

# PURCHASING POLICY

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October 1, 2025

## PURCHASING POLICY

The aim of these policies is to ensure the City of West University Place makes purchases and executes contracts in accordance with the Constitution and the laws of the State of Texas and the City's Charter and ordinances. The laws applicable vary depending upon whether the contract is for goods and services, public works, or professional services. Specifically, this policy framework mandates the pursuit of the following procurement objectives:

- I. *Authority Limits:* To establish purchasing approval and authority limits for specific employees to enter contractual and other obligations on behalf of the City of West University Place. The monetary guidelines for a contract shall be based upon the entire term of the contract.
- II. *Purchase Orders:* To document policy and procedures for procurement contract processing.
- III. *City Attorney Review & Approval of Contracts:* To document policy and procedures for review and approval of contracts by the City Attorney.
- IV. *Interlocal Cooperative Purchasing:* To document policy and procedures for interlocal cooperative contract purchasing.
- V. *Payment and Performance Bonds and Other Requirements:* To document policy requirements for payment and performance bonds in accordance with Chapter 2253, Texas Government Code.
- VI. *Purchases up to \$9,999:* To document policy and procedures for purchase transactions for less than \$10,000.
- VII. *Purchases for amounts of \$10,000 - \$99,999:* To document policy and procedures for purchase transactions for amounts \$10,000 - \$99,999.
- VIII. *Historically Underutilized Business (HUB):* To document policy and procedures for Historically Underutilized Business (HUB) requirements.
- IX. *Form 1295:* To document policy and procedures for making sure form 1295 is received.
- X. *Purchases for Amounts over \$100,000:* To document policy and procedures for purchase transactions for amounts over \$100,000.
- XI. *Public Works Contracts:* To establish standards, guidelines, and procedures for public works contracts.

- XII. *Sole/Single Source Purchases:* To define the guidelines for the proper justifications of sole/single source purchases.
- XIII. *Computer Purchases – Software and Hardware:* To establish standards, guidelines, and procedures for the purchase of computer equipment and computer peripherals.
- XIV. *Fleet Purchases:* To establish standards, guidelines, and procedures for purchase, receiving and record keeping for all City Vehicles.
- XV. *Tie Bids:* To document policy and procedures for awarding tie bids
- XVI. *Contract Management:* To document policy and procedures for contract management.
- XVII. *Blanket Purchase Orders:* To document policy and procedures for the use, creation, and processing of a Blanket Purchase Order.
- XVIII. *Change Orders:* To document policy and procedures for change orders.
- XIX. *Contract Renewal Procedures:* To document policy and procedures for contract renewal.
- XX. *Architect and Engineering Procurement Policy (Project Related):* To document policy and procedures for architect and engineering procurement processing.
- XXI. *Professional Services:* To document policy and procedures for procuring professional services other than architectural and engineering services and other personal services.
- XXII. *Protest and Contested Bids:* To document policy and procedures for accepting and processing vendor protests and contested bids.
- XXIII. *Emergency Purchase:* To document policy and procedures for emergency purchases.
- XXIV. *Sustainability Statement:* The practice of purchasing environmentally preferable products and services.
- XXV. *Procurement Card:* To establish the procedures for procurement card use.
- XXVI. *Contractor Insurance Requirements:* To establish the procedures for vendor/contractor insurance requirements.

## **I. AUTHORITY LIMITS**

The City Manager has delegated oversight responsibility and authority for all City purchase and contracting activities to the Finance Director.

The City subscribes to the philosophy of decentralized purchasing, whereby most purchases of goods and services are the responsibility of the individual City departments. As such, authority and approval limit levels are established to ensure good fiscal management and internal controls. Levels are intended to recognize the scope of responsibility of City employees and control the creation of unauthorized or unintended liability.

### **A. Policy**

Authority levels are as follows:

Directors may delegate their authority levels, through written approval, to the next in charge.

\$0 - \$6,999 Division Head & Managers

\$7,000 - \$24,999 Director

\$25,000 - \$99,999 City Manager

\$100,000+ City Manager with City Council Authorization

Authority to sign contracts or agreements on behalf of the City is granted and delegated as shown above. This applies to all types of documents including but not limited to purchase orders, contracts for services, leases, rental agreements, service/maintenance agreements, facility use agreements, etc. Employees granted authority to make and approve purchases, will be held accountable for ensuring that each purchase is made in accordance with all applicable Federal, State, and local law, procedures, directions, and good business practice.

**City personnel should be aware that personal financial liability or disciplinary action, up to and including termination of employment, may result if an individual makes purchases without delegated authority as defined.**

### **B. Procedure**

Authority levels for department designees and supervisors are authorized by Department Directors and maintained in the Enterprise Resource Planning System (ERP) by the Finance Department (Finance). To add or request a change in authority levels for personnel in a department, a notification must be sent to Finance.

## II. PURCHASE ORDERS

### A. Purchase Orders

#### 1. Purchase Order and Approval

A completed ERP purchase order must be entered and approved by the requesting department at the time the need is planned or determined for the purchase.

- a. The purchase order will require approval pursuant to authority levels outlined in Section I.

#### 2. Verification

The purchase order will be verified for completeness by Finance. If the purchase order does not have all the required information, it will be returned to the requestor.

#### 3. Availability of Funds Verification

It is the responsibility of the requesting department to verify that funds are available in the appropriate account. By approving the purchase order, the requesting department is verifying funds are available. Purchase orders with insufficient funds will not proceed through the approval process until a budget transfer has been completed by the appropriate Budget Amendment or action.

An emergency purchase is defined as a purchase made without following normal purchasing procedures to obtain goods or services to meet an urgent or unexpected requirement where health, public safety or the conservation of public resources is at risk. See Section XXIII for Emergency Purchase Order Procedures.

#### 4. Purchase Order Issuance and Ordering

A purchase order will be issued once Finance has acknowledged the final approval in the ERP. After receiving an approved purchase order, orders may be placed by the requesting department for the purchase. Orders shall not be placed without an approved purchase order unless a true emergency exists. This will be monitored by Finance personnel.

#### 5. Purchase Order Distribution

Departments are responsible for distributing the approved purchase orders to the vendor.

- Partial Payments

Partial payments may be made to vendors upon receipt of a copy of materials or services. Accounts Payable shall process payment only for those items that are authorized. This procedure applies to back-order items and partial completion of work in progress.

- Credit Memos  
Any time a credit memo is received for goods returned; the department must include it in the ERP.
- Check Distribution  
All checks disbursed by the City shall be released by Finance. Checks will be mailed to vendors unless the vendor specifically requests to pick up the check. Upon proof of identification, the check shall be released and the person receiving the check shall be required to sign documenting it was received.

**B. City of West University Place Standard Contracts**

1. Contracts for Amounts of \$10,000 or Less

The approved purchase order with supporting documents, including scope of work, will serve as a contract document for amounts less than \$10,000.

2. Contracts for Amounts of \$10,000 to \$99,999.

a. Approval

Pursuant to authority levels, approved individuals may execute contracts for amounts of \$10,000 to \$99,999.

b. Contract Preparation

Finance shall provide and maintain Standard Contract Templates on the shared drive including, but not limited to:

*General Services Contract for \$10,000 - \$99,999:*

*The requesting department shall prepare the appropriate Standard Contract by completing the following items (contact Finance if assistance in determining the appropriate Standard Contract is required).*

*Section I. Summary of Contract Terms*

- *Name of Contractor*
- *Description of Services*
- *Estimated or Maximum Contract Amount*

*Section II. Additional Contract Documents*

*i. Contractor’s Additional Contract Documents:*

*This will include the Contractor’s proposal with Statement of Work*

*ii. City’s Additional Contract Documents*

*These may include the contractor insurance requirements from XXV (if any) and a Statement of Work (if one is not contained in the Contractor’s proposal). If there are not Additional City Contract Documents, type “None.”*

**The City Standard Services contracts are approved by the City Attorney – do not modify them other than as described above.**

- c. Memorandum  
The requesting department shall prepare a memorandum which outlines or explains the scope of the project. The memorandum shall be signed and sent to Finance. The account and project number where the contract is to be charged shall also be included in the memorandum. This information is required by Finance for funding verification and purchase order approval.
- d. Finance Review  
Finance shall verify funding, compliance with purchasing procedures and insurance requirements and indicate approval to the requesting department.
- e. Contractor's Signature  
The requesting department shall obtain the signature of an individual authorized to bind the contractor (signed documents may be sent via e-mail).
- f. Department Supervisor/Manager Review and Approval  
The Department shall review the documents and obtain approval of the appropriate management level via signature.
- g. Distribution  
The Department shall make distributions as follows (scanned documents may be sent via e-mail):
- City Secretary
  - Requesting department/division shall make a copy for their file and forward the fully executed contract original to the contractor.
  - Finance by way of attaching it to the purchase order.
- h. Purchase Order  
The Department will enter a purchase order into the ERP. A purchase order shall then be issued and distributed as per the purchase order procedure above.
- i. Certificate of Interested Parties  
Vendors must also complete a Certificate of Interested Parties, Form 1295, if the contract required council approval. Completed forms are to be attached to the purchase order for acknowledgement on the state website. See Section IX for additional details.

- j. Interim Payments – Invoices for interim payments must be authorized by the requesting department before payment will be made by Accounts Payable (see purchase order Partial Payments).
3. Contracts for Amounts Over \$100,000
- a. Finance Review – Finance shall verify compliance with purchasing procedures and insurance requirements.
  - b. Contractor’s Signature – The requesting department shall obtain the signature of an individual authorized to bind the Contractor.
  - c. Agenda Request – The requesting department is responsible for preparing an agenda request. Attachments to the agenda request shall include the bid tabulation. If this is a budgeted item, and funds are available, this information must be included in the agenda request. If this is not a budgeted transaction or the expenditure exceeds the budget, the requesting department must indicate how the purchase will be funded.
  - d. City Manager Approval – After council approval, the City Manager or designee will indicate approval by signing the contract.

**C. Supplier Prepared Contracts**

- 1. City Attorney Approval – The requesting department shall forward it to the City Attorney for review and approval of the supplier prepared contract.
- 2. To complete the process – Follow the identical procedures provided for the processing of City of West University Place Contracts above based on the dollar amount of the contract.

**D. Purchase Order Review**

Finance will distribute a list of outstanding purchase orders to departments at year end. Departments are to review the list and identify which purchase orders are complete and can be closed.

### **III.**

## **CITY ATTORNEY REVIEW & APPROVAL OF CONTRACTS**

#### **A. City of West University Place General Services (Contracts under \$100,000)**

1. Contracts that involve electrical or mechanical engineering, if contemplated expense for the project is \$8,000 or more, and any public work that is \$20,000 or more, require plans, specifications and cost estimates prepared by an Architect / Engineer (A/E).
2. Contracts up to \$99,999.99, which have been pre-approved by the City Attorney, are considered to have been reviewed by the City Attorney. Contracts must be prepared on approved forms to ensure they include all required contract/legal language. It is presumed no changes have been made to the existing contract language. If changes are contemplated, the documents must be reviewed by the City Attorney.

#### **B. Previously Reviewed Terms and Conditions**

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

#### **C. Special Terms and Conditions**

Equipment, materials, supplies, and service contracts bearing any special terms and conditions, other than administrative provisions, not previously approved by the City Attorney, shall be submitted to the City Attorney for review.

#### **D. Use of Non-Conforming Contracts/Agreement**

All contracts and/or agreements not on City of West University Place pre-approved contract forms, must be reviewed by the City Attorney's office prior to the purchase of goods or services.

#### **E. Legal Issues**

The City Attorney must always be consulted when any legal issues arise from the procurement process. For adequate review, please submit your contract to legal in ample advance time of your purchase.

## IV. INTERLOCAL COOPERATIVE PURCHASING

The Interlocal Cooperation Act, Chapter 791 of the Government Code authorizes local governments to enter into cooperative purchasing agreements with other jurisdictions such as water authorities, cities, counties, etc. (Local Government Code (LGC) 271, Subchapter F).

Furthermore, LGC 271, Subchapter D allows a local government to purchase goods on the state's purchasing contracts and allows the state to solicit bids on the local government's behalf, when considered feasible by the Texas Comptroller of Public Accounts.

### **A. Policy**

The City of West University Place will utilize cooperative purchasing agreements as a purchasing option. Cooperative purchasing agreements are agreements that include a list of items that have already been through the bid process and the lowest or best qualified bidders have been approved.

### **B. Procedure**

1. Departments shall research Interlocal Cooperative Purchasing contracts to determine the best value for both competitive bidding and for quotes. Approved Interlocal Cooperatives must be approved through a City Council resolution. Interlocal cooperatives include but are not limited to:
  - H-GAC
  - State of Texas - TPASS
  - Buyboard
  - City of Houston
  - GSA
  - TMAS
  - OMNIA
  - Sourcewell
  - Any municipality agreeing to allow participation under an eligible contract (one which has been agreed to by specification with the awarded vendor).
2. The department will get pertinent specifications and quotes if necessary and review to determine if interlocal agreement meets department needs.
3. When the department, in concurrence with Finance, determines that utilizing an interlocal cooperative agreement is the best value to the City, the department will contact the awarding entity and/or the awarded vendor for approval to participate in the contract. The department will prepare an agenda request for approval from City Council for participating in the contract if purchase exceeds \$100,000. If purchase is less than \$100,000 the department may proceed with entering a purchase order in the ERP once Finance has approved use of the subject contract.

## V. PAYMENT AND PERFORMANCE BONDS AND OTHER REQUIREMENTS

State law imposes special requirements on public works contracts. Before beginning the work on a City public work contract, the prime contractor shall execute a payment and performance bond in accordance with Chapter 2253, Texas Government Code.

### A. Performance and Payment Bond

On certain public works contracts (a contract for constructing, altering, or repairing a public building or carrying out or completing any public work), the City shall require performance and payment bonds as prescribed by state law and reflected below. "Public Works contract" means a contract for constructing, altering, or repairing a public building or carrying out completing any public work. When the City contracts with a prime contractor, the City shall require the contractor, before beginning the work, to execute the following in favor of the City of West University Place (where applicable):

1. A performance bond if the contract is more than \$100,000, shall be:
  - Solely for the protection of the City of West University Place
  - In the total amount of the contract; and
  - Conditioned on the faithful performance of the work in accordance with the plans, specifications, and contract documents.
  
2. A payment bond if the contract is more than \$50,000, shall be:
  - Solely for the protection and use of payment bond beneficiaries who have a direct contractual relationship with the prime contractor or a subcontractor to supply public work labor or material; and
  - In the amount of the contract.

The payment and performance bonds will be required only of the awarded bidder. The bonds will be approved either by the Public Works department (for CIP projects), or by Finance for other Public Works projects and monitored through the end of the project and final payment.

### B. Contracts for public works shall also include notices and provisions for:

- Mandatory workers compensation coverage;
- Prevailing wage rates;
- Substantial completion and payment of retainages; and
- Trenching pay items, if applicable;

### C. Bid Security

The City Manager, and their designee, will determine the amount of bid security, not to exceed five percent (5%) of the estimated contract amount, on a case-by-case basis for all public works projects. If bid security is required by the City Manager, then it shall be provided by a certified or cashier's check or an approved Bidder's Bond underwritten by a surety named in the current list of "Surety Companies Acceptable on Federal Bonds" as published in the Federal Register by the Audit Staff Bureau of Accounts, U.S. Treasury Department. Certified or cashier's check shall be made payable to the City of West University Place.

Once bid is accepted, bidder agrees that the bidder will furnish the required Performance and Payment Bonds within (10) calendar days after Notice of Award of the contract. If the bidder fails to do so the bidder will be liable to the City of West University Place, Texas in the amount equal to the difference between the bid of the bidder and the next lowest secured bid for this work and the City of West University Place may apply the bond or check accompanying this bid to said amount. If the damages are greater than said sum, the City of West University Place shall be entitled to the difference. **Bids without the required bond or checks will not be considered.**

## VI. PURCHASES UP TO \$9,999

This policy applies to all purchase activity for amounts less than \$10,000 except for professional services, procurement card purchases, emergency purchases, blanket purchase order transactions, and check requests which are addressed in separate procedures. Since there is not a central receiving point, each department is responsible for receiving commodities and services.

### A. Policy

Purchases for amounts less than \$10,000 shall be made from the source that the requesting department determines offers the best value to the City. In determining the best value for the City, the requesting department shall consider price, delivery, service, and quality. All other factors being equal, the source offering the lowest price shall be selected.

When making an expenditure in the range of \$0 to \$9,999, the requesting department may obtain at least one (1) competitive quote unless the expenditure is between \$3,000 and less than \$10,000, then the requesting department must contact at least two (2) Historically Underutilized Businesses (HUB) concerning the purchase, on a rotating basis, based on information pursuant to Chapter 2161, Government Code, and Chapter VIII of this Policy. If there is no applicable HUB located in Harris County, or the expenditure is covered under a General Exemption per Chapter 252.022 of the Local Government Code, the requirement for a HUB contact does not apply.

### B. Procedures

#### 1. Define Specifications

The requesting department shall define what it is they seek to buy.

- **Purchase of Goods**  
Specifications for goods may consist of a description and manufacturer's model number of functional and/or performance characteristics. If a city internal services department is responsible for servicing the goods being purchased, that department should review and concur with the specifications prior to purchase.
- **Purchases of Services**  
The requesting department shall forward a Scope of Work (SOW) that completely describes the contractual work requirement. A clear and concise SOW is essential to establish performance standards, provide contractors with a basis of estimates, and to communicate effectively.  
  
Refer to Section XXVI Contractor Insurance Requirements and determine if there are any insurance requirements for the service being purchased. If it is determined that there are contractor insurance requirements, include them in all Requests for Quotations.

## **2. Solicitation**

- **Purchases of Goods**

The requesting department shall solicit at least one quotation from a competent vendor. Website, fax and e-mail quotations are acceptable.

- **Purchase of Services**

The requesting department shall solicit at least one quotation from a competent contractor based on the SOW and the contractor insurance requirements determined in Section XXVI (if any). Website, fax, and e-mail quotations are acceptable.

## **3. Source Selection**

- **Purchases of Goods**

The requesting department shall select the vendor that it determines offers the best value to the City considering the factors of price, delivery, service, and quality.

- **Purchases of Services**

The requesting department shall select the contractor, which in its opinion, offers the best value to the City considering the factors of price, delivery, service, and quality.

## **4. Transaction Completion**

Requesting department shall enter a purchase order into the ERP, attach quote/supporting documents, and wait for approved purchase order before purchasing the goods/services.

## **5. Budget Management**

Purchase orders with insufficient funds will not move through the approval process until funds have been identified.

## VII. PURCHASES FOR AMOUNTS OF \$10,000 - \$99,999

This policy applies to all purchase activity for amounts equal to or more than \$10,000 and less than \$100,000 except for professional services, procurement card purchases, emergency purchases, blanket purchase order transactions, and check requests which are addressed in separate procedures. Since there is not a central receiving point, each department is responsible for receiving commodities and services.

### A. Policy

When making an expenditure in the range of \$10,000 to \$99,999, the requesting department shall obtain a minimum three (3) competitive quotes, including contact for quote of at least two (2) Historically Underutilized Businesses (HUB) concerning the purchase, on a rotating basis, based on information pursuant to Chapter 2161, Government Code. If there is no applicable HUB located in Harris County or the expenditure is covered under General Exemption per Chapter 252.022 of the Local Government Code, this shall not apply.

In cases of interlocal cooperative, sole source or single source purchases, the competitive bidding requirement is met. Finance may determine that additional quotes or a bid process are necessary. Finance must concur with single source and sole source justifications. Purchases requiring competitive quotes shall be made from the source that the requesting department determines offers the best value to the City. In determining the best value for the City, the requesting department shall consider price, compliance with specifications, delivery, service, and quality. All other factors being equal, the source offering the lowest price shall be selected. Written justification shall be required in cases of single or sole source purchases or purchases where the recommended vendor is other than the low quote. (See Section XII for Sole/Single Source Purchases).

The City Manager has the authority to reject bids for purchases that were bid out, but the results were less than \$100,000.

**To reiterate, NO employee shall obligate the City to make any purchase within this expenditure range without a valid, signed City purchase order in their possession. Violations of this policy will be addressed as deemed appropriate by user department management personnel and/or Human Resources.**

**City of West University Place employees shall not intentionally or knowingly make or authorize separate, sequential, or component purchases to avoid the competitive bidding and/or Historically Underutilized Business (HUB) contract requirements listed in Chapter 252.021 of the Texas Local Government Code.**

## **B. Procedures**

### **1. Define Specifications**

The requesting department shall define what it is they seek to buy.

#### **a. Purchase of Goods**

Specifications for goods may consist of a description and manufacturer's model number of functional and/or performance characteristics. If a City internal services department is responsible for servicing the goods being purchased, that department shall review and concur with the specifications prior to purchase.

#### **b. Purchases of Services**

The requesting department shall attach a Scope of Work (SOW), with the purchase order, that completely describes the contractual work requirement. A clear and concise SOW is essential to establish performance standards, provide contractors with a basis of estimates, and to communicate effectively.

Refer to Section XXVI Contractor Insurance Requirements and determine if there are any insurance requirements for the service being purchased. If it is determined that there are contractor insurance requirements, include them in all Requests for Quotations and as an attachment document to the contract.

### **2. Obtain quotes and complete the Procurement Form**

### **3. City of West University Place standard contracts are required for amounts of \$10,000 to \$99,999. Parks Instructor contracts are required for any amount. Refer to Section II (b)**

### **4. Transaction Completion**

Proceed to Section II of this manual.

### **5. Budget Management**

Purchase orders with insufficient funds will not move through the approval process until an appropriate budget transfer has been processed or funds identified.

### **6. Purchases from Federal Grant Proceeds**

Purchases which will be funded by Federal Grant proceeds shall require a system for award management exclusion records search report to be run prior to purchase reflecting that the awarded vendor is not excluded from participation in Grant - related activities. This report shall be printed and included in the PO document attachments.

### **7. Deposits**

Deposit paid by vendors is not legitimate expenses and therefore should not be paid on any contract.

## **VIII. HISTORICALLY UNDERUTILIZED BUSINESS (HUB)**

To document policy and procedures for Historically Underutilized Business (HUB) requirements.

### **A. Policy**

Pursuant to Chapter 252.0215 of the Texas Local government Code, the department originating a purchase order must certify that Harris County HUBs are identified and contacted concerning single purchases over \$3,000 and less than \$100,000.

### **B. Procedures**

1. Complete the Procurement Form and attach it to purchase order.

## **IX. FORM 1295**

In 2015, the Texas Legislature adopted House Bill 1295, an ethics law that requires a written disclosure of interested parties by business entities that enter certain contracts with governmental entities, including municipalities. This law is codified at Texas Government Code section 2252.908. The Texas Ethics Commission (Commission) adopted the Certificate of Interested Parties (Form 1295) for vendors to complete and file with government entities to satisfy the disclosure requirement.

### **A. Policy**

Form 1295 must be filed for a contract that (1) requires an action or vote by the city council; (2) has a value of at least \$1 million; or (3) is for services that would require a person to register as a lobbyist under Chapter 305 of the Texas Government Code. Tex. Gov't Code § 2252.908(b).

### **B. Procedures**

A contract does not require “an action or vote” by the city council and is exempt from disclosure if:

1. city council has legal authority to delegate to its staff the authority to execute the contract.
2. city council has delegated to its staff the authority to execute the contract; and
3. city council does not participate in the selection of the business entity with which the contract is entered into.

The “value” of a contract is based on the amount of consideration received or to be received by the business entity from the City under the contract (see Texas Admin. Code § 46.3(g)).

### Contract Changes

A change made to an existing contract, including an amendment, change order, or extension of a contract, apply to Form 1295 disclosures only under certain circumstances (Texas Admin. Code § 46.4(a)). If a disclosure of interested parties form was not filed for an existing contract, the law applies if (1) the changed contract requires an action or vote by the governing body of the entity or agency; or (2) the value of the changed contract is at least \$1 million (Texas Admin. Code § 46.4(b)). If a business entity submitted a disclosure of interested parties form to the district for an existing contract, the law applies if (1) there is a change to the disclosure of interested parties; (2) the changed contract requires an action or vote by the governing body of the entity or agency; or (3) the value of the changed contract is at least \$1 million greater than the value of the existing contract (Texas Admin. Code § 46.4(c)).

### Contracts Excluded

The exclusions that are likely to apply include a contract with (1) a publicly traded business entity, including a wholly owned subsidiary of the business entity; (2) an electric utility, as defined by Section 31.002, Utilities Code; and (3) a contract with a gas utility, as defined by Section 121.001, Utilities Code. Tex. Gov't Code § 2252.908(c)(4)-(6).

### Receipt Acknowledgement

It is the department who is requesting the purchase responsibility to request and acknowledge the receipt of the 1295 form electronically at the Ethics Commission website and a copy of the acknowledgement must be attached to the purchase order

## **X. PURCHASES FOR AMOUNTS OVER \$100,000**

This policy applies to all purchase activity for amounts exceeding \$100,000. Since there is not a central receiving point, each department is responsible for receiving commodities and services.

### **A. Policy**

Purchase of goods and services involving an expenditure of more than one hundred thousand dollars (\$100,000) from City funds shall be made by competitive sealed bids or competitive sealed proposals, pursuant to Section 252.021, except I) those covered under a General Exemption as specified in Chapter 252.022 of the Local Government Code, II) interlocal cooperative agreements, or III) public works contracts procured under Texas Government Code 2269.

Notice of the time and place at which solicitation responses will be publicly opened and read aloud shall be published at least once a week for two (2) consecutive weeks in the City's official newspaper. The date of the first publication must be before the fourteenth day before the date set to publicly open the bids/proposals.

Non-exempt contracts \$100,000 and above shall be awarded by City Council to the lowest responsible bidder or to the proposer who provides the goods or services of the best value to the City, or as provided by 2269. Competitive proposals shall be evaluated pursuant to the process described herein. City Council may reject all bids/proposals.

### **B. Procedures**

#### **1. Budget Management**

The purchase of goods and or service must be budgeted and funds available before proceeding with a competitive bid.

#### **2. Check Competitive Bidding Requirements – Refer to the General Exemptions below.**

- a. If the expenditure is not covered by a General Exemption, proceed to Procedure 4, Competitive Sealed Proposal.
- b. If the expenditure is covered by a General Exemption, the City is exempt from all competitive bidding requirements. Proceed to item 3, q. evaluations and recommendations. Note: Finance must concur the exemption being claimed is applicable.
- c. Local Government Code Chapter 252.022 General Exemptions include:
  - i. A purchase made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the city's residents or to preserve the property of the City.
  - ii. A purchase is necessary to preserve or protect the public health or safety of the city's residents.

- iii. A purchase necessary because of unforeseen damage to public machinery, equipment, or other property.
- iv. A purchase for personal, professional, or planning services.
- v. A purchase for work that is performed and paid for by the day as the work progresses.
- vi. A purchase of land or a right-of-way.
- vii. A purchase of items that are available from only one source, including:
  - Items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies;
  - Films, manuscripts, or books;
  - Gas, water, and other utility services;
  - Captive replacement parts or components for equipment;
  - Books, papers, and other library materials for a public library is available only from persons holding exclusive distribution rights to the materials; and
  - 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.
- viii. Purchase of rare books, papers, and other library materials for a public library.
- ix. Paving, drainage, street widening, and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements.
- x. A public improvement project, already in progress, authorized by the voters of the city, for which there is a deficiency of funds for completing the project in accordance with the plans and purposes authorized by the voters.
- xi. A payment under contract by which a developer participates in the construction of a public improvement.
- xii. Personal property sold:
  - At an auction by a state licensed auctioneer
  - At a going out of business sale held in compliance with State Law
  - By a political subdivision of this state, a state agency of this state, or an entity of a federal government
  - Under an inter-local contract for cooperative purchasing
- xiii. Services performed by the blind or disabled persons.
- xiv. Goods purchased by the city for subsequent retail sale by the city.

- xv. Electricity – the City is part of Government Aggregation Project (GAP) and due to the nature of securing Retail Electrical Provider service, City Council has given the City Manager the authority to sign on behalf of the City with decision notification to City Council.
- xvi. Interlocal Cooperative agreements.

### 3. Sealed Competitive Bid (Lowest Responsible Bids) under Chapter 252

#### a. Specifications

Departments are responsible for developing written specifications for the items to be bid on. Finance will assist when and where necessary. **If a City internal services department is responsible for servicing the goods being purchased, that department shall review and concur with the bid specifications.**

#### b. Insurance Requirements

If services are being purchased, refer to Section XXVI Contractor Insurance Requirements and determine if contractor insurance is required.

#### c. Bid Package

Departments shall be responsible for putting together the bid package including the bid specifications and the appropriate contract award criteria language.

#### d. Multi-Year Bids

It is the department's responsibility to alert bidders if the bidders are bidding on a multi-year contract and include language like the following within the bid documents:

This agreement will be for a three-year period with the option to renew for [*a number of years*] additional one-year periods if all extensions are exercised.

#### e. Public Notice

The requesting department shall provide the City Secretary with a draft of the legal notice and a copy of the bid documents for publication.

#### f. Internet Posting

The City Secretary shall post the bid information on the city's website.

#### g. Pre-bid Conference

The requesting department shall conduct pre-bid conferences(s) if any at the specified place, date, and time. If the pre-bid conference is designated as mandatory, the requesting department shall have the firms in attendance sign in. Bids will not be accepted from bidders who fail to attend a mandatory pre-bid conference without City Manager approval.

#### h. Vendor Contact

The requesting department shall serve as the vendor contact for all clarifications and questions to bids. All vendors will be supplied with the same information.

- i. Addenda**  
The requesting department will prepare any necessary addenda because of the pre-bid conference or vendor questions. The requesting department will send all vendors who hold bid specifications a copy of any addenda and shall post the addenda on the website.
- j. Bid Opening**  
The requesting department shall conduct the bid opening. The bids shall be publicly read. Late bids will not be considered without City Manager approval.
- k. Bid Tabulation**  
The requesting department will prepare a formal bid tabulation. Unit cost shall prevail if bids contain calculation errors.
- l. Bid Evaluation and Recommendation**  
Departments are to evaluate the bids and check references submitted with bid documents if applicable. Justification for not selecting the lowest bidder should be documented and included with the bid file.
- m. Bid Award**  
All bids over \$100,000 are awarded by Council.
- n. Council Agenda**  
The requesting department will prepare an agenda request for council action. The bid tabulation / analysis shall be included with the agenda request if competitive sealed bidding was required.
- o. Contract Bid Renewals**  
Renewal terms of commodity/supply contract bids which are referenced within originating Council agenda requests will be renewed by requesting department when:

  1. No price change requested at renewal; or
  2. Requested price change at renewal is within allowable percentage increase in CPI index as prescribed by bid specifications.
- p. Retention**  
An original approved agenda and one original fully executed contract (if applicable) shall be sent by the requesting department to the City Secretary for retention.  
  
The requesting department shall forward the executed original contract to the contractor and retain a copy.  
  
The requesting department shall maintain a complete bid file to include bid, bid addendum, vendor correspondence, bid tabulation, results of reference checks and evaluation matrix based on bid criteria if applicable. Any documentation/justification for not awarding to lowest responsible bidder will also be maintained in the bid file.
- q. Purchase Order**  
Upon receipt of the document(s) specified in item, the requesting department shall enter a purchase order. Finance will review and approve a purchase order in accordance with Section I Purchase Orders and Other Procurement Documents.

r. Notice to Proceed

The requesting department will provide a notice to proceed or award letter and forward to vendor.

s. Purchases from Federal or State Grant Proceeds

In addition to other applicable Federal or State requirements, purchases that are funded by Federal or State Grant proceeds shall require an Excluded Parties List System (EPLS) report to be run prior to purchase reflecting that the awarded vendor is not excluded from participation in Grant-related activities. This report shall be stored in the appropriate bid file.

**4. Competitive Sealed Proposal (Request for Proposals – RFP) (Best Value Bids) under Chapter 252**

a. Applicability

Pursuant to Section 252.042, Local Government Code, the City may solicit competitive sealed proposals under a Request for Proposal (RFP) if the Department or Council determines it to be in its best interest of the City to do so.

b. Specifications

RFP specifications shall be developed by the requesting department with assistance from Finance, including a statement of the relative importance of price and other evaluation factors to be used in assessing proposals received.

c. Public Notice

The public notice process for RFPs shall be consistent with that employed for competitive sealed bids, pursuant to requirements of Section 252.041, Local Government Code and shall assign numeric values to the factors used in assessing proposals.

d. RFP Opening

Public opening of RFP submissions shall be held in same manner as competitive sealed bids, but information disclosed shall be limited to identification of proposers and any monetary proposals made by the proposers only. The City will not release the other contents of any submitted proposals publicly until such time as the City has approved an award or rejected all proposals.

e. Selection Team

A selection team comprised of City personnel and/or City representatives shall be identified and recruited, based upon specific subject matter expertise, or closely related knowledge. The selection team shall be responsible for subsequent review and evaluation of proposals received, and for participation in any related presentations and/or interviews with submitting proposers. Some or all of these personnel may be included in a negotiation team (which may be established as necessary to successfully finalize an award recommendation).

f. Agenda Request

Upon selection team's consensus and recommendation for award, the user department shall prepare an agenda request for City Council action, if needed.

**5. Alternate Delivery Methods for Public Works Contracts are outlined in Section XI.**

- a. Contracts for public works shall include provisions for:
  - i. mandatory workers compensation coverage;
  - ii. prevailing wage rates;
  - iii. payment and performance bonds, substantial completion and payment of retainages; and
  - iv. trenching pay items, if applicable.
  - v. Filing an appeal to city council within 10 days of a contract award

**6. Accepting Electronic Bid Submissions**

- a. Pursuant to Chapter 252 of the Texas Local Government Code (Sec. 252.0415), City Council authorizes the City Manager and appropriate City Staff to accept electronic bid or proposals.
- b. Bids accepted through electronic means must ensure the identification, security, and confidentiality of the bids or proposals remain unopened until the proper time.

7. Note: deposits paid by vendors are not legitimate expenses and therefore should not be paid on any contract.

## **XI. PUBLIC WORKS CONTRACTS**

### **A. Alternate Delivery Methods Authorized**

Contracts for public works may be let under any delivery method authorized by Texas Government Code Chapter 2269, which includes competitive bidding, competitive sealed proposal, construction manager-agent, construction manager-at-risk, design-build, and job order contract methods.

### **B. Delegation of Authority to City Manager**

**(1)** Except as provided by subsections (2) and (3) below, the City Council delegates to the City Manager the authority to take any action authorized or required under Texas Government Code Chapter 2269 including but not limited to the advertisement, evaluation, negotiation, notice, rejection, review, and selection of any bid, offer, proposal or qualification of any bidder, offeror or proposer; the authority to determine the appropriate criteria to select for a particular construction project; the authority to determine the weighted value to assign each bid or offer criterion; and the authority to evaluate and score technical proposals and cost proposals. Tex. Gov't Code 2269.051 and 2269.053.

**(2)** The Council shall award any public work contract over \$100,000.00 and the City Council reserves the right to reject any or all bids or proposals.

**(3)** Price must comprise at least fifty percent of the total weighted value of the section criteria for any contract unless approved by the City Council in advance of the publication of notice for request for bids or proposals.

### **C. Appeal of City Manager's Action**

In the event that the City Manager terminates negotiations with an offeror under these rules, then the offeror may appeal the City Manager's decision to the Council by filing written notice objecting to such termination with the City Manager not more than seven (7) calendar days after the date on the written notice of termination provided to the offeror by the City Manager. Upon the City's receipt of a written notice of appeal, no further contract negotiations shall occur until the Council hears and renders a written decision regarding the matter.

### **D. Delegation by City Manager.**

The City Manager may delegate all or part of the City Manager's authority under this Section XI to one or more designated representatives, committees, or other persons, including but not limited to the public works director, the City Engineer, or any other person whether or not employed by the City.

## **XII.**

### **SOLE/SINGLE SOURCE PURCHASES**

Single Source – Where it can be substantiated that a commodity or service can be obtained only from one vendor who is the “single” representative of the manufacturer or principal company, whose product or service is discernibly distinguished from all others in the market, and singularly meets the City’s requirement.

1. is the only of its kind which can fully satisfy the requirements.
2. is available from one, and only one, source

#### **A. Policy**

The City is responsible for obtaining fair pricing and for fostering competition among those offering products or services. However, some products and services are unique and possess features or characteristics that may not be available from competitors. In those instances, with written justifications, sole or single source purchases can be made based on the criteria below:

- One-of-a-kind - The commodity or service has no competitive product and is available from only one supplier.
- Compatibility – The commodity or service must match existing brand or equipment for compatibility and is available from only one vendor.
- Replacement Part – The commodity is a replacement part for specific brand of existing equipment and is available from only one supplier.
- Unique Design – The commodity or service must meet physical design or quality requirements and is available from only one supplier.
- Emergency – URGENT NEED for the item or service does not permit soliciting competitive bids, as in cases of emergencies, disaster, etc.

Sole/Single source purchasing is an exception to the purchasing policies and should not be used unless there is a valid requirement and adequate documentation is provided.

Factors which do not apply for sole/single source purchases include but are not limited to:

1. Personal preference for vendor or product.
2. Cost, vendor performance, local service, maintenance, and delivery (these may be considered award factors in a competitive bidding process)
3. Explanation of need and use of the equipment, unless provided as part of the uniqueness.

If a request is made to purchase a product by sole/single source, yet multiple sources can provide a similar product, the request will be subject to the normal quote/bid process.

#### **B. Procedure**

A sole/single source service request must be identified in the comments section of the purchase order and supporting documentation attached.

### **XIII.**

## **COMPUTER PURCHASES – SOFTWARE AND HARDWARE**

Technology Management will purchase all computer and computer related purchases to ensure compatibility, suitability, and ensure support network resources needed for the equipment. Computer purchases include desktops, laptops, speakers, scanners, and all software, PDA (personal digital assistant), etc. No personally owned software or hardware may be used, connected to, or installed on the City provided network.

#### **A. Policy**

Technology Management will coordinate and facilitate the bulk purchase of all replacement computers, printers and new computers identified during the annual budget process. The City's standard configuration of a computer will be purchased unless otherwise approved and budgeted for during the annual budget process. Exception to the standard will only be allowed upon valid, identified need and not personal preference.

#### **B. Procedure**

1. Create a help ticket on Technology Management's preferred site and describe the needs for the new hardware and/or software.
2. Help tickets should also include the requesting department's approval and account codes.

## **XIV. FLEET PURCHASES**

The City of West University Place maintains a centralized garage and fleet vehicle operation under Public Works. This centralized operation is responsible for the acquisition, maintenance, and disposal of the City's fleet of vehicles. (Vehicles are further defined to include tractors, trailers, cars, trucks, motorcycles, etc.).

### **A. Policy**

The Fleet Division will coordinate and facilitate the purchase of all replacement and new vehicles identified and appropriated in the annual operating budget receiving and disposing thereof. It is recognized that under certain circumstances, departments may specify specialized vehicles for their department; however, Fleet needs to review and approve as to capability, maintenance needs, etc.

Replaced vehicles taken out of service will not remain part of the City's active fleet. If in the case of specially approved by the City Manager, replaced vehicles may be transferred to another department and continue to be used.

### **C. Procedure**

#### **1. Responsibility of Fleet**

- a. Fleet will prepare specifications for the purchase of all vehicles appropriated in the budget based on the need and duties of the vehicle, as conveyed by the user department, not on department personal preferences. (Excluding specialized department vehicles).
- b. Fleet will distribute to all appropriate departments a list of all replacement and new vehicles with Fleet's recommended specifications for department review and sign off prior to pricing/bidding.
- c. Department requested changes to specifications must be valid, justified, and approved by Fleet.
- d. Any upgrade in vehicles (i.e. sedan to truck; F150 to F250; truck to SUV) must have been reviewed and approved during the budget process. Upgrades may be considered on a case-by-case basis, but no upgrades that increase the cost of vehicle over budgeted dollars will be considered, unless department funds are available within the existing budget and approved by the City Manager or designee.
- e. The final approved list of specifications (including unit numbers) will be prepared by Fleet.
- f. Fleet, with assistance from Finance, will determine the appropriate purchasing method (cooperatives, competitive bidding, etc.) and proceed.

- g. Any individual department cost overrun will first be funded out of the total vehicle budget, then secondly from within each department's budget.
- h. Fleet will prepare an agenda request for Council approval and enter the purchase order into the ERP.
- i. It is Fleet's responsibility to monitor delivery timelines, invoice payment and follow-up on delays, etc. with assistance from Finance.

## **2. Purchases – Department Specialized Vehicles**

- a. Where appropriate, Departments will prepare specifications for their own vehicles. However, Fleet must review and approve the specifications for compatibility and maintenance requirements. Fleet can recommend changes to specifications based on use, maintenance needs, etc. for a final approval by the City Manager.

## **3. Receiving**

- a. All vehicles will be delivered to Fleet. It is Fleets responsibility to ensure what is delivered is what was ordered according to specifications and vehicles checked for damage.
- b. Upon acceptance of vehicles, Fleet should begin the title processing, inform the Human Resources Director/Risk Manager of insurance requirements, and begin the detailing and installation of equipment, either done in-house or contracted out.
- c. Fleet shall send an inventory notice to Finance.
- d. All operating and fully functional equipment that can be transferred to the new vehicle from the old vehicle will be. Just because we are replacing the vehicle does not justify replacing all the equipment.
- e. Once the vehicle is ready, the department will be notified for pick-up. Issuance of keys, insurance card, etc. will complete the transfer of the vehicle from Fleet to the department.

## **4. Disposal**

- a. In conjunction with the transfer of a new vehicle to a department, the replaced vehicle will transfer to Fleet.
- b. The vehicle should come to Fleet clean, inside, and out, and for the most part ready to be auctioned.
- c. Fleet will complete the vehicle processing to make the vehicle ready for auction.

- d.** Fleet will take pictures, and a completed vehicle inspection form which details the description and condition of the vehicle, to upload to the City's on-line auction site.
- e.** The auction of vehicles should be done timely to avoid the City holding property that is no longer needed.
- f.** Pick-up of auctioned vehicles will be at public works and appropriate paperwork confirmed before transfer of vehicle to new owner. Fleet writes the odometer reading on the backside of the title. Fleet and the Buyer both sign the title. The buyer then takes the title and the vehicle. It is the buyer's responsibility to get the title transferred into their name within 30 days of the sale.
- g.** Fleet handles transfer of title.
- h.** Fleet shall send a completed rolling stock asset report to Finance, so that Finance can record the sale of property for fixed assets and accounting records.
- i.** The Human Resource Director is notified by Fleet via email of a completed rolling stock asset form from Fleet to remove the auctioned vehicles from insurance.

## **XV. TIE BIDS**

### **A. Policy**

In the event of a tie bid, the following criteria will be applied in sequence until a tie is broken.

1. The first tiebreaker is delivery terms most advantageous to the City.
2. In the case of equivalent delivery terms, or the absence of delivery terms, the bid will be awarded to a local (within Harris County) over a non-local bidder.
3. The final tiebreaker shall be a coin flip by City of West University Place personnel, with affected bidders invited to attend.

## **XVI. CONTRACT MANAGEMENT**

### **A. Policy**

Departments requesting the work shall ensure contractual services are being delivered in accordance with the contract terms, conditions, and pricing. Contract monitoring will ensure quality services are provided and the department standards are maintained.

Monitoring is the active oversight of performance and includes review, reporting and follow-up to ensure:

1. Compliance with the terms and conditions of the contract
2. Fiscal responsibility
3. Corrective actions are implemented.

### **B. Procedure**

Departments will appoint a “Contract Manager” for each contract who is responsible for enforcing performance of the contract terms and conditions and serves as the liaison between the requesting department and provider.

Responsibilities include:

1. Conduct pre-performance conference prior to the start of contract to establish a common understanding of contract requirements and responsibilities
2. Conduct monitoring activities, scheduled and unscheduled
3. Review and communicate deficiencies with contractors and implement a corrective action plan as deemed necessary
4. Keep Finance informed of any deficiencies for documentation purposes

If deficiencies continue that are unacceptable to the department, the department will contact Finance. Finance and the City Attorney will review the contract, its termination provisions, and the City’s options.

When a vendor is terminated from a contract, the city may consider the termination when considering future work by the City, in any department.

## **XVII. BLANKET PURCHASE ORDERS**

### **A. Policy**

A blanket order should be used where multiple/repeated purchases will be continuously made throughout the year to the same vendor, **and where expenses will be charged to multiple accounts.** Examples include office supplies, shipping expenses, chamber luncheons, paper products, etc.

If a Department has a contract or agreement in place where multiple accounts/projects need to be charged, such as on-call contracts, and it is unknown until the time of purchase, use a blanket order, but reference clearly on the front of the order or in the comments section bid number, contract, resolution number, etc.

**A blanket order may be input for the anticipated annual amount not to exceed \$50,000.**

- a. A blanket order may not exceed a maximum period of 12 months – one fiscal year.
- b. All blanket orders will expire at the end of the current fiscal year – December 31st.

### **B. Limits**

- a. No single item purchased against a blanket purchase order should exceed \$9,999, unless already bid out or made in conjunction with an inter-local agreement already in place. Refer to Section VII for single purchases exceeding \$\*9,999.
- b. Total expenditures on the blanket order must not exceed the amount identified on the blanket. Requests for increases to existing blanket purchase orders shall require the entry of a Change Purchase Order in the amount of the increase; include justification for the requested increase in the item description.
- c. Blanket orders \$50,000 and above are subject to state bidding procedures. State law may require bidding procedures for like purchases throughout the year that meet the \$50,000 threshold – City-wide, not just by Department. Finance will review all blanket orders at the beginning of the year to identify those that may be subject to the bidding process. The departments are responsible for monitoring these blanket purchase orders to ensure the bidding process moves forward and a contract is in place as the \$50,000 threshold is approached.
- d. Refer to Section II for purchase order process.

## **XVIII. CHANGE ORDERS**

### **A. Policy**

A change order must be completed in the ERP when any of the following items in the purchase order has changed:

- Price
- Quantity
- Scope of Work
- General Ledger Account Number

A change order for a public works contract let under Texas Government Code Chapter 2269 shall be executed in accordance with the contract document.

The following considerations apply to change orders for goods and services procured in accordance with Section 252.048 of the Texas Local Government Code (LGC):

- a. Change order amounts more than \$50,000 require City Council approval.
- b. The original contract amount may not be increased by more than 25%.
- c. The original contract amount may not be decreased by more than 25% without consent of the contractor.
- d. Funding must be available/appropriated to the requesting department before a change order request is approved.

#### **1. Unit Price Contracts**

- a. For unit-price contracts (supplies or services), the contract or quote pricing shall be the table of unit prices contained in the successful bid response. In no event shall the table of unit prices contained in the successful bid response be modified except in accordance with the terms of the contract and all applicable purchasing procedures related to contract amendments.
- b. The total Base Contract Amount represents the estimated expenditure for the quantity of supplies or services identified in the contract, and/or shall be the amount reflected in the "Expenditure required" field of the authorizing Agenda Memo.
- c. Unit-price contracts exceeding \$100,000 shall require City Council approval.
- d. Cumulative increase(s) to the total Base Contract Amount in aggregate up to 25% may be approved administratively pursuant to Section I, Authority Limits, without additional City Council action; except that any individual increase more than \$50,000 shall require City Council approval.

- e. **For contracts that initially exceed \$50,000, cumulative increase(s) to the total Base Contract Amount, greater than 25%, shall require City Council approval with such approval establishing a new Base Contract Amount which shall be used when considering subsequent increases.**
- f. **In the event the initial Base Contract Amount is less than \$100,000, any individual increase or combination of increases that result in the Base Contract Amount exceeding \$100,000 shall require City Council approval.**
- g. The Requesting Department shall **NOT** authorize additional work orders under the original unit-price contract award until the requested Base Contract Amount increase is approved by City Council or pursuant to Section I of this Policy, and not until the affected purchase order has been increased in a commensurate amount.

2. Professional Services Contracts

- a. Pursuant to Texas Government Code, Chapter 2254 (Professional Services Procurement Act), professional service contract awards are not based on competitive bids but must be based on the demonstrated competence and qualifications of respondents; such contracts shall be subject to the limits and provisions herein.
- b. Individual professional service contracts or amended contracts exceeding \$100,000 require City Council approval.
- c. Contract amendments less than \$50,000 may be approved pursuant to Section I of this Policy.
- d. **For professional service contracts that initially exceed \$100,000, cumulative increase(s) to the Base Contract Amount, greater than 25%, shall require City Council approval with such approval establishing a new Base Contract Amount which shall be used when considering subsequent increases.**
- e. **In the event the initial Base Contract Amount is less than \$100,000, any individual increase or combination of increases that result in the Base Contract Amount exceeding \$100,000 shall require City Council approval.**
- f. The Requesting Department shall **NOT** authorize additional work orders under the original professional service contract until the requested Base Contract Amount increase is approved by City Council or pursuant to Section I of this Policy, and not until the affected purchase order has been increased in a commensurate amount.

3. Capital Improvement Project (CIP) Construction Contracts

CIP contracts shall be subject to the following limits:

- a. Any contract exceeding \$100,000 shall require City Council approval.
- b. Any change order to a contract of more than \$50,000 shall require City Council approval.
- c. Any change order less than \$50,000 and not exceeding 25% of Original Contract Amount may be approved pursuant to Section I of this Policy.

## **B. Procedure**

- 1.** If changes in plans or specifications are necessary after the performance of the contract has begun or if it is necessary to decrease or increase the quantity of work to be performed, or of materials, equipment or supplies to be furnished, the following shall apply.
  - a.** The total Base Contract Amount or Original Contract Price may not be increased unless sufficient budgeted funds for increased costs are available for that purpose, and all provisions outlined in "Policy" section herein are met.
  - b.** Changes to existing purchase orders that are not CIP related shall be facilitated through the ERP.
- 2.** Requests for changes to existing purchase orders shall require the entry of a change purchase order request in the ERP in the amount of the increase, decrease, or account number change, and justification for the requested change in the Change/Correct Reason (except for Projects change orders, which are executed via formal written change order with appropriate approvals).
- 3.** Change Orders – CIP
  - a.** CIP related change orders are to use the project change order form.
  - b.** Any changes will be entered into the ERP and a copy of the change order form attached.
  - c.** Council-approved change orders will be processed upon receipt of signed/approved change order form.
- 4.** Sound judgment should be exercised to avoid separating change orders for work, which would typically be performed as a single work item, into smaller work items, to avoid the threshold that triggers City Council approval.

## **XIX.**

### **CONTRACT RENEWAL PROCEDURES**

#### **A. Policy**

##### Terms

The original term of a contract should not exceed three (3) years, and subsequent renewal terms should not exceed a cumulative (original term plus renewal terms) contract length of five (5) years. Exceptions may be made on a case-by-case basis when in the best interest of the City.

##### Bidding

It is the departments responsibility to alert bidders if they are bidding on a multi-year contract and include language like the following within the bid documents:

This agreement will be for three years with the option to renew it for two additional one-year periods if all extensions are exercised.

##### Multiple Award Contracts

When multiple vendor awards occur, if all vendors do not agree to renew, the contract in its entirety should be rebid.

##### Price Changes

Renewal terms, when the City has changed quantities (up or down) or when the vendor is proposing a price increase, changes shall be allowed only as dictated by the appropriate bid specifications.

##### Vendor Performance

Vendor performance will always be a consideration when deciding whether to renew or rebid.

#### **B. Procedure**

Departments will monitor contract expiration dates. Approximately two (2) months prior to contract expiration, the department should request a contract extension if applicable.

If the department has recommended a contract extension, the department should prepare a letter to extend the contract as outlined in the original bid specifications. The letter is to be signed by the vendor agreeing to the renewal and subsequently filed in the bid file. If the contract is not extended, the requesting department will prepare bid specifications to rebid the contract.

If the contract renewal results in an anticipated expenditure of more than \$100,000, the requesting department will prepare an agenda memo in the manner described in Section X.

## **XX.**

### **ARCHITECT AND ENGINEERING PROCUREMENT POLICY (PROJECT RELATED)**

#### **A. Policy**

All Architectural and Engineering and Services (A/E) will be procured as provided in Chapter 2254, Professional Services Procurement Act, Government Code, which requires the selection of the firm which is the most highly qualified provider of those services based on demonstrated competence and qualifications.

Per Chapter 2254, the City may use a preferred vendor for A/E services. If a preferred vendor or service provider does not exist, then staff may advertise a request for qualifications (RFQ) when deemed appropriate and the following procedures will apply.

#### **B. Procedure**

This process will be utilized when selecting prime consulting firms to provide civil, architectural and traffic engineering and planning services. The general procedure for evaluating and selecting Prime Architect-Engineer firms consists of:

1. The User Department will establish the need for an A/E consultant and will prepare a brief project description and /or scope.
2. The Consultant Selection Committee members along with the User Department will individually utilize the project description to identify 3-5 firms per project that are qualified to provide the anticipated services.

The Committee will at a minimum consist of the City Engineer, Project Manager, and a representative of the sponsor department.

3. The Consultant Selection Committee and the User Department collectively will evaluate all the firms submitted for consideration and select no more than 3 firms for further consideration.
4. Firms selected for further consideration may be invited to appear for separate presentations to the Consultant Selection Committee and User Department. The engineers, architects and other personnel that will be assigned to the project will provide the presentation utilizing the scope and project description developed by the sponsor department. The presentation should define the consultant's understanding of the project, set forth the firm's approach to the project and establish the experience of the personnel assigned to the project. Each firm should submit a list (no more than 3 pages) of like projects completed in the last 3 years, along with references that can verify the quality of work performed.

5. Following the Consultant Selection Committee review of the presentations and reference check, a final ranking of the short-listed firms will be prepared. All short-listed firms will be notified of the top respondent selected based upon presentations and references.

Negotiations will be initiated with the top-ranked firm on the short list. The firm will be contacted and requested to meet with the City to develop a detailed proposed scope of work and a schedule of fees for that work. If staff are unable to successfully negotiate a contract with the top-ranking firm, then staff will proceed to meet with the second ranking firm and enter negotiations with that firm. This process will be repeated until a successful contract negotiation has occurred, or the City terminates the process.

## **C. Evaluation**

### **1. Basis for Selection**

As a basis for evaluating the qualifications of an A/E firm during initial short list development and the firm presentations, the following elements merit consideration:

- a. The firm's experience in performing similar assignments for other public owners, and the overall reputation of the firm.
- b. The depth of experience of the firm's staff in this field.
- c. The firm's ability to assign qualified staff that will be in charge of the project and will be able to complete the work within the time schedule required.
- d. Location of project staff with respect to the general geographic area of the project.
- e. The consultant has, on past projects, demonstrated innovative concepts.
- f. Suggested project approach.
- g. Previous experience on municipal projects.
- h. Previous experience on West University Place projects.
- i. Knowledge of local conditions.
- j. Demonstrate firm's ownership in the project by addressing the following questions:
  3. What is the firm's philosophy on project "Ownership"?
  4. How will the firm ensure all assigned personnel will take "ownership" of the project?
  5. Provide examples of taking "ownership" in projects that the firm has led. How did this result in a better, faster, less expensive project outcome?
  6. Explain the firm's Quality Assurance /Quality Control Policy. Is it a written policy?
  7. What processes are in place to ensure the QA/QC Policy is followed?
  8. Provide examples where the firm QA/QC Policy saved a client money by avoiding a significant mistake before the project was bid/under construction.

### **2. Selection of Firms, other than Prime**

The City may also utilize various consulting firms for services other than as a prime consultant. These services include, but are not limited to geotechnical, structural, mechanical, environmental, surveying, appraisal, materials testing, land acquisition, construction management and inspection services.

The City will establish a list of firms pre-qualified for these specific disciplines that are available to provide services to Prime Consultants. Firms wanting to become pre-qualified in specific disciplines should submit a request to the Engineering Department or Engineering Consult.

### **3. Tie Procedures**

If criteria “a” through “j” above result in two or more firms being rated equal, then the following tie procedure shall be utilized.

- a. Local firms are preferred over non-local firms. Local firm shall be defined as having an office staffed with firm employees within Harris County.
- b. Non-local firms who associate with local firms for the work are preferred over non- local.

### **4. Availability of Funds**

No contracts may be entered into unless funds are appropriated and are available.

### **5. Approval Authorization**

1. Any A/E services contract with a total fee amount exceeding the approval authorization of \$100,000 granted by the Council to the City Manager, must be approved by City Council.
2. Contracts for A/E services with a total fee not exceeding the \$100,000 approval authorization granted by Council to the City Manager can be negotiated at the staff level with approval according to authority limits.

## **XXI. PROFESSIONAL SERVICES**

"Professional Services" are services which involve mental or intellectual skills, usually accompanied by formal certification or licensing by a state agency, such as accounting, medicine, planning, economics, law, financial advisory services and scientific or laboratory consulting services.

State law exempts the purchase of professional services from competitive bidding requirements. User departments must select professional service consultants based on demonstrated competence and qualifications and must negotiate fees based on what is fair and reasonable for the type of services, rather than on a "low bid" basis.

### **A. Policy**

For professional services involving an anticipated fee of less than \$100,000, the process described may be followed in an informal manner by the user department. For services involving an anticipated fee of more than \$100,000, use a formal Request-For-Proposal ("RFP").

### **B. Procedure**

When a user department wishes to initiate an RFP to procure professional services, the following information is needed. The professional services must be budgeted and funding available before an RFP is initiated.

1. A description of the project or activity to be undertaken by the consultant. (Scope of Work).
2. An outline of the types of information (e.g., education, professional association memberships, past similar projects, references, insurance requirements, etc.) that are to be submitted by the consultants for evaluation.

The requesting department will prepare the RFP. The requesting department will then place advertisements and distribute RFPs to potential consultants.

### Evaluating the Proposal

Proposals are evaluated either by the user department or by the team. Proposals must be carefully reviewed to determine whether proponents can provide services in compliance with the RFP's specifications, in a timely manner and at a reasonable cost.

The City Manager or designee will determine who negotiates the fees for each professional service contract. The City Manager has the authority to approve the type and amount of fees charged for the purchase of professional services.

## 1. Fee Structures

Fee structures typically included in professional services contracts are one of two types:

- A. Fixed Fee: The fixed fee structure provides a firm price for all the consultant's services. This type of fee structure is appropriate when the City's needs are well-defined, and it is possible to closely predict the costs involved in executing the specified services. Minor adjustments to the scope of services and fixed fee will be in the form of Professional Services Contract Amendment.
  
- B. Not to Exceed with Hourly Rate Cap: This structure provides for the acquisition of services based on direct labor costs at specified hourly rates (including salary costs, overhead, profit and general administrative expenses). A cap or ceiling price must also be negotiated at the outset of the contract. This type of fee structure is appropriate when the City's needs are not well-defined, or when the City can possibly achieve cost savings by paying a consultant only for the hours worked on a project. This fee structure requires closer monitoring than does the fixed fee structured contract. Minor adjustment to the cap or ceiling amount in the hourly rate structure or the scope of services will be in the form of a Professional Services Contract Amendment.

## 2. Additional Services

Additional services are those provided by a consultant that are outside the scope of services included in the contract. In a fixed fee contract, additional services must represent a substantial deviation from the scope of services. The fees for the provision of additional services must be negotiated in conjunction with the fee structure for the rest of the agreement. Compensation for additional services is normally computed based on an hourly rate schedule which includes salary costs, overhead, profit and general administrative expenses. A cap or ceiling amount of fees for additional services must be established in the additional services authorization and included in the total contract amount.

## 3. Reimbursable Expenses

Reimbursable expenses are out-of-pocket costs that may be charged to the City by the Consultant. These expenses must be related only to the City's project, and they include such things as travel, reproduction of documents, long distance communication, freight, and lodging. Reimbursable expenses are usually charged to the City at actual cost, however, in some instances they will be computed using a multiplier (e.g., actual cost of item x 1.10). Whether reimbursable expenses will be allowed and what items will be included as reimbursable must be negotiated in conjunction with the fee structure.

Once the proposal has been evaluated and fees have been finally negotiated with the successful proponent, the City Attorney will draft a contract based on the RFP and negotiated terms and any additional information submitted by the user department and/or the City Manager. Negotiation of the terms of the contract may sometimes be necessary with the consultant during contract preparation.

#### 4. Approval Authorization

1. Any professional services contract with a total fee amount exceeding the approval authorization of \$100,000 granted by City Council to the City Manager, must be approved by City Council.
2. Contracts for professional services with a total fee not exceeding the \$100,000 approval authorization granted by Council to the City Manager can be negotiated at the staff level with approval according to authority limits.

## XXII. PROTEST AND CONTESTED BIDS

### A. Policy

Bid Protests are filed by vendors because they seek remedy to a wrong, be it perceived or otherwise, which has inflicted injury or hardship to their company as a result of some action taken by the City during the bid process.

Notice of an intention to protest does not substitute for filing a protest following the form and content required within the deadlines stated. Further, casual inquiry or complaint that does not specifically identify the purpose as protest, and does not comply with the form, content, and deadlines herein, are also not considered or acted upon as a protest action.

### B. Procedure

Certain concerns must be filed as a protest before bids are due. Any matter known, or that should have been known by bidders, before the bid deadline, must be protested to the City Secretary in writing as soon as practical, and at least three business days before the bid deadline.

Such matters include, but are not limited to:

- a. Complaints about events or decisions made before the solicitation deadline;
- b. Complaints that the solicitation unduly constrains competition through improper minimum qualifications or specifications;
- c. Complaints that the pre-bid conference was not fair or accessible;
- d. Complaints that questions were not fully or properly addressed by the Department;
- e. Complaints that the RFP or Invitation to Bid did not provide adequate information or contained improper criteria; and
- f. Other matters known or that should have been known to interested bidders by reading the solicitation document.

Protests over such matters will not be accepted after the bid deadline.

#### 1) NOTICE OF PROTEST

**After the bid deadline, only vendors that submitted a bid are eligible to protest.** If a department is contacted by a vendor wishing to protest the award of a bid or imply alleged improprieties or ambiguities in the bid process, the department should contact either Finance or instruct the vendor to contact Finance. Finance will attempt to determine the reasons behind the potential protest, and if unable to satisfy the vendor, will instruct the vendor to prepare a written protest. The written protest should:

- a. Include both the name and address of the protestor, as well as the vendor they represent.
- b. Identify the bid number and the item; and
- c. Contain a statement of the grounds for protest including any specific facts, reasons or basis for the protest and any supporting documentation. This statement shall be signed by an authorized agent of the company.
- d. Notice of protest will be communicated to the Department, the City Attorney, the Director of Finance, and City Manager.

## **2) STAFF REVIEW**

Protests must be submitted no later than three (3) business days from notice to vendors. A decision and response to the protest will be prepared by Finance, in consultation with the department and the City Attorney, within ten (10) days of receipt of the protest. The response to the protest will include information regarding the right to appeal to the staff determination to the City Council. Within the ten (10) business days time period the City will:

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

## **3) APPEALS**

If the protesting vendor does not agree with staff recommendation, the vendor may pursue the following appeal channel:

Protests relating to staff recommendations may be directed to City Council by contacting the City Secretary. All staff recommendations will be made available for public review prior to consideration by City Council.

## **XXIII. EMERGENCY PURCHASE**

### **A. Policy**

An emergency purchase is a procurement that is made necessary by a sudden, unexpected occurrence that poses a clear and imminent danger to public safety or requires immediate action to preserve, prevent or mitigate the loss or impairment of life, health, property, or essential public services. This policy is intended to supplement and be in addition to the authority of the Mayor and Council provided under Texas Government Code Chapter 418, Emergency Management.

The use of emergency purchase orders should not be used to circumvent purchasing procedures. Failure to anticipate need or lack of planning shall not be considered an emergency.

### **B. Procedure**

- 1. Emergency Purchases during normal business hours.**
  - a. Normal business hours are 7:30 a.m. to 5:30 p.m., Monday through Friday, except for City Holidays.
  - b. The requesting department shall contact Finance & City Manager via telephone (or email) to advise that an emergency purchase order is needed. This request should include a general description of the items needed and an estimate of the cost.
  - c. The requesting department shall enter and approve a purchase order in the ERP for the goods or services being purchased with an estimate of the cost. The department should include notes in the reason for the emergency order.
- 2. Emergency Purchases Outside Normal Business Hours**
  - a. If an emergency occurs which requires the purchase of goods or services outside normal business hours, the supervisor on duty may initiate purchases necessary to mitigate the emergency without an approved purchase order.
  - b. A purchase order for the goods or services being purchased shall be entered and approved by the requesting department the next business morning for issuance of an approved purchase order. The words “emergency purchase” shall be included in the description field.
- 3. Emergency purchases equal to and more than \$100,000 shall be reported to City Council at the next regular meeting (see Code of Ordinances Section 2-132 (g)).**

## **XXIV. SUSTAINABILITY STATEMENT**

Since 1972, when West U started the first recycling program in Harris County and in 1973 became the first city in Texas to begin weekly curbside recycling collection, sustainability and being good stewards of our environment has been part of West U's community DNA. Since that time West U has incorporated and integrated sustainable practices across the organization.

As part of the City's commitment to sustainable practices, all departments of the City of West University Place will strive to balance environmental considerations with performance, availability, and fiscal responsibilities in making sustainable purchasing decisions. The goals and objectives of this statement will continue to be refined through collaboration with the Sustainability Task Force.

We will strive to purchase more environmentally preferable goods and services if they meet acceptable use and performance needs and are available within a reasonable period at a reasonable cost. Nothing in this policy should be construed as requiring a purchaser or contractor to procure products that do not meet needs, perform adequately, or exclude competition, or are not available at a reasonable cost or for a reasonable period. Departments are encouraged to manage sustainability goals for each project and to reference those goals in purchase orders.

## **XXV. PROCUREMENT CARD**

This policy establishes the procedures for procurement card use. The procurement card is provided to City employees based on their need to purchase business related goods and services and is provided to employees solely for the City's convenience. The card is not an entitlement nor reflective of title or position and may be revoked at any time. Personal charges shall not be made on the card. Cardholders must comply with internal control procedures to protect the City's assets. These procedures include keeping receipts, reviewing monthly statements, and following proper security measures. All related purchasing policies and procedures must be followed when using the procurement card.

### **A. Procurement Card Definitions**

Department Director – Includes the City Manager, City Secretary, Public Works Director, Finance Director, Police Chief, Fire Chief, Human Resources Director, Information Technology Director, and Parks and Recreation Director

Division Manager – Includes all other Managers not listed as a Department Director

Program Administrator – Finance Department staff designated by the Finance Director

*Note: The hierarchy established by these definitions and the use of these titles within this policy is not intended to mirror the nomenclature used in the career progression program.*

### **B. Procedures**

Card Issuance – A card will be issued to a City employee upon Finance's receipt of a written request or approval from the applicable Department Director. An approved individual will receive the card after signing a Procurement Cardholder Agreement Form acknowledging receipt of this Purchasing Policy and the assigned procurement card.

Once an employee receives his/her card, it shall be signed and kept in a secure place. The employee whose name appears on a card (the "Cardholder") is the only person entitled to use the card. That person is responsible for all charges made with the card. Improper use of the card may be considered misappropriation of City funds, which may result in disciplinary action, up to and including termination. Although the card is issued to the employee, it remains City property and may be rescinded at any time. A Cardholder must surrender his/her card upon request and/or termination of employment. The employee should use the card only for the types of purchases established by this policy.

Procurement Card Purchases – The procurement card program does not circumvent the City's purchasing policies and procedures. Instead, it is designed to streamline smaller purchases that are made directly with vendors.

**The procurement card is NOT to be used for the following commodities and services:**

- Alcoholic beverages.
- Capital equipment.
- Cash advances/travelers' checks.
- Personal items.
- Split Purchases which are multiple purchases of less than \$3,000 from a single vendor for similar purchases adding up to more than \$3,000.
- Items available through established annual contracts.
- Fuel, fluids and repair for personal vehicles.
- Computer hardware & peripherals not coordinated with the Information Technology Management Department (IT); or
- Software or software subscriptions not coordinated with IT.

**Qualified card purchases include, but are not limited to, the following:**

- Advertising.
- Freight and shipping charges (FedEx, UPS, etc.).
- Subscriptions (not IT related), books.
- Seminars, training, memberships, registration, travel (*All travel related expenses must comply with the City's Travel Policy*).
- Catering and delivery services.
- Goods and Services not exceeding \$3,000;
- Payment for city utilities (i.e., electricity, natural gas, cable, internet). This method of payment for utilities shall be coordinated with and set up by Finance.  
Purchases greater than \$3,000 as approved by the City Manager or their designee.

Each employee's card has been assigned an individual credit limit based on the established spending limits table shown below.

If that limit is not sufficient to accommodate monthly requirements, the employee may request an increase through their Department Director. Written authorization by a Department Director is required before a Program Administrator changes the credit limit, including temporary increases to the credit limit.

The following is a table of the spending limit levels established by this policy:

| <b>Level</b>                   | <b>Monthly Card Limit</b> | <b>Single Transaction Limit</b> |
|--------------------------------|---------------------------|---------------------------------|
| City Manager & Directors       | \$10,000                  | \$3,000                         |
| Assistant Directors & Managers | \$7,500                   | \$3,000                         |
| Supervisors                    | \$5,000                   | \$1,000                         |
| Card Holder (Default)          | \$1,500                   | \$500                           |

Certain merchants are blocked from the program, and purchases through them will decline. If the employee feels that his/her purchase has been mistakenly declined, the employee should contact a Program Administrator.

Receipt of and Return of Goods & Services – The Cardholder is responsible for ensuring receipt of goods and services and shall follow up with the vendor to resolve any delivery problems, discrepancies, or damaged goods.

Items should be returned directly to the vendor by whichever means the vendor requires. The Cardholder is responsible for seeing that proper credit is posted to his or her procurement card account for any returned items.

Proof of Purchase Documentation and Reconciliation – With the authority to purchase specific goods and services comes the responsibility to maintain adequate documentation at the source of the transaction. Documentation must support the legitimate business purpose of all transactions made with the procurement card. Examples of supporting documentation include receipts, packing slips, and copies of order forms or applications. For meal purchases, cardholders must document what it was for and who was in attendance.

At the end of the statement period, Finance will upload all credit card transactions to the ERP and notify cardholders once complete. It is the cardholder’s or a Department Director designee responsibility to attach supporting documentation (statement and receipts), assign charges to the appropriate account number(s), project code(s), and work order/job number(s); if applicable.

If entire card account numbers are printed on any receipts, the Cardholders are required to conceal the first twelve (12) digits of their account number, leaving the last four (4) digits exposed, prior to turning in their purchase documentation.

Cardholders may receive a monthly statement after each billing cycle ends. If one is not received, the cardholder is responsible for downloading one from the website. These statements identify all procurement card purchases and the total dollar amount charged during the billing cycle. Cardholders are required to review their statements for accuracy and to ensure that all the goods and services have been received for which there is a charge. If Cardholders wish to keep their statements, they must keep them secure. If Cardholders wish to discard their statements, they must do so properly by shredding the documents. Please do not forward Cardholder statements to Finance.

Discrepancies and Dispute Procedures – The Cardholder is responsible for following up with a vendor for any erroneous charges, disputed items, or returns. The Cardholder should contact the vendor first to resolve any outstanding issues. However, a Cardholder may dispute a charge that appears on their account statement. Disputed charges can result from failure to receive goods or services, fraud, or misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, etc.

*Remember: by law, vendors are not permitted to bill a credit card for purchases until the items have been shipped.*

Finance – Each Department is responsible for ensuring the correct account number, project code, work order number and job number is entered for each transaction. If the Cardholder does not have authorized financial management system access to the account number to which the charge has been authorized, the Cardholder is to contact the Finance Director or Finance Manager to change the account number on the financial system invoice.

Lost, Stolen or Compromised Procurement Cards – It is the responsibility of the Cardholder to immediately report a lost, stolen, or compromised procurement card to the card issuer. The City is liable for all transactions if the card is not immediately reported to the card issuer. A Cardholder must report, in writing, a lost or stolen procurement card to a Program Administrator at the time of the occurrence. The Program Administrator will request a replacement card from the card issuer.

Misuse of the Procurement Card – The procurement card reflects the City's trust in the employee and his/her empowerment as a responsible employee of the City to safeguard and protect its assets. As a Cardholder, each employee assumes the responsibility for the protection and proper use of the procurement card, including timely reconciliation.

The following are a few examples of "Misuse" of the procurement card; this list is not exhaustive, and is included for illustrative purposes only:

### **Personal Misuse**

- Purchases using the card for the sole benefit of the employee; clothing and food not authorized by the employee's department.
- Assignment, transfer, or "loaning" of an individual card to another employee or person.
- Failure to submit receipts for all purchases on a timely basis; or
- Use of a procurement card by a suspended or terminated employee.

### **Administrative Misuse**

- Lack of proper and timely reconciliation of individual Cardholder account.
- Card uses in direct violation of acquisition goals (use of the procurement card for commodities available, through established annual contracts or local suppliers who provide the best value).
- Failure to comply with State code requirements to notify Historically Underutilized Businesses; or
- Failure to comply with the City's Insurance Policy and the State code requirements for obtaining insurance certificates for public works contracts.

Allegations of misuse of the procurement card will be investigated promptly. The following procedures shall be observed:

- Via e-mail, the Cardholder, Supervisor, and the Director will be advised of any instances of non-compliance as they occur. The Division Manager is required to immediately respond to the email and provide assurances that the matter has been properly addressed.
- If Finance does not receive a response from the Division Manager or designee within three (3) business days, an e-mail will be sent to the Cardholder's Manager with a CC to the Department Director.
- If a response is not received within three (3) business days of the second e-mail, an e-mail will be sent to the Department Director with a CC to the City Manager.

**Each employee should be aware that misuse of the procurement card may result in disciplinary action, up to and including termination and criminal prosecution.**

**XXVI.**  
**CONTRACTOR INSURANCE REQUIREMENTS**

**A. Required Insurance Provisions for Routine/General Maintenance and Repair Contractors**

The Contractor shall comply with each, and every condition contained herein. The Contractor shall provide and maintain, until the work covered in the contract is completed and accepted by The City of West University Place, the minimum insurance coverages as follows:

1. Commercial General Liability insurance at minimum combined single limits of \$1,000,000 per-occurrence and \$2,000,000 general aggregate for bodily injury and property damage, which coverage shall include products/completed operations (\$1,000,000 products/completed operations aggregate), and XCU (Explosion, Collapse, Underground) hazards. Coverage must be written on an occurrence form. Contractual Liability must be maintained covering the Contractors obligations contained in the contract.
2. Workers Compensation insurance at statutory limits, including Employers Liability coverage a minimum limit of \$500,000 each-occurrence each accident/\$500,000 by disease each-occurrence/\$500,000 by disease aggregate.
3. Commercial Automobile Liability insurance at minimum combined single limits of \$1,000,000 per-occurrence for bodily injury and property damage, including owned, non-owned, and hired car coverage.
4. Errors & Omissions coverage as follows:
  - a. Professional Liability with minimum limits of \$1,000,000 for each wrongful act and a \$2,000,000 annual aggregate.
  - b. Contractor and employees of Contractor must be bonded.
  - c. This coverage must be maintained for at least two (2) years after the project is completed. If coverage is written on a claims-made basis, a policy retroactive date equivalent to the inception date of the contract (or earlier) must be maintained during the full term of the contract.

PLEASE NOTE: The required limits may be satisfied by any combination of primary, excess, or umbrella liability insurances, provided the primary policy complies with the above requirements and the excess umbrella is following form. The Contractor may maintain reasonable and customary deductibles, subject to approval by the City of West University Place.

Any Subcontractor(s) hired by the Contractor shall maintain insurance coverage equal to that required of the Contractor. It is the responsibility of the Contractor to assure compliance with this provision. The City of West University Place accepts no responsibility arising from the conduct, or lack of conduct, of the Subcontractor.

**A Comprehensive General Liability insurance form may be used in lieu of a Commercial General Liability insurance form. In this event, coverage must be written on an occurrence basis, at limits of \$1,000,000 each-occurrence, combined single limit, and coverage must include a broad form Comprehensive General Liability Endorsement, products/completed operations, XCU hazards, and contractual liability.**

With reference to the foregoing insurance requirement, Contractor shall specifically endorse applicable insurance policies as follows:

1. The City of West University Place shall be named as an additional insured with respect to General Liability and Automobile Liability.
2. All liability policies shall contain no cross-liability exclusions or insured versus insured restrictions.
3. A waiver of subrogation in favor of the City of West University Place shall be contained in the Workers Compensation, and all liability policies.
4. All insurance policies shall be endorsed to require the insurer to immediately notify the City of West University Place of any material change in the insurance coverage.
5. All insurance policies shall be endorsed to the effect that the City of West University Place will receive at least thirty (30) days' written notice prior to cancellation or non-renewal of the insurance.
6. All insurance policies, which name the City of West University Place as an additional insured, must be endorsed to read as primary coverage regardless of the application of other insurance.
7. Required limits may be satisfied by any combination of primary and umbrella liability insurances.
8. Contractors may maintain reasonable and customary deductibles, subject to approval by the City of West University Place.
9. Insurance must be purchased from insurers having a minimum AmBest financial rating of A.

All insurance must be written on forms filed with and approved by the Texas Department of Insurance; be an admitted carrier in the State of Texas. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent and shall contain provisions representing and warranting the following:

1. Sets forth all endorsements and insurance coverage according to requirements and instructions contained herein.
2. Shall specifically set forth the notice-of-cancellation or termination provisions to the City of West University Place.

Upon request, Contractor shall furnish the City of West University Place with certified copies of all insurance policies.

A valid certificate of insurance verifying each of the coverage's required above shall be issued directly to the City of West University Place within ten (10) business days after contract award by the successful contractor's insurance agent of record or insurance company. The certificate of insurance shall be sent to:

City of West University Place  
City Secretary's Office  
3800 University Blvd.  
West University Place, TX 77005

## **B. Reduction or Waiver of Insurance Requirements**

The City may at any time reduce or waive all or part of the insurance requirements established by this document for any contractor that has entered into an agreement with the City to provide the services for which this insurance applies if the City determines that the reduction or waiver will not unreasonably expose the City to a risk of liability or loss. An authorized City representative must authorize any reduction or waiver of these insurance requirements in writing before the reduction or waiver is effective.

## **C. Required Insurance Provisions for Designated Professional Service Contracts**

The Contractor shall comply with each, and every condition contained herein. The Contractor shall provide and maintain, until the work covered in the contract is completed and accepted by The City of West University Place, the minimum insurance coverages as follows:

1. Commercial General Liability insurance at minimum combined single limits of \$1,000,000 per-occurrence and \$2,000,000 general aggregate for bodily injury and property damage, which

coverage shall include products/completed operations (\$1,000,000 products/completed operations aggregate), and XCU (Explosion, Collapse, Underground) hazards. Coverage must be written on an occurrence form. Contractual Liability must be maintained covering the Contractors obligations contained in the contract.

2. Workers Compensation insurance at statutory limits, including Employers Liability coverage a minimum limit of \$500,000 each-occurrence each accident/\$500,000 by disease each-occurrence/\$500,000 by disease aggregate.
3. Commercial Automobile Liability insurance **at minimum** combined single limits of \$1,000,000 per-occurrence for bodily injury and property damage, including owned, non-owned, and hired car coverage.
4. Errors & Omissions coverage as follows:
  - a. Professional Liability with minimum limits of \$1,000,000 for each wrongful act and a \$2,000,000 annual aggregate.
  - b. Contractor and employees of Contractor must be bonded.
  - c. This coverage must be maintained for at least two (2) years after the project is completed. If coverage is written on a claims-made basis, a policy retroactive date equivalent to the inception date of the contract (or earlier) must be maintained during the full term of the contract.

**PLEASE NOTE:** The required limits may be satisfied by any combination of primary, excess, or umbrella liability insurances, provided the primary policy complies with the above requirements and the excess umbrella is following form. The Contractor may maintain reasonable and customary deductibles, subject to approval by the City of West University Place.

Any Subcontractor(s) hired by the Contractor shall maintain insurance coverage equal to that required of the Contractor. It is the responsibility of the Contractor to assure compliance with this provision. The City of West University Place accepts **no responsibility** arising from the conduct, or lack of conduct, of the Subcontractor.

A Comprehensive General Liability insurance form may be used in lieu of a Commercial General Liability insurance form. In this event, coverage must be written on an occurrence basis, at limits of \$1,000,000 each-occurrence, combined single limit, and coverage must include a broad form Comprehensive General Liability Endorsement, products/completed operations, XCU hazards, and contractual liability.

With reference to the foregoing insurance requirement, Contractor shall specifically endorse applicable insurance policies as follows:

1. The City of West University Place shall be named as an additional insured with respect to General Liability and Automobile Liability.
2. All liability policies shall contain no cross-liability exclusions or insured versus insured restrictions.
3. A waiver of subrogation in favor of the City of West University Place shall be contained in the Workers Compensation, and all liability policies.
4. All insurance policies shall be endorsed to require the insurer to immediately notify the City of West University Place of any material change in the insurance coverage.
5. All insurance policies shall be endorsed to the effect that the City of West University Place will receive at least thirty (30) days' written notice prior to cancellation or non-renewal of the insurance.
6. All insurance policies, which name the City of West University Place as an additional insured, must be endorsed to read as primary coverage regardless of the application of other insurance.
7. Required limits may be satisfied by any combination of primary and umbrella liability insurances.
8. Contractors may maintain reasonable and customary deductibles, subject to approval by the City of West University Place.
9. Insurance must be purchased from insurers having a minimum AmBest financial rating of A.

All insurance must be written on forms filed with and approved by the Texas Department of Insurance; be an admitted carrier in the State of Texas. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent and shall contain provisions representing and warranting the following:

1. Sets forth all endorsements and insurance coverage according to requirements and instructions contained herein.
2. Shall specifically set forth the notice-of-cancellation or termination provisions to the City of West University Place.

Upon request, Contractor shall furnish the City of West University Place with certified copies of all insurance policies.

A valid certificate of insurance verifying each of the coverage's required above shall be issued directly to the City of West University Place within ten (10) business days after contract award by the successful contractor's insurance agent of record or insurance company. The certificate of insurance shall be sent to:

City of West University Place  
City Secretary's Office  
3800 University Blvd.  
West University Place, TX 77005

**D. Reduction or Waiver of Insurance Requirements**

The City may at any time reduce or waive all or part of the insurance requirements established by this document for any contractor that has entered into an agreement with the City to provide the services for which this insurance applies if the City determines that the reduction or waiver will not unreasonably expose the City to a risk of liability or loss. An authorized City representative must authorize any reduction or waiver of these insurance requirements in writing before the reduction or waiver is effective.

## **Applicable State Laws:**

- A. Government Code Chapter 552 – The Public Information Act
- B. Government Code Chapter 791 – Interlocal Cooperation Contracts
- C. Government Code Chapter 2251 – Payment for Goods and Services
- D. Government Code Chapter 2252 – Contracts with Governmental Entity
- E. Government Code Chapter 2253 – Public Work Performance and Payment Bonds
- F. Government Code Chapter 2254 – Professional and Consulting Services
- G. Government Code Chapter 2256 – Public Funds Investment Act
- H. Government Code Chapter 2257 - Collateral for Public Funds
- I. Government Code Chapter 2258 – Prevailing Wage Rates
- J. Government Code Chapter 2259 – Self-insurance by Governmental Units
- K. Government Code Chapter 2267 – Public and Private Facilities and Infrastructure
- L. Government Code Chapter 2269 – Contracting and Delivery Procedures for Construction Projects
- M. Government Code Chapter 2271 – Boycotting Israel
- N. Government Code Chapter 2274 – Discriminate against Firearm and Ammunition Industries
- O. Local Government Code Chapter 105- Depositories for Municipal Funds
- P. Local Government Code Chapter 171 – Regulation of Conflicts of Interests
- Q. Local Government Code Chapter 176 – Disclosure of Certain Relationships with Local Government Officers
- R. Local Government Code Chapter 252-Purchasing and Contracting Authority of Municipalities
- S. Local Government Code Chapter 271-Purchasing and Contracting Authority of Municipalities, Counties, and Certain Other Local Governments.
- T. Local Government Code § 271.102. Cooperative Purchasing Program Participation
- U. Local Government Code Chapter 272- Sale or Lease of Property by Municipalities, Counties, and Certain Other Local Governments
- V. Local Government Code Chapter 273-Acquisition of Property for Public Purposes by Municipalities, Counties, and Certain Other Local Governments
- W. Local Government Code Chapter 304 – Energy Aggregation Measures for Local Governments
- X. Health and Safety Code Chapter 363- Municipal Solid Waste Act
- Y. Occupations Code Chapter 1001- Texas Board of Professional Engineers and Land Surveyors
- Z. Occupations Code Chapter 1051- Architects
- AA. Transportation Code Chapter 728- Sale or Transfer of Motor Vehicles and Master Keys