing decisions shall be governed by the best interest of the District.

Employees and officials are not authorized to make purchases from any supplier with whom they have a financial interest or familiar relationship that could result in a conflict of interest.

District Funds

The District designates the City National Bank of Taylor as its depository. The District shall maintain a checking account at the depository and may establish money market or other accounts as authorized by the Board of Directors. All District expenditures will be paid from the District's checking account.

The District shall also maintain a TexPool account for receipt of all tax funds received from the Williamson County Assessor/Collector's office.

Transfers from TexPool to the District's checking account are authorized to cover the monthly operation and maintenance expenses reflected in a monthly summary of expenses that are approved by the Board of Directors. Two authorized signatures are required on all transfers.

Authority to Purchase

The following employees and officials are authorized to expend funds on behalf of the District in accordance with the Board approved budget and are responsible for monitoring and ensuring both budgetary and policy compliance:

General Manager

District Secretary

Board President

Staff or officials that make unauthorized purchases are at the risk of being held financially responsible for the purchase or subject to disciplinary action up to and including termination.

Methods of Purchasing

Vendor Accounts

Vendor accounts may be used for general purchases under \$500 monthly from each vendor, and within budgeted annual amounts.

Credit Cards

Credit cards may be used for general purchases and any recurring District bills within the predetermined credit limits and within budgeted annual amounts. The following credit cards limits shall apply:

General Manager	\$2,000
District Secretary	\$1,000
Board President	\$1,000

Automatic credit card payments for recurring District bills of a constant amount may be scheduled with the General Manager's approval. Bills with varying amounts may be made using a credit card but must be initiated manually. The General Manager will review and initial the monthly credit card statement and backup documentation for internal accounting purposes. The District's credit card number may be stored on reputable vendors' websites for ease of transactions, with the General Manager's approval.

Reimbursement - purchases, mileage and travel expenses

Any authorized District expense that is paid for by an employee or official shall be reimbursed with an approved reimbursement request form. Mileage for District business shall be reimbursed at the Federal Mileage Reimbursement Rate with an approved mileage reimbursement request form. Reimbursement for staff or officials shall be based on actual expenses. The General Manager is authorized to review and approve reimbursement requests.

Reimbursement request forms shall be accompanied by receipts for all transactions of \$50 or more. All transactions must include a written description of the expense, related business purpose, and names of all parties associated with the expenditure. All transactions require Board approval before reimbursement can be made.

Reimbursement – meals and entertainment

Business meals are occasionally warranted if associated with a meeting related to District business. In those cases, employees and officials are authorized to pay for such meals for consultants, vendors, municipal employees, etc. as long as such an act is not contrary to the recipient's employers' requirements. Such expenditures shall be limited to \$1,000 annually for the District without prior Board approval. All business meal expenditures shall be documented with receipts, with the attendees of the meeting and a brief description of the topic of the meeting written clearly on the receipt.

No reimbursement is allowed for the cost of entertainment or recreation unless the expenses is directly related to the conduct of the business of the District.

Methods of Making Purchases

District staff and officials should always make purchases that are financially sound and benefit or meets the business needs of the District. Purchases should provide best value, not necessarily lowest cost.

When procuring Professional Services, the District shall comply with the requirements of Subchapter A, Chapter 2254, Texas Government Code and shall select and award on the basis of demonstrated competence and qualifications to perform the services for a fair and reasonable price and shall not select services or award contracts on the basis of competitive bidding.

Purchases and contracts less than \$25,000

District staff is not required to seek competitive bids for contracts or purchases of items that cost less than \$25,000, with the approval of the General Manager. The employee may select the vendor but should make every attempt to get the best value for the District.

Purchases from \$25,000 to \$75,000

All contracts and purchases from \$25,000 to \$75,000 require prior approval for a "not to exceed" amount by the Board prior to the purchase being made.

Generally, no less than three written price quotations should be obtained from potential vendors to ensure competition. The written quotations must be submitted to the Board with the request to approve the purchase, and shall include the names of the vendors and their quote. Selection shall be based on price, quality of service, reliability of vendor, schedule, and other relevant factors as determined by the General Manager. If the General Manager, in his/her professional judgment, determines that it is unreasonable to obtain three quotes, then the General Manager may proceed with the purchase on a non-competitive basis with the concurrence of the Board.

Consideration to local qualified vendors, located within the District boundaries, may be considered as a relevant factor.

Purchases of \$75,000 or more

All contracts and purchases of \$75,000 or more require Board approval for a "not to exceed" amount prior to the purchase being made.

Purchases not made through a state contract or from a sole source provider shall use a formal bid process, either through an Invitation for Bid (IFB), Request for Proposal (RFP), or Request for Qualifications (RFQ). The Board must approve the purchase prior to the issuance of the IFB, RFP or RFQ. Staff will draft the document, including specifications, establish the scoring criteria and weight, and identify potential bidders, and submit it to the Board. If the Board approves the issuance, the General Manager will review the proposals and make an award recommendation to the Board. All responsive bidders shall be ranked based on best value offered as determined by the selection criteria in the procurement document as these terms are defined by Texas statutes and case law.

Invitations for Bid (IFB) - An IFB is generally used when the supplies, materials, equipment, goods, property or services to be acquired will be provided via contract on a recurring basis

over a specified period of time. The primary decision factor is price if using an IFB.

Request for Proposal (RFP) - An RFP is generally used when multiple factors exist that make it difficult or impossible to define a product or scope of work that will allow an evaluation to be made as to determine the lowest responsive bid from a responsible bidder. Evaluations will be based on the factors set forth in the RFP in order to determine which proposal best meets the needs of the District.

Request for Qualification (RFQ) - An RFQ is generally used when professional services are required. Cost information or other information from which cost can be derived must not be submitted until the second step of negotiating a contract at a fair and reasonable cost.

Sole Source Purchases

There may be circumstances where it is in the best interest of the District to not engage in a full competitive process to select contract awardees. Sole source procurement is justified when there is only one supplier that can provide the material or service economically or in a timely manner (the product or service is protected by copyright, patent, or trademark, or must be provided by the original equipment manufacturer; a mobilized contractor is the only one who can perform in time; or there is no time to solicit and evaluate proposals).

The General Manager may consult with Board Attorney when considering sole source procurement but must have prior approval from the Board to make sole source purchases.

Bid or Contract Modifications

The District may negotiate with any responsive bidder to improve the value of the contract to the District prior to award or selection of a supplier. The District may negotiate simultaneously with multiple suppliers during the evaluation process in order to obtain the best deal possible for the District.

After award of the contract and signing by both parties, the District may make changes to plans, specifications or quantities, if necessary. If a change order of \$25,000 or less is involved, the District grants authority to the General Manager to approve the change order. All other change orders require approval by the Board of Directors.

No increase of more than 25% per contract may be made without Board approval and verification of proper bonding by the contractor.

Emergency Purchasing Provisions

The District is generally exempted from competitive bidding if:

1. In the case of public calamity, the prompt purchase of items is required to provide for the needs of the public or employee safety, or to preserve real property within the District, or;
2. An item is necessary to preserve or protect the public health, safety and welfare.

The General Manager may approve expenditures of District funds in any amount as may be necessary to respond to emergency conditions that potentially threaten the health, safety or welfare of District residents, employees, the public or District infrastructure, for which immediate corrective action is necessary. It is desired that any such action be planned in consultation with the Emergency Coordinators, local Floodplain Administrators, public safety officers, Federal, State or local government officials, or the District engineering contractor. It is further desired that such officials later provide the District with a letter or other record of these consultations, to be placed in the District archive as documentation supporting the

expenditures of District money. Notification of such action shall be presented to the Board and subsequently placed on the agenda for the Board of Directors' next regularly scheduled meeting.

Approval of Expenditures and Payment of Invoices

Regular Expenses

The General Manager shall review all invoices for regular District expenses (except for invoices from CLARNO Consulting, LLC) and, if acceptable, will provide a written recommendation for approval.

The Treasurer or President shall review all invoices for regular District expenses from CLARNO Consulting, LLC and, if acceptable, will provide a written recommendation for approval.

Operation and Maintenance Expenses

The General Manager shall review all invoices for operation and maintenance expenses to be paid from the Texas State Soil and Water Conservation Board's Flood Control Program and, if acceptable, will prepare and submit the required request for payment and approval.

Repair and Rehabilitation Project Expenses

The General Manager shall review all construction related invoices (except for invoices from CLARNO Consulting, LLC) for repair and rehabilitation expenses to be paid from the Texas State Soil and Water Conservation Board's Flood Control Program and, if acceptable, will prepare and submit the required request for payment and approval.

The Treasurer or President shall review all invoices from CLARNO Consulting, LLC for repair and rehabilitation expenses to be paid from the Texas State Soil and Water Conservation Board's Flood Control Program and, if acceptable, will prepare and submit the required request for payment and approval.

Check approval and signatures

Approved invoices shall be sent to Bott & Douthitt, PLLC for preparation of checks. Checks will require two signatures.

Reporting of Expenditures

Reimbursement request forms shall be accompanied by receipts for all transactions of \$50 or more. Any transaction of \$50 or more that is not documented with a receipt requires a written explanation of why a receipt is not available and certification by the purchaser that the expenditure is a valid District expense.

The Board of Directors will receive a summary of all financial transactions and reimbursement request forms each month. Directors may opt for an electronic copy of all back-up documentation (invoices, receipts, etc.).

Disposal of Surplus Materials

Materials no longer necessary, convenient or beneficial to the District with an estimated value greater than \$50 may be sold, transferred or conveyed by the General Manager for appropriate consideration, subject to Board approval.

Purchasing Ethics

All staff and officer decisions are held to strict standards of ethical conduct due to the visible public service positions they hold and the potential for public misperceptions.

District staff and officers have the right to engage in activities that are of a private nature outside their District duties and responsibilities. However, one must never use their position at the District to provide any special benefit to themselves or to persons with whom they have family, business, personal or financial ties. Although a conflict technically may not exist, any appearance of such a conflict must be avoided. Whenever a potential conflict of interest arises, the Board Attorney, General Manager and Board of Directors should be notified immediately for guidance and resolution.

Bank Statements and Monthly Financial Statements

Bank statements shall be mailed to Bott & Douthitt, PLLC for reconciliation each month and regular financial statements will be prepared and provided to the General Manager.

Effective Date

This policy will become effective upon adoption by the Board of Directors.

APPROVED AND ADOPTED on this 18 day of March, 2024.

By: Edmond S. Komandosky
Edmond S. Komandosky
Board President

ATTEST:

By: Monica P. Masters
Monica P. Masters
Board Secretary