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# CITY OF CELINA

# PROCUREMENT POLICY

| DESCRIPTION               | COUNCIL AUTHORIZED DATE | RESOLUTION # |
|---------------------------|-------------------------|--------------|
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# PROCUREMENT POLICY

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**1.1 PURPOSE AND POLICY**

The purpose of the Procurement Policy is to provide guidance to all employees regarding procurement related activities. Purchasing is a function of all Departments. Directors or their designees are responsible for coordinating with the Purchasing Department on any departmental purchases made on behalf of the City of Celina. Purchasing procedures are subject to the following.

- A. All purchasing shall be in accordance with the laws of the State of Texas, including Chapters 252 and 271 of the Texas local Government Code, Chapter 2269 of the Texas Government Code, and the City of Celina Charter.
- B. All purchasing shall adhere to sound purchasing policies to ensure that Celina taxpayers receive the best value for city purchases. Purchasing activities will be managed with proper controls and all requisitions will be processed in a timely manner to ensure efficient practices.
- C. When required, or preferred, a competitive bidding or proposal process, in the form of a Bid, Request for Proposal, Request for Qualifications, or approved alternate delivery method will be utilized to make purchases that provide the best value to the City, and to provide for an open and fair process for all interested vendors.

**1.2 AUTHORITY**

The City Council's authority to contract for all goods and services is delegated to the City Manager as outlined in this policy and to those employees to whom the City Manager delegates that responsibility.

The Purchasing Director interprets this Policy. Any questions regarding the Purchasing Director's interpretation and/or application of the policy may be taken to the City Manager for the review and consideration. The City Manager shall resolve any question about any interpretation and/or application of the policy when there is a conflict.

**1.3 CENTRALIZED PROCUREMENT**

The Purchasing Department serves as the central procurement office for the City. It determines which method of Procurement will be used for the purchase. The Purchasing Department communicates operational procedures consistent with sound business practices, for the procurement and management of all goods and services, including disposal of City-owned property.

**1.4 ENFORCEMENT**

It shall be the responsibility of the City Manager and Purchasing Director to enforce all procurement procedures.

A violation is defined as an employee's action or omission that indicates a disregard for purchasing laws, policies, or procedures. A violation also may be noted if the employee's action was unintentional but violates federal law, state law, city charter, policies, or procedures.

Personnel who attempt to contract in the name of the City, or make authorized or unauthorized purchases outside the scope of this policy, may be subject to disciplinary action up to and including termination, legal action, and personal financial liability.

If an officer or employee fails to comply with the competitive bidding or competitive proposal procedures required by law, that person may be convicted of a Class B misdemeanor. This includes a situation where the officer or employee knowingly or intentionally authorizes separate, sequential or component purchases to avoid the competitive bidding requirements.

Texas Local Government Code §§ 252.062, 252.063, and 271.029 provide criminal penalties for officers and employees who knowingly violate state statutes.

### **1.5 PERSONAL USE PROHIBITIONS AND PERMISSIONS**

The nature of purchasing functions makes it critical that all players in the process remain independent, free of obligation or suspicion, and completely fair and impartial. Maintaining the integrity and credibility of a purchasing program requires a clear set of guidelines, rules and responsibilities to govern the behavior of purchasing employees. The following guidelines must be adhered to by all employees.

If an employee acquires merchandise or services for the employee's personal use from a vendor doing business with the City, the purchase must be paid directly to the vendor by the employee.

Employees may purchase merchandise or services from a vendor doing business with the City, provided that the price at which the item is purchased is the same price charged to all officers and employees of the City.

Employees cannot use the City's business accounts for personal purchases.

Employees shall **NOT** use the City of Celina tax exemption forms for personal use.

### **1.6 LEGISLATIVE UPDATES**

Any amendments to State or Federal law will automatically take effect on the date stated in the legislative update.

**2.1 PURCHASING THRESHOLDS**

Purchasing thresholds are established to ensure fair competition among available, responsible vendors. To effectively expedite and control purchases of goods and services that are subject to Local Government Code, Chapter 252, the City of Celina has adopted the following purchasing thresholds. Employees should be aware of that Chapter 252 of the Texas Local Government Code prohibits the use of “separate, sequential, or component purchases” to avoid competitive bidding requirements:

Component Purchase is a purchase of the component parts of an item that in normal purchasing practices would be purchased in one purchase.

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

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

**PURCHASES \$2,999.99 OR LESS**

- A. An approved department representative may source these items directly.
- B. Multiple quotes are recommended, but not required for this threshold. One written quote is required.
- C. Purchase must be made with the purchasing card or by obtaining a purchase order prior to placing the order.

**PURCHASES \$3,000 TO \$49,999.99**

- A. Requires three written quotes. Quotes must be uploaded online to the requisition system for review by Purchasing.
- B. Requires a documented attempt to contact two Historically Underutilized Businesses (HUBs) from HUB vendors within Collin or Denton Counties.
- C. A purchase must be made by obtaining a purchase order prior to placing the order.
- D. Exceptions may be granted by the Purchasing Director for use of a PCard or other payment method.

**PURCHASES \$50,000+**

Purchases in amounts of \$50,000 or greater are generally subject to requirements of the competitive bid process unless specifically exempted by State Law.

Exceptions to the \$50,000 Bid Threshold:

- A. Professional Services (Section 13 of the City of Celina Procurement Policy)
- B. Emergency Purchases (Section 14 of the City of Celina Procurement Policy)
- C. Disaster Purchases (Section 15 of the City of Celina Procurement Policy)
- D. Sole Source Purchases (Section 16 of the City of Celina Procurement Policy)
- E. Cooperative Purchases (Section 17 of the City of Celina Procurement Policy)
- F. Other Exemptions as outlined in the Texas Local Government Code Chapter 252

**2.2 APPROVAL AUTHORITY FOR PURCHASES**

The following approval levels shall be utilized in all procurement related matters. The respective Director or designee must approve all procurement card (PCard) transactions. Purchase Orders will also follow this approval process. The Purchasing Department is responsible for the review and issuance of all Purchases Orders and final PCard submittals. The approval requirement levels are established on a monetary scale identified in the chart below.

| Amount                 | Approval Requirements |          |              |              |                     |
|------------------------|-----------------------|----------|--------------|--------------|---------------------|
|                        | Level 1               | Level 2  | Level 3      | Level 4      | Review and Issuance |
| \$2,999.99 or less     | Authorized Staff      |          |              |              | Purchasing          |
| \$3,000 - \$24,999.99  | Authorized Staff      | Director |              |              | Purchasing          |
| \$25,000 - \$49,999.99 | Authorized Staff      | Director | City Manager |              | Purchasing          |
| \$50,000 +             | Authorized Staff      | Director | City Manager | City Council | Purchasing          |

**PURCHASES \$2,999.99 or less (Level 1)**

Directors may delegate authority to staff within their Department to approve and authorize a requisition, or PCard purchase.

**PURCHASES \$3,000.00 to \$24,999.99 (Level 1, 2)**

If a Director delegates the approval authority to staff within their Department for a requisition or PCard purchase two authorization approvals are required. A Director approval is required at this level.

**PURCHASES \$25,000.00 to \$49,999.99 (Level 1, 2, 3)**

Requires signature from the City Manager or his/her designee. Additionally, if a Director delegates the approval authority to staff within their Department for a requisition or PCard purchase two authorization approvals are required. A Director approval is required at this level.

**PURCHASING \$50,000.00 or more (Level 1, 2, 3, 4)**

Requires City Council approval and signature from the City Manager or his/her designee plus other levels.

This section covers delegated authority for all Procurement related issues.

**3.1 CITY COUNCIL**

City Council, as required by Local Government Code, §Chapter 252, must authorize:

- A. All anticipated expenditures exceeding \$50,000.
- B. All change orders greater than \$50,000.

**3.2 CITY MANAGER**

The City Manager shall establish the rules and regulations for the purchase of all goods and services through this manual.

**Delegated Authority – City Manager:**

The City Manager, as authorized by City Council, may:

- A. Authorize the purchase of all items less than \$50,000.
- B. Authorize non-budgeted items less than \$50,000.
- C. Execute all purchase orders under \$50,000 and those over \$50,000 that City Council has approved.
- D. Execute all contracts and change orders under \$50,000.
- E. Execute all contracts and change orders over \$50,000 that City Council has approved.
- F. Execute change orders that have increased the contract by no more than 25%.
- G. Execute change orders that have decreased the original contract.

**3.3 ASSISTANT CITY MANAGER – INTERNAL SERVICES**

The City Manager delegates to the Assistant City Manager for Internal Services (ACM-IS) the authority to procure all goods and services, dispose of all salvage, surplus, and seized property, execute contracts and agreements for all departments and administer the rules and regulations as established by all federal, state and local procurement laws.

**Delegated Authority – Assistant City Manager for Internal Services**

The ACM-IS, as authorized by the City Manager, may:

- A. Authorize the purchase of items less than \$50,000
- B. Execute all purchase orders under \$50,000 and those over \$50,000 that City Council has approved.
- C. Execute all Interlocal or Cooperative Purchasing agreements.
- D. Purchase goods or services through an Interlocal Agreement or Cooperative Contract.
- E. Execute all contracts and change orders under \$50,000.
- F. Execute all contracts and change orders over \$50,000 that City Council has approved.
- G. Execute change orders that have increased the contract by no more than 25%.
- H. Execute change orders that have decreased the original contract.

- I. In concurrence with requesting department, reject all bids when in the City's best interest, and make a recommendation to the City Manager or City Council, as appropriate. Rejections over \$50,000 require authorization by City Council.
- J. Determine which method of Procurement provides the best value for the City.
- K. Determine and implement the most appropriate method of disposal of salvage, surplus, and seized property in accordance with applicable laws.
- L. Consult with the City Attorney for a review of all procurement-related issues.
- M. Conduct procurement in a fair, open, inclusive, and transparent environment.

### 3.4 **PURCHASING DIRECTOR**

The Purchasing Director oversees all procurement requirements for goods and services and ensures all are in accordance with all federal, state, and local procurement laws. The Purchasing Director ensures all procurement activities are conducted with the highest ethical standards, open and fair competition, and protect public funds.

#### **Delegated Authority – Purchasing Director:**

The City Manager delegates to the Purchasing Director the authority to procure all goods and services, dispose of all salvage, surplus, and seized property, execute contracts and agreements for all departments and administer the rules and regulations as established by all federal, state, and local procurement laws.

The Purchasing Director, as authorized by the City Manager, may:

- A. Authorize the purchase of items less than \$50,000
- B. Execute all purchase orders under \$50,000 and those over \$50,000 that the City Council has approved.
- C. Execute all Interlocal or Cooperative Purchasing agreements.
- D. Purchase goods or services through an Interlocal Agreement or Cooperative Contract.
- E. Execute all contracts and change orders under \$50,000.
- F. Execute all contracts and change orders over \$50,000 that City Council has approved.
- G. Execute change orders that have increased the contract by no more than 25%.
- H. Execute change orders that have decreased the original contract.
- I. Reject any and all bids, in concurrence with requesting department, when in the City's best interest, and make recommendations to the City Manager or City Council, as appropriate. Rejections over \$50,000 require authorization by City Council.
- J. Determine which method of Procurement provides the best value for the City.
- K. Determine and implement the most appropriate disposal method of salvage, surplus, and seized property in accordance with applicable laws.
- L. Consult with the City Attorney for a review of all procurement-related issues.
- M. Conduct procurement in a fair, open, inclusive, and transparent environment.



**4.1 POLICY BACKGROUND**

The procurement policy is based on Texas statutory provisions as found in the Texas Government Code, Texas Local Government Code, Texas Insurance Code, and Texas Labor Code, as amended. Although all such requirements apply to the policies and procedures outlined in this policy, selected statutes are provided herein for guidance, as follows:

**4.2. DEFINITIONS, Texas Local Government Code, §252.001**

Component Purchase is a purchase of the component parts of an item that in normal purchasing practices would be purchased in one purchase.

High Technology procurement is the Procurement of equipment, goods, or services of a highly technical nature, including:

- A. Data processing equipment and software and firmware used in conjunction with data processing equipment;
- B. Telecommunications equipment and radio and microwave systems;
- C. Electronic distributed control systems, including building energy management systems; and
- D. Technical services related to those items.

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

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

**4.3 BIDS THRESHOLD, Texas Local Government Code, §§ 252.021 and 252.0215**

Expenditures of more than \$3,000, but less than \$50,000, require the buyer to obtain a minimum of two quotes from Historically Underutilized Businesses (HUB) in Collin and Denton Counties.

A total of three quotes are required for all purchases over \$3,000 and less than \$50,000.

The City must competitively bid or request sealed proposals for any goods/services over \$50,000.

**4.4 PAYMENTS, Texas Government Code, §§ 2251.021 through 2251.030**

A payment is overdue on the **31st day after the latter of:**

- A. The date the governmental entity receives the goods under the contract; or
- B. The date the performance of the service under the contract is completed; or
- C. The date the governmental entity receives an invoice for the goods or service.

If goods or services are incomplete, staff must document any issues/shortages and notify the vendor in writing. **Payment is not made until the good or service is accepted.**

- A. Interest on overdue payments accrues at the interest rate established by law.
- B. Departments are encouraged to take advantage of prompt or early payment discounts.

Vendors / Contractors must pay subcontractor or supplier who supplies goods/services for which payment is made within ten (10) days after receipt of payment from the City.

4.5 **CRIMINAL PENALTIES, Texas Local Government Code, §252.062**

A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly makes or authorizes separate, sequential, or component purchases to avoid the competitive bidding requirements of Section 252.021. An offense under this subsection is a Class B misdemeanor.

A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly violates Section 252.021, other than by conduct described by subsection (a). An offense under this subsection is a Class B misdemeanor.

A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly violates this chapter, other than by conduct described in subsection (a) or (b). An offense under this subsection is a Class C misdemeanor.

4.6 **REMOVAL/INELIGIBILITY, Texas Local Government Code, §252.063**

The final conviction of a municipal officer or employee for an offense under Section 252.062 (a) or (b) results in the immediate removal from office or employment of that person.

For four years after that date of the final conviction, the removed officer or employee is ineligible:

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

4.7 **PUBLIC RECORDS**

Texas Government Code, Chapter 552 regarding bid documents and contracts will be followed.

The City will not release copies of submitted bids or bid evaluations until after the contract has been awarded in accordance with §552.104 of the Texas Government Code. This is not a waiver of any exception to the requirements of public disclosure contained in the Texas Public Information Act, including, but not limited to, trade secrets or other commercial or financial information that is made confidential by law.

It is the policy of the City of Celina that the following ethical principles govern the conduct of all employees involved, directly or indirectly, in the City's procurement process.

#### 5.1 DEFINITIONS

Vendor is defined as person or business who enters or seeks to enter into a contract with the City.

Family Member means a person related to another person within the first degree.

Family Relationship is a relationship between a person and another person within the third degree.

Gift means a benefit offered by a person, including food, lodging, transportation, and entertainment accepted as a guest.

#### 5.2 PROCUREMENT CODE OF ETHICS

A special responsibility is imposed on all City of Celina employees entrusted with allocating City funds. Employees are held to the highest degree of integrity in government procurement to secure the best financial results and comply with the procurement process.

Employees involved in procurement and procurement-related functions must remain independent, free of obligation or suspicion, and entirely fair and impartial. Credibility and public confidence are vital throughout the purchasing process. Any erosion of honesty, integrity, or openness tends to be more injurious to purchasing than most other public programs. The shadow of doubt can be as harmful as the conduct itself. It is with this in mind that the following procedures are set forth. Every person employed by the City of Celina and performing public purchasing and purchasing-related functions shall abide by this code of ethics.

- A. Strive to continually increase competition in supplier selection and endeavor to prevent any collusive activities among suppliers. Avoid soliciting or accepting money, loans, credits and acceptance of gifts, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence supply management decisions.
- B. Handle confidential or proprietary information with due care and proper consideration. Receive consent of originator of confidential information or proprietary ideas and designs before using them for competitive purchasing purposes.
- C. Treat supplies equitably, without preference or discrimination, and without imposing unnecessary constraints on the competitive market.
- D. Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications with vendors.
- E. Discourage business relationships with personal friends and relatives. Request a reassignment of responsibility if the situation occurs.
- F. Refrain from holding business meetings with suppliers outside the office. If such a meeting is necessary, carefully choose the location so there will be no perception by others in the business community or your peers of impropriety.
- G. Adhere to lawful instructions, using reasonable care, and only granted authority.
- H. Refrain from conducting any private business or professional activity that would result in

a conflict of interest between the employee and employer.

**5.3 NO EMPLOYEE INTEREST IN EXISTING CONTRACT:**

Employees may not have any financial or other interest, directly or indirectly, in any proposed or existing contract, purchase (materials & supplies), work, sale, or service to, for, with, or by the City.

- A. An employee may request an exception by submitting a conflict of interest form to the City Manager. After consulting with Human Resources and the City Attorney, the City Manager may waive this requirement and grant an exception.
- B. Use of City employment, authority, or influence for personal betterment, financial or otherwise, is prohibited.

**5.4 CONFLICT OF INTEREST**

City employees and officials must become familiar with the requirements in Texas Local Government Code Chapter 176, Disclosure of Certain Relationships with Local Government Officers; and Texas Local Government Code Chapter 171, Regulation of Conflicts of Interest of Officers of Municipalities; and the penalties provided therein.

If a conflict exists, the employee shall notify the Procurement Director in writing and remove himself or herself from the City procurement process.

**5.5 GRATUITIES (GIFTS AND ENTERTAINMENT)**

Employees shall not solicit or accept money, loans, gifts, favors or anything of value from current or potential vendors/contractors that might influence or appear to influence a purchasing decision or the City procurement process. If anyone is in doubt about whether a specific transaction complies with the policy, the person should disclose the transaction to the Procurement Director for a determination of compliance.

- A. The purpose of the policy governing gifts to public employees is to regulate attempts to influence employees to use their authority or discretion to the advantage of the person making the gift and prevent criminal conduct per City policy.
- B. No officer or employee of the City shall accept, directly or indirectly any gifts, privilege or employment from any corporation, business or entity enjoying business from the City. The City recognizes that food items may be received from citizens and vendors as a 'thank you' for service during holiday time and on other occasions. Such offerings, including gift donations, are permissible and should be made for the enjoyment of everyone as available in that particular department, division, or worksite.
- C. Items that are not consumable on the premises shall be returned, donated to a City program, or community organization or used as a door prize at a City event.
- D. This policy is not intended to prohibit the employee or department from accepting discounted values when carrying out departmental (non-personal) business or accepting courtesy is generally extended to business or governmental organizations within reason.
- E. Employees can attend events and sponsored events from citizens and vendors at the discretion of the employee's supervisor.
- F. The City, as a whole, may accept consumable products as stated in item C above, if the items are provided by a vendor that is not currently under evaluation through a procurement process.

- G. Questions regarding acceptance of gifts should be channeled through the Purchasing Director.

5.6 **SUPPLIER/VENDOR RELATIONS**

Employees of the City must:

- A. Promote positive vendor relations through courtesy and impartiality in all phases of the procurement process;
- B. Handle confidential or proprietary information belonging to the City, fellow employees, or vendors with care and proper consideration of ethical and legal ramifications and governmental regulations;
- C. Never use information gained confidentially in the performance of duties for profit;
- D. Exhibit a friendly, cooperative, and yet objective relationship with all suppliers; this will help avoid the appearance of partiality in business dealings; and
- E. Actively strive to comply with City policies and federal and state laws regarding purchases from small businesses and those owned by minorities and other disadvantaged groups.

City employees must discharge their duties impartially to ensure suppliers have fair and competitive access to government procurement. City employees must conduct themselves in such a manner as to foster public confidence in the integrity of the City of Celina procurement opportunities. Each employee must report any potential violations to the proper authorities.

### 6.1 PURPOSE

The purpose of this policy is to establish a guide and encourage the purchase and use of materials, products, and services that support the purchase of recycled and environmentally preferred products to minimize the City's environmental impact.

### 6.2 DEFINITIONS

Environmental Purchasing is defined as the Procurement of goods and services that have ecological and social impacts than competing products and services. The Purchasing Manager shall encourage the use of durable goods and reusable goods containing the maximum post-consumer waste and recyclable content without affecting the intended use. Environmental factors to be considered may include recycled content, pollutant, releases, waste generation, energy consumption, depletion of natural resources, and potential impact on human health and the environment.

Recycled Products are manufactured with waste material recovered or diverted from the waste stream. Recycled materials may be derived from post-consumer waste, industrial scrap, manufacturing waste, or other waste that would not have been utilized.

Cooperative Purchasing allows organizations to combine their purchasing power to negotiate better prices and reduce purchasing costs of a formal bid process.

Environmentally Preferable Products or Services are products and services with a reduced effect on human health, resources, and the environment compared with competing products and services that serve the same purpose. This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, and disposal of the product or service.

Life Cycle Assessment is the comprehensive examination of a product's environmental impacts throughout its lifetime.

Post-Consumer Recycled Content is the percentage of a product made from materials and by-products recovered or diverted from the solid waste stream after having completed their usefulness as consumer items and used in place of raw or virgin material. Post-consumer content includes materials such as paper, glass or plastic bottles, and cans collected for recycling.

Pre-Consumer Recycled Content is the percentage of products made from materials by-products diverted from the solid waste stream during the manufacturing process. Pre-consumer materials exclude reutilization of the material such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process that developed it, such as wood chips, trimmed printed materials, and overruns and obsolete inventories.

- A. Practicable means sufficient in performance and available at a reasonable cost.
- B. Performance means the ability of a product or service to accomplish or contribute to achieving a job or task.
- C. Solid Waste is defined in federal statute USEPA 40 CFR 261.2 at [www.ecrf.gov](http://www.ecrf.gov).

### 6.3 POLICY

The City shall attempt to purchase and use materials, products, and economically responsible services that support economic, environmental, and social goals or reduce resource consumption and waste.

Nothing in this policy shall be construed as requiring the purchase of a product that does not perform adequately or are not available at a reasonable cost.

This policy identifies the following economic, environmental, and social factors that may be incorporated into the specifications and used as part of the best value criteria.

**Environmental Factors:**

|                                   |                                |
|-----------------------------------|--------------------------------|
| Pollutant Releases                | Greenhouse Gas Emissions       |
| Energy Consumption                | Depletion of Natural Resources |
| Waste Generation                  | Recycled, Recyclable Content   |
| General Impact on the Environment |                                |

**Economic Factors:**

|                      |                             |
|----------------------|-----------------------------|
| Best Value           | Leveraging Our Buying Power |
| Staff Time and Labor | Technological Advances      |

**Social Factors:**

|                                  |                                |
|----------------------------------|--------------------------------|
| Health and Safety                | End of Life Disposal           |
| Use of Locally Produced Products | Minimization of Transportation |

**6.4 RESPONSIBILITIES**

Purchasing is responsible for:

- A. Designating products, processes, and procedures to be evaluated by departments. Maintain a list of acceptable options.
- B. Provide technical assistance in policy implementation.
- C. Monitor and revise procedures as necessary.
- D. Research and communicate environmentally preferable products to departments for evaluation.
- E. Collect data on recycled and other environmentally preferable products.

Departments are responsible for:

- A. Identify key personnel to evaluate products when feasible.
- B. Monitor and report to Procurement the success or failure of all designated products.
- C. Evaluate and assess current policies and practices for opportunities to incorporate environmentally preferred products.
- D. Be familiar with third-party certification organizations such as Energy Star and Green Seal.

Contractors/Suppliers are responsible for understanding all environmental specifications while working on City projects and all Federal, State, and local laws.

Contractors and Suppliers shall:

**AIR EMISSIONS**

- Strive to minimize vehicle & equipment idling and shall comply with any current or future ordinance regarding idling.
- Ensure their staff is trained in the proper use of handling all materials and chemicals to minimize air emissions.
- Avoid open burning of waste materials.
- Cover or wet down dry materials and rubbish to prevent blowing dust and debris.

#### DRAINAGE

- Do not pump or dump water containing contaminated materials into waterways, sewers, or drainage systems.

#### DUST CONTROL

- Keep public roadways clean and free of mud unless closed to through traffic per authorized traffic control plans.
- Install a mud mat at the construction access site.

#### ENERGY CONSUMPTION

- Use energy-efficient equipment and work practices (turn off lights and equipment when not in use) when working on City projects.

#### EROSION & SEDIMENTATION CONTROL

- Ensure work near water and environmentally sensitive areas follow all requirements and permits.
- Be responsible for implementing and maintaining erosion and sediment control measures when required by the specification.

#### SPILL PREVENTION

- All spills must be reported immediately and proper reporting to all required agencies, including City staff.
- All spills shall be controlled, contained, and cleaned as soon as possible.

#### WASTE MANAGEMENT

- When possible, contractors and suppliers should employ the “reduce, reuse, and recycle” principles when working on City projects to help minimize the amount of waste produced and sent to the landfill.
- Do not bury waste materials.
- Contractors shall dispose of waste using Federal, State, and Local laws and regulations.

#### MANAGEMENT OF CHEMICALS

- Hazardous materials brought to and removed from a worksite shall be managed in accordance with all Federal, State, and local laws & regulations.
- All containers must be appropriately labeled.
- All paint is low-odor and low volatile organic compounds (VOC).
- Material Safety Data Sheets (MSDS) must be maintained onsite.

#### NOISE

- Minimize noise onsite resulting from work activities whenever practical.
- Adhere to required working hours.
- Use vehicles and equipment with properly working muffling devices.



**7.1 POLICY**

This policy establishes the responsibility for ensuring compliance and provides a review process that shall be completed before signing any grant or award document and accepting said grant or award.

**7.2 IDENTIFICATION AND APPLICATION**

Departments seeking grants must provide advance notice in writing to Finance. This ensures that those affected can review and understand grant requirements, including Budget, Procurement, and auditors.

- A. Submit grant requirements to Finance before application submittal.
- B. Submit copies of all award documents, applications, and funding agreements to Procurement and Finance before bidding.
- C. If a federal grant, comply with all federal procurement standards in 2 CFR § 200.318 including to those listed below.
  1. The City (Non-Federal entity) must use its own documented procurement procedures, which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part.
  2. Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
  3. Conflict of Interest: No employee, officer, or agent may participate in selecting, awarding, or administering a contract supported by a Federal award if they have an actual, apparent conflict of interest. A conflict of interest arises when the employee, officer, agent, or any member of their immediate family, their partner, or an organization that employs or is about to employ any of the parties indicated, has a financial or other interest or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.

**8.1 BID PROTESTS**

All protests regarding the bid solicitation process must be submitted in writing to the Purchasing Director within five (5) working days following the opening of bids. This includes all protests relating to advertising, deadlines, bid opening, and other related procedures under the Texas Local Government Code and protests relating to alleged improprieties or ambiguities in the specifications.

**8.2 DEBRIEFING**

Debriefings and requests for information shall be in accordance with Texas Government Code, §552 Texas Public Information Act.

Discussion of competing proposals is prohibited.

**8.3 CHECK REQUEST AND PURCHASE ORDER EXCEPTIONS**

Check requests may be used for the following purchase types and do not require a purchase order:

- A. Refunds: Include the reason for the request and attach documentation indicating the person or organization's name; date of original purchase, contract date, class date; and reason for refund.
- B. Contract Labor: Include the reason for the request and attach documentation, including a copy of the employment contract for a one-time payment or instructors. Submit proper documentation, such as a copy of the instructor contract.
- C. Land/Development: Include agreement and reason for the request.
- D. Reimbursements: Include a copy of the detailed invoice or receipt. This does not include travel reimbursements.
- E. Other exceptions must be approved by the Finance Director and Purchasing Director.

**8.4 INFORMATION TECHNOLOGY PURCHASES**

All technology purchases, including software, hardware, copier, and printers, must be approved by the Information Technology Department to ensure security controls are met.

**8.5 NEW VENDORS**

All new vendors are required to submit a completed vendor packet.

**8.6 DISCRIMINATION**

It is the policy of the City of Celina to afford all suppliers an equal opportunity to bid on any contract.

This policy prohibits discrimination against any person because of race, color, sex, religious affiliation, age, disability, or national origin, in the award or performance of any contract.

The policy requires its officers, employees, agents, and sub-contractors to adhere to this policy.

**8.7 PLACING ORDERS**

Funds must be available and in the proper account before submission of requisition and before use of a purchasing card.

**8.8 QUOTES - FREIGHT CHARGES AND FEES**

Include freight costs and fees in the total price when obtaining quotes. Freight and fees must be considered in determining the award.

All freight should be requested as FOB Destination (delivery address) freight pre-paid and allowed.

**8.9 PURCHASING ORDERS**

Purchase orders are required before placing the order and sent to the vendor when the order is placed.

A purchase order is required for any purchase not made on a City-issued credit card.

In extenuating circumstances, a purchase order may not be required. All exceptions will be reviewed and approved by both the Finance Director and the Purchasing Director.

**8.10 INVOICES**

All invoices must be submitted to Accounts Payable within five days of receipt and include the following information included.

- A. Receiving information (received in full / received partial)
- B. Signature of department representative
- C. PO Number

The authorized purchaser is responsible for verifying that all materials/services are received in working order and meet specifications. Once materials/services are received and verified as correct, indicate receipt of materials on the invoice by noting "received in full" or "received partial" for each line item on the Purchase Order.

- A. Notify the vendor immediately if the quantity received does not agree with the vendor's packing slip or the material does not conform to specification.

**8.11 REVOLVING CREDIT ACCOUNTS**

Credit accounts are available for the end user's use; however, they may only be opened or closed by Finance or Procurement.

**8.12 SALES TAX EXEMPTION**

The City is exempt from sales, excise, and use taxes under Texas Tax Code, § 151.309. End users are responsible for ensuring tax is not paid.

The City is NOT exempt from sales tax for food, lodging, or transportation-related purchases during travel.

**8.13 TIE BIDS**

If all factors and conditions relating to the bids are equal, the tie bid will be awarded to the local vendor. If the vendors are not local, then a coin toss will be conducted by Purchasing with at least one witness.

The Local Preference Policy will be used for tie bids involving the selection of a local vendor.

**8.14 VENDOR PERFORMANCE**

The City does not have centralized receiving. Departments are responsible for receiving of goods and services. Departments must document in writing items such as shortages, late delivery, or

damaged merchandise. Vendor performance should be submitted to Procurement.

**8.15 NON-PERFORMING VENDORS**

When a vendor fails to perform according to the Agreement (Purchase Order, Annual Agreement, Contract, and/or Specification), the Department Director or designee will:

- A. Document the issues in writing to the vendor and to Purchasing.
- B. Schedule a meeting to discuss the issues.
- C. Document the resolution to the issue, as agreed upon by the department and the vendor. Documentation shall be in writing, signed by the department and the vendor, and a copy forwarded to Purchasing.

If a vendor's performance remains non-compliant or otherwise unsatisfactory, the using department will notify Procurement which will attempt to facilitate a resolution. If Procurement cannot resolve the issue, the Purchasing Director and the Department Director will make a joint determination to cancel the contract in accordance with the terms and conditions of the agreement.

**9.1 DEFINITIONS**

Public Work means a contract for constructing, altering, or repairing a public building or carrying out or completing any public work.

Bid Bond is a deposit required of bidders to protect the City if a low bidder attempts to withdraw its bid or otherwise fails to enter into a contract with the City.

Payment Bond ensures the protection of those performing work, such as subcontractors or suppliers to the prime or general contractor.

Performance Bond ensures the prime or general contractor will perform the work contracted.

Maintenance Bond protects the City from financial liability due to defects found during a warranty period.

**9.2 GENERAL REQUIREMENTS**

Bonds will be required for all Public Works Contracts

- A. The City will only accept corporate sureties duly qualified and authorized.
- B. Payment, Performance, and Maintenance bonds must be written as the "penal sum."
- C. Personal sureties will not be accepted.
- D. All required bonds must be received and approved before work begins.
- E. The City may require bonding on other projects to mitigate risk.
- F. The City of Celina requires payment, performance, and maintenance bonds to be provided on City-approved forms.

**9.3 BID BONDS**

- A. Bid Bond minimum limit is five percent (5%) of the bid total.
- B. Bid Bonds are optional for non-construction.
- C. Personal, certified, or cashier's checks will NOT be accepted in place of a Bid Bond.
- D. Bid Bonds must be provided on approved surety forms.
- E. Bid Bonds will be retained for ten days from the award and may be returned to the issuing vendor upon request.

**9.4 BOND AMOUNTS** *Texas Government Code § 2253.021*

**Payment Bonds** are required for Public Works Contracts over fifty thousand dollars (\$50,000) and must be written for one hundred percent (100%) of the total bid price.

**Performance Bonds** are required for Public Works Contracts over one hundred thousand dollars (\$100,000), and they must be written for one hundred percent (100%) of the total bid price.

**Maintenance Bonds** can be written for a term and amount relevant to the project. The coverage, provided by a Maintenance Bond, guarantees against defective workmanship and materials.

## 9.5 **INDEMNIFICATION POLICY**

Contractors performing work on City property or public right-of-way shall provide indemnification and certificates of insurance or a copy of their insurance policy(s), including a copy of the endorsements. The required language is inserted in solicitation documents by the Purchasing Division or owner of the specifications.

Contractual agreements must contain a provision that transfers the risk of the project from the City to the contractor. Because the contractor may not have the financial resources to handle the risks that are transferred in the contract, the City requires that insurance be purchased and maintained by the contractor for financial security.

Workers' Compensation Insurance – Contractors and subcontractors hired for building and construction projects must provide Workers' Compensation Insurance for their employees regardless of the project's cost, unless exempt by Statute. Texas Labor Code, § 406.096.

**10.1 DEFINITIONS**

Contract is a written, legally binding document or obligation.

Purchase Order is an official written document issued by a buyer, which is a commitment to pay the seller (vendor) for the products ordered. The process ensures purchases are approved and within budget. A Purchase Order or Contract is required when insurance and indemnification are needed.

Annual contract is a contract for goods or services in which pricing is locked for a specific period of time.

**10.2 CONTRACTS**

Purchasing items from a vendor other than the vendor awarded vendor is a violation of the purchasing policy. An exception may be granted due to extenuating circumstances and must be approved in writing by the Purchasing Director.

All purchases greater than \$50,000 must include a standard contract, insurance, bonds (if needed), and a purchase order.

Non-Standard Contracts require City Attorney Review.

**10.3 CONTRACT MANAGEMENT**

Contract management shall be used by all departments to manage all City-related contracts. Failure to manage and control changes can result in an unintentional attempted modification to the scope of work, the extension of the schedule, an increase in the contract cost, circumvention of management controls, and diminished contractor accountability.

**Purchasing Responsibility**

Purchasing will be responsible for setting up all contracts that are issued through an informal or formal solicitation. The following documents will be added to the electronic file.

|               |                   |                            |
|---------------|-------------------|----------------------------|
| Insurance     | Notice to Proceed | Bid Related Documents      |
| Contract      | Correspondence    | General Terms & Conditions |
| Change Orders |                   |                            |

**Staff Responsibility**

Staff will be responsible for uploading and maintaining post award construction documents in Procure. This includes but is not limited to:

|               |                        |                     |
|---------------|------------------------|---------------------|
| Monitoring    | Meetings Minutes/Notes | Correspondence      |
| Reporting     | Request for Payments   | Inspection /Testing |
| Acceptance    | Site Visit Schedules   | Change Orders       |
| Lien Releases | Bond changes           | Correspondence      |

**11.1 PURPOSE**

The purpose of the policy is to ensure disposal of City-owned property is completed in a consistent manner throughout the organization.

**11.2 DEFINITIONS**

Disposal means the sale, trade, donation, or destruction of surplus property or equipment.

Item means surplus or obsolete movable assets such as vehicles and equipment, materials, and unclaimed property.

Surplus means all supplies, assets, materials, and unclaimed property that are either obsolete at the end of their life cycle or no longer required by operations.

Obsolete – lack of functional use or out of date.

**11.3 GENERAL**

There are multiple formats for the disposal process. These include auction, transfer, trade-in, recycling, and destruction. All methods require written approval.

- A. All fixed assets and capital equipment must be disposed of through Procurement. Departments should complete the required disposition form prior to submitting it to Procurement. The current capital / fixed asset amount is \$5,000.00.
- B. Any item that is still operable and has a potential value shall be auctioned or traded during the replacement processor as they become obsolete.
- C. Scrap Metal – Staff, shall obtain, from Procurement, a letter of authorization to recycle specific items. Funds received for the recycling must be submitted to Finance and deposited. Written receipts from the recycling center must be provided with the payment.
- D. Disposition and transfer forms are available from Finance or on the City website.

**11.4 PERSONAL USE PROHIBITIONS AND PERMISSIONS**

City employees may purchase items from City issued (electronic) third-party auctions.

**11.5 PURCHASE OF CITY EQUIPMENT NOT SOLD THROUGH AUCTION.**

Used “disposable” equipment such as cell phones and other electronic equipment may be sold to an employee when available and approved by the IT Director at a cost equal to the current fair market value. Equipment must be close to or eligible for replacement.



**12.1 DEFINITION**

Public Work are those projects that require the construction, repair, or renovation of a structure, building, street, highway, bridge, park, water, and wastewater distribution facility, airport runway or taxiway, drainage project, or other improvement or addition to real property.

**12.2 LEGAL NOTICE**

All construction projects will be advertised and posted in accordance with Texas Local Government Code, Chapter 271 and Texas Government Code, Chapter 2269.

**12.3 PREVAILING WAGE RATES**

Texas Government Code Chapter 2258 mandates that any Public Work contract awarded by the City include the requirement to pay prevailing wage rates. The statute requires the payment of a prevailing wage rate for laborers and mechanics and applies to both contractors and subcontractors. Wages for workers on construction projects shall not be paid less than the schedule of general prevailing rates of per diem wages as mandated.

The City has adopted the U.S. Department of Labor's Wage Determinations for Collin County and Denton Counties for use in all Public Works projects. Current determinations will be used at the time of bid issuance and may be accessed at: <http://www.wdol.gov/dba.aspx>.

The prevailing wage rate or a link to the wage rates with the date shall be included in public works projects.

**12.4 BONDING REQUIREMENTS**

Bonds shall be in accordance with Texas Government Code Chapter 2253. Contracts for a public work contract must include the provisions for a payment bond if the contract is over \$50,000 and a performance bond if the contract exceeds \$100,000.

**12.5 INSURANCE AND INDEMNIFICATION REQUIREMENTS**

Minimum insurance requirements for construction projects must be included in the specification.

For construction-related projects, all contractors and sub-contractors, including those delivering equipment or materials or performing a service, shall provide workers' compensation for all employees.

General contractors are responsible for ensuring that sub-contractors carry the same or higher insurance amounts as those required.

All contractors shall provide proof of coverage satisfactory to the City. Texas Labor Code § 406.096

Contractors shall post required signs at job site(s) informing all workers of their right to workers' compensation coverage.

**12.6 AWARD OF CONTRACT/AGENDA ITEM**

The Purchasing Department will conduct an initial review of the submittals to ensure they meet the minimum requirements stated in the specifications. Submittals are then forwarded to the requesting department(s) for their review and evaluation.

Using department(s) will provide a written recommendation to Purchasing. Purchasing will prepare the agenda.

**12.7 CHANGE ORDERS**

A change order is the written documentation and approval process that must be performed when changes in the scope of a project are proposed after the performance of a contract has begun. Such changes may include a significant difference in the quantity of work to be performed, the cost of work to be performed, or the materials, equipment, or supplies to be furnished.

**12.8 APPROVAL FOR CHANGE ORDERS**

All change orders must be presented to Purchasing and approved in writing prior to work beginning.

**12.9 CONTINGENCY FUNDS**

The City Council may establish a contingency fund for a construction project at the time of award to be used during the course of a project. A contingency fund may be established at any dollar amount above the bid award, provided that it is reasonable and prudent.

- A. All projects may include a 10% contingency when budgeting.
- B. Contingency funds are used to fund change orders that occur during construction.

**12.9 BID TIME**

Bid time shall be standard for all construction at twenty-one (21) days.

Exceptions may be granted when needed. Exceptions will follow statute requirements of fourteen (14) days.

**13.1 PURPOSE OF POLICY**

The following policies are designed to assist the City's staff in selecting individuals or firms to perform professional services. The desire is to establish fairness and consistency in the selection process while obtaining the best value (quality services at a reasonable price) for the City in accordance with applicable legal requirements.

Departments must seek proposals or qualifications for professional services at least every five years to help ensure the greatest and fairest competition in the selection of professional services by the City of Celina.

**13.2 PROFESSIONAL SERVICES**

Professional services generally refer to those services performed by an individual or group of individuals where education, degrees, certification, license, and/or registration are required for qualification to perform the service. The term "professional services" includes labor and skill that is predominantly mental or intellectual, rather than physical or manual, in nature. (See Texas Attorney General Opinion No. JM-940, at p. 3 (1988)).

Certain professions are specifically named in the Professional Services Procurement Act (ACT), Texas Government Code Chapter 2254, Subchapter A. This includes services within the scope of the practice, as defined by state law, of:

- |                 |                       |                          |
|-----------------|-----------------------|--------------------------|
| Accounting      | Architecture          | Landscape Architecture   |
| Land Surveying  | Medicine              | Professional Engineering |
| Optometry       | Real Estate Appraisal | Professional Nursing     |
| Interior Design |                       |                          |

If a department is not sure if a service is a "professional service," the department should contact the Purchasing Director before securing such services.

**13.3 PERSONAL SERVICES**

Personal service is defined as a service that is performed by an individual. The service must be performed by the individual named in the contract. (Attorney general JM-890 and JM 486)

**13.4 PLANNING SERVICES**

Planning services are defined as services primarily intended to guide governmental policy to ensure the orderly and coordinated development of the municipality 252.001 (5)

**13.5 PROCUREMENT OF ARCHITECTURAL, ENGINEERING, OR LAND SURVEYING SERVICES**

When procuring architectural, engineering, or land surveying services, the City shall use a two-step selection process (see Texas Government Code § 2254.004):

- A. First, the City shall select, through the RFQ process, the most highly qualified provider of those services on the basis of demonstrated competence and qualifications; and
- B. Second, attempt to negotiate with that provider a contract at a fair and reasonable price. Negotiations will be facilitated by Purchasing as the lead for a team of stakeholders.
- C. If the City is unable to negotiate a satisfactory contract with the most highly qualified provider of architectural, engineering, or land surveying services:

1. First, the City shall formally end negotiations with the selected provider.
2. Second, select the next most highly qualified provider.
3. Third, attempt to negotiate a contract with that provider at a fair and reasonable price. The City must continue this process until a contract is entered into.
4. A purchase order must be issued upon award of the contract.

**13.6 FEES ESTIMATED TO BE UNDER \$100,000 PER YEAR**

Departments may utilize the vendors authorized under current master service agreements (MSA) or an informal RFQ process. Staff shall submit a memo identifying the following:

- A. Scope of work;
- B. Qualifications and experience requirements;
- C. Project description and deliverables;
- D. Time line for performance;
- E. Budget information; and
- F. Suggested professional and rationale for determining qualifications based selection.

Items over \$50,000 will be presented to City Council for approval.

A Purchase Order is required.

**13.7 FEES ESTIMATED TO BE \$100,000 OR GREATER PER YEAR**

Departments may utilize a current MSA when available. If an MSA is not available, a solicitation process will be issued and conform to Government Code Chapter 2254.

The solicitation process will be managed by the Purchasing Department.

The process shall contain sufficient information to inform potential professional service vendors about the type of project, scope of services to be performed, the selection criteria to be used, and weighting assigned to each of the criteria.

After the evaluation of submitted requests for proposal, it may be necessary (as determined by the Purchasing Director) to interview several of the firms and further evaluate them on the basis of the interview or a presentation, narrowing the field until one firm is selected for negotiations. Negotiations will be facilitated by the Purchasing Department.

When negotiations are concluded, a recommendation will be made to City Council and a Purchase Order is required.

**14.1 EMERGENCY PURCHASES**

An emergency condition creates an immediate and serious need for materials, services, or construction that cannot be met through normal procurement methods and that seriously threatens the functioning of the City or the protection of property, or the health or safety of any person.

Emergency purchases are for critical, unforeseen government needs. Because the City's ability to serve the public would be impaired if purchases are not made immediately, emergency purchases are exempt from standard procurement procedures.

True emergencies almost always occur as a result of parts and labor needed for unforeseen repairs to equipment that must be kept operational. When an emergency occurs, the need for quotes will be eliminated; however, a written explanation must be indicated on the Statement of Compliance for Irregular Purchases.

- A. If the product or service is over \$3,000 and under \$50,000, obtain the City Manager's authorization. Once authorization has been received, submit a requisition to obtain a purchase order, then call the vendor to initiate repair services or order the needed materials. Immediately, or as soon as feasible, submit a copy of the invoice, delivery ticket, and the irregular purchase form to Purchasing.
- B. In the event, the emergency expenditure exceeds \$50,000, follow the same procedures outlined in item A above, and prepare an agenda item and/or resolution for City Council approval prior to payment for the products or services purchased.
- C. In extreme cases involving a disaster, an emergency declaration will be made. All purchases must be documented through proper state and federal forms and authorized by the Emergency Operations Center designated employee(s). Refer to the Disaster Procurement Policy in the next section.
- D. An emergency created through neglect will not be processed as an emergency.

**Typical examples of such neglect are:**

- 1. Depletion of stock due to lack of planning.
- 2. Building or equipment needing repairs for some time suddenly becomes an emergency overnight.
- 3. Orders of materials for projects, most of which must be planned weeks or months ahead of time and requested just before desired use.

**15.1 PURPOSE**

This policy modifies the City of Celina's normal procurement practices to assure that, in both emergency and exigent circumstances caused by a proclaimed disaster or emergency, the City of Celina is able to acquire the goods and services required to address an immediate threat to life, public health, or safety, or to eliminate/reduce an immediate threat of significant damage to improve public and private property through cost-effective measures while still maintaining an effective purchasing process and complying with applicable local and state purchasing laws. Where the City is included in a major disaster or emergency declared by the President of the United States, this policy also assures that City purchases comply with Federal regulations applicable to FEMA disaster grant reimbursement as defined in Title 2 of the Code of Federal Regulations, Part 200. (2CFR Part 200)

**15.2 DEFINITIONS:**

For the purposes of this policy, a proclaimed disaster or emergency exists if:

- A. The Governor has declared a state of emergency for an area that includes the geographic territory of the City of Celina, or
- B. The Chief Executive Officer (Mayor, City Manager) of the City of Celina has declared an emergency in the City.

Exigent circumstances are situations in which:

- A. A disaster or emergency has been proclaimed, and
- B. The public exigency for goods and services required to address an immediate threat to life, public health, or safety or to eliminate/reduce an immediate threat of significant damage to improved public and private property through cost-effective measures will not permit competitive solicitation.

Emergency Operations Center (EOC) is the centralized location of emergency response and recovery support operations during incidents.

Emergency Management Coordinator (EMC) is the employee delegated by the Mayor.

**15.3 DELEGATIONS OF PURCHASING AUTHORITY IN EXIGENT CIRCUMSTANCES**

**Delegation** - If the City Manager determines that goods and services must be procured before the City Council is able to assemble and approve purchases, the City Manager has the authority, subject to the limitation set forth in subparagraphs 15.3 B and 15.3 C, to approve the immediate rental or purchase of any equipment, supplies, services or other items necessary to respond to an immediate threat to life, public health, or safety, or to eliminate/reduce an immediate threat of significant damage to improved public and private property through cost-effective measures.

**Limits of Single Purchase Authority** - The City Manager or designee shall have the authority to make individual purchases up to \$10,000 on his or her signature alone. The City Manager shall have the authority to make purchases above \$10,000 up to a maximum of \$250,000 when countersigned by the Mayor or in the Mayor's absence countersigned by another council member.

**Limits of Aggregate Purchase Authority** - The City Manager or designee shall have the authority to make aggregate purchases up to \$10,000 on their signature alone. The City Manager shall have the authority to make purchases in excess of \$10,000 up to a maximum of \$250,000 when countersigned by the Mayor or in the Mayor's absence countersigned by another council member.

#### 15.4 DELEGATION OF AUTHORITY

Sub-Delegation to the Emergency Management Coordinator: The Emergency Management Coordinator shall be a designee of the City Manager at any time that the City Manager is not available to approve purchases as allowed in this section.

Sub-Delegation of Purchasing Authority: If neither the City Manager nor the Emergency Management Coordinator is available, the following department heads have the authority to rent or purchase from the nearest available source any equipment, supplies, services, or other items necessary to respond to an immediate threat to life, public health, or safety, or to eliminate/reduce an immediate threat of significant damage to improved public and private property through cost-effective measures, up to a maximum of \$10,000.

Department Heads include:

- Assistant City Manager
- Purchasing Director
- Police Chief
- Fire Chief
- Assistant Fire Chief
- Public Works Director

Administrative Procedures:

- A. As soon as possible, after purchases are made under this section 3, the City Manager, Emergency Management Coordinator, or department head shall submit to the Purchasing Director a requisition and a notation that the commodity has been ordered on an emergency basis from the vendor designated.
- B. The Purchasing Director will inform the City Manager and City Council of any individual purchase under this section with a contract amount greater than \$10,000 and also whenever the aggregate of purchases under this section is greater than \$250,000.
- C. Purchasing staff will obtain the City Manager's (or Emergency Management Coordinator as the City Manager's designee) approval prior to any purchase by a department head if the amount is \$10,000 or more.
- D. If the City Manager/Emergency Management Coordinator is unavailable, and the delay in getting his/her signature would imperil life, safety, or improved property, the department heads as listed in 15.4 B above may approve the emergency purchase of \$10,000 or more.
- E. The Purchasing Director shall have the authority to approve all disaster-related purchases under \$250,000.
- F. The Purchasing Director will expedite the verification of funds available and complete the preparation of the purchase order.

#### 15.5 PROCUREMENT PROCEDURES IN EXIGENT CIRCUMSTANCES

Upon receipt of requisitions under Section 3, the Purchasing Director shall prepare purchase orders for the emergency equipment, supplies, services, or other items in accordance with the requirements of this section.

- A. Exempt Purchases are those less than \$250,000 and do not require a formal bid.

- B. Purchases greater than \$250,000 may be made following the procedures specified in this section. The signature(s) of the City Manager, Purchasing Director, and/or Department Head are required.

Justification of Sole Source or No-bid Contracts, where exigent circumstances require immediate Procurement from the nearest available source,

- A. The Purchasing Director shall use the "Justification Form for Emergency Sole Source or No-Bid Purchase."
- B. Procurement should be limited to that portion of the work that must be performed immediately, allowing subsequent Procurement by competitive proposals of the remainder of the work.
- C. "Sole source" or "no-bid" acquisitions shall be necessary for one of the following reasons: placement of emergency protective measures, Procurement of a scarce commodity, goods, or services or purchase or rental of emergency equipment, emergency consulting services, emergency road clearance or other emergency requirements.

Provision for Alternate Bid Solicitation Procedures: The City's normal requirements for sealed bids shall not apply to acquisitions under this section. However, the Purchasing Director shall conduct telephonic or other electronic bid solicitation from potential vendors or suppliers in lieu of written and/or sealed bids in an effort to obtain multiple competitive proposals when and if time allows in light of the exigent circumstances.

Locations of Postings for Request for Proposals or Invitation to Bids: The Purchasing Director may waive standard requirements for public posting of requests for proposals or solicitation of bids. Notices soliciting bids or requests for proposals shall be posted at the City's designated Emergency Operations Center.

Length of Time for Posting Requests: The Purchasing Director may shorten the normal bid period from fourteen days to expedite the award of contracts for emergency equipment, goods, or services. The Procurement Officer should seek to ensure that the shortened bid period allows multiple suppliers to submit bids.

Number of Bids Required: Solicited bids that are non-responsive shall count towards the minimum number of bids required when there is a declared emergency or disaster in the Jurisdiction. All such no-bids must be documented as to time, date, and person/company contacted, with a reason for no-bid, if possible.

## 15.5 **NOTIFICATION AND RATIFICATION**

Posting of Contracts and Awards – Under this section, all contracts awarded that exceed \$50,000 shall be presented to City Council for ratification and publicly posted within sixty (60) days.

Authority to Cancel Emergency Procurements: The City has the absolute authority to rescind a contract for non-performance within 24 hours when a contractor or vendor, once awarded a contract, is unable to perform under the terms of the contract and the resulting delay or non-performance presents an immediate threat to life, public health, or safety, or to eliminate/reduce an immediate threat of significant damage to improved public and private property through cost-effective measures.

- A. Notification Requirement for Emergency Purchases: For any purchase in excess of \$50,000, the Purchasing Manager shall report all such purchases to City Council within thirty (30) days of the onset of the disaster.



- B. Requirement for Separate Invoicing: All purchases or rentals made during proclaimed emergency or disaster conditions shall require separate invoicing from routine (non-disaster related) purchases. All invoices shall state the goods, services, or equipment provided and shall specify where the goods or services were delivered. All invoices shall specify the locations where the goods or services were used if at all possible.
- C. Auditing of Invoices for Debris Clearance Prior to Payment: All invoices for debris clearance and removal shall be audited by the City prior to payment to the vendor. Vendors shall be notified of this requirement before the award of any contract for debris clearance and/or removal. Audits shall be in accordance with procedures for debris removal monitoring specified in FEMA's Publication 325, Debris Management Guide.
- D. Limitations of Disaster Purchasing Policy: For the purposes of this section, an emergency or disaster shall be deemed to exist when a condition exists that presents an immediate threat to life, public health, or safety or to eliminate/reduce an immediate threat of significant damage to improved public and private property through cost-effective measures and a local emergency or disaster has been proclaimed. Any purchases that do not meet the standard of being necessary for responding to an immediate threat to life, public health, or safety or to eliminate/reduce an immediate threat of significant damage to improved public and private property through cost-effective measures shall follow the City's regular purchasing provisions.
- E. Notwithstanding the terms of this policy, nothing contained herein shall conflict with Federal procurement regulations as currently defined in 2 CFR Part 200.

**16.1 SOLE SOURCE PURCHASES**

Sole source purchases are goods and services available from only one supplier due to patents, copyrights, or territorial distribution. Examples include:

|                   |                           |
|-------------------|---------------------------|
| Patented products | Monopolized items         |
| Rare books        | Captive replacement parts |

Components for equipment and software with exclusive distribution rights.

- A. Items that are only available from one manufacturer are not a sole source if the items can be purchased from distributors. Similarly, books available from multiple sources are not sole source.
- B. Regulated or natural monopolies such as utilities, gravel from the only pit in the area.
- C. Replacement components
- B. Staff is responsible for obtaining and retaining documentation from the vendor that clearly states why the purchase must be made on a "sole source" basis.

**16.2 WRITTEN JUSTIFICATION**

All sole source purchases require written justification in the form of an affidavit which must be completed by the vendor and notarized. This form must be submitted to and approved by Purchasing prior to the purchase being made.

**16.3 NOTICE OF INTENT TO AWARD A SOLE SOURCE PROCUREMENT**

All purchases in excess of \$50,000 shall be made in conjunction with the Purchasing Director. These items may be posted as a notice of intent to purchase a sole source item in the eProcurement system for public review.

If responses received indicates the item is not a sole source purchase and competition exists, a solicitation will be issued.

**17.1 COOPERATIVE PURCHASES**

Texas Government Code, Chapter 791, and Texas Local Government Code, Chapter 271, authorize the use of cooperative purchasing programs. These chapters authorize the City to use another entity's bid and likewise allow another entity to use the City's contracts. Additionally, the statutes allow the City to use a cooperative contract issued by an established cooperative agency.

The following must be included and established to utilize a cooperative contract.

- A. The bid specifications/contract must have cooperative language.
- B. The awarded vendor must have agreed to the language (term).
- C. An Interlocal agreement must be in place between the City and the issuing entity.

The City has established memberships and entered into interlocal agreements which promote participation in cooperative purchasing programs. Current Interlocal Agreements and Contracts are available on the e-procurement website at [www.celina-tx.gov/bids](http://www.celina-tx.gov/bids).

**18.1 PURPOSE**

The Procurement Card (PCard) Program is designed to manage small-dollar purchases for procuring goods and services that do not exceed \$3,000. It provides the City with an efficient and controllable method for monitoring small-dollar purchases, reducing paperwork, and paying vendors in a timely manner.

The card is intended to replace petty cash, small-dollar purchases purchase orders, and emergency purchases.

**18.2 ISSUANCE**

Cards must be requested by Directors.

Cardholders must agree and adhere to the guidelines listed below and those set forth in the City's Procurement Policy.

**18.3 USAGE**

Cardholders may use their card upon completion of the following:

- A. Complete card activation and sign the back of the card,
- B. Register for fraud alerts,
- C. Activate the cardholder in account through the issuing bank,
- D. Attend required training, and
- E. Sign cardholder agreement.

Cardholders may use their PCard for City related purchases only.

The card may be used for most transactions not exceeding the cardholder's transaction limit, including, but not limited to:

- A. "Brick and mortar" retail purchases;
- B. Telephone or online orders;
- C. Travel (including lodging, conference fees, and training); and
- D. Services.

Quotes are not required for amounts under \$3,000. Care should be taken to ensure the taxpayers' dollars are used efficiently and the best value is obtained.

Any usage outside of this policy is a violation and subject to revocation of PCard, purchasing privileges, and discipline up to and including termination.

**18.4 CARD vs. PURCHASE ORDER**

Cards may be used when:

- A. The purchase price is within the cardholder's limits.
- B. Purchases made with a card must be paid for when the order is placed.

A purchase order must be obtained if:

- A. The purchase amount exceeds the cardholder's limit.
- B. The exact amount is not known.
- C. The vendor does not accept cards.

#### 18.5 RECEIPTS

An original, itemized receipt for every purchase must be obtained from the vendor when the card is used.

- A. Restaurant purchases must include the credit card receipt with the total, including tip, in addition to the itemized receipt.
- B. Online and telephone purchases must also be documented by a detailed receipt.
  - 1. Vendors should not send invoices for card transactions to Accounts Payable, as this may result in duplicate payments.
- C. Receipts must be scanned and maintained for the fiscal year plus six months.

#### 18.6 CARD SECURITY

Each cardholder is responsible for all charges to their assigned card and must maintain the card in a safe and secure manner that prevents unauthorized or improper use. The card is not to be loaned or made available to another employee, friend, or family member under any circumstance.

#### 18.7 RESTRICTIONS

Cards may not be used for personal purchases of any kind. Other restrictions include, but are not limited to:

- A. Alcohol or liquor;
- B. Spouse or family member expenses;
- C. Splitting transactions to avoid quote or bid requirements;
- D. Splitting transactions to avoid cardholder limits;
- E. Entertainment, such as theatre, movies, golf;
- F. Services such as contracts and agreements;
- G. Cash refunds or advances;
- H. Fuel purchases; and
- I. Computer hardware, communications hardware, software, and services without prior written approval from the IT Director.

#### 18.8 SECURITY RESTRICTIONS

Each procurement card has an individual transaction limit, a monthly spending limit, and restrictive merchant codes (MCC). Each card is restricted to the number of swipes that may be made for a given period of time and by vendors. Cards may also be restricted as to the daily, monthly, or transaction amounts of card purchases. A card transaction will be denied when swiped if the transaction exceeds any of the limits.

Cards swiped three times and denied, will lock the card.

## 18.9 SALES TAX

As a tax-exempt government agency, the City of Celina does not pay sales tax. Cardholders are responsible for ensuring that the City is not charged sales tax by alerting the merchant in advance that the transaction is tax-exempt. If tax is included, the cardholder is responsible for correcting the charge.

## 18.10 TRAVEL EXPENSE REPORTS

It is the City's policy to pay for, or reimburse, all reasonable and necessary expenses incurred when an employee travels for City-related business. Direct payment of travel expenses with a Card is encouraged, as permitted. This section supplements the Travel Policy in the City's employee policy manual.

Travel expense reports allow for the itemization of PCard purchases as "prepaid expenses."

As outlined in the travel policy, meals are paid for via per diem, and meal charges are not permitted.

## 18.11 CARDHOLDER DUTIES AND RESPONSIBILITIES

Cardholders, or an assigned liaison, are responsible for reconciling the statement monthly.

The cardholder must ensure transactions are completed within the assigned limits and guidelines, sales tax was not applied, and the original "detailed" receipt is included.

The cardholder is responsible for processing returns, verifying credits are received, tracking card balances, and disputing charges directly with the vendor.

- A. The transaction in dispute must be noted in the item's description.
- B. Cash refunds for returns are not allowed.
- C. The cardholder must verify the credit is received and attach documentation such as a return receipt or email from the vendor to the expense report.

If a cardholder finds a discrepancy, they should contact the vendor and attempt to resolve the problem directly.

If a cardholder cannot resolve a disputed item directly with a vendor, the cardholder should contact the Program Administrator for assistance.

The cardholder is responsible for immediately notifying JP Morgan Chase, their supervisor, and the Program Administrator if the card is lost or stolen. The contact number at **JP Morgan Chase is 800-316-6056**.

## 18.12 DIRECTOR DUTIES AND RESPONSIBILITIES

The Director is responsible for auditing and approving all transactions after cardholder reconciliation for his/her department.

Cards must be returned to the Program Administrator immediately upon notice of resignation, transfer, or termination of the cardholder.

In the event a cardholder has used the card fraudulently, the Director shall immediately retrieve the card and report the misuse to the Program Administrator. Fraudulent activity of any kind is cause for immediate termination.

### 18.13 PROGRAM ADMINISTRATOR DUTIES AND RESPONSIBILITIES

The Card program is administered and maintained by a Program Administrator and is the City's point of contact for the program. Upon approval, monthly expense reports and receipts are submitted to the Program Administrator for review, general ledger updating, and filing for audit purposes. The Program Administrator orders and terminates the PCards provides training to cardholders, maintains card limits and documentation, reconciles the expense reports, and audits the expense reports and receipts for compliance.

The Program Administrator will report to the Department Director any cardholder infractions. Misuse and/or abuse of card privileges will be dealt with as follows:

- A. 1st Occurrence: The Program Administrator, Finance Director, and Department Director will determine if the cardholder will continue in the card program. Department Director will take the necessary, documented steps to prevent further issues. Documentation will be submitted on the Statement of Non-Compliance form.
- B. 2nd Occurrence: The Program Administrator will terminate the cardholder's privileges with deferral to the Human Resources Department for disciplinary action.
- C. In the event of unauthorized or inappropriate purchases, the City reserves the right to withhold final paychecks until the issue is resolved.

### 18.14 REVOCATION OF THE PURCHASING CARD

The purchasing card is subject to revocation at any time at the discretion of the Department Director and/or the Program Administrator. Each cardholder must acknowledge receipt of the purchase card, understand the rules of usage, and sign the Cardholder Agreement Form.

Failure to abide by this policy will result in revocation of their card and disciplinary action up to termination of employment. The cardholder will be required to reimburse any unauthorized transactions, and the City reserves the right to withhold final paychecks until all purchases are satisfactorily reconciled.

The Program Administrator will recommend to the Department Director that the card be revoked following any violation of the Procurement Card policy. The Program Administrator is authorized to temporarily suspend use of the card if unauthorized use is discovered and poses a threat to internal financial controls.

**19.1 INSURANCE REQUIREMENTS, Texas Labor Code, § 406.096 (Workers' Compensation)**

All contractors and subcontractors shall have insurance coverage, including worker's compensation. Proof of coverage must be provided prior to any work beginning. Certificates must be issued to the City of Celina.

Minimum Required Insurance: Workers Compensation, General Liability, and Auto Liability. Other types of insurance may be required depending on the type of work or service requested.

Any exception to all but worker's compensation insurance requirements will be reviewed and approved by Risk Management and/or Purchasing.

Building or construction includes:

- A. Erecting or preparing to erect a structure, including a building, bridge, roadway, public utility facility, or related appurtenance; or
- B. Remodeling, extending, repairing, or demolishing a structure; or
- C. Otherwise, improving real property or appurtenance to real property through similar activities.

Purchasing and Human Resources/Risk Management must verify and approve all insurance documents prior to the contract, purchase order, or commencement of work.



## State of Texas Statutes

1. Texas Local Government Code, Chapter 252, 253, 271
2. Texas Government Code, Chapter 552, 791, 2251, 2252, 2253, 2254, 2258, 2269
3. Texas Labor Code, Chapter 406
4. Texas Insurance Code, Chapter 1811

The following definitions are included as a reference and are used in the federal, state, and local purchasing statutes and policies.

**Addendum:** An addition, change, or supplement to a solicitation document issued prior to the opening date.

**Advertise:** To make a public announcement of the intention to purchase goods or services.

**Agency:** The City of Celina or another governmental office/entity.

**Amended:** A status change to an RFP, IFB, RFO, RFI, RFQ, or contract that indicates a modification to that document.

**Amendment:** Written addition or change to a contract.

**Assignment:** Transfer of contractual rights from one party to another party.

**Best Value:** Factors to be considered in determining the lowest overall cost and value in making certain purchases.

**Bid:** An offer to contract with the City, submitted in response to a bid invitation.

**Bid Bond:** A deposit required of bidders to protect the City in the event a low bidder attempts to withdraw its bid or otherwise fails to enter into a contract with the City. Acceptable forms of bid deposits are limited to a cashier's check, certified check, or irrevocable letter of credit issued by a financial institution subject to the laws of Texas and entered on the United States Department of the Treasury's listing of approved sureties; a surety or blanket bond from a company chartered or authorized to do business in Texas.

**Bid Opening:** The public opening of bids, in which the names of the bidders responding to a bid solicitation and prices of the bidders are publicly read and recorded.

**Bid Tabulation:** The recording of bids and bid data submitted in response to a solicitation. The bid tabulation is used for comparison, analysis, and record keeping.

**Bidder:** An individual or entity that submits a bid. The term includes anyone acting on behalf of the individual or other entity that submits a bid, such as agents, employees, and representatives.

**Bidders List:** A list of potential vendors who have expressed an interest in doing business with the City.

**Bond:** A document providing evidence of obligation issued in temporary or definitive form

**Change Order:** A document that is used when it becomes necessary that amends, clarifies, changes, or cancels contract issues and/or provisions.

**Centralized Master Bidders List (CMBL):** The CMBL is a list maintained by the Texas Comptroller of Public Accounts (CPA) containing the names and addresses of prospective bidders.

**Competitive Sealed Bidding:** Process of advertising an invitation for bids (ITB), conducting a public bid opening, and awarding a purchase order/contract to the lowest responsive, responsible bidder in accordance with state law.

**Competitive Sealed Proposals:** Process of advertising a request for proposal (RFP), the evaluation of submitted proposals, and awarding of the contract.

**Consultant:** A person that provides or proposes to provide a consulting service.

**Consulting Services:** The practice of studying and advising the City.

**Contract:** A written agreement where a contractor provides goods or services, and the agency pays for such goods and services in accordance with the established price, terms, and conditions.

**Contract Administration:** This generally refers to the processes that occur after a contract is signed.

**Contract Management:** This refers to the entire contracting process from planning through contract administration.

**Contract Manager:** A person who is: 1) employed by the City, 2) has significant contract management duties.

**Contractor:** A business entity or individual that has a contract to provide goods or services to the City. Used interchangeably with the term "vendor."

**Deliverable:** A unit or increment of work required by the contract, including such items as goods, services, reports, or documents.

**Emergency:** A purchase made when unforeseen and/or a sudden unexpected occurrence creates a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

**Goods:** A transportable article of trade or commerce that can be bartered or sold. Goods do not include services or real property.

**Historically Underutilized Business (HUB):** A minority or women-owned business that holds 51% ownership in the business.

**Independent Contractor:** A person working for an entity under contract and not an employee of the contracting entity. The contracting entity does not pay unemployment, disability, or worker's compensation insurance or withholding taxes from payments to the person. An independent contractor normally follows the contracting agency's direction on the results of the work but not on the means of accomplishing the work.

**Invitation to Bids (ITB):** The procurement process is used when the requirements are clearly defined, negotiations are not necessary, and price is the major determining factor for selection. The ITB uses the competitive sealed bid method.

**Liquidated Damages:** A specified contract provision that entitles the City to demand a set monetary amount determined to be a fair and equitable repayment to the City for loss of service due to the vendor's failure to meet contract requirements.

**Negotiations:** A consensual bargaining process in which the parties attempt to reach an agreement on a disputed or potentially disputed matter. In a contractual sense, negotiation means the "dealings conducted between two or more parties for the purpose of reaching an understanding."

**Opening Date:** The day and time, after submission of proposals, when sealed bid responses are opened.

**Owner:** The City of Celina.

**Payment Bond:** A bond executed in connection with a contract that secures the payment requirements of the contractor.

**Performance Bond:** A surety bond that provides assurance of a bidder's performance of a certain contract.

**Professional Services:** Services directly related to professional practices as defined by the Professional Services Procurement Act. These include services within the scope of the practice of accounting, architecture, optometry, medicine, land surveying, and professional engineering. Services provided by professionals outside the scope of their profession, e.g., management consulting services provided by accounting firms, are not considered professional services.

**Proposal:** An executed offer submitted by a respondent in response to a Request for Proposals (RFP) and intended to be used as a basis to negotiate a contract award.

**Proposal Opening:** The public opening of proposals, in which the names of the respondents to a solicitation are publicly read and recorded. No prices are divulged at a proposal opening as these types of solicitations are subject to negotiation.

**Proprietary Purchase:** A purchase request of a product that is proprietary to one vendor and does not permit an equivalent product to be supplied.

**Renewal:** When an existing contract is renewed for an additional time period in accordance with the terms and conditions of the original contract.

**Request for Information (RFI):** A general invitation to contractors requesting information for a potential future solicitation. The RFI is typically used as a research and information gathering tool for the preparation of a solicitation.

**Request for Proposal (RFP):** A solicitation requesting submittal of a proposal in response to the required scope of services and usually includes some form of a cost proposal. The RFP process allows for negotiations between a proposer and the issuing agency.

**Request for Qualifications (RFQ):** A solicitation document requesting submittal of qualifications or specialized expertise in response to the scope of services required. No pricing is solicited with an RFQ.

**Request for Quote (RFQ):** An informal solicitation document requesting pricing on small-dollar purchases.

**Responsive:** The respondent has complied with all material aspects of the solicitation document, including the submission of all required documents.

**Respondent:** An entity submitting a proposal in response to a solicitation. (See Bidder)

**Responsible:** The respondent has the capability to fully perform and deliver in accordance with the contract requirements. The City may include past performance, financial capabilities, and business management as criteria for determining if a bidder or proposer is capable of satisfying the contract requirements.

**Service:** The furnishing of labor by a contractor which may not include the delivery of a tangible end product.

**Solicitation:** A document requesting the submittal of bids or proposals for goods or services in accordance with the advertised specifications.

**Solicitation Conference:** A meeting chaired by state agency personnel which is designed to help potential bidders/respondents understand the requirements of a solicitation. Also known as a pre-bid or proposal conference.

**Specification:** Any description of the physical or functional characteristics or of the nature of supplies or services to be purchased. It may include a description of any requirements for inspecting, testing, or preparing supplies or services for delivery.

**Statute:** A law enacted by a legislature.

**Strategic Sourcing:** A concept of purchasing with the objective to purchase goods or services that will minimize costs, increase managerial effectiveness and improve operational efficiency.

**Surety:** A person or entity providing a bond to a contractor to indemnify the City against all direct and consequential damages suffered by a failure of the contractor to perform the contract and to pay all lawful claims of subcontractors, materials and suppliers, and laborers as applicable.

**Term Contract:** A Contract that addresses the estimated requirements for a number of agencies for supplies or services that are used repeatedly or in significant quantities over a period of time. Also known as an annual contract.

**Vendor:** A business entity or individual that has a contract to provide goods or services to the City. Used interchangeably with the term “contractor.”

The following is a list of acronyms frequently used in the Procurement industry.

|               |   |
|---------------|---|
| <b>CM:</b>    | Contract Management                       |
| <b>COOP:</b>  | Cooperative Purchasing Program            |
| <b>CSB:</b>   | Competitive Sealed Bid                    |
| <b>CSP:</b>   | Competitive Sealed Proposal               |
| <b>DBE</b>    | Disadvantage Business Enterprise          |
| <b>GSA:</b>   | General Services Administration (Federal) |
| <b>HUB:</b>   | Historically Underutilized Business       |
| <b>ITB:</b>   | Invitation to Bid                         |
| <b>ITQ:</b>   | Invitation to Quote                       |
| <b>M/WBE:</b> | Minority/Women Business Enterprise        |
| <b>REQ:</b>   | Requisition                               |
| <b>RFI:</b>   | Request for Information                   |
| <b>RFP:</b>   | Request for Proposal                      |
| <b>RFQ:</b>   | Request for Qualifications                |
| <b>SOW:</b>   | Statement of Work                         |
| <b>SOQ:</b>   | Statement of Qualifications               |

| <b>Procurement Method</b>         | <b>Use When</b>  | <b>Advantages</b>  | <b>Disadvantages</b>  |
|-----------------------------------|--|--|---|
| <b>Invitation to Bid</b>          | <p>Lots of competition exists.</p> <p>The product or service is available from more than one source.</p>   | <p>Award process is simpler.</p> <p>Award is made to the lowest responsive, responsible bidder providing the best value to the state.</p>  | <p>Defined specifications may be difficult to develop.</p> <p>Does not encourage innovative solutions</p> |
| <b>Request for Proposal</b>       | <p>When factors other than price are evaluated.</p> <p>When negotiations are desired.</p> <p>Vendor is expected to provide innovative ideas.</p>   | <p>Allows factors other than price to be considered.</p> <p>Allows for customized proposals suggesting different approaches to the same business need.</p> <p>Allows for negotiations in order to obtain the best value for the state.</p>   | <p>Lead times for Procurement are much greater.</p> <p>Evaluations are more complex and subjective.</p>   |
| <b>Request for Information</b>    | <p>There is insufficient information to write specifications for any procurement method.</p>   | <p>Provides information to prepare a complete bid or proposal document.</p> <p>Allows the business community to have input into the agency’s solicitation document based on current industry practices and market factors.</p> <p>Informs the agency of any potential problems early in the Procurement.</p> |   |
| <b>Request for Qualifications</b> | <p>Selection is made solely on the skills and qualifications of the contractor.</p> <p>Price is not a factor until after a vendor is selected.</p> | <p>Emphasizes the competency of the proposed contractors.</p>  | <p>Contractor is selected before the price is negotiated.</p>   |

Table courtesy of the State of Texas Contract Management Guide version 1.10.

## SAMPLE LEAD TIME FOR A COMPLEX PROJECT

| <b>Task</b>                                      | <b>Suggested Lead Time from Start of Contract Date</b> | <b>Example</b> |
|--|--|----------------|
| Begin Preparation of Specification and contract. | 180 days   | March 1        |
| Final approval of Specifications                 | 150 days   | April 1        |
| Advertise and Issue Solicitation (Bid/RFP/RFQ)   | 120 days   | May 1          |
| Receipt of Responses                             | 90 days  | June 1         |
| Evaluation of Responses                          | 5 – 30 days  | July 1         |
| Contract Negotiation                             | 30 days  | August 1       |
| Council Award                                    | 10 days  | August 10      |
| Contract Execution - City                        | 3-10 days  | August 20      |
| Contract Execution / Bonding                     | Minimum 10 days  | August 30      |
| Contract Begins                                  |  | September 1    |



**AUCTION PROCEDURES**

|    | <b>Steps</b>   | <b>Responsibility</b>                      |
|----|--|--|
| 1  | Identify surplus property  | Department Director or designated employee |
| 2  | Notify all departments of the availability of the surplus property. <ul style="list-style-type: none"> <li>• Email to all departments/users</li> <li>• Allow a minimum of seven days</li> </ul>                                | Designated Department employee             |
| 3  | If a department is interested, complete the City's Surplus Property Form and submit it to Procurement. <ul style="list-style-type: none"> <li>• Requesting department must pick up the equipment within seven days.</li> </ul> | Designated Department employee             |
| 4. | If there is no interest, notify Procurement. <ul style="list-style-type: none"> <li>• Complete Disposition form and send it to Procurement</li> </ul>  | Designated Department employee             |
| 5  | Procurement will determine the best method of disposal through: <ul style="list-style-type: none"> <li>• Auction</li> <li>• Trade-In</li> <li>• Recycling</li> <li>• Donation</li> <li>• Destruction</li> </ul>                | Procurement                                |

**AUCTION**

|    | <b>Steps</b>   | <b>Responsibility</b>          |
|----|--|--------------------------------|
| 6  | Prior to Sale:<br>Department must remove all City of Celina identification, markings, or equipment (logo, department numbering, equipment that will be used on other equipment, etc.)  | Designated Department Employee |
| 7  | Move item to a secure location   | Designated Department Employee |
| 8  | Take pictures and submit them to Procurement <ul style="list-style-type: none"> <li>• For vehicles &amp; equipment, take a minimum of four pictures (one on each side).</li> <li>• Additional pictures of the inside, damage to exterior or interior, etc.</li> <li>• The more information/pictures provided will help with the sell and fewer questions will be generated by the public.</li> </ul> | Designated Department Employee |
| 9  | Create a log with the identification, location, value, and date.   | Procurement                    |
| 10 | Proceed with auction. Auctions will be completed quarterly or sooner, IF needed.   | Procurement                    |
| 11 | Receive funds and closeout auction.  | Procurement                    |

**DESTRUCTION/RECYCLING (IT Equipment)**

|    | <b>Steps</b>                                | <b>Responsibility</b>  |
|----|---|------------------------|
| 1  | Confirm items are eligible for destruction. | Information Technology |
| 2. | Complete the destruction form               | Information Technology |
| 3. | Send the form to vendor and Procurement.    | Information Technology |
| 4  | Copy procurement on all correspondence.     | Information Technology |
| 5  | Bring proceeds to Procurement for deposit.  | Information Technology |

**UNCLAIMED, SEIZED OR LOST PROPERTY**

|    | <b>Steps</b>  | <b>Responsibility</b>          |
|----|---|--------------------------------|
| 1  | Confirm items are eligible for sale   | Designated Department Employee |
| 2  | For Lost and Unclaimed Property, provide documentation that all internal policies have been followed.                       | Designated Department Employee |
| 3. | For Seized property, provide a copy of the Court Order which indicates the property has been awarded to the City of Celina. | Police Department              |
| 4. | Follow auction procedures   |                                |

**APPENDIX G:**

**INSURANCE**

The table below depicts the minimum standards.

| City of Celina<br>Minimum Insurance Requirements Summary  |  |                            |                 |  |                                       |                              |                              |                         |
|---|--|----------------------------|-----------------|--|---------------------------------------|------------------------------|------------------------------|-------------------------|
| Agreement Type  | General Liability  | Auto                       | Work. Comp.     | Employers Liability                                | Prof. Liability                       | Installation Floater         | Builder's Risk               | Garage Liability        |
| General Contract-Services   | X  | X                          | X               | X  |                                       |                              |                              |                         |
| Personal Services   | X  | X                          | X               |  |                                       |                              |                              |                         |
| Professional Services   | X  | X                          | X               | X  | X                                     |                              |                              |                         |
| Construction  | X  | X                          | X               | X  |                                       | X                            | X                            |                         |
| Garage Operations   | X  | X                          | X               |  |                                       |                              |                              | X                       |
| Special Events  | X  | X                          | X               |  |                                       |                              |                              |                         |
| Min Coverage Amounts  |  |                            |                 |  |                                       |                              |                              |                         |
| Minimum Standard Limit  | \$1M Per Occurrence<br>\$2M Aggregate  | \$1M Combined Single Limit | Texas Statutory | \$500K Accident<br>\$500K Employee<br>\$500K Limit | \$1M Per Occurrence<br>\$2M Aggregate | 100% Project Completed Value | 100% Project Completed Value | Total Value of Vehicles |
| <b>Additional Coverages (in addition to standard requirements based on agreement type unless noted)</b> |  |                            |                 |  |                                       |                              |                              |                         |
| Construction Contracts  | Employers Liability Limit: \$1M/\$1M/\$1M; CGL Limit: \$2M per occurrence and \$4M aggregate   |                            |                 |  |                                       |                              |                              |                         |
| Garbage Collection Service  | CGL Limit: \$5M per occurrence and \$10M aggregate; Auto Limit: \$5M Combined Single Limit   |                            |                 |  |                                       |                              |                              |                         |
| Pollution Exposure  | \$1M Pollution Liability (or equivalent) - Required for vendors or contractors performing work with pollution exposure.  |                            |                 |  |                                       |                              |                              |                         |
| Crime Exposure  | \$1M Employee Dishonesty (or equivalent) - Required for handling City money and/or securities, credit card processing, etc.  |                            |                 |  |                                       |                              |                              |                         |
| Railway Exposure  | \$1M Railroad Protective Liability (insuring the railroad) - Required if performing work within 50 feet of a railway.  |                            |                 |  |                                       |                              |                              |                         |
| Liquor Exposure   | \$1M Liquor Liability - Required for vendors who sell or distribute liquor.  |                            |                 |  |                                       |                              |                              |                         |
| Cyber Exposure  | \$1M Cyber Liability (or equivalent) - Required for vendors with access to City networks or handle sensitive data.   |                            |                 |  |                                       |                              |                              |                         |
| <b>Footnotes:</b>   | (1) Waiver of subrogation shall be provided with the Workers' Compensation coverage.<br>(2) The City shall be covered as additional insureds on the GL and Auto policies.<br>(3) Policies of insurance shall not be canceled without a 30-day notice to the City.<br>(4) Insurance carriers must meet A.M. Best financial rating of A-VI or better.<br>(5) Combination of primary or excess policies that meet the required limits is acceptable.<br>(6) Agreements may require additional coverage and/or higher limits at the City's discretion. |                            |                 |  |                                       |                              |                              |                         |