

ORDINANCE NO. 1123-04-17

AN ORDINANCE AUTHORIZING ADOPTING A PURCHASING POLICY AND PROCEDURES FOR ANY EXPENDITURES FOR SUPPLIES AND SERVICES AND AUTHORIZING THE CITY MANAGER TO APPROVE ANY EXPENDITURE BELOW \$50,000 FROM BUDGETED FUNDS, PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE; AND REPEALING ANY ORDINANCE IN CONFLICT.

WHEREAS, in an effort to streamline purchasing operations and to clearly establish a purchasing policy and guidelines for all purchases of services, goods and supplies; and

WHEREAS, it is the goal of the City of Hondo to provide a streamline purchasing process that is efficient while at the same time complying with all applicable state and local laws and it has been the policy of the City to require City Council approval for all contracts whose value is greater than fifty thousand dollars (\$50,000); and

WHEREAS, the City Manager will be allowed to use a streamline process for any purchase below \$50,000 in accordance with the attached Policy and will require City Council approval for any expenditure equal to or greater than \$50,000; and

WHEREAS, the City will still have the following safeguards: expenditure of funds would have to be in the Council's approved budget; expenditure of funds must still comply with the City's Purchasing Policy; the City has a yearly audit and the expenditure and authorization of funds will be reviewed by the outside Auditor.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS:

SECTION 1. The City Manager shall have authority for any purchase less than fifty thousand dollars (\$50,000); City Manager will be allowed to utilize a streamline purchase in accordance with the attached Policy for costs below \$50,000 as long as Council approves all contracts greater than fifty thousand dollars (\$50,000).

SECTION 2. The **Purchasing Policy and Procedures, attached as Exhibit A**, is adopted and shall be followed by City staff for all purchases of services, goods and supplies.

SECTION 3. SEVERABILITY CLAUSE: If any section, subsection, phrase, sentence or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be stricken from the ordinance, and such holding shall not affect the validity of the remaining portions thereof. The balance of the ordinance shall be construed as one instrument and as if the offending portion had not been included.

SECTION 4. SAVINGS CLAUSE: All ordinances or parts of ordinances, in conflict herewith are to the extent of such conflict hereby repealed. The balance of such ordinance is hereby saved from repeal.


SECTION 5. EFFECTIVE DATE: This Ordinance shall be effective immediately upon the passage hereof

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, THIS 24th DAY OF APRIL 2017.



JAMES W. DANNER, SR., MAYOR

ATTEST:



GLORIA COLBATH
CITY SECRETARY



Exhibit A

PURCHASING POLICY AND PROCEDURES



City of Hondo, Texas

**PURCHASING
POLICY
AND
PROCEDURES
MANUAL**

April 2017

INTRODUCTION

This is the Purchasing Policy and Procedures Manual (manual) for the City of Hondo, Texas (City). Various City staff members have prepared this manual to inform each City department about the City's purchasing processes.

City purchasing procedures are governed largely by Texas law. Therefore, state law is the primary authority on the validity of purchasing procedures. Because the procedures described in this manual derive from state law, at times and where appropriate, this manual uses language taken directly from state statutes. At other times, the manual paraphrases and generalizes state law in an effort to assist in the understanding and application of purchasing requirements. That said, this manual cannot and does not address every purchasing situation; thus, when an unusual situation occurs or a difficult factual or legal issue arises, the exact statutory language must be carefully reviewed and analyzed.

The Finance Department will assist each department with procuring quality goods and services that are required to provide our citizens and customers with the services that they expect. The goal of the Finance Department is to secure the lowest, responsible cost for the City.

MISSION, VISION, AND GOALS
WITH RESPECT TO CITY PURCHASING

Mission: To generate fair and open competition to receive the best prices, terms, and conditions on purchases for the City.

Vision: To serve the citizens and customers of the City through greater efficiencies, both in terms of economy and services, and the procurement of quality supplies, equipment, and services.

Goals:

1. Establish policies and procedures that maintain the integrity of the purchasing process encourage competition, and achieve cost savings.
2. Procure goods and services of the requested quality and quantity from responsible sources using the most efficient and economical means and at the best possible price and to have them available when and where they are needed.
3. Improve the speed of delivery of supplies, equipment, and services through planning and predetermining through supply contracts or other means, the available purchasing sources before an actual need becomes known and when possible, to take advantage of quantity and special discounts.
4. Comply with state and federal laws and this manual during the procurement and purchasing process.

POLICY & PROCEDURES

1. POLICY STATEMENTS.

A. Public interest. The City will conduct all purchasing – whether for goods or services – on the basis of economic and business merit. This policy is intended to promote the best interests of the City's citizens and customers.

B. Use of competitive bidding. City purchasing must operate in full view of the public. To assure an open, transparent purchasing process with the goal of obtaining the lowest possible price, the City Council has determined that the City will use competitive bidding as much as possible in the purchase of goods and services.

C. Employee support. The City seeks to maintain a cost effective purchasing system conforming to good management practices. To be successful, all employees must support the system. The establishment and maintenance of a good purchasing system is possible only through cooperative effort.

D. Planning. The purchasing process is not instantaneous. Planning is required to complete the steps required by state law and this manual. Again, a cooperative effort is required to accomplish the timely purchasing of goods and services at the lowest possible price.

E. Compliance with state law and manual. City officers and employees must comply with state procurement laws and this manual with respect to purchasing. Where a question or issue arises, an employee should not hesitate to contact the Purchasing Agent for guidance. Failure to comply with state law or this manual may result in disciplinary action being taken against the employee, up to and including termination. As specified below, violations of state laws concerning competitive bidding may also result in criminal convictions.

2. PURCHASING AUTHORITY

A. Purchasing Agent. The City Manager, pursuant to the City's Charter and City Council's approval of this manual, has delegated purchasing authority and responsibilities to the Purchasing Agent. The Purchasing Agent is an employee of the Finance Department. The Purchasing Agent must use this authority to purchase goods and services for the City in conformance with this manual. In certain instances, and as specified in this manual, the City Manager has also granted this authority to specified employees, which in turn have been authorized by their Department Directors. In no case shall purchasing authority be delegated to an employee or other person who has not been authorized by the City Manager or a Department Director.

B. Responsibilities of Purchasing Agent. The Purchasing Agent's responsibilities include the following:

1. The Purchasing Agent is responsible to ensure compliance with state laws and this manual and to ensure that purchasing is practiced in a fully open, transparent, competitive, and ethical environment.
2. The Purchasing Agent will assist departments with identifying potential vendors or contractors or researching any information needed to make purchases.

3. The Purchasing Agent will assist departments in developing specifications for the purchase of goods and services along with the desired delivery schedules.
4. The Purchasing Agent will encourage competition between vendors and contractors through negotiations, competitive bidding, and bulk purchasing by continuously monitoring requisitions from departments. This includes the consolidation of purchases where possible.
5. The Purchasing Agent will monitor and evaluate the performance of vendors and contractors.
6. The Purchasing Agent will solicit evaluations and recommendations from departments on bids received from vendors or contractors.
7. The Purchasing Agent will oversee the transfer and/or reuse of products and equipment between offices and departments or the sale of surplus, obsolete, or unused supplies, materials, or equipment.
8. The Purchasing Agent, where applicable, will assist departments with the testing of goods and services for compliance with specifications.
9. The Purchasing Agent, where applicable, will negotiate all warranties and service agreements.
10. The Purchasing Agent will recommend the use of Cooperative Purchasing Agreements, Interlocal Agreements, and purchasing contracts for price and performance when in the best interest of the City.
11. The Purchasing Agent will consult with the City Attorney to assure forms and contracts are current and approved for their intended use.
12. The Purchasing Agent will ensure contracts are not awarded to debarred, suspended, or ineligible contractors and service providers.

C. Responsibilities of Department. A Department has the following responsibilities with respect to making and managing the expenditure of funds to acquire goods or services for the City. In this manual, "Department" refers to the group of employees responsible for a service(s) or a particular set of duties (e.g., the Public Works Department) and it also refers to the employee(s) within each Department that is authorized and responsible for making purchases.

1. A Department must determine the availability of budgeted funds in the appropriate category before requesting any purchase. The Finance Department will return purchase requisitions if funds are not available and will not restart processing the requisition until the Department addresses this issue.
2. A Department, where required, must submit all purchasing requests to the Purchasing Agent to allow sufficient time to comply with the procedures established by this manual.
3. A Department will plan and budget to eliminate and/or reduce work stoppages and rush ordering.
4. A Department, with the assistance of the Purchasing Agent, must provide minimum specifications for goods and services by completing the detailed specification form. A Department must write the specifications to encourage competition, whenever possible.

5. A Department that believes that a product, equipment, or service is only available through a sole source must provide a written explanation and justification for the purchase in accordance with this manual.
6. A Department will use existing City contracts when available for all purchases. Existing contract must be for similar services or goods and may not exceed the authorized contract amount unless amended.
7. A Department must immediately and thoroughly inspect all deliveries of goods and equipment and determine their quality and conformance with specifications.
8. A Department must immediately notify the respective Vendor upon the discovery of an incorrect order or damaged products, materials, or equipment. When applicable, a Department must seek the assistance of the Purchasing Agent to help rectify the incorrect order or damaged goods.
9. A Department will continuously monitor the performance of goods and services and immediately report any deficiencies or violations in the performance of a contract to their respective Department Director and, when applicable, to the Purchasing Agent.
10. Where possible and when applicable, a Department's communications with vendors or contractors regarding purchasing should be arranged through and under the direction of their Department Director and/or the Purchasing Agent. This practice may include the evaluation of samples or products.
11. A Department must provide the Purchasing Agent with a copy (email preferred) of any correspondence between a vendor or contractor and the Department.

3. BASIS FOR PURCHASING

A. Purchasing authority under state law.

1. Pursuant to state law, before the City may enter into a contract that requires expenditure greater than \$50,000.00, the City must comply with the procedure established by state law for competitive sealed bidding or competitive sealed proposals. (See Ch. 252, TX. Local Gov't Code)
2. Pursuant to state law, the City may use the competitive sealed proposal procedure to purchase goods and services, including high technology items and insurance. (See §252.021(b), TX. Local Gov't Code)
3. The City Council, pursuant its adoption of this manual and in accordance with state law, has delegated to the City Manager, or designee, the authority to determine the purchasing method, including competitive sealed bids, competitive sealed proposals, or otherwise, which provides the best value to the City. (See §252.021(c), TX. Local Gov't Code)
4. Pursuant to state law, the City, in making expenditure greater than \$3,000.00 but less than \$50,000.00, must contact at least two historically underutilized businesses (HUB) on a rotating basis, based on information provided by the state comptroller. If the state's list fails to identify an eligible HUB, the City is exempt from this requirement. (See Ch. 252.0215, TX. Local Gov't Code)
5. The City is entitled to reject any and all bids. (See §§ 252.043(f), 271.027(a), TX. Local Gov't Code)

B. Exemptions from the requirement of competitive bidding*. Pursuant to state law, the following purchases do not require competitive bidding (some exemptions are explained more fully in other sections of this manual):

1. a purchase made because of an emergency;
2. a purchase for personal, professional, or planning services;
3. a purchase for work that is performed and paid for by the day as the work progresses;
4. a purchase of land or a right-of-way; and/or
5. a purchase of items that are available from only one source ("sole source"), including:
 - a. items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies;
 - b. films, manuscripts, or books;
 - c. gas, water, and other utility services;
 - d. captive replacement parts or components for equipment;
 - e. books, papers, and other library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials; and
 - f. management services provided by a nonprofit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits;
 - g. a purchase of rare books, papers, and other library materials for a public library;
 - h. paving, drainage, street widening, and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements;
 - i. a public improvement project, already in progress, authorized by the voters of the municipality, for which there is a deficiency of funds for completing the project in accordance with the plans and purposes authorized by the voters;
 - j. a payment under a contract by which a developer participates in the construction of a public improvement as provided by Subchapter C, Chapter 212, TX. Local Gov't Code;
 - k. personal property sold:
 - 1) at an auction by a state licensed auctioneer;
 - 2) at a going out of business sale held in compliance with Chapter 17, Subchapter F, TX. Business & Commerce Code;
 - 3) by a political subdivision of this state, a state agency of this state, or an entity of the federal government; or
 - 4) under an Interlocal contract for cooperative purchasing administered by a regional planning commission established under Chapter 391;
 - l. services performed by blind or severely disabled persons;
 - m. goods purchased by a municipality for subsequent retail sale by the municipality;
 - n. electricity; or
 - o. advertising, other than legal notices. (See §252.022, TX. Local Gov't Code)

*Any questions or concerns regarding an exemption to the requirement of competitive bidding should be referred to the City Attorney.

C. Procurement of professional services.

1. State law prohibits the City from obtaining certain professional services through competitive bidding. The Professional Services Procurement Act provides that the City may not use competitive bidding procedures when seeking professional services. Instead, the City must award a professional

services contract on the basis of “demonstrated competence and qualification” for the performance of that particular type of professional service. (see Ch. 2254, TX. Gov’t Code)

2. City may not use fees as selection criteria and must follow the process outlined in paragraph 4 of this Section. Fees must be fair and reasonable, consistent with and not in excess of published recommended practices and fees of applicable professional organizations, and not in excess of any maximums specified by state law.

3. “Professional services” includes services within the scope of the practice of accounting, architecture, optometry, professional engineering; this includes services performed by any licensed architect, optometrist, physician, surgeon, certified public accountant or registered professional engineer in connection with his or her professional employment or practice.

4. In procuring architectural, engineering, or land surveying services, the City must first select the most highly qualified provider of those services on the basis of demonstrated competence and qualifications; and then attempt to negotiate a contract with that provider at a fair and reasonable price. If a satisfactory contract cannot be negotiated with the most highly qualified provider of architectural, engineering, or land surveying services, the City must 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 must continue this process to select and negotiate with providers until a contract is entered into.

D. Purchases through a state contract. The state comptroller may perform purchasing services for local governments. A city that makes purchases under such a contract satisfies all state competitive bidding laws. Depending on expenditure levels, appropriate approvals are still required for this type of purchase. (see Ch. 271, Subch. D, TX. Local Gov’t Code). If the City pursues a purchase through a state contract, the City Council pursuant to Section 271.083 shall file the required Resolution with the State authorizing the City to participate in such a program.

E. Cooperative purchasing programs. Pursuant to state law, the City may participate in a cooperative purchasing program with another local government or a local cooperative organization. A city that makes purchases under such a program satisfies all state competitive bidding laws. Depending on expenditure levels, appropriate approvals are still required for this type of purchase. (see Ch. 271, Subch. F, TX. Local Gov’t Code). If the City pursues the purchase through a cooperative purchasing program with another local governmental entity, pursuant to Section 271.102, the City may enter into an Agreement with the local entity authorizing the City to participate in such a program.

F. Interlocal cooperation. State law authorizes the City to enter into cooperative purchasing agreements with other jurisdictions (see Ch. 791, TX. Gov’t Code). In addition, state law authorizes the extension of state bids and contracts to participating local governments under certain conditions. Depending on expenditure levels, appropriate approvals are still required for this type of purchase. (see Ch. 271, Subch. D, TX. Local Gov’t Code). If the City pursues the purchase through a cooperative purchasing program with another local governmental entity, pursuant to Chapter 791, the City shall enter into an Interlocal Agreement with the local entity.

G. Local preference.

1. If two or more bidders have bids that are identical in nature and amount, with one bidder being a resident of the City and the other bidder or bidders being non-residents, the City must select the resident bidder. (see §271.901, TX. Local Gov’t Code)

2. If purchasing real property or personal property that is not affixed to real property and the City receives one or more bids from a bidder whose principal place of business is in the City and whose bid is within three percent (3%) of the lowest bid price received from a bidder who is not a resident of the City, the City may enter into a contract with either the lowest bidder or the bidder whose principal place of business is in the City; however, if the City awards the contract to the resident bidder, the City Council must determine, in writing, that the local City 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 City residents of the local government and increase tax revenues to the City. (see §271.905(b), TX. Local Gov't Code)

3. For contracts less than \$100,000 for construction services or less than \$500,000 for other purchases, if the City receives one or more competitive bids or quotations from a bidder whose principal place of business is in the City and whose bid is within five percent (5%) of the lowest bid price received by the City from a bidder who is not a resident of the City, the City may enter into a contract with the lowest bidder or the bidder whose principal place of business is in the City if the City Council determines, 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 of the City and increased tax revenues to the City. (see §271.9051, TX. Local Gov't Code)

H. Bonding for public works projects. State law requires contractors to submit bonds to the City for bids, payment, and performance of contracts on certain public works projects. State law establishes standards for when the bonds are required and the amount of the bond. A corporate surety duly authorized and admitted to do business in the State of Texas must issue the bonds. Although the term "public work" is not defined by statute, it is generally understood to mean the construction, repair, or renovation of a structure, road, highway, utilities, or other improvement or addition to real property. Bonds are required in the following amounts:

1. *Bid bond.* A bid bond, in the amount of 10% of the proposed contract price, is required where a contract is in excess of \$100,000.00.
2. *Performance bond.* A performance bond, in the total amount of the contract, is required if the contract is in excess of \$100,000.00.
3. *Payment bond.* A payment bond is required if the contract is in excess of \$50,000.00, in the total amount of the contract. The bond is intended solely for the protection of all claimants supplying labor and material in the prosecution of the work provided for in the contract.
4. *Maintenance bond.* In addition to the above statutorily required bonds, the City will require a maintenance bond for all public work projects for a minimum time period of one year. (see Ch. 2253, TX. Gov't Code)

I. Disqualification of bidder/proposer. Pursuant to state law, the City may reject any and all bids and/or reject a bid(s) on the basis that it is nonresponsive. In addition, the City may disqualify a bidder where there is a reasonable belief that the bidder might not be able to satisfactorily fulfill the contract or that past performance by the bidder has left grounds for suspecting that the bidder might not perform. The City will not take the act of disqualification lightly. The City may consider the safety and financial records of bidders and proposers. Where a bidder or proposer has had past unsatisfactory performance, the Department must document the experience by completing a Vendor Performance Form (see **Exhibit A**). Upon completion, the Department must forward the form to the Purchasing Agent who will maintain a list of bidders and proposers and their performance history.

J. Alternative delivery methods. Pursuant to state law, City Council may determine that the alternative delivery methods described by Chapter 271, Subchapter H, TX. Local Gov't Code, provide a better value for the City with respect to expenditures that exceed \$50,000.00 than the competitive bidding procedures described in Chapter 252, TX. Local Gov't Code. If such a determination is made, the City must use one of the alternative delivery methods described in Chapter 271, Subchapter H with respect to that expenditure.

K. Tax exempt status. The City is exempt from federal, state, and local taxes except in certain prescribed cases. An exemption certificate is available from the Finance Department. Upon request, a Department may furnish the certificate to any of the City's vendors or contractors.

M. Criminal penalties. State law provides criminal penalties where a city officer or employee fails to comply with competitive bidding requirements.

4. PURCHASING AMOUNTS–THRESHOLDS. The following table provides general guidelines for purchases and the procedures and approvals required (more specific information follows):

CITY OF HONDO APPROVAL REQUIREMENTS			
Total Amount of Request	Type of Bid/Quotes Required	Employee(s) Responsible for Bid/Quotes	Approvals Required
Goods/services costing \$50,000 or more	Competitive bids/proposals opened at a public meeting by the City Secretary & Purchasing Agent	Purchasing Agent, Department (Project Manager)	City Council & City Manager
Goods/services costing \$25,000 to \$49,999.99	3 Written Quotes based on like products	Purchasing Agent, Department (Project Manager)	Department Director & City Manager
Goods/services costing from \$5,000.00 to \$24,999.99	3 Written Quotes based on like products	Department	Department Director & City Manager
Goods/services costing up to \$4,999.99	Efforts made to obtain the best value for the City	Department	Department Director
Goods/services costing less than \$1,000	Efforts made to obtain the best value for the City	Department & individual employee	Employee with Department Director oversight

5. PURCHASES LESS THAN \$1,000.00. A Department that has budgeted funds, may purchase products, materials, or services up to \$999.99 from a vendor or contractor by the following method. Because the administrative cost of requesting competitive bids is not cost effective in this case, the competitive bidding procedure does not apply to purchases of \$999.99 or less. However, even though bids are not required for this purchase, a Department must still seek out the lowest possible pricing. Further, because a significant amount of small purchases may occur locally and in many cases result in the lowest or competitive pricing, a Department should consider local vendors and contractors for purchases in this amount. If expenditure is beyond the approved budget, such expenditure will require a budget amendment approved by the City Council. **NOTE:** All purchases at vendors that allow open purchase, with prior approval from the City, must be signed by the employee making the purchase. This also requires the signor to print their name for clarity.

6. **PURCHASES LESS THAN \$4,999.99.** A Department that has budgeted funds, may purchase products, materials, or services up to \$4,999.99 from a vendor or contractor by the following method. Because the administrative cost of requesting competitive bids would more likely be more than the amount that could be saved by receiving bids, the competitive bidding procedure does not apply to purchases of \$4,999.99 or less. However, even though bids are not required for this purchase, a Department must still seek out the lowest possible pricing. Further, because a significant amount of small purchases may occur locally and in many cases result in the lowest or competitive pricing, a Department should consider local vendors and contractors for purchases in this amount. If expenditure is beyond the approved budget, such expenditure will require a budget amendment approved by the City Council.

7. **PURCHASES LESS THAN \$ 25,000.00**

A. Three written bids. A Department must purchase goods and services that are estimated to cost less than \$25,000.00 by first developing written specifications and then using these specifications to obtain a minimum of three written bids (quotes). Written bids must be made on the vendor's or contractor's letterhead or on the bid form provided by the Purchasing Agent (see **Exhibit B**). Departments must attach copies of each written bid to the purchase order. Bids are valid for 6 months and will then automatically expire such that the City will need to obtain new bids.

B. Purchase requisition. All purchases shall require a purchase requisition initiated by the Department whose appropriation will be charged and a purchase order approved by the Finance Department. No contract or order shall be issued to any vendor or contractor unless and until the Finance Department certifies the availability of sufficient funds. Inclusion in an approved budget does not automatically entitle the Department to the goods or services requisitioned.

C. Historically underutilized business. State law (§252.0215, TX. Local Gov't Code) requires Texas cities to contact at least two (2) historically underutilized businesses (HUB) on a rotating basis when making any expenditure of more than \$3,000 but less than \$50,000. The HUB must be based on information provided by the Texas Comptroller (see www.window.state.tx.us/procurement). If the list fails to identify a disadvantaged business in Medina County or if the purchase is an emergency (see §17 of the manual below), the City is not required to follow this requirement.

D. Sequence for purchases less than \$25,000.00

1. The Department staff requests purchase approval from their Department Director and after approval, sends a purchase request via the City's purchasing software with minimum requirements, such as description, at least three quoted unit price, quantity, at least three quoted total price, delivery/freight costs, payment terms, account code, vendor/contractor name. The Finance Department will then certify the availability of funds and accuracy of account code(s).

2. Finance Department and/ or the Purchasing Agent must verify the receipt of written, competitive bids, proposals or current contracts and then assign a purchase order number.

3. The Department will place the order, receive the product, verify accuracy of product, and submit a printed purchase order with invoice attached for payment to Accounts Payable. If expenditure is beyond the approved budget, such expenditure will require a budget amendment approved by the City Council.

7. **PURCHASES BETWEEN \$25,000.00 AND \$49,999.99**

A. Authority. The Department Director has authority to make purchases in the amounts between \$25,000.00 and \$49,999.99. Any such purchase must be for an item or service that was approved within the budget.

B. Three written bids. Prior to any purchase of goods or services that are estimated to cost between \$25,000.00 and \$49,999.99, the Department, with assistance from the Purchasing Agent, must develop written specifications. The Department will then use these specifications to obtain a minimum of three written bids (quotes). Written bids must be made on the vendor's or contractor's letterhead or on the bid form provided in this manual (see **Exhibit B**). The Department will attach copies of each written bid to the purchase request. Bids are valid for 6 months and will then automatically expire such that the City will need to obtain new bids.

C. Purchase requisition. All purchases shall require a purchase requisition initiated by the Department whose appropriation will be charged and a purchase order approved by the Finance Department and/or the Department Director. No contract or order shall be issued to any vendor or contractor unless and until the Finance Department certifies the availability of sufficient funds. Inclusion in an approved budget does not automatically entitle the Department to the good or service requisitioned. If expenditure is beyond the approved budget, such expenditure will require a budget amendment approved by the City Council.

D. Historically underutilized business. State law (§252.0215, TX. Local Gov't Code) requires Texas cities to contact at least two (2) historically underutilized businesses (HUB) on a rotating basis when making any expenditure of more than \$3,000.00 but less than \$50,000.00. The HUB must be based on information provided by the Texas Comptroller (see www.window.state.tx.us/procurement). If the list fails to identify a disadvantaged business in Medina County or if the purchase is an emergency (see §17 of the manual below), the City is not required to follow this requirement.

E. Sequence for purchases between \$25,000.00 and \$49,999.99.

1. Departments, with assistance from the Purchasing Agent, develop detail specification for the items/goods to be purchased, obtain at least three written quotes, completes a purchase request form (see Exhibit B) and submits it to the Department Director for review and approval. After approval, the Department submits purchasing request form, written quotes, and detailed specification form to the purchasing agent.
2. The Purchasing Agent will create a purchase request via the City's purchasing software with minimum requirements, such as description, at least three quoted unit price, quantity, at least three quoted total price, deliver/freight costs, payment terms, account code, vendor/contractor name. The Finance Department will then certify the availability of funds and accuracy of account code(s).
3. The Department will then assign a purchase order number.
4. The Department, following approval by the City Manager, will place the order.

8. PURCHASES GREATER THAN \$50,000.00

A. Authority. State law (see §252.021, TX. Local Gov't Code) provides that purchases estimated at greater than \$50,000.00 require advertising which requests sealed bids or proposals. The Purchasing Agent is responsible for the advertisement and distribution of the requests for bids or proposals. City Council is responsible for selecting and approving the bid or proposal, in accordance with state law.

B. Sequence for purchases greater than \$50,000.00.

1. A Department must initiate the bid process by completing a Request for Purchasing (see **Exhibit C**) to obtain an Invitation to Bid (ITB), Request for Proposal (RFP), or Request for Qualifications (RFQ).
2. Departments must avoid any act or practice of component, consecutive, or sequential purchases.
3. The Department is responsible for preparing or aiding the Purchasing Agent in the preparation of specifications for bids.
4. The Purchasing Agent will assign the bid a number or group it with other like items in an existing bid.
5. The Purchasing Agent will prepare bids and bidder mailing lists. After consulting with the Department, the Purchasing Agent will set the bid advertising dates and schedule the bid opening date and time. Where appropriate, the Purchasing Agent will utilize website notices for national advertising.
6. The City Secretary will receive bids and maintain them in a locked file until the date of the bid opening. At the time of the bid opening, the City Secretary will present all bids to the Purchasing Agent for opening, review, and analysis. The City will reject as nonresponsive any bid or proposal which is received after the due date and time. The time stamp in the City Secretary's Office will be the official time. Bid or proposal openings are open to the public.
7. The Purchasing Agent will conduct bid or proposal openings. Such opening will take place in Council Chambers or at the place designated in the advertisement and notice.
8. The Purchasing Agent will prepare tabulation for each item or group of items and after opening the bids, will read them aloud. The Purchasing Agent will consult with the Department for consensus of a recommendation.
9. Pursuant to state law, the City must award bids on the basis of the lowest responsible bidder or the bid that provides the best value. As for "best value", the City, pursuant to law, may consider:
 - a. the price;
 - b. reputation of the bidder;
 - c. reputation of the bidder's goods or services;
 - d. the quality of the bidder's goods or services;
 - e. the extent to which the goods and services meet the City's needs;
 - f. the bidder's past relationship with the City;
 - g. the impact to the City's ability to comply with HUB requirements;
 - h. total long-term cost to the City of acquiring the goods or services; and
 - i. any relevant criteria that the City listed in its ITB or RFP (see §252.043, TX. Local Gov't Code).
10. In the event of a disagreement between the Department and the Purchasing Agent, City Manager or his/her designee, will determine the recommendation to Council.
11. The Purchasing Agent, with Department input, will prepare an agenda bill with the staff recommendation for Council approval and award.
12. The Department will use the City's purchasing software to submit a requisition to the Purchasing Agent for processing.
13. City Attorney shall review agenda bill and recommended contract prior to City Council approval.

14. City Council shall consider staff recommendation for approval and award.

9. INSURANCE REQUIREMENTS. Where the City contracts with an outside party (contractor, consultant, vendor, or concessionaire) for goods or services, the ITB or RFP that is advertised must include a proposed contract. The contract should include indemnity and hold harmless provisions that appropriately transfer the project risks from the City to the contractor. Because the contractor may or may not have the financial resources to account for the risks, the City requires the contractor to purchase and maintain valid insurance to help ensure the financial security required by the City. The insurance types and amounts are as follows:

A. Workers compensation. Workers Compensation covering all employees per the state statutory requirement is required on all contracts.

B. Liability insurance. The following insurance is required on all contracts over \$15,000.00:

1. Employer's Liability minimum of \$100,000;
2. Comprehensive General Liability and Bodily Injury & Property Damage \$1,000,000 (per occurrence and aggregate); and
3. Business Automobile Liability covering owned vehicles, rented and non-owned vehicles, and employee non-ownership Bodily Injury Property Damage \$1,000,000 (per occurrence and aggregate).

C. Reasonable coverage. Although insurance coverage is not required for every project, and limits will vary by exposure, understanding insurance is important to assure that all of the City's potential liabilities and exposures from a project are properly and reasonably protected. Where questions arise about the types of insurance or amounts, the Department should contact the Purchasing Agent, who may in turn consult the Risk Manager and/or the City Attorney.

10. WARRANTIES AND SERVICE AGREEMENTS. A Department must include any requirement for warranties or service agreements for the purchase specifications for use in creating the ITB or RFP documents. Where negotiation is possible, the Purchasing Agent will negotiate all warranties and service agreements. A Department is responsible to ensure that service agreements exist on equipment, as necessary. A Department must not agree to a service agreement unless prior approval is received from the Purchasing Agent. The Purchasing Agent will forward approved agreements to the Department for final signature. It is the responsibility of each Department to maintain and actively monitor agreements that pertain to their Departments, to schedule service calls under the agreements, and to notify the Purchasing Agent when agreement renewals should be scheduled.

11. BONDS FOR NON-PUBLIC WORKS PROJECTS. Based upon good business practices, whenever the City enters into a contract for the purchase of a product system or service in which the system or service will be of little value to the City until it is complete, then the City may require performance and payment bonds.

12. SOLE SOURCE PURCHASES. The purchase of items that are available from only one source are exempt from competitive bidding pursuant to state law. The City will strictly interpret this exemption. Items that are available through a single distributor will not be considered as sole source unless the distributor has an exclusive right to distribute the item and a like item cannot be purchased through any other distributor. Items such as captive replacement parts or components may be considered as "sole source" items. (See §252.022(a)(7), TX. Local Gov't Code)

A. Sole source purchases greater than \$3,000.00. The following is the procedure for all sole source purchases that are greater than \$3,000.00:

1. The Department must contact the vendor or manufacturer for verification and justification as to why the procurement is sole source. The Department shall submit a Sole Source Affidavit (see **Exhibit D**) to the Purchasing Agent for consideration and approval.

2. The Department should seek other information (Thomas Register of American Manufacturers, other cities, yellow pages) in an attempt to verify the vendor's or manufacturer's information and document the findings.

B. Sole source purchasing greater than \$50,000.00. All sole source purchases greater than \$50,000.00 must be reviewed by the City Manager prior to placement on the Council agenda. The Department shall submit a Sole Source Affidavit (see **Exhibit D**) to the Purchasing Agent for consideration and approval.

C. Verification. All sole source purchases must be verified annually.

13. HIGH TECHNOLOGY PURCHASING PROCEDURES. All purchases of high technology items must be processed through the Information Technology Department (IT) unless a specific exemption is granted by IT or the City Manager. "High technology" items means the procurement of equipment, goods, or services of a highly technical nature, including data processing equipment, software and firmware, telecommunications equipment, and technical services related to these items. The City may solicit for high technology procurements through a request for proposal. The RFP must specify the relative importance of price and other evaluation factors. High technology is defined as information processing equipment, software, telecommunications equipment, radio and microwave, electronic distributed control systems and the technical services related to such equipment. (see §§252.001 and 252.021(b), TX. Local Gov't Code)

14. PURCHASING OF INSURANCE. All purchases of insurance related products must be processed through the Human Resources Department (HR) unless a specific exemption is granted by HR or the City Manager. The City may solicit for insurance through a request for proposal. (see §252.021(b), TX. Local Gov't Code)

15. PURCHASE OF COMPUTERS AND RELATED EQUIPMENT AND SUPPLIES

A. Requests. The Information Technology Department must review all requests for computers and related equipment, software, services, or supplies. IT's review will help standardize the type and quality of equipment in the City's inventory, ensure that purchases are made with minimum delay, facilitate tracking of requests, assist IT in maintaining accurate inventories for insurance and other purposes, and contribute to the most effective use of City resources. IT will review each request for compatibility with other hardware and software and may investigate alternatives. IT's recommendations and comments will include:

1. Any additional maintenance costs incurred because of the purchase;
2. Compatibility considerations;
3. Cost effectiveness of the request; and
4. Alternatives that would effectively meet a user's needs.

B. Placing the Order. The Purchasing Agent, in consultation with the Department and IT, will prepare and submit the necessary purchase requests.

16. EMERGENCY EXPENDITURES

A. Emergency expenditures authorized; defined. Pursuant to state law, there is an exemption from the bidding process for emergency purchases. An emergency is described as follows:

1. A procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of residents or to preserve City property;

2. A procurement necessary to preserve or protect the public health or safety of residents;

3. A procurement necessary because of unforeseen damage to public machinery, equipment, or other property. (see §252.022(a)(1-3), TX. Local Gov't Code)

B. Sequence for emergency purchases. Where an emergency exists and a purchase estimated at being over \$5,000.00 is required, the following procedure will be used:

1. The Department must complete the Emergency Justification form to justify the emergency to the Purchasing Agent who shall notify the City Manager. If the expenditure does not exceed \$25,000, Department Director must review and approve the purchase. If the expenditure exceeds \$25,000.00, the Purchasing Agent must have the City Manager review and approve of the transaction.

2. For expenditures exceeding \$25,000.00, the Purchasing Agent and the City Manager must certify that the expenditure is derived from an emergency condition specified by state law, the need for the expenditure was unforeseen, the continued expeditious operation of the City requires that the expenditure be made before the time necessary to obtain City Council approval (for expenditures exceeding \$50,000.00) in advance or to obtain competitive bids, and that funds are available for the expenditure.

3. A copy of the certification shall be delivered to City Council as soon as possible with an explanation of a description of the expenditure, an explanation of the necessity of the expenditure, the source of funds, and evidence of all necessary approvals.

17. RECEIVING ORDERS

A. Inspection. Upon receiving an order, a Department must inspect the delivery prior to acceptance when possible or otherwise as soon as possible.

B. Action upon receipt. A Department will acknowledge that all item(s) were physically received and send a confirmation to the Purchasing Agent.

C. Notice of discrepancies. A Department shall inspect all items against the purchase order for acceptability and discrepancy. If the items are unacceptable of any discrepancy occurs, the Department will immediately notify the vendor or contractor. The Department must also send a notice of this issue to the Purchasing Agent.

D. Invoice. Where the order is deemed correct, the Department shall send the invoice with attached purchase order and written quotes, if applicable, to the Finance Department for payment as soon as possible, as in many cases, state law requires payment within 30 days of the receipt of a correct and proper invoice.

18. CONTRACT RENEWAL PROCEDURES

A. Terms. Renewal terms should not exceed a total of five years including the original year. The Purchasing Agent, in consultation with the City Manager, may make an exception on case-by-case basis when in the best interest of the City. Any renewal provision must include language that such renewal is subject to budgeting and appropriations.

B. Multiple Award Contracts. When multiple vendor awards occur, if all vendors do not agree to renew, the contract in its entirety may be rebid or just that vendor's part may be rebid.

C. Price Changes. Renewal terms due to quantity changes or vendor proposed price increases may be recommended on a case-by-case basis considering the merits of the renewal offer. No price changes will be considered in the middle of a contract year.

D. Performance. The City will always consider the performance of a vendor and contractor when considering whether or not to renew or rebid. A Department will ensure that a Vendor Performance Form (see **Exhibit A**) is completed when appropriate.

19. CHANGE ORDERS

A. General Information

1. A Department must submit a change order request to the Purchasing Agent, where applicable. Included in the request should be the number for the original Purchase Order, detailed specifications (if applicable), and written quote(s).

2. Pursuant to state law, an original contract may not be increased by more than 25%; nor may the original contract price be decreased by more than 25% without the consent of the contractor. (see §§252.048 and 271.060, TX. Local Gov't Code).

3. Pursuant to state law, a change order is required if, after the contract has been executed:

- a. Changes in plans or specifications are necessary;
- b. It is necessary to decrease or increase the quantity of work to be performed; or
- c. It is necessary to decrease or increase the quantity of materials, equipment, or supplies to be furnished. (see §252.048, TX. Local Gov't Code)

B. Material Changes. Following advertisement and submission of bids, the City may not make any material changes in the scope, quantities, or related work for goods or services. The City strives to ensure, and the law requires, that the City provides all potential bidders with an equal opportunity to bid and that toward the end, bidders submit bids upon the same terms and conditions involved in all the items and parts of the contract. To the extent that the City must make such a change after the submission of bids, the City may proceed by rejecting any and all bids.

C. Changes to Professional Services. A Department that is requesting a change order to a contract for professional services, must submit such request to the Purchasing Agent. The Purchasing Agent may approve the change provided that the change order does not increase the original contract amount by more than ten percent (10%). The City Manager must approve changes in excess of this amount. Change orders with a cost that exceeds \$50,000.00 require City Council approval.

9. Transaction amounts greater than the cardholder's transaction limit;
10. Split purchases to bypass limits on P-card;
11. Separate, sequential, and component purchases or transactions made with the intent to circumvent state law or this manual.

E. Reconciliation. The Purchasing Agent will place spending limits and other restrictions on each P-card issued to an authorized employee depending on the purchasing authority of the cardholder. The Department must maintain receipts for each purchase throughout the month. During the month and at month's end the Department may view all purchases online. The Department must review the charges, print the register, and reconcile the amounts with the receipts for the purchases. The Department must then forward the register and receipts to the Purchasing Agent. The Purchasing Agent will review the purchases and authorize or reject any payment. The Purchasing Agent will then forward the paperwork to Accounts Payable for payment. A Department does not need to create a purchase requisition as Account Payable will issue one purchase requisition for the citywide purchases for the month. The Purchasing Agent will immediately notify a Director of any unauthorized purchases during the review process.

F. Disputed Charges. An authorized employee who is issued a P-card holder is responsible for attempting to resolve any dispute with a vendor. The employee must attempt to resolve such dispute within fifteen (15) days of receipt of a purchase. If a resolution is not possible, the employee must immediately notify the bank of the disputed item. The bank should provide a dispute form that the employee cardholder must complete and return to the bank. The employee must submit a copy of the form to their Department Director and the Purchasing Agent. In most cases, the bank will work directly with the employee to resolve the problem.

G. Termination or transfer of employee. When an employee who has been issued a P-card terminates from City employment or transfers from a Department, the Department Director must immediately, but in any event within one business day, contact the Purchasing Agent to report the change. The Purchasing Agent will have the Department complete the appropriate form that reflects this change. The Department will submit this form and pending receipts to the Purchasing Agent for processing. Where possible, the Department must try to have a terminated employee reconcile his/her P-card statements prior to termination. If there are any remaining charges on the P-Card not accounted for, those charges will be billed to the terminated cardholder or recuperated through other means.

H. Audit of records. The Finance Department may periodically audit any Department for P-card activity. Any failure to comply with this policy in the use or administration of a P-card may result in cancellation of a card and subject the cardholder to discipline, up to and including termination.

I. Loss of P-card. A P-card holder must report a lost P-card immediately but in any event, within one business day of discovered loss. The City may hold an employee liable for any losses not covered by the protection plan. The City may also hold an employee responsible for the cost of a replacement card.

24. PETTY CASH DISBURSEMENT

A. Rules and forms.

1. A Department may submit a request for petty cash from the Finance Department. The request and disbursement must not exceed \$100.00. If cash payment is necessary due to unforeseeable circumstances, the Finance Director may approve expenditure over the \$100.00 limit.
2. Only expenditures specifically authorized by this manual are allowed.
3. A Department must not use petty cash pay for services rendered.

4. An employee must not use petty cash for any use that violates this manual.

B. Maintaining petty cash. Petty cash vouchers, receipts, and cash on hand must at all times equal the total amount authorized for the petty cash fund. The Finance Department will issue a petty cash voucher to a Department at the time money is advanced for an employee to make purchases on the City's behalf. The Department must sign the petty cash voucher indicating approval for the purchase. The sales receipt must be attached to the petty cash voucher after the purchase. The petty cash voucher should include the amount and purpose of the proposed expenditure, the expense account number, and be signed and dated by the recipient the Department. Vouchers may not be used as a substitute for a sales receipt. Where a Department maintains a departmental petty cash, the Department must turn in petty cash vouchers with receipts attached to the Finance Department on a weekly basis to exchange for cash in reimbursing the departmental petty cash.

C. Audit of petty cash. The Finance Director will periodically audit petty cash expenditures as to form and regulations and may confirm purchases.

25. RENTAL OR LEASE OF EQUIPMENT

A. Rental procedures. Where a Department seeks to rent or lease equipment, such acquisition must be handled as any other type of purchase such that a purchase requisition is sent to the Purchasing Agent for the procurement. Prior to placing a request, a Department should determine whether the equipment that is proposed for rental or lease is available in any other Department.

B. Lease/purchase agreements. Any equipment lease may occur but only after the availability of a lease option has been fully evaluated for efficiency and cost effectiveness. A Department will work with the Purchasing Agent and Finance Department when proposing either a short-term or long-term lease of equipment for analysis of actual capital costs including interest charges. The total cost of the lease shall be calculated. Where such cost exceeds an authorized purchasing threshold for either the City Manager or City Council under this manual, the City Manager or City Council, as appropriate, will need to approve the lease agreement. Under no circumstances may a Department sign a rental or lease agreement unless prior approval has been granted by the Purchasing Agent.

26. APPENDICES:

Fleet Fuel Purchasing Cards
Purchasing Card Policies & Procedures
Purchase Order Flow Chart

EXHIBIT A
Vendor Performance Form – City of Hondo, TX.

Instructions: Complete this form to report exceptional or unsatisfactory vendor performance and return to the Purchasing Agent.

Purchase Order No.	Requisition No.	Today's Date:
Vendor Name: Contact: Address: City, State: Phone: Fax: E-mail:		Department: Contact: Phone: Fax: E-mail:
Nature of report (Check all applicable boxes):		
<u>POOR PERFORMANCE</u> <input type="checkbox"/> Late Delivery <input type="checkbox"/> Failure to Deliver <input type="checkbox"/> Delivery made at wrong destination <input type="checkbox"/> Failure to identify shipments per contract terms <input type="checkbox"/> Short/overweight or count <input type="checkbox"/> Vendor shipped incorrect merchandise <input type="checkbox"/> Failure to replace damaged goods <input type="checkbox"/> Slow replacement of damaged goods <input type="checkbox"/> Failure to pick up incorrect shipment <input type="checkbox"/> Improper Product Packaging <input type="checkbox"/> Failure to meet specifications <input type="checkbox"/> Failure to follow palletizing instructions <input type="checkbox"/> Poor product quality <input type="checkbox"/> Poor product performance <input type="checkbox"/> Failure to respond to letter or phone call <input type="checkbox"/> Failure to promptly notify Purchasing concerning Manufacturer discontinuation of an item <input type="checkbox"/> Poor customer service (Requires comment) <input type="checkbox"/> Unauthorized substitution <input type="checkbox"/> Unsatisfactory installation <input type="checkbox"/> Service not performed within specifications <input type="checkbox"/> Incorrect invoices <input type="checkbox"/> Failure to comply with terms & conditions of contract (Requires comment) <u>ACTION TAKEN BY PURCHASING</u> <input type="checkbox"/> 1 ST Written notice issued for late delivery <input type="checkbox"/> 2 nd Written notice issued for late delivery <input type="checkbox"/> Damaged assessed <input type="checkbox"/> Vendor commended		<u>RESOLUTION</u> <input type="checkbox"/> Complaint withdrawn <input type="checkbox"/> Vendor failed to receive purchase order <input type="checkbox"/> Delivery made after late notice sent <input type="checkbox"/> Performance corrected <input type="checkbox"/> Material or item replaced <input type="checkbox"/> Equipment performance corrected <input type="checkbox"/> Invoice Corrected <input type="checkbox"/> Item cancelled from contract (Vdr failure-Vdr initiated) <input type="checkbox"/> Item cancelled from contract (Vdr failure- Purchasing initiated) <input type="checkbox"/> Item cancelled from contract (No fault of vendor) <input type="checkbox"/> Entire order cancelled <input type="checkbox"/> Entire contract cancelled (Vendor fault) <input type="checkbox"/> Entire contract cancelled (No fault of vendor) <input type="checkbox"/> Damages paid <input type="checkbox"/> Vendor counseled <input type="checkbox"/> Order completed <input type="checkbox"/> Correct shipment received <input type="checkbox"/> Damages not paid – Vendor removed from bid list <input type="checkbox"/> Performance not corrected – Vendor removed from bid list <u>EXCEPTIONAL PERFORMANCE</u> <input type="checkbox"/> Shipment made early upon Purchasing/Department request <input type="checkbox"/> Product upgrade substitution suggested and accepted

<input type="checkbox"/> Shipment rejected Vendor counseled	<input type="checkbox"/> Exceptional customer service response <input type="checkbox"/> Exceptional service provided for return of products <input type="checkbox"/> Provided technical/training/set-up assistance not required <input type="checkbox"/> Price reduction for large order Vendor commended
<u>Detailed explanation (Please be specific)</u>	
<u>tion completed by Purchasing:</u> uyer:	te:

Exhibit F
Detailed Specification form

I. Title:

II. Summary:

Provide summary of what the product or service will be used for and the department(s) that will use it.

III. Definition:

(Required) Define technical and critical terms of product or services to be purchased. Attach detailed specification documents.

IV. Requirements:

(Required) List all needs and performance requirements and include work-related needs that this item or service must fulfill. Include any testing, certification, or other quality control requirements.

(Optional) List all design requirements, including materials, manufacturing standards and directions, dimensions, physical characteristics and workmanship standards.

(Optional) List any requirements not cover.

Submitted By: _____ Dept: _____ Date: _____

EXHIBIT B
WRITTEN QUOTE SHEET \$3,000.00 +

Date Requested: _____

Dept/Div: _____

Funds Budgeted in Account: _____

Budgeted Amount: _____

	Vendor One	Vendor Two	Vendor Three
Firm			
Address			
City			
State/Zip			
Telephone			
Fax			
Sales Rep:			
E-Mail Address			
Delivery			
Freight Term			
Payment Term			
HUB			

Qty	Unit	Description (include Brand/Model)	Vendor 1		Vendor 2		Vendor 3	
			Unit Price	Item Total	Unit Price	Item Total	Unit Price	Item Total
SUB – TOTAL								
GRAND TOTAL								

EXHIBIT C

Purchasing Request

Invitation for Bid (IFB) and/or Request for Proposal (RFP)
\$50,000.00 +

Date Requested: _____

Department: _____

Funds Budgeted in Account: _____

Budgeted Amount: _____

Point of Contact: _____

1st Advertising Notice Date requested: _____ Notice of the time and place at which the bids will be publicly opened and read aloud must be published at least once a week for two consecutive weeks in a newspaper published in the municipality. (if unknown leave blank)

2nd Advertising Notice Date requested: _____ (if unknown leave blank)

Requested Opening Date: _____ The date of the first publication must be before the 14th day before the date set to publicly open the bids and read them aloud. (if unknown leave blank)

Attachments:

- | | <u>Yes</u> | <u>No</u> |
|---|--------------------------|--------------------------|
| 1) Detailed Specifications pertaining to requested item(s) to be purchased. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2) List of any vendors known by the department to provide material or services. | <input type="checkbox"/> | <input type="checkbox"/> |

Signatures:

Director: _____

Date: _____

Purchasing Manager: _____

Date: _____



EXHIBIT D
FINANCE DEPARTMENT
SOLE SOURCE AFFIDAVIT

**THIS IS AN OFFICIAL PURCHASING DOCUMENT – RETAIN
WITH PURCHASE ORDER FILE**

Before me, the undersigned official, on this day, personally appeared _____, a person known to me to be the person whose signature appears below, whom after being duly sworn upon his/her oath deposed and said:

1. My name is _____. I am over the age of 18, have never been convicted of a crime and am competent to make this affidavit.

2. I am an authorized representative of the following company or firm:

3. The above named company or firm is the sole source for the following item(s), product(s) or service(s):

4. Competition in providing the above named item(s) product(s), service(s) is precluded by the existence of a patent, copyright, secret process or monopoly as stated under Sections 252.022(a)(7)(A) or (7)(B-F), TX. Local Gov't Code. Also, attached is a sole source letter, which sets forth the reasons why this Vendor is a sole source provider (dated and signed).

5. There is/are no other like item(s) or product(s) available for purchase that would serve the same purpose or function.

6. Note: This Vendor understands that by providing false information on this Sole Source Affidavit, it may be considered a non-responsible Vendor on this and future purchases and may result in discontinuation of any/all business with the City of Hondo.

Signature

**THE STATE OF TEXAS §
COUNTY OF MEDINA§**

SUBSCRIBED AND SWORN to before me on this the _____ day of _____, _____.

Notary Public for the State of Texas

Printed Name: _____

My commission expires: _____

COMPANY NAME: _____

ADDRESS, CITY, STATE & ZIP: _____

PHONE: _____ FAX NUMBER: _____

CONTACT NAME AND TITLE: _____

WEB ADDRESS: _____ EMAIL: _____

FEDERAL TAX ID NUMBER: _____

TEXAS SALES TAX NUMBER: _____

EXHIBIT E

REQUEST FOR PURCHASING CARD (P-Card)

TO: Purchasing Agent

FROM:

DEPARTMENT:

SUBJECT: *Request for Purchasing Card (P-Card)*

DATE:

I request that the Finance Department issue the following employee a City Purchasing Card (P-card) for the purpose of making purchases in the normal course of authorized City business.

Full Name of Employee (print): _____

Employee Title: _____

Employee Signature: _____

Single Item Purchase-Supplies or Material (**Not to exceed \$3,000**): _____

Daily Transaction Limit: _____ # of Transactions: _____ 30-Day

Limit: _____

Restrictions: _____

_____.

REQUESTED BY: _____

Signature of Department Director

APPROVED BY: _____

Signature of Purchasing Agent

Date: _____

Copy: Designated Cardholder
Director/Manager

PURCHASING CARD (P-CARD) CARDHOLDER AGREEMENT

I, _____ hereby agree to comply with the **Purchasing Card (P-card)** policy and procedures and the following terms and conditions regarding my use of the card. As a cardholder, I have read and understand the **City of Hondo Purchasing Policy and Procedures, which includes the P-card policy.**

1. I understand that I am being entrusted with a valuable tool, the P-card. I will be making financial commitments on behalf of the City of Hondo. I will always obtain the best value for the City by using the P-card wisely and with discretion.

2. I agree to use this card for official City business and approved purchases only. I fully understand that my misuse or abuse of the P-card will result in revocation of the card and appropriate disciplinary action, which may include termination of my employment. I also agree to attend training on the use of this card as prescribed by Purchasing Agent.

3. The following acts are prohibited, and I understand that this is not an exclusive or exhaustive list:

- Expenditures for personal purposes;
- Cash advances or refunds;
- Expenditures for entertainment, including but not limited to the purchase of alcoholic beverages;
- Purchases under contracts, unless an emergency exception is granted;
- Separate, sequential, and component purchases or transactions made with intent to circumvent state law or City policy;
- Transaction amounts greater than the limits on the P-card issued to me;
- Failure to submit proper documentation with each monthly statement, and;
- Allowing the card to be used by someone else

4. I understand I do not own the P-card and that the City has issued the card to me so that I can conduct authorized City business in an efficient, expeditions, and cost-effective manner. I agree to return the P-card immediately upon request or upon termination of employment (including retirement and resignation). Should I be transferred between Departments or positions, qualify for extended leave, or undergo an organizational change that causes my duties to no longer necessitate the use of the P-card, I agree to return it immediately.

5. If the card is lost or stolen, I agree to immediately notify the Purchasing Agent and my Department Director.

I understand and agree that my use of the P-card is subject to the following specific purposes or restrictions:

Employee Signature

Date

Department

Department Director

Date

Purchasing Agent

Date

Transaction Limit: \$ _____

Monthly Limit: \$ _____

PURCHASING CARD (P-CARD) LOST/STOLEN REPORT

TO: Purchasing

FROM:

DEPARTMENT:

Card Number: _____

Full Name of Employee (print): _____

Employee Signature: _____

Employee Title: _____

Date of Loss: _____

Date Stolen: _____

Details: _____

Copy: Designated Cardholder
Director/Manager

CARDHOLDER STATEMENT OF DISPUTED ITEM(S)

RE: _____

CARDHOLDER NAME: _____

CARD NUMBER: _____

MERCHANT (VENDOR) NAME: _____ DISPUTED AMOUNT: \$ _____

I dispute the charge(s) described herein as follows: [Check Appropriate Box(es)]

☐ I certify that the charge listed above was not made by me nor were the goods or services represented by the above transaction received by me or by a person authorized by me.

☐ I do not recognize the transaction as listed above. Please inform me of merchant name and description of merchandise purchases.

☐ Although I did engage in the above transaction, I dispute all or part of the charge in the amount of \$ ____.

☐ I have contacted the merchant and requested a credit adjustment that I did not receive or was not satisfactory.

☐ I have been charged twice for the same transaction. Posting dates: _____ and _____

☐ A credit slip was listed as a sale on my statement.

☐ The amount of the sales slip was increased from \$ _____ to \$ _____. Enclosed is my copy of the sales slip prior to alteration.

☐ I received a price adjustment (credit slip) on the above transaction, and it has not appeared on my statement. Enclosed is a copy of the credit memorandum.

☐ Non-Acceptance

☐ Other, please explain completely.

I am disputing the charge because: _____

Designated Cardholder Signature: _____

Daytime Phone: _____

Date: _____

Fax Dispute Form to: Purchasing Agent

Date _____

Date

Date: _____

Exhibit H
CITY OF HONDO
TRAVEL REQUEST AND AUTHORIZATION (BEFORE TRAVEL)

NAME: _____

DEPARTMENT: _____

DESTINATION: _____

PURPOSE OF TRIP: _____

DATE/TIME OF DEPARTURE: _____

DATE/TIME OF RETURN: _____

BUDGET ITEM: YES NO ACCOUNT# _____

TRANSPORTATION: PERSONAL AUTO CITY AUTO OTHER _____

ESTIMATED EXPENSE:

PERSONAL AUTO @ .565 PER MILE \$ _____

LODGING: \$ _____

SEND TO HOTEL _____

GIVE TO EMPLOYEE _____

PER DIEM RATE (\$54/DAY) _____

REGISTRATION: \$ _____

MAIL WITH FORM _____

GIVE TO EMPLOYEE _____

OTHER: \$ _____

TOTAL EXPENSE: \$ _____

ADVANCE REQUEST \$ _____

DATE SUBMITTED: _____

APPROVED BY: _____ DATE : _____
(SUPERVISOR OR MANAGER)

APPROVED BY: _____ DATE : _____
(DIRECTOR)

APPROVED BY: _____ DATE : _____
(FINANCE)

•

CITY OF HONDO
TRAVEL REQUEST AND AUTHORIZATION (AFTER TRAVEL)

NAME: _____ DEPARTMENT: _____

DEPARTURE: _____ RETURN: _____
(DATE) (TIME) (DATE) (TIME)

DESTINATION: _____ PURPOSE: _____

TRANSPORTATION:

PERSONAL VEHICLE: MILES@ .565 PER MILE \$ _____
COMMERCIAL AIR LINE \$ _____
RENTAL VEHICLE \$ _____
GAS/OIL CITY VEHICLE \$ _____

TOTAL TRANSPORTATION

\$ _____

LODGING AND MEALS (meals cannot exceed \$54.00 per day)

DATE								Totals
WEEKDAY	SUN	MON	TUES	WED	THU	FRI	SAT	
BREAKFAST								\$
LUNCH								\$
DINNER								\$
LODGING								\$

TOTAL LODGING AND MEALS

\$ _____

MISCELLANEOUS EXPENSES:

BAGGAGE HANDLING, TIPS OTHER THAN MEALS,
PARKING FEES, REGISTRATION NOT PREPAID, ETC. \$ _____

TOTAL TRIP EXPENSE (TRANSPORTATION+LODGING MEALS + MISCELLANEOUS) AMOUNT ADVANCED

\$ _____

AMOUNT DUE EMPLOYEE –CHECK# \$ _____

AMOUNT DUE CITY – RECEIPT # \$ _____

I HEREBY CERTIFY THAT THIS REPORT CORRECTLY REFLECTS TRAVEL EXPENSES
ME IN CONNECTION WITH OFFICIAL BUSINESS FOR THE CITY OF HONDO.

INCURRED BY _____

EMPLOYEE _____ DATE _____ SUPERVISOR _____ DATE _____

DEPARTMENT DIRECTOR _____ DATE _____ DIRECTOR OF FINANCE DATE _____

*** MUST ATTACH RECEIPTS**