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# PURCHASING MANUAL 2018

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**National Purchasing Institute**



**Achievement of Excellence in Procurement®**

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# City of College Station Purchasing Manual

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## CHAPTER 1: INTRODUCTION

Effective Date	February 5, 2018
Submitted By Purchasing Manager	Ricardo Davis 02-02-18
Reviewed By Finance Director	Mo Leonard 2-2-18
Reviewed By Legal	P. Conell 2-2-18
Approved By City Manager	Kelly Johnson 2.5.18

### General

This manual has been prepared to inform and instruct each department, division, and their staff of the many methods of procurement and duties and responsibilities of all those involved in the purchasing process.

### Policy Statement

The City shall make expenditures to promote the best interests of the citizens of College Station. The City shall encourage free and unrestricted competition on all purchases, ensuring the taxpayers the best possible return on and use of their tax dollars. It shall be the policy of the City to fully comply with and make purchases or expenditures pursuant to this Manual which includes policies, rules, regulations, procedures, state and federal law.

### Goals and Objectives of Public Purchasing

The goals of public purchasing:

- Purchase quality goods and services
- Obtain the best possible price for goods and services
- Encourage and promote interlocal cooperation among area agencies
- Accept delivery of goods and services when and where needed
- Assure a continuing supply of needed goods and services
- Guard against any misappropriation of any assets procured.

Additionally, we are committed to ensuring that:

- Responsible bidders are given a fair opportunity to compete for the City's business. This is done partially by the statutory requirements for competitive bids and proposals, and partially by the City's own purchasing procedures
- Public funds are safeguarded. Although the purchasing division does not usually designate the types of purchases to be made, it should see that the best value is received of the public dollar.

## **Centralized Purchasing**

The Purchasing office, a division of Fiscal Services, is the central authority for all purchasing activity \$3,000 and greater. Some benefits of centralized purchasing include:

- A professional staff of buyers that are knowledgeable on the statutory requirements of public purchasing
- Purchasing office personnel accumulate a solid foundation of knowledge and experience about public purchasing trends, prices and vendors.
- It allows for the consolidation of smaller expenditures by individual departments into larger purchases for the entire City, resulting in lower unit prices and savings
- Existing and potential vendors have a single, central link to the City procurement process to facilitate consistent communication and understanding
- Promotes a more efficient procurement process which will inspire public confidence in the public expenditures made by the City.

## **Conclusion**

This manual cannot address every situation. When an unusual situation occurs or a difficult legal problem arises, the City Manager, or his designee, may approve exceptions to this Policy, when in the best interests of the City, so long as the proposed exceptions are consistent with local, state, and federal laws. The *final* authority for City purchasing procedures is the law itself.



## CHAPTER 2: GLOSSARY OF TERMS

Effective Date	February 5, 2018
Submitted By Purchasing Manager	Risa Davis 12-12-2017
Reviewed By Finance Director	MO Leonard 12-20-2017
Reviewed By Legal	J. Powell 1-9-2017
Approved By City Manager	[Signature] 1-11-18

### General Information

The following definitions are intended to assist you in understanding the language used throughout this manual. When using this manual, if you find a word or words that you may not clearly understand and it is not defined in this section, please do not hesitate to contact someone in the Purchasing Division for clarification and/or interpretation.

### Definitions

**Addendum** - a formal written modification or clarification to an invitation to bid or request for proposal. An addendum amending the solicitation may be issued after the solicitation is released but prior to the deadline for receipt of bids/proposals.

**Award** - approval by the City Council, City Manager, Assistant City Manager or their designee, under whose authority a purchase order or contract is executed.

**Best Value** (LCG 252.043) - if the sealed competitive bidding requirement applies to the contract for goods or services, the contract may be awarded to the lowest, responsible bidder (see definition on page 4) or to bidder who provides goods or services at the best value for the City. In determining the best value for the City, we may consider:

- the purchase price
- the reputation of the bidder and of the bidder's goods or services

- the quality of the bidder's goods or services
- the extent to which the goods or services meet the City's needs
- the bidder's past relationship with the City
- the impact on the ability of the City to comply with laws and rules relating to contracting with historically underutilized businesses and non-profit organizations employing persons with disabilities
- the 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.

**Bid Advertisement** - a public notice put in a newspaper of general circulation, containing basic information about the solicitation including the time and place the bids/proposals will be opened and acknowledged.

**Bid List** - a list of contractors who have registered online at the City's online bidding system, indicating an interest in submitting bids for particular categories of goods and services.

### **Bonds**

- **bid bond** - a bond required of a contractor that ensures that the general contractor will enter into the contract for which he has submitted a formal written or electronic bid and/or proposal.
- **payment bond** (GC 2253) - a bond required that ensures that all suppliers and subcontractors of the contractor will be paid for work and/or material supplied in the course of the contract.
- **performance bond** (GC 2253) - a bond required that guarantees contractor performance during the execution of the contract.

**Capital Equipment** - property with a useful life of three years and a purchase cost of at least \$5,000.

**Change Order** - see Chapter 13

**City Council** - the government body of the City of College Station, Texas that has the authority given to it under the Constitution and Laws of the State of Texas.

**Commodity Code** - a specific group of goods or services categorized into distinct classes that have been assigned a numerical reference number within the purchasing and inventory system.

**Competitive Bidding** - the process wherein a contractor openly competes with other contractors, through a formal or informal process, for the City's business.

**Component Purchases** - purchases of component parts, that in normal purchasing practices would be purchased in one purchase.

**Consulting Services** - the service of studying or advising the City under a contract that does not involve the traditional relationship of employer and employee.

**Contract** - an agreement between the City and a Contractor to furnish supplies and/or services over a designated period of time, during which purchases are made of the commodity or scope of work specified.

**Contract Routing Form** - when manually routing contracts, renewals, change orders, interlocal agreements, etc., a contract routing form is required. The contract routing form should include the following information: contract number, bid number (if applicable), contract description, name of contractor, contract value, grant information (if applicable), budgetary and financial information, contract review date (if applicable) and council approval date (if applicable).

**Contractor** - the successful vendor(s) awarded a contract by the City of College Station.

**Cooperative Purchasing Contract(s)** - the City participates in various local, state and national purchasing cooperative agreements. Generally these contracts have satisfied the City's requirement to solicit competitive bids or proposals and the City must be confident they have satisfied the statutory requirements for competitive bidding. However, the Council must expressly authorize the expenditure of funds over \$100,000.00.

**Delivery Date** - the date by which goods or services are needed.

**Emergency** (LGC 252.022) - purchases that are made to meet a critical, unforeseen need of the City, where the City's ability to serve the public would be impaired if purchase is not made immediately. Emergency purchases are exempt from standard purchasing procedures and must qualify for exemption as outlined in the statutes.

**Encumbrance** - the process wherein the City reserves funds for the purchase of supplies, goods, services, and equipment in one budgetary-accounting period, and pays for the purchase in another budgetary-accounting period.

**Expedite** - when the purchasing process is accelerated through normal procedures in order to prevent work stoppage or loss of the City's money.

**FOB Destination** - Free on Board (FOB); the contractor pays freight charges to the destination; title to goods passes to buyer at the City's receiving dock; freight claims must be filed and handled by the seller.

**FOB Shipping** - Free on Board (FOB); shipment becomes 'collect' from seller's shipping dock; freight charges may be prepaid and added to the invoice; City pays freight charges; title to goods passes to buyer at the shipping dock of seller; freight claims must be filed and handled by buyer.

**Goods** - a generic term that includes all types of personal property to be purchased by the City; equipment, supplies, materials, component and repair parts.

**Grant** - an award of financial assistance in the form of money or property that does not require repayment or need to be returned to the grantor.

**Invitation to Bid** - this is a formal written document that requests from bidders a firm price and delivery details for specified merchandise listed in the terms, conditions and specification of the bid documents.

**Lowest Responsible Bidder** - this is the contractor who offers the lowest bid which meets all the specifications,



requirements, terms and conditions of the Invitation to Bid. It is expressly understood that the lowest responsible bid includes any related costs to the City, using a long-term concept. The term "responsible" refers to the financial and practical ability of the bidder to perform the contract, and being considered "responsible" in accordance with the City's debarment policy as set forth in Chapter 19 herein. The term is also used to refer to the experience or safety record of the contractor.

**Personal Services** - services provided to the City personally by a particular individual. Any contribution of machinery and equipment compared to total cost must be substantially less than the contribution of wages.

**Planning Services** - services primarily intended to guide the City to ensure the orderly and coordinated development of land areas.

**Primary Vendor/Contractor** – Primary vendor is the vendor of first choice or first recourse which is awarded a contract to provide goods or services to the City when award is made to multiple vendors.

**Procurement Card/Departmental Card** - a City credit card that allows employees in each Department to expedite the acquisition of goods and services that do not exceed \$2,999.99 and provides for the electronic payment of these departmental purchases. A Procurement Card is issued in the name of an individual employee, and a Departmental Card is issued in the name of a Department.

**Professional Services** - services rendered by a person or firm that requires years of education and service for one to attain competence and which calls for high order of intelligence, skill and learning. (Mental or intellectual skills, rather than physical or manual).

**Purchase** - an act that includes the acquisition of goods or services, to include the act of leasing personal or real property. Separate, sequential, and component purchases shall be treated as a single purchase.

**Purchasing** - the act, function, and responsibility for the acquisition of goods and services.

**Purchasing Division** - a division of Fiscal Services that is responsible for assisting all departments with the acquisition of goods and services to support their departmental mission.

**Purchase Order** - a purchase order is a formal, binding, legal agreement issued by the City's Purchasing Division and may be used in lieu of written contract for commodity purchases. A purchase order is requested by a departmental requisition that details the merchandise or services required. When accepted by a contractor without qualifications within a specified time period, the agreement becomes a contract. A Purchase Order grants the contractor the authority to deliver the goods or services and invoice for the same. It is the City's commitment to accept the goods or services and pay for them at the agreed price. A purchase order encumbers/reserves funds and is required for all expenditures of \$3,000 or more.

**Request for Check-** a Request for Check (RFC) is used at the Department level as a means to expedite the acquisition of goods and services with a total cost not to exceed \$2,999.99 through issuance of a physical check.

**Request for Proposal** - a formal written document requesting that potential contractors make an offer (proposal) for goods or services to the City. Price is an essential evaluation criteria, but the RFP may stipulate other criteria and their relative importance. At least one of the following statutes must be adhered to when utilizing the RFP method of procurement:

- LGC 252.021(b) – goods and services
- LGC 252.043(d-1) – civil construction of \$1.5 million or less
- GC 2254.003 – professional services (other than A/E)
- GC 2267.151 – vertical construction

**Request for Qualification** (GC 2254.004) - a formal written document used when soliciting providers of architectural, engineering or land surveying services. The City shall comply with Government Code 2254.004 in the procurement of these services. The City must first select the most highly qualified provider of those services on the basis of demonstrated competence and qualifications.

After a firm has been selected based on qualifications and experience, then a fair and reasonable fee shall be negotiated. If a satisfactory contract cannot be negotiated with the most highly qualified provider of architectural, engineering, or land surveying services, the City shall formally end negotiations with that firm and select the next most highly qualified firm and begin negotiations with that provider for a fair and reasonable price.

**Requisition** - the source document for all purchasing activity. This form communicates a department's needs to the Purchasing Division and authorizes the Purchasing Division to enter into a contractual relationship for delivery of the goods and/or services. A requisition is for communicating internal requirements and should not be used by the departments for the order and delivery of goods and/or services. The department requisition must be approved in accordance with the department's approval hierarchy.

**Reverse Auction** - single or multiple-item, open, descending-price auction. The initiator specifies the opening bid price and bid decrement. Each bidder submits a successively lower bid. At the end of the auction, bidders with the lowest bids win. Each winning bidder sells at a price equal to the bid he/she made.

**Secondary Vendor** – Vendor that only serves in a backup capacity if the Primary Vendor is unable to honor the terms and conditions of the contract when requested.

**Separate Purchases** - purchases made separately of items that in normal purchasing practices would be purchased in one purchase.

**Sequential Purchases** - purchases made over a period of time of items that in normal purchasing practices would be purchased in one purchase.

**Services** - a generic term to include all work or labor performed for the City on an independent contractor basis, including maintenance, construction, manual, clerical or professional services.

**Sole Source** (LGC 252.022) - purchases of goods or services that are available from only one supplier. There may be just one vendor because of patents or copyrights. These purchases are exempt from the standard bidding requirement and must qualify as outlined in the statutes. Sole Source Exemption Form is required.

**Specifications** - statements containing a detailed description of the terms of the contract, as well as specific details for the goods and/or services. The details or specifications should be descriptive, but not restrictive.

**Surplus** - item(s) no longer needed by a department, regardless of its value or condition.

**Vendor** - a generic term applied to individuals and companies alike, who provide goods and services to the City.

### CHAPTER 3 ETHICAL STANDARDS

Effective Date	April 15, 2013
Submitted By Asst. Finance Dir	Charles K. Jurney, C.P.M.
Reviewed By Exec Dir of Business Svcs	Jeffrey Perister
Reviewed By Legal	Ann C. Falo 3-28-13
Approved By City Manager	[Signature]

#### General

Public employment is a public trust. Public employees must discharge their duties impartially so as to assure fair competitive access to City procurement by responsible contractors. Moreover, public employees should conduct themselves in such a manner that fosters public confidence in the integrity of the City of College Station procurement process. To achieve this purpose, it is essential that those doing business with the City of College Station also observe these ethical standards.

#### City Charter Article XII "Personal Interest" Section 116

**Section 116**, of the **City of College Station City Charter**, shall apply to all purchases or contracts entered into by any employee or officer of the City of College Station, and reads as follows:

*"Members of the City Council and officers and employees of the City shall comply with state law pertaining to conflicts of interest of local government officials, including Texas Local Government Code, Chapter 171."*

#### City Charter Article XII "No Officer or Employee to Accept Gifts" Section 117

**Section 117**, of the **City of College Station City Charter**, shall apply to all purchases or contracts entered into by any employee or officer of the City of College Station, and reads as follows:

*"No officer or employee of the City of College Station shall ever accept, directly or indirectly, any gift, favor, privilege or employment from any public utility corporation enjoying the grant of any franchise, privilege or easement from the city during the term of office of such officer, or during the*



**Employee  
Handbook  
"Employee  
Conduct"  
Section 9**

*employment of such employee, except as may be authorized by law or ordinance; provided, however, that policemen and firemen in uniform or wearing their official badges may accept such free services where the same is permitted by ordinance. Any officer or employee of the City who shall violate the provisions of this section shall be guilty of a misdemeanor and may be punished by any fine that may be prescribed by ordinance for this offense, and shall forthwith be removed from office."*

**Section 9.01 Code of Ethics** states that all employees of the City of College Station shall adhere to the following standards:

- *Uphold the Constitution and laws of the United States and State of Texas and the laws, ordinances and policies of the City of College Station*
- *Be honest and trustworthy in all they say and write*
- *Be dedicated to providing quality services*
- *Be cooperative, constructive, and efficiently use all available resources*
- *Be fair and considerate in the treatment of fellow employees and citizens, addressing concerns and needs with equity, granting no special favors*
- *Be committed to accomplishing all tasks in a superior way, and abstaining from all job behavior that may tarnish the image of the City of College Station*
- *Recognize that public and political decisions are ultimately the responsibility of City Council*
- *Be dedicated to service to improve the quality of life in the City of College Station*

*This Code of Ethics requires hard work courage, and difficult choices. In the long run, however, employees and citizens will always be better served by doing what is right, rather than what is expedient.*

**Section 9.24 Ethics Hotline Policy** has established policies and procedures to protect employees who report problems and concerns in good faith. A web and telephone based ethics hotline may be used for employees to report potential violations of laws, regulations, policies or procedures either anonymously or in confidence.



## CHAPTER 4: DUTIES AND RESPONSIBILITIES

Effective Date	April 18, 2013
Submitted By Asst. Finance Dir	Cheryl K. Jurney, C.P.M.
Reviewed By Exec Dir of Business Svcs	Jeffrey R. R... Alan C. J... 4-24-13
Reviewed By Legal	
Approved By City Manager	Kathleen Memel 5-3-13

### **Purchasing Division**

#### ***The purpose of the Purchasing Division is to:***

- Recommend to the City Council, City Manager and Executive Director Business Services those policies and procedures needed to ensure that goods are acquired, stored, disbursed, utilized, and disposed of in a uniform and economical manner.
- Aid all departments and divisions in understanding established purchasing and warehousing policies and procedures in order to ensure that they are consistently followed.
- Assist all departments and divisions in any procurement needs.

#### ***Responsibilities of the Purchasing Division include:***

- Coordination of all legal advertising, solicitations, bid openings, and assist the departments in presentation of awards to City Council for all materials, supplies, and construction contracts.
- Assist City departments to develop quality and quantity specifications for goods and services to be purchased along with required delivery schedules.
- Encourage competition between vendors through negotiations, competitive bidding, and quantity buying by continuously monitoring requisitions by all departments to facilitate consolidation of purchases where possible.
- Solicit evaluation and recommendations from

departments on bids received from suppliers.

- Explore the use of cooperative purchasing programs with the State of Texas and other local government units.

## **City Departments**

### ***The purpose of each City department is to:***

- Promote the safety, health and general well-being of the citizens of College Station within the bounds of fiscal responsibility, while preserving and advancing the quality of life for all its citizens.

### ***Responsibilities of each City department include:***

- Requisition items with a complete, clear, concise description of the item(s) or service(s) requested including estimated quantities.
- Assist the Purchasing Division with specifications that require an engineering or technical background.
- Supply Purchasing staff with a list of anticipated requirements in advance.
- Inform Purchasing of any abnormal or unusual demands.
- Allow sufficient time for the Purchasing Division to issue a purchase order and the vendor to make delivery.
- Do not obligate the City without a Purchase Order, except for emergency or expedited purchases, as outlined in this manual.
- Provide sufficient internal controls with separation of duties (where feasible) for requisition entry, requisition approval, and receiving for goods and services.



## CHAPTER 5 STATUTORY AND LEGAL REQUIREMENTS

Effective Date	February 5, 2018
Submitted By Purchasing Manager	Risa Davis 12-12-2017
Reviewed By Finance Director	MS Leonard 12-20-17
Reviewed By Legal	[Signature] 1-9-2017
Approved By [Signature] City Manager	[Signature] 1-11-18

### Purchasing and Contracting Authority for Municipalities

Below are summaries of the more commonly used state laws that govern the City's procurement processes:

**Local Government Code, Chapter 252** has the competitive bidding requirements and the exceptions to competitive bidding. It also provides that certain municipal charter provisions prevail over the statute. It covers areas such as public notice requirements, awarding bids, time warrants, changes to plans and specifications, *the alternative competitive proposal for goods, services and civil construction contracts for \$1.5 million or less.* This chapter also includes enforcement provisions including civil and criminal penalties for violations.

**Government Code, Chapter 2269**, governs the contracting and delivery procedures for facility construction contracts including alternative delivery methods for certain projects. When entering into a construction contract for a public facility, the City may use alternative methods that provide best value for the City. However, the City must, before advertising, first determine the method that provides best value.

### Professional Services Procurement Act

**Government Code, Chapter 2254** states that contracts for the procurement of defined professional services may not be awarded on the basis of bids. Instead, they must be awarded on the basis of demonstrated competence and qualifications, so long as the professional fees are consistent with, and not higher than the published

recommended practices and fees of the various professional associations and do not exceed any maximums provided by law.

**Bonding**

***Government Code, Chapter 2253*** requires payment and performance bonds for contracts on certain public works projects, and sets the standards for when the bonds are required and the amount of the bond.

**Cooperative Purchasing**

***Government Code, Chapter 791***, also known as the Interlocal Cooperation Act, authorizes local governments to enter into cooperative purchasing agreements and other agreements for government functions.

**Local Government Code, Chapter 271, Subchapter D** provides for the extension of state contract prices/bids to participating local governments when the General Services Commissions considers it feasible.

**Local Government Code, Chapter 271, Subchapter F** allows the City to participate in a cooperative purchasing program with another local government or a local government organization.

**Local Government Code, Chapter 271, Subchapter G** allows the City to purchase goods or services available under Federal supply schedules of the United States General Services Administration (GSA) to the extent permitted by federal law.

*See Chapter 18 – Interlocal Cooperative Purchasing Agreements for more information regarding cooperative purchasing.*

**Prompt Payment Act**

***Government Code, Chapter 2251*** stipulates that the City shall pay all payments owed not later than 30 days after the goods or services are received, or the date that the invoice is received, whichever is later. This acts also requires that when payment is not made as required, the City shall automatically add interest to the payment at the rate of one percent per month.

**Sale or Lease of Property**

***Local Government Code, Chapter 253 and 272*** governs the terms, conditions and notice requirements which the City may convey, lease or sell real property owned by the City.

**City Attorney  
Approval**

In addition to the statutory requirements provided in this chapter, the following administrative legal requirements must be adhered to:

**Review by the City Attorney**

The City Attorney shall review all documents, contracts, and legal instruments in which the City may have an interest. Departments should allow at least ten (10) working days for the review of changes to standard contracts and at least thirty (30) working days for the review of all other non-standard documents.

**Previously Reviewed Terms and Conditions**

Purchase orders, supply agreements and contracts containing only City of College Station standard terms and conditions, which have once been approved by the City Attorney, are considered to have been reviewed by the City Attorney.

**Contract Review Committee**

Modified standard contracts, non-standard contracts, or any agreement bearing any special terms and conditions, not previously approved by the City Attorney, shall be submitted for approval by a contract review committee. This committee consists of representatives from Legal, Risk Management, Purchasing and the contracting Department.



## CHAPTER 6 PROCUREMENT CARD POLICIES & PROCEDURES

Effective Date	February 5, 2018
Submitted By Purchasing Manager	Lisa D Davis 1-11-18
Reviewed By Finance Director	MO Leonard 1-11-18
Reviewed By Legal	Howell 1-11-18
Approved By City Manager	[Signature] 1-11-18

### General

The Procurement Card Program (Program) is designed to streamline and create efficiencies within the purchasing process for small dollar purchases as well as travel related expenses. The Program is intended to give authorized City employees the power to procure for City related business, goods or services directly from vendors, while at the same time reducing the time and effort normally associated with ordering and paying for these types of purchases. Cardholders are expected to comply with the policies and procedures contained in this chapter and with the City's Purchasing Manual.

The City utilizes two types of procurement cards: Individual procurement cards (P-Cards) and Departmental procurement cards (D-Cards). P-Cards are issued to specific employees and D-Cards are issued to a department and assigned to a custodian. This policy applies to both types of procurement cards unless otherwise noted.

### Eligible Employees

Department Directors and Division Managers may recommend full-time and part-time employees, whose responsibility includes routine purchases of business related goods and services, to receive an individual procurement card (P-Card) embossed with that employee's name as well as The City of College Station. An individual should only be assigned a P-Card after completing the application form, attending a training class, and signing a Cardholder Agreement Form. ***Temporary employees are not eligible.***

The P-Card is issued to one employee only. Authorization to use this card is restricted to the employee whose name is embossed on the card. As a cardholder, the employee is responsible for the appropriate use of City funds. Although the P-Card is issued to the employee, it remains City property and may be rescinded at any time. The employees should



use the P-Card only for the types of purchases described in this guide and approved by their supervisor.

## **Departmental Cards**

A departmental card (D-Card) may be utilized by employees whose volume of purchases are so low that assigning individual procurement cards (P-Card) are not justifiable. Use of D-Cards may also be recommended for new employees during their probationary period. Department Directors and Division Managers may request one or more D-Cards be issued to their department and assigned a custodian.

Utilizing a sign-in/sign-out log provided by the Program Administrator, the custodian is responsible for controlling access to the D-Cards and authorizes employees to use them on an as-needed basis. D-Cards shall not be signed out to employees who have not completed a training class and have not signed a Cardholder Agreement Form.

The employees who use a D-Card are responsible for all transactions made with the card while signed out to them or while otherwise in their custody and must return the card to the custodian no later than one (1) business day following completion of transaction(s).

Employees who are issued an individual P-Card should not use D-Cards except in emergency situations with Director approval.

## **Card Limits**

Spending limits should be commensurate with the cardholder needs. The transaction limits and monthly credit card limits are dependent upon the requirements of the Cardholder's position and function. Limits vary according to levels or budget authority, discretion of the Director, and type of purchases required by the job.

Currently, the City offers four levels for procurement card limits:

Level	Monthly Credit	Single Transaction
1	\$10,000	\$2,999
2	\$ 5,000	\$1,500
3	\$ 3,000	\$1,000
4	\$ 1,000	\$ 500

Department Directors may request a temporary or permanent change to a Cardholder's assigned level by submitting their request in writing to a Program Administrator. Under no circumstance shall the new single/monthly limits exceed the maximum allowable limit level available to Cardholders.

For exceptionally unique and/or emergency situations, and when in the City's best interest, a Department Director may request an increase to a Cardholder's level of single/monthly limits that exceeds the maximum allowable to Cardholders. Such requests, including detailed justification for the request, must be submitted in writing to the Finance

Director for approval. If approved, the increase will be temporarily in effect for a defined period of time after which the Cardholder's limits will be immediately returned to their prior fixed amounts.

**Program  
Administrator  
Responsibilities**

The City has appointed Program Administrator(s) (PAs) who serves as the liaison between the cardholders and the Bank. Additionally, the PA's responsibilities include:

- Establishing cardholder accounts and authorization controls;
- Providing instructions, training and assistance to cardholders and approvers;
- Maintaining proper documentation and storage of imaged receipts, logs and approvals;
- Authorizing payment to JPMC in accordance with City policies, procedures and the Prompt Payment Act;
- Immediately notifying the Finance Director of any suspected abuse or fraudulent activity.

**Supervisor  
Responsibilities**

The cardholder's supervisor, manager, or manager designee, is responsible for approving transactions and verifying that related receipts and documentation are submitted. Transactions must be approved in MUNIS at least weekly, thus indicating the transaction is valid (see Segregation of Duties below).

The supervisor is also responsible for obtaining P-cards from cardholders upon their exit from the City (resignation or termination) and destroying the cards. PA's shall be notified of exiting employees so their P-card accounts can be immediately closed.

**Cardholder  
Responsibilities**

The cardholder promises to comply with the program rules and regulations by signing a Cardholder Agreement Form. Additionally, the cardholder is responsible for:

- Upon receipt of the card, contacting JPMC to activate the card;
- Holding and securing the card;
- Ensuring sales tax is not charged;
- Receiving and inspecting all ordered materials for discrepancies (resolving discrepancies directly with the vendor first);
- For each transaction made, indicating the General Ledger account number(s) (Org/Obj) that will be used to pay for the purchase;
- Saving all itemized sale receipts;
- Legibly signing/printing name on all itemized sales receipts for purchases made with a D-Card;
- Using the card for City related business only, in accordance with city, state and federal policies, procedures and laws;

- Immediately reporting any fraudulent use as well as lost or stolen cards to JPMC and the City's PA.

## Segregation of Duties

In order to ensure proper internal controls, each department must maintain a separation of duties for the electronic review and approval of all transactions in MUNIS including the following:

- Department-designated P-Card entry staff will "review" both P-Card and D-Card transactions in MUNIS by adding the General Ledger account number(s) (Org/Obj), purchase description (to include the first initial and last name of the purchaser if the purchase was made with a P-Card) and attach receipts to the appropriate transactions.;
- Cardholder supervisor(s), or designee, must electronically "approve" transactions in MUNIS;
- Under no circumstances should the same individual be the "reviewer" and the "approver"; and;
- Under no circumstances should anyone designated as an "approver" approve their own transactions.

## Using the Card

The procurement card is a supplement to the purchasing process. Use of the card is not intended to replace effective procurement planning which enables volume discounts nor is it intended to preempt City policies and procedures or state law. The procurement card is intended for approved purchases that benefit the City of College Station. Examples of the type of purchases where the procurement card should be used include:

- Maintenance, repair and operational supplies;
- Subscriptions, books;
- Seminars, training, memberships, registration;
- Travel expenses and meals;
- Some services purchased on an irregular or non-routine basis (contract purchasing);
- Office and food supplies.

Purchases **shall not be split** to circumvent other accounting and procurement regulations. Charging personal expenses, even if the intent is to reimburse the City later, is prohibited. Procurement cards shall not be used for:

- Cash advances and/or cash refunds;
- Alcoholic beverages;
- Charitable, civic, political or religious organizations;
- Court costs and fines;
- Capital equipment;
- Separate, sequential or component purchases;
- Items for which the City has established annual purchasing agreements.

When placing an order, the employee should provide the vendor with the following information:

- Identify himself/herself as a City employee;
- Provide the City tax exemption number which is pre-printed on the card indicating the City is tax-exempt;
- Indicate that it is a procurement card purchase;
- Provide the cardholder name;
- Individual card number (point-of-sale (swiped) cards are the preferred method of presentation;
- Expiration date of card;
- Description of goods or services to be ordered;
- Complete delivery address including building and room number, if applicable;
- Billing information, if requested, is:  
PO Box 9960  
College Station, TX 77842
- Any other information necessary to make the purchase successfully.

## **Transaction Reconciliation**

With the authority to purchase specific goods and services comes the responsibility to maintain adequate documentation at the source of the transaction. An **itemized** sales receipt shall be retained, scanned and attached to the transaction in MUNIS for supporting documentation.

Each Friday, the transactions of the previous week must be reviewed, edited, approved and all invoices/receipts or other documentation including travel expense reports must be scanned and attached to the individual transaction in MUNIS.

Because the end-of-month reconciliation may be abbreviated due to the timing of the JPMC billing cycle, transactions occurring at the end of a month must be reviewed and approved within five (5) business days of the following month.

## **Sales Tax**

The City of College Station is tax exempt. The City's tax exempt number is 74-6000534 and this number is printed on each card. The cardholder is responsible for ensuring compliance with this tax exemption and will be responsible for ensuring credit for any tax erroneously applied. When traveling, hotel charges, food charges and fuel charges will most likely be properly taxable.

## **Discrepancies and Dispute Procedures**

The cardholder is responsible for following up with a vendor for any erroneous charges, disputed items, or returns. A cardholder may dispute a charge that appears on their account. Disputed charges can result from failure to receive goods or services, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges,

credits not processed, etc. *The cardholder should contact the vendor first to resolve any outstanding issues. Most issues can be resolved this way.*

If the cardholder is unable to reach an agreement with the vendor, he/she should initiate a dispute by contacting JPMC by calling the 1-800 number on the back of the card. The cardholder's next statement will be reduced by the amount of the disputed charge until the issue is resolved. A resolution from JPMC will appear in 90 days. In the event of an audit, the cardholder must prove that a dispute is in process.

#### **Lost or Stolen Procurement Cards**

It is the responsibility of the cardholder to immediately report a lost or stolen procurement card directly to JPMC at 1-800-270-7760. The cardholder is also responsible for notifying their supervisor and a Program Administrator. During business hours, a Program Administrator may assist the employee with reporting the lost/stolen card to JPMC and deactivating the card. Fraudulent transactions that may occur before the card is cancelled will be disputed.

The City is responsible for all transactions until the card is reported lost or stolen.

Unauthorized use of the card may be reported to the College Station Police Department if criminal activity is suspected.

*The employee's quick response reduces the risk of fraud.*

#### **Canceling Procurement Cards**

An employee's supervisor may cancel a card for any employee at any time for any reason by destroying the card and notifying a PA.

#### **Renewal of Existing Procurement Cards**

Renewed procurement card(s) are sent automatically to a PA 30 days prior to the expiration date of the card. The PA will notify the appropriate cardholders when cards are available to be picked up. Cards must be picked up and signed for within 10 business days after notification. P-cards may only be picked up by the cardholder whose name is embossed on the card. Only designated D-Card custodians are permitted to pick up renewed D-Cards.

#### **Misuse of the Procurement Card**

The procurement card represents the City's trust in the employee and his/her empowerment as a responsible employee of the City of College Station to safeguard and protect its assets. As a cardholder, each employee assumes the responsibility for the protection and proper use of the procurement card including timely reconciliation.

Cardholders suspected of fraud, theft or misuse will have their card(s) suspended or terminated. Further, appropriate disciplinary actions will

be taken against the employee in accordance with City policies and procedures.

### ***Personal Misuse***

The following are a few examples of personal misuse of the procurement card:

- Purchases using the card for the sole benefit of the employee or the employee's family or friends;
- Purchases of clothing, food or entertainment not authorized by the employee's department;
- Assignment, transfer, or "loaning" of an individual card to an unauthorized person;
- Use of a procurement card by a suspended or terminated employee.

These examples may indicate negligence on the part of the cardholder when no apparent fraudulent acts have been committed. Following the Finance Director's review of personal misuse, the cardholder may be subject to the following:

- Being required to reimburse the City for unauthorized purchases and provide documentation proving reimbursement within two weeks or some other specified time period;
- Attending additional P-card training;
- 1<sup>st</sup> Offense – Card suspended for 30 days; notice sent to cardholder, supervisor and department director;
- 2<sup>nd</sup> Offense – Card suspended permanently; and/or
- Other disciplinary measures up to and including termination and subject to legal action.

### ***Administrative Misuse***

The following situations are examples of administrative misuse of a procurement card:

- Lack of proper documentation, e.g. lack of itemized receipts for each transaction;
- Lack of proper and timely reconciliation of cardholder account;
- Lack of properly safeguarding the card (repetitive lost cards);
- Card use in direct violation of the Purchasing Policies and Procedures (ie: split transactions to circumvent the single transaction limit; multiple transactions to circumvent the bidding process);

Administrative misuse should be handled promptly and consistently as applied to all cardholders. Following the PA's review of administrative misuse, the PA may implement the following punishment for the cardholder:

- 1<sup>st</sup> Offense – Warning sent to cardholder and supervisor;
- 2<sup>nd</sup> Offense – Card may be suspended permanently.



**Records  
Management**

Procurement card receipts and all related documentation supporting a procurement card purchase is considered an accounts payable transaction and should be maintained in accordance with established guidelines and policies for such documents. Once the original documents are scanned and uploaded as an attached image to the transaction in MUNIS, the department is responsible for keeping the originals for two (2) complete billing cycles.

## Chapter 7: PURCHASES \$50,000 OR LESS

Effective Date	February 5, 2018
Submitted By Purchasing Manager	Lisa N Davis 12-12-2017
Reviewed By Finance Director	MO Leonard 12-20-17
Reviewed By Legal	Al Powell 1-9-2017
Approved By City Manager	Cheryl Anderson T. 11.18

### General Information

Unless expressly provided for otherwise in this manual, this chapter applies to all purchases \$50,000 or less. All contracts and purchases shall be made so as to obtain the best value for the City, with bids, proposals, or quotations solicited whenever appropriate.

For all purchases, the User Department must make sure that a sufficient amount of unencumbered funds is available before making a purchase.

### Purchasing Process

Generally, purchases \$50,000 or less follow this process:

1. Identify the business purpose/need;
2. Verify availability of funds based upon general understanding of costs for the item or service;
- 3. Define and finalize purchasing requirements, purchasing specifications, and scope of work;**
- 4. User Department to submit electronic requisition to Purchasing Division;**
- 5. When applicable, solicit informal bids, quotes, or proposals;**
- 6. Prepare and process contracts, if applicable;**
- 7. Purchasing Division to generate purchase orders and place orders with contractors;**
8. Accept delivery of goods and services, and verify completeness;
9. Acknowledge receipt of the item or service electronically and submit original invoice to

Accounting if the invoice was not directly sent there;

10. User Department to match the item or service received to the amount of the invoice; and
11. Accounting to disburse payment.

***Nos. 3-7 (shown in bold and italic) are required only for purchases \$3,000 and over***

**Procedures for purchases less than \$3,000**

Generally, purchases less than \$3,000 may be made by Department Directors or their respective designees without approval of the Purchasing Division. However, the Purchasing Division is always available to assist when making purchases of any value and of all kinds.

Purchases under \$3,000 should be made using a City-issued Procurement Card or Departmental Card (P-Card or D-Card). Should the vendor be unable to accept a credit card as a form of payment, a Request for Check (RFC) shall be used as the secondary choice for payment.

**Procurement Card ("P-Card") or Departmental Card ("D-Card") purchases**

First, the User Department selects the desired vendor to make the purchase. To make a purchase under \$3,000 using the City's P-Card or D-Card, the City's Procurement Card Policy must be followed as set forth in Chapter Six of this Manual.

**Request for Check ("RFC") purchases**

If a vendor is unable to accept a City-issued P-Card or D-Card, the Request for Check (RFC) process may be used. Refer to the Tyler Munis Training Manual on CityNet for instructions on how to complete the RFC process.

**Procedures for Purchases \$3,000 to \$50,000**

All purchases greater than \$3,000 but less than \$50,000 should be processed in accordance with the following procedure and requires working with the Purchasing Division.

The User Department and the Purchasing Division shall coordinate to obtain three or more competitive quotes when feasible and practical. These may be telephone quotes using the form attached as Appendix K hereto.

Before making purchases of more than \$3,000 and less than \$50,000, the City must check the list on the Texas State Comptroller's Office website to determine if there are Historically Underutilized Businesses (HUBs) within Brazos County limits for goods or services being purchased. If so, the City is required to contact at least two HUBs on a rotating basis. If the list fails to identify a HUB in Brazos County, the City is exempt from this requirement.

The employee responsible for the purchase must fill out the electronic requisition form which must then be approved by User Department Director or his designee.

The purchase requisition form must be completely filled in either by the User Department or the Purchasing Division with all known information, including quantity, description, account code, unit price, total price, required delivery dates, freight, payment terms, and competitive quotes, if applicable.

If the Purchasing Division is to obtain pricing, it will be necessary to fill in only the quantity and a complete description of the items to be ordered.

The automated requisition must be electronically approved based on the department approval hierarchy. Following this approval, the Purchasing Division will issue a purchase order to the vendor, encumbering the funds from the User Department.

The vendor should be informed of the correct "bill to" and "ship to" addresses and reminded to show the purchase order number on the invoice to avoid a delay in payment.

Under no circumstances should a vendor be instructed to send an invoice to the attention of anyone other than the Accounting Division. Should an invoice be received by anyone other than Accounting Division, it should be immediately forwarded to the Accounting Division.

User Department shall be responsible for the actual receipt of goods and services. After materials have been received, the User Department will acknowledge the receipt of goods and services electronically in the City's financial software. The Department then forwards all other receiving information, i.e.: delivery ticket, packing

slip, freight bill, and original invoice, if applicable, within two working days to the Accounting Division.

Accounting Division will match the receipt with the invoice and will be responsible for paying the vendor and for maintaining a record of same.

Should a problem exist with goods received or services performed which would warrant a delay in payment, the employee must notify the Accounting Division within two working days by email or other written notification. Such notification shall describe the problem and request a "hold" on the invoice until the problem is resolved. The Accounting Division shall be informed by the employee as to any status changes.

\*Exception: It is standard policy that all purchases greater than \$3,000 shall require a purchase order; however, in exceptionally unique and/or emergency situations, and when in the City's best interest, a Department Director may request the use a City procurement card as the method of payment for purchases needed for the specific situation. Refer to Chapter 6 – Purchasing Card Policies and Procedures, Card Limits for the policy/procedure for requesting card limit increases greater than the maximum allowable limit level available to Cardholders.



## Chapter 8: Purchases Exceeding \$50,000

Effective Date	February 5, 2018
Submitted By Purchasing Manager	Lisa D. Davis 02-02-18
Reviewed By Finance Director	MO Leonard 2-2-18
Reviewed By Legal	Perrell 2-5-18
Approved By City Manager	Lucy Anderson 2.5.18

### General Information

Except as may be expressly provided for otherwise pursuant to this manual and applicable law, purchases of more than \$50,000 shall be made in accordance with this Chapter.

Sometimes one or more Departments may have similar purchasing needs that in the aggregate exceed \$50,000. In such cases, the Purchasing Division may combine these requests and use one procurement process.

In all cases, the User Department must have available funds for the procurement and work closely with the Purchasing Division so that the proper documentation, including specifications, can be prepared.

Generally, before a City may make a purchase of more than \$50,000, competitive sealed bids or competitive sealed proposals will be required.

If the City is considering using a method other than competitive sealed bidding, the City must determine before notice is given, the method of purchase that provides the best value to the City.

### Procedures for Competitive Sealed Bids

The process for purchases exceeding \$50,000 is composed of several stages beginning with requisitioning the purchase and culminating with the receipt and payment for goods and services. For all purchases



\$50,000 or greater, the User Department should segregate requisitioning, approving and receiving functions where possible.

The Purchasing Division will work with the User Department in preparing and assembling all the solicitation documents, including the Invitation to Bid, the bid specifications, the contract, the drafting and placement of legal ad(s) in the newspaper and online, and preparation of bidder mailing lists.

The invitation to bid shall include the following Best Value selection criteria:

- The purchase price;
- The reputation of the bidder and of the bidder's goods or services;
- The quality of the bidder's goods or services;
- The extent to which the goods or services meet the City's needs;
- The bidder's past relationship with the City;
- The impact on the ability of the City to comply with laws and rules relating to contracting with historically underutilized businesses (HUBs) and non-profit organizations employing persons with disabilities;
- The 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.

In consultation with the User Department, the Purchasing Division will set the advertising dates and schedule the bid opening date and time.

As bids are received, the Purchasing Division will place them in a secure location until the date and time of the bid opening, at which point they will be publicly opened and read aloud. Electronically received bids will be held encrypted until bid opening.

The Purchasing Division will prepare a tabulation for each item or group of items following the bid opening and will forward the results to the User Department.

Typically, the lowest responsible bidder will be recommended. In situations where the User Department does not recommend the lowest responsible bidder, a consultation with the Division Manager, the Department Head, the Purchasing Manager and the Executive Director Business Services will be held to identify the bidder providing best value to the City. Ultimately, the City Manager will make the recommendation based upon the information provided.

After the recommended vendor has been determined, the Purchasing Division will be responsible for getting the contract signed by the vendor in triplicate and obtaining bonds and insurance certificates from the vendor, if applicable.

### **Award of Bids**

Unless falling under an exception, generally all bids, contracts, and other expenditures greater than \$ 100,000 for goods and general services must be presented to the City Council for approval. Generally, the User Department will prepare the Council agenda coversheet and other required agenda documentation as applicable. The only exception(s) to Council approval will be for purchases of those items specifically approved in the Budget Ordinance and/or those expenditures itemized in the approved budget. Generally, emergency purchases exceeding \$100,000 will be ratified by City Council.

Where the competitive sealed bidding requirement applies, the contract must be awarded to the lowest responsible bidder or to the bidder who provides goods or services at the best value to the city.

When considering bids, City Council is authorized to give local preference pursuant to Sections 271.905 and 271.9051 of the Texas Local Government Code (LGC). A recommendation to do this will be made on a case by case basis by the Purchasing Division working closely with the User Department. In such cases, the economic development opportunities created by a local preference award, including the employment of residents of the City and increased tax revenues to the City, should be presented to Council in writing.

Once the winning bid has been formally awarded, the User Department requesting the purchase will submit an

electronic requisition based on an established approval hierarchy. Once the requisition receives final approval at the department level, it will be forwarded to the Purchasing Division. The Purchasing Division will check to be sure there are sufficient unencumbered funds appropriated for the purchase. The Purchasing Division will start the contract routing process, if applicable, and issue the purchase orders with the appropriate vendors.

**Procedures  
for  
Competitive  
Sealed  
Proposals**

When the competitive sealed proposal method is used, 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 the other evaluation factors included in the request for proposals.

In determining the most advantageous proposal, the City shall consider the criteria used for establishing Best Value, as specified above.

Discussions 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. To obtain best and final offers, revisions may be permitted after submissions but before award of the contract.

**Award of  
proposals**

Although cost is an essential part of determining best value in a request for proposal, the City is not obligated to award a contract solely on the basis of cost.

**Exceptions to  
Competitive  
Procurement  
Procedures**

Exemptions to the competitive bidding and the competitive sealed proposal processes are listed in LGC Section 252.022. A Department making a purchase that may be exempt from the competitive procurement requirements should confer with the Purchasing Division which, in turn, will assist in making this determination.

Some of the common exemptions that may apply include:

- a procurement made because of public calamity that requires the immediate appropriation of money to relieve the necessity of the City's residents or to preserve the City's property;

- a procurement necessary to preserve or protect the public health or safety of the City's residents;
- a procurement necessary because of unforeseen damage to public machinery, equipment, or other property;
- a procurement for personal, professional or planning services;
- a procurement for work that is performed and paid for by the day as work progresses;
- a purchase of land or right-of-way;
- a procurement of items that are available from only one source; (Note: sole source purchases must be approved using a Sole Source Justifications form. The Sole Source Justification form is available on the Forms page on CityNet.
- Goods purchased by the City for subsequent retail sale by the City.

## CHAPTER 9 PROCUREMENT OF PERSONAL, PROFESSIONAL, OR PLANNING SERVICES

Effective Date	February 5, 2018
Submitted By Purchasing Manager	Lisa W. Davis 12-12-2017
Reviewed By Finance Director	MO Leonard 12-21-17
Reviewed By Legal	1-9-2017
Approved By City Manager	1-11-18

### General Information

This chapter applies to all personal, professional and planning services hereinafter collectively referred to as "Professional Services."

All Professional Services must be procured in accordance with Chapter 252 of the Texas Local Government Code, Chapters 2254 and 2269 of the Texas Government Code, and as well as other applicable law, as same may from time to time be amended. Chapter 2254 of the Texas Government Code is titled the Professional Services Procurement Act and is sometimes shortened to the "Act" in this chapter.

The method used to procure these services will vary according to the nature of the services, this manual, and state law requirements. Generally, the Request for Proposal(s) ("RFP") or the Request for Qualification(s) ("RFQ") process will be used as described in this chapter.

If unsure whether a procurement is considered a Professional Service subject to this chapter, or which process to use, consultation with the Purchasing Division may be necessary.

**Procurement of  
Architectural,  
Engineering, or Land  
Surveying Services**

Section 2254.004 of the Act requires that in procuring architectural, engineering, or land surveying services, or when any portion of the project includes these services, the City shall:

- First select the most highly qualified provider of those services on the basis of demonstrated competence and qualifications; and
- Then attempt to negotiate with that provider a contract at a fair and reasonable price.

If a satisfactory contract cannot be negotiated with the most highly qualified provider, the City shall:

- Formally end negotiations with that provider;
- Select the next most highly qualified provider; and
- Attempt to negotiate a contract with that provider at a fair and reasonable price.

The City shall continue this process until an agreement with a provider is reached.

**Procurement of  
Testing and  
Inspection Services**

Construction materials engineering, testing, and inspection services and the verification testing services necessary for acceptance of constructed facilities must be either provided by or contracted for by the City independently of the contractor, construction manager-at-risk, or design/build firm pursuant to Section 2269.058 of the Texas Government Code. In procuring these services or when any portion of the project includes these services, the City must follow Section 2254.004 of the Act.

Pursuant to Section 2254.004, when determining the “most highly qualified provider on the basis of demonstrated competence and qualifications” the City may determine this based on the following criteria:

- Responsiveness;
- Workload; and

- Familiarity with City's previous works.

### **Request for Qualification(s) (RFQ)**

A Request for Qualification(s) must be used when:

- The work involves a construction project that is valued at \$1,000,000 or more; or
- Any portion of the work includes architectural, engineering, or land surveying services, where the total contract is valued at \$50,000 or more.

An RFQ sets forth criteria by which the selection of these types of Professional Services will be made. Below are some of the evaluation criteria commonly used. The criteria may be customized to each RFQ solicited and need not include every listed criterion. Criteria-weighting factors may be utilized to identify the relative importance placed upon these items:

- Summary of prospective provider administration, organization and staffing;
- Demonstrated competence and qualifications of the individuals who will be directly responsible for the management and delivery of the proposed work;
- Demonstrated technical adequacy of the personnel and sub-consultants to be utilized for the proposed work;
- Demonstrated experience of the service provider based upon previous work similar to that of the type considered;
- Demonstrated success of the service provider based upon the record of performance on other projects (both City of College Station and projects for other entities);
- Demonstrated history of provider's accuracy of cost estimates and ability to perform within budget constraints;
- Workload capacity and history of performing work within a specified schedule; and
- Proposed approach for the design project or study.

In response to the RFQ, the prospective provider of these Professional Services is asked to submit a sealed Statement of Qualifications.

At times, projects may be grouped in a single RFQ to be processed to hire multiple firms. At other times, a single firm may be hired for a group of projects. Any consultant selected from this process can only be used for projects identified in the original RFQ.

An RFQ may be dispensed with in cases where a proposed project is the extension or expansion of a previous project.

However, in all instances, the ultimate selection of a provider of one or more of these services must be as set forth in the Act.

### **Exceptions to Architectural or Engineering Requirements**

The Professional Services of licensed engineers and architects are not always statutorily required for certain public works projects. In those instances, the City may determine it to be in its best interest to forgo using the services of such professionals. Such determinations should be specifically noted.

Below are some common exceptions. Employees should consult with Purchasing to determine the applicability of these exceptions, as same may, from time to time, change.

For certain projects not involving public health, welfare, or safety, the City is not required to hire an engineer for the construction of a public work if:

- Construction involves a total expenditure of \$8,000 or less, even if the work involves structural, electrical, or mechanical engineering; or
- If the contemplated cost will not exceed \$20,000, and the work does not involve structural, electrical, or mechanical engineering.



The City is not required to hire an architect to prepare the plans if the contemplated new building will not be used for education, assembly, or office occupancy, and the construction costs will not exceed \$100,000.

When proposed construction involves alteration or addition to an existing building, services of an architect are not required unless:

- The building is used or will be used for education, assembly, or office occupancy;
- Construction costs for the alteration or addition exceed \$50,000; and
- The alteration or addition requires the removal, relocation, or addition of any walls or partitions or requires the alteration or addition of an exit.

#### **Procurement of Other Professional Services**

“Other Professional Services” are personal services, planning services, plus other professional services identified in Section 2254.002 of the Act, with the exception of architectural, engineering, land surveying, and materials testing and inspection services.

All “other professional services” must be procured as set forth in Section 2254.003 of the Act. Services identified in Section 2254.002 of the Act are specifically prohibited from being selected using competitive bidding.

Section 2254.003 of the Act requires that in procuring these services the City shall make the selection and award:

- on the basis of demonstrated competence and qualifications to perform the services; and
- for a fair and reasonable price.

#### **Request for Proposal(s) (RFP)**

A Request for Proposal(s) must be used when the work includes planning, analysis, studies, or

personal services and is valued at \$50,000 or more.

Weighted criteria must be used in the RFP process. The same criteria as set forth in the RFQ process may be used in the RFP process with the addition of pricing. Types of criteria regarding pricing include asking about the total proposed price, pricing methodology, estimated number of hours and hourly rate(s), and similar pricing information. For personal services and planning services, the RFP must specify the relative importance of price and other evaluation factors.

Like the RFQ, each RFP may be customized based on the unique circumstances of each solicitation. In response to the RFP, the prospective provider submits Sealed Proposals.

Sealed Proposals will be evaluated using the following methodology:

- All firm(s) reasonably considered to be selected based on criteria set forth in the RFP may be given an opportunity to make a presentation and/or interview with the City;
- Proposals will be evaluated based on the weighted criteria published in the RFP;
- Proposals will be ranked in order based on the weighted scores; and
- Contract negotiations will begin with the top ranked firm.

Should negotiations with the highest ranked firm fail to yield a contract, negotiations will formally end and will commence with the next highest ranked firm until an agreement is reached.

The City may, in its sole discretion, award a Professional Services contract without interviews or negotiations, and based solely on information supplied in the responses.

An RFP may be dispensed with in cases where a proposed project is the extension or expansion of a previous project.

However, in all instances, the ultimate selection of a provider of one or more of these services must be as set forth in the Act and consistent with other applicable laws.

**Award of Contracts**

Fees for Professional Services should be consistent with and not higher than the recommended practices and fees which may be published by the applicable professional associations and in no event may exceed any maximums provided by law.

Approval authority of Professional Services contracts are set by resolution. Currently, contracts for \$100,000 or less may be presented to the City Manager for approval, and contracts for more than \$100,000 must be presented to City Council for approval.

## CHAPTER 10: PROCUREMENT OF CONSTRUCTION SERVICES

Effective Date	February 5, 2018
Submitted By Purchasing Manager	Lisa D. Davis 02-02-18
Reviewed By Finance Director	MO Leonard 2-2-18
Reviewed By Legal	[Signature] 2-2-18
Approved By City Manager	[Signature] 2.5.18

### General Information

This Chapter applies to all construction contracts requiring the expenditure of more than \$50,000 which are competitively bid pursuant to Chapters 252, 271 and other applicable provisions in the Texas Local Government Code ("LGC") and pursuant to Chapter 2269 of the Texas Government Code ("GC").

All procedures relating to the budget process, design process and construction process shall be consistently and fairly applied to all capital improvement projects and other construction procurement, taking into consideration such relevant factors as cost, financing, prioritization, size of project and similar matters.

### Bid Advertisement

The Purchasing Division publishes the advertisement which must include the following:

- Description of work;
- Location where the specifications, plans, and bidding forms are available;
- Time and place for submitting bids;
- Time and place of bid opening;

The date of the first advertisement must be before the 14<sup>th</sup> day before the date set to publicly open the bids and read them aloud. Bids must be published at least once each week for two

consecutive weeks.

## **Bid Security**

A bid security is required for all public works contracts. Bidders must submit with their bid a bid bond, cashier's check or certified check in the amount of five (5%) percent of the maximum amount bid, payable without recourse to the City of College Station.

The bid security will be retained by the City until the successful bidder has executed the Agreement and furnished all required insurance, bonds and other required certifications.

The City may retain the bid security of all bidders who may have a reasonable chance of receiving the award. The City will return all bid securities to bidders which are not competitive.

## **Pre-Bid Pre-Proposal Conference**

When necessary a pre-bid conference is conducted to discuss the project. Bidders are highly encouraged to attend and participate in the conference. The Purchasing Division provides information about the bidding requirements and purchasing procedures and the Department provides technical information to ensure that technical standards are complied with. The pre-bid conference is typically conducted in the following manner as may be determined to be relevant, helpful or appropriate by the Department:

- All attendees sign an attendance roster;
- Provide a brief introduction of the project title, size, scope and construction time;
- Discuss bid process including bonding and insurance requirements;
- Establish the deadline for questions and requests for clarification;
- Consulting Engineer/Architect or Project Manager discusses the specifics of the project including a review of plans and specifications allowing time for a questions and answers;
- Any other matters determined to be of

- importance to the Department; and
- Record the minutes of the meeting.

## **Addenda**

All questions about the meaning or intent of the Invitation to Bid or Contract Documents should be directed to the Purchasing Division. Purchasing will consult with the Project Manager for all technical interpretations or clarifications. Purchasing will issue any addenda required to modify or clarify the bidding documents to all known interested parties.

Such addenda and letters of clarification may be labeled as official "Addendums" to the contract and if so shall become part of the executed contract and modify the contract documents accordingly.

No oral or other interpretation or clarification will be considered official or binding.

## **Qualifications of Bidders**

The City may conduct such investigations as deemed necessary and as may be allowed by law to determine the responsibility of prospective bidders.

To determine which bidders are responsible, the City may require prospective bidders to submit one or more of the following:

- Bidder's financial records;
- Information relating to whether bidder has paid or settled all claims for payment promptly;
- Bidder's previous experience;
- Description of bidder's present commitments;
- Where bidder maintains a permanent place of business;
- Whether bidder has adequate plant and equipment available to it to do the work properly and expeditiously;
- Description of bidder's technical experience related to the project;
- References for work similar in size and scope to the project under bid;
- Listing of proposed subcontractors;
- Listing of proposed suppliers of materials;

- and
- Bidder's safety record.

## **Contract Documents**

The bidding and contract documents and their priority from most important to least are as follows:

1. City's Standard Form of Construction Agreement;
2. Addendum to the Agreement;
3. General Conditions;
4. Special Conditions;
5. Technical Specifications;
6. Drawings;
7. Instructions to bidders and any other notices to bidders or Contractor;
8. Performance Bond, Payment bond, Bid Bond and other Bonds as applicable; and
9. Contractor's Bid Proposal.

Where possible, provisions shall be harmonized so as to be non-conflictive. Only in cases of direct conflict the resolution of such conflict shall be determined in order of priority of the documents listed above.

## **Performance Bond**

For all contracts in excess of \$100,000 for the constructing, altering or repairing a public building or carrying out or completing any public work, before commencing work, the vendor must execute a performance bond in the full amount of the contract, in a form prescribed by the City.

A performance bond provides a guarantee of the faithful performance of the work in accordance with the plans, specifications and contract documents.

## **Payment Bond**

For all contracts in excess of \$50,000 for the constructing, altering or repairing a public building or carrying out or completing any public work, before commencing work, the vendor must execute a performance bond in the full amount of the contract, in a form prescribed by the City.

A Payment Bond is required solely for the



protection and use of payment bond beneficiaries who have a direct contractual relationship with the prime contractor or a subcontractor to supply labor or material for the public work project.

### **Award of Contract**

If the contract is to be awarded, it will be awarded to the lowest responsible bidder.

Additionally, in determining the award of a contract for construction, the governmental entity may consider:

- The price;
- The offeror's experience and reputation;
- The quality of the offeror's goods or services;
- The impact on the ability of the governmental entity to comply with the rules relating to historically underutilized businesses;
- The offeror's safety record;
- The offeror's proposed personnel;
- Whether the offeror's financial capability is appropriate to the size and scope of the project; and
- Any other relevant factor specifically listed in the request for bids, proposals, or qualifications.

The City reserves the right to reject any and all bids, to waive any and all informalities and irregularities not involving price, time or changes in the work and to disregard all non-conforming, non-responsive, unbalanced or conditional bids.

### **Testing and Inspection Services**

For testing and inspection services on construction contracts see Chapter 9 for Professional Services.

## CHAPTER 11 Alternative Procurement Methods for Construction Services

Effective Date	February 5, 2018
Submitted By Purchasing Manager	Risa N. Davis 02-02-18
Reviewed By Finance Director	Mr. Leonard 2-2-18
Reviewed By Legal	Donnell 2-5-18
Approved By City Manager	Greg Amador 2.5.18

### General Information

The alternative purchasing methods in this section are not intended to replace the traditional competitive bidding procedures in Chapter 252 of the Local Government Code or Chapter 10 of the Purchasing Manual, but rather offer additional options for contracting and delivery of construction services. The City Council may determine that various alternative procurement methods under Chapter 2269 of the Texas Government Code ("GC") provides a better value for a procurement. Additionally, the City Council has delegated its authority to the City Manager to determine which procurement method provides the best value for the City pursuant to Resolution No. 11-10-11-2c approved on November 10, 2011. In either case, the City Manager or the City Council must make this determination before the procurement process begins including prior to advertising for bids, proposals requests for qualifications and so on.

The following recites the main alternative procurement methods available to the City. Alternative procurement processes typically require especial coordination with the Purchasing Division.

### Alternative for All Goods and Services

#### Competitive Sealed Bidding/Best Value (Sect. 252.043 LGC)

The City is not required to award a contract for goods or services to the "lowest responsible bidder" if it chooses to award to the lowest responsible bidder who provides same at the best value pursuant to Sect. 252.043 LGC.

The City may, in its discretion, develop best value criteria that will be used in the evaluation of bids received. This weighted criteria must be published in the request for bids, proposals, etc. Some established criteria found in 252.043 LGC and might include:

- the purchase price;
- the experience and reputation of the vendor;
- the quality of the vendor's goods or services;
- the extent to which the goods or services meet the City's needs;
- the vendor's past relationship with the City;
- the safety record of the vendor;
- the vendor's proposed personnel;
- the financial capability of the vendor is appropriate for the size and scope of the project;
- the impact on the ability of the City to comply with rules relating to historically underutilized businesses;
- the total long-term cost of the City to acquire the vendor's goods or services; and
- any other relevant factor(s) specifically listed in the request for bids or proposals and as allowed by law.

Note, however, that the contract must be awarded at the bid amount offered by the bidder who is considered to offer the best value.

## **Facilities Construction**

The following alternative procurement methods are available for certain public work contracts as set forth in Chapter 2269 Texas Government Code ("GC").

For all alternative procurement methods under 2269 GC, the following additional criteria as set forth in Sect. 2269.055 GC, can be considered by City Council in determining the award of contract:

- price
- offeror's experience and reputation
- the quality of offeror's goods or services
- impact on the City to comply with rules relating to historically underutilized businesses
- offeror's safety record
- offeror's proposed personnel
- offeror's financial capability given size and scope of project
- and other relevant factors specifically listed in the request.

**Competitive Sealed Proposals** (Subchapter D, Chapter 2269 GC) - In the competitive sealed proposal method, the City must first hire an architect or engineer to prepare construction documents. The City prepares a Request for Competitive Sealed Proposals (RFCSP), which includes construction documents, estimated budget, project scope, schedule, and other information contractors may need to respond to the request. The City must also state the selection criteria and relative weighting of the criteria that will be used to select the successful offeror. The City must publicly open and read aloud the proposals, including price information if such was required, and evaluate and rank the proposals in relation to the published selection criteria within 45 days after the opening. The City negotiates first with the highest ranked offeror. If the two parties are unable to reach an agreement, the City must inform the offeror in writing that negotiations have ended, and negotiations may begin with the next ranked offeror.

**Construction Manager Agent** (Subchapter E, Chapter 2269 GC) - A construction manager agent procurement method is where the construction manager agent (CMA) provides consultation to the City regarding construction, both during and after the design of the facility. A CMA acts as an overseer on behalf of the City, when the City may not have the in-house expertise and/or sufficient staff and/or sufficient time to effectively oversee a construction project. A CMA is intended to represent the City in a fiduciary capacity, and may not self-perform nor be a party for the performance of any portion of the actual design or construction of the project. Responsibilities of the CMA may include on-site management, administrative personnel, insurance, bonds, equipment, utilities, and incidental work, including minor field labor and materials. Prior to or concurrent with the selection of a CMA, the City must hire an architect or engineer to design the project. Both the CMA and the architect/engineer must be selected on the same professional services procurement rules provided for in the Professional Services Procurement Act GC 2254.004. Under the CMA method, the City would be responsible for contracting with trade contractors and subcontractors.

**Construction Manager at Risk** (Government Code 2269.251) - A construction manager-at-risk (CMAR) procurement method is where the construction manager assumes the risk for construction, rehabilitation, alteration, or repair of a facility at the contracted price in the same manner as a general contractor; but also provides consultation to the City regarding construction during and after the design of the facility. The City may select a CMAR utilizing a one-step process or a two-step process. In both processes, the City must evaluate and rank the offers according to the published criteria within 45 day of their being opened. The one-step process allows you to consider both qualifications and pricing in the request for proposal. In the two-step process, the City issues a Request for Qualifications, which may be identical to the RFP, except that no cost or price information may be requested initially. In the second step, the City would select no more than five (5) offerors to provide additional information, which may include proposed fees and prices for completion of the terms of the agreement. The CMAR contracts directly with the selected trade contractors and subcontractors and is required to advertise for bids in the same manner that the City would be required to if the City was contracting directly with the subcontractors.

**Design-Build** (Subchapter G, Chapter 2269 GC) – The Design-Build alternative procurement method is where the City contracts with a single entity to provide both design and construction services. Available only for construction relating to a building or associated structure, once the City has decided that the Design-Build method is the best procurement method to use, a request for qualifications and a design criteria package is required. The procedure for the selection of a Design-Builder is always a two-step process: Phase One - evaluate statements of qualification; Phase Two - selection process whereby firms are ranked on the basis of criteria established in the RFQ and contract negotiations begin with the top ranked firm. Under this type of construction contract procurement, the City must award a single contract to a firm who both designs and constructs the facility. The Design-Build firm selected in turn contracts directly with the trade contractors or subcontractors, and

assumes complete responsibility for both the design and construction of the project.

**Job Order Contracting** (Subchapter I, Chapter 2269 GC)

The job order procurement method is a method that may be used when the contract is for maintenance, repair, alteration, renovation, remediation, or minor construction of a facility that is a building; and if the work called for by the contract is of a recurring nature, but delivery times and quantities are indefinite. The City must publish the aggregate contract price when advertising. The City Council must approve any individual work orders or purchase orders that exceed \$500,000.

When establishing the contract pricing, the City must specify one or more published construction unit price books; or provide a list of work items and require contractors to propose one or more coefficients or multipliers to be applied to the price book or pre-priced work items in the cost proposal.

The City must properly advertise for and publicly open sealed proposals for job order contracts. The City may award job order contracts to one or more of the offerors in the same solicitation. The City is not required to award the contract to whoever submits the lowest rates. Instead the City may award on the basis of a combination of price and other factors including: experience, past performance, proposed personnel, methodology, safety record, and other appropriate factors.

Specific work projects under the contract are authorized by execution of a work order. The order may be a fixed price, lump sum order, or a unit price order based on estimated quantities. Performance and payment bonds must be provided, if required by law, on each specific job order and not on the overall job order.



## Chapter 12: Procurement Policies & Procedures for CS Electric Utility

Effective Date	February 5, 2018
Submitted By Purchasing Manager	Risa D. Davis 02-02-18
Reviewed By Finance Director	Mo Kongad 2-2-18
Reviewed By Legal	Mo Kongad 2-2-18
Approved By City Manager	Greg Arnold 2-5-18

### Public Purpose and Authority

The public purpose to be served by the CSU Procurement Procedures set forth herein shall be to obtain and maintain for the electric utility at all times a sufficient and uninterrupted supply of best quality materials and services at the lowest practicable cost for the benefit and best interests of the City of College Station and its citizens.

Furthermore, these Procedures are intended to allow the City to protect and enhance its ability to provide reliable energy-related products and services on a competitive and financially sound basis by obtaining safe, reliable, and timely delivery of materials, equipment and supplies, and performance of services on a fair and equitable basis from all interested parties.

These Procedures are adopted pursuant to the general exemption from competitive bidding or proposals provided for municipally owned electric utilities in Section 252.022 of the Texas Local Government Code.

### Scope of Procedures

The City of College Station's Purchasing Procedures, as amended from time to time, as well as all other applicable state and federal laws including but not limited to Chapters 252 and 271 of the Texas Local Government Code and Chapter 2269 of the Texas Government Code

apply to CSU procurement, except as specifically set forth otherwise in these Procedures.

The City Manager or his designee may adopt additional processes and guidelines consistent with these Procedures to ensure the uniform and consistent application of these Procedures.

## **CSU Purchasing Policies and Procedures**

If the City Manager determines it to be in the best interest of the City based upon the public purpose and authority recited above, the City Manager may approve and authorize one of the procurement methods listed below for the purchase of materials and services for CSU, such materials and services to include, but not be limited to, construction projects, software, electronic hardware and the procurement of insurance:

- Competitive Bidding;
- Best Value Bids;
- Competitive Sealed Proposals;
- Construction Manager Agent;
- Construction Manager at Risk;
- Job Order Contracting; or
- Design Build

Once the procurement method is determined by the City Manager, the procedures outlined in Chapters 252 and 271 of the Texas Local Government Code and Chapter 2269 of the Texas Government Code and as provided by all other applicable state and federal procurement laws shall apply.

Award of a contract pursuant to one of these procurement methods must be made as required pursuant to the statute for such procurement method.

## **Cooperative Purchases**

The Interlocal Cooperation Act, Chapter 791 of the Texas Government Code authorizes local governments to contract directly with other governments to increase their efficiency and effectiveness. As allowed by statutory provisions on participation in cooperation agreements, including Texas Local Government Code Chapter 271 Subchapter D, purchases of goods and services pursuant to this Act satisfy the requirement of CSU to solicit competitive bids or proposals.

If the City Manager determines it to be in the best interest of the City, the City Manager may authorize the participation in a contract awarded by another local government as required under Chapter 252 of the Texas Local Government Code for purchases related to the electric utility.

### **Exceptions to Procedures**

In addition to the general exemptions listed in Section 252.022 of the Texas Local Government Code and notwithstanding anything to the contrary herein, the City Manager may authorize the procurement of materials and services in a manner independent from any requirement of Chapter 252 and of these Procedures, to meet a compelling business reason under the circumstances and in the manner described in this sub-part.

The following describes some of the conditions under which a finding of Compelling Business Reason may be deemed to be appropriate:

- The procurement is necessary to meet a critical need for materials or services necessary to restore or maintain the reliability or safety of the electric systems, or a major component or related business operation;
- The procurement is necessary to respond to fluctuating market conditions wherein potential delays in the normal and routine procurement process governed by these Procedures would adversely affect CSU's ability to obtain quality materials and/or services at a commercially reasonable price;
- The procurement is necessary to protect the competitive interests or position of CSU;
- The procurement is necessary to prevent or mitigate significant financial loss to the City due to inherent delays in the normal acquisition process; or
- The City seeks to enter into, renew, extend or modify a strategic alliance or partnership agreement entered to improve CSU's inventory control process or business efficiencies under such terms as may be

provided in the alliance or partnership agreement.

## Chapter 13: Change Orders and Change Order Routing Procedures

Effective Date	February 5, 2018
Submitted By Purchasing Manager	Risa Davis 02-02-18
Reviewed By Finance Director	MO Leonard 2-2-18
Reviewed By Legal	Howell 2-2-18
Approved By City Manager	Andy Moran 2.5.18

### General Information

This chapter applies to all contracts where a change order is necessary. This includes contracts for materials, equipment, supplies, or other commodities; contracts for general services; professional services contracts; construction contracts; and contracts that are entered into using an alternative procurement method.

A change order may be required if, after the contract has been executed:

- Changes in plans or specifications are necessary after the performance of the contract has begun; or
- It is necessary to decrease or increase the quantity of work to be performed; or
- It is necessary to decrease or increase the quantity of materials, equipment, or supplies to be furnished.

Material changes in scope, quantities, or related work may not be made. A material change is defined as substantial revisions. "Bidding presupposes that due advertisement, giving opportunity to bid, and contemplates a bidding on the same undertaking upon each of the same material items covered by the contract; upon the same thing. It requires that all bidders be placed upon the same plane of equality and that they each bid upon the same terms and conditions involved in all the items and parts of the contract, and the proposal



specify as to all bids the same or substantially similar specifications." *Attorney General Opinion MW-296*.

A change order form must be filled out for all written contract documents. This form is available on Citynet.

All change orders must include sufficient explanation or detail for the City Manager to make an informed decision to change the original contract. If necessary, a supplemental memo or supporting documentation may be attached to the change order form.

**Changes to  
Materials,  
Equipment,  
Supplies,  
Other  
Commodities,  
and General  
Services**

When the original contract amount plus all change orders is \$50,000 or less, the City Manager or his designee may approve the written change order, provided the change order does not increase the total amount set forth in the contract to more than \$50,000. A change order resulting in a revised contract amount exceeding \$50,000 may be subject to additional statutory procurement requirements as applicable; and

When a change order is for more than \$50,000 or if a change order results in a revised total contract amount that exceeds \$100,000, the change order must be approved by City Council. In all cases the original contract price may not be changed by more than 25 percent. Additionally, the original contract price may not be decreased by more than 25 percent without the consent of the contractor.

**Changes to  
Contracts for  
Professional  
Services**

When the original contract amount plus all change orders is \$100,000 or less, the City Manager or his designee may approve the written change order provided the change order does not increase the total amount set forth in the contract to more than \$100,000. For such contracts, when a change order results in a total contract amount that exceeds \$100,000, the City Council must approve such change order prior to commencement of the services or work; and

When the original professional services contract amount plus all change orders is equal to or greater than \$100,000, the City Manager or his designee may approve



the written change order provided the change order does not exceed \$50,000, and provided the sum of all change orders does not exceed 25 percent of the original contract amount. For such contracts, when a change order exceeds \$50,000 or when the sum of all change orders exceeds 25 percent of the original contract, the City Council must approve such change order prior to commencement of the services or work.

**Changes to  
Construction  
Contracts**

When the original contract amount plus all change orders is \$100,000 or less, the City Manager or his designee may approve the written change order, provided the change order does not increase the total amount set forth in the contract to more than \$100,000 and provided it doesn't trigger other requirements as set forth below; and

When a change order is for more than \$50,000 or it results in a revised total contract amount that exceeds \$100,000, the change order must be approved by City Council prior to commencement of the services or work and may be subject to statutory procurement requirements as applicable; and

In all cases, the original contract price may not be increased by more than 25 percent without triggering additional statutory procurement requirements. The original contract price may not be decreased by more than 25 percent without the consent of the contractor.

**Routing  
Procedures for  
all Change  
Orders**

All change orders to written contracts subject to this chapter shall be routed and executed as set forth below.

**Routing  
Procedures for  
Change Orders  
of \$0.01 to  
\$2,999.99  
(+ or -)**

The routing procedure for change orders for a contract less than \$3,000 may be authorized by the Contract Manager as set forth herein.

The change order form for change orders less than \$3,000 must be filled out and executed by the following people:

- A/E Consultant (if applicable)
- Contractor
- Contract manager
- Public Works Director (if applicable)
- Department Director

The City Secretary's office will retain an original executed change order for records retention purposes and will forward remaining originals to Purchasing to increase or decrease the encumbrance on the Purchase Order.

**Routing  
procedures for  
Change Orders  
of \$3,000.00  
to \$50,000.00  
(+ or -)**

The routing procedure for change orders of \$3,000 to \$50,000 for contracts must be pre-approved prior to authorizing the work as set forth herein.

The change order form for change orders of \$3,000 to \$50,000 must be filled out and executed by the following people:

- A/E Consultant (if applicable)
- Contractor
- Contract manager
- Public Works Director (if applicable)
- Department Director
- Chief Financial Officer
- City Manager

The City Secretary's office will retain an original executed change order for records retention purposes and will forward remaining originals to Purchasing to increase or decrease the encumbrance on the Purchase Order.

**Routing  
procedures for  
Change Orders  
greater than  
\$50,000  
(+ or -)**

The internal routing procedure for change orders greater than \$50,000 may be allowed as set forth herein, provided such change order is approved by Council prior to the commencement of the services or work.

The following people must approve/execute the change order form for change orders greater than \$50,000 in advance of Council approval:

- A/E Consultant (if applicable)
- Contractor
- Contract Manager
- Public Works Director (if applicable)
- Department Director
- Legal
- Assistant City Manager/CFO

Following Council approval, the following people must approve/execute the change order form:

- City Manager

The City Secretary's office will retain an original executed change order for records retention purposes and will forward remaining originals to Purchasing to increase or decrease the encumbrance on the Purchase Order.

## CHAPTER 14: CONTRACT RENEWAL PROCEDURES

Effective Date	February 5, 2018
Submitted By Purchasing Manager	Risa D. Davis 02-02-18
Reviewed By Finance Director	mo leonas 2-2-18
Reviewed By Legal	Perrell 2-5-18
Approved By City Manager	Quay Johnson 2.5.18

### General

This Chapter applies to bids or contracts for purchases of goods and services that are secured for a specified period of time and for which it is desired to renew the original terms, conditions and pricing for one or more additional time periods. Typically it is the policy of the City to follow a general pattern of a one year initial term and two renewable one year terms. However, exceptions may be made on a case by case basis when in the best interest of the City. Such determination is typically made upon discussion and mutual agreement between the User Department and the Purchasing Division.

### Multiple Award Contracts

If the bid or contract is renewable and multiple vendor awards occur, the purchase in its entirety should be re-done using the appropriate procurement method if all vendors do not agree to renew.

### Determination To Renew

Vendor performance should always be a consideration when deciding whether or not to renew a contract as well as any other relevant factors. Relevant factors include the following:

- Supplier/Contractor performance
- Goods/services demand requirements
- Market analysis
- Joint bidding opportunities

Renewals of bids or contracts must be under the same terms and conditions as the original provided, however, that in no event may the unit prices be increased by more than ten percent (10%) of the original price.

**Process**

The Department is responsible for monitoring when a contract is up for renewal. Attention should be given to renew the contract in a timely manner to avoid any lapses between the original term of the contract and its renewal. This means that for procurements requiring council approval and/or new solicitations additional lead time may be required. The Department should contact the Purchasing Division when it desires to renew the procurement of the goods or services to obtain the proper renewal forms and to follow the correct process.

In the event a new agreement cannot be executed by the anniversary date of the original term or any renewal term, the agreement may be renewed month-to-month until a new agreement is executed.

**Renewals–  
Written  
Contracts**

The renewal agreement must be executed by the contractor and City Manager (or designee) and routed in accordance with the City contract routing procedures. The Purchasing Division will assist the Department with preparing and obtaining a written renewal agreement from the contractor. The renewal agreement should specify the renewal term and any mutually agreeable changes. *Note: Renewals of contracts with a value that exceeds \$100,000 must first be approved by City Council.*

**Renewals–  
Bids and  
Purchase  
orders**

The Purchasing Division will assist the Department with preparing and obtaining a written renewal for price agreements for goods or commodities. The renewal agreement should specify the renewal term and any mutually agreeable price changes. The renewal agreement must be executed by the contractor. The Department is responsible for entering a purchase requisition, and pending approval, will be converted to a Purchase Order. *Note: Renewals of contracts with a value that exceed \$100,000 must first be approved by City Council.*



## CHAPTER 15 CONTRACT ROUTING PROCEDURES

Effective Date	February 5, 2018
Purchasing Manager	Rina Davis 02-02-18
Reviewed By Finance Director	Mr Leonard 2-2-18
Reviewed By Legal	W. Powell 2-2-18
Approved By City Manager	Shirley Amodeo 2-5-18

### General

Fiscal Administration will initiate the contract routing process and assign contract numbers to departments and buyers. Departments must complete a Contract Routing Form (yellow) and attach three (3) original contracts with insurance (if applicable) for execution. All contracts should be submitted to Fiscal Administration.

### Delegation of Authority – City Council

The Budget Ordinance adopted annually by Council delegates authority to the City Manager, or authorized and designated employees, at his discretion, to approve and execute contracts and documents authorizing the payment of funds and to expend public funds for expenditures that are \$100,000 or less. Additionally, City Council Resolution No. 02-23-12-2d authorizes the City Manager to execute all contracts on behalf of the City when the City Council has approved the contracts.

### Delegation of Authority – City Manager

The Budget Ordinance adopted annually by Council delegates authority to the City Manager, or authorized and designated employees, at his discretion, to approve and execute contracts and documents authorizing the payment of funds and to expend public funds for expenditures that are \$100,000 or less.

In order to improve efficiency of contract administration procedures, the City Manager delegates authority to approve and execute the following contracts to the following staff:

### CONT'D Delegation of



**Authority –  
City Manager -**

- (Standard) Tenant Based Rental Assistance Agreements may be approved and executed by the Director of Community Services.
- (Standard) Unpaid Internship Agreements may be approved and executed by the Director of Human Resources.
- (Standard) Facility Rental Agreements may be approved and executed by the Director of Parks and Recreation.
- (Standard) Texas A&M Engineering Extension Service (TEEX) Letter Agreements for Training Services may be approved and executed by the Fire Chief.
- (Standard) Water and Wastewater Rehabilitation Project Contracts (for connecting and disconnecting private sanitary sewer customer service lines) may be approved and executed by the Director of Public Works.
- (Non-Standard) Technology Purchase Agreements may be approved and executed by the Director of Information Technology under the following conditions:
  - Purchases less than \$50,000 that add/remove additional licenses or hardware without changes to the original terms & conditions approved by the City;
  - Maintenance Agreement Renewals less than \$50,000 without changes to the original terms & conditions approved by the City;
  - On-line user acceptance agreements less than \$50,000 required to purchase technology products or services with no alternative or option for a written agreement outside the online user's account.
- Purchase Orders may be executed by the Purchasing Staff once City Council or Department Manager has approved the expenditure.

**Manual  
Routing**

Renewals, change orders, standard contracts, non-standard contracts (approved by CRC) over \$50,000; real estate contracts; and Inter-local Agreements (ILA) should be routed in hard copy format. **NOTE:** *If applicable, a Purchase Requisition or Contract Encumbrance may be entered in Tyler/Munis so the requisition approval process can happen simultaneously while the contract is routing.*

**Manual  
Routing  
Process for  
Contracts that  
REQUIRE  
Council  
Approval**

Non-Standard contracts must be reviewed by Legal **before** routing and departments must submit council items for legal review prior to the Legal review deadline.

Buyer/Project Manager obtains vendor signatures on three (3) original contracts.

Buyer/Project Manager sends one (1) electronic and three (3) original contracts with the Contract Routing Form to Finance Admin to update the contract log and facilitate the contract routing process. *Please note, all contracts must include applicable insurance certificates.*

Buyer will review the performance/payment bonds (if applicable) and initial the Contract Routing Form.

Buyer, Project Manager or Risk Manager will review insurance certificates and initial the Contract Routing Form.

Assistant City Manager will sign and date three (3) original contracts and sign the Contract Routing Form and forward to Legal for review.

Legal will sign and date three (3) original contracts and the Contract Routing Form and forward all originals to City Secretary's Office (CSO) to be held until the City Council Meeting.

Once approved, CSO will fill in the Council Approved Date and Agenda Item # on the Contract Routing Form and route to the City Manager's Office (CMO) to obtain written signature from City Manager or designee.

CMO will forward three (3) fully executed original contracts to CSO.

CSO scans signature page, bonds (if applicable) and the Contract Routing Form. These will be inserted into the CSO contract folder in laserfiche, one (1) original will be kept on file at the CSO for record retention and two (2) originals will be returned to Finance Admin. *Please note, if contract requires additional signatures from other entities, the Project Manager will pick up contracts from Finance Admin to obtain final signatures. Once all signatures have been obtained, the Project Manager will*

**CONT'D**

**Manual  
Routing  
Process for  
Contracts that  
REQUIRE  
Council  
Approval**

return one (1) fully executed contract to Finance Admin who will then forward to CSO for record retention.

Finance Admin will email Buyer/Project Manager once contracts have been fully executed and return contracts to the buyer.

If applicable, Buyer will create the purchase order or contract encumbrance and forward one (1) fully executed contract to Project Manager and one (1) fully executed contract to Contractor.

**Manual  
Routing  
Process for  
Contracts that  
DO NOT  
REQUIRE  
Council  
Approval**

Buyer/Project Manager obtains vendor signatures on three (3) original contracts.

Buyer/Project Manager sends one (1) electronic and three (3) original contracts with the Contract Routing Form to Finance Admin to update the contract log and facilitate the contract routing process. Please note, all contracts must include applicable insurance certificates.

Buyer will review the performance/payment bonds (if applicable) and initial the Contract Routing Form.

Buyer, Project Manager or Risk Manager will review insurance certificates and initial the Contract Routing Form.

Assistant City Manager will sign and date three (3) original contracts and the Contract Routing Form and forward to Legal for review, if applicable.

If it is a non-standard agreement, Legal will sign and date three (3) original contracts and the Contract Routing Form and forward all originals to City Manager's Office (CMO) to obtain written signature from City Manager or designee.

CMO will forward three (3) fully executed original contracts to CSO.

CSO scans signature page, bonds (if applicable) and the Contract Routing Form. These will be inserted into the CSO contract folder in laserfiche, one (1) original will be kept on file at the CSO for record retention and two (2)

**CONT'D  
Manual**

**Routing  
Process for  
Contracts that  
DO NOT  
REQUIRE  
Council  
Approval –**

originals will be returned to Finance Admin. Please note, if contract requires additional signatures from other entities, the Project Manager will pick up contracts from Finance Admin to obtain final signatures. Once all signatures have been obtained, the Project Manager will return one fully executed contract to Finance Admin who will then forward to CSO for record retention.

Finance Admin will email Buyer/Project Manager once contracts have been fully executed and return contracts to the buyer.

If applicable, Buyer will create the purchase order or contract encumbrance and forward one (1) fully executed contract to Project Manager and one (1) fully executed contract to Contractor.

**Electronic  
Routing**

*This section is intentionally omitted until MUNIS contract routing is active.*

**CHAPTER 16:**  
**PROCUREMENT WITH FUNDS RECEIVED UNDER FEDERAL AND STATE GRANTS**

Effective Date	February 5, 2018
Submitted By Purchasing Manager	Risa D Davis 02-02-18
Reviewed By Finance Director	MO Leonard 2-2-18
Reviewed By Legal	Paul 2-2-18
Approved By City Manager	Tracy Anderson 2-5-18

**General Information**

This chapter applies to all City procurements made in whole or in part with money received from federal or state grant programs. This includes grant funds that the City may receive directly as well as indirectly. An example of receiving indirect federal grant money is when federal transportation funding is disbursed to the City via the Texas Department of Transportation.

The requirements of this chapter must be met, as well as all other applicable chapters in the manual.

Each procurement funded with grant money must comply with the terms of the specific grant involved. The Department applying for and using grant money is responsible for complying with grant terms and with coordinating same with the Purchasing Division.

In cases where conflicts between the terms of the grant and this chapter, or the rest of this Purchasing Manual cannot be harmonized, the more stringent requirement shall apply.

**Grant Review and Reporting Requirements (“GRRR”) Committee**

The City Grant Review and Reporting Requirements (“GRRR”) Committee serves as a resource for all departments to use during the grant application process, procurement with grant funds, and ongoing compliance with grant monitoring and reporting requirements.

Purchasing Department must be notified of all proposed procurements involving awarded grant funds, and such purchases must be routed through the Purchasing Department prior to beginning of the procurement.

Federal and state grant programs may have different requirements or may overlap in their specifications.

**Federal Grant Requirements**

The most common requirements that must be met to receive funds from federal grant programs are:

- SAM.gov Exclusion Record check
- Buy American preference
- Section 3 Preference
- Davis-Bacon and Related Acts
- Nondiscrimination and Equal Opportunity requirements (fair housing, Civil Rights Act, Americans with Disabilities Act)
- Hiring of military personnel

This list is not exhaustive and not all of the requirements may apply to a particular grant; therefore, the recipient Department is responsible for doing all necessary research and ensuring compliance.

Effective October 1, 2018, the City will comply with all requirements included in Title 2, Subtitle A, Chapter 2 – Part 200 – Uniform Administrative Requirements for Federal Awards.

Prior to October 1, 2018, the following OMB Circulars, accessible on the City’s intranet and/or internet, should be consulted as a starting point in determining what requirements may apply to a particular grant:



- Circular A-87 (cost principles for local governments)
- Circular A-21 (cost principles for agreements with educational institutions)
- Circular A-122 (cost principles for agreements with non-profit institutions)

In addition, Circular A-133 identifies important compliance requirements expected to be considered as part of any audit conducted on City activities in connection with its receipt of federal funds.

In all instances, the recipient Department is responsible for ensuring that specific grant requirements are complied with.

#### **Micro-Purchase**

Purchases for supplies or services valued less than the micro-purchase threshold will comply with all sections of OMB Super Circular, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

#### **Simplified Acquisition Threshold**

Purchases for property or services valued less than the simplified acquisition threshold will comply with all sections of OMB Super Circular, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

#### **System for Award Management ("SAM") check**

The System for Award Management ("SAM") provides a single comprehensive list of individuals and firms excluded by Federal government agencies from receiving federal contracts or federally-approved subcontracts and from certain types of federal financial and non-financial assistance and benefits.

The recipient department must do a check on all prospective participants and may not contract with any entity or individual that has been found guilty of unfair business practices and subsequently "debarred" or suspended per the SAM, currently accessible at <http://www.sam.gov>. This check must be done prior to the purchase of any federal funding acquisition regardless of the purchasing

method: contract, purchase order, field purchase order, procurement card, etc.

**Conflict of Interest  
for Federal Grants**

Pursuant to 24 C.F.R. 85.36, no employee, officer or agent of the grantee (City) or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- a) The employee, officer or agent
- b) Any member of his immediate family
- c) His or her partner, or
- d) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.

**Exceptions**

Upon written request by the City and pursuant to the conditions provided in the 24 C.F.R. 570.611, HUD may grant exceptions to the conflict of interest provisions on a case-by-case basis.

## Chapter 17: OTHER GENERAL PURCHASING POLICIES & PROCEDURES

Effective Date	April 18, 2013
Submitted By Asst. Finance Dir	Charles K. Jurney, C.P.M.
Reviewed By Exec Dir of Business Svcs	Jeffrey K. Jurney
Reviewed By Legal	Alan C. Jurney 4-24-13
Approved By City Manager	Kathleen McNeil 503-13

### General Information

This chapter covers miscellaneous purchasing policies and procedures covering a variety of topics:

- Electronic Procurement Policy
- Reverse Auctions
- Acquisition of Automated Information Systems Equipment and Supplies
- Acquisition of Automobiles, Trucks and Heavy Equipment
- Environmental Friendly Purchasing
- Identical Bids
- Local Preference
- Protested and Contested Bids
- Inspecting, Testing and Receiving
- Vendor Payments
- Capital Assets

### Electronic Procurement Policy

Electronic sealed bids or proposals shall be in accordance with Section 252.0415(a) of the Local Government Code requiring the identification, security, and confidentiality of electronic bids or proposals to remain effectively unopened until the proper time.

Electronic reverse auctions shall be in accordance with Section 271.906 of the Local Government Code and defined by Section 2155.062(d), Government Code, requiring a real-time bidding process taking place during a previously scheduled Internet location with multiple suppliers, anonymous to each other, submitting bids to provide goods or services.



### **Identification**

Invitations to Bids and Requests for Proposals will be advertised and issued in accordance with statutory requirements. A notification will be added to bid terms and conditions stating vendors should submit responses electronically through City's service provider at the appropriate electronic address listed. An automatic "e-mail return notification" will be sent to the submitting vendor upon receipt of their bid or proposal.

### **Security**

At specified bid closing time, a *password-enabled* employee in the Purchasing Division will open, download, and print all bids and the bid tabulation summary assembled by City's service provider. The printing operation will occur in the controlled environment of the Purchasing Division. A bid submitted non-electronically within the bidding period will be considered as per the bid and proposal document terms and conditions.

### **Confidentiality**

Purchasing staff will then read aloud all bid responses received by closing time and date to any interested parties present at the bid opening. After tabulation of bids or proposals, staff will post bid tabulation electronically with a qualifying statement: "The tabulation listing of a bid should not be construed as a comment on its responsiveness or an indication that the City accepts such bid as responsive. After evaluating bids or proposals, the City will post tabulation and staff award recommendation of the contract on City Purchasing Division's web site and through its Internet service provider."

### **Reverse Auctions**

**"Real-time" Bidding Process**—Reverse Auctions will be advertised and issued in the current manner as are Invitations to Bid and Requests for Proposals. A notification will be added to bid terms and conditions stating vendors should submit responses electronically through City's service provider at the appropriate electronic address listed. The real-time bidding process will usually last up to one (1) hour, **or** normally up to two (2) weeks, and taking place during a previously scheduled period and scheduled Internet location.

**Multiple Bidders**—Purchasing Staff along with its selected Online Bidding Service Provider (OBSP) shall insure multiple, qualified bidders are available, interested and notified electronically or otherwise of any current reverse bidding opportunity. A notification will be added to bid terms and conditions stating vendors should submit responses electronically through City's service provider at the appropriate electronic address listed.

**Anonymous Bidders**—City's selected OBSP shall insure the anonymity of all responding bidders through the assignment of a "Bidder Number" to the Vendor (as opposed to their Vendor name) that will be reflected on the OBSP's web-site during the reverse auction bidding process. The OBSP web-site will reflect all active Vendors bidding by a) the Vendor's assigned Bidder Number and b) their last entered bid price. After tabulation of bids, staff will post bid tabulation with the same qualifying statement as shown above.

**Acquisition of  
Automated  
Information  
Systems  
Equipment and  
Supplies**

All requests for computer equipment, software, telecommunications and related services or supplies should be submitted to the Information Technology (IT) Department for review and technical evaluation. IT will review each request for compatibility with other hardware and software and will investigate alternatives.

Recommendations and comments will include but not be limited to:

- Additional costs incurred because of the purchase;
- Compatibility considerations;
- Cost effectiveness of the request; and
- Alternatives that would effectively meet the users' needs.

No purchases for computer related equipment or supplies are allowed without IT approval.

**Determining "Best Value" Procurement Decisions**

Products or services that are associated with automation (computers) or telecommunication systems may be purchased through the Texas Department of Information Resources (DIR) or other approved Purchasing Cooperative Programs. Purchases made through approved Purchasing Cooperative programs satisfy our competitive bidding requirements. However, the City is responsible for determining "best value" when making these procurement decisions. The purchase must be in



the City's best interest and based on best value criteria such as:

- installation costs and hardware costs;
- the overall life cycle cost of the requested equipment;
- the estimated cost of employee training and estimated increase in employee productivity
- estimated software and maintenance costs;
- compliance with applicable standards and compatibility; and
- other criteria determined to be in the City's best interest.

When possible, at least three (3) vendors should be invited to quote or bid on automated information system purchases greater than \$3,000. Selected vendors should be provided with specifications. This may be done via mail, email or in person. Regardless, the method should be consistent and well documented.

Information technology purchases greater than \$50,000 shall be made through a formal Request for Proposal process coordinated by the Purchasing division. Exceptions include those items purchased through Purchasing cooperative(s) that have already met competitive bidding requirements.

Purchases made through the General Services Administration (GSA) Schedule 70 and Texas Multiple Award Services (TxMAS) or other approved Purchasing Cooperative programs satisfy our competitive bidding requirements and may be subject to the procedures described in this section as determined by the Director of IT, Executive Director Business Services, and Department Director (or their designees).

Annually, the City Council approves funding and authorizes the City Manager (through Finance/Purchasing) to make purchases pursuant to interlocal agreements and specifically approved in Attachment A of the Budget Ordinance.

### **Placing the Order**

After all questions have been resolved and a best value determination has been made, IT will prepare the necessary purchase requests, all required approvals will be obtained, and purchase orders secured. IT will place the orders.

### **Exceptions**

Exceptions to the above process may occur when the request is of an emergency nature and/or the purchase is to be made with funds from the requesting department's operating budget.

The user department should provide IT with information needed to update the inventory database of hardware and software installed throughout the City. Without this information the new hardware/software may not be considered as an IT supported/replaceable product.

### **Purpose**

Handling automated information system related purchases in this manner will:

- Standardize the type and quality of equipment in the City's inventory;
- Help ensure that purchases are made with a minimum of delay and confusion;
- Facilitate tracking of requests and help expedite the purchasing process;
- Assist IT in maintaining accurate inventories for insurance, licensing and other purposes; and
- Contribute to the most effective use of City resources.
- Help ensure that interoperability between systems is maintained.

### **Appeal of IT Recommendations**

If the requesting department disagrees with the recommendations of IT, they may either request that additional alternatives be developed or submit the request to the Executive Management Team for disposition. In such instances, the decision of the Executive Management Team will be final.

### **Major Purchase Approval**

Prior approval of the Executive Management Team will be required for all major computer related purchases not included in the Technology Plan and approved Budget. The IT Director and the Executive Management Team will establish and/or revise such procedures as may be necessary to ensure that the acquisition of computing products is handled in an effective and efficient manner.



**Acquisition of  
Automobiles,  
Trucks and  
Heavy  
Equipment**

All requests for the purchase of new and replacement vehicles and equipment shall be coordinated through the Fleet Services Division of Public Works. The Fleet Division is responsible for making recommendations for the most cost-effective purchases for all departments taking into consideration the following three criteria:

- the age of the vehicle and equipment;
- the total miles on the vehicle or number of hours on the piece of equipment;
- the units repair history

A vehicle inventory report will be run each year and all vehicles and equipment in the City fleet meeting the replacement criteria will be identified. Those vehicles and equipment that meet all of the criteria will then be further assessed by the fleet superintendent, who will submit a list of vehicles and equipment for replacement or sale and coordinate with budget and respective department. The Fleet Division will prepare the purchasing requisition(s) for approval by the Fleet Superintendent and Director of Public Works and/or Assistant Director. Fleet and Purchasing collaborate to determine the most cost effective purchasing method – competitive bidding or purchasing through one of many cooperative purchasing programs.

**Environmental  
Friendly  
Purchasing**

The City of College Station is committed to being a leader in resource conservation and improving our environment; by recycling commonly used materials such as mixed paper, cardboard, plastic and glass bottles, aluminum cans, and hazardous materials such as batteries, electronic equipment, mercury containing lamps, and oil.

Additionally, environmental considerations should become part of normal purchasing practice, consistent with such traditional factors as product safety, price, performance and availability, to the extent feasible. Responsibility for environmental friendly purchasing should be shared among our vendors, City departments and purchasing staff. Environmental factors should be taken into account as early as possible in the acquisition and decision making process. Some ways we can do this include:

- Ensure we buy only goods and services that are truly necessary
- Encourage upgrade, reuse, repair and recycling of products

- Specify equipment which is water and energy efficient both in its manufacture and operation
- Avoid use of hazardous chemicals where a less damaging alternative is appropriately available
- Encourage the purchase of foods containing recycled materials to support the market for recyclates
- Minimize the use of virgin non-renewable natural resources and support the use of sustainable sources
- Work with suppliers to investigate and introduce environmental friendly processes and products
- Specify, wherever possible and reasonably practicable, the use of environmental friendly materials and products, particularly in contracts where significant environmental risks have been identified
- Continuously monitor the performance of our environmental purchasing and always seek improvement.

### **Identical Bids**

Pursuant to Local Government Code 271.901, if the City receives two or more bids from responsible bidders that are identical, in nature and amount, as the lowest and best bids, the governing body must enter into a contract with only one of those bidders.

If only one of the bidders submitting identical bids is a resident of the City, the City must select that bidder. However, if two or more of the bidders (or none of the bidders) are residents of the City, the City must select one of the bidders by the casting of lots. The casting of lots is prescribed by the mayor and must be conducted in the presence of the governing body.

### **Local Preference**

#### **Real Property or Personal Property** (not affixed to real property)

If the City receives one or more bids from a bidder whose principal place of business is within the corporate city limits of the City, and the bid is within three percent of the non-local bidder, the City may award the bid to:

- 1) the lowest bidder; or
- 2) the bidder whose principal place of business is within the City. If the contract will be awarded to the local bidder, the governing body must determine, in writing, that the local bidder offers the City the best combination of contract price and additional economic development opportunities for the City created by the contract award, including the employment of residents in the City and any increased tax revenues



to the City.

**Real Property, Personal Property (not affixed to real property) or Services**

If the City receives one or more bids from a bidder whose principal place of business is within the corporate city limits of the City, and the bid is within five percent of the non-local bidder, the City may award the bid to:

- 1) the lowest bidder; or
- 2) the bidder whose principal place of business is within the City. If the contract will be awarded to the local bidder, the governing body must determine, in writing, that the local bidder offers the City the best combination of contract price and additional economic development opportunities for the City created by the contract award, including the employment of residents in the City and any increased tax revenues to the City.
- 3) This applies to construction services less than \$100,000 or other purchases less than \$500,000.
- 4) This does not apply to the purchase of telecommunications services or information services.

**Protests and  
Contested Bids**

**Bid Protests**

The purpose of the bid protest process is to ensure the appropriate steps are taken when the City is contacted by a vendor wishing to protest the advertising of bid notices, deadlines, bid openings, or alleged improprieties or ambiguities in the specifications. This process does not create any due process rights, but is intended to allow bidders to raise concerns regarding actions taken regarding a bid or other form of competitive solicitation. The following types of issues only will be considered an appropriate basis for a protest:

- An alleged violation of state or federal laws;
- An alleged violation of City ordinances, procedures, policies; or
- An alleged failure of the City to follow terms or processes set out in the applicable solicitation.

The filing of a protest does not operate as a stay of action in relation to the awarding of a contract.

**Bid Protest Requirements**

Vendor protests must be made in writing and must contain all of the following:

- The name, address, email, and telephone number of the protestor;

- The signature of the protestor or a representative who has the written delegated authority to legally bind the protestor;
- Identification of the request for proposal, request for qualifications, contract number or other solicitation being protested;
- A detailed written statement of the legal and factual grounds of the protest, including specific citations of the solicitation, law, ordinance, policy or procedure allegedly violated or failed to be followed by the City, along with copies of relevant documents, photos, etc.; and
- The desired relief or outcome which the protestor is seeking.

### **Bid Protest Procedures**

Protests shall be submitted in writing and filed with Purchasing Division. Protests will be handled as follows:

- Protests regarding the terms, conditions or specifications in the solicitation (pre-bid or pre-proposal protests) must be filed no less than five business days before the opening of the bid or proposal.
- Protests regarding the evaluation of bids, qualifications, or proposals (pre-award protest) must be filed no later than three (3) business days prior to the City Council meeting at which the award appears on the agenda.
- Protests made after City Council's decision to award a contract must be received by the City no later than three (3) business days after the date of Council award.

Protests may be hand-delivered by the Protestor or the Protestor's representative, or they may be mailed, but regardless of the method of delivery, they must be received by the City no later than the deadline identified above.

### **Staff Review of Protest**

A written decision and response to the protest will be prepared by the Purchasing Manager, in consultation with the Department and the City Attorney. During the review process, the City may:

- Allow for an informal conference on the merits of the protest with all interested parties;



- Allow for reconsideration if data becomes available that was not previously known, or if there have been an error of law or regulation;
- Render a decision supporting or canceling the award, such a decision shall be in the form of a staff recommendation.

### **Protest Appeals**

If the protesting vendor does not agree with the staff recommendation, they may appeal to the City Council in accordance with the procedures above. Protesting vendors must contact the City Secretary in order to be acknowledged and heard by City Council at the first available Council meeting.

### **Inspecting, Testing and Receiving**

Departments should contact the vendor, or Purchasing Division, if materials and/or services are not received or performed by the due date. Always keep the Purchasing Division apprised of the situation.

Since there is no central receiving point, each department is responsible for inspecting, testing and receiving commodities and services. Any shortages, late deliveries, damaged merchandise or other problems relating to the vendors' performance should be reported to the Purchasing Division as soon as possible. Initially, affected Departments should call the Purchasing Division, and follow up with a written explanation of the situation utilizing the Vendor Performance Form found on the City's intranet.

### **Inspection**

When receiving ordered goods, the user will conduct an initial inspection of the merchandise to determine its condition. A comparison is made of the goods received against the product specifications. Once a determination has been made that articles(s) received meet specifications and are not damaged, an electronic receiving report should be initiated.

### **Damage**

Damaged freight should always be reported to the freight line, within the same day of the delivery, if possible. Types of damage:

#### **Visible damage**

If freight is visibly damaged, receiving personnel

should instruct the freight line driver to:

- Note the damage on the freight bill; and
- Sign the freight bill.

### **Concealed damage**

If there has been concealed damage, save the shipping cartons. Notify the freight line and request an "inspection report of concealed damage." The receiving report should note the damage also.

### **Packing Materials**

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

### **Returns**

Damaged supplies, equipment, or materials should not be returned to the freight line, or the vendor. If the vendor requests return of the items, the Purchasing Division should be notified. The items should be returned after determining that a claim has been filed, and that authorization has been given by the vendor and/or Purchasing Division.

### **Testing**

Arrangements for the utilization of outside testing laboratories will be made by the Purchasing Division. Payment for testing will normally be made from the requesting departments' budget; however, if the test reveals non-spec material has been supplied the vendor will pay for the testing or face disqualification from future bidding.

### **Receiving**

All materials and equipment received in poor condition, damaged, or noncompliance with the contract, should be reported to the Purchasing Division in writing as soon as possible. All relevant documentation should be retained by the department. The Purchasing Division will notify the vendor, and prescribe corrective action.

Departments shall pay particular attention to the delivery ticket, and how it matches the City of College Station Purchase Order. The employee receiving the materials must verify that all items were shipped as stated on the delivery ticket prior to electronically receiving the goods. Once the goods have been received electronically and a valid invoice has been received in Accounting, the vendor



will be paid.

## **Vendor Payments**

The Accounting Division is centralized and includes Accounts Payable, Accounts Receivable, and Payroll. Accounts Payable processes all invoices and payments.

Accounts Payable prefers invoices be received via email. Invoices submitted by email should be sent to:

[VendorInvoiceEntry@cstx.gov](mailto:VendorInvoiceEntry@cstx.gov)

All other invoices can be submitted by mail directly to the following address:

***City of College Station  
Accounting Division  
1101 Texas Avenue  
P.O. Box 9973  
College Station, TX 77842-9973***

A purchase order (PO) number or field purchase order (FPO) number shall be noted on all invoices.

## **Capital Assets**

### **Asset Management**

Fixed Assets and Inventory shall be reasonably safeguarded and properly accounted for and sufficiently insured. Responsibility of safeguarding of the City's assets lies with the Department director in who department the fixed asset is assigned. The Fiscal Services Department shall maintain the permanent records of the City's fixed assets including description, cost, department of responsibility, date of acquisition, depreciation and expected useful life.

Additional information on asset management can be found in the Fiscal and Budgetary Policy Statements found in the Approved Annual Budget adopted annually by City Council.



## CHAPTER 18 INTERLOCAL COOPERATIVE PURCHASING AGREEMENTS

Effective Date	February 5, 2018
Submitted By Purchasing Manager	Risa Davis 02-02-18
Reviewed By Finance Director	Mo Leonas 2-2-18
Reviewed By Legal	W. Powell 2-2-18
Approved By City Manager	Emily Anderson 2-5-18

### General Information

The Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, authorizes local governments to contract directly with other governments to increase their efficiency and effectiveness. Chapter 271, Subchapter F allows the City to participate in cooperative purchasing programs with another local government or a local government organization.

The City participates in various local, state and national purchasing cooperatives. The City Council must approve the interlocal agreement authorizing the City's use of these contracts and acknowledgement that purchases made pursuant to these contracts satisfies the City's requirement to solicit competitive bids or proposals.

Examples of some interlocal cooperative purchasing agreements that the City has:

- National Intergovernmental Purchasing Alliance
- National Joint Powers Association
- State of Texas
  - TPASS
  - TxMAS (Multiple Award Contracts)
  - DIR (Dept of Information Resources for IT related purchases)
- BuyBoard
- Houston Galveston Area Council of Governments (HGAC)
- The Cooperative Purchasing Network (TCPN)

- Brazos Valley Council of Governments/Purchasing Solutions Alliance (PSA)
- Texas A&M University
- Brazos County
- City of Bryan
- Various other local governments and local cooperative organizations.

**Federal  
Supply  
Schedules**

Local Government Code 271, Subchapter G allows the City to purchase goods or services available under Federal supply schedules of the United States General Services Administration (GSA) to the extent permitted by federal law. The GSA allows state and local governments to purchase from GSA Federal Supply Schedule 70 which includes a variety of Information Technology products, software and services. The City may also purchase alarm and signal systems, facility management systems, firefighting and rescue equipment, law enforcement and security equipment, marine craft and related equipment, special purposes clothing from contract awarded under GSA Federal Supply Schedule 84. Purchases made under either of these schedules satisfies the City's requirement to seek competitive bids or proposals.

**Procedure**

To initiate this process, the user department may research goods and services on the approved cooperative's website to determine if the needed goods and services are available from the cooperative. Based on this research, the Department prepares an electronic purchase requisition in the Munis Requisition Entry module and identifies in the requisition comments that the goods or services are available on the cooperative. The Purchasing Division confirms whether or not the requested goods or services are available from a specific cooperative. If available, the Purchasing Division compares prices among cooperatives and local vendors to obtain the best value. The Purchasing Division works with the Department to determine best value and issues a purchase order with the selected vendor using the purchasing method that provides the best value.

The Purchasing Division either submits the approved purchase orders to the applicable cooperative or directly to the vendors that have contracts with the specific cooperative.

## CHAPTER 19 VENDOR SUSPENSION AND DEBARMENT POLICY

Effective Date	February 5, 2018
Submitted By Purchasing Manager	Lisa D. Davis 12-12-2017
Reviewed By Finance Director	MO Leonard 12-21-17
Reviewed By Legal	M. Ponder 1-10-18
Approved By City Manager	[Signature] 2.5.18

### 19.01 Statement of Purpose

The City desires to maintain the integrity of the procurement process. In order to do this, the City must follow various laws when purchasing goods and services that sometimes require making determinations regarding the suitability of a prospective vendor. This includes purchases subject to the following:

1. Chapter 252 including § 252.043 Texas Local Government for competitive sealed bids requiring that award of contract be to the lowest *responsible* bidder or to the bidder who provides *best value, including reputation of the bidder and of the bidder's goods or services*;
2. Chapter 252 including § 252.042 Texas Local Government for request for proposals in determining vendors who are *reasonably qualified* to obtain the *best final offer*;
3. Chapter 2269 including § 2269.055 Texas Government Code for improvements to real property allowing the City to consider such matters including the *experience and reputation, quality, personnel, financial capability and other relevant factors listed in the request for bids, proposals or qualifications*;
4. Applicable state and federal debarment rules and lists; and
5. Any purchase involving certain determinations as allowed or required by law, including anytime this policy is explicitly referenced as being applicable.

The purpose of this policy is to assist the City in determining when one or more of these criteria apply, how to determine whether a

prospective vendor meets them, whether suspension or debarment should occur, and, finally, creation of a procedure for consideration and possible imposition of suspension or debarment. This policy is not intended to limit but rather to assist the City in making such determinations.

This Policy does not apply to a contract for professional services, as that term is defined and regulated pursuant to Chapter 2254 Texas Government Code. Nothing in this chapter may be construed as depriving the City the right to reject any bid, proposal or request for qualifications at any time prior to the actual awarding of a Contract pursuant to applicable law.

## **19.02 Definitions**

*"Affiliate"* means a person or business entity that has a relationship with a vendor as follows:

1. is the assignee, successor, subsidiary, or parent company, of the subject vendor;
2. is a controlling stockholder; member; owner; partner; officer; director; or management level employee of the subject vendor;
3. is a business entity with the same or similar management of the subject vendor;
4. acts as surety, agent or otherwise acts on behalf of vendor;
5. performs services or provides supplies to the subject vendor; or.
6. is otherwise directly or indirectly controlled, or has the power to be controlled, by the subject vendor. Indicia of control includes but is not limited to the following; similar management, directorship, membership, partnership, or ownership; identity of interest among relatives; shared facilities, equipment, or employees; creation of a business entity soon after the debarment, suspension or proposed debarment of a person or business entity which has the same or similar management, directors, owners, partner or principal employees as the subject vendor that was debarred, suspended or proposed for debarment.

*"Debar"* or *"Debarment"* means the disqualification of a prospective vendor for a specified period of time or indefinitely, from directly or indirectly contracting with the City in accordance with this chapter.

*"Relative"* means an individual related by consanguinity (blood) or affinity within the second degree as determined by the common law.

*"Suspend" or "Suspension"* means the temporary debarment of a vendor pending the outcome of some stated future occurrence, including but not limited to, an indictment, a debarment proceeding or some other legal proceeding the City determines may potentially detrimentally impact performance under an actual or proposed City contract.

*"Vendor"* means, in addition to the meaning of the term as applied to individuals and companies alike who provide goods and services to the City as set forth in Chapter 2 hereof, those prospective vendors who properly vie for a City Contract yet may not necessarily be awarded one.

### **19.03 Suspension**

The City Manager, after consultation with the City Attorney, may immediately suspend a vendor when there is a current proposal for debarment, or if there is a pending indictment or other legal proceeding that may, in the judgment of the City Manager, potentially detrimentally impact performance under an actual or proposed City contract. The vendor should be suspended for the lesser of the initial period of ninety (90) calendar days or until the City Manager or City Council makes a final determination with respect to the debarment in accordance with this policy. The initial suspension period may be extended by the City Manager or City Council, as the case may be, for up to two (2) additional thirty (30) calendar day periods. The effect of suspension shall be the same as for debarment unless otherwise stated in the suspension.

### **19.04 Reasons for Debarment**

A vendor may be suspended and/or debarred if vendor is:

1. Presently debarred, suspended or proposed to be, or is voluntarily excluded from contracting with City or with another governmental entity if based upon causes consistent with this policy when the other governmental entity has written procedures in place that are sufficient to afford due process; or anytime applicable state or federal rules require debarment or suspension.
2. Criminally indicted, convicted, has a civil judgment for, or makes a public admission of, is under investigation for any act or omission relating to a public contract, subcontract, performance of services or supplies to a governmental entity, or any act or omission that could detrimentally

affect performance of a contract with City if such act or omission were performed against the City. This includes but is not limited to embezzlement, theft, bid rigging, perjury, forgery, bribery, falsification or destruction of invoices or other official records or documents, conspiracy, collusion or receiving stolen property or services;

3. Performing or omitting to perform, or has previously performed or omitted to perform, any act or omission that may indicate an unacceptable lack of fiscal responsibility, business integrity, or capability to perform as a vendor to the City. This includes but is not limited to declaration of bankruptcy or general inability to make payments to creditors; loss of certifications or licensing needed to perform a contract, abandoning or failing to complete work, performing defective work or failing to correct defective work, failing to perform work as set forth under a contract, failing to comply with various laws, failing to perform in a timely manner, failing to perform safely, failing to disclose pertinent information relating to contracts including anomalies in payments and performance, or any other cause so serious or compelling that it affects the present proposed contract;
4. Involved in a lawsuit or disputed claim initiated by vendor against City or being otherwise indebted to the City; or
5. Known to have consistently, frequently or historically performed acts or omissions of one or more of the above recited matters.

Such reasons for suspension and debarment may apply to both vendor and vendor's affiliates.

When considering debarment and/or suspension, the seriousness of the acts or omissions and any remedial measures or mitigating factors should be considered in making a decision.

## **19.05 Process for Suspension and Debarment**

1. When Applies.

The existence of a cause for suspension or debarment does not necessarily require suspension or debarment; however, when suspension or debarment is being considered, the following process should apply.

2. Request to Consider Suspension or Debarment.

A Department Director may request the City Manager to consider suspension and/or debarment of a vendor. After

reasonable notice and after reasonable opportunity to such vendor to be heard, the City Manager, after consultation with the City Attorney, shall have the authority to suspend and/or debar the vendor.

The notice shall be sent in any written form, including facsimile transmission, e-mail and by certified mail, return receipt requested, and shall include:

- a. A statement that the vendor will be placed on possible suspension or debarment,
- b. An identifying solicitation or contract number (if applicable);
- c. A description of the facts that are the reason for possible suspension or debarment;
- d. A copy of this policy;
- e. The length of time the vendor may be suspended or debarred; and
- f. Information regarding the right to protest a possible suspension or debarment, provided the protest is received in writing by the City Manager within ten (10) calendar days after the vendor has received notice of possible suspension or debarment.

3. Request for Hearing.

The request for the opportunity from vendor to be heard shall be timely submitted in writing and shall include all relevant data and adequate evidence to refute the request for suspension or debarment and should include at a minimum the following:

- a. The vendor's name, address, telephone number, e-mail address and point of contact;
- b. The identifying number of the solicitation or contract, if applicable; and
- c. A detailed statement of the factual grounds for the protest, including copies of relevant documents.

4. Determination after Hearing.

The City Manager shall hold a hearing with the vendor and whomever else the City Manager determines should be present, and shall make a written determination that includes citing the reason(s) for the suspension and/or debarment, and the length of time for same. This should be done within fifteen (15) calendar days after receipt of the written protest from the vendor and/or affiliate as



applicable.

After conferring with the City Attorney, the City Manager has the authority to settle or resolve a protest of a possible suspension or debarment subject to an appeal to City Council described herein. Vendor may appeal the City Manager's determination by providing written notice of same within ten (10) days from receipt of the City Manager's written determination. Otherwise, the City Manager's decision is final.

In the event vendor files a timely written notice to appeal the City Manager's decision, such notice must address the same items required as for the protest to the City Manager. In cases of an appeal to the City Council, the hearing before Council should be held within fifteen (15) days from such appeal or as soon thereafter as possible. The decision made by the City Council for an appeal from the City Manager's determination is final.

6. Determination without Hearing.

In the event vendor does not request to be heard within ten (10) calendar days after receiving notice of possible suspension or debarment, the vendor waives the right to protest same.

The City Manager, or City Council when applicable, shall approve, disapprove or modify the recommended suspension and/or debarment. All suspensions and/or debarments must be set forth in writing and a copy of same provided to the protesting vendor, the City Attorney, the Purchasing Manager and the Department Director requesting the suspension and/or debarment.

## **19.06 Effect of Debarment or Suspension**

1. General. When a vendor is suspended or debarred, it shall mean that the City determines vendor does not meet one or more criteria upon which it may award a City contract in accordance with applicable law, including determining vendor as failing to be the lowest responsible bidder, not providing the best value, including reputation of the bidder and of the bidder's goods or services, or that vendor lacks experience and reputation, quality, personnel, financial capability or other relevant factors listed in the request for bids, proposals or qualifications, as the case may be. This

may result in the award of contracts to a person other than the subject vendor during the suspension or debarment period even if subject vendor is the lowest bidder and/or has otherwise properly responded to the City's request for solicitations, including bids, proposals or qualifications.

2. Length of debarment. Length of debarment will typically range from one year up to five years as determined appropriate pursuant to this chapter. In rare cases, it may be recommended to debar a vendor and/or its affiliates longer up to an indefinite period of time.
3. Vendor Prohibitions. When a vendor is suspended or debarred, all of the following prohibitions shall apply unless the determination of suspension and/or debarment expressly limits such suspension or debarment to prohibit only some of the items listed below. During the period of suspension and/or debarment, the vendor shall not:
  - a. be awarded a contract;
  - b. execute a contract with the City;
  - c. directly or indirectly participate in a City contract as a contractor, subcontractor, material supplier, or employee of a prime contractor or another subcontractor for work on a City contract;
  - d. conduct business with the City as an employee, agent or representative of another person, vendor, or business entity; or
  - e. become an affiliate to another City vendor.
4. City Options. During the period of suspension or debarment the City may do some or all of the following:
  - a. Not solicit bids, proposals or request for qualifications from a suspended or debarred vendor;
  - b. Terminate any or all existing contracts with the suspended or debarred vendor as set forth below;
  - c. Not approve nor award a contract to the suspended or debarred vendor; or
  - d. Not approve a contract where the suspended or debarred vendor is an affiliate so is indirectly involved in a contract with a different vendor. In such case, the suspension or debarment shall be construed to apply also to the vendor with which the City may contract but only as to such contract. Further, City's consent to a non-suspended or non-debarred vendor contract does not include consent to

any suspended or debarred vendor activity in connection with such City contract or project.

5. Applicability. When invoked, suspension or debarment applies to all divisions or other organizational elements of the vendor. **The City may extend the suspension or debarment to include any affiliates of the vendor if they are (a) specifically named; and (b) given written notice of the proposed suspension and/or debarment and an opportunity to avail themselves of the process herein.**
6. Effect of Transfers. When a suspended or debarred vendor sells or otherwise transfers its business to a relative, affiliate, or to any other vendor over whose actions the suspended or debarred vendor exercises substantial influence or control, then that relative, affiliate or other vendor is automatically suspended or debarred or proposed for debarment or suspension to the same extent as the seller or transferor is debarred, suspended or proposed for same.
7. Additional City Options. Except as otherwise provided in this section and notwithstanding the debarment, suspension, or proposed debarment or suspension of a vendor, the City may continue contracts or subcontracts it has with such vendor that are in existence at the time if such is deemed by the City Manager to be in the City's best interests at that time. If the basis of a vendor's debarment or suspension is so serious that the City Manager believes that immediate termination of existing contracts is advisable, the City Manager may do so after consultation with the City Attorney to ensure the lawful manner and means for the proposed action(s). In general, the City should not renew or otherwise extend the duration of current contracts, or consent to subcontracts, with debarred or suspended vendors, unless the City Manager finds compelling reason(s) for renewal or extension.

## **19.07 Exceptions**

The City May contract with suspended or debarred vendors in the following circumstances:

1. The City Manager determines in writing that there is a compelling reason for such an action;
2. The contract is necessary due to a public emergency or

calamity;

3. The contract is necessary to preserve or protect the public health or safety of the municipality's residents; or
4. The goods or services to be procured are available from the suspended or debarred vendor as the only source.

#### **19.08 Agreement Not to Bid in Lieu of Debarment**

In lieu of debarment, the City may, but is not required to, offer a vendor and/or affiliate the opportunity to execute a written agreement not to bid or otherwise respond to a solicitation for products or services for the City for an agreed period of time, in lieu of the City's pursuing a debarment under this chapter. By executing such an agreement, the vendor shall consent to waive a debarment review and the agreement will not constitute a debarment.

## Chapter 20: Disposal of Unclaimed, Surplus or Obsolete Property

Effective Date	September 22, 2011
Submitted By Asst. Finance Dir	Cheryl K. Jurney, C.P.M.
Reviewed By Exec Dir of Business Svcs	Jeff M. Kersten
Reviewed By Legal	Michaela
Approved By City Manager	W. Adkins

### Abandoned Or Unclaimed Property

The disposition of abandoned or unclaimed property shall be made in accordance with Article 18.17 of the Code of Criminal Procedure as it may be amended from time to time.

### Salvage Or Surplus Property

Salvage Property - personal property, other than items routinely discarded as waste, that because of use, time, accident, or any other cause is so worn, damaged, or obsolete that it has no value for the purpose for which it was originally intended.

Surplus Property - personal property that:

- (i) is not salvage property or items routinely discarded as waste;
- (ii) is not currently needed by the City,
- (iii) is not required for the City's foreseeable needs; and
- (iv) possesses some usefulness for the purpose for which it was intended.

### Disposition of Surplus

It is the intent of this section to dispose of salvage or surplus property within 30 days of identifying it as such, except the applicable time period for vehicles and heavy equipment shall be 180 days. This will maximize the value of salvage and surplus property by avoiding hidden costs such as storage, maintenance, and obsolescence. A Department that determines it has surplus or salvage property should inform the Finance Department of the property's kind, number, location, condition, original cost or value, and date of acquisition.

## **Methods of Disposal**

*Recycling:* Recycling is a key component of waste management and helps in the conservation of energy and natural resources while reducing waste. City Departments should attempt to recycle when it is determined to be the most cost effective and environmentally sound way of managing waste. Departments should maximize the life of City property by reusing property whenever possible, recycling all acceptable materials, disposing only of what is necessary and buying recycled products when appropriate.

*Auction or Competitive Bidding:* The Finance Department may periodically sell the City's surplus or salvage property by competitive bid or auction, except that competitive bidding or an auction is not necessary if the purchaser is another local government.

*Trade-In:* The Finance Department may offer the property as a trade-in for new property of the same general type if it is determined to be in the best interests of the City.

*Destruction:* The property may be destroyed or otherwise disposed of as worthless if the Finance Department undertakes to sell the property by auction or competitive bid and is unable to do so because no bids are received or if the property is considered salvage.

*Charitable Donations:* The Finance Department may dispose of the property by donating it to a non-profit, civic or charitable organization taking the following into consideration:

- i. Pursuant to any applicable statutory provisions;
- ii. If undertaking to sell the property by auction or competitive bid would likely result in no bids or a bid price that is less than the City's expenses required for the bid process;
- iii. The donation serves a public purpose; or
- iv. The organization will provide the City with adequate consideration, such as relieving the City of transportation or disposal expenses related to the property;

## **Exceptions**

*Fleet:* The inter-departmental transfer of vehicles and heavy equipment shall be coordinated by the Fleet Manager or his designee. Once Fleet has exhausted the equipment's useful life by transferring it to other City Departments, Fleet may choose any of the methods described above to dispose of the vehicles and heavy equipment in the most cost effective manner it

determines is appropriate. The City may exercise a repurchase option when disposing of property if the repurchase price of the equipment is contained in a previously accepted purchase contract.

*Information Technology:* The inter-departmental transfer of computer, communication devices and other high technology items shall be coordinated by the IT Director or his designee. Once IT has exhausted the equipment's useful life by transferring it to other City Departments, IT may choose any of the methods described above to dispose of high technology equipment in the most cost effective and environmentally friendly manner it determines is appropriate.

*Firefighting Equipment and Supplies:* The City may choose to donate its surplus equipment, supplies, or other materials used in fighting fires to the Texas Forest Service or to a successor agency authorized to cooperate in the development of rural fire protection plans.

**Notice** Notice of available surplus property may be posted on the City's intranet, the City's website, or through an internet auction site offering online bidding.

**Record** The Finance Department shall keep a record of each item of surplus or salvage property sold and the sale price of each item. The City shall keep a record of each item disposed of for a period of one year.

**Proceeds** The Finance Department shall deposit the proceeds from the sale of salvage or surplus property into the City treasury to the credit of the general fund or the fund from which the property was purchased.

**Disposition of Seized Weapons, Explosive Weapons, or Other Prohibited Contraband** The disposition of gambling paraphernalia, prohibited weapon, criminal instrument, and other contraband shall be made in accordance with Article 18.18 of the Code of Criminal Procedure as it may be amended from time to time.

The disposition of explosive weapons and chemical dispensing devices shall be made in accordance with Article 18.181 of the Code of Criminal Procedure as it may be amended from time to time.

The disposition of seized weapons shall be made in accordance with Article 18.19 of the Code of Criminal Procedure as it may be amended from time to time.