

CITY OF LAGO VISTA, TEXAS

RESOLUTION NO. 23-2009

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS ADOPTING THE PURCHASING & PROCUREMENT POLICY FOR FISCAL YEAR 2024

WHEREAS, the City of Lago Vista, Texas is committed to financial management through integrity, prudent stewardship, planning, accountability, full disclosure and communication; and

WHEREAS, the broad purpose of the Purchasing and Procurement Policy is to enable the City to achieve and maintain a long-term stable and positive financial condition, and provide guidelines for the day-to-day -maintenance and operations of the City's financial affairs;

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS THAT:

The City Council of the City of Lago Vista, Texas hereby adopts the Purchasing & Procurement Policy for Fiscal Year 2024, copy attached.

AND, IT IS SO RESOLVED, PASSED AND APPROVED this 7th day of September 2023.


Ed Tidwell, Mayor

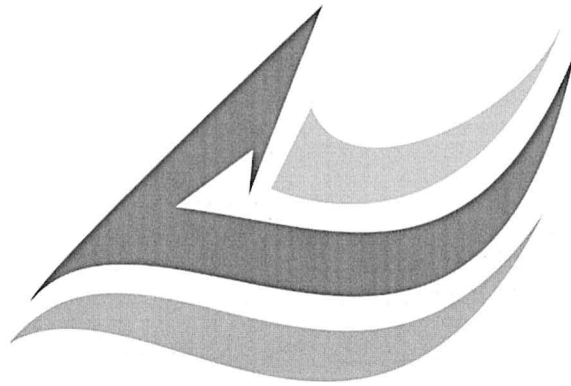


ATTEST:


Lucy Aldrich, City Secretary

On a motion by Councilor Prince, seconded by Councilor Sullivan, the above and foregoing instrument was passed and approved.

PURCHASING POLICIES AND PROCEDURES



CITY OF
LAGO VISTA
— TEXAS —

Adopted November 17, 2022
Amended August 23, __2023_

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II. Introduction

City purchasing staff have the responsibility to obtain the most value for the tax dollar in a fair, efficient, and equitable manner. Sound purchasing guidelines contribute greatly to the economical and effective operation of the City and provide the public confidence and trust in government.

The mission of the City of Lago Vista Finance department is to procure quality goods and services necessary to provide the citizens with the services they expect at the best possible price within the guidelines of all applicable federal, state, and municipal purchasing laws, while complying with best practices and state procurement laws.

a. Purpose

The purpose of this Purchasing Policies and Procedures (PPP) Manual is to establish standard practices and procedures to create an efficient and effective purchasing program for the City of Lago Vista. The PPP Manual, as established by the City Manager and approved by the City Council, shall be a complete source of purchasing information and procedures for purchasing of all commodities, contractual services, and equipment. The PPP serves as a guide for those employees granted purchasing privileges in the name of the City of Lago Vista. The guidelines set forth apply to all personnel who participate in the actions and decisions relating to the procurement and are intended to provide a complete understanding of purchasing policies, procedures, and practices. Explanation of each department's responsibility and role in the procurement function is outlined below, as well as an overall summary of the entire purchasing process.

b. Purchasing Objective

The City shall promote and protect its governmental integrity. Public employees must, therefore, discharge their duties impartially to assure fair, competitive access to City procurement. Moreover, the City's officers, directors, and employees shall conduct themselves in a way that fosters public confidence in the integrity of the City.

The employees of the City responsible for purchasing must

- i. purchase the proper goods or services to suit the City's needs;
- ii. obtain the best possible price for the goods or services;
- iii. have the goods or services available when and where the City needs them;
- iv. assure a continuing supply of needed goods and services;
- v. guard against misappropriation of City funds;
- vi. facilitate cooperation with other governmental units;
- vii. maximize competition from responsible bidders;
- viii. safeguard public funds and receive the best value for the public dollar;
- ix. refrain from use of public spending to enrich elected officials or City employees; and
- x. refrain from making purchases for personal use in the City's name.

c. Governing Authority

This policy is adopted to enforce and require compliance with the below-listed current State of Texas and local and purchasing laws. Should there be a conflict between this document and state law, state law as amended controls.

- Texas Local Government Code Chapters 252 and 271;
- Texas Government Code Chapters 552, 791, 2251, 2252, 2253, Subchapter B, 2254; and 2269;
- The City of Lago Vista City Charter; and
- The City of Lago Vista Code of Ordinances.

Regardless of the expenditure and applicability of state competitive bidding requirements, it is the policy of the City to see competition that produces the highest quality of goods and services at the lowest possible price.

III. Duties and Responsibilities

a. City Council

Except for emergency purchases, the purchase of items or services fifty thousand dollars (\$50,000) or more shall require prior approval of the City Council. The City Council shall endeavor to hold an emergency meeting to authorize emergency purchases where feasible, otherwise, emergency purchases shall be submitted to the City Council for ratification. Emergency purchases in excess of fifty thousand dollars (\$50,000) shall be limited to incidents that threaten public health, safety or damage to persons or property or in those situations in which inaction shall present a substantial financial loss to the City. All contracts and /or expenditures more than fifty thousand dollars (\$50,000) must be approved in advance by City Council regardless of the procurement method. This applies to: Purchase(s) made in the same fiscal year from the same vendor for the same goods or services that total over fifty thousand dollars (\$50,000); and A contract that is executed for more than fifty thousand dollars (\$50,000) regardless of term.

b. City Manager

The purchase of items less than fifty thousand dollars (\$50,000) shall require approval from the City Manager. The ultimate responsibility for all purchases for the City of Lago Vista is held by the City Manager. The City Manager shall propose rules and regulations for approval by the City Council for the purchase and procurement of all goods and services, which shall be followed by all City employees.

The City Manager possesses the sole authority for any deviation from purchasing regulations. If improper purchasing practices occur, the City Manager may take disciplinary action upon the individual and/or department. Disciplinary action shall be in the form of restricted purchasing privileges, restitution, suspension, termination, or any other action deemed appropriate by the City Manager.

The City manager shall determine the purchasing authority limits of all Department Heads and other employees on a case-by-case basis; however, under no circumstances shall that authority exceed five thousand dollars (\$5,000).

c. Legal

The City Attorney provides legal advice and guidance on purchasing law and regulation and will prepare formal correspondence if needed.

d. Finance Department

The Finance Department is responsible for procurement of goods and services obtained by quotes, price agreements, and inter-local agreements. The department is also responsible for:

- i. ensuring statutory compliance by the City with all applicable laws and regulations;
- ii. ensuring City departments receive prompt delivery of goods and services requested through inter-local agreements, request for quotes, and price agreements;
- iii. developing and maintaining reliable alternate sources of supply and a competitive atmosphere in pricing and performance by vendors;
- iv. assisting departments in planning purchases for submission in the annual budget process;
- v. where possible and practical, may combine purchases of similar items to allow for better pricing and establish a more competitive atmosphere;
- vi. coordinating and assisting purchasing with various departments supplies, materials, and contractual services for the City;
- vii. expediting goods and services in normal and emergency situations by utilizing known cooperative purchasing contracts, vendor contacts and services;
- viii. joining with other governmental agencies in cooperative purchasing plans when it is in the best interest of the City; and
- ix. ensuring the expenditures of City funds are conducted in such a manner that all transactions will pass audits with respects to State, Federal, and City procurement regulations.

e. Department Head

Department Heads are responsible for ensuring that all personnel in their department are knowledgeable of and fully understand the purchasing procedures established by the PPP Manual. By following the requirements established in the PPP Manual, Department Heads will assist by giving sufficient lead time to obtain proposals, quotations, or bids for goods and services requested by the departments so that the goods and services may be delivered by the requested due date.

Through proper planning of purchases, each department will be able to realize savings through competition between vendors and minimize the potential for shortages of commodities and materials.

In accordance with the PPP, the Department Head shall:

- i. inform and support departmental personnel on the requirements of the PPP and ensure adherence;
- ii. communicate needs for supplies, equipment, and materials to the city manager;

- iii. communicate requests for services and goods with enough lead time so that procurements can be made using applicable purchasing policy procedures;
- iv. utilize effective material requirements planning to maximize efficiency for City procurement;
- v. provide accurate and complete information on items requested and timely preparation of requisitions;
- vi. prepare item descriptions, specifications, or statements of work to assist in negotiation of materials, supplies, services, or equipment of a technical or unusual nature requested, and suggest possible sources of supply;
- vii. designate certain employees with authority to prepare requisitions and make requests for purchase of certain items; and
- viii. inspect or supervise the inspection of materials, supplies, services, and equipment delivered and determine acceptableness of their quality, quantity, and conformance with specifications as requested.

Finance Department will maintain a list of personnel authorized to make purchases. It is the responsibility of the Department Heads to make additions or deletions to that list as needed.

f. Department Supervisor

Each Department Head has the authority and is authorized to delegate purchasing authority to supervisors for purchases of \$1,000 or less. All invoices shall be signed by the supervisor or department designee and/or submitted to the Department Head who will return the invoice to the Accounts Payable office.

IV. Ethics

a. Employee Code of Ethics

In accordance with the City's Ethics Policy as codified in the Code of Ordinances, amended, no Officer, City Official or employee of the City shall have a financial interest, direct or indirect, in any contract with the City, or be financially interested directly or indirectly in the sale to the City of any land, materials supplies, or services, except on behalf of the City as an officer or employee. Any knowing and willful violation of this Section shall constitute malfeasance in office and any officer or employee determined to have violated this section in the sole discretion of the City Manager shall be removed from his office or position. Any violation of this Section with the knowledge, expressed or implied, of the person or corporation contracting with the governing body of the City shall render the contract involved void per the City of Lago Vista Home-Rule Charter, Article XI, Section 11.04.

By participating in the purchasing process, employees of the City of Lago Vista agree to:

- i. avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications;
- ii. demonstrate loyalty to the City by diligently following the lawful instructions of the employer, using reasonable care of the authority granted;
- iii. refrain from any private business or professional activity that would create a conflict between personal interests and the interest of the City;

- iv. refrain from soliciting or accepting money, loans, credits, prejudicial discounts, and the acceptance of gifts, entertainment, favors or services from present or potential suppliers per City of Lago Vista Home-Rule Charter, Article XI, Section 11.06 and the City's Ethics Policy.
- v. avoid dispensing special favors or privileges to anyone, whether as payment for services or not; and refrain from acceptance for self or family members favors or benefits under circumstances which might be construed by a reasonable person as influencing the performance of your employment duties;
- vi. engage in no business with the City, directly or indirectly, which is inconsistent with the conscientious performance of Governmental duties;
- vii. handle confidential or proprietary information of the City or suppliers with due care and proper consideration of ethical and legal ramifications;
- viii. never use any information gained confidentially in the performance of job-related duties as a means of making private profit;
- ix. promote positive supplier relationships through courtesy and impartiality in all phases of the purchasing cycle;
- x. know and obey the letter and spirit of laws governing the purchasing function and remain alert to the legal ramifications of purchasing decisions;
- xi. expose corruption and fraud wherever discovered; and
- xii. uphold these principles, ever conscious that public office is a public trust.

b. Vendor Code of Ethics

City of Lago Vista is committed to a procurement process which fosters fair and open competition, while conducting business under the highest ethical standards and fostering the public trust. To achieve these purposes, City requires each vendor who seeks to do business with the City to subscribe to the following Code of Ethics. A Vendor:

- i. Shall not submit a bid or proposal that is not competitive, consistent, and appropriate for the specifications submitted;
- ii. shall not discuss with other vendors intending to bid on the same contract or similar City contract for the purpose of limiting competition.
- iii. shall not make any attempt to induce any individual or entity to submit or not submit a bid proposal;
- iv. shall not disclose the terms of its bids or proposal, directly or indirectly, to any other competing vendor prior to the bid proposal closing date and time;
- v. will completely perform any contract awarded at the contracted price pursuant to the terms set forth in the contract;
- vi. will submit timely, accurate and appropriate invoices for goods and/or services performed under the contract;
- vii. will not offer or give any gift, item, or service of value, directly or indirectly, to a City employee, employee family member, or other vendors contracted by the City; and
- viii. A Vendor will not cause, influence, or attempt to cause or influence, any City employee or City Official, which might tend to impair his/her objectivity or independence of judgment; or to use, or attempt to use his/her official position to secure any unwarranted privileges or advantages for that vendor or for any other person.

Any vendor who violates the code of ethics is subject to being barred from use by the City of Lago Vista.

V. Gifts and Gratuities

Before accepting any gift, the employees will need to consider whether the gift complies with the limitations set forth in the City of Lago Vista Ethics Policy and Employee Handbook. A City employee may not solicit or accept any benefit, gift favor, funds, or service they know, or suspect is offered to influence their official conduct. The employee may accept unsolicited advertising or promotional materials such as pens, pencils, note pads, calendars, and other items of cumulative value less than fifty dollars (\$50.00). Employees should use their judgement but, should refuse gifts that a reasonable person may believe could have the appearance of impropriety or influence.

VI. General Purchasing Procedures

a. Signatory Authorities and Approval Thresholds

The City is required to follow the bidding or proposal procedures outlined in the *Local Government Code Chapter 252*, when making an expenditure of more than fifty thousand dollars (\$50,000). The City Council has the authority or may designate the authority to commit funds. Following is the delegable authority as approved by the City Council or City Manager as appropriate:

- i. \$0 - \$1,000 = Supervisors
- ii. \$0 - \$5,000 = Department Head
- iii. \$0 - \$49,999 = City Manager
- iv. \$50,000 and Above = City Council

All contracts and /or expenditures more than fifty thousand dollars (\$50,000) must be approved in advance by City Council regardless of the procurement method. This applies to: Purchase(s) made in the same fiscal year from the same vendor for the same goods or services that total over fifty thousand dollars (\$50,000); and A contract that is executed for more than fifty thousand dollars (\$50,000) regardless of term

Authority to sign contracts or agreements approved by the City Council on behalf of the City is granted to the City Manager. This applies to all types of documents including, but not limited to purchase requisitions, contracts for services, leases, rental agreements, service/maintenance agreements, facility use agreements, etc.

Employees delegated authority to make and approve purchases will be held accountable for ensuring that each purchase is made in accordance with this policy and all applicable federal, state, and local law, procedures, directions, and good business practices. The delegation of authority to obligate the city for purchases under \$50,000 is not assignable to others without the express and written consent of the City Manager.

Expenses should be made with budgeted funding. If an expenditure is not budgeted within the fiscal year, the expenditure should be brought to the City Council for a budget amendment.

b. Purchasing Limits at a Glance

Dollar Amount	Forms	Supervisor	Department Head	City Manager	City Council
\$1,000 or less	Invoice	✓			
\$ 1,001 - \$5,000	Purchase Order		✓		
\$5,001 - \$49,000	Contract and/or Purchase Order			✓	
\$50,000	Formal Solicitation and Requisition				✓
Emergency Purchase	Emergency Purchase Form			✓ \$50,000 or less	✓ \$50,000 +

c. Purchasing Process

With the exception for items that are only available from a single source, quotes will need to be obtained from three (3) vendors.

- i. All purchases of one thousand dollars (\$1,000) or over shall be made by Purchase Order.
- ii. Purchasing requisitions will be initiated by City departments and used to generate a Purchase Order. The Department Head or their designee shall approve all requisitions prior to submittal to the Finance Department.
- iii. A purchase requisition must clearly and accurately represent the following requirements:
 - Company Name or suggested vendor
 - Date
 - Quantity and unit of item(s)
 - Description of goods or services ordered
 - Unit price
 - Discount (if applicable)
 - Prices extended and total
 - Freight and/or delivery (if applicable)
 - Account to be charged

d. Requisition Process

No ordering of goods and services of one thousand dollars (\$1,000) or more will be processed through the Finance Department without a requisition.

e. Payment of Vendors

When the goods or services are received by the requesting department, the department must submit the original invoice attached to the Purchase Order to the Finance Department to ensure timely payment. Invoices will be paid within thirty (30) calendar days of receipt of goods or services or invoice date, whichever is later in accordance with State law. The City will take advantage of all discounts, when possible.

f. Tax Exemptions

The City of Lago Vista is exempt from payment of sales and use taxes under Texas Tax Code Chapter 151, for the purchase of tangible personal property. Any use of the City's tax exemption certificate for personal purchase is prohibited and a violation of criminal law. Anyone using the City's tax exemption certificate for personal purchase may be subject to prosecution under Texas Penal Code, Chapter 39, Abuse of Office. The Texas Sales Tax Exemption Certificate may be requested from the Finance Department.

g. Capitalized Fixed Assets

A capitalized fixed asset is tangible and intangible property that the City can leverage as a resource in providing services to the residents and inhabitants of the City. A capitalized fixed asset includes but is not limited to land, infrastructure, buildings, furniture and fixtures, motor vehicles and equipment with a cost of five thousand dollars (\$5,000) or more and a useful life of more than two (2) years.

Capitalized fixed assets are acquired for use in normal operations and can be sold as surplus after designated by the City Council at the end of its useful life. These assets are long term in nature and are subject to depreciation. Capitalized assets and projects should be charged to a capital project asset account.

h. Formal Solicitation Procedure/ Competitive Bidding/Competitive Proposals

Contracts shall be awarded by competitive sealed bidding for any solicitation that is projected to exceed fifty thousand dollars (\$50,000) unless a specific exemption applies and is documented. State law requires a formal, competitive process for purchases of than fifty thousand dollars (\$50,000) or more per Texas Local Government Code Government Code Chapter 252. Care should be taken, and legal advice sought where appropriate, to verify whether one of the sixteen (16) general exemptions delineated in Section 252.022 applies to the purchase or solicitation.

i. Specifications and Announcement

The requesting Procurement Manager will issue the correct type of solicitation (Invitation for Bid-IFB, Request for Proposals (RFP) or Request for Qualifications-RFQ). The solicitation must be published in accordance with Local Government Code Section 252.041 and posted on the City Website. Any bids or proposals that allow for electronic submission must follow the City's Ordinance regarding this process. The Procurement Manager will also send the package to the vendors on available distribution lists and vendors recommended by the requesting department. While the solicitation is in the vendor's hands, no communication

between any responding vendor and any city staff or city council member, except Procurement Manager and the Legal Department will be allowed concerning the outstanding solicitation. Any contact concerning the solicitation with staff or city council may be grounds for disqualification of a vendor's response. Communication for business not concerning the solicitation is acceptable.

ii. Bid Opening, Evaluation and Award

The Procurement Manager will execute the bid opening. A tabulation of the responses will be created and will delineate the response containing best value for the City. The contract, after review and approval by the City attorney if necessary, must be awarded to the lowest responsible bidder or to the bidder who provides goods and services at the best value for the municipality. The terms and conditions of the solicitation must indicate the criteria and corresponding weight for each criterion that will be used in the evaluation as per Texas Local Government Code 252.043. The criteria may include but are not limited to

- purchase price;
- reputation of the bidder;
- quality of the proposed goods or services;
- extent to which the goods or services meet the municipality's needs;
- bidder's past relationship with the municipality;
- impact on the ability of the municipality to comply with laws and rules relating to contracting with HUB and nonprofit organizations employing persons with disabilities;
- long-term cost to the municipality to acquire the bidder's goods or services; or
- any relevant criteria specially listed in the solicitation.

After final negotiation, if necessary, the purchase and contract must be approved by the City Council. Department Head shall prepare the Executive Summary to present to the City Council.

If contract extensions are included in the solicitation, these should also be included in the City Council agenda item so the contract can be renewed without having to go back to the City Council for approval. Department Head will issue a formal letter to the vendor when renewing a contract and the vendor has the right to refuse the extension, a copy of the letter of contract extension must be placed in the contract and bid files.

iii. Change Orders

After the award of the contract, if the City requests an alteration in the scope of work, a Change Order may be issued to the contract that involves an increase or decrease to the scope of work or amount. All Change Orders must be in writing and signed off by the Department Head or City Manager. A change order is required if, after the contract has been executed, one or more of the following events occur:

- Changes in plans or specifications are necessary, or
- It is necessary to increase or decrease the quantity of work of materials, equipment or supplies to be furnished.

Material changes in the scope, quantities or related work may not be made. A material change is defined as substantial revisions. Department Heads may approve written change

orders to contracts within their supervision in the amounts up to five thousand (\$5,000) per change order.

The City Manager may approve written Change Orders to all contracts in the amounts less than fifty thousand dollars (\$50,000) up to an aggregate total for the entire contract of fifty thousand dollars (\$50,000). Any change orders increasing the total contract to more than fifty thousand dollars (\$50,000+) must be approved by City Council and every Change Order thereafter must go to City Council unless the Council has given a specified amount to not exceed.

However, the sum of all approved Change Orders, regardless of amount, may not exceed twenty-five percent (25%) of the original, total contract amount. Any change greater than twenty-five percent (25%) will require a new solicitation, as per Texas Local Government Code 252.048(d). Change Orders to construction contracts must comply with Texas Local Government Code Section 271.060.

VII. Contract Management

City Departments will send the original of all contracts to the City Secretary and a copy to the Finance Department for entering into the City's financial system. All change orders, authorization of change in services, and final payment requests will be provided to the Finance Department for review for contract compliance and for further processing. For contracts utilizing Federal funds, contractor oversight will comply with 2 CFR 200.318b. The City Manager is responsible for the settlement of all contractual and administrative issues arising out of procurements.

For all contracts that require approval by City Council, the Finance Department will maintain all Certificates of Interested Parties Form 1295 and all non-disclosure statements for any employee or participant involved in the creation of specifications, evaluation of bid/proposal or award of contract.

VIII. Legal Requirements

a. Historically Underutilized Businesses

If the City is processing a Request for Quote of more than three thousand dollars (\$3,000) but less than fifty thousand dollars (\$50,000), per Texas Local Government Code, Section 252.0215, at least two (2) HUB vendors need to be contacted on a rotating basis. Historically Underutilized Business (HUB) vendors are identified through the State of Texas Comptroller's Centralized Master Bidders List (CMBL) – HUB Directory Search for Williamson and Travis County by commodity code.

b. Debarment Verification

The Finance Department will perform a debarred vendor check to ensure that the selected vendor is not debarred from doing business with the State or Federal Government for any one-time purchase or contract that is twenty-five thousand dollars (\$25,000) or more.

IX. Items That Do Not Require Competitive Bidding or Competitive Proposals

Texas law specifically exempts certain types of contracts from the competitive bidding process. Texas Local Government Code Section 252.022 lists sixteen (16) types of expenditures that are not subject to the competitive bidding or competitive proposal requirements. Such goods and services may be acquired by the issuance of a purchase order or execution of a contract.

a. Emergency Purchases

Emergency Purchases are made to meet critical, unforeseen needs of the City. This can occur as a result of a public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents or to preserve the property of the municipality. Valid Emergencies are also those that occur as a result of the breakdown of equipment which must be kept in operation to maintain the public's safety or health, or whose breakdown would result in the disruption of City operations. (Texas Local Government Code Section 252.022 (a)(1),(2) and (3).)

Create a form, file, and general ledger subaccount to track emergency purchases.

b. Personal, Professional or Planning Services

- i. **Personal Services:** Personal services includes only those services which are performed personally by the individual who contracted to perform them, and the contract should mainly pay for the labor of the individual providing the service, not for such things as insurance or materials.
- ii. **Professional services:** Professional services have been described as those services which are mainly mental or intellectual rather than physical or manual. The Texas Government Code Section 2254.002 lists ten (10) types of services that constitute professional services for purposes of State and local contracts and funds management. These include accounting, architecture, landscape architecture, land surveying, medicine, optometry, professional engineering, real estate appraising, professional nursing and forensic science. Cities have also used this exception to hire attorneys. The City may not select a provider of professional services, group, or association of providers or award a contract for the services based on competitive bids submitted for the contract or for the services but, shall make the selection and award based on demonstrated competence and qualifications to perform the services for a fair and reasonable price. The professional fees under the contract must be consistent with and not higher than the recommended practices and fees published by the applicable professional associations and may not exceed any maximum provided by law (Texas Government Code 2254.002 and 2254.003.) If the City cannot negotiate a satisfactory contract with the most highly qualified provider, then the City shall formally end negotiations with that provider, select the next most highly qualified provider and attempt to negotiate a contract with that provider at a fair and reasonable price.
- iii. **Planning Services:** Planning Services is defined in Texas Local Government Code Section 252.001(5) as services primarily intended to guide governmental policy to ensure the

orderly and coordinated development of the state or of municipal, county, metropolitan or regional land areas.

c. Work performed and paid for by the day as work progresses

The Texas Government Code Section 2254.002 specifically excepts from bidding requirements, work that is performed and paid for by the day as the work progresses. The Contract may not pay for work to be performed in the future regardless of whether the contract is performed and paid for on a daily basis.

d. Lease or Purchase of land or a right-of-way

In accordance with Texas Government Code Section 2254.002, the purchase of land or right-of-way is exempt from competitive bidding requirements. However, this exemption does not apply to the *sale* of real property. Subject to certain exceptions in Texas Local Government Code Chapter 272, the sale of real property can be accomplished in any of three ways: 1. Notice and bidding procedures under Section 272.001; 2. Public Auction in accordance with Texas Local Government Code Chapter 253; or 3. The use of a broker (on MLS for 30 days) Texas Local Government Code Chapter 253.

Section 272.001(b) lists seven exceptions to the notice and bidding requirements: (1) narrow strips of land, or land that because of its shape, lack of access to public roads, or small area cannot be used independently under its current zoning or under applicable subdivision or other development control ordinances; (2) streets or alleys, owned in fee or used by easement; (3) land or a real property interest originally acquired for streets, rights-of-way, or easements that the political subdivision chooses to exchange for other land to be used for streets, rights-of-way, easements, or other public purposes, including transactions partly for cash; (4) land that the political subdivision wants to have developed by contract with an independent foundation; (5) a real property interest conveyed to a governmental entity that has the power of eminent domain; (6) a municipality's land that is located in a reinvestment zone designated as provided by law and that the municipality desires to have developed under a project plan adopted by the municipality for the zone; or (7) a property interest owned by a defense base development authority established under Chapter 378, Local Government Code.

e. Sole source purchases

Sole Source purchases are items that are available from only one source including:

- i. items that are available from one source because of patents, copyrights, secret processes, or natural monopolies;
- ii. films, manuscripts, or books;
- iii. gas, water, and other utility services;
- iv. captive replacement parts or components for equipment;
- v. books, papers, and other library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials; and
- vi. management services provided by a nonprofit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits.

Sole source purchases over fifty thousand dollars (\$50,000) must be approved by City Council.

f. Purchase of rare books, papers and other library materials for a public library

Competitive bidding is not required for the purchase of books, papers, and other materials for a public library if those books, papers, or other materials are available only from the persons holding exclusive distribution rights to the materials. Additionally, competitive bidding requirements do not apply to the purchase of rare books, papers and other rare library materials for a public library.

g. Paving, Drainage, Street widening, and other public improvements, or related matters

This exception only applies if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements, for example, if the streets are paid with PID funds or by assessments collected by an HOA or POA.

h. Certain public improvements

This exception applies only to those public improvement projects, already in progress, authorized by the voters of the municipality, for which there is a deficiency of funds for completing the project in accordance with the plans and purposes authorized by the voter.

i. Developer participation projects

This exception requires payment under a contract by which a developer participates in the construction of a public improvement as provided by Subchapter C, Chapter 212.

j. Personal property sold

This exception applies to property that is sold (A) at an auction by a state licensed auctioneer; (B) at a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code; (C) by a political subdivision of this state, a state agency of this state, or an entity of the federal government; or (D) under an interlocal contract for cooperative purchasing administered by a regional planning commission established under Chapter 391.

Otherwise, the lease or lease/purchase of personal property procured by other methods must comply with the competitive bidding or proposal requirements if the expenditure is \$50,000 or more.

k. Services performed by blind or severely disabled persons

Competitive bidding does not apply to the purchase of services performed by blind or severely disabled persons.

l. Goods purchased by a municipality for subsequent retail sale by the municipality

m. Gas, Electricity, water and other utility services

Competitive bidding is not required for the purchase of gas, water and other utility services if those services are available from only one source. The competitive bidding requirements do not apply to an expenditure for electricity.

n. Advertising, other than legal notices

Competitive bidding is not required for advertising by a city, other than legal notices.

o. Cooperative Purchasing

Cooperative Purchasing allows entities to order under established contacts without additional formal bidding. The City of Lago Vista, as a government entity, is eligible to participate in cooperative purchasing programs, provided the contracts were competitively advertised and awarded; no additional justification or bidding is required.

When purchasing advertised goods or services through a request for bids/RFP; if the goods are of a nature and character that it is feasible and advantageous to require discounts or special prices for other interested government entities as well as the City, Purchasing shall include a Cooperative Purchasing Clause requiring vendors to agree to make their prices available to other entities who enter into a Interlocal/ Cooperative Purchasing Agreement with the City.

All Interlocal/Cooperative purchasing Agreements, whether entered by the City with another government entity or local cooperative organization, or vice versa, must be approved by the City Council.

X. Grants Compliance

Once a grant has been approved following the City's Grants Compliance Guidelines, expending approved grant funds requires the City to follow Section 8, Uniform Guidance - Federal Procurement Rules, 2 CFR 200.320. In most cases the City's purchasing thresholds are more conservative than the Federal purchasing thresholds. However, purchasing guidelines for each grant are unique and must be reviewed in advance of collecting bids, proposals, or quotes. The requirements may include but are not limited to Davis-Bacon Wage Determination, National Environmental Policy Act, National Historic Preservation Act, Solid Waste Disposal Act, Buy-American initiative, E-Verify, and other requirements outlined in the Grant Submission instructions.

The Finance Department will perform a debarred vendor check to assure that the selected vendor is not debarred from doing business with the State or Federal Government on any purchase or contract that is twenty- five thousand dollars (\$25,000) or more. The purchaser shall verify using the EPLS website, Sam.gov.

XI. Enforcement

a. Internal Enforcement

Employees who violate the provisions of the PPP are subject to disciplinary action pursuant to the City of Lago Vista Personnel Manual.

b. Criminal Penalties for Violation of Competitive Bidding Laws

Purchasing strategies to avoid competitive bidding requirements are prohibited by state law. Texas Local Government Code, Section 252.062, states, "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 competitive bidding requirements of Section 252.021." Section 252.001 defines these terms as follows:

- i. Component Purchases means purchases of the component parts of an item that in normal purchasing practices would be purchased in one purchase.
- ii. Separate Purchases means purchases, made separately, of items that in normal purchasing practices would be purchased in one purchase.
- iii. Sequential Purchases means purchases, made separately, of items that in normal purchasing practices would be purchased in one purchase.

Texas Local Government Code Chapter 252 establishes criminal penalties for violation of procurement laws. It reads in pertinent part:

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

c. Removal; Ineligibility

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

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

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

This section does not prohibit the payment of retirement or workers' compensation benefits to the removed officer or employee.

d. Injunction

If the contract is made without compliance with applicable State or local laws, it is void and the performance of the contract, including the payment of any money under the contract, may be enjoined by:

- i. Any property tax paying resident of the municipality, or
- ii. A person who submitted a bid for a contract for which the competitive sealed bidding requirement applies, regardless of residency, if the contract is for the construction of public works.

XII. Credit/Procurement Cards

a. Purpose

The purpose of the Credit/P-card Program is to provide the City with an efficient and controllable method of making small dollar commodity, service, and travel purchases. This program is to be used to procure low-value maintenance, repair, and operational expense items. By using the credit card, it will simplify the payment process and take advantage of the rebate program the card provider offers. The City will issue cards via the provider of its choice. This card policy is not intended to replace, but rather supplement existing purchasing petty cash, travel, and other City policies. The same restrictions that apply to other methods of purchasing also apply to the Credit cards.

b. Eligibility

If requested and approved by the City Manager, a Credit/P-card will be issued to each department and be the responsibility of the Department Head or his/her designee. Criteria for determining which departments should be issued a department card:

- Will the use of the Credit/P-Card enhance productivity?
- Will the use of a Credit/P-Card reduce paperwork?
- Will the Credit/P-Card be utilized regularly for the purchasing of authorized (budgeted) goods, supplies and services?

c. Usage

The card program is not intended to avoid or bypass the competitive bid requirements per Texas Local Government Code 252.021, appropriation of funds processes, approval, or payment processes. Rather, the program complements the existing processes. Expenditures may not exceed appropriations under current City policy. Each card will have a purchase limit. The limits for daily and monthly purchases on the Department Head Credit/P-Cards are set by the City Manager. In no case will limits exceed five thousand dollars (\$5,000). Limits can be changed on a temporary or permanent basis when warranted and a written request is received by the Program Administrator or the Department Head.

Credit cards may be used for small dollar purchases which conform to the purchasing policy and that do not exceed the cards maximum limit.

Acceptable purchases are:

- (a) maintenance and repair of equipment;
- (b) operation expense items;
- (c) registration fees;
- (d) travel expenses (must adhere to the Travel Policy); and
- (e) other items in that department's scope of business.

Purchase made on the card will be for City business only. The card is not a personal line of credit and must never be used for personal or private purchases of any nature. When in doubt as to whether a purchase is allowable under the City policy, the cardholder should either contact the Finance Department before making the purchase or make payment personally and seek reimbursement from the City afterwards. Please remember that reimbursements for any out-of-pocket purchase made without authorization is subject to the City Manager's approval.

Unauthorized purchases or use of the card in violation of this City policies are prohibited, and purchaser will be subject to disciplinary action.

d. Penalties for Improper Use

The card is to be used only by the department/cardholder to pay for non-personal transactions. Improper use of the card can be considered misappropriation of City funds and may result in disciplinary action up to and including termination of employment. Improper use will result in revoking the card. In addition, the cardholder is personally liable for payment for improper purchases, including those in excess of dollar amounts appropriated or authorized by the City and subject to criminal prosecution under the Travis County judicial system.

e. Duties and Responsibilities

i. Program Administrator

The program Administrator is the Finance Director or their designee. The Program Administrator manages the Credit/P-card Program and has the following responsibilities:

- (a) establishing credit card accounts and limits;
- (b) acting as the point of contact for any Credit Card Program questions;
- (c) ensuring compliance with the Credit/P-card Policy and the Purchasing Policy;
- (d) reviewing all credit card transactions monthly; and
- (e) terminate cards as needed.

ii. Departmental Responsibility

The City Manager determines who will be issued a card and the monthly limits assigned. The Department Heads will also ensure that purchases are authorized and adhere to City policies. Departments may implement more stringent internal authorization procedures that must be followed in order to make purchases with the card. Department Heads are responsible for approving receipts and making sure the statements for each card are reconciled and turned in to

the Finance Department within fifteen (15) days of the statement date to facilitate timely payments.

iii. Cardholder

- (a) The employee who is issued a card is called a "Cardholder" whether it is issued in their name or just in their custody (i.e., department card).
- (b) Every transaction made using the Credit card must have corresponding backup in accordance with the Fiscal and Budgetary Policy and all other City of Lago Vista policies accounting system.
- (c) Each Cardholder shall use the card only for authorized purchases. A hardcopy itemized receipt must be obtained from the vendor each time the card is used and be signed by the Cardholder. Online and telephone charges must also be documented by a receipt, so the Cardholder shall request the vendor send them a receipt.
- (d) The Cardholder is responsible for immediately notifying the Credit card provider, their supervisor, and the Program Administrator if the card is lost or stolen.
- (e) Each Cardholder must acknowledge receipt of the Credit card, understand the rules of usage, and sign the user agreement. Failure to abide by this Credit/P-card Policy may result in disciplinary action, up to and including termination of employment. The Cardholder will be required to reimburse the City for any unauthorized transaction.
- (f) Upon resignation or termination of employment of a Cardholder, the Department Head shall notify the Program Administrator immediately, and the card shall be turned in to the Program Administrator.

f. Credit Card Provider

The Credit Card Provider will send the Cardholder and the City's Finance Department a billing statement once each month for all transactions that have taken place in the previous month's statement cycle. This statement can also be obtained online. The Cardholder is responsible for reconciling their respective statement, matching each transaction with a receipt as soon as it is received. If a transaction is listed which is not known to the Cardholder, the Cardholder is responsible for immediately notifying the Credit Card Provider and the Program Administrator of the disputed charge. It is imperative that each Cardholder promptly process the transactions and forward receipts to their supervisor. If a receipt is lost, a lost receipt form must be filled out and signed by the City Manager.

g. Transaction/Card Limits

Each individual credit card will have transactions and/or spending limits. The Chief Financial Officer in coordination with the Department Head has the authority to limit types of purchases, places for purchases, and hours of day purchases can be made on individual cards. The total purchase price as printed on the individual credit card receipt is known as the "transaction amount". The credit card may be limited by the merchant type, transaction amount, and monthly transaction limit. Each Cardholder will be set up with limits for each of these categories and will be made aware of the limits. A card transaction will be denied when swiped if the transaction exceeds any of the limits. The card transaction limits may not exceed those set in the policy guidelines.

h. Sales Tax

As a tax-exempt government agency, the City of Lago Vista does not pay sales tax. Cardholders will be provided a copy of the City's tax exemption certificate when requested. Cardholders are responsible for ensuring that the merchant does not include sales tax in the transaction if possible. In the event sales tax is charged, the cardholder is required to go back to the vendor/merchant to request a refund of the sales tax paid. If a refund is not possible, the cardholder is required to submit a memorandum monthly to the Finance Department that includes an explanation as to why the sales tax paid cannot be credited along with a copy of the receipts showing the sales tax paid.

i. Late Fees or Finance Charges

No late fees or finance charges shall be paid by the City under terms of procurement card program. If late fees or finance fees are incurred, the Department Head /Cardholder will be responsible for paying those fees.

j. Returns

Each Cardholder is responsible for coordinating returns with the vendor and making sure a proper credit slip is obtained. Credit shall be issued to the Cardholder's account. **Cash refunds are not allowed.**

k. Restrictions and Exemptions

Employees may not use the card for personal use or any activity not directly related to the task they are performing for the City, including but not limited to:

- i. Any purchases of items for personal use;
- ii. cash refunds or advances;
- iii. any purchase of goods/services or from a merchant type not considered prudent or of good judgement;
- iv. any purchases set up as reoccurring;
- v. no purchases are to be processed through the employee's personal account online. You must establish a City account to process the purchase;
- vi. any transaction amount greater than the Cardholder's transaction limit;
- vii. items under contract unless an emergency exception is granted;
- viii. alcohol or liquor of any kind. Patronization of bars, drinking places, and package stores must not be paid for with the credit card;
- ix. in town meals without a proven business such as a City hosted event;
- x. gifts to friends or relatives in lieu of meals and lodging;
- xi. life travel accident insurance premiums;
- xii. parking fines and traffic tickets;
- xiii. clothing and clothing rental;
- xiv. laundry, valet, or dry-cleaning charges;
- xv. repairs or towing of personal vehicles;
- xvi. babysitting / pet sitting;
- xvii. expense for travel companions;
- xviii. mini-bar refreshments or other snacks in addition to the meal reimbursement;
- xix. separate, sequential, and component purchases or any transaction made with intent to circumvent the City Purchasing Policy or state law;

- xx. any transactions that may cause or be perceived to cause damage to the City of Lago Vista's reputation and goodwill, and/or reflect poorly on the ethical and moral decision-making of the Cardholder, staff, and elected officials; or
- xxi. any other purchase specifically excluded in the City Purchasing Policy

l. Documentation

Each Cardholder/department will maintain a purchasing log. The log records the transaction date, vendor name, the merchandise purchased, dollar value of sale, how the order was placed (via Internet, phone, fax, mail, or in person), citywide or individual contract number (if applicable), and purpose of purchase. A separate line is required for each purchase. An itemized receipt for each purchase should be stapled to the log to expedite reconciliation with the billing statement. The log must be reviewed and signed by the Department Head/Cardholder and submitted to Finance for review.

Personal Use Restriction

The card may not be used to pay spouse/family expenses incurred while traveling. Only City business expenses are allowable, and the Cardholder must pay personal expenses separately.

m. Obtaining a Credit Card

Steps to obtain a credit card:

1. Department Head submits a request in writing to the City Manager for a credit card who determines the appropriate monthly transaction limits.
2. The Program Administrator will request the Credit Card Provider to issue credit cards.
3. Upon receipt of the card, the Program Administrator will have the Cardholder sign the Credit Cardholder Agreement and
4. The Finance Department will provide training on proper use and limitations of City credit cards. The new Cardholder receives copies of:
 - Credit Cardholder Agreement
 - Credit Card Policy
 - Purchasing Policy
 - Travel Policy

n. Revocation of the Credit Card

The credit card is subject to revocation at any time at the discretion of the City Manager or Chief Financial Officer. When a card is revoked, changes are made online and take effect immediately. The City Manager or Chief Financial Officer are further authorized to temporarily suspend use of the card via electronic methods if unauthorized use is discovered and such use poses a threat to internal financial controls.

XIII. Travel Expense/Reimbursement

a. Purpose

The purpose of this administrative regulation is to establish the rules and procedures governing travel expenditures of salaried and non-salaried employees and public officers of the City of Lago Vista when on official travel for the City and to be in compliance with state law.

It is the City's policy to pay for, or reimburse, all reasonable and necessary expenses incurred by a City employee or City Official travels when the employee travels on City-related business in accordance with this policy.

b. Transportation

The most efficient and economical mode of travel must be used. Air travel arrangements are to be made by each department. Air travel must be booked at the most discounted fare basis whenever possible. When authorized an employee using a personal vehicle on City business shall be paid an amount per mile equivalent to the current IRS rate or shall be paid the equivalent of a coach airline fare, whichever results in the lower cost to the City. In instances of approved private vehicle use, reimbursement will also be made for mileage tolls and parking fees. Receipts are required for toll and parking fees, as well as for taxi cabs, limos, and other modes of transportation. The City will pay for rental vehicles upon written approval of the City Manager (or designee).

c. Travel Approval and Cash Advances

All travel and cash advances must be approved in advance by the employee's Department Head (or designee), unless otherwise stated in this policy. In addition, any travel out of state must be approved by the City Manager as set out below.

d. Lodging

Expenses for lodging are to be at the single room rate unless an employee is approved in advance for double occupancy. An itemized hotel receipt must be provided.

e. Meals

The City shall pay actual necessary food expenses for an employee or City official traveling on City business. Expenses for meals shall be reimbursed by per diem allowances. A per diem allowance equal to the greater of the State of Texas Travel Reimbursement Rates as published at <https://fmx.cpa.texas.gov/fmx/travel/texttravel/rates/current.php> or fifty-nine dollars (\$59.00) per day is authorized based on thirteen dollars (\$13.00) for breakfast, fifteen dollars (\$15.00) for lunch, twenty-six dollars (\$26.00) for dinner and five dollars (\$5.00) for incidentals.

f. Incidental Expenses

The City will reimburse for incidental expenses associated with lodging and meals when they are incurred for City business reasons. Examples of reimbursable incidental expenses include but are not limited to mandatory charges or mandatory service charges; telephone calls; toll charges; parking charges; repair charges for city-owned vehicles; and postage. Tips or gratuities over twenty percent (20%) and excess baggage charges for personal belongings are not reimbursable expenses. Allowances include taxes and tips and may be reduced by twenty-five percent (25%) for first and last days of travel.

g. Internet Expense

Only reasonable and necessary computer-related expenses for City business reasons will be reimbursed.

h. Non-Allowable Expenses

Expenses or charges for items listed in 11(k) above the following will normally not be reimbursed and must be paid for by the employees, nor will:

- i. In-hotel pay television and movies
- ii. Dry cleaning and laundry
- iii. Health club and spas
- iv. Expenses of a spouse or family members
- v. Alcoholic beverages, or
- vi. Other items of a personal nature

i. Request for Reimbursement and Return of Unexpended Funds

Upon return to the City, a complete accounting of all expenditures of City funds is to be filed within three (3) working days on the City's Expense Form. Receipts for all expenses, including hotel bills and registration fees, must be attached to the statement. Authorized expenses in excess of advance funds received will be reimbursed with proper approval.

j. Travel to Training

The current mileage reimbursement will be paid to City Officials and employees who must use their personal vehicles to travel to a training destination further than their designated work location or other City locations and/or facilities. Reimbursement will be made for miles driven from the normal work location or employee's home whichever is less. Actual mileage reading must be submitted for reimbursement. Employees will be paid for time traveling to and from training destinations. Travel time will be considered hours worked for the purpose of calculating overtime.

k. Expenses Not Covered in Policy

The City Manager's approval must be obtained prior to any expenditure of funds for items or charges which are not specifically addressed in the travel policy.

l. Exceptions

Employees who receive monthly automobile allowances are eligible for mileage reimbursements for out of city travel. Employees who travel in a city-owned vehicle will be reimbursed for the documented actual cost of fuel, oil, or other expenses related to the safe operation of the vehicle, which were necessary during the course of the employee's use of the vehicle on official business.

m. Compliance

Abuse of this policy, including falsifying expense reports or submitting false claims, will result in disciplinary action, up to and including termination of employment.

XIV. Glossary

Award -- Approval by the City Council, City Manager, or Department Head, under whose authority a purchase or purchase order is approved.

Best Value -- If the sealed competitive bidding requirement applies to the contract for goods or services, the contract may be awarded to the lowest, responsible bidder or to bidder who provides goods or services at the best value for the city. In determining the best value for the city, we may consider the following:

- purchase price;
- quality of the bidder's goods or services;
- the reputation of the bidders and the bidder's goods or services;
- the extent to which the foods or services meet the City's needs;
- the bidder's past relationship with the City;
- the impact on the ability of the city to comply with the laws and rules relating to contracting with historically underutilized businesses and non-profit organizations employing persons with disabilities;
- the total long-term cost to the City to acquire the bidder's goods or services, and
- any relevant criteria specifically listed in the request for bids or proposal.

Bid -- A complete, properly signed response to an Invitation for Bid. Which if accepted, would bind the Bidder to perform the resulting agreement.

Bidder -- A person, entity, or firm that submits a Bid, signed by an authorized representative, in response to an Invitation for Bid.

Change Order -- A document modifying information concerning goods and/or services, price, and/or quantities in an existing contract/purchase order; if the total amount of the contract/purchase order is increased by the change order; the change order may require approval by different authority than that used to approve the contract/purchase order and/or previous change orders. The total of all change orders cannot exceed twenty-five percent (25%) of the original contract/purchase order amount, per Local Government Code 252.048(d). Any changes greater than twenty-five percent (25%) will require a new solicitation.

City Council -- The elected officials of the City of Lago Vista, Texas given the authority to exercise such powers and jurisdiction of all City business as conferred by the City Charter and the State of Texas Constitution and Laws.

Competitive Bidding -- A process wherein a vendor openly competes with other vendors, through a formal or informal process, for the City's business.

Component Purchases -- Purchases of component parts of an item that in normal purchasing practices would be purchased in one purchase.

Contract -- A mutually binding legal document obligating the Vendor to furnish the goods. Equipment or services specified within the solicitation and obligating the City to compensate in accordance with the conditions of the Contract.

Contractor -- The successful vendor(s) awarded a contract by the City of Lago Vista.

Cumulative Purchases - Purchases within a commodity over a fiscal year that are used City wide.

Department Head -- A person in authority within the department and is administratively responsible for its entire operations.

Department Supervisor -- A person immediately in line after the Department Head who is responsible for monitoring and regulating the performance of delegated duties.

Emergency -- Purchases that are made to meet critical, unforeseen needs of the City, where the City's ability to serve the public would be impaired if the purchase is not made immediately. Emergency purchases are exempt from standard purchasing procedures and must qualify for exemption as stated in Local Government Code Section 252.022. Emergency purchases must follow the procedure set forth in this manual.

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

Invitation to Bid/ Request for Bid -- A formal written document that requests from bidder as a firm price and delivery details for specified goods or services, An invitation to bid is always required when the anticipated level of expenditure will be greater than \$50,000. It may be used anytime the City Manager deems it is justified.

Interlocal Agreement -- An agreement made between two governmental entities to purchase goods or perform governmental functions and services (such as purchasing, records management, police/fire protection, public health, etc.)

Personal Services -- Services provided to the City personally by a particular individual. This does not include Professional services.

Professional Services -- Services rendered by a person or firm that requires years of education and service for one to attain competence and which calls for higher order of intelligence, skill, and learning. (Mental or intellectual skills, rather than physical or manual) When the Request for Proposal is used for the selection of professional service as allowed in the Local Government Code 252.022(a)(4), the City shall comply with Government Code 2254.003 in the procurement of these services. The City shall not award a contract for these services based on competitive bids but shall make the selection and award on the basis of demonstrated competence and qualifications for fair and reasonable price. Fees must be consistent with and not higher than the recommended practices

and fees published by the applicable professional associations and may not exceed any maximum(s) provided by law.

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

Purchase Order -- A written document issued by the City to a vendor formalizing all the terms and conditions of a proposed transaction, to include but not limited to, a description of the requested item, delivery schedule, terms of payment, transportation, delivery location, price, quantity, and special instructions. The purchase order conveys to the vendor the authority to deliver and invoice the City for the goods and/or services for an agreed upon price.

Quotes --

- Verbal Quote - A verbal quote is obtained from a potential vendor that has the ability to provide the goods/services. This quote must include the individual's name, company name, phone number, and the dollar amount of the quote for the goods/services.
- Written Quote - The written quote is provided by the potential vendor that states the goods/services pricing as well as the delivery date/terms. This quote can be used as a reference when placing the order with the vendor.
- No Bid or Non-Responsive Bid - An opportunity was given to a potential vendor in which they have not responded or responded with a "no bid".

Request for Proposal (RFP) -- A formal written document (solicitation) requesting potential vendors to make an offer for goods or services to the City. The request for proposal method of procurement may be used for all goods and services. RFPs differ from bids in that the City is seeking a solution, as described in the document, not a bid/quotation meeting firm specifications for the lowest price. Proposals are evaluated based on criteria formulated around the most important features of a product or service, of which quality, testing, references, availability, or capability may be overriding factors, and the price is not the sole factor of the award. All requests for proposals is kept secret during negotiations until a contract is awarded.

Request for Qualifications (RFQs) -- A formal written document (solicitation) used when soliciting providers of architectural, engineering, and surveying services, and professional services. The City shall comply with Government Code 2254.004 in the procurement of these services. The City must first select the most highly qualified provider of those services on the basis of demonstrated competence and qualifications. After a firm has been selected based on qualifications and experience, then a fair and reasonable fee shall be negotiated. If a satisfactory contract cannot be negotiated with the most highly qualified provider of architectural, engineering, or land surveying services, the City shall formally end negotiations with that firm and select the next most highly qualified firm and begin negotiations with that provider for a fair and reasonable price.

Requisition -- The source document for all purchasing activity. The form communicates a department's needs to the Purchasing Department and grants authorization to enter a contractual relationship for delivery of goods and/or services. A requisition is utilized for communicating internal requirements and should not be used by the departments for the order and delivery of

goods/or services. All documentation supporting the request for purchase should be attached to the requisition.

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

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

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

Sole Source -- Purchases of goods or services that are available from only one supplier. There may be just one vendor because of copyrights, or patents, or simply because the vendor is the only one that supplies the goods or services. These purchases are exempt from the standard bidding requirements and must qualify as outlined in Local Government Code 252.002.

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

Vendor -- Person or business enterprise providing goods, equipment, labor and/or services to the City as fulfillment of obligations arising from a contract or purchase order.