


AGENDA PLACEMENT FORM

(Submission Deadline – Monday, 5:00 PM before Regular Court Meetings)

Date: 05/20/2024
Meeting Date: 05/28/2024
Submitted By: Lance Anderson
Department: Purchasing
Signature of Elected Official/Department Head:


Court Decision:
This section to be completed by County Judge's Office



May 28, 2024

Description:

Consideration and approval of proposed revised Purchasing Manual.

(May attach additional sheets if necessary)

Person to Present: Lance Anderson

(Presenter must be present for the item unless the item is on the Consent Agenda)

Supporting Documentation: (check one) PUBLIC CONFIDENTIAL
(PUBLIC documentation may be made available to the public prior to the Meeting)

Estimated Length of Presentation: 10 minutes

Session Requested: (check one)
 Action Item Consent Workshop Executive Other _____

Check All Departments That Have Been Notified:
 County Attorney IT Purchasing Auditor
 Personnel Public Works Facilities Management

Other Department/Official (list) _____

**Please List All External Persons Who Need a Copy of Signed Documents
In Your Submission Email**

Johnson County



Purchasing Manual

Revised May 28, 2024

Table of Contents

INTRODUCTION	4
ETHICAL RESPONSIBILITIES	4
I. STATEMENT OF GENERAL POLICY	5
II. PURCHASING AUTHORITY AND GENERAL GUIDELINES.....	6
POTENTIAL LIABILITY	7
III. PROCUREMENT PROCESSES.....	8
A. ADDING NEW VENDORS.....	8
B. REQUISITIONS	9
C. OFFICE SUPPLY ORDERS	9
D. CAPITAL PURCHASES.....	9
E. SPECIAL PROCEDURES FOR CERTAIN ITEMS.....	9
ITEMS THAT MAY BE PURCHASED ONLY BY SPECIFIC DEPARTMENTS.....	9
Items that may be purchased only by Facilities Management:.....	10
Items that may be purchased only by Personnel:.....	10
Items That May Be Obtained Only From Purchasing (Print Shop):.....	10
ITEMS THAT MAY NOT BE PURCHASED WITH COUNTY FUNDS	10
IV. PURCHASE OF MATERIALS AND SUPPLIES.....	11
A. General.....	11
B. Responsibilities of the Purchasing Department and Requesting Departments	11
V. BIDDING PROCESS AND PROCEDURES.....	12
A. Bid Procedures for Budgeted Item -- Purchase over \$50,000.....	12
B. General Bidding Information	13
C. Bid Opening	13
D. Bid Recommendations	13
E. Bid Award	13
F. Bond Requirements	14
G. Acquisition of Item After Bid Award	14
H. Change Order	14
VI. SPECIAL PURCHASES.....	15
A. Unbudgeted Capital Purchases.....	15
B. Acquisition under a Blanket Purchase Order	15
C. Insurance and High Technology Items.....	16
D. Personal and Professional Services.....	16
E. Emergency Purchases.....	17
F. Sole-Source Purchases.....	18

VII. INSPECTING, TESTING AND RECEIVING.....	18
VIII. COUNTY-OWNED SUPPLIES AND EQUIPMENT	19
A. Receipt of New Property -- Tagging.....	19
B. Public Official and Department Head Responsibility	19
C. Controlled Property	19
D. Transfer of Property (Local Gov. Code Section 262.011(j)).....	19
E. Missing Property	20
F. Disposal of Surplus or Salvage Property (Local Gov. Code Chapter 263, Subchapter D)	20
G. Inventory Arrangements – Resignation, Retirement, or Removal.....	20
H. Annual Inventory	20
IX. LEGAL BASIS FOR PURCHASING.....	21
A. Govt. Code Chapter 2254 -- Professional Services Procurement Act	21
B. Local Gov. Code Chapter 271, Subchapter D -- Purchase Under State Contract	21
C. Local Gov. Code Chapter 171 -- Conflict of Interest.....	21
D. Local Gov. Code Chapter 262, Subchapter A -- County Contracting Agent.....	22
E. Local Gov. Code Chapter 262, Subchapter B -- County Purchasing Agent	22
F. Local Gov. Code Chapter 263, Subchapter D -- Disposition of Salvage or Surplus Property.....	23
G. Local Gov. Code Chapter 262, Subchapter C -- County Purchasing Act (Competitive Bidding).....	23
H. Labor Code Section 406.096.....	24
I. Local Gov. Code Chapter 113 -- Approval of Claims by County Auditor	24
X. CONTRACTING WITH SMALL AND MINORITY BUSINESSES, WOMEN’S BUSINESS.....	24
ENTERPRISES, AND LABOR SURPLUS AREA FIRMS IN ACCORDANCE WITH CODE.....	24
OF FEDERAL REGULATIONS (CFR) 200.321	24
XI. SPECIAL TEXAS REQUIREMENTS	25

INTRODUCTION

This manual contains the authorized procedures for purchasing by County officials and employees. The Johnson County Commissioners Court promulgates these procedures, and only the Commissioners Court shall make changes in the contents of this manual.

County purchasing procedures are governed by Texas statutes; and these statutes, including interpretations of them made by Texas courts, are the ultimate authority on the validity of purchasing procedures. Because the procedures described in this manual are based on state law, this manual, in many instances, contains language taken directly from statutes, and paraphrases of and broad generalizations about Texas statutory law have been included where appropriate to assist in applying the law in routine situations. This manual cannot address every situation; and when an unusual situation occurs or a difficult legal or factual problem arises, the exact statutory language must be reviewed and analyzed. In every situation, the final authority for County purchasing procedures is the law itself.

This manual is for the use of Johnson County employees and officials and is designed to assist them in complying with the laws governing County purchasing procedures. This manual does not create any rights of individuals or entities enforceable against Johnson County.

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. An employee or officer who submits a request to purchase any good or service, whether through the submission of a purchase order, agenda placement request form, or in any other manner, is certifying that he or she has complied with the requirements of this manual.

ETHICAL RESPONSIBILITIES

Public employment is a public trust. It is the policy of Johnson County to promote and balance the objective of protecting government integrity and the objective of facilitating the recruitment and retention of personnel needed by Johnson County. Such policy is implemented by prescribing essential standards of ethical conduct without creating unnecessary obstacles to entering public service.

Public employees must discharge their duties impartially so as to assure fair and competitive access to governmental procurement by responsible contractors. Moreover, they should conduct themselves in such a manner as to foster public confidence in the integrity of the Johnson County Purchasing Department. Johnson County employees will avoid the appearance of unethical or compromising practices in relationships, actions, and communications.

The following ethical guidelines serve to increase transparency and accountability. They should guide purchasing decisions, and any employee or official observing a violation of these guidelines should bring that behavior to the attention of their supervisor.

- **Personal Gain** – It is a breach of ethics to receive (or solicit) any personal gain due to public employment. While preference may be given to vendors located within the County under the terms of this manual, employees and officials should not show preference to family, friends, or business associates when selecting a vendor. Any potential conflict of interest must be promptly disclosed in accordance with State law, and the appearance of favoritism must be avoided.

- **Influence** – It is a breach of ethics for an employee to attempt to influence any public employee or vendor to violate these ethical standards.
- **Gratuities** – It shall be a breach of ethics to offer or accept any gratuity, kickback, or gift from any vendor. Employees and officers may accept small items with little or no cash value (in no case more than \$5.00 in value) such as pens, pencils, notepads, branded tote bags, or other such items. It is typically acceptable receive edible gifts shared with the office. An employee accepting any amount of cash (including gift certificates and/or gift cards) may be subject to termination and/or criminal prosecution.
- **Offers of Employment** – It shall be a breach of ethics to offer or accept employment to an employee or family member (in the first degree of consanguinity or affinity) in an attempt to influence the procurement process.
- **Confidential Information** – No employee or officer may use confidential information obtained in the procurement process for any personal gain. Nor shall an employee or officer disclose confidential information to any other person who may use such information for personal gain.
- **Conflicts of Interest** – It shall be a breach of ethics for any employee of Johnson County to participate directly or indirectly in procurement when the employee knows that:
 - The employee or family member (in the first degree of consanguinity or affinity) of the employee has a financial interest pertaining to the procurement;
 - A business or organization in which the employee, or family member (in the first degree of consanguinity or affinity) of the employee has a financial interest pertaining to the procurement; or
 - Any other person, business or organization with whom the employee or family member (in the first degree of consanguinity or affinity) of the employee is negotiating or has an arrangement concerning prospective employment is involved in the procurement.
 - If such conflicts of interest exist, the employee shall notify the Purchasing Agent in writing and remove him/herself from the County procurement process.

I. STATEMENT OF GENERAL POLICY

It is the policy of Johnson County that all purchasing shall be conducted strictly on the basis of economic and business merit. This policy is intended to promote the interest of the citizens of Johnson County.

To avoid violation of or the appearance of violation of the policies in this manual, County employees and officials are to refrain from soliciting or accepting money, loans, credits, or prejudicial discounts or accepting gifts, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence purchasing decisions.

Generally, edible goods with a value of \$50.00 or less are acceptable if shared with the entire staff unless it appears to influence a purchasing decision.

It is important to remember that County Purchasing operates in full view of the public. In order to assure an open purchasing process and economy in purchasing, the Commissioners Court has determined that competitive bidding will be used as much as possible in the purchase of goods and services for the County.

Johnson County intends to maintain a cost-effective purchasing system conforming to good management practices. To be successful, the system must be backed by proper attitudes and cooperation of not only every department head and official, but also every supervisor and employee of Johnson County. The establishment and maintenance of a good purchasing system is possible only through cooperative effort.

The responsibility of purchasing ultimately rests with the Commissioners Court. The Purchasing Agent, as an agent of the Commissioners Court, aids in the purchasing process but is subject to the Court's direction as to reasonable specifications and maximum prices on items to be purchased.

The purchasing process is not instantaneous. Time is required to complete the steps required by State law. In order to accomplish timely purchasing of products and services at the least cost to Johnson County, all departments must cooperate fully. Prior planning and the timely submission of requisitions are essential to expedite the purchasing process and to ensure that the process is orderly and lawful.

II. PURCHASING AUTHORITY AND GENERAL GUIDELINES

Authority to make County purchases resides in either the County Purchasing Department or the Commissioners Court. The Purchasing Department is responsible for making purchases of supplies, materials, equipment, and for making contracts for repairs to County owned property, except in cases where competitive bids are required by law. All competitively bid contracts are made by and through the Commissioners Court. Such purchases made on competitive bids shall be supervised by the Purchasing Agent in accordance with the purchase contract (Local Government Code, Chapter 262.011(e)). Competitive bidding is generally required on all purchases or repair contracts for \$50,000.00 or more.

General guidelines for purchasing and utilization of this manual are as follows:

- Determine whether the County is required to make the purchase by competitive bidding. Generally, competitive bidding is required on any purchase likely to equal or exceed \$50,000.00. Unless a bid contract for the goods or services already exists, the items required to be purchased through competitive bidding will be purchased as described in Section V, p. 12-15. Questions regarding the necessity of competitive bidding should be answered by the Purchasing Department.
- Other Purchases -- Special procedures are available for and applicable to the purchase of particular goods and services, summarized as follows:
 - **Unbudgeted Capital Expenditures** -- purchases not authorized in a department's current budget must be authorized through a budget amendment by the Commissioners Court (See Section VI, A, p.15).

- **Blanket Purchase Orders** -- acquisition of goods or services on an “as needed” basis may be authorized in appropriate instances by a blanket purchase order (See Section VI, B, p. 15-16).
- **Insurance and High Technology** -- as an alternative to competitive bidding, in the case of high technology items and insurance, competitive proposals from vendors may be solicited by the County when, in the judgment of the Commissioners Court, this procedure is preferable (See Section VI, C, p. 16).
- **Personal and Professional Services** – Personal and Professional Services may be exempted from Competitive Bidding by order of the Commissioners Court. These services may also be obtained through Requests for Qualifications as described in (Section VI, D, p. 16-17).
- **Emergency Purchases** -- items otherwise required to be competitively bid may be exempt from the competitive bidding process by the Commissioners Court if (1) a prompt purchase is required, due to a public calamity, to meet a necessity of the citizens or preserve public property, (2) the purchase is necessary to preserve the public health or safety of County residents, or (3) the purchase is required due to unforeseen damage to public property (See Section VI, E, p. 17-18).
- **Work in Progress** -- this may be exempted by the Commissioners Court and paid for by the day after it is performed.
- **Land and Right-of Way Acquisition** -- this has been exempted by the Commissioners Court from competitive bidding.
- **Sole Source Items** -- an item available from only one source may be purchased without competitive bidding, with the approval of the Commissioners Court, as provided in (Section VI, F, p. 18).
- **Equipment Maintenance Services** -- Maintenance is arranged through the Purchasing Departments described in (Section VI, G, p. 18-19).

POTENTIAL LIABILITY

Failure to comply with the above policies regarding competitive bidding may result in liability on behalf of the employee or official who violates the policy. The following purchasing strategies that are made with the intention of avoiding formal competitive bidding may violate Texas Local Government Code Section 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.

Intentionally separating purchases/invoices to avoid the statutory limit on competitive bidding is a violation of the Purchasing Act (Texas Local Government Code Section 262.034). Intentionally separating purchases/invoices to avoid quoting requirements or other regulations contained in this manual, even if the total purchase amount would not require competitive bidding under State law, is a violation of County policy and may be considered grounds for termination.

Any commitment to acquire goods or services without complying with the procedures set forth in this manual is strictly prohibited. If an officer or employee makes a commitment in violation of this manual, the following penalties may be imposed:

- Voiding of the agreement or commitment;
- Holding the employee or officer personally liable for the cost of the expenditure;
- Discipline, up to and including termination, of the employee;
- Potential criminal liability for intentional violations.

III. PROCUREMENT PROCESSES

A. ADDING NEW VENDORS

Adding new vendors to the Johnson County financial system may be initiated under the following conditions.

- A new vendor receives an award in response to a Johnson County RFQ, RFP, or RFB.
- There is no vendor currently on the database that can supply the item required other than by adding a new vendor.
- Department Request.

In order to add a vendor to the database the attached vendor packet Exhibit "A" must be completed by the department requesting a new vendor and sent to Purchasing.

Purchasing will check to see if the new vendor is on the State of Texas and Federal Debarment lists.

After Purchasing has completed these checks and agrees that the vendor has provided all necessary documentation, the vendor data will be uploaded to the financial system, in accordance with the internal vendor set up procedures.

Purchasing will then notify the Department users of the new vendor number.

B. REQUISITIONS

A requisition is required for all purchases (Local Gov. Code Section 113.901) for the following reasons:

- To inform the Purchasing Department of the needs of the requesting department.
- To identify correctly and clearly the material requested. Requisitions must be prepared well in advance.

C. OFFICE SUPPLY ORDERS

- Office supplies are purchased via the Internet from a vendor with whom Johnson County has a current contract through an Interlocal Cooperative Purchasing Agreement. The user department will be issued a Password and User ID. Instruction on how to purchase via the Internet will be given to authorized personnel in each department by Purchasing.
- Authorized personnel will place orders for office supplies, which will be forwarded to the Purchasing Department, via the Internet, to review order and verify funds. Purchasing will then remit the order to the vendor. Delivery will be made to the user Department.

D. CAPITAL PURCHASES

If the requisition is for the purchase of a capital item (\$5,000.00 or more) one of the alternative procedures shown below should be followed.

- If an unbudgeted capital expenditure, See VI, A, pg. 10.
- If the capital expenditure is budgeted and the item is \$50,000 or more it must be competitively bid or purchased through a cooperative contract.
- If a budgeted capital expenditure of less than \$50,000 the item may be acquired through Purchasing.

E. SPECIAL PROCEDURES FOR CERTAIN ITEMS

These special provisions apply to certain categories of items. For the purchase of any item on this list, the employee must comply with all requirements listed below **in addition to** all of the ordinary procurement procedures.

ITEMS THAT MAY BE PURCHASED ONLY BY SPECIFIC DEPARTMENTS

In an attempt to reduce the costs associated with repeated small-batch purchases of certain commonly-used items, the Commissioners Court has designated the following items shall not be purchased by any Department or Office other than the Department specified. Requests for these items should be made to the specified Department with sufficient time to allow for ordering and drop-shipping of the items.

Items that may be purchased only by Facilities Management:

- **Paper products** - Including toilet paper, paper towels, facial tissue, etc.
- **Cleaning supplies** – Including sanitizing wipes, cleaning sprays, hand sanitizer, hand soap, carpet products, dusters, sponges, scrubbers etc.
- **Common Breakroom Appliances** – Including microwaves and refrigerators to be placed in designated breakrooms. County funds will not be used to purchase minifridges or other appliances intended to be placed in any location other than a designated breakroom.

Items that may be purchased only by Personnel:

- **First Aid Kits** – Any Department or Office seeking to purchase or restock a first aid kit must do so by placing a request with the safety officer in the Personnel Department.

Items That May Be Obtained Only From Purchasing (Print Shop):

- **Thank you notes and invitations** – if they serve a County purpose and relate directly to County business (i.e. inviting residents to a groundbreaking ceremony for a County-owned building or thank you notes directed to individuals donating goods to the County)
- **Pre-printed letterhead or envelopes**

Requisitions for these items through third party vendors will be denied **unless the Print Shop verifies that it is unable to fulfil the request.**

Other Restrictions:

- **Any item that may be reused in representing Johnson County may not be personalized.**
- **The “best value” approach should be used when selecting products for order. Premium brand products should generally be avoided when alternatives are available unless deemed necessary.**

F. ITEMS THAT MAY NOT BE PURCHASED WITH COUNTY FUNDS

These items may not be purchased with County funds unless specifically authorized in this section.

(1) Consumables, including:

- a. Food for employees or vendors, including food to stock an employee break room;
- b. K-cups and other single-use coffee or tea products
- c. Drinks or drink mixes (including powdered Gatorade, ground coffee, and bagged tea) for employee use;
- d. Individual bottles of water;

(2) Other items:

- a. Greeting Cards;
- b. Holiday Cards;
- c. Disposable cups, cutlery, plates, bowls, and napkins (not including paper towels);
- d. Personal hygiene items (lotions, OTC medications, feminine products, etc.);
- e. Appliances for personal use, including micro-refrigerators, space heaters, etc.

(3) Specific exceptions to this policy:

- a. Courts, including the Commissioners Court, may purchase coffee, bottled water, and/or soft drinks for jurors, court participants, and members of the public;
- b. Precincts and Facilities Management may purchase bottled water and/or powdered Gatorade or similar electrolyte mix for crews working outdoors;
- c. Law enforcement may purchase bottled water and/or powdered Gatorade or similar electrolyte mix to be distributed to the public;
- d. Emergency Management may purchase food, bottled water, bottled drinks, and any other provisions necessary to prepare for or respond to an emergency.
- e. County Attorney's & District Attorney's Offices may purchase Kleenex, sanitizing wipes, coffee, bottled water, and/or soft drinks for witnesses, officers and/or victims.

IV. PURCHASE OF MATERIALS AND SUPPLIES

A. General

Materials and supplies not available from the current office supply contract via the Internet are acquired through the Purchasing Department. Additionally, contracts for repairs to property used by the County are requisitioned through the Purchasing Department.

B. Responsibilities of the Purchasing Department and Requesting Departments

This section of the procedure manual outlines the responsibilities of the County departments when making an acquisition through the Purchasing Department. It should be used as a guide to help ensure departments do their part in the purchasing process.

The Purchasing Department's responsibilities are as follows:

- Obtain information from the user departments related to their needs.
- Secure products and services requested by the user department at the best value to the County.
- Assist in identifying sources and availability of needed products and services.
- Aid and cooperate with all departments of the County to meet their equipment and supply requirements.

The Requesting Department's responsibilities are as follows:

- User will enter a requisition into the financial system for preparation of a purchase order, supplying the supporting documentation in accordance with the following guidelines:
 - Requisitions less than \$10,000.00 require at least one (1) written quotation.

- Requisitions ranging from \$10,000.00 to \$49,999.99 require at least two (2) written quotations.
- Make requests early enough to allow sufficient time for the vendor to make delivery.
- Supply detailed specifications and/or scopes of work for of items or services requested.
- Inform the Purchasing Department or Commissioners Court of all unusual purchasing requirements.
- Take no actions that might be viewed as obligating or committing the County, except in an emergency, as defined in Section VI, E, p 17-18. An opportunity to engage in a beneficial financial transaction or obtain a bargain does not constitute an “emergency”.
- Make no commitments regarding commodities or services in the name of the County. Such commitments will be VOID unless they are made by the Purchasing Agent, the Commissioners Court, or other agents of the Commissioners Court.

V. BIDDING PROCESS AND PROCEDURES

A. Bid Procedures for Budgeted Item -- Purchase over \$50,000

- Requesting Department’s Responsibilities
 - Submit detailed and complete specifications and/or scopes of work to the Purchasing Department. Request should be made far enough in advance of the desired purchase date to allow time for the formal bidding process.
 - Be present and prepared at the meeting of the Commissioners Court during which the bid specifications are discussed and approval for the Purchasing Agent to publish the bid document is requested.
- Purchasing Department’s Responsibilities
 - Review bid specifications to determine adequacy and to ensure that they are not unduly restrictive.
 - Submit agenda placement and notify the department of agenda date.
 - Following approval by Commissioners Court publish the bid document and mail to vendors.

B. General Bidding Information

The Purchasing Agent will insure publication of the legally required notice. No specifications are to be written with the intent to exclude a potential bidder. Competitive bidding can be let on either a lump sum or a unit price basis. If unit price bids are solicited, the needed quantities of each item are to be estimated based on the best available information. The successful bidder's compensation, however, will be based on the actual quantities supplied, furnished, or constructed.

C. Bid Opening

Following receipt of bids by Purchasing Department, bids will be publicly opened in the Purchasing Agent's Office. Anyone may attend. All sealed bids will be opened on the assigned day at the designated time. Bids will be read aloud and recorded on a bid tabulation sheet. The Purchasing Department will furnish copies of the bids to user department and evaluation team members.

D. Bid Recommendations

After examining copies of all the bids, the requesting department will send a written recommendation for bid award to Purchasing at least seven days prior to the deadline for Commissioners Court agenda. The Purchasing Agent will verify recommendation to the lowest bid received. Any recommendation to award to any bidder other than the low bidder will be presented to the County Judge for resolution prior to submission to Court.

After review of recommendations, the Purchasing Agent will submit an agenda placement, award recommendation, and a bid summary to the Commissioners Court.

A contract may not be awarded to a bidder who is not the lowest dollar bidder meeting specifications unless, before the award, each lower bidder is notified by the Purchasing Agent of the proposed award and offered an opportunity to appear before the Court and present evidence concerning the lower bidder's responsibility.

E. Bid Award

Bids will be awarded to the lowest and best responsible bidder. In addition to the price, the Commissioners Court will consider:

- The quality of the product;
- The adaptability of the product to the intended use; and
- The ability, experience, efficiency, integrity, and financial responsibility of the bidder.

When the County receives only one bid, the bid may be accepted if the Commissioners Court determines the price is fair and reasonable. If the price is not fair and reasonable, the bid may be rejected.

If two or more responsible bidders submit identical bids, the bid award will be made by drawing lots or as directed by the County Judge.

F. Bond Requirements

If applicable, a Bid Bond shall be required. Pursuant to the provisions of Section 262.032 (a) of the Texas Local Government Code, if the contract contemplated by this request is a bid for the construction of public works, or will be under a contract exceeding \$100,000.00, Johnson County may require the vendor to execute a good and sufficient bid bond in the amount of five percent (5%) of the total contract price. Said bond shall be executed with a surety company authorized to do business in the State of Texas.

If applicable, a Performance Bond shall be required. Pursuant to the provisions of Section 262.032 (b) of the Texas Local Government Code, within thirty (30) days of the date of the signing of a contract or issuance of a purchase order following the acceptance of a bid by Johnson County Commissioners Court and prior to commencement of the actual work, the successful vendor shall furnish a performance bond to Johnson County for the full amount of the contract if the contract exceeds \$50,000.00. *Said* bond shall be for the purpose of insuring the faithful performance of the work in accordance with the plans, specifications and contract documents associated with the contract.

Pursuant to the provisions of Section 2253.021, Texas Government Code, if the amount of the contract awarded to the successful vendor exceeds \$100,000.00, the successful vendor shall execute a performance bond in the amount of the contract. Said performance bond is solely for the protection of Johnson County and is conditioned on the faithful performance of the work in accordance with the plans, specifications, and contract documents. This bond must be issued to the County within ten (10) days of the award of the contract and before the vendor begins the work.

If applicable, a Payment Bond shall be required. Pursuant to the provisions of Section 2253.021, Texas Government Code, if the amount of the contract awarded to the successful vendor exceeds \$25,000.00, the successful vendor shall execute a payment bond in the amount of the contract. Said bond is solely for the protection and use of payment bond beneficiaries who have a direct contractual relationship with the prime contractor or a subcontractor to supply public work labor or material. This bond must be issued to the County within ten (10) days of the award of the contract and before vendor begins the work.

G. Acquisition of Item After Bid Award

Following award of the bid contract by the Commissioners Court, a purchase order will be issued by the financial system and the successful vendor will be notified.

H. Change Order

A change order may be required when it becomes necessary to make changes after performance of the contract has commenced. The Purchasing Agent is authorized to approve increases or decreases to the original contract price of \$5,000.00 or less. The original contract price may not be increased by more than 25%. All change orders requiring increases or decreases to the contract price involving more than \$5,000.00 must be approved by the Commissioners Court. All decreases of 18% or \$5,000.00, whichever is less, or more of the original contract price must have the written consent of the contractor.

Any major alterations of the plans or specifications must be submitted to the Commissioners Court for approval.

VI. SPECIAL PURCHASES

A. Unbudgeted Capital Purchases

If a needed capital item was not included as part of the County Budget, the following procedures should be followed in order to obtain budgetary authorization.

- (1) The requesting department must generate a requisition in the financial system and attach a quote and justification for the need of the item.
- (2) The requesting department shall include a cost estimate, a statement justifying the need and if there are available departmental funds that may be used for the purchase.
- (3) The requesting department must obtain a Budget Transfer Form which is located on the Johnson County Intranet under Employee Resources, County Judge's Office and submit to the Budget Coordinator.
- (4) The Budget Coordinator will then present the request to the Court. The Commissioners Court will approve or decline the request. If approved, normal purchasing procedures apply.

In the case of an Auditor's Certification of Funds, the following procedures should be followed in order to obtain budgetary authorization.

- (1) The requesting department must generate a requisition in the financial system and attach a quote and justification for the need of the item.
- (2) The requesting department shall include a cost estimate, a statement justifying the need and if there are available departmental funds that may be used for the purchase.
- (3) The requesting department will provide the Auditor with a copy of the funding check, cash receipt from the Treasurer and any related supporting documentation.
- (4) The Auditor will submit to the Judge's Office for the next available agenda. Once the budget amendment is approved in court, the normal purchasing procedures apply.

After the Commissioners Court has granted budget authorization, the item will be competitively bid if over \$50,000.00.

B. Acquisition under a Blanket Purchase Order

A Blanket Purchase Order authorizes a County department to obtain up to a specified amount of material (services or supplies) on a continuing basis from a vendor. Such Purchase Orders are authorized only by the Purchasing Department in appropriate circumstances, i.e., obtaining road materials that are under contract, or for any products or services used for maintenance of vehicles or

other equipment. Any department foreseeing a definite and regular need for items not available routinely should consider contacting the Purchasing Department to investigate obtaining a Blanket Purchase Order for such items.

Blanket Purchase Orders anticipated to exceed \$50,000.00 during the course of a year must be competitively bid, as described in Section V. No Blanket Purchase Order may exceed budgeted funds for such purchases by a department.

Procedure for Acquisition under Blanket Purchase Order:

- The department will conduct business in accordance with the terms of the blanket purchase order or applicable contract.
- The department will retain receipts and/or delivery tickets for all items picked up or delivered and enter into the financial system.

Utility Blanket Purchase Orders may be used for utility expenses (i.e., electric, water, gas and telephone).

C. Insurance and High Technology Items

(1) Insurance and high technology items valued in excess of \$50,000 will be obtained through a proposal process, through Cooperative, or State Contract. All high-tech specifications must be approved by the Information Technology Department.

“High Technology Item” means a service, equipment or goods of a highly technical nature, including:

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

D. Personal and Professional Services

Personal Services

May be contracted pursuant to Local Government Code Section 262.024, if Commissioners Court by order grants an exemption.

Professional Services

“Professional services” are services provided by or within the scope of services such as those provided by certified public accountants, architects, landscape architects, land surveyors, physicians

including surgeons, optometrists, professional engineers, state certified or licensed real estate appraisers, or a registered nurse.

Professional services are procured through the Request for Qualifications (RFQ) process. The selection of providers of professional services will be based on the competency of the firm or individuals and not on competitive bidding results. Departments requiring professional services must review the experience and capabilities of the prospective service providers through statements of qualifications and interviews.

(1) Solicitation of Qualifications

After approval by the Commissioners Court, Purchasing will send an RFQ to potential professional service providers. Purchasing Agent will order advertisement of the request. The service providers will submit qualifications to the Purchasing Department. The Purchasing Department shall open qualifications submittals on the date specified in the request for qualifications. Confidential and trade secret information, identified as such in the qualifications, shall not be publicly disclosed, but the remainder of the qualifications shall be open for public inspection following award of the contract.

(2) Evaluation of Qualifications

An evaluation committee will evaluate the qualifications and if needed conduct further discussions and negotiations with responsible offerors after the opening. All offers are to receive fair and equitable treatment with regard to such discussions and negotiations. An evaluation of qualifications shall be made by an evaluation committee. The evaluation of each service provider will cover such areas as references, qualifications of personnel, background and experience of firm, required disciplines and clarity of submittal.

(3) Selection

The selection and award will be made on the basis of demonstrated competence and qualifications to perform the services; and for a fair and reasonable price. The professional fees under the contract must be not higher than the recommended practices and fees published by the applicable professional associations, and may not exceed any maximum provided by law.

E. Emergency Purchases

Emergency purchases are authorized in extremely limited circumstances:

- in the event of public calamity for the benefit of the County citizens or to protect public property;
- in order to protect the public health or safety of County residents;
- when made necessary by unforeseen damage to public property.

Depending upon the time of the emergency and type of purchase necessary, one of the following procedures should be followed:

- After hour’s emergency – for an expenditure of less than \$50,000.00, the department may take the necessary action to obtain the needed goods or services. If, however, the Department is aware that the purchase involves an expenditure of \$50,000.00 or more, reasonable effort should be made to contact the County Judge to notify him or his designated representative that the emergency exists. The next working day the Department should obtain a purchase order through the requisition process.
- Emergency during working hours:
 - If the purchase is for less than \$50,000.00 and budgeted funds are available, the Emergency Purchase Order may be placed verbally with the Purchasing Department;
 - If the purchase is less than \$50,000.00 and funds are not available, approval of the County Judge must be obtained by Purchasing prior to acquiring the item, service, or materials using the Emergency Purchase Order; or
 - If the purchase is in excess of \$50,000.00 and funds are available, Purchasing must obtain approval of the County Judge or his designated representative for the purchase prior to acquiring the item, service, or materials using the Emergency Purchase Order.

F. Sole-Source Purchases

An item valued in excess of \$50,000.00, which would otherwise be purchased by competitive bidding, may be purchased without the necessity of bidding if it is available from only one source. Typical items in this category include patented or copyrighted material, secret processes, natural monopolies, utility services, captive replacement parts or components for equipment, and films, manuscripts or books. Such items may be purchased from a sole source without competitive bidding only after the Purchasing Agent, in writing, certifies the existence of only one source to the Commissioners Court and the Court enters an order finding of such in its minutes, and grants an exemption from the bidding requirement.

G. Impracticality of Preparing Detailed Specifications

If the Purchasing Agent determines that it is impractical to prepare detailed specifications for an item to support the award of a purchase contract, the Purchasing Agent shall notify Commissioners Court and, Commissioners Court may instruct the Purchasing Agent to follow purchasing procedures as prescribed in “Alternative Multistep Competitive Proposal”, Section 262.0295 of the Local Government Code.

VII. INSPECTING, TESTING AND RECEIVING

It is the responsibility of each County department to see that all purchased items conform to the quantity, quality and specifications of the order.

After delivery of the merchandise to the requesting department, the department must determine whether the goods are acceptable. If they are not, the Receiving Department must immediately notify the Purchasing Department of the reasons why the merchandise is not acceptable.

VIII. COUNTY-OWNED SUPPLIES AND EQUIPMENT

All County-owned supplies, equipment, and machinery must be used ONLY for County business. Public Officials and Department Heads are responsible for the proper accounting for, maintenance of and use of County equipment.

A. Receipt of New Property -- Tagging

New property with a value of \$1,000.00 to \$4,999.99 will be designated non-capital assets and will be labelled with sequentially numbered Johnson County Property Tags. New property with a value of \$5,000.00 or more will be designated capital assets and will be labelled with sequentially numbered Johnson County Property Tags for inventory purposes by the Purchasing Department.

B. Public Official and Department Head Responsibility

Each Public Official and Department Head is responsible for the custody and care of County property assigned to their respective department. County property may be used only for County purposes. Each Public Official and Department Head is responsible for ensuring that assets are tracked and secured in a manner that is most likely to prevent theft, loss, damage or misuse of assets. Care shall be taken to ensure all necessary precautions are in place so that assets are secured.

C. Controlled Property

Each Public Official and Department Head shall maintain control over property not defined under the capitalization policy, yet considered high-risk items. High-risk items include, but are not limited to, weapons, electronics, tools, and computer peripherals. Each Public Official or Department Head shall establish internal procedures to track such items. The County Auditor upon request shall make reports of high-risk items available for inspection.

Information Technology Services shall maintain an inventory of all computer equipment for the purpose of tracking and maintenance. This inventory does not absolve Public Officials and Department Heads from the responsibility of assuring stewardship of the property or the reporting requirements for the property.

D. Transfer of Property (Local Gov. Code Section 262.011(j))

The Purchasing Agent is authorized by Commissioners Court to transfer supplies, materials and equipment among the various County departments. The transfer or trade of any equipment (not limited to capital items) from one department to another must be handled through Purchasing. In the event an item is no longer required, the department shall notify the Purchasing Department in writing. The Purchasing Department will demonstrate appropriate action to be taken.

The Purchasing Department and other departments are encouraged to make inquiries regarding unused or unneeded equipment in the possession of other departments; however, the decision as to

whether or not the property is unneeded ultimately rests with the Purchasing Agent as authorized by Commissioners Court.

The Purchasing Agent shall furnish a list of transferred supplies, materials and equipment to the County Auditor.

E. Missing Property

Lost or stolen property must be reported immediately. The Public Official or Department Head must make reports of loss or theft in writing to the Purchasing Agent. Reports of theft must include a copy of the theft report compiled by the proper law enforcement agency.

If an item cannot be located, Purchasing will verify that all proper documentation has been submitted by the appropriate department.

F. Disposal of Surplus or Salvage Property (Local Gov. Code Chapter 263, Subchapter D)

The Purchasing Agent may periodically request that the Commissioners Court declare property “surplus” (in excess of needs, but still useful) or “salvage” (valueless property). Surplus or salvage property may be sold by competitive bid or auction by the Purchasing Agent as provided in Section 263 of the Local Government Code. Surplus or salvage property is not limited to capital items as defined herein.

County employees will be given the same opportunity afforded to other persons to bid on and purchase surplus properties offered at a public sale or auction.

No Purchasing Department employee or his or her immediate family may bid on property sold through a Sealed Bid Sale. Purchasing Department employees may not knowingly purchase or receive merchandise through a third party through a Sealed Bid Sale.

Johnson County may sell surplus or salvage property to another County or a political subdivision within the County, or offer the property as a trade-in for new property of the same general type. Commissioners Court may order the property to be destroyed or disposed of if bids are not received from a public auction or sealed bid sale.

G. Inventory Arrangements – Resignation, Retirement, or Removal

When a Public Official or a Department Head leaves his or her County employment, arrangements must be made with Purchasing for equipment inventory far enough in advance to ensure that the inventory can be taken before the termination date. The Purchasing Department will provide to the Auditor and the Commissioners Court a full report, noting any discrepancies between property actually located and property listed on the inventory. The County Official or Department Head will be personally accountable to the Court for all missing items.

H. Annual Inventory

On July 1 of each year, the Purchasing Agent shall file an inventory of all property of the County with the Purchasing Board and the County Auditor based on the information submitted by the Public Officials and Department Heads for the purpose of financial accounting and inventory control.

IX. LEGAL BASIS FOR PURCHASING

A. Govt. Code Chapter 2254 -- Professional Services Procurement Act

Counties may not bid contracts for professional services. These contracts instead must be awarded on the basis of “demonstrated competence and qualification for the type of professional services to be performed.” Fees must be “fair and reasonable,” consistent with and not in excess of published recommended practices and fees of applicable professional organizations, and not in excess of any maximums specified by State law. “Professional Services” includes services within the scope of the practice of: accounting, architecture, optometry, professional engineering; this includes services performed by any licensed architect, optometrist, physician, surgeon, certified public accountant or registered professional engineer in connection with his or her professional employment or practice.

B. Local Gov. Code Chapter 271, Subchapter D -- Purchase Under State Contract

The State Purchasing and General Services Commission may perform purchasing services for local governments (including counties). The County may participate by adopting a resolution. The contents required in the resolution are stated in the statute. A County that purchases under state contract satisfies all competitive bidding laws.

C. Local Gov. Code Chapter 171 -- Conflict of Interest

Ownership of certain property or business interests may require that a local public official refrain from participation in votes or decisions and/or refrain from certain acts if the vote, decision or act involves the business interests or property owned by the public official or by a person related to the public official within the second degree of consanguinity or affinity.

“Local public official” includes members of the County governing body or other County officers, whether elected or appointed, paid or unpaid.

A person is deemed to have a substantial interest in a business entity” if”:

- (1) Ownership of ten per cent (10%) or more of voting stock or shares of the business entity, or ownership of \$2,500 or more of the fair market value of the business entity; or
- (2) Proceeds received from the business entity exceed ten per cent (10%) of the person’s gross income for the prior year.

A person is deemed to have a substantial interest in real property if the interest, whether involving equitable or legal ownership, has a fair market value equal to or exceeding \$2,500. A local public official is deemed to have a substantial interest in the business entity or in land if a person related to the official within the second degree by consanguinity or affinity has a substantial interest in said business entity or land as defined above.

If the local public official has a substantial interest in a business that seeks to do business with the County, the official must file with the County clerk an affidavit stating clearly the nature and extent of his interest. The public official must then abstain from participation in any matter involving or between County and the business in which he has the substantial interest. In particular, this includes

abstention from votes or other decisions regarding the business entity, if it is reasonably foreseeable that action taken on the matter would or might confer an economic benefit on the business. The official must not act as surety for the business if it has work, business or contracts with the County. An official may not knowingly act as a surety on any official bond required of an officer of the County. A violation of any of these is a crime (CLASS A misdemeanor).

The County Commissioners Court may, however, contract for services or personal property with a business entity in which a member of the Court has a substantial interest if the business entity (1) is the only business entity which can provide the needed service or property within the jurisdiction of the Commissioners Court, and (2) bids on the contract.

The Commissioners Court must take a separate vote on any budget item that is specifically concerned with a contract involving a business entity in which a member of the Court has a substantial interest. The Commissioner having the substantial interest may not participate in that separate vote; he may, however, vote on the final budget if: (1) he has otherwise complied with the requirements of Local Gov. Code Chapter 171, some of which are indicated above, and (2) the matter regarding the business entity with which the member is concerned by virtue of his substantial interest has been resolved.

D. Local Gov. Code Chapter 262, Subchapter A -- County Contracting Agent

The Commissioners Court may at its discretion appoint an agent with authority to contract on behalf of the County for (1) erecting or repairing County buildings; (2) supervising same; or (3) any other purpose authorized by law. Any contract or other act of such an agent that is properly executed on behalf of the County and is within the agent's authority is binding on the County for all purposes.

E. Local Gov. Code Chapter 262, Subchapter B -- County Purchasing Agent

A board composed of three judges of district courts, one commissioner and the County Judge, by majority vote, may appoint a suitable person to act as the County Purchasing Agent.

The purchasing agent's term of office is two (2) years. The agent is subject to removal by the Board. A \$5,000.00 performance bond is required of the Purchasing Agent.

The County purchasing agent "shall" purchase all supplies; materials and equipment required or used by the County and "shall" contract for all repairs to County property, except purchases and contract that are required to be obtained by competitive bid. The Purchasing Agent also supervises all purchases made by competitive bid.

It is unlawful (and there may be criminal penalties) for any other person, firm or corporation, other than the County Purchasing Agent, to purchase any supplies, materials or equipment or to contract for repairs to property used by the County. Section 262.011(d), (m). The County Auditor may not draw or approve and the county treasurer may not honor a warrant for any purchase unless that purchase has been made by the County Purchasing Agent or by competitive bid as required by law.

The Agent has a number of other duties that are specifically set out in Chapter 262, Subchapter B. e.g., the County Purchasing Agent may cooperate with a City Purchasing Agent to purchase items in volume. The County Purchasing Agent is responsible for filing with the Purchasing Board, County

Auditor, the Commissioners Court on each July 1st and inventory of all County property on hand and belonging to the County.

In order to prevent unnecessary purchases, the County Purchasing Agent shall transfer any County supplies, materials and equipment from any department not needing them to another department requiring them. Upon so doing, the Purchasing Agent shall furnish the departments with a form to sign to transfer such item.

The County Purchasing Agent may have assistants. The Agent and assistants may have any help, equipment, supplies and/or traveling expenses that may be approved and considered advisable by the Commissioners Court.

The authority of the County Purchasing Agent applies to all purchases of supplies, materials and equipment for the use of the County and its officers, including purchases made by officers paid out of fees of the office or otherwise, regardless of whether the purchase contract is made by officers paid out of fees of the office or otherwise, regardless of whether the purchase contract is made by the Commissioners Court or any other officer authorized to bind the County by contract.

F. Local Gov. Code Chapter 263, Subchapter D -- Disposition of Salvage or Surplus Property

Surplus property is property in excess of needs, but property that still has some usefulness. Salvage property is defined as property having no value for the purpose for which it was originally purchased.

Surplus or salvage property may be sold by competitive bid or may be auctioned. It also may be offered as a trade-in on new property of the same general type. If the commissioners court cannot sell or trade in the property, the property can be destroyed.

G. Local Gov. Code Chapter 262, Subchapter C -- County Purchasing Act (Competitive Bidding)

Purchasing and contracting authority of the County is contained in Chapter 262 of the Local Government Code. It is a comprehensive County purchasing statute. The statute includes:

1. Competitive bidding requirements, procedures and exemptions;
2. An alternative competitive request scheme and proposal procedure for insurance or high technology items (see section 262.030); and
3. Bond requirements for bidders.

The competitive bidding procedures must be strictly complied with except for certain specific exemptions enumerated in the statute. These include certain emergencies and cases involving sole suppliers. Failure to follow the bidding requirements of the act may subject the contract to injunction to prohibit its performance. See section 262.033.

All separate, sequential or component purchases of items ordered or purchased by the same officer or department from the same supplier in any attempt to avoid the bidding requirements are treated as parts of a single purchase or contract. 262.023(c).

Any County officer or employee who knowingly or intentionally makes or authorizes separate, sequential or component purchases in avoidance of the competitive bidding requirements is guilty of a CLASS B misdemeanor. 262.034(a).

A County officer or employee commits an offense if the officer or employee intentionally or knowingly violates this subchapter, other than by conduct described by Subsection (a). An offense under this subsection is a Class C misdemeanor. 262.034(c).

H. Labor Code Section 406.096

This applies to every “building or construction contract” entered into by the State or a political subdivision of the State, no matter how small the subject matter of the contract may be.

I. Local Gov. Code Chapter 113 – Approval of Claims by County Auditor

Each “claim, bill and account “against the County” must be filed with the County auditor, allowing sufficient time for the auditor to “examine and approve” the claim before the meeting of the Commissioners Court at which it is to be approved. Such claim, bill or account may not be paid or allowed until it has been “examined and approved” by the County Auditor. Section 113.064(a). The auditor may not audit or approve a claim unless the claim was “incurred as provided by law.”

The auditor may not audit or approve and account (i.e., claim) for the purchase of supplies or materials for the County unless a requisition properly signed by the officer ordering the supplies or materials and approved by the County Judge is attached to the account (claim). Section 113.901(a). The County Judge may, by written order, waive the requirement that he approve requisitions. If this approval requirement is waived, all claims must be approved by the Commissioners Court in open court.

X. CONTRACTING WITH SMALL AND MINORITY BUSINESSES, WOMEN’S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS IN ACCORDANCE WITH CODE OF FEDERAL REGULATIONS (CFR) 200.321

A. Johnson County must take all necessary affirmative steps to assure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible.

B. Affirmative steps must include:

- Placing qualified small and minority businesses and women’s business enterprises on solicitation lists;
- Assuring that small and minority businesses, and women’s business enterprises are solicited whenever they are potential sources;
- Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women’s business enterprises;
- Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women’s business enterprises;

- Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- Requiring the prime contractor, if subcontracts are to be let, to take these same affirmative steps.

XI. SPECIAL TEXAS REQUIREMENTS

A. Texas law prohibits state agencies and political subdivisions from contracting with businesses that boycott energy companies, discriminate against firearm entities or associations, or boycott Israel.

B. It is the responsibility of all Governmental Entities to exercise due diligence to uphold both the letter and spirit of state law regarding these concerns.

C. The most recent Divestment Statute lists and guidance can be found at:

<https://comptroller.texas.gov/purchasing/publications/divestment.php>

EXHIBIT A
JOHNSON COUNTY VENDOR PACKET



JOHNSON COUNTY VENDOR PACKET

Thank you for your interest in becoming a Vendor for Johnson County. Please note that this packet needs to be filled out **completely** and returned to pur@johnsoncountytexas.org. Failure to complete all documents will result in a delay to become an active vendor.



Johnson County Purchasing Department

411 Marti Drive, Cleburne, Texas 76033

Phone: 817-556-6382 / Email: pur@johnsoncountytexas.org

www.johnsoncountytexas.org

VENDOR INFORMATION FORM

Complete the information below. Vendors presently doing business with the County should complete a new form if any information about their business has changed.

PLEASE TYPE OR PRINT INFORMATION

Company Name

DBA Name

Remittance Address

Purchase Order Address (if different)

A/R Contact

Phone

Email

Sales Representative

Phone

Email

Tax ID

Discount/Terms (if offered)

Signature

Title

Date

Certifications (Please include copies of certificates) Historically Underutilized Business (HUB) Woman Owned Minority Owned



Johnson County Purchasing Department

411 Marti Drive, Cleburne, Texas 76033

Phone: 817-556-6382 / Email: pur@johnsoncountytexas.org

www.johnsoncountytexas.org

ADDITIONAL VENDOR INFORMATION

PLEASE TYPE OR PRINT INFORMATION

Disadvantaged Business Enterprises (DBE) are encouraged to participate in Johnson County's bid process. Representatives from DBE companies should identify themselves as such and submit a copy of their Certifications.

Johnson County recognizes the certifications of both State of Texas Building and Procurement Commission Historically Underutilized Business (HUB) Program and the North Central Texas Regional Certification Agency. All companies seeking information concerning DBE certification are urged to contact:

Texas Comptroller of Public Accounts
Historically Underutilized Business (HUB) Program
1711 San Jacinto Blvd, Austin, TX 78701-1416
PO Box 13186, Austin, TX 78711-3186
(512) 463-5872

<http://www.window.state.tx.us/procurement/prog/hub>

Email: rachel.snell@cpa.state.tx.us

NCTRCA - North Central Texas Regional Certification Agency

624 Six Flags Drive, #100, Arlington, TX 76011
(817) 640-0606 (Office) (817) 640-6315 (Fax)

<http://www.nctrca.org>

Email: mail@nctrca.org

If your company is already certified, attach a copy of the certification to this form and return as part of your packet.

Company Name: _____ DBA: _____

Representative: _____ Title: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone Number: _____ E-mail Address: _____

Indicate all that Apply:

Historically Underutilized Business (HUB)

Woman Owned

Minority Owned

Revised 1/25/2024



Office of The County Treasurer – Johnson County, Texas

Kathy M. Blackwell, Treasurer

2 N. Main St. Cleburne, TX 76033-5500

Email: kathyb@johnsoncountytexas.org

Phone: 817-556-6341

Fax: 817-556-6342

As we all move forward to this increasingly electronic banking world, Johnson County now offers you direct deposit of funds owed to your firm. You can make your banking easier through our ACH Vendor Payment service (direct deposit) which has recently been implemented. With an ACH Vendor Payment, you can have your payments deposited directly

into your checking or savings account at your designated bank, savings and loan, credit union, or any other member of an automated clearing house.

Direct deposit is safe. No worries about lost or stolen checks. No danger of fraud or forged checks. No delays because of mail lag.

We will send your remittance advice by email showing the same information previously noted on your check stub. If you do not have email capability we can fax the document to you as well.

Your payments will normally be available in your account the day following approval by commissioner's court. For example, the commissioner's meeting is at 9:00 am on the second (2nd) and fourth (4th) Monday of each month. The funds will be sent to your financial institution upon approval by the court and should be posted by your bank account on the following morning. Once the funds are posted they are available for immediate credit, as your bank should not place a hold on the funds.

After completion of this form, future payments of all invoices received will be direct deposited. It is possible to receive a check and a direct deposit the first time around. After invoices are posted in our system, we are unable to code that invoice as direct deposit.

Once you start direct deposit you will need to notify us in writing immediately if you change banks or account numbers. We will need at least a two-week written notice to stop any direct deposit.

If you would like to use our ACH payment capability, please complete the attached authorization form and return it to this office.

Thank you,

Kathy M. Blackwell
Johnson County Treasurer

JOHNSON COUNTY TREASURER
2 N MAIN ST, RM 312
CLEBURNE, TX 76033-5500
PHONE: 817-556-6341 FAX: 817-556-6342
JOHNSON COUNTY DIRECT DEPOSIT AUTHORIZATION

VENDOR INFORMATION

NAME: _____
ADDRESS: _____
TELEPHONE NUMBER: _____ CONTACT PERSON: _____
VENDOR EMAIL: _____

VENDOR ID: _____
For Office Use Only

I, the above-named Vendor authorize by my signature below, Johnson County to deposit payments due to me into the Financial Institution account referenced below. If Johnson County erroneously deposits funds into my account, I authorize Johnson County to initiate the necessary debit entries, not to exceed the total of the original amount credited for the current payment. This authorization will remain in effect until Johnson County has received written notice from me of its termination and Johnson County has had reasonable opportunity to act on it. I understand that a notice of deposit will be mailed to me by the Johnson County Treasurer's Office. To make any changes, I agree to submit a new Johnson County Direct Deposit Authorization form with the updated information. If any action or inaction taken by me results in non-acceptance of a direct deposit by the Financial Institution, I acknowledge that Johnson County has no responsibility to issue another payment until the funds are returned to Johnson County. If non-acceptance by the Financial Institution is the result of action or inaction by me, I agree that late fees and penalties will not apply to Johnson County and that Johnson County will not be responsible for any bank fees that may incur.

FINANCIAL INSTITUTION

NAME: _____
CITY: _____ STATE: _____ ZIP: _____
ACCOUNT NUMBER: _____
ROUTING NUMBER: _____
CHECKING: ___ OR SAVINGS: ___

AUTHORIZATION

NAME: _____
(Please Print)
AUTHORIZED SIGNATURE: _____
TITLE: _____ DATE: _____

ATTACH A COPY OF A VOIDED CHECK OR A VOID CHECK
(Do not use deposit tickets to obtain routing number)

PLEASE RETURN THIS FORM TO THE JOHNSON COUNTY TREASURER'S OFFICE
You may email to kathyb@johnsoncountytexas.org

Compliance with Johnson County Restriction Regarding the Delivery of Goods and Services to the Guinn Justice Center

Johnson County does not allow the following persons to enter areas of the Guinn Justice Center:

- 1) persons that have been convicted of a felony criminal offense**
- 2) persons that have been arrested for a Class B or above criminal offense and released on a bail bond**
- 3) persons that have a pending Class B or above criminal court case, and**
- 4) persons with a civil or family law case pending in a court located in the Guinn Justice Center.**

Please ensure that persons convicted of a felony criminal offense, persons arrested for a Class B or above criminal offense, persons released on bail bond, persons with a pending Class B or above criminal court case, and persons with a civil or family law case pending in a court located in the Guinn Justice Center are not actively involved with the delivery of products or services to the Guinn Justice Center located at 204 South Buffalo, Avenue, Cleburne, Texas 76033.

Company Name

Address

Printed Name

Title

Email Address

Phone #

Signature

Revised 1/25/2024

Request for Taxpayer Identification Number and Certification

Go to www.irs.gov/FormW9 for instructions and the latest information.

**Give form to the
 requester. Do not
 send to the IRS.**

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See Specific Instructions on page 3.	<p>1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)</p> <hr/> <p>2 Business name/disregarded entity name, if different from above.</p> <hr/> <p>3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes.</p> <p> <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C corporation <input type="checkbox"/> S corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) _____ </p> <p>3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions <input type="checkbox"/></p>	<p>4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):</p> <p>Exempt payee code (if any) _____</p> <p>Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____</p> <p style="text-align: center;"><i>(Applies to accounts maintained outside the United States.)</i></p>
	<p>5 Address (number, street, and apt. or suite no.). See instructions.</p> <hr/> <p>6 City, state, and ZIP code</p> <hr/> <p>7 List account number(s) here (optional)</p>	<p>Requester's name and address (optional)</p> <hr/>

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Social security number					
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; border: 1px solid black; height: 20px;"></td> <td style="width: 5%; text-align: center;">-</td> <td style="width: 25%; border: 1px solid black; height: 20px;"></td> <td style="width: 5%; text-align: center;">-</td> <td style="width: 40%; border: 1px solid black; height: 20px;"></td> </tr> </table>		-		-	
	-		-		
Or					
Employer identification number					
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; border: 1px solid black; height: 20px;"></td> <td style="width: 5%; text-align: center;">-</td> <td style="width: 70%; border: 1px solid black; height: 20px;"></td> </tr> </table>		-			
	-				

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person	Date
------------------	--------------------------	------

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

must obtain your correct taxpayer identification number (TIN), which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid).
- Form 1099-DIV (dividends, including those from stocks or mutual funds).
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds).
- Form 1099-NEC (nonemployee compensation).
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers).
- Form 1099-S (proceeds from real estate transactions).
- Form 1099-K (merchant card and third-party network transactions).
- Form 1098 (home mortgage interest), 1098-E (student loan interest), and 1098-T (tuition).
- Form 1099-C (canceled debt).
- Form 1099-A (acquisition or abandonment of secured property).

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

Caution: If you don't return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued);
2. Certify that you are not subject to backup withholding; or
3. Claim exemption from backup withholding if you are a U.S. exempt payee; and
4. Certify to your non-foreign status for purposes of withholding under chapter 3 or 4 of the Code (if applicable); and
5. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting is correct. See *What is FATCA Reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding. Payments made to foreign persons, including certain distributions, allocations of income, or transfers of sales proceeds, may be subject to withholding under chapter 3 or chapter 4 of the Code (sections 1441-1474). Under those rules, if a Form W-9 or other certification of non-foreign status has not been received, a withholding agent, transferee, or partnership (payor) generally applies presumption rules that may require the payor to withhold applicable tax from the recipient, owner, transferor, or partner (payee). See Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

The following persons must provide Form W-9 to the payor for purposes of establishing its non-foreign status.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the disregarded entity.
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the grantor trust.
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust and not the beneficiaries of the trust.

See Pub. 515 for more information on providing a Form W-9 or a certification of non-foreign status to avoid withholding.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person (under Regulations section 1.1441-1(b)(2)(iv) or other applicable section for chapter 3 or 4 purposes), do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515). If you are a qualified foreign pension fund under Regulations section 1.897(f)-1(d), or a partnership that is wholly owned by qualified foreign pension funds, that is treated as a non-foreign person for purposes of section 1445 withholding, do not use Form W-9. Instead, use Form W-8EXP (or other certification of non-foreign status).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a saving clause. Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if their stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first Protocol) and is relying on this exception to claim an exemption from tax on their scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include, but are not limited to, interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third-party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester;
2. You do not certify your TIN when required (see the instructions for Part II for details);
3. The IRS tells the requester that you furnished an incorrect TIN;
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only); or
5. You do not certify to the requester that you are not subject to backup withholding, as described in item 4 under "By signing the filled-out form" above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

See also *Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding*, earlier.

What Is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all U.S. account holders that are specified U.S. persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you are no longer tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

- **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note for ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040 you filed with your application.

- **Sole proprietor.** Enter your individual name as shown on your Form 1040 on line 1. Enter your business, trade, or "doing business as" (DBA) name on line 2.

- **Partnership, C corporation, S corporation, or LLC, other than a disregarded entity.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

- **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. Enter any business, trade, or DBA name on line 2.

- **Disregarded entity.** In general, a business entity that has a single owner, including an LLC, and is not a corporation, is disregarded as an entity separate from its owner (a disregarded entity). See Regulations section 301.7701-2(c)(2). A disregarded entity should check the appropriate box for the tax classification of its owner. Enter the owner's name on line 1. The name of the owner entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For

example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, enter it on line 2.

Line 3a

Check the appropriate box on line 3a for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3a.

IF the entity/individual on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation.
• Individual or • Sole proprietorship	Individual/sole proprietor.
• LLC classified as a partnership for U.S. federal tax purposes or • LLC that has filed Form 8832 or 2553 electing to be taxed as a corporation	Limited liability company and enter the appropriate tax classification: P = Partnership, C = C corporation, or S = S corporation.
• Partnership	Partnership.
• Trust/estate	Trust/estate.

Line 3b

Check this box if you are a partnership (including an LLC classified as a partnership for U.S. federal tax purposes), trust, or estate that has any foreign partners, owners, or beneficiaries, and you are providing this form to a partnership, trust, or estate, in which you have an ownership interest. You must check the box on line 3b if you receive a Form W-8 (or documentary evidence) from any partner, owner, or beneficiary establishing foreign status or if you receive a Form W-9 from any partner, owner, or beneficiary that has checked the box on line 3b.

Note: A partnership that provides a Form W-9 and checks box 3b may be required to complete Schedules K-2 and K-3 (Form 1065). For more information, see the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

If you are required to complete line 3b but fail to do so, you may not receive the information necessary to file a correct information return with the IRS or furnish a correct payee statement to your partners or beneficiaries. See, for example, sections 6698, 6722, and 6724 for penalties that may apply.

Line 4 Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third-party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space on line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2).

- 2—The United States or any of its agencies or instrumentalities.
- 3—A state, the District of Columbia, a U.S. commonwealth or territory, or any of their political subdivisions or instrumentalities.
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities.
- 5—A corporation.
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or territory.
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission.
- 8—A real estate investment trust.
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940.
- 10—A common trust fund operated by a bank under section 584(a).
- 11—A financial institution as defined under section 581.
- 12—A middleman known in the investment community as a nominee or custodian.
- 13—A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
• Interest and dividend payments	All exempt payees except for 7.
• Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
• Barter exchange transactions and patronage dividends	Exempt payees 1 through 4.
• Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5. ²
• Payments made in settlement of payment card or third-party network transactions	Exempt payees 1 through 4.

¹ See Form 1099-MISC, Miscellaneous Information, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) entered on the line for a FATCA exemption code.

- A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37).
- B—The United States or any of its agencies or instrumentalities.
- C—A state, the District of Columbia, a U.S. commonwealth or territory, or any of their political subdivisions or instrumentalities.
- D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i).
- E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i).

- F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state.
- G—A real estate investment trust.
- H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940.
- I—A common trust fund as defined in section 584(a).
- J—A bank as defined in section 581.
- K—A broker.
- L—A trust exempt from tax under section 664 or described in section 4947(a)(1).
- M—A tax-exempt trust under a section 403(b) plan or section 457(g) plan.

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, enter "NEW" at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have, and are not eligible to get, an SSN, your TIN is your IRS ITIN. Enter it in the entry space for the Social security number. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/EIN. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or Form SS-4 mailed to you within 15 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and enter "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, you will generally have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon. See also *Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding*, earlier, for when you may instead be subject to withholding under chapter 3 or 4 of the Code.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third-party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABL accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ³
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ³
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A)) ⁴	The grantor ⁴

For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing Form 1041 or under the Optional Filing Method 2, requiring Form 1099 (see Regulations section 1.671-4(b)(2)(i)(B)) ⁵	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name on line 1, and enter your business or DBA name, if any, on line 2. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

⁵ **Note:** The grantor must also provide a Form W-9 to the trustee of the trust.

⁶ For more information on optional filing methods for grantor trusts, see the Instructions for Form 1041.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information, such as your name, SSN, or other identifying information, without your permission to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax return preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity, or a questionable credit report, contact the IRS Identity Theft Hotline at 800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 877-777-4778 or TTY/TDD 800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Go to www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their laws. The information may also be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payors must generally withhold a percentage of taxable interest, dividends, and certain other payments to a payee who does not give a TIN to the payor. Certain penalties may also apply for providing false or fraudulent information.

Lance Anderson
Purchasing Agent
landerson@johnsoncountytexas.org



To: Vendors of Johnson County, Texas

From: Lance Anderson, Purchasing Agent

Re: Conflict of Interest Form (CIQ)

Vendor,

Attached, please find a Conflict of Interest Questionnaire. Please complete this form if you have an applicable Conflict of Interest with any Johnson County Official, Employee, or Department. The questionnaire should reflect the name of the individual with whom the conflict of interest occurs. Please **DO NOT** complete this form if you do not have a viable conflict. If you have any questions, contact the Purchasing Office at 817-556-6382.

Original completed forms should be sent/mailed to the Johnson County Purchasing Office located at the address listed below and or emailed to pur@johnsoncountytexas.org.

Johnson County Purchasing Department
411 Marti Drive
Cleburne, Texas 76033

By submitting a response to this the request a vendor represents that it is in compliance with the requirements of Chapter 176 of the Texas Local Government Code.

Applicable Law

Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of Johnson County no later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code. Please see attached questionnaire.

411 Marti Drive - Cleburne, Texas 76033 - Phone (817) 556-6382

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

FORM CIQ

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY
Date Received

1 Name of vendor who has a business relationship with local governmental entity.

2 Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

Yes No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

6 Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

 Signature of vendor doing business with the governmental entity

 Date

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

...

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

- (i) a contract between the local governmental entity and vendor has been executed;
- or
- (ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
- (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
- (3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

- (A) begins discussions or negotiations to enter into a contract with the local governmental entity; or
- (B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

- (A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);
- (B) that the vendor has given one or more gifts described by Subsection (a); or
- (C) of a family relationship with a local government officer.

TERMS AND CONDITIONS

Johnson County reserves the right to cancel all or any part of this order if not shipped as required or as instructed.

All materials and services shall be subject to the County's approval. Unsatisfactory materials will be returned at seller's expense. No substitution will be accepted without purchasing department approval. No charge will be allowed for packing, crating, palleting or boxing.

1. No change(s) may be made to this order without written authorization of the purchasing department.
2. Materials must be properly packaged and marked with the purchase order number. Damaged materials will not be accepted.
3. Inspection of delivery will be made at the delivery point unless otherwise specified.
4. Submit all claims for payment in duplicate. Claims for partial deliveries must be so indicated.
5. All containers or reels are to remain property of Johnson County unless otherwise indicated.
6. The purchasing department may grant additional time for delivery when Johnson County is at fault or is satisfied the delay is beyond the control of the vendor. Such grant must be in writing and made part of the order.
7. Rejected material will be returned to the vendor at the vendor's risk and expense.
8. Quantities specified in the order are not to be exceeded. Any overages or duplicate orders will be returned to vendor at vendor's risk and expense.
9. It is agreed that goods delivered shall comply with all Federal, State and local laws relative thereto, and that the vendor shall defend actions or claims brought and save harmless the County from loss, cost or damage by reason of actual or alleged patent infringement and/or copyright infringement.
10. All prices must be F.O.B. delivery point. Where specific purchase is negotiated F.O.B. shipping point, the vendor is to prepay shipping charges and add to invoice.
11. In case of default of the contractor, the County may procure the articles or services from other sources and charge the contractor as liquidated damages any excess cost or damages occasioned thereby.
12. Vendor shall not sell, assign, transfer or convey this order, in whole or in part, without the prior written consent of the County.
13. Terms: Net thirty (30) days unless otherwise agreed upon by seller and the purchasing department.

INSURANCE REQUIREMENTS

1. Commercial and Comprehensive Liability
 - \$1,000,000.00 CSL BI & PD per Occurrence
 - \$2,000,000.00 General Aggregate
 - \$2,000,000.00 Products/Completed Operations Aggregate
 - \$1,000,000.00 Personal/Advertising Injury
2. Automobile Liability
 - \$1,000,000.00 each accident Combined Single Liability
 - \$1,000,000.00 each Uninsured/Underinsured Motorist combined Single Liability
3. All non-owned, hired, and all vehicles used by Bidder with a combined single limit of \$1,000,000.00 covering personal injury (including bodily injury and property damage)
4. Worker's Compensation as required by statute – V.T.C.A, Labor Code, Chapter 401 et. seq.
5. Other Insurance Provisions:

Each insurance policy required shall not be suspended, voided, canceled by either party or reduced in coverage or limits except after thirty (30) days prior notice by certified mail, return receipt requested, has been given to the County.
6. Acceptability of Insurers:

Insurance is to be placed with insurers licensed in the State of Texas as rated by Moody's Investors Services Inc. and rated A- or better by A. M. Best or A or better by Standard and Poor's.
7. Verification of Coverage: Bidder shall furnish the County with certificates of insurance and evidence of endorsements affecting coverage required herein. The certificates for each policy are to be signed by a person authorized by that insurer to bind coverage on its behalf and to be received by the County prior to commencement of any work. The County reserves the right to require complete, certified copies of all insurance policies at any time.