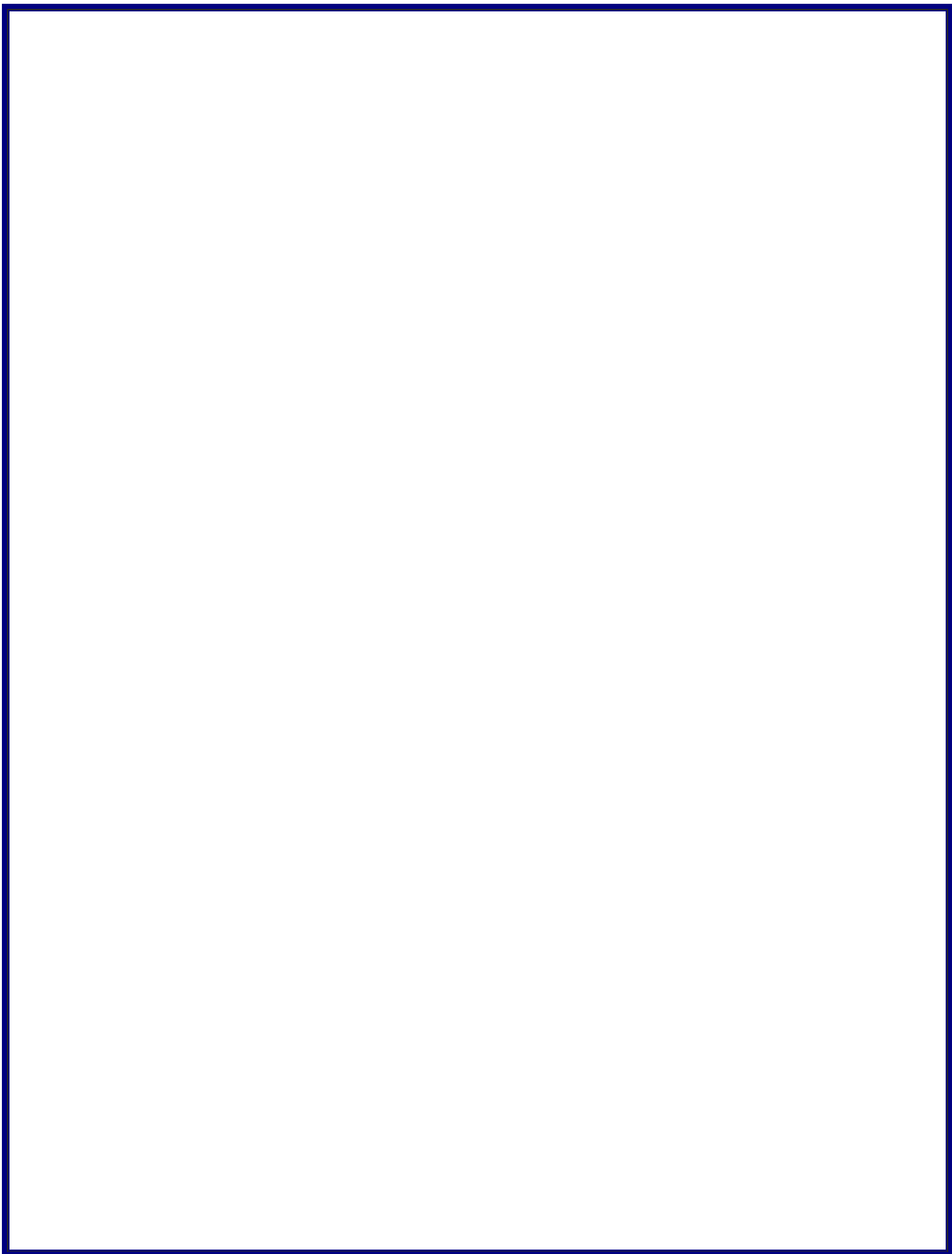


City of Corinth, Texas



PURCHASING GUIDE

October 1, 2022



FINANCE DEPARTMENT
3300 Corinth Parkway, Corinth Texas 76208
FAX 940-498-7578
purchasing@cityofcorinth.com
accountspayable@cityofcorinth.com

Lee Ann Bunselmeyer
Director of Finance
940-498-3280

Dawn Taylor
Controller
940-498-3281

Cindy Troyer
Purchasing Manager
940-498-3286

Juanita Ortiz
Assistant Purchasing Manager
940-498-3283

Jody Word
Buyer
940-498-3284

Linda Thoms
Accounting Manager
940-498-3285

Bonnie Woodruff
Accounts Payable Specialist
940-498-3287

**PURCHASING GUIDE
TABLE OF CONTENTS**

PART I: GENERAL INFORMATION

1.0	Introduction	3
1.1	Violations and Remedies	3
1.2	Purpose and Scope	3
1.3	Laws and Statutes Governing Public Purchasing	4
	Bidding Requirements	4
	Split Purchases	4
	Violations of the Competitive Bidding Statutes	4
	Penalties for Violations of the Competitive Bidding Statutes	5
	Legal Advertising Requirements	5

PART II: AUTHORIZATION AND RESPONSIBILITIES

2.0	City Manager Authorization	6
2.1	Execution of Documents	6
2.2	City Manager Limitations	6
2.3	Responsibilities of the User Departments	7
2.4	Responsibilities of Purchasing Department	8

PART III: INTERNAL CONTROLS

3.0	Vehicle and Equipment Purchases	9
3.1	Technology Purchases	10
3.2	Uniform Purchases	10
3.3	Purchases of Materials, Equipment and Supplies for Personal Use	11
3.4	Purchases of Goods/Services from City Officers, Agents or Employees and/or Immediate Family	11
3.5	Purchases of Seasonal Decorations, Flowers, Gifts for Employees, Retirement and Celebration Activities	12
3.6	Purchases of Food/Meals	12
3.7	Disposal of Surplus/Salvage/Confiscated Materials and Equipment	13

PART IV: NEW VENDOR SETUP

4.0	New Vendors	15
4.1	Insurance Certificates (Also See Part XI: Insurance Requirements)	15
4.2	Tax Exemption	15

PART V: PURCHASE ORDER REQUISITIONS AND CONTRACT ADMINISTRATION

5.0	Purchase Orders	16
	Exemptions	16
	Preparing Purchase Order Requisitions	16
	Requisition Processing	17
	Canceling Purchase Orders	17
	Receipt of Goods and Services	17
5.1	Contract Administration	18

PART VI: PURCHASING THRESHOLDS

6.0 Purchases \$3,000 and Under 19
6.1 Purchases Over \$3,000 and up to \$7,500 19
6.2 Purchases Over \$7,500 and up to \$50,000 20
6.3 Purchases Over \$50,000 20

PART VII: PURCHASING EXCEPTIONS

7.0 Change Orders 21
7.1 Emergency Purchases 22
7.2 Sole Source Purchases 22
7.3 Cooperative Purchasing 23

PART VIII: COMPETITIVE BIDDING PROCEDURES

8.0 Methods of Procurement 25
8.1 Invitation to Bid (ITB) 25
8.2 Request for Proposals (RFP) 28
8.3 Request for Statements of Qualifications (SOQ) 32
8.4 Request for Quotations (RFQ) 35

PART IX: EXCEPTIONS TO COMPETITIVE BIDDING REQUIREMENTS

9.0 Exceptions to Competitive Bidding Requirements 37

PART X: PUBLIC WORKS PROJECTS

10.0 Definition 39
10.1 Professional Engineering Requirements 39
10.2 Professional Architect Requirements 39
10.3 Bond Requirements 40
10.4 Prevailing Wage Rates 40

PART XI: INSURANCE REQUIREMENTS

11.0 Definition 41
11.1 General Services Requirements 42
11.2 Professional Services Requirements 43
11.3 Construction Services Requirements 44

PURCHASING GUIDE

PART I: GENERAL INFORMATION

1.0 INTRODUCTION

The Purchasing Guide serves as a companion to the Purchasing Policy, governing all procurement activities for the City of Corinth.

The basic function of a municipal purchasing policy is to support and enhance the delivery of goods and services to the City. In a centralized environment, the optimum performance of the purchasing function is centralized to the purchasing department in order to facilitate city-wide procurement in compliance with State of Texas purchasing laws and the City's Purchasing Policy.

The Purchasing Policy shall establish guidelines for procurement of supplies, materials, personal property, real property, and services for the City of Corinth, Texas (the City). The Policy shall also establish the internal control procedures that all vendors and City personnel are to follow. Internal control is required to assist in prevention of any unauthorized purchases by the City, and any evidence of collusion by vendors. Further, the Policy is intended to promote competition among bidders and vendors interested in providing products or services to the City.

The statutory authority for the Policy shall be: Resolution Number 22-09-22-24, the Texas Local Government Code, Section 252, and other State of Texas statutes that may be referenced herein.

1.1 VIOLATIONS AND REMEDIES

- A. Violations of the Purchasing Policy may constitute misconduct, subjecting the violator to any and all penalties prescribed by state law, the City's Code of Ethics, Code of Ordinances, and the City's Charter.
- B. **Procurement with State or Federal Funds:** Penalties, sanctions or other disciplinary actions, to the extent permitted by state or local law, rules or regulations, shall be imposed for violations of the Code of Ethics and conflict of interest standards, by City officials, employees or agents or by persons, contractors, or their agents, when the procurement involves state or federal programs and/or funds.
- C. **Referral of Violations:** Appropriate sanctions, penalties or disciplinary actions shall be applied for all violations. Violations of state or federal law shall be referred to the proper authority having jurisdiction over same.
- D. **Disciplinary Action:** Violations of the Purchasing Policy may result in disciplinary action, up to and including termination of employment.

1.2 PURPOSE AND SCOPE

The Purchasing Department is designated as the central procurement function for the City. It is a functional support department and should be included in all stages of acquisition, through planning, ordering and receiving.

Purchasing is responsible for assisting departments in obtaining goods and services in the most fair, efficient and equitable manner, as well as ensuring that City departments comply with federal, state and local statutes, and the City's Purchasing Policy in all procurement methods. The Purchasing Department issues solicitations for all competitive procurements as required by law.

1.3 LAWS AND STATUTES GOVERNING PUBLIC PURCHASING

Procurement procedures for Texas local governmental entities are governed primarily by Texas Local Government Code Chapter 252 and Chapter 271 (Subchapter H) and Texas Government Code Chapters 2252, 2253, and 2254; and the City's Purchasing Policy. Where appropriate, these codes are referenced throughout this manual as it pertains to specific procurement activities.

A. Bidding Requirements (Local Government Code Section 252.021, 252.041)

1. In accordance with Texas Local Government Code 252.021, before a municipality may enter into a contract that requires any expenditures of more than \$50,000 from one or more municipal funds, the municipality must (i) comply with the procedures of Chapter 252 and Chapter 271 for competitive sealed bidding or competitive sealed proposals; (ii) use the reverse auction procedure as defined by Section 2155.062, Texas Government Code and Texas Local Government Code 271.906 (iii) comply with a method prescribed by Texas Local Government Code 2267, Subchapter H of the Local Government Code (alternative project delivery methods for certain projects).
2. Provided that the competitive sealed bidding requirement applies to a procurement opportunity, a contract for commodities and/or services must be awarded to the lowest responsible bidder, or alternatively, a contract for commodities and/or services may be awarded to the respondent who provides the best value for the municipality, considering the factors defined in Texas Local Government Code 252.043(b) and the negotiations/discussions conducted under Section 252.042.
3. Exemptions to competitive bidding requirements may apply. Refer to Part IX for specific items.

B. Split Purchases: The City may not split purchases to circumvent the competitive bidding requirements of the \$50,000 limit and City Council approval of the \$100,000 limit. Split purchases as defined in the Texas Local Government Code Section 252.001 are as follows:

1. Component Purchases: Purchases of the component parts of an item that in normal purchasing practices would be purchased in one purchase.
2. Separate Purchases: Purchases made separately of items that in normal purchasing practices would be purchased in one purchase.
3. Sequential Purchases: Purchases made over a period, of items that in normal purchasing practices would be purchased in one purchase.

C. Violations of the Competitive Bidding Statutes: Criminal penalties as defined in the Texas Local Government Code Section 252.062 are as follows:

1. A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly makes or authorizes separate, sequential, or component purchases to avoid the competitive bidding requirements of the Texas Local Government Code Section 252.021. An offense under this subsection is a Class B misdemeanor.
2. A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly violates the Texas Local Government Code Section 252.021, other than by conduct described by Section 252.021(a). An offense under this subsection is a Class B misdemeanor.
3. A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly violates this chapter, other than by conduct described by the Texas Local Government Code Section 252.021(a) or (b). An offense under this subsection is a Class C misdemeanor.

D. **Penalties for Violations of the Competitive Bidding Statutes:** The final conviction of a municipal officer or employee for an offense under the Texas Local Government Code Section 252.062(a) or (b) results in the immediate removal from office or employment of that person. For four years after the date of the final conviction, the removed officer or employee is ineligible:

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

E. **Legal Advertising Requirements (Local Government Code Section 252.041)**

1. If the competitive sealed bidding requirement applies, notice must be given of the time and place at which the bids will be publicly opened and read aloud. The legal notice must be published at least once a week for two consecutive weeks in the city's official newspaper. The date of the first publication must be before the fourteenth (14th) day before the date set to publicly open the bids and read them aloud.
2. If the competitive sealed proposal requirement applies, notice must be given of the time and place at which the proposals are due. The legal notice must be published at least once a week for two consecutive weeks in the city's official newspaper. The date of the first publication must be before the fourteenth (14th) day before the proposal due date.
3. Advertising is not required for informal solicitations under \$50,000.

PURCHASING GUIDE

PART II: AUTHORIZATION AND RESPONSIBILITIES

2.0 CITY MANAGER AUTHORIZATION

Authorization: The City Manager is authorized to approve or execute the following with no further Council action, provided funds are budgeted therefore:

- A. Purchases, contracts, and agreements in an amount not to exceed \$100,000;
- B. Applications for Title and Tax Exemption Certificates;
- C. Cooperative purchasing agreements in an amount not to exceed \$100,000;
- D. Change orders which involve a decrease or increase of up to 25%, or \$50,000, whichever is less, provided the total contract expenditures remain within the budgeted amount. Change orders in excess of \$50,000 require City Council approval; and
- E. Emergency purchase as outlined in Part VII - Section 7.1 provided that expenditures are presented to the City Council for ratification within 30 days.
- F. **All vehicle and equipment purchases must be approved by the City Manager.**

2.1 EXECUTION OF DOCUMENTS: Applications for Title, Tax Exemption Certificates, and Credit Applications, shall NOT be signed by any City employee unless authorized in writing by the City Manager.

2.2 CITY MANAGER LIMITATIONS: The City Manager is not authorized to approve or execute the following without City Council action:

- A. A contract or other legal instrument for the purchase of real property, with the exception of the purchase of easements or right-of-way under \$100,000; any condemnation proceeding must be authorized by resolution of the City Council.
- B. The City's grant of or other action relating to any license or franchise, or other authorization pursuant to its regulatory powers.
- C. Any contract, contract amendment, or other legal instrument for which approval authority is separately delegated by the City Charter or another section of the Purchasing Policy.
- D. Purchases, contracts and agreements over \$100,000.

2.3 RESPONSIBILITIES OF THE USER DEPARTMENTS

- A. All employees must adhere to the Purchasing Policy as adopted by City Council.
- B. Each department should plan in advance to avoid rush orders and emergency requests.
- C. Upon approval by the department director or designee, departments may purchase goods and/or services less than \$3,000 directly from a vendor by methods described herein. This procedure enables departments to procure small purchases quickly and in a cost effective manner using the informal solicitation method.
- D. Each City department must submit purchase order requisitions via the automated procurement system. Automated approvals are obtained at the appropriate dollar thresholds and user authorities.
- E. **Departments shall not place orders that exceed \$3,000 without an approved purchase order.** Departments do not have the authority to order directly from a vendor without an approved purchase order, nor to negotiate any purchases without the required approvals.
- F. **Department Directors may not approve purchases in excess of \$30,000.**
- G. Departments are required to notify purchasing of any repetitive cumulative purchases that reach any designated quote or bid threshold.
- H. The department is required to allow sufficient lead-time for all quoted and solicited actions.
- I. No employee shall purchase supplies, services, materials or equipment of any kind through the City for personal use.
- J. Anticipated purchases of services or goods in excess of \$50,000 shall be brought to the attention of the Purchasing Office as soon as the need is identified.
- K. Each department director shall assume the responsibility of maintaining control of their departmental expenditures, including expenditures on annual contract.
- L. Department should monitor vendor performance and document any performance issues. All documentation should be forwarded to the Purchasing Office. It is extremely important to document details of non-compliance and provide documentation for the file.
- L. Departments are responsible for working with the City Attorney to develop service contracts, if applicable. Departments are responsible for obtaining all required contract signatures, and for monitoring their contracts to ensure contracts are renewed or bid prior to expiration dates.
- N. Pursuant to Texas Government Code Chapter 2270, departments are responsible for verification on the Texas Comptroller of Public Accounts' website that the vendor: (1) does not boycott Israel, as defined by Texas Government Code Section 808.001; and (2) will not boycott Israel during the term of the contract. This requirement does not apply to sole proprietorships, companies with fewer than ten employees; or contracts that are less than \$100,000.00.
- O. Pursuant to Texas Government Code Chapter 2252, Subchapter F, departments are responsible for verification that the vendor is not identified on a list created by the Texas Comptroller of Public Accounts as a company known to have contracts with or provide supplies or services to a foreign terrorist organization.

- P. Pursuant to Texas Government Code Chapter 2274, departments are responsible for verification that the vendor does not boycott energy companies and will not boycott energy companies during the term of the contract. This requirement does not apply to companies with fewer than ten full time employees; or contracts that are less than \$100,000.00.
- Q. Pursuant to Texas Government Code Chapter 2274, the successful Respondent verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this contract against a firearm entity or firearm trade association. This requirement does not apply to companies with fewer than ten full time employees; or contracts that are less than \$100,000.00.

2.4 RESPONSIBILITIES OF THE PURCHASING DEPARTMENT

- A. Enforce the policy and procedures outlined in the City of Corinth Purchasing Policy or as directed by the City Manager or designee;
- B. Investigate and analyze research done in the field of purchasing, in an effort to keep abreast of current developments in the fields of purchasing, price, market conditions and new products;
- C. Join with other governmental agencies in cooperative purchasing plans when it is in the best interest of the City;
- D. Coordinate, organize, and assist departments in the specification writing process to ensure that specifications are written concisely and are not written in an exclusive manner;
- E. Advertise competitive solicitations to ensure compliance with competitive bidding statutes.
- F. Combine purchases of similar items whenever possible to allow for better pricing and establish a more competitive atmosphere;
- G. Conduct purchasing training for employees who process purchase order requisitions, conduct receiving, approve purchase orders, and/or develop specifications. Additionally, individual training by the Purchasing Department is available at the request of departments.

PURCHASING GUIDE

PART III: INTERNAL CONTROLS

3.0 VEHICLE AND EQUIPMENT PURCHASES

- A. Departments can no longer purchase vehicles. Vehicle leases are handled through the Finance Department in partnership with Enterprise.
- B. Specifications for mobile equipment must be approved in writing by the City Manager prior to soliciting bids.
- C. All equipment purchases will be processed through the Purchasing Office. Specifications shall be forwarded to the Purchasing Office. The Purchasing Manager shall be responsible for soliciting bids and authorizing the purchase of equipment as approved by the City Manager.
- D. **Required Approvals:** Approval by the Department Director, or Director's designated representative, is required. **Approval by the City Manager or City Manager's designated representative is required on all purchases.** Approval by City Council is required if the purchase exceeds \$100,000.
- E. **Procedures:** The process for equipment purchases is as follows:
 - 1. Department shall forward equipment specifications to the Purchasing Office.
 - 2. Purchasing Manager will obtain City Manager approval of specifications.
 - 3. Purchasing Manager will obtain bids or quotes for approved equipment.
 - 4. After bids/quotes are received, Purchasing Office will forward bids/quotes to department for review.
 - 5. Department will provide recommendation of award to Purchasing Office. If the lowest bid is not awarded the purchase, a memorandum must be provided to the Purchasing Office justifying the award to the next lowest bid.
 - 6. Department will prepare and submit city council agenda form (if applicable), and forward executed copy to the Purchasing Office
 - 7. Department must submit purchase order requisition in the financial system.
 - 8. Purchasing Office will issue the purchase order after required approvals are completed and all required documentation is received.
 - 9. Purchasing Office will place orders of equipment upon City Manager or City Manager's designated representative approval of the purchase order requisition.
 - 10. Upon receipt of equipment, department will forward all delivery and title paperwork to Purchasing Office. **Department is not authorized to sign title paperwork.**
 - 11. Department will submit completed Fixed Asset Form and pictures of equipment to Purchasing Office.
 - 12. Purchasing Office will assign the City asset number, obtain license plates, and apply for title.
 - 13. License plates and fuel cards will not be distributed to departments until all required documentation has been submitted to the Purchasing Office.

3.1 TECHNOLOGY PURCHASES

- A. Purchases of technology items must be approved in advance by the Technology Services Manager.
- B. **Definition:** Technology items are defined as purchases of equipment, goods or services of a highly technical nature, including but not limited to:
 - 1. A service related to the automation of the system, including computer software, or the computer;
 - 2. A telecommunications apparatus or device that serves as a component of a voice, data, or video communications network for transmitting, switching, routing, multiplexing, modulating, amplifying, or receiving signals on the network; and
 - 3. Technical services related to such equipment and goods.
- C. **Required Approvals:** Approval by the Technology Services Manager and Department Director, or Director's designated representative, is required. Approval by the City Manager or City Manager's designated representative is required if the purchase exceeds \$30,000. Approval by City Council is required if purchase exceeds \$100,000.
- D. **Procedures:** The process for technology purchases is as follows:
 - 1. Department shall work with Technology Services to determine specifications that are compatible with existing technology systems.
 - 2. Department or Technology Services will obtain quotes/bids according to purchasing threshold levels.
 - 3. Department must obtain written/electronic approval from the Technology Services Manager and forward to Purchasing Office with written quotes.
 - 4. Department will prepare and submit city council agenda form (if applicable), and forward executed copy to Purchasing Office.
 - 5. Department must submit purchase order requisition in the financial system. Orders shall not be placed until the purchase order is generated.
 - 6. Purchasing Office will issue the purchase order after required approvals are completed and all required documentation is received.
 - 7. Department or Technology Services will place order with vendor.

3.2 UNIFORM PURCHASES

- A. All uniform purchases or allowances must adhere to the City Manager's Uniform Directive.
 - 1. Uniforms for Police, Fire, Code Enforcement, Technology Services, Building & Public Works Inspectors, Recreation, and Public Works & Park Maintenance will be paid by the City through Accounts Payable. Departments are encouraged to process allowable purchases through Accounts Payable in October of the applicable year. Per IRS regulations, as noted below, some uniform costs will be taxed through payroll.
 - 2. Various uniform purchases have an allowance maximum amount. If an employee chooses uniforms, boots, or prescription safety glasses that exceed the allowed maximum, the employee will be responsible for the difference at the time of purchase.

3. Employees are responsible for the replacement of damaged or lost uniforms, boots and prescription safety glasses at their own expense. The replacement or repair of damaged specialized uniform or equipment may be considered on a case by case basis.
 4. **Prohibitions:** The City does not require office staff to wear uniforms. Therefore, embroidered logo shirts/jackets are not an allowable expenditure of City funds. Employees purchasing embroidered logo shirts/jackets must do so at their own expense. Purchases are taxable and will not be paid for through Purchasing or Accounts Payable.
 5. Exceptions to the Uniform Directive require prior written approval of the City Manager.
- B. Required Approvals:** Approval by the Department Director, or Director's designated representative, is required. Approval by the City Manager or City Manager's designated representative is required if the purchase exceeds \$30,000. Approval by City Council is required if the purchase exceeds \$100,000.
- C. Procedures:** The process for uniform purchases or allowances is as follows:
1. Uniform Purchases: These items are processed through Accounts Payable and taxed through the payroll process. Items that qualify for this process are shirts for Public Works & Park Maintenance, Code Enforcement, Building & Public Works Inspectors, Technology Services, and Recreation; and prescription safety glasses for Public Works and Park Maintenance
 - a) Department must follow purchasing guidelines for these purchases.
 - b) Once purchase is made, the department must submit the Uniform Taxable Request Form to payroll along with the receipt for the purchase.
 - c) The receipt amount will be added to the employee's paycheck as taxable income during the next payroll cycle (if applicable).
 2. Uniform Allowances: These items are additional dollars added to an employee's paycheck. Purchases of these items are the responsibility of the employee. Items that qualify for this process are boots for Police; Police Investigator uniforms; and jeans, work boots, and winter gear (jacket/bib) for Public Works and Park Maintenance and jeans, work boots and winter jacket/cost for Code Enforcement, Building and Public Works Inspectors.
 - a) Departments must submit the Uniform Taxable Request Form to payroll in the applicable year.
 - b) The allowance amount will be added to the employee's paycheck as taxable income during the next payroll cycle (if applicable).

3.3 PURCHASES OF MATERIALS, EQUIPMENT AND SUPPLIES FOR PERSONAL USE

- A. City employees shall not purchase supplies, materials, or equipment through the City for personal use.
- B. Neither City employees nor their immediate family members are allowed to participate in the purchase of material at auctions, by bid, or established sale conducted for the City. City employees may not knowingly purchase or receive materials and/or merchandise through a third party from these sources.

3.4 PURCHASES OF GOODS/SERVICES FROM CITY OFFICERS, AGENTS OR EMPLOYEES AND/OR IMMEDIATE FAMILY

- A. The City will not enter into contracts or purchases with employees or members of their immediate family. Employees or members of their immediate family may not have any financial or other interest, directly or

indirectly, in any proposed or existing contract, purchase, work, sale or service to, for, with or by the City. Exceptions for contracts involving employees require prior written approval of the City Manager.

- B. The City will not enter into contracts or purchases with City officers or members of their immediate family except in compliance with Texas Local Government Code Ch. 171, when applicable, and the Corinth City Charter, and Chapter 39 of the Corinth Code of Ordinances, all as amended from time to time.

3.5 PURCHASES OF SEASONAL DECORATIONS, FLOWERS, GIFTS FOR EMPLOYEES, RETIREMENT AND CELEBRATION ACTIVITIES

- A. Purchase of seasonal decorations, i.e. Christmas, Halloween, Valentine's Day, etc., condolence and celebration flowers, parties and celebration activities using City funds is highly discouraged.
- B. The City's contribution for retirement or promotional ceremonies should not exceed \$750. City contributions should not be used for gifts. If a department wishes to give a gift, a collection should be taken up for that purpose.
- C. Exceptions require prior written approval of the City Manager.

3.6 PURCHASES OF FOOD/MEALS

- A. Purchases of food/meals for departmental activities using City funds are highly discouraged. Exceptions require prior written approval of the City Manager.
 - 1. Each Department Director shall assume the responsibility of maintaining control of their department food/meal purchases and must exercise good judgment by only approving reasonable and necessary expenditures.
 - 2. Required Documentation
 - a) Business meals must be documented in accordance with Internal Revenue Service Publication 463.
 - b) The business purpose and attendees must be listed on all business meal receipts. Itemized, date-stamped receipts must be provided for all expenses. Credit Card slips noting the balance due will not be considered a valid receipt. Failure to submit itemized receipts will render those expenses non-reimbursable.
 - c) Meal related tips are not to exceed 15% of the total receipt. If the incidental expense exceeds the allowable tip amount, the difference is the responsibility of the employee.
 - d) Departments are required to retain all documentation and supply them to the Finance Department.

3. Approved Purchases of Food/Meals

The following purchases of refreshments, meals, and/or drinks are approved and may be purchased from either the department's operating or donation accounts as authorized by the Department Director.

- a) Normal or Major Case Rehabilitation: Purchase of water, electrolyte replacement drinks, meal supplements, or meals are authorized by the following:

- i. City Personnel responding to major incidents or inclement weather operations that prohibit the employee from attending normal lunch/dinner breaks.
 - ii. Department inventory of water & electrolyte replacement drinks or meal supplements for incident rehabilitation.
 - iii. Units from other entities that respond to emergency calls in the City of Corinth's service area.
 - iv. Donation of goods to other entities for the replenishment of goods used by City personnel during major cases or incidents.
- b) Internal Training Sessions: It must be noted that the purchase of water, drinks, meals and refreshments for internal training sessions is highly discouraged. However, the purchase is approved on a limited basis, such as field training that prohibits the employees from attending normal lunch/dinner breaks. The purpose of the training/planning session and attendees must be listed on all receipts.
 - c) Training/Planning Sessions: Purchase of water, drinks and refreshments are authorized for the training or planning sessions that require attendance of personnel from external entities. The purchase of meals is approved on a limited basis that prohibits the group from attending normal lunch/dinner breaks. The purpose of the training/planning session and attendees must be listed on all receipts.
 - d) Meals for External Instructors/Agency Representatives: Purchases of meals for external instructor or external agency representatives for the repayment of services rendered to the City of Corinth is authorized. However, it should be noted that the purchase of meals for casual lunch meetings that do not include a repayment of services rendered to the City of Corinth with external instructors or agency representatives is generally prohibited. The service provided to the City by the external instructor/agency representative and attendees must be listed on all receipts.
 - e) Review or Promotional Boards: Purchase of water, drinks, meals and refreshments for review or promotional boards are authorized. The purpose of the board and attendees must be listed on all receipts.
 - f) Public Events: Water, drinks, refreshments and meals purchased for classes and events hosted by the City that are held for attendance by the general public. Examples include, but are not limited to the following: Citizen's Public Safety Academy, Open House, CSI Camp, Fire Prevention Week, Senior Luncheons, Pumpkin Palooza, Christmas Tree Lighting, Daddy Daughter Dance, Easter Egg Hunts, etc.
 - g) Annual service awards banquets for public safety departments.
 - h) City Manager directed functions: annual employee picnic and annual Thanksgiving/Christmas luncheon.
 - i) Out of Town Training and travel as established by the City Manager's Travel directive.

4. Prohibited Purchases

The following purchase of refreshments, meals, and/or drinks are not approved

- a) Personal Restaurant meals and/or alcohol
- b) Coffee makers, coffee, and related supplies

3.7 DISPOSAL OF SURPLUS/SALVAGE/CONFISCATED MATERIALS AND EQUIPMENT

- A. **Authority:** The Director of Finance or Director's designated representative shall be responsible for the disposal of salvage, surplus, confiscated, and personal property. Personal property that has been deemed salvage or surplus may be disposed of by one of the following methods, as deemed appropriate by the Director of Finance:
- Sold at a public auction by an auctioneer licensed by this state;
 - Sold by soliciting competitive bids;
 - Sold or donated to a political subdivision of this state, a state agency of this state, or an entity of the federal government;
 - Sold or donated in accordance with any other City policy;
 - Traded-in on new property of the same type when in the best interest of the City; or
 - Destroyed or donated to a civic or charitable organization, if such property has a value of less than \$500
- B. **Prohibitions:** An officer or employee of the City, who recommends and/or authorizes the sale of materials and equipment for the employee's department, or, for an officer, on behalf of the City, shall not, directly or indirectly, submit a bid for, purchase or acquire ownership of that department's property. An officer or employee of the city shall not, directly or indirectly, submit a bid, purchase, or acquire ownership of "impounded property".
- C. **Disposal of Property:** City employees shall not dispose of salvage/surplus/confiscated personal property.
- D. **Required Approvals:** Prior approval by the Department Director and the City Manager is required for the Director of Finance or the Director's designated representative to dispose of property.
- E. **Procedures:** The process for disposal of surplus/salvage/confiscated items is as follows:
1. Department will submit the Surplus Property Disposition form for equipment, or other surplus items they wish to dispose.
 2. Department must complete the Surplus Property Disposition Form with detailed information regarding the surplus items and forward to the Purchasing Office. Department must provide pictures of the item(s).
 3. The Surplus Property Disposition Form will be routed to Director of Finance and City Manager for approvals for sale, disposal, salvage, or trade-in of items.
 4. If applicable, Department will coordinate equipment trade-in assessment with vendor. Department must submit trade-in assessment to the Purchasing Office.
 5. Purchasing Office will coordinate items to be sold with a licensed auctioneer.
 6. After closing of the auction, proceeds from sales will be deposited to accounts as determined by the Director of Finance.
- F. **Salvaged Equipment:** Equipment that has been salvaged (retained by Department), is no longer eligible for replacement.

PURCHASING GUIDE

PART IV: NEW VENDOR SETUP

4.0 NEW VENDORS

Vendors who are not already established with the City must complete and submit a “New Vendor Packet” to the Purchasing Office prior to setup in the financial system. The packet consists of the following forms:

- W-9
- Vendor Information Sheet
- Conflict of Interest Questionnaire

Procedures: The process for new vendor setup is as follows:

- Department Obtains New Vendor Packet: The Department will forward the New Vendor Packet to the vendor, and must ensure all forms are completed and forwarded to the Purchasing Office at purchasing@cityofcorinth.com. The New Vendor Packet is available on the City’s Intranet under Finance Documents, or by contacting the Purchasing Office.
- Purchasing Obtains New Vendor Packet: The Purchasing Office will forward the New Vendor Packet to the vendor. Department must forward the company’s contact information to the Purchasing Office including: contact name, phone number, fax number, and email address.
- Upon receipt of the completed New Vendor Packet, and insurance verification the Purchasing Office will create a new vendor in the financial system.
- The Purchasing Office will notify the department when the process is completed.

4.1 INSURANCE CERTIFICATES (See Part XI. Insurance Requirements)

The Purchasing Office is responsible for obtaining insurance certificates from contractors prior to authorizing the contractor to begin work. Departments are responsible for contacting the Purchasing Office regarding required coverages prior to obtaining quotes, to expedite the process.

- All businesses/contractors performing construction or maintenance services on City property must provide proof of worker’s compensation insurance. Depending on the project or nature of the service, the City may also require additional coverages.
- For construction and construction-related projects, all contractors and sub-contractors, including those delivering equipment or materials, or performing service on a public works project, shall provide Texas workers’ compensation for all employees. All Contractors shall provide proof of coverage satisfactory to the City. Prime Contractors are responsible for seeing that sub-contractors carry the same or higher insurance amounts as those required of the prime contractor.

4.2 TAX EXEMPTION

The City is exempt from all Federal Excise Tax and State of Texas Sales and Use Tax. The City is not exempt from Hotel Occupancy Tax.

Tax exemption certificates are available on the City’s Intranet under Finance Documents, or by contacting the Purchasing Office.

PURCHASING GUIDE

PART V: PURCHASE ORDER REQUISITIONS AND CONTRACT ADMINISTRATION

5.0 PURCHASE ORDERS

Purchase orders (PO's) are required for all purchases in excess of \$3,000, unless otherwise exempt as indicated in the exemptions section below. **Purchase order requisitions must be submitted prior to making a purchase.** Purchase order requisitions may be submitted for purchases under \$3,000, but are not required unless the vendor requires it; or for cooperative purchases.

Departments are highly encouraged to utilize the procurement card or check requests for purchases under \$3,000.

A. **Exemptions:** Items that do not require a purchase order and may be paid with a procurement card or check request are:

- Catered event fees
- Membership or professional association dues and fees
- Periodicals
- Postage
- Registration fees
- Regulatory fees
- Subscriptions
- Travel expenses
- Utilities
- Certification fees
- Other fees as approved in writing by the Director of Finance

B. **Preparing Purchase Order Requisitions**

1. Department must enter a purchase order requisition in the financial system prior to making a purchase. Purchase order requisitions should be itemized whenever possible. The PO Description should include quantities and detailed descriptions of the items being ordered.
2. When applicable, the following should be included in the PO description:
 - Quote /bid number
 - Contract name and number if utilizing a cooperative contract (i.e. Buyboard Contract #645-20)
 - City Council approval date
 - Contract effective and expiration dates (if applicable)
 - Sole Source purchases: "Sole Source" should be noted in PO description. Sole source justification documentation must be provided by department. The Purchasing Office will request sole source documentation from the vendor. Please refer to Part VII Section 7.2 for sole source procedures.
3. All verbal and written quotes received must be noted in the "Internal Notes" portion of the purchase order requisition. The company name and total quote must be listed. Quotes from HUB vendors should be indicated next to the quote amount.

4. Department must forward required documentation to the Purchasing Office at purchasing@cityofcorinth.com:
 - All required quotes obtained according to purchasing threshold levels.
 - HUB vendor information provided by the Purchasing Office. Indicate which HUB vendors were contacted.
 - City Council approval documentation.
 - Executed contract/agreement (if applicable).
 - Departments are responsible for notifying the Purchasing Office to obtain the vendor's Insurance Certificate (if applicable). Insurance Certificate is required prior to beginning work. Please refer to Part IV – Section 4.1 for insurance requirements.
 5. If the account entered does not have sufficient funding, department must submit a budget transfer to the Finance Department.
 6. Department shall notify their approver when the requisition is ready for approval.
- C. **Requisition Processing:** The Purchasing Office shall process a purchase order after all requirements below are met:
- Requisition is complete with all supporting documentation;
 - Verification of compliance with State of Texas Historically Underutilized Business (HUB) law, as identified in Section 252.0215 of the Texas Local Government Code, as amended, and with internal policies and procedures;
 - Verification of contract provisions, if purchasing goods or services from an existing contract;
 - Verification that all required organizational approvals are completed; and
 - Verification that sufficient funds are available to purchase goods or services; and
 - Verification of insurance coverage (if applicable)
1. Purchase order requisitions are processed twice daily. If an emergency or rush condition exists, department must notify their departmental approver and the Purchasing Office.
 2. The Purchasing Office will issue the purchase order after required approvals are completed and all required documentation is received.
 3. The Purchasing Office will email a copy of the purchase order to the requestor.
- D. **Canceling Purchase Orders:** Departments may cancel a PO upon written/electronic request to the Purchasing Office. Upon cancellation of the PO, all encumbered funds are released.
- E. **Receipt of Goods and Services:** Upon receipt of goods or services, it shall be the responsibility of the department to ensure that the order is complete as to quality and quantity, and to report any discrepancies to the vendor immediately.
1. All deliveries should be inspected promptly and in the presence of the supplier or shipper, whenever possible. Any damaged or defective merchandise shall be noted on the packing slip or delivery ticket. Department shall verify that merchandise received meets the specifications defined on the PO or annual contract agreement. When an item is defective, damaged, or does not meet specifications, the vendor shall be notified by the receiving department to arrange return of the merchandise. Returns for orders placed by the using departments will be the responsibility of the department.
 2. Goods: If the shipment is complete and undamaged, Department shall submit a Receiving Report with the signed packing slip or delivery ticket to the Accounts Payable Department for payment.

3. **Services:** After Department has verified that the scope of services detailed on the contract or purchase order has been performed to the department's satisfaction, Department shall submit a Receiving Report to the Accounts Payable Department for payment.

5.1 CONTRACT ADMINISTRATION

The Purchasing Office maintains a database for City contracts. Departments are responsible for ensuring that all fully executed contracts, renewals, amendments, and terminations are forwarded to the Purchasing Office prior to issuance of purchase orders, and before payment is issued for services at any dollar amount. All contracts presented to City Council will require awarded vendors to electronically file Form 1295 "Certificate of Interested Parties" and submit a signed certificate of filing to the City, before the contract can be awarded. "Contract" includes new contracts, amendments, renewals, extensions, purchase orders, and cooperative purchases. Interlocal Agreements and EDC contracts/purchases are excluded. The requirement will be included in every Bid, RFP, SOQ, and RFQ issued by the City and will be required to be completed as part of the submittal requirements. Departments will be responsible for obtaining the signed Form 1295 from the vendor if the contract was not awarded through a competitive solicitation process through the Purchasing Department.

- A. **Required Approvals:** City Manager approval is required for all purchases. Approval by City Council is required if the purchase exceeds \$100,000.
- B. **Change Orders:** Please refer to Part VII – Section 7.0 for change orders.
- C. **Procedures:** The process for service contracts is as follows:
 - M. Department will solicit bids/quotes as defined by the Purchasing Policy.
 - N. Department will work with the City Attorney to develop and finalize service contract.
 - O. Department will obtain all required signatures and council approval (if applicable).
 - P. Department will forward fully executed contract to Purchasing Office and City Secretary.
 - Q. Department will enter a purchase order in the financial system (if applicable).
 - R. Department will monitor their contracts to ensure contracts are renewed or solicited prior to expiration dates. Contract renewals should be reviewed at least ninety (90) days prior to expiration date to allow sufficient lead-time for price increases (if applicable), and quoted/ solicited actions.
 - S. If renewal options are available, department will issue renewal letters to vendors. Price increases must be approved by the department Director and City Manager (if applicable).
 - T. If there are no renewal options remaining, department will begin the bid/quote process as defined by the Purchasing Policy.
 - U. Department will obtain all required signatures and council approval (if applicable).
 - V. Department will forward fully executed contract to the Purchasing Office and City Secretary.
 - W. Purchasing Office will update the contract database.
 - X. Department should monitor vendor performance and document any performance issues. All documentation should be forwarded to the Purchasing Office. It is extremely important to document details of non-compliance and provide documentation for the file.

PURCHASING GUIDE

PART VI: PURCHASING THRESHOLDS

6.0 PURCHASES \$3,000 AND UNDER

- A. **Procurement Methods:** Departments can purchase goods and services that fall within this dollar threshold by one of the methods listed below.
1. Purchases within this dollar threshold require a check requisition, and will be processed through the Accounts Payable Office.
 2. Departments are encouraged to utilize procurement cards for these purchases whenever possible. The cardholder's Director or Manager is to review the employee's usage of the Procurement Card and is responsible for ensuring the cardholder conforms to the city's purchasing policies. The Director, Manager, and cardholder must adhere to the provisions of the City Manager's Procurement Card Directive.
- B. **Quote Requirement:** Departments can purchase goods and services that fall within this dollar threshold based on a single quote. Competitive quotes are not required for purchases under \$3,000, but may be obtained for any purchase. A purchase order requisition is not required, but can be processed if a purchase order is required by the vendor. Departments must notify the Purchasing Office to obtain vendor's insurance certificate, if applicable, prior to authorizing the contractor to begin work.
- C. **Required Approvals:** Approval by the Department Director, or the Director's designated representative is required.

6.1 PURCHASES OVER \$3,000 AND UP TO \$7,500

- A. **Procurement Methods:** Departments can purchase goods and services that fall within this dollar threshold by one of the methods listed below:
1. Department Obtains Quotes or Proposals: The Department can obtain quotes or proposals, but must comply with the State of Texas HUB law. Please contact the Purchasing Office to obtain a list of HUB vendors prior to obtaining quotes, in order to expedite the process.
 2. Purchasing Obtains Quotes or Proposals: The Purchasing Office can obtain quotes or proposals on behalf of the department. The Purchasing Office will work with the department to develop a specification, and will obtain quotes utilizing the pre-determined method. All quotes received will be forwarded to the department for evaluation and selection of a vendor.
- B. **Quote Requirement:** Three verbal competitive price quotes from vendors are required, including at least two Historically Underutilized Businesses (HUBs), if available, as required in Section 252.0215 of the Texas Local Government Code, as amended. HUBs should be contacted on a rotating basis, based on information provided by the comptroller. If the list fails to identify a HUB in the county, the City is exempt from this requirement.

If HUB vendors are **non**-responsive, department is responsible for obtaining two additional quotes to comply with the three quote requirement.

Quotes received from vendors shall not be divulged to other bidders until after the award has been made. If the lowest bid is not awarded the purchase, a memorandum must be provided to the Purchasing Office justifying the award to the next lowest bid.

- C. **Requisition Requirement:** All purchases within this dollar threshold require a purchase order requisition, and will be processed through the Purchasing Office. Verbal quotes must be documented on the requisition prior to issuance of a purchase order. Purchase orders must be entered and approved prior to placing the order. Departments must notify the Purchasing Office to obtain vendor's insurance certificate, if applicable, prior to authorizing the contractor to begin work.
- D. **Required Approvals:** Approval by the Department Director, or the Director's designated representative is required.

6.2 PURCHASES OVER \$7,500 AND UP TO \$50,000

- A. **Procurement Methods:** Departments can purchase goods and services that fall within this dollar threshold by one of the methods listed below:
 - 1. Department Obtains Quotes or Proposals: The Department can obtain quotes or proposals, but must comply with the State of Texas HUB law. Please contact the Purchasing Office to obtain a list of HUB vendors prior to obtaining quotes, in order to expedite the process.
 - 2. Purchasing Obtains Quotes or Proposals: The Purchasing Office can obtain quotes or proposals on behalf of the department. The Purchasing Office will work with the department to develop a specification, and will obtain quotes utilizing the pre-determined method. All quotes received will be forwarded to the department for evaluation and selection of a vendor.
- B. **Quote Requirement:** Three written competitive quotes from vendors are required, including at least two Historically Underutilized Businesses (HUBs), if available, as required in Section 252.0215 of the Texas Local Government Code, as amended. HUBs should be contacted on a rotating basis, based on information provided by the comptroller. If the list fails to identify a HUB in the county, the City is exempt from this requirement.

If HUB vendors are **non-responsive**, department is responsible for obtaining two additional quotes to comply with the three quote requirement.

Quotes received from vendors shall not be divulged to other bidders until after the award has been made. If the lowest bid is not awarded the purchase, a memorandum must be provided to the Purchasing Office justifying the award to the next lowest bid.

- C. **Requisition Requirement:** All purchases within this dollar threshold require a purchase order requisition and will be processed through the Purchasing Office. Written quotes, contracts or agreements must be forwarded to the Purchasing Office prior to issuance of a purchase order. Purchase orders must be entered and approved prior to placing the order. Departments must notify the Purchasing Office to obtain vendor's insurance certificate, if applicable, prior to authorizing the contractor to begin work.
- D. **Required Approvals:** Approval by the Department Director, or the Director's designated representative is required. Approval by the City Manager or City Manager's designated representative is required if the purchase exceeds \$30,000.

6.3 PURCHASES OVER \$50,000

Unless otherwise specified by law, all purchases in excess of \$50,000 shall be awarded by competitive bidding or reverse auction procedures, pursuant to current state law. Please refer to **Part VIII - Sections 8.0 - 8.3** for competitive bidding procedures.

All contracts presented to City Council will require awarded vendors to electronically file Form 1295 "Certificate of Interested Parties" and submit a signed certificate of filing to the City, before the contract can be awarded. "Contract" includes new contracts, amendments, renewals, extensions, purchase orders, and cooperative

purchases. Interlocal Agreements and EDC contracts/purchases are excluded. The requirement will be included in every Bid, RFP, SOQ, and RFQ issued by the City and will be required to be completed as part of the submittal requirements. Departments will be responsible for obtaining the notarized Form 1295 from the vendor if the contract was not awarded through a competitive solicitation process through the Purchasing Office. Interlocal Agreements and EDC contracts/purchases are excluded.

PURCHASING GUIDE

PART VII: PURCHASING EXCEPTIONS

7.0 CHANGE ORDERS

Change orders are contract changes made after performance of the project has begun, or to increase/decrease the scope or quantity of work to be performed, or the materials, equipment, or supplies to be furnished.

- A. The total dollar amount of change orders on a contract shall not exceed 25% of the original award amount (if the purchase is subject to the competitive bidding laws of the State of Texas).
- B. Change orders for contracts for public works or construction may not be decreased by more than 25% without the written consent of the contractor.
- C. Change orders which involve a decrease or increase of up to 25%, or \$50,000, whichever is less, may be approved by the City Manager or City Manager's designated representative, provided the total contract expenditures remain within the budgeted amount.
- D. Change orders in excess of \$50,000 require City Council approval.
- E. Contracts which are not subject to competitive bidding requirements may be amended as provided in the contract.
- F. **Required Approvals:** Approval by the Department Director or the Director's designated representative is required. Approval by the City Manager or City Manager's designated representative is required. Approval by City Council is required if the change order exceeds \$50,000.
- G. **Procedures:** The process for change orders is as follows:
 - 1. Department will obtain the written change order from the vendor.
 - 2. Department will review the change order and obtain required signatures.
 - 3. If applicable, the architect/engineer shall review and approve the change order for public works or construction contracts.
 - 4. Department will forward executed copy of change order to the Purchasing Office.
 - 5. Department will prepare and submit city council agenda form (if applicable), and forward an executed copy to the Purchasing Office.
 - 6. The Purchasing Office will amend the original purchase order in the financial system. Change orders shall not be authorized with the vendor until the amended purchase order is issued.
 - 7. The Purchasing Office will issue the amended purchase order to the department after required approvals are obtained and all required documentation is submitted.
 - 8. Department will forward the amended purchase order and executed change order to the vendor.

7.1 EMERGENCY PURCHASES

- A. In order to qualify as an emergency purchase, one of the following conditions must apply, as provided by Section 252.022 of the Texas Local Government Code, as amended:
1. A procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents or to preserve the property of the municipality;
 2. A procurement necessary to preserve or protect the public health or safety of the municipality's residents;
 3. A procurement necessary because of unforeseen damage to public machinery, equipment or other property.
- B. An emergency created through neglect will not be treated as an emergency.

Typical examples include, but are not limited to:

1. Depletion of stock due to lack of planning.
 2. Building or equipment needing repairs for some time will not become an emergency at time of purchase.
 3. Order of materials for projects most of which must be planned weeks or months ahead of time and requested just before desired use.
- C. The Department Director shall notify the City Manager if an emergency condition exists.
- B. The City Manager is authorized to approve expenditures provided that the expenditure is presented to City Council for ratification within 30 days of the emergency condition.
- D. **Required Approvals:** Approval by the Department Director or the Director's designated representative is required. Approval by the City Manager or City Manager's designated representative is required if the purchase exceeds \$30,000. Approval by City Council is required if the purchase exceeds \$100,000.
- E. **Procedures:** The process for emergency purchase is as follows:
1. Department Director must notify the City Manager if an emergency condition exists.
 2. Department will obtain written/electronic approval from the City Manager to proceed with the emergency purchase.
 3. Department shall forward written/electronic City Manager approval to the Purchasing Office.
 4. Department will place order with vendor.
 5. Department/City Manager will prepare and submit city council agenda form (if applicable), and forward executed copy to Purchasing Office.
 6. Department must submit purchase order requisition in the financial system.
 7. Purchasing Office will issue the purchase order after required approvals are completed and all required documentation is received.

7.2 SOLE SOURCE PURCHASES

- A. **Department Documentation:** When a department has identified a specific item as defined in Part IX

– Section 9.0.A.5 that has unique features or characteristics essential and necessary to the requesting department and no alternate products are available, a completed Sole Source Justification document must be provided to the Purchasing Office for review and approval prior to the purchase. Department shall review sole source purchases on an annual basis to see if product has become available from other sources.

- B. **Supplier Documentation:** In addition, written documentation from the supplier explaining fully and describing the conditions which make the supplier a “sole source” will be required to be filed with the Purchasing prior to issuance of a purchase order. Sole source determination may require certification of protection by copyrights or patent.
- C. **Procedures:** The process for sole source purchases is as follows:
1. Department must submit a completed Sole Source Justification Form to the Purchasing Office for review.
 2. Purchasing Office will obtain written documentation from the supplier describing the conditions which make the supplier a sole source.
 3. Department will prepare and submit city council agenda form (if applicable), and forward an executed copy to the Purchasing Office.
 4. Department must submit a purchase order requisition in the financial system. Orders shall not be placed until the purchase order is generated.
 5. Purchasing Office will issue the purchase order after required approvals are completed and all required documentation is received.
- D. **If supplier is not deemed to be the only source for the product, department must follow the quote/bid process according to purchasing threshold levels.**
- E. **Required Approvals:** Approval by the Department Director, or Director's designated representative, is required. Approval by the City Manager or City Manager's designated representative is required if the purchase or contract exceeds \$30,000. Approval by City Council is required if the purchase or contract exceeds \$100,000.

7.3 COOPERATIVE PURCHASING

Whenever it is determined to be advantageous to the City, cooperative purchasing with other governmental agencies may be used. The City has entered into various interlocal agreements, which authorize the City to utilize contracts with certain governmental entities and cooperative programs for the purchases of goods and services at any dollar threshold.

- A. **Purchasing through cooperative contracts satisfies all competitive bid requirements, which means no additional quotes are needed.** If a department utilizes a cooperative contract, the contract terms and conditions must be adhered to.
- B. **Quote Requirement:** Purchases utilizing an existing interlocal agreement or cooperative program require a written quote from the supplier reflecting the contract number and contract pricing. Quotes must be forwarded to the Purchasing Office prior to issuance of a purchase order.
- C. **Requisition Requirement:** Purchases ~~over \$3,000~~ require a purchase order requisition, and will be processed through the Purchasing Office. ~~Purchases under \$3,000 may require a purchase order, depending on the terms and conditions of the cooperative contract.~~ The cooperative contract number must be included on the purchase order requisition. Purchase orders must be entered and approved prior to placing the order.

D. **Required Approvals:** Approval by the Department Director, or Director's representative is required. Approval by the City Manager or City Manager's designated representative is required if the purchase exceeds \$30,000. Approval by City Council is required if the purchase exceeds \$100,000.

E. **Obtain Quotes or Proposals:**

1. **Department Obtains Quotes or Proposals:** The Department can obtain quotes or proposals, but must verify that the City has a current agreement in place with the cooperative agency. Please contact the Purchasing Office prior to obtaining quotes, in order to expedite the process. Department is responsible for requesting quotes from the supplier contact listed in the cooperative contract to ensure compliance with contract terms and conditions, expirations, and ordering procedures.
2. **Purchasing Obtains Quotes or Proposals:** The Purchasing Office can obtain quotes or proposals on behalf of the department. All quotes received will be forwarded to the department for evaluation and selection of a vendor.

Quotes received from vendors shall not be divulged to other bidders until after the award has been made and in accordance with and subject to the Texas Public Information Act, Texas Government Code, Chapter 552 Section 104.

F. **Procedures:** The process for cooperative purchases is as follows:

1. Department must provide the Purchasing Office with a copy of all quotes, agreements or contracts. Purchasing Office shall obtain the firm's insurance certificate meeting the City's requirements (if applicable). Please refer to Part IV – Section 4.1 for insurance requirements.
2. Department will prepare and submit city council agenda form (if applicable), and forward an executed copy to the Purchasing Office.
3. If the vendor is not in the financial system, the department or Purchasing Office will obtain the completed new vendor packet from the vendor. Please refer to Part IV – Section 4.0 for new vendor setup procedures.
4. The Purchasing Office will add the vendor to the financial system after all vendor forms are received and insurance has been verified.
5. Department must submit a purchase order requisition in the financial system. Orders shall not be placed until the purchase order is generated. The cooperative contract number must be included on the purchase order requisition.
6. The Purchasing Office will issue the purchase order after required approvals are completed in the financial system and all required documentation is submitted.
7. Department will place the order with the vendor.

G. The cooperative programs that are available to the City include, but are not limited to:

1. BuyBoard
2. Collin County Purchasers Forum
3. Department of Information Resources (DIR) – (Technology Items)
<http://www.dir.texas.gov/ict/contracts/Pages/ProductsServices.aspx>
4. Houston-Galveston Area Council (H-GAC)
5. State of Texas Term Contracts
http://www.window.state.tx.us/procurement/contracts/all_term/

6. Tarrant County Cooperative Purchasing Program
 7. Texas Multiple Award Schedule (TXMAS)
<http://www.window.state.tx.us/procurement/contracts/txmas.php>
 8. OMNIA Partners
<https://www.omniapartners.com/>
 9. The Interlocal Purchasing System (TIPS)
<https://www.tips-usa.com>
 10. Choice Partners
<https://www.choicepartners.org>
 11. 1GPA
<https://www.gpa.org>
 12. TXShare (through NCTCOG/Sourcewell)
https://northtexasshare.org/SHARE_partners/available-contracts/
- H. Additional information on cooperative programs available to the City may be obtained by contacting the Purchasing Office.

PURCHASING GUIDE

PART VIII: COMPETITIVE BIDDING PROCEDURES

9.0 METHODS OF PROCUREMENT

Determination: The Purchasing Manager will determine the allowable methods of procurement, based on the purchasing thresholds as identified in Part VI, and the nature of the goods or services required. The methods of procurement utilized by the City are as follows:

9.1 INVITATION TO BID (ITB)

This method is used for one-time purchases or for the establishment of an annual contract if there is a continuous need to purchase same goods or services totaling over \$50,000 annually. Examples include but are not limited to: maintenance & repair items, uniforms, medical supplies, chemicals, equipment, and public works construction projects. Award is made to the lowest responsive and responsible bidder, or to the bidder providing the best value as pre-determined by the City, the City Manager, or his designee. **Negotiation of pricing or changes after the sealed bids are opened is not permitted. Please allow eight weeks at a minimum to complete the process.**

A. There are two methods of ITBs, the lowest responsible bidder method, and the best value method. All criteria for evaluation are required to be outlined in the bid specification documents and the City must indicate that the contract may be awarded to either the lowest responsible bidder or to the bidder who provides goods or services at the best value for the City. Each method is defined below:

1. **Lowest Responsible Bidder Method:** The responsible bidder meeting the minimum stated specifications and qualifications with the lowest price is awarded the bid.
2. **Best Value Bid Method:** In determining the best value, the City may consider certain factors which are listed below.
 - Purchase price;
 - Reputation of the bidder and the bidder's goods or services;
 - Quality of the bidder's goods and services;
 - The extent to which the good or service meet the municipality or requesting Department's needs;
 - Bidder's past relationship with the municipality or requesting Department;
 - Impact on the ability of the municipality to comply with laws and rules, relating to contracting with historically underutilized businesses with non-profit organizations employing person with disabilities. Total long term cost to the City to acquire the bidder's goods or services; and
 - Any relevant criteria specifically listed in the request for bids or proposals (i.e., experience, delivery timeframe, etc.).

B. **Advertising Requirements:** For all formal bid solicitations (ITBs), notice must be given of the time and place at which the bids will be publicly opened and read aloud. The legal notice must be published at least once a week for two consecutive weeks in the city's official newspaper. The date of the first publication must be before the fourteenth (14th) day before the date set to publicly open the bids and read them aloud.

C. Department Responsibilities: Preparation/Format of the ITB

1. Department will submit a written/electronic request to the Purchasing Office, including a detailed description of goods or services, the estimated expenditure, the account number funding the purchase, required delivery date, and a list of known vendors for the product or service.

2. Pre-acquisition meeting between department and Purchasing Office to determine scope, specifications, and timelines.
3. Purchasing Office will provide a bid template to department that includes the City's standard language and terms and conditions.
4. Department will prepare the ITB draft using the format provided by the Purchasing Office incorporating the following:
 - a) Specifications: Specify in detail the materials, equipment, or supplies to be furnished or the scope of work to be performed by the vendor. Specifications should define the department's requirements by function, stating how the material or equipment is to be used, and required quantities. The specifications should clearly state the minimum acceptable levels for equipment or supply items, and should not be restrictive to one manufacturer or vendor.
 - b) Bid proposal forms: Complete item description, part number (if applicable), quantities, and unit of measure.
 - c) Additional attachments: Provide maps, drawings, reports, or other information that is relevant to the ITB.
 - d) Contract (services only): Department is responsible for working with the City Attorney to develop a service contract.
5. Department will forward ITB draft to the Purchasing Office for review.

D. Purchasing Responsibilities: Issuance of the ITB

1. Purchasing will review draft and work with department to refine specifications as needed, and determine insurance or bonding requirements, if applicable.
2. Once ITB is complete, the Purchasing Office will process the bid as follows:
 - a) Assign Bid Number
 - b) Coordinate with department to determine:
 - Legal advertisement dates: must run at least once per week for two consecutive weeks.
 - Pre-bid meeting date, if applicable: utilized for bidders to obtain clarifications of specifications and identify items appropriate for addendums.
 - Questions deadline date and time: all bidders must submit questions in writing to the Purchasing Manager.
 - Bid due date and time: date of the first publication must be before the fourteenth (14th) day before the date set to publicly open the bids and read them aloud.
 - c) Send legal advertisement to the City's official newspaper, and post notice on City's website.
 - d) Schedule meeting space for pre-bid meeting and bid opening, as appropriate.
 - e) Compile the bid packet.
 - f) Post the bid packet on City's website; and email known potential bidders.
 - g) Conduct pre-bid meeting, if applicable.
 - h) Receive questions/clarifications until questions deadline.
 - i) Issue addendums, if required.

E. Sealed Bids: Receipt, Opening, Evaluation, and Award

1. Receipt: Purchasing Office shall receive bids until the date and time specified in the ITB. Bids are then publicly opened and read aloud. Late bids shall not be opened nor considered and shall be returned to the originator.
2. Opening: After bid opening, each bid is reviewed by the Purchasing Office to determine if it is responsive to the ITB. Purchasing Office shall provide a bid tabulation to department for evaluation purposes, and post the bid tabulation on the City's website.

Negotiation of pricing or changes after the sealed bids are opened is not permitted.

Bids received from vendors shall not be divulged to other bidders until after the award has been made and in accordance with and subject to the Texas Public Information Act, Texas Government Code, Chapter 552 Section 104.

3. Department Evaluation: The lowest responsive and responsible bidder is then evaluated by the using Department to determine if the bidder meets bid specifications. Department shall check bidder qualifications and references.
 - a) Department will provide a written/electronic recommendation for award to the Purchasing Office. If bidders do not meet the minimum specifications, the reason should be noted.
 - b) Purchasing Office shall obtain insurance certificate from successful bidder (if applicable). Please refer to Part IV – Section 4.1 for insurance requirements.
 - c) With the assistance of the City Attorney, the Department will finalize the contract and obtain signatures, if applicable.
4. Council Action: Department shall prepare council agenda item and forward an executed copy to the Purchasing Office.
5. Award: The contract is then awarded by the City Manager or the City Council to the lowest responsive and responsible bidder that meets specifications. Only the City Council may reject any and all bids. (Local Government Code Section 252.043.f).
6. Department must forward a copy of the fully executed service contract to the Purchasing Office.
7. If a service contract was not required, the Purchasing Office shall issue an award letter to the vendor.
8. If the vendor is not in the financial system, the department or Purchasing Office will obtain the completed new vendor packet from the vendor. Please refer to Part IV for new vendor setup procedures.
9. The Purchasing Office will add the vendor to the financial system after all vendor forms are received.
10. Department must submit a purchase order requisition in the financial system. Orders shall not be placed until the purchase order is generated.
11. The Purchasing Office will issue the purchase order after required approvals are completed in the financial system and all required documentation is submitted.
12. Department will place the order with the vendor.

9.2 REQUEST FOR PROPOSALS (RFP)

- A. The Request for Proposal (RFP) method is used for one-time purchases or for the establishment of an annual contract for goods or services at any dollar threshold, where factors other than price are considered in the award process. Examples include but are not limited to: high technology procurements, insurance, personal services, and professional services (other than exceptions listed in Part IX – Section 9.0.A.3).
- B. The RFP must specify the relative importance of price and other evaluation factors. Discussions in accordance with the terms of a request for proposals may be conducted with offerors who submit proposals and who are determined to be reasonably qualified for the award of the contract. Offerors shall be treated fairly and equally with respect to any opportunity for discussion and revision of proposals.
- C. **Proposals must remain confidential until an award is made.** Negotiations are permitted with the most qualified firm. If a successful contract cannot be negotiated with the most qualified firm, the City shall formally end negotiations with that provider, select the next qualified firm, and begin negotiations, and continue this process until successful negotiations are completed. **Due to the more complex nature of evaluating and conducting negotiations with the most qualified firm, please allow a minimum of ten weeks to complete the process.**
- D. The contract must be awarded to the responsible offeror whose proposal is determined to be the most advantageous to the City, considering the relative importance of price and other evaluation factors listed in the RFP.
- E. **Advertising Requirement:** For all formal proposal solicitations (RFPs) notice must be given of the time and place at which the proposals are due. The legal notice must be published at least once a week for two consecutive weeks in the city's official newspaper. The date of the first publication must be before the fourteenth (14th) day before the proposal due date.
- F. **Department Responsibilities: Preparation/Format of the RFP**
1. Department will submit a written/electronic request to the Purchasing Office, including a description of goods or services, the estimated expenditure, the account number funding the purchase, required delivery date, and a list of known vendors for the product or service.
 2. Pre-acquisition meeting between department and Purchasing Office to determine scope, specifications, and timelines.
 3. Purchasing Office will provide an RFP template to department that includes the City's standard language and terms and conditions.
 4. Department will prepare the RFP draft using the format provided by the Purchasing Office incorporating the following:
 - a) Introduction/Background Information: List the objective of the RFP, including a detailed description of the goods or services required, or nature of the project to be completed.
 - b) Specifications/Scope of Work (SOW): Specify in detail the materials, equipment, or supplies to be furnished, or the scope of work to be performed by the vendor.

The purpose of the SOW is to provide specific requirements with firm criteria of minimum product or service acceptability. It is intended to assure that the items purchased have the desired quality and performance characteristics. The SOW should provide a concise statement of a set of requirements to be satisfied by a product, material, or a process that accomplishes and satisfies the needs of the department.

The SOW should include, but is not limited to:

- Complete and specific description of the product to be supplied or the work to be performed

- List of deliverables
- Request for proposed solutions
- City's duties and responsibilities
- Contractor's duties and responsibilities
- Performance standards and how the City will monitor performance
- Project timeline with specific tasks in sequential order by phase (if applicable).

c) Proposal Submission Requirements/Instructions/Proposal Format: Define the proposal requirements:

- Include description of all required documentation to be submitted with the proposal in order for it to be considered responsive.
- Define the format of the proposal: How should the information in the proposal be organized? Submittals typically include the following at a minimum:
 - Cover Letter
 - Project Knowledge and Approach
 - Project Qualifications and Experience
 - Key Staff and Experience
 - References from other municipalities for similar projects
 - Project Schedule
 - Proposed Price for Services, Reimbursable Expenses and Payment Schedule

d) Evaluation and Selection Process: Develop a list of criteria that will be used to determine which of the proposals best meet the identified needs. All evaluation criteria and relative weight must be included in the RFP. To establish the relative importance of evaluation criteria, the RFP may state that the criteria are listed in order of relative importance. Alternatively, the RFP may state that all criteria are of equal significance.

Examples of evaluation criteria are listed below:

- Scope of work the firm will provide
- Demonstrated understanding of the project and completeness of the proposer's plan to provide the required services
- Experience and Qualifications
- Firm's management approach and philosophy
- References from similar clients
- Information regarding financial strength and stability
- Estimated time of contract completion
- Value added concepts and approaches suggested by the firm
- Price

e) Additional attachments: Provide maps, drawings, reports, or other information that is relevant to the RFP.

f) Contract (services only): Department is responsible for working with City Attorney to develop a service contract.

5. Department will forward RFP draft to the Purchasing Office for review.

G. Purchasing Responsibilities: Issuance of the RFP

1. Purchasing will review draft and work with department to refine specifications as needed, and determine insurance or bonding requirements, if applicable.

2. Once RFP is complete, the Purchasing Office will process the RFP as follows:
 - a) Assign RFP Number.
 - b) Coordinate with department to determine:
 - Legal advertisement dates: must run at least once per week for two consecutive weeks.
 - Pre-proposal meeting date (if applicable): utilized for respondents to obtain clarifications of specifications and identify items appropriate for addendums.
 - Questions deadline date and time: all respondents must submit questions in writing to the Purchasing Manager.
 - Proposal due date and time: date of the first publication must be before the fourteenth (14th) day before the date set to receive the proposals.
 - c) Send legal advertisement to the City's official newspaper, and post notice on City's website.
 - d) Schedule meeting space for pre-proposal meeting and proposal opening as appropriate.
 - e) Compile the RFP packet.
 - f) Post the RFP packet on City's website; and email known potential bidders.
 - g) Conduct pre-proposal meeting, if applicable.
 - h) Receive questions/clarifications until questions deadline.
 - i) Issue addendums, if required.

H. **Sealed Proposals – Receipt, Opening, Evaluation, and Award**

1. **Receipt:** Purchasing Office shall receive proposals until the date and time specified in the RFP. RFPs are not publicly opened and read aloud. Only the names of respondents can be released. Late submittals shall not be opened nor considered and shall be returned to the originator.
2. **Opening:** After RFP opening, each proposal is reviewed by the Purchasing Office to determine if it is responsive to the RFP. Purchasing shall provide an RFP submittal summary to department for evaluation purposes.

After sealed proposals are opened, Respondents may not alter proposals or submit additional information for consideration unless requested by the City in the negotiation process.

Proposals received from vendors shall not be divulged to other bidders until after the award has been made and in accordance with and subject to the Texas Public Information Act, Texas Government Code, Chapter 552 Section 104.

3. **Department Evaluation:** Department/selection committee will evaluate proposals and score accordingly against the established evaluation criteria, to include checking respondent qualifications and references as applicable.
 - a) Department will schedule evaluation team meetings as needed.
 - b) Department will schedule and conduct vendor interviews as needed.
 - c) Department will request additional information and clarifications from vendors as needed. Offerors shall be treated fairly and equally with respect to any opportunity for discussion and revision of proposals. Additional written submissions (in addition to the original proposal submitted) may be required from the finalists. Written submissions shall be delivered at least

three days before the date of the interviews to allow the selection committee members time for review. A list of questions shall be prepared for each of the finalists. The questions should be similar to promote fairness among participants. Complete records must be kept regarding any committee voting or any other information that supports the final award recommendation.

- d) After interviews, the selection committee will discuss interviews, and review any additional written submissions received. The selection committee may obtain Best and Final Offers (BAFO). If necessary, finalists may be re-ranked. The selection committee will prepare a final ranking.
 - e) Department/selection committee will negotiate contract with the top ranked firm(s). If a successful contract cannot be negotiated with the most qualified firm, the City shall formally end negotiations with that provider, select the next qualified firm, and begin negotiations, and continue this process until successful negotiations are completed. Once negotiations have ceased with a firm, reopening negotiations with that firm is not allowed.
 - f) Upon completion of the evaluation and negotiation process, department will provide a written/electronic recommendation for award to the Purchasing Office.
 - g) Purchasing Office shall obtain insurance certificate from successful respondent (if applicable). Please refer to Part IV - Section 4.1 for insurance requirements.
 - h) With the assistance of the City Attorney, the Department will finalize the contract and obtain signatures, if applicable.
4. Council Action, if applicable: Department shall prepare council agenda item and forward an executed copy to the Purchasing Office.
 5. Award: The contract is then awarded by the City Manager or the City Council to the most responsible offeror whose proposal is determined to be the most advantageous to the City considering the relative importance of price and the other evaluation factors included in the request for proposals.
 6. Department must forward a copy of the executed service contract to the Purchasing Office.
 7. If a service contract was not required, the Purchasing Office shall issue an award letter to the vendor.
 8. If the vendor is not in the financial system, the department or Purchasing Office will obtain the completed new vendor packet from the vendor. Please refer to Part IV for new vendor setup procedures.
 9. The Purchasing Office will add the vendor to the financial system after all vendor forms are received.
 10. Department must submit a purchase order requisition in the financial system. Orders shall not be placed until the purchase order is generated.
 11. The Purchasing Office will issue the purchase order after required approvals are completed in the financial system and all required documentation is submitted.
 12. Department will place the order with the vendor.

9.3 REQUEST FOR STATEMENTS OF QUALIFICATIONS (SOQ)

- A. This method is used for selection of the most qualified firm to perform a pre-determined scope of services. Examples include but are not limited to: professional engineering, architecture, and land surveying. The SOQ process is not required for other professional services, but can be utilized to select a firm. A pre-determined set of evaluation criteria is established, and all qualifications are evaluated against the criteria and scored accordingly. **Pricing cannot be disclosed or considered during the evaluation process.**
- B. **Negotiations are permitted with the most qualified firm only.** Negotiations will continue until terms, conditions, and a fair and reasonable price are agreed upon. If a successful contract cannot be negotiated with the most qualified firm, the City shall formally end negotiations with that provider, select the next highest ranked firm, and begin negotiations, and continue this process until successful negotiations are completed. Once negotiations have ceased with a firm, reopening negotiations with that firm is not allowed.

Due to the more complex nature of evaluating and conducting negotiations with the most qualified firm, please allow a minimum of ten weeks to complete the process.

- C. **Advertising Requirement:** For all formal proposal solicitations (SOQs), notice must be given of the time and place at which the proposals are due. The legal notice must be published at least once a week for two consecutive weeks in the city's official newspaper. The date of the first publication must be before the fourteenth (14th) day before the proposal due date.
- D. **Department Responsibilities: Preparation of the SOQ**
1. Department will submit a written/electronic request to the Purchasing Office, including a description of services to be performed, the estimated expenditure, the account number funding the purchase, required completion date, and a list of known vendors for the service.
 2. Pre-acquisition meeting between department and Purchasing Office to determine scope of work and timelines.
 3. Purchasing Office will provide an SOQ template to department that includes the City's standard language and terms and conditions.
 4. Department will prepare the SOQ draft using the format provided by the Purchasing Office incorporating the following:
 - a) **Introduction/Background Information:** List the objective of the SOQ, including a detailed description of the goods or services required, or nature of the project to be completed.
 - b) **Scope of Work (SOW):** Specify in detail the scope of work to be performed by the vendor.

The purpose of the SOW is to provide specific requirements with firm criteria of minimum service acceptability. The SOW should provide a concise statement of a set of requirements to be satisfied by a process that accomplishes and satisfies the needs of the department.

The SOW should include, but is not limited to:

- Complete and specific description of the work to be performed
- List of deliverables
- Request for proposed solutions
- City's duties and responsibilities
- Contractor's duties and responsibilities
- Performance standards and how the City will monitor performance
- Project timeline with specific tasks in sequential order by phase (if applicable)

- c) Proposal Submission Requirements/Instructions/Proposal Format: Define the proposal requirements:
- Include description of all required documentation to be submitted with the proposal in order for it to be considered responsive.
 - Define the format of the proposal: How should the information in the proposal be organized? Submittals typically include the following at a minimum:
 - Cover Letter
 - Project Knowledge and Approach
 - Project Qualifications and Experience
 - Key Staff and Experience
 - References from other municipalities for similar projects
 - Project Schedule

Pricing cannot be requested or included in the proposal submission.

- d) Evaluation and Selection Process: Develop a list of criteria that will be used to determine which of the proposals best meet the identified needs. All evaluation criteria and relative weight must be included in the SOQ. To establish the relative importance of evaluation criteria, the SOQ may state that the criteria are listed in order of relative importance. Alternatively, the SOQ may state that all criteria are of equal significance.

Examples of evaluation criteria are listed below:

- Scope of work the firm will provide
- Demonstrated understanding of the project and completeness of the proposer's plan to provide the required services
- Experience and Qualifications
- Firm's management approach and philosophy
- References from similar clients
- Information regarding financial strength and stability
- Estimated time of contract completion
- Value added concepts and approaches suggested by the firm

Pricing cannot be disclosed or considered during the evaluation process.

- e) Additional attachments: Provide maps, drawings, reports, or other information that is relevant to the SOQ.
- f) Contract: Department is responsible for working with the City Attorney to develop a service contract.

5. Department will forward SOQ draft to the Purchasing Office for review.

E. Purchasing Responsibilities: Issuance of the SOQ

1. Purchasing will review draft and work with department to refine specifications as needed, and determine insurance or bonding requirements, if applicable.
2. Once SOQ is complete, the Purchasing Office will process the SOQ as follows:
 - a) Assign SOQ Number
 - b) Coordinate with department to determine:
 - Legal advertisement dates: must run at least once per week for two consecutive weeks.

- Pre-submittal meeting, if applicable: utilized for respondents to obtain clarifications of specifications and identify items appropriate for addendums.
 - Questions deadline date and time: all respondents must submit questions in writing to the Purchasing Manager.
 - Proposal due date and time: date of the first publication must be before the fourteenth (14th) day before the date set to receive the proposals.
- c) Send legal advertisement to the City's official newspaper, and post notice on City's website.
 - d) Schedule meeting space for pre-submittal meeting and proposal opening as appropriate.
 - e) Compile the SOQ packet.
 - f) Post the SOQ packet on City's website; and email known potential respondents.
 - g) Conduct pre-submittal meeting, if applicable.
 - h) Receive questions/clarifications until questions deadline.
 - i) Issue addendums, if required.

F. Statements of Qualifications: Receipt, Opening, Evaluation, and Award

1. Receipt: Purchasing Office shall receive proposals until the date and time specified in the SOQ. SOQ's are not publicly opened and read aloud. Only the names of respondents can be released. Late submittals shall not be opened nor considered and shall be returned to the originator.
2. Opening: After SOQ opening, each proposal is reviewed by the Purchasing Office to determine if it is responsive to the SOQ. Purchasing shall provide an SOQ submittal summary to department for evaluation purposes.

After sealed proposals are opened, Respondents may not alter proposals or submit additional information for consideration unless requested by the City in the negotiation process.

Proposals received from vendors shall not be divulged to other bidders until after the award has been made and in accordance with and subject to the Texas Public Information Act, Texas Government Code, Chapter 552 Section 104.

3. Evaluation/Contract Negotiations: Department/selection committee will evaluate proposals and score accordingly against the established evaluation criteria, to include checking respondent qualifications and references as applicable.
 - a) Department will schedule evaluation team meetings as needed.
 - b) Department will schedule vendor interviews as needed.
 - c) Department will request additional information and clarifications from vendors as needed.
 - d) Department will begin negotiations with the most qualified firm only. Negotiations will continue until terms, conditions, and a fair and reasonable price are agreed upon. If a successful contract cannot be negotiated with the most qualified firm, the City shall formally end negotiations with that provider, select the next qualified firm, and begin negotiations, and continue this process until successful negotiations are completed. Once negotiations have ceased with a firm, reopening negotiations with that firm is not allowed.
 - e) Upon completion of the evaluation process, department will provide a written/electronic recommendation for award to the Purchasing Office.
 - f) Purchasing Office shall obtain insurance certificate from successful respondent (if applicable). Please refer to Part IV – Section 4.1 for insurance requirements.
4. With the assistance of the City Attorney, the Department will finalize the contract and obtain signatures, if applicable.

5. Council Action, if applicable: Department shall prepare council agenda item and forward an executed copy to the Purchasing Office.
6. Award: The contract is then awarded by the City Manager or the City Council to the most responsible offeror who is determined to be the most highly qualified provider.
7. Department must forward a copy of the fully executed service contract to the Purchasing Office.
8. If a service contract was not required, the Purchasing Office shall issue an award letter to the vendor.
8. If the vendor is not in the financial system, the department or Purchasing Office will obtain the completed new vendor packet from the vendor. Please refer to Part IV – Section 4.0 for new vendor setup procedures.
9. The Purchasing Office will add the vendor to the financial system after all vendor forms are received.
10. Department must submit a purchase order requisition in the financial system. Orders shall not be placed until the purchase order is generated.
11. The Purchasing Office will issue the purchase order after required approvals are completed in the financial system and all required documentation is submitted.
12. Department will place the order with the vendor.

9.4 REQUEST FOR QUOTATIONS (RFQ)

- A. This is an Informal process used for goods and services not to exceed \$50,000. Examples include but are not limited to: maintenance & repair items, cleaning supplies, furniture, and office equipment. Quotes can be obtained for one-time purchases or for the establishment of an annual contract. Award is made to the vendor providing the lowest bid or the best value. **Negotiations are not permitted.**
- B. Advertising is not required for informal solicitations (RFQs) under \$50,000.
- C. The Department is to develop specifications for the goods or services. The Purchasing Office can assist the department if needed.
- D. **Required Approvals:** Approval by the Department Director, or the Director's designated representative is required. Approval by the City Manager or City Manager's designated representative is required if the purchase is in excess of \$30,000.
- E. **Obtain Quotes or Proposals:**
 1. Department Obtains Quotes or Proposals: The Department can obtain quotes or proposals, but must comply with the State of Texas HUB law. Please contact the Purchasing Office to obtain a list of HUB vendors prior to obtaining quotes, in order to expedite the process.
 2. Purchasing Obtains Quotes or Proposals: The Purchasing Office can obtain quote or proposals on behalf of the department. All quotes received will be forwarded to the department for evaluation and selection of a vendor.
 3. Quotes received from vendors shall not be divulged to other bidders until after the award has been made and in accordance with and subject to the Texas Public Information Act, Texas Government Code, Chapter 552 Section 104.
- F. **Request for Quotations: Receipt, Evaluation, and Award**
 1. Receipt: The Department or the Purchasing Office will receive quotes until the specified due date and time.

2. Department Evaluation: The lowest responsive and responsible bidder is then evaluated by the using department to determine if the bidder meets bid specifications. Department shall check bidder qualifications and references, if applicable. **Negotiations are not permitted.**
4. Award: The award is made to the lowest responsive and responsible bidder that meets specifications. If the lowest bid is not awarded the purchase, a memorandum must be provided to the Purchasing Office justifying the award to the next lowest bid.
5. Department must provide the Purchasing Office with a copy of all quotes, agreements or contracts. Purchasing Office shall obtain the firm's insurance certificate meeting the City's requirements (if applicable). Please refer to Part IV – Section 4.1 for insurance requirements.
6. If the vendor is not in the financial system the department or Purchasing Office will obtain the completed new vendor packet from the vendor. Please refer to Part IV – Section 4.0 for new vendor setup procedures.
7. The Purchasing Office will add the vendor to the financial system after all vendor forms are received.
8. Department must submit a purchase order requisition in the financial system if the purchase exceeds \$3,000. Orders shall not be placed until the purchase order is generated.
9. The Purchasing Office will issue the purchase order after required approvals are completed in the financial system and all required documentation is submitted.
10. Department will place the order with the vendor.

PURCHASING GUIDE

PART IX: EXCEPTIONS TO COMPETITIVE BIDDING REQUIREMENTS

9.0 EXCEPTIONS TO COMPETITIVE BIDDING REQUIREMENTS

- A. Exceptions to the competitive bidding requirements as identified in Section 252.022 of the Texas Local Government Code as amended, include but are not limited to the types of procurements below:
1. Emergency Purchases: An emergency purchase that meets one of the criteria defined in Part VII - Section 7.1 of this guide. Please refer to Part VII – Section 7.1 for emergency purchase procedures.
 2. Personal Services: Services involving the personal, intellectual, or manual labor of an individual; a service performed personally by a particular individual for the benefit of another.
 3. Professional Services: Services performed within the scope of practice (or provided in connection with the employment of a licensed person in the areas of practice) of accounting, architecture, landscape architecture, land surveying, medicine, optometry, professional engineering, real estate appraising; professional nursing, or interior design.
 4. Planning Services: Services primarily intended to guide governmental policy to ensure the orderly and coordinated development of land uses.
 5. Sole Source Purchases: Items that are available from only one source because of patents, copyrights, secret processes or natural monopolies; purchase of films, manuscripts, or rare books; purchase of electric power, gas, water, and other utility services and the purchase of captive replacement parts or components for equipment. Please refer to Part VII – Section 7.2 for sole source purchase procedures.
 6. Cooperative Purchases: Supplies, equipment, or services utilizing an approved cooperative purchasing program which meets all applicable laws and regulations. Please refer to Part VII – Section 7.3 for cooperative purchase procedures.
 7. Personal Property: Property sold a) at an auction by a state licensed auctioneer; b) at a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code; c) by a political subdivision of this state, or an entity of the federal government; or d) under an interlocal contract for cooperative purchasing administered by a regional planning commission established under Chapter 391, Local Government Code.
 8. Retail Sale: Goods purchased for subsequent retail sale by the City.
 9. Advertising: Advertisements, other than legal notices.
- B. **Required Approvals**: Prior approval by the Department Director, or Director's designated representative, is required for purchases or contracts described above. In addition, approval by the City Manager or City Manager's designated representative is required if the purchase or contract exceeds \$30,000. Approval by City Council is required if the purchase or contract exceeds \$100,000.

C. **Procedures:** The process for personal services, professional services, planning services, sale of personal property, retail sale, or advertising purchases or contracts described above is as follows:

1. Department Obtains Quotes or Proposals: The Department can obtain quotes or proposals, but must comply with State of Texas HUB law. Please contact the Purchasing Office to obtain a list of HUB vendors prior to obtaining quotes, in order to expedite the process.
2. Purchasing Obtains Quotes or Proposals: The Purchasing Office can obtain quote or proposals on behalf of the department. All quotes received will be forwarded to the department for evaluation and selection of a vendor.

Quotes received from vendors shall not be divulged to other bidders until after the award has been made and in accordance with and subject to the Texas Public Information Act, Texas Government Code, Chapter 552 Section 104.

3. Department must provide a memorandum to the Purchasing Office stating the nature of the purchase or contract that makes it an exception to competitive bidding procedures.
4. Department must provide the Purchasing Office with a copy of all quotes, agreements or contracts. Purchasing Office shall obtain the firm's insurance certificate meeting the City's requirements (if applicable). Please refer to Part IV – Section 4.1 for insurance requirements.
5. Department will prepare and submit city council agenda form (if applicable), and forward an executed copy to the Purchasing Office.
6. If the firm is not in the financial system, the department or Purchasing Office will obtain the completed new vendor packet from the vendor. Please refer to Part IV – Section 4.0 for new vendor setup procedures.
7. The Purchasing Office will add the vendor to the financial system after all vendor forms are received.
8. Department must submit a purchase order requisition in the financial system. Orders shall not be placed until the purchase order is generated. The reason for the bidding exception must be noted on the purchase order requisition (i.e. Sole Source, State Contract, etc.)
9. The Purchasing Office will issue the purchase order after required approvals are completed in the financial system and all required documentation is submitted.
10. Department will place the order with the vendor.

PURCHASING GUIDE

PART X: PUBLIC WORKS PROJECTS

10.0 DEFINITION

Public Works projects are generally those projects that require the construction, repair, or renovation of a structure, building, street, highway, bridge, park, water distribution or treatment facility, wastewater collection or treatment facility, drainage project, or other improvement or addition to real property.

10.1 PROFESSIONAL ENGINEERING REQUIREMENTS (Texas Occupations Code Section 1001.407)

- A. The state or a political subdivision of the state may not construct a public work involving engineering in which the public health, welfare, or safety is involved, unless:
 - 1. The engineering plans, specifications, and estimates have been prepared by an engineer; and
 - 2. The engineering construction is to be performed under the direct supervision of an engineer.
- B. Exemptions to Professional Engineering Requirements (Texas Occupations Code Section 1001.053)
 - 1. A public work that involves electrical or mechanical engineering, if the contemplated expense for the completed project is \$8,000 or less; or
 - 2. A public work that does not involve electrical or mechanical engineering, if the contemplated expense for the completed project is \$20,000 or less; or
 - 3. Road maintenance or improvement undertaken by the commissioners' court of a county.

10.2 PROFESSIONAL ARCHITECT REQUIREMENTS (Texas Occupations Code Section 1051.703)

- A. An architectural plan or specification for any of the following may be prepared only by an architect:
 - 1. Construction of a new building or modification of an existing building intended for occupancy on a 24-hour basis by persons who are receiving custodial care from a proprietor or operator of the building, regardless of the number of stories or square footage of the building.
 - 2. A new building having construction costs exceeding \$100,000 that is to be:
 - a) Constructed and owned by a public entity
 - b) Used for education, assembly, or office occupancy, or
 - 3. An alteration or addition having construction costs exceeding \$50,000 that:
 - a) Is to be made to an existing building that:
 - i. Is owned by a public entity, and
 - ii. Is or will be used for education, assembly, or office occupancy; and
 - b) Requires the removal, relocation, or addition of a wall or partition of the alteration or addition of an exit.
- B. This does not prohibit an owner of a building from contracting with an architect or engineer as the prime design professional for a building construction, alteration, or addition project. Designation as the prime design professional does not expand the scope of the practice of an architect or engineer beyond the scope of practice that the architect or engineer is authorized to practice under Chapter 1001 or 1051.

10.3 BOND REQUIREMENTS (Government Code Section 2253.021)

- A. For the purposes of this statute, a public works contract means a contract for constructing, altering, or repairing a public building or carrying out or completing any public work.
- B. A governmental entity that makes a public work contract with a prime contractor shall require the contractor, before beginning the work, to execute to the governmental entity:
 - 1. Performance Bond (Government Code 2253.021): A performance bond secures the performance and fulfillment of all the terms, conditions and agreements contained in the contract and specifications. For contracts in excess of \$100,000, a performance bond must be executed in the full amount of the contract that covers the time period the project will be allowed for construction. The bond must be executed by a corporate surety in accordance with the law, the corporate surety must be licensed by the State of Texas to issue surety bonds and appear on the U.S. Treasury List of acceptable sureties.
 - 2. Payment Bond (Government Code 2253.021): A payment bond protects beneficiaries who supply materials or labor to the public works project and have a direct contractual relationship with the contractor. For contracts in excess of \$50,000, a payment bond must also be executed in the full amount of the contract that covers the time period the project will be allowed for construction. The bond must be executed by a corporate surety in accordance with the law, and the corporate surety must be licensed by the State of Texas to issue surety bonds and appear on the U.S. Treasury List of acceptable sureties.
 - 3. Bid Bond: A bid bond is submitted with a bid as a guarantee that the bidder will enter into the contract, perform all work as specified, and to execute performance and payment bonds if awarded the contract. A bid bond is not required by statute, but is generally used on public works contracts, and on other service contracts as needed.
 - 4. Maintenance Bond: A maintenance bond guarantees defects in workmanship and/or materials for a specific time period. A maintenance bond is not required by statute, but is generally used on public works contracts, and on other service contracts as needed.

10.4 PREVAILING WAGE RATES (Government Code 2258)

- A. A worker employed on a public works contract shall be paid not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed; and not less than the general prevailing rate of per diem wages for legal holiday and overtime work. Prevailing wage rates are defined by the United States Department of Labor Davis and Bacon Wage Determination at <http://www.wdol.gov/dba.aspx> for the county in which the work is performed. The prevailing wage rates or a link to the wage rates shall be included in the bid solicitation.
- B. The prevailing wage rate does not apply to maintenance work or work done directly by a public utility company.

PURCHASING GUIDE

PART XI: INSURANCE REQUIREMENTS

11.0 DEFINITION

Vendors/Contractors shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the vendor, his agents, representatives, employees or subcontractors. The cost of such insurance shall be borne by the vendor. A certificate of insurance meeting all requirements and provisions shall be provided to the City prior to any services being performed or rendered. Renewal certificates shall also be supplied upon expiration.

A. Minimum Scope of Insurance: Coverage shall be at least as broad as:

1. ISO Form Number GL 00 01 (or similar form) covering Commercial General Liability. "Occurrence" form only, "claims made" forms are unacceptable. Policy must include coverage for:
 - a. Premises/Operations
 - b. Broad Form Contractual Liability
 - c. Products and Completed Operations
 - d. Personal Injury
 - e. Broad Form Property Damage
2. Workers Compensation insurance as required by the Labor Code of the State of Texas, including Employers' Liability Insurance.
3. Automobile Liability as required by the State of Texas, covering all owned, hired, or non-owned vehicles. Automobile Liability is only required if vehicle(s) will be used under the contract.
4. Professional Liability, also known as Errors and Omissions Coverage. Professional Liability is only required for Professional Services contracts.

B. Deductibles and Self-Insured Retentions: Any deductible or self-insured retention in excess of \$10,000 must be declared to and approved by the City.

C. Other Insurance Provisions: The policies are to contain, or be endorsed to contain the following provisions.

1. General Liability and Automobile Liability Coverage:
 - a. The City, its officers, officials, employees, boards and commissions and volunteers are to be added as "Additional Insured's" relative to liability arising out of activities performed by or on behalf of the vendor/contractor, products and completed operations of the vendor, premises owned, occupied or used by the vendor/contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers.
 - b. The vendor/contractor insurance coverage shall be primary insurance in respects to the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be in excess of the vendor's

insurance and shall not contribute with it.

- c. Any failure to comply with reporting provisions of the policy shall not affect coverage provided to the City, its officers, officials, employees, boards, and commissions or volunteers.
 - d. The vendor/contractor insurance shall apply separately to each insured against whom the claim is made or suit is brought, except to the limits of the insured's limit of liability.
2. Workers Compensation and Employer's Liability Coverage: The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses arising from work performed by the vendor for the City.
 3. All Coverage: Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled or non-renewed by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given the City.
- D. **Acceptability of Insurers**: The City prefers that insurance be placed with insurers with an A.M. Best's rating of no less than A-VI, or better.
- E. **Verification of Coverage**: Vendor/Contractor shall provide the City certificates of insurance indicating the coverage required. The certificates are to be signed by a person authorized by that insurer to bind coverage on its behalf. Certificates of Insurance similar to the ACORD Form are acceptable. City will not accept Memorandums of Insurance or Binders as proof of insurance. The City reserves the right to require complete, certified copies of all required insurance policies at any time.

11.1 GENERAL SERVICES REQUIREMENTS

- A. **Definition**: General Services are defined as services performed on City property, including but not limited to: Installation, Landscape, Maintenance, Custodial, Electrical, Painting, Welding, Plumbing, Transportation, Street Sweeping, Fireworks, Moving, Concessions, etc.
- B. **Minimum Limits of Insurance**:
1. Commercial General Liability: \$500,000 per occurrence / \$2,000,000 in the aggregate for third party bodily injury, personal injury and property damage. Policy must include coverage listed in Section 11.A.1.
 2. Workers Compensation and Employer's Liability: Workers Compensation limits as required by the Labor Code of the State of Texas and Statutory Employer's Liability minimum limits of \$100,000 each accident, \$300,000 Disease - Policy Limit, and \$100,000 Disease – Each Employee.
 3. Automobile Liability: \$500,000 Combined Single Limit. Limits can only be reduced if approved by the City. Automobile liability shall apply to all owned, hired, and non-owned autos. Automobile Liability is only required if vehicle(s) will be used under the contract.
- C. **Waiver of Insurance Required Approvals**: The waiving of Commercial General Liability insurance is highly discouraged. Waivers for Commercial General Liability may only be approved by the City Manager. Workers Compensation & Employer's Liability and Automobile Liability Insurance can be waived at the discretion of the Department Director for purchases/contracts not to exceed \$30,000. Prior written approval by the City Manager is required if the purchase/contract exceeds \$30,000.
- D. **Waiver of Coverage Limits Required Approvals**: The coverage limit per occurrence or in aggregate may be lowered or raised on Commercial General Liability, Workers Compensation & Employer's Liability, and Automobile Liability Insurance at the discretion of the Department Director for purchases/contracts not to exceed \$30,000. Prior written approval by the City Manager is required if the purchase/contract exceeds \$30,000.

- E. **Waiver Required Documentation:** Vendors/contractors requesting a waiver of the minimum limits of insurance identified in section 11.1.B must submit the request in writing. The vendor/contractor must also complete, sign, and return the Release Agreement form to the Purchasing Office prior to authorization to perform services for the City. An Insurance Waiver request form must be completed and signed by the Department Director and City Manager (if applicable) prior to entering into a contract and prior to authorizing the Contractor to perform services for the City.

11.2 PROFESSIONAL SERVICES REQUIREMENTS

- A. **Definition:** Professional Services are defined as services performed by consultants or other professionals, including but not limited to: Accountants, Attorneys, Architects, Engineers, Surveyors, Veterinarians, Real Estate Appraisal, Optometry, Landscape Architects, Medical Doctors, and Materials Testing.
- B. **Minimum Limits of Insurance:**
 - 3. 1. Commercial General Liability: \$500,000 per occurrence / \$2,000,000 in the aggregate for third party bodily injury, personal injury and property damage. Policy must include coverage listed in Section 11.A.1. Workers Compensation and Employer's Liability: Workers Compensation limits as required by the Labor Code of the State of Texas and Statutory Employer's Liability minimum limits of \$100,000 each accident, \$300,000 Disease - Policy Limit, and \$100,000 Disease – Each Employee.
 - 3. Automobile Liability: \$500,000 Combined Single Limit. Limits can only be reduced if approved by the City. Automobile liability shall apply to all owned, hired, and non-owned autos. Automobile Liability is only required if vehicle(s) will be used under the contract.
 - 4. Professional Liability: Also known as Errors and Omissions: \$500,000 per occurrence and in the aggregate. "Claims made" policy is acceptable coverage which must be maintained during the course of the project, and up to two (2) years after completion and acceptance of the project by the City.
- C. **Waiver of Insurance Required Approvals:** The waiving of Commercial General Liability insurance is highly discouraged. Waivers for Commercial General Liability may only be approved by the City Manager. Workers Compensation & Employer's Liability, Automobile Liability, and Professional Liability Insurance can be waived at the discretion of the Department Director for purchases/contracts not to exceed \$30,000. Prior written approval by the City Manager is required if the purchase/contract exceeds \$30,000.
- D. **Waiver of Coverage Limits Required Approvals:** The coverage limit per occurrence or in aggregate may be lowered or raised on Commercial General Liability, Workers Compensation & Employer's Liability, Automobile Liability, or Professional Liability Insurance at the discretion of the Department Director for purchases/contracts not to exceed \$30,000. Prior written approval by the City Manager is required if the purchase/contract exceeds \$30,000.
- E. **Waiver Required Documentation:** Vendors/contractors requesting a waiver of the minimum limits of insurance identified in section 11.2.B must submit the request in writing. The Vendor/Contractor must also complete, sign, and return the Release Agreement form to the Purchasing Office prior to authorization to perform services for the City. An Insurance Waiver request form must be completed and signed by the Department Director and City Manager (if applicable) prior to entering into a contract and prior to authorizing the Contractor to perform services for the City.

11.3 CONSTRUCTION SERVICES REQUIREMENTS

- A. Definition:** Construction Services are defined as services for construction projects, including but not limited to: General Contractors, Demolition Contractors, Utility Contractors, Building Contractors, Street and Road Contractors, etc.
- B. Minimum Limits of Insurance:**
1. Commercial General Liability: \$1,000,000 per occurrence / \$2,000,000 in the aggregate for third party bodily injury, personal injury and property damage. Policy must include coverage listed in Section 11.A.1.
 2. Workers Compensation and Employer's Liability: Workers Compensation limits as required by the Labor Code of the State of Texas and Statutory Employer's Liability minimum limits of \$100,000 each accident, \$300,000 Disease - Policy Limit, and \$100,000 Disease – Each Employee.
 3. Automobile Liability: \$1,000,000 Combined Single Limit. Limits can only be reduced if approved by the City. Automobile liability shall apply to all owned, hired, and non-owned autos. Automobile Liability is only required if vehicle(s) will be used under the contract.
- C. Additional Insurance Coverage:** The City may request the following additional insurance coverage for building and construction projects. If requested by the City, the vendor must provide certificate of insurance prior to authorization to perform services for the City.
1. Builder's Risk Insurance: Completed value form, insurance carried must be equal to the completed value of the structure. City shall be listed as Loss Payee.
 2. Umbrella Liability - \$1,000,000: Limit that follows form over underlying Automobile Liability, General Liability, and Employers Liability coverage.
- D. Waiver of Insurance Required Approvals:** The waiving of minimum limits of insurance coverage for Construction services is highly discouraged. The State of Texas Labor Code requires Worker's Compensation Insurance on all building and construction projects. Commercial General Liability insurance on city projects cannot be waived. Workers Compensation & Employer's liability and Automobile Liability coverage on small construction projects may be waived at the discretion of the City Manager.
- E. Waiver of Coverage Limits Required Approvals:** The coverage limit per occurrence or in aggregate may be lowered or raised on Commercial General Liability, Workers Compensation & Employer's Liability, Automobile Liability, Builder's Risk Insurance, and Umbrella Liability Insurance with prior written approval by the City Manager.
- F. Waiver Required Documentation:** Vendors/contractors requesting a waiver of the minimum limits of insurance identified in section 11.3.B must submit the request in writing. The Vendor/Contractor must also complete, sign, and return the Release Agreement form to the Purchasing Office prior to authorization to perform services for the City. An Insurance Waiver request form must be completed and signed by the Department Director and City Manager prior to entering into a contract and prior to authorizing the Contractor to perform services for the City.