

City of Andrews  
Administrative Directive

Title: <b>Purchasing Manual</b>		
Category: Finance		
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**1) SCOPE**

This administrative directive provides guidelines to govern all City-related procurement, including those made with City-issued credit cards and Purchase Authorization Cards.

**2) AUTHORIZATION**

On September 27, 2018, the City Council approved Resolution Number 691, adopting the City of Andrews Purchasing Manual, October 2018. The primary governing authority for the City of Andrews' Purchasing Manual shall be the City's Charter in conjunction with Local Government Code Chapter 252, "Purchasing and Contracting Authority of Municipalities." All procurement activity shall be governed by the Purchasing Manual, in accordance with applicable state and local government codes.



# Purchasing Manual

City of Andrews, February 2023

Sections I – VII approved by City Council on October 25, 2018  
Section VIII approved by City Council on February 9, 2023

111 Logsdon  
Andrews, TX

p. 432-523-4820  
f. 432-523-6372

[www.cityofandrews.org](http://www.cityofandrews.org)

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# Introduction

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## **Authority, Purpose and Scope**

The primary governing authority for the City of Andrews' Purchasing Manual shall be the City's Charter in conjunction with Local Government Code Chapter 252, "*Purchasing and Contracting Authority of Municipalities*." All procurement activity shall be governed by the Purchasing Manual, in accordance with applicable state and local government codes. The Mayor and Council shall from time to time review the Purchasing Manual and the City's ordinances shall record any changes made to the Manual.

All powers of the City vest in the City Council. Authority for purchasing of goods and services is delegated to the City Manager provided the purchase does not exceed \$15,000. (Ordinance No. 1411 in accordance with Local Government Code §§ 252.002 and 252.001 (a))

To ensure proper oversight, all disbursements will be reported to Council monthly. The report will include the vendor, amount, and source of funds for the expenditure.

The Purchasing Manual applies to the procurement activities of the City of Andrews. All procurement activities for the City shall be administered in accordance with the provisions of this manual, with the express intent to promote open and fair conduct in all aspects of the procurement process.

## **Objectives of the Purchasing Manual**

The objectives of the Purchasing Manual are to:

- Acquaint all persons (internal and external) with the City's purchasing policies and procedures;
- Attempt to gain the most value in every purchase;
- Attempt to insure public spending is not used to enrich elected officials or government employees or to confer favors on favored constituents;
- Establish a good strong business-like relationship with all interested vendors;
- Ensure public funds are safeguarded;
- Ensure fair and open competition among bidders; and
- Ensure local businesses have an added opportunity in the contract awards process.

## **Responsibilities of City Employees**

By participating in the procurement process, employees of the City of Andrews agree to:

- Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.
- Refrain from any private business or professional activity that would create a conflict between personal interests and the interest of the City of Andrews.
- Refrain from soliciting or accepting money, loans, credits, or prejudicial discounts, and the acceptance of gifts, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence purchasing decisions.
- Promote positive supplier relationships through impartiality in all phases of the purchasing cycle.
- Expose corruption and fraud wherever discovered.

# Purchasing Ethics

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The statutes governing local government purchasing impose criminal penalties for violating the provisions of the various Acts enacted by the Legislature to oversee purchasing. Any misuse of the City's purchasing power carries various legal and/or future employment consequences.

The City also requires ethical conduct from those who do business with the City. City representatives and vendors/entities are required to adhere to all federal, state, and municipal laws and ordinances.

## **Disclosure of Certain Relationships**

Chapter 176 of the Local Government Code states conflict of interest should be disclosed at all times. Vendors/entities wishing to do business with the City, including those who submit bids on city contracts, make purchases of surplus city property, or participate in any other purchase or sales transactions with a city, must disclose any potential conflict of interest (example: elected member/employee of the City that provide services to the City for compensation). The City may not disqualify the entities with a conflict of interest, so long as the conflict is disclosed.

It is the entity's responsibility to notify the City of a potential conflict of interest and to fill out the questionnaire. It is the responsibility of the City's representative to inform senior management or the Division of a potential conflict of interest by the entity. Failure to do so results in a breach of ethics.

Pursuant to the requirements of Section 176.002(a) of the Texas Local Government Code, vendors or respondents who meet the following criteria must fill out a conflict of interest questionnaire no later than the 7th day after the person begins contract discussions or negotiations with the City or submits to the City an application, response to a request for proposals or bids, correspondence, or another writing related to a potential agreement with the City:

An entity/vendor or respondent that

- (1) contracts or seeks to contract for the sale or purchase of property, goods, or services with a local governmental entity; or
- (2) is an agent of a person described in Subdivision (1) in the person's business with a local governmental entity.' Any person who meets the criteria, as for enforcement to ensure the veracity of the vendors, the statute makes it a Class C Misdemeanor to violate the vendor disclosure provisions."

The forms required to comply with the above Government Code are available on the City's Finance Department Accounts Payable Division webpage and on the Ethics Commission website at <http://www.ethics.state.tx.us/forms/CIS.pdf>.

## Conflicts of Interest

It shall be a breach of ethics for any employee of the City to participate directly or indirectly in procurement when the employee knows that:

- The employee or any member of the employee's immediate family has a financial interest pertaining to the procurement;
- A business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement; or
- Any other person, business or organization with which the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

## Circumventing Purchasing Procedures

Purchasing procedures that are made with the intention of avoiding the competitive bidding requirements are in violation of State Law: (Purchasing and Contracting Authority of Municipalities Chapter 252.001). The following is a partial list of unacceptable practices:

- **Component Purchases:** Purchasing an item that, as a whole, would have normally been competitively bid, in a series of component purchases.
- **Separate Purchases:** Purchasing an item in a series of separate purchases that would normally have been purchased in one purchase.
- **Sequential Purchases:** Purchases made over a period of time that in normal purchasing practices would have been made as one purchase.

Any commitment to acquire goods or services without department approval and an authorized purchase order is prohibited. Anyone authorizing an expenditure of funds for goods or services prior to securing an approved purchase order may be held personally responsible for the payment.

# Purchasing Process

## Purchasing Limits and Requirements

The City Manager, pursuant to the City’s Charter and City Council’s approval of this manual, has delegated purchasing authority and responsibilities to certain City employees, as well as Department Directors and their designees. The following table provides general guidelines for purchases and the required quotes/bids. (More specific information follows):

Total Amount of Request	Type of Bid / Quotes Required	Approvals Required
More than \$50,000	Competitive sealed bids. Proposals opened at a public meeting.	City Manager & City Council
\$15,000 - \$50,000	3 written quotes based on like products. Attach quotes to invoice.	City Manager & City Council (Capital)
\$2,500 - \$15,000	3 quotes based on like products. Include quote information on invoice.	City Manager & Department Director
Up to \$2,500	Efforts made to obtain the best value for the City.	Department Director or Director designee

### Purchases less than \$2,500

Purchases less than \$2,500 do not require competitive bidding or quotation forms. Quotes may be advantageous regardless of the purchase price, so the City encourages them at all prices. Directors may, without further approval, make purchases less than \$2,500. Directors must authorize invoices for payment and forward to the Finance Department.

### Purchases of \$2,500 to less than \$15,000 (non-maintenance)

Purchases \$2,500 to less than \$15,000 will require written quotations with at least three quote prices. This is an informal process. The Department Director will validate the authenticity of the quotations. If the department solicits only one quotation because of the lack of bidders, the department Director shall note that explanation on a quotation page. The Director and City Manager will authorize the invoice for payment once the items are received. Something documenting the original quotations, supporting documentation, and invoice shall be forwarded to the Finance Department for payment processing.

### Purchases of \$15,000 to less than \$50,000 (non-maintenance)

Purchases \$15,000 to less than \$50,000 will require written quotations with at least three quote prices. This is a formal process; quotes must be on the vendor’s official letterhead/form. The Director and City Manager will authorize the invoice for payment once the items are received. The Director will forward the original quotes and the invoice to the Finance Department for payment processing.

The City Council must approve in advance all capital expenditures for \$15,000 or more.

## **Purchases for \$50,000 or more**

Purchases over \$50,000 will require a formal competitive bidding process as described in this manual. The City Council must approve in advance all expenditures for \$50,000 or more. With the approval of the City's annual budget containing a listing of all capital expenditures, approval is already provided. If the asset is not in the annual budget's list of capital expenditures, separate Council approval will be needed.

## **Methods to initiate a purchase**

- Purchase Order
- City-issued credit card (see Appendix A)
- City-issued Purchase Authorization Card (see Appendix C)
- Petty Cash (items less than \$25)
- Retain original quotations to forward with the invoice to Accounts Payable for processing.

## **Purchasing Considerations**

- **Tax Exempt Status** – The City is exempt from federal, state, and local taxes except in most cases. An exemption certificate is available from the Finance Department to provide to City's vendors or contractors.
- **Historically Underutilized Business (HUB)** – Section 252.0215 of the Texas Local Government Code (TLGC) 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. A HUB vendor list may be obtained at [www.window.state.tx.us/procurement](http://www.window.state.tx.us/procurement). If the list fails to identify a disadvantaged business in Andrews County, the City is not required to follow this requirement.



## Competitive Bid Process

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The Texas Local Government Code requires that before a municipality may enter into a contract, other than a contract for insurance, that requires an expenditure of more than \$50,000 from one or more municipal funds, the municipality must comply with the procedure prescribed by Chapter 252.021 for competitive sealed bidding or competitive sealed proposals.

### **Procedures for Sealed Bids or Proposals**

The bid activity must be coordinated with and maintained by the Director of Finance. It is the policy of the City to use a sealed bid proposal or design/build procedure in compliance with Chapter 252 of the State of Texas Local Government Code for any procurement which will total \$50,000 or more. The requesting department will prepare and solicit all procurement's requiring sealed bids.

### ***Preparing Specifications***

The requesting department will prepare the initial specifications; define its requirements by function, stating how the material or equipment is to be used, and required quantities. The specifications should clearly state the minimum acceptable levels for equipment or supply items.

In certain cases, cut sheets, technical handbooks, and industry practices/standards are required to effectively describe the goods or services. This should be done in such a manner as to not restrict competition or be proprietary to a specific manufacturer or supplier. The Finance Department is responsible for working with departments to ensure their specifications are as fair and open to competition whenever possible.

The requesting department will forward the draft specifications to the Finance Department. The Director of Finance will then be responsible for working with the department to refine the specifications and obtain any outside technical assistance as required.

The Finance Department will forward final specifications to the requesting department(s) for approval prior to the release of the solicitation.

The time required for developing the specifications will vary depending upon the complexity of the item(s), the availability of information, and the Director of Finance's workload at the time the specification is received. To facilitate the preparation of the solicitation, the requesting department shall supply the Finance Department with any/all known acceptable products, acceptable vendors, or any other information regarding the item(s) requested.

### ***Advertising and Advertising Time Requirements***

Section 252.041 of Chapter 252 requires that the sealed bid be advertised publicly with notice of the time and place at which the bids will be publicly opened and read aloud. The public notice must be published at least once a week for two (2) consecutive weeks in a newspaper published in the municipality that is listed as the City's paper of record (Andrews County News). The date of the first publication must be before the 14th day before the date set to publicly open the bids. In addition to the paper of record, the City, at its option, may also advertise online and with other publications and/or organizations.

### ***Bid Preparation and Administration***

All sealed bids and proposals will be prepared and administered by the requesting department and coordinated with the Director of Finance. The only exceptions are projects that involve engineering and architect design services. The requesting department will be responsible for notifying the Director of Finance on any bid or proposal that they issue, the dates of any advertisements, pre-bid conferences and bid opening dates. The Director of Finance 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 Director of Finance or his designee will be responsible for the bid opening and reading of the bids received. Once opened, a pre-audit bid tabulation will be created. Once a complete audit and bid tabulation is completed by the requesting department, the tabulation along with all bids will be sent to the Director of Finance. When all bids have been reviewed, the requesting department will be responsible for submitting to the City Secretary a recommendation of bid award and background wording to be included in the City Council Meeting Agenda.

### ***Bid Opening Procedures***

Receiving competitive bids and proposals must be done properly in order to ensure that no possibility of favoritism or even the appearance of favoritism exists.

Each bid or proposal must be returned to the Director of Finance's office, with the bid identification name on the outside of the envelope/box. Only one bid/proposal should be submitted per envelope. If more than one bid is to be submitted, require that the vendor use separate envelopes for each one. The bid/proposal envelope should be time and date stamped in the designated office as soon as it is received. The bid/proposal envelope should then be filed unopened together with the other similar bids/proposals.

Bids/proposals are opened at the hour and place specified in the invitation/request. Vendors and the public are invited and encouraged to attend the bid opening. In case no observers attend the bid opening, always have a member of another office act as witness so that charges or irregularities can be disproved.

In order to establish a standardized format of bid openings the following procedures should be followed:

- The Director of Finance or his designee shall conduct all bid openings.
- In addition to the Director of Finance or his representative, there will be at least one city employee from the department who submitted the purchase request at all bid openings. This employee will be knowledgeable of the bid specifications and should be prepared to answer all questions that pertain to the specifications. At bid openings the requesting department representative will act as the recorder of all information that is read at the bid opening and will publicly confirm that all information was read completely and truthfully.
- At Bid Openings all bids will be opened and all pricing will be called out in accordance with the bid opening procedures.

### ***Bid Recommendations and State Law Regarding Bid Awards***

The requesting department is solely responsible for reviewing the specifications offered in each bid to insure the specifications meet the bid requirements and must provide a review of any bid that did not meet the specifications. If the bids offered meet the specifications requested, the recommendation may then be made based on the procedures set out in the State of Texas Local Government Code Chapter 252, Sub Chapter C, 252.043. Under this chapter entitled Award of Contract, the City may award the contract based on:

- Sub-section (a) – If the competitive sealed bidding requirement applies to the contract for goods or services, the contract must be awarded to the lowest responsible bidder or the bidder who provides goods or services at the best value for the municipality.
- Sub-section (b) – In determining the best value for the municipality, the municipality 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 municipality needs;
  - the bidder’s past relationship with the municipality;
  - the impact on the ability of the municipality to comply with laws and rules relating to contacting with historically underutilized businesses and non-profit organizations employing persons with disabilities;
  - the total long-term cost to the municipality to acquire the bidder’s goods or services; and
  - any relevant criteria specifically listed in the request for bids or proposals.
- Sub-section (c) – Before awarding a contract under this section, a municipality must indicate in the bid specifications and requirements that the contract may be awarded either to the lowest responsible bidder or to the bidder who provides goods or services at the best value for the municipality.
- Sub-section (f) – The Governing body may reject any and all bids.
- Sub-section (h) – If the competitive sealed proposals requirement applies to the contract, the contract must be awarded to the responsible offer or whose proposal is determined to be the most advantageous to the municipality considering the relative importance of price and the other evaluation factors included in the request for proposals.

In addition under the State of Texas Local Government Code Chapter 271, Sub Chapter 271.9051, a Municipality may consider a bidders principal place of business where the Municipality has a population of 250,000 or less. The sections of this Sub Chapter states:

(b) In purchasing under this title any real property, personal property that is not affixed to real property, or services, if a municipality receives one or more competitive sealed bids from a bidder whose principal place of business is in the municipality and whose bid is within five percent of the lowest bid price received by the municipality from a bidder who is not a resident of the municipality, the municipality may enter into a contract with:

- (1) the lowest bidder; or

(2) the bidder whose principal place of business is in the municipality if the governing body of the municipality determines, in writing, that the local bidder offers the municipality the best combination of contract price and additional economic development opportunities for the municipality created by the contract award, including the employment of residents of the municipality and increased tax revenues to the municipality.

(c) This section does not prohibit a municipality from rejecting all bids.

Other considerations of a bid award may be:

- the safety record of the bidder considered
- Companies or individuals indebted to the municipality
- Inclusion of required bonding and insurance
- Any other consideration as listed in the State of Texas Local Government Code

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 Director, the Director of Finance, and the City Manager 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.

### ***Bid Discrepancies and Disqualifications***

There are several reasons that require a bid to be disqualified. These reasons are as follows:

1. Any bid received that is not signed by an authorized company representative.
2. Any bid received that did not return required information such as addendum/s, bonding and/or insurance requirements. This requirement may be waived as a technicality but must be approved by the City Attorney's office.
3. Also subject to disqualification are bids/proposals where prices are conditional on award of another bid, or when prices are subject to unlimited escalation. If allowed by the specification, prices may be subject to escalation based on an independent wholesale index. (e.g., for oil and gas products, the net terminal price or current Oil Price Information Service prices.)

### ***Agenda Requirement Responsibilities***

All bids, contracts, and other expenditures greater than \$15,000 must be presented to the City Council for approval.

### ***Release of Bid Information***

All requests for historic information concerning a bid, specifications on a bid or other matters relating to bids of the City can only be conveyed via an open records request and should be made through the City Secretary's Office. All open records request forms are to be kept and filed in a manner that makes retrieval of the information that was requested and the information that was returned easily accessible.

## Alternative Delivery Methods

The City may use the best-value competitive bidding process, competitive sealed proposal method, construction manager-agent method, construction manager-at-risk method, design-build method, and the job order contract method for public procurement in place of the standard competitive bidding method that is also allowed under Chapter 2269 of the Government Code or Chapters 252 and 271 of the TLGC. The City may use any of the alternative delivery methods for any project involving an improvement to real property.

## 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 Finance Department which, in turn, will assist in making this determination.

Some of the common exemptions that may apply include:

- **Emergency purchases** – Emergency purchases occur when a situation arises that is unforeseen and must be remedied immediately. Pursuant to state law, emergency purchases are exempt from the bidding process. An emergency is described as follows:
  - Acts of God (e.g., flood damage, tornado)
  - Machinery that is critical to the operation of the City and rendered out of service
  - To preserve or protect the health and safety of the municipalities of residents
  - Procurement necessary because of unforeseen damage to public machinery, equipment, or other property. (§252.022(a)(1-3) TLGC)
- **Sole Source Purchases** – According to Section 252.022 TLGC, competitive bidding requirements do not apply to items that are available from only one source due to patents, copyrights, secret processes, or natural monopolies. Items such as captive replacement parts or components may be considered as sole source items.
- **Land or right-of-way**
- **Personal, Professional or Planning services**
- **Interlocal Cooperative Purchasing Agreements** – purchases made through an existing state contract (Chapter 271, Subchapter D), cooperative purchasing program (Chapter 271, Subchapter F) or interlocal cooperation (Interlocal Cooperation Act)

# Procurement of Construction Services

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This Chapter applies to all construction contracts requiring the expenditure of more than \$50,000 which are competitively bid without using an alternative procurement method.

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 Finance Department 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 14th 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.

## **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 Finance Department provides information about the bidding requirements and purchasing procedures and the Requesting 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 Requesting 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 Requesting 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 City Manager. The City Manager or designee will consult with the Project Manager for all technical interpretations or clarifications. The City Manager 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.

### **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 constructing, altering, or repairing a public building, 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.

### **Alternative Procurement Methods for Construction Services**

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.

#### ***Best Value Bids (Government Code 2267.055)***

Under this method the City is not required to award a construction contract to the "lowest, responsible bidder". The City may, in its discretion, develop best value criteria that will be used in the evaluation of bids received. These weighted criteria must be published in the request for bids, proposals, etc. Some established criteria found in LGC 252.043 and GC 2267.055 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.

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

#### ***Competitive Sealed Proposals (Government Code 2267.151)***

In the competitive sealed proposal method, the City must first hire an independent architect or engineer to prepare construction documents (if the City does not employ, as a full time employee, an individual to perform this service). The City prepares a Request for Competitive Sealed Proposals (RFP), 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.

(Local Government Code 252.043 (d-1) - A contract for construction typically associated with civil engineering that requires an expenditure of \$1.5 million or less may be awarded using the competitive sealed proposal method described above. Civil engineering construction includes highways, roads, streets, bridges, utilities, water supply projects, water plants, wastewater plants, water and wastewater distribution or conveyance facilities, wharves, docks, airport runways and taxiways, drainage projects or other related types of projects.

### ***Construction Manager Agent (Government Code 2267.201)***

A 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 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 2267.251)***

A construction manager-at-risk (CMAR) assumes the risk for construction, rehabilitation, alteration, or repairs 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 (Government Code 2267.301)***

Once the City has decided that the design-build is the best procurement method to use, a request for qualifications and 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 team contracts directly with the trade contractors or subcontractors, and assumes complete responsibility for both the design and construction of the project.

## Procurement of Personal, Professional, or Planning Services

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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 2267 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.

All requests for professional services will be pre-approved by the City Manager by memo for any amount. City Council is required to approve any contract for a professional service that will exceed \$50,000.00.

Though competitive bids/quotes are not required, it will be the policy of the City of Andrews to procure, in all cases, professional services through a request for qualifications (RFQ) or request for proposals (RFP) if the total fee for the professional service is expected to exceed \$50,000 for any project. Once the most qualified candidate is determined by a committee of at least three people and the Department Director, the department will then solicit proposals and negotiate fees.

### **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 to until an agreement with a provider is reached.

### **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.

The City Manager shall determine if the complexity of the project is of sufficient nature to require the services of an Architect or Engineer.

## **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 2267.058 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.

## **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 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 Andrews 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 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.

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

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 Contract**

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 \$15,000 or less may be presented to the City Manager for approval, and contracts for more than \$15,000 must be presented to City Council for approval.

# General Contract Requirements

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## Bonding

### 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:

- A. Bid bond.** Bid bonds are issued by a Surety financially guaranteeing that the successful bidder will enter into an agreement with the City to perform the project or provide the service as defined by the specifications. The City requires that the bid bond be accompanied with an appropriately completed “Power of Attorney” executing the bid bond for the bidder. As an alternative, the City may accept a cashier’s check, with the City named as payee, to be held in escrow until the successful bidder signs the City’s project contract. 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.
- B. Performance bond.** A performance bond is a legal document insuring faithful performance of the work of the contract by the vendor. In the event of contractor’s failure to perform the work, the surety is liable for the satisfactory completion of the work or may pay the City up to the full bond amount. A performance bond, in the total amount of the contract, is required if the contract is in excess of \$100,000.00.
- C. Payment bond.** A payment bond, generally, in an amount of one hundred percent (100%) of the contract amount is a legal document insuring faithful payment by the vendor of all invoices for materials, labor, subcontractors, taxes, and any/all other expenses relative to the contract. In the event of vendor’s failure to pay any/all of the costs relative to the contract, the bonding company becomes liable. 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. In accordance with Texas Government Code Chapter 2253, payment bonds are required for all public works contracts in excess of \$50,000.
- D. 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. (Ch. 2253, TX. Gov’t Code)

## **Bonding 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. While the decision is discretionary, the decision shall take into consideration the work to be performed or system/subsystem to be developed. Performance bonds must be submitted by the successful vendor along with the duly executed contract documents prior to receiving a "Notice to Proceed" for the work.

## **Insurance Requirements (minimum)**

The successful bidder shall submit evidence of required insurance on an original Accord certificate not later than fifteen (15) working days following bid award notification. Failure to submit the required document(s) may result in rescinding the award. The bid may thereafter be awarded to the next lowest bidder.

A certificate of insurance is not required at the time of the bid. However, an insurance certificate is required to be on file prior to the start of any work.

- **Commercial General Liability:** \$1,000,000 per occurrence, \$1,000,000 products/completed operations and \$2,000,000 general aggregate for bodily and personal injury and property damage. This policy shall have no coverage removed by exclusions.
- **Automobile Liability:** \$1,000,000 combined single limit per accident for bodily injury and property damage. Coverage should be provided as a "Code 1," any auto.
- **Workers' Compensation and Employers' Liability:** Statutory. Employers Liability policy limits of \$100,000 for each accident, \$500,000 policy limit - Disease.

The insurance coverage or plan shall name the City, its officials, employees and volunteers, (collectively, the "City") as an additional insured. Contractor shall furnish a certificate of insurance which shall state that the City is an additional insurance under the policies plan, that the certificate modifies the policy or plan to grant the same rights to the City as an insured, and that the obligations of the insurance carrier to the City are the same as to the insured. The certificate of insurance or other evidence of the required coverage shall be furnished with the bonds or prior to commencement of work under the contract, if no bonds are required.

The Contractor's liability insurance policies shall contain provisions that specify that the policies are primary and will apply without consideration of other policies separately carried, and will state that each insured is provided coverage as through a separate policy had been issued to each, except that insurer's liability will not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Coverage shall be primary and non-contributory with any of the City's policies.

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days prior written notice has been provided to the City. If the policy is canceled for non-payment of premium, only ten (10) days' notice is required.

Insurance is to be placed with insurers with a best rating of no less than A. The company must also be duly authorized to transact business in the State of Texas.



Workers' Compensation and Employers' Liability Coverage: The insurer shall agree to waive all rights of subrogation against the City, its officials, employees and volunteers for losses arising from the activities under this contract.

### **Change Orders**

Local Government Code 252 provides the authority for cities to allow change orders. Change orders may not increase the original contract price by more than twenty-five percent (25%) and should not be used to purchase new products or to create an entirely new project.

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

- Changes in plans/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.

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.

# Interlocal Cooperative Purchasing Agreements

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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; however, the Council must expressly authorize the expenditure of funds over \$50,000.

Examples of interlocal cooperative purchasing agreements the City Council has approved include:

- State of Texas Comptroller of Public Accounts (CPA)
  - Term Contracts – access to all competitively bid CPA term contracts through the state's online ordering system, TxSmartBuy.
  - Texas Multiple Award Schedule (TXMAS) – offers the advantage of most favored customer pricing by allowing local governments to purchase goods and services from a schedule of multiple award contracts.
- State of Texas Department of Information Services (DIR) – allows for direct technology purchases through the Department of Information Services.
- Local Government Purchasing Cooperative Board (BuyBoard)
- Houston Galveston Area Council of Governments (HGAC)
- The Cooperative Purchasing Network (TCPN)

## 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 satisfy 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. If available, the user department compares prices among cooperatives and local vendors to obtain the best value. The user department determines the best value and issues a purchase order with the selected vendor using the purchasing method that provides the best value.

# Disposal of Surplus or Salvage Property

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## Definitions

“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 and the cost of seeking competitive bids exceeds the value of the property or the property has been competitively bid without successful receipt of a response.

“Surplus property” – Personal property that: (1) Is not salvage property or items routinely discarded as waste; (2) Is not currently needed by the city; (3) Is not required for the city’s foreseeable needs; and (4) Possesses some usefulness for the purpose for which it was intended.

## Responsibilities

- Department Directors shall periodically assess and determine the status of personal property within the possession and control of their department(s). Personal property requiring replacement shall be budgeted and scheduled for phasing out.
- It shall be the responsibility of the department with the Salvage or Surplus Property to notify the City Manager’s (CM’s) designee of Property it has in its possession.
- The method of disposal and venue shall be determined by the CM’s designee in accordance with this Policy. The Department with Property for disposal is responsible for providing information to the CM’s designee including a photo, brief description, and estimated value. Each department will be responsible for ensuring secure storage of Property until final disposal. If applicable, departments shall provide information regarding the best time and day the Property can be viewed and or picked up.

## Procedures

Authorization herein to dispose of excess property is authorization to use best efforts to dispose of excess property for the highest price without costing the city more to dispose of such property.

- During the budget process, the city manager shall identify major equipment for which a title is held in the name of the city, such as cars, which will be replaced with new equipment or otherwise liquidated and shall include such information in the budget. Items identified for replacement in the budget shall be authorized to be disposed of as surplus or, if qualifying, salvage property without further action of the city council, in a manner set forth in this article.
- Surplus property of one department which is needed in another department of the city shall be transferred to such department without being deemed surplus property.
- Salvage property may be utilized as a trade-in on new property of the same general type without further action by the city council. Surplus property may be utilized as a trade-in on new property of the same general type provided that the finance director certifies that the city is receiving fair market value for the trade-in.

- Salvage property constituting scrap, for which undertaking to sell the property would likely result in no bids or a bid price that is less than the city's expenses required for the bid process, may be destroyed or otherwise disposed of as worthless without further action of the city council, or may be offered to a qualifying nonprofit or civic organization upon approval of the city council.
- Surplus property shall be offered for sale without further action of the city council, or may be offered to a qualifying nonprofit, government, or civic organization upon approval by the city council provided the organization's services to the city are sufficient to authorize such transfer. A qualifying nonprofit, government, or civic organization receiving excess property from the city must provide the city with adequate compensation, such as relieving the city of transportation or disposal expenses related to the property.
- Excess property receiving no bids in an auction or competitive bids may be deemed salvage property and may be disposed of in a manner provided in this article.
- Surplus firearms identified by the Chief of Police and approved by the city council may be sold to full-time peace officers within the City of Andrews Police department for the estimated market value as determined by the Chief of Police. The Chief of Police is not allowed to purchase surplus firearms. Any Surplus Firearms that remain unsold shall be sold to a federally licensed firearms dealer for the estimated market value as determined by the Chief of Police.
- Property in the possession of the city police department subject to disposal standards of the Code of Criminal Procedure or other property in any department's possession for which another statute requires specific procedures for disposal shall follow the procedures set forth therein.

### **Method of Sale**

Surplus property required to be disposed shall be sold either through an approved auction facility, competitive bid, or approved website that provides suitable exposure to obtain fair market value for surplus item(s). The City may also dispose of electronic surplus and salvage property by contracting with a vendor who will recycle, sell, and dispose of such property. Surplus property sold through an approved website shall be offered for sale for a minimum of one week. Notice of surplus property sold through competitive bidding shall be included at least once in the official newspaper with the notice being at least fourteen days before the sale. Such notice of a bid shall include a description of the surplus property to be sold, and the date and time sealed bids will no longer be accepted.

### **Disposition of Proceeds of Sale; Property Exchanged or Traded**

All proceeds of the sale shall be deposited in the treasury of the city and accounted for in the financial records of the city. Any excess property exchanged or traded for value shall be added to the appropriate inventory of property of the city.

### **City officials and employees**

City officials and employees are eligible to bid on surplus property unless specifically prohibited by State, Federal, or departmental guidelines (i.e., police investigation related items or federally seized items).

# Appendix

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## **Appendix A: City Issued Credit Card Policies & Procedures**

### **Overview**

The City Credit Card 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 herein and with the City's Purchasing Manual.

### **Eligible Employees**

Department Directors recommend full-time employees whose responsibility includes purchasing business related goods and services and/or frequent business travel, to receive a credit card. An individual will only receive the card after completing the application form, acknowledge receipt of City Issued Credit Card Policies and Procedures and signing a Cardholder Agreement Form.

The 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 card is issued to the employee, it remains City property and may be rescinded at any time. The employee should use the card only for the types of purchases described in this guide and approved by his supervisor.

### **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.

The Director of Finance, or his delegate, may authorize exceptions to the monthly credit card limit and/or single transaction limits when in the City's best interest.

### **Program Administrator Responsibilities**

The Director of Finance serves as the liaison between the cardholders and the Bank. Additionally, the responsibilities include:

- Establish Cardholder accounts and authorization controls;
- Provide instructions, training and assistance to Cardholders and approvers;
- Maintain proper documentation and storage of imaged receipts, logs and approvals;
- Authorize payment to credit card company in accordance with City policies, procedures and the Prompt Payment Act;
- Immediately notify the City Manager of any suspected abuse or fraudulent activity.

### ***Director Responsibilities***

The Cardholder's director is responsible for approving transactions and verifying that related receipts and documentation are submitted.

The director is also responsible for obtaining the card from cardholders upon their exit from the City (resignation or termination) and returning the card to the Director of Finance.

### ***Cardholder Responsibilities***

The employee promises to comply with the program rules and regulations as outlined in the City of Andrews' Purchasing Manual and by signing the Procurement Cardholder Agreement. Additionally, the cardholder is responsible for:

- Upon receipt of the card, activate the card;
- Hold and secure the card;
- Order materials and services as needed by the department;
- Ensure sales tax is not charged;
- Receive and inspect all ordered materials for discrepancies (resolving discrepancies directly with the vendor first);
- Save all sale receipts and submit to Accounts Payable as soon as practical;
- For each transaction made, indicate the account code that will be used to pay for the purchase;
- Use the card for City related business only, in accordance with city, state and federal policies, procedures and laws;
- Immediately report any fraudulent use as well as lost or stolen cards to the City's Director of Finance.

### ***Using the Card***

The credit 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 Andrews

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;
- Office and food supplies.

Purchases shall not be split to circumvent 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;

The City of Andrews is tax exempt. The City's tax exempt number is 75-6000446. The cardholder is responsible for providing this information to the vendor. When traveling, hotel charges, food charges and fuel charges will most likely be taxed.

Billing information, if requested, is: City of Andrews, 111 Logsdon, Andrews, TX 79714

### ***Transaction Reconciliation***

All transactions should be supported by a copy of the charge slip, sales receipt, or any other information related to the purchase. Receipts should be itemized as much as possible to show what is being purchased. In instances where the receipt is lost, Cardholder must obtain a copy at their own expense from the Bank or vendor.

**Appendix B: Credit Card Cardholder Agreement**

**A credit card is requested for the following employee:**

<b>Employee Name:</b>	<b>Title:</b>
<b>Department Name:</b>	
<b>Expected purchases to be made with card:</b>	
<b><u>Director requesting Card:</u></b> <b>Print name:</b>  <b>Signature:</b>	<b><u>Approved by Program Administrator:</u></b> <b>Print name:</b>  <b>Signature:</b>

I \_\_\_\_\_ hereby agree to comply with the City Issued Credit Card Policies & Procedures as written in Appendix A of this Purchasing Manual.

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

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**



## Appendix C: Purchase Authorization Cards

### Overview

A Purchase Authorization Card is a blanket purchase order which enables a City employee to charge small dollar value goods and services to the City's account at authorized local vendors

### Establishing Approved Vendors & Authorized Cardholders

1. The Director of Finance, with input from other City Directors, will establish a list of preferred local vendors which the City buys high volume, small dollar consumables and services. The Director of Finance is responsible for attaining each vendor's buy-in to the City's process and communicating to the local vendor their responsibility in assuring the program's success. [See Chart 1 for current list of Approved Vendors.]
2. At the beginning of each fiscal year, the Finance Department will issue a Purchase Authorization Card to all authorized cardholders (typically City Directors and Supervisors). [See Attachment B for a current list of Authorized Cardholders.] Each card will include a stated effective period and a unique Purchase Order Number related to the cardholder's department.

### Buyer Responsibilities

1. To charge a purchase to the City from an approved vendor using a Purchase Authorization Card, the buyer must present the card to the cashier at the time of purchase. The buyer either uses the card they were assigned or "uses" the card of their department director or supervisor.
2. The buyer must sign the invoice or document kept by the vendor for billing purposes.
3. If applicable, buyer must write vehicle number on the invoice.
4. If the card belongs to a director or supervisor, return the card to the appropriate director or supervisor as soon as practical.

### Cardholder Responsibilities

1. Any person assigned a card is responsible for the card's safekeeping and proper use.
2. Cardholder may allow another employee to use their assigned card for purchases to be charged to their department(s). Cardholder should make sure card is returned promptly after purchase.
3. Report missing cards or possible card misuse immediately to the Director of Finance.
4. Review, code and approve all charges made with your card on the vendor's invoice/statement. Make sure to authenticate the employee signature and verify whether the purchase was authorized by you.

### Vendor Responsibilities

1. Do not allow anyone to charge a purchase to the City's account unless they display a current City of Andrews Purchase Authorization Card.
2. Require buyer to sign invoice and include vehicle number if applicable.
3. For purchases over \$1,000, call the name on the back of card for verbal approval/confirmation.
4. Reference the Purchase Order Number located on the back of the card on the invoice.

Chart 1  
 APPROVED VENDORS  
 October 1, 2018 – September 30, 2019

<b>VENDOR</b>	<b>VENDOR #</b>	<b>NOTE</b>
Andrews Iron and Supply	007410	
Andrews Tire Service *	009600	
Andrews Truck Maintenance *	009800	
Auto Zone	011950	
Deeco Rubber	028690	
Express Care *	033390	
Fastenal *	034086	
Gebos	037560	
Higgenbotham Brothers	042339	
Marcelino's *	053300	
Mustang Lumber	060230	
Napa *	060960	
O'Reilly Auto Parts *	065350	
Porter's Thriftway	069700	
Sal's *	075410	
Sewell Andrews *	076970	
Stampede *	079900	
Stanley Ford *	079950	
West Texas Gas	096140	Bulk oil

\*vehicle number required if applicable