

CITY OF SOCORRO

PURCHASING POLICY

MANUAL



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PURCHASING POLICIES AND PROCEDURES

It is the City of Socorro's policy to institute controls on authorized spending for materials, supplies and services through the administration of the purchasing system and to describe the levels and limits of individual responsibility and authority and to conduct business activities in such a manner as to foster public confidence in the integrity of the City of Socorro.

No obligation shall be incurred nor shall any invoice be paid unless the following procedures are met. Purchases made in a manner not in accordance with the following procedures will be the financial responsibility of the person who made the purchase. Purchases shall be in accordance with each department's budgetary requirements.

In addition, the City of Socorro adheres to all State of Texas laws and regulations as set forth in the State of Texas Local Government Code ("LGC"). **Violation of this policy will be reviewed on a case by case basis and may result in disciplinary action up to and including termination.**

This policy supersedes all previous policies including Policy 58 as amended and is effective upon approval of the Mayor and Council.

GENERAL GUIDELINES FOR ACQUISITION OF GOODS AND SERVICES

This policy imposes specific guidelines for purchases involving expenditure of less than \$50,000. These guidelines must be followed. However, for most all purchases exceeding \$49,999.99, the following procedure applies.

Generally, a city is required to follow the bidding or proposal procedures outlined in Local Government Code Chapter 252 when it plans to make an expenditure of more than \$50,000 in city funds. This requirement is equally applicable to purchases of insurance and high technology items.

A city may not avoid the application of competitive bidding or proposal laws by purposely dividing a single purchase into smaller components so that each component purchase is less than \$50,000. Chapter 252 of the Local Government Code prohibits the use of "separate, sequential, or component purchases" as a means of avoiding bidding requirements. A city may purchase items without competitive bidding if the total purchase amount will be below the \$50,000 threshold that requires bidding. However, if the city later wants to make additional purchases and these purchases would take the total purchase over the \$50,000 threshold, the city should follow competitive purchasing procedures as if the purchase exceeds \$50,000.

Caution should be exercised if individual city departments make separate purchases of office supplies, gasoline or other items without competitive bidding because each department's purchase amount will be below the \$50,000 threshold that requires bidding. If a city's total purchases for these items would be over the \$50,000 threshold, the city should use competitive purchasing procedures applicable for purchases over \$50,000.

To take bids or proposals on a purchase, the city must first publish notice of the time and place at which the bids or proposals will be publicly opened and read aloud. The city should prepare specifications detailing the requirements that must be met by the goods or services which the city intends to purchase. The published notice should include either a copy of these specifications or information on how a bidder may obtain a copy of the specifications. A city must publish a notice indicating the time and place at which the bids or proposals will be publicly opened and read aloud. The notice must be published at least once a week for two consecutive weeks. The first publication must appear before the 14th day before the date that the bids or proposals are publicly opened and read aloud. The notice must be placed in a newspaper that is published in the city. If there is no newspaper published in the city, the notice must be published in a newspaper of general circulation in the city and posted at city hall and on the city's website for 14 days before the date that the bids or proposals are publicly opened and read aloud.

If a city wishes to consider factors other than price in its selection, or other factors such as a bidder's previous performance or safety record in its selection, the city's bid specifications should clearly state that such factors will be considered. Also, the governing body of a city that is considering using a method other than competitive sealed bidding (e.g., competitive sealed proposals) must determine before notice is given the method of purchase that provides the best value for the city.

The city council must then award the contract to the lowest responsible bidder or (if previously noticed) the bidder that provides the best value to the city. In the alternative, the city may reject all bids.

PURPOSE

The purpose of this policy is to:

1. To establish a comprehensive purchasing system in order to obtain maximum economy and utilization of services, products, supplies, capital goods and related purchases;
2. To fix levels of responsibility and approvals for the expenditures of funds for such purchases;
3. To effect the greatest possible economy within the limits of acceptable specifications through competitive and quantity purchasing;
4. To afford an opportunity for consideration of the largest possible number of products within the limits of acceptable specification of an equitable basis; and
5. To provide a method of selecting services on a comparative basis.
6. To establish the procedures necessary to properly implement this purchasing policy.
7. To establish a method to match and reconcile actual purchase orders to actual invoices processed for disbursement.

PURCHASING ETHICS

All City staff engaged in procurement for the City shall comply with the following ethical standards:

1. **Personal Gain** – it shall be a breach of ethics to attempt to realize unauthorized personal gain through employment with the City or by any conduct inconsistent with the proper discharge of the employee’s duties.
2. **Influence of a Public Employee** – it shall be a breach of ethics to attempt to influence any public employee of the City to violate the standards of conduct set forth by the City.
3. **Participating in Procurement with Family or Friends** – it shall be a breach of ethics for any employee of the City to participate directly or indirectly in a procurement for the City when the employee knows that:
 - a. The employee or any member of the employee’s immediate family had a financial interest pertaining to the procurement;
 - b. A business or organization in which the employee, or any member of the employee’s immediate family, has a financial interest pertaining to the procurement; or
 - c. Any other person, business or organization with which the employee or any member of the employee’s immediate family is negotiating or has an arrangement concerning prospective employment involving the procurement.
4. **Gratuities / Kickbacks** – The following prohibition against gratuities and kickbacks shall be set forth in every contract and solicitation:

Socorro may at any time, without prior notice, terminate this Contract without any further responsibility to Contractor if any gratuities, whether in the form of entertainment, gifts, employment or otherwise, were offered or given by the Contractor or any agent or representative thereof to any employee, official, or representative of Socorro with a view toward securing favorable treatment with respect to the entry into or performance of this Contract.

5. **Confidential Information** – it shall be a violation for any employee of the City to knowingly use confidential information for actual or anticipated personal gain, or for actual or anticipated gain of any person.
6. **Private Purchases Through City Facilities** – no employee may use the purchasing power of the City of Socorro to make private purchases.

TAX EXEMPT STATUS

The City of Socorro is exempt from Federal, State, and Local taxes except in certain prescribed cases. An exemption certificate is available from the Finance Department and shall be furnished to any of the City's suppliers upon request.

SIGNATURE AUTHORITY

A Purchase Requisition or Purchase Order shall not be considered complete until signed by the proper authority.

1. Purchase Requisitions:

- A. **AUTHORIZE:** The Department Head of each department (electronically submitted).
- B. **APPROVE:** The Chief Financial Officer. The Accounting Technician, not involved with the accounts payable function, will approve requisitions in the absence of the Chief Financial Officer.
- C. The same authority MAY NOT Authorize AND Approve.
- D. All supporting documentation such as quotes for items or services being requested must be attached to the electronic requisition.
- E. Quantity amount and actual description must be stated.

2. Purchase Orders:

- A. **APPROVE:** The City Manager or his designee.

3. Payment Checks:

- A. **APPROVE:** City Manager and Department Heads officially designated as signatories.

PROCEDURES

The following prescribed procedures shall be established to provide for the proper control for purchases and/or contracts. Approval of all purchase requisition will be done by an authorized individual as approved by council. The same person cannot authorize and approve the purchase requisition.

1. Purchase Requisitions

Except as provided in Section 3, Exceptions to Purchase Requisition, ALL purchases of goods and services require the completion of an electronic Purchase Requisition.

2. Responsibilities of the Department

- A. Department heads or their designated employee must submit an electronic purchase requisition to the Finance Department for approval. Chief Financial Officer will generate the purchase order upon approval. Once the requisition is scrutinized for appropriateness, a purchase order will be generated. The printed purchase order will serve as the approval of the electronic purchase requisition.
- B. Once the purchase order is verified and approved by the proper authority, copies of the signed purchase order will be distributed to the requestor.
- C. The Department Head or designated individual will be responsible for acknowledging the receipt of Purchase Order number before making any purchase of merchandise or service. The vendor's invoice or receiving receipt must reflect Purchase Order Number for the purchased amount of goods or service received.
- D. The Department Head or designated individual will inspect the merchandise delivered or picked up and will prepare the appropriate receiving report to be submitted to the Finance Department with the copy of purchase order and original receipt to properly process payment to vendor the day after merchandise or service is delivered or picked-up. The Department Head or designated individual will give the original receiving receipt or invoice to Finance Department the next working day.
- E. Department Heads or designated individuals shall be responsible for planning ahead and making sure a Purchase Order Number has been received before any purchase is made. Purchase requisitions must be submitted with enough time to be processed with Finance Department.

3. Levels of expenditure

PURCHASES BETWEEN \$3,000 AND \$24,999:

Purchases of goods or services between \$3,000 and \$24,999 must follow this procurement process:

- A. Solicit three (3) competitive quotes for the goods or services AND complete the Bid Quote and Comparison Worksheet. Section 252.0125 of the Local Government Code delineates the quotation process which must be followed regarding Historically Underutilized Businesses, as follows:

A municipality, in making an expenditure of more than \$3,000 but less than \$50,000, shall contact at least two historically underutilized businesses on a rotating basis, based on information provided by the comptroller pursuant to chapter 2161, Government Code. Please see mycpa.cpa.state.tx.us/tpasscmbsearch/index.jsp for HUB search.

- B. Review each quote for the best overall value (value is not solely determined by price, although the lowest bid should be recommended unless you can show reasons based on

bid specifications to disqualify the bid relating to past performances, poor references, etc.) Note that you will need to retain all quotes for Fiscal Year End + 3 years.

- C. Prepare a brief recommendation for the record to support the purchase.
- D. Submit electronic purchase requisition and submit to Chief Financial Officer.
- E. Once a Purchase Order is approved, proceed to ordering goods and services.
- F. Once you receive your goods and/or services, sign off on packing slip and forward the packing slip/receipt to AP.

PURCHASES BETWEEN \$25,000 AND \$49,999:

Purchases of goods or services between \$25,000 and \$49,999 must follow this process:

- A. Solicit three (3) competitive quotes for the goods or services AND complete the Bid Quote and Comparison Worksheet. Section 252.0125 of the Local Government Code delineates the quotation process which must be followed regarding Historically Underutilized Businesses, as follows:

A municipality, in making an expenditure of more than \$3,000 but less than \$50,000, shall contact at least two historically underutilized businesses on a rotating basis, based on information provided by the comptroller pursuant to chapter 2161, Government Code. Please see mycpa.cpa.state.tx.us/tpasscmbsearch/index.jsp for HUB search.

- B. Review each quote for overall value and select top three (3) quotes and conduct basic comparative analysis. Note that you will need to retain all quotes for Fiscal Year End + 3 years.
- C. Forward your recommendation along with at least three (3) quotes to the City Manager for approval.
- D. The City Manager will make the recommendation to City Council.
- E. Once recommendation has been approved by City Council, submit an electronic Purchase Requisition to Chief Financial Officer. The Requisition must include the City Council meeting date and agenda item number where the purchase was approved on the notes.

PURCHASES OVER \$50,000:

Provisions of the Texas Local Government Code shall be the governing authority for purchases over \$50,000. A bid or request for proposal must be submitted. The following process must be followed:

- A. Obtain approval from the City Manager to proceed with the sealed bid process.

- B. The specifications and bid notice shall be prepared, reviewed and signed off by the City Manager. Whenever possible the “Best Value” procurement method described in Chapter 252.043(b) of the Texas Local Government Code shall be used.
- C. The bid or RFP shall be advertised in a newspaper of general circulation a minimum of twice in a 14 day period. The originating department shall notify the City Clerk’s Office of the advertisement, the type of bid or proposal, the closing date for responses and the name of a knowledgeable contact. A complete copy of the bid/RFP package must be filed with the City Clerk’s Office.
- D. The closing date and time for the bid or RFP shall be clearly listed in the specifications and is final. Responses received after the closing date and time shall be returned to the proposer unopened.
- E. If an amendment to the specifications or an extension of the closing date and time for the bid or RFP is required it shall be made prior to the second advertisement being printed and included in the second advertisement.
- F. The City may provide by Charter or Policy for bidding threshold of less than \$50,000, but the City may not provide a higher threshold for bidding than is permitted under state law.
- G. Before making such purchases, the City must prepare specifications detailing the requirements for the goods and services, which the City proposes to purchase, and publish bid notice of time and place at which the bids or proposals for the specified goods and services, will be publicly opened and read aloud.
- H. If the City wishes to consider factors other than price in its selection, or other factors such as a bidder’s previous performance or safety records in its selection, the City’s bid specification should clearly state that such factors will be considered. Also, if the City is considering using a method other than competitive sealed bidding (ie. competitive sealed proposals) the City Council must determine before notice is given the method of purchase that provides the best value for the City.
- I. Additional procedures and requirements may be required by state law for purchases involving more than \$50,000.00.
- J. Contracts for the services of architects, engineers, land surveyors, certified public accountants and other professions must be awarded using procedures provided in the Texas Professional Services Procurement Act. TEX. GOV’T CODE ANN. §2254.001 et seq. (West 2008 & Supp. 2011) (Professional Services Procurement Act). Selection of certain services are exempt from competitive bidding requirements under Texas law as a “professional service.” TEX. LOC. GOV’T CODE ANN §252.022(a)(4) (West Supp. 2011); Op. Tex. Att’y Gen. No. JM-940 at 3 (1988), MW-344(1981). If there is not adequate time to publish RFQ for “professional services” as defined by this statute, the City Council may elect not to follow competitive bidding requirements.

- K. Except in the case of emergencies, defined as an unforeseen condition arising suddenly and unexpectedly, not caused by any neglect or omission which calls for immediate action. Lack of planning or preparation does not constitute an emergency, bidders or proposers shall have a minimum of 21 calendar days *except that in the event of extenuating circumstances this period may be reduced to 14 calendar days* from the date of first publication to respond to the bid or RFP.
- L. All responses to bids or RFPs shall be received by the City Clerk's Office where they will be date/time stamped and held un-opened. After the closing day and time for the receipt of proposals the City Clerk shall notify the originating department of the receipt of all bids or proposals and it shall be the responsibility of the department head to place the appropriate item on the agenda to open / award the responses.
- M. All responses shall be opened in public at the date and time stated in the specifications. Submitted bids or proposals are final and may not be altered. Vendors may, however, submit sealed alternate bids or proposals before closing time.
- N. Final award of a bid will be made by City Council to the lowest responsive bidder unless Council wishes to consider the location of the bidder's principal place of business as detailed in Section 271.905 of the Texas Local Government Code. In the event the City receives two or more bids that are identical in nature and amount, as the lowest and best bids, award shall be made pursuant to Section 271.901 of the Texas Local Government Code
- O. For an RFP, final award will be made to that response which best meets the stated selection criteria or, Council may direct that the City Manager conduct further negotiations with proposer(s).
- P. Council may table an award and direct staff to review and make recommendation to Council at another date.
- Q. Council may reject all bids or proposals and direct that new specifications be prepared and advertised.

Sole Source Vendor

Texas law provides for general exemptions to the procurement process, please refer to Section 252.022. More specifically section 252.022 (7-16) provides exemptions for sole source vendors as follows:

- (7) *a procurement of items that are available from only one source including:*
 - (A) *items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies;*
 - (B) *films, manuscripts, or books;*
 - (C) *gas, water, and other utility services;*
 - (D) *captive replacement parts or components for equipment;*
 - (E) *books, papers, and other library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials; and*

- (F) management services provided by a nonprofit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits;*
- (8) a purchase of rare books, papers, and other library material for a public library;*
- (9) 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;*
- (10) a public improvement project, already in progress, authorized by the voters of the municipality, for which there is a deficiency of funds for completing the project in accordance with the plans and purposes authorized by the voters;*
- (11) a payment under a contract by which a developer participates in the construction of a public improvement as provided by Subchapter C, Chapter 212;*
- (12) a personal property sold:*
- 1. at an auction by a state licensed auctioneer;*
 - 2. at a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code;*
 - 3. by a political subdivision of the state, a state agency of this state, or an entity of the federal government; or*
 - 4. under an interlocal contract for cooperative purchasing administered by a regional planning commission established under Chapter 391;*
- (13) services performed by blind or severely disabled persons;*
- (14) goods purchased by a municipality for subsequent retail sale by the municipality;*
- (15) electricity; or*
- (16) advertising, other than legal notices.*

A Sole Source Affidavit, exhibit C, must be completed and signed by the vendor seeking to enter into a business transaction with the City and wants to claim the sole source exemption.

4. Exceptions to Purchase Requisition

- A. Utility Payments - To be reviewed by Finance
- B. Payroll taxes - To be reviewed by Finance.
- C. Debt Service Payments
- D. Petty Cash - see procedure on Petty Cash
- E. City Council Discretionary Fund purchases utilizing City Credit Card.
- F. Purchases not to exceed \$500 per transactions per vendor and not to exceed an aggregate amount of \$3,000 unencumbered payments per vendor in one fiscal year.
- G. Unencumbered payments, not to exceed 10% of the approved purchase order, for invoices that have exceeded the authorized purchase order amount.
- H. Refunds of revenue

5. Completing the Purchasing Requisition Form.

A. Effective with the adoption of this policy ALL departments shall utilize the electronic Requisition Form.

B. Type of Requisition:

1. **Regular** - Purchase Order # will generally be issued within 48 hours.
2. **Emergency** - Purchase order # will generally be issued the same day. (An emergency is defined as an unforeseen condition arising suddenly and unexpectedly, not caused by any neglect or omission which calls for immediate action. Lack of planning or preparation does not constitute an emergency.)

C. Travel in excess of a 100 mile radius of the City of Socorro, Texas must be approved by Council in advance during the adoption of the fiscal year budget. Travel which has not been identified and approved during the budgetary process will need approval by City Council before travel can take place; to exclude emergency travel. The City Manager has the authority to approve emergency travel. Once approved, a purchase requisition must be generated by the department. The individual is responsible for providing the Finance Department with a travel recap and all receipts. Reimbursement for expenditures in excess of those originally authorized by Council will require further Council approval before they may be paid.

D. Department Heads or designated individuals will review and approve form for completeness, accuracy and budgetary requirements.

E. Purchase Requisitions received by facsimile WILL NOT be accepted by Finance Department for processing.

6. Open Purchase Orders:

A. Departments may opt to request an open purchase order to cover a year's worth of planned expenditures which are routine expenditures such as fuel and office supplies. All procedures required for a regular purchase order must be followed for issuance of a blanket purchase order, and;

1. The blanket purchase order may not exceed **\$24,999, except for fuel and road materials**, without a current bid/RFP/RFQ award (except utilities). Road material purchases exceeding \$50,000 during any fiscal year must comply with competitive purchasing procedures requiring publication for bids.
2. Sufficient funds must be available to cover the entire purchase order amount.

7. Credit Card Purchases

A. Fuel Credit Cards

The City maintains fuel card accounts for the purchase of fuels for its rolling stock. Administration and accountability of the cards is the responsibility of the respective department heads in the departments where they are utilized.

1. Department heads will maintain an accurate list of all card numbers and their assignment and provide a copy to Finance. It is the department heads responsibility to update the list as required.
2. Department heads shall verify and approve all monthly credit card invoices prior to submitting a purchase requisition to Finance for payment.

B. Credit Cards Purchases

1. Finance Department maintains a credit card account for use by authorized city employees. This account is maintained to provide an efficient and expeditious method for making purchases via the Internet, travel and lodging reservations.
2. Department Heads wishing to use the credit card to make a purchase will submit a completed purchase requisition as outlined in this policy AND indicate on the comments section that the purchase is to be made via credit card
3. Finance Department will verify that the department has sufficient funds remaining in their budget to cover the proposed purchase. If sufficient funds are not available then the requisition will be returned to the originating department indicating insufficient funds.
4. If sufficient funds are available then Finance Department will issue the credit card to the requesting department head or designated individual. The department head or designated individual will be responsible for making the purchase, providing proof that the purchase was made at the price indicated on the requisition and all shipping receipts and invoices provided by the vendor. Finance will attach all receipts, etc., to the requisition. The department head or designated individual must return the credit card to Finance as soon as possible but no later than the next business day after making the approved purchase.
5. The credit card(s) will not be used to make purchases for meals, lodging, vehicle rental, airline reservations or any form of out of town travel without explicit prior approval by Council. The City Manager is authorized to approve emergency travel. An emergency is defined as an unforeseen condition arising suddenly and

unexpectedly, not caused by any neglect or omission, and which calls for immediate action. Such travel will need to be placed as an item on the agenda immediately, no later than (5) working days, after returning from travel. A staffing report will need to be submitted to the City Clerk with copies of all receipts, total cost, and a brief explanation of the emergency or unforeseeable event. Please refer to the Travel Manual for detailed requirements.

C. Council Member Credit Card Purchasing

The amount of discretionary funds available to Council members will be \$1,000 per each budget year for each Council member and the Mayor. Credit cards are authorized to be issued to all members of the City Council. Council members may use credit cards for purchase of goods and services, for which public funds may be expended and which is authorized by this policy, provided that the balance in the Council member's discretionary fund is sufficient to cover the purchase, subject to the following provisions:

1. All expenditures in compliance with this must be for public purchase and may not exceed \$1,000 per transaction.
2. The credit card receipt and description of goods and services purchased will be delivered to the Finance Department by the 10th of month. All receipts must be signed.
3. No purchase order requisition or purchase order will be required, the credit card receipt and description of goods and services will constitute adequate documentation of the purchase.
4. Each member shall confirm that the balance in the member's respective discretionary fund is sufficient to cover the purchase.
5. Serial purchases of the same or similar items for the purpose of avoiding the \$1,000.00 single purchase limit will not be permitted.
6. The City Council may, by Council action, remove a Council Member's purchasing authority for abuse of this policy.
7. The City Council may, by Council action, assess any amounts expended in violation of this policy against individual Council members with said funds to be reimbursed by the member.
8. Purchases made will be credited against the member's discretionary fund unless the expense is approved by the City Council to be paid from the City's general fund.

9. The Council member's credit card along with all receipts for purchases shall be delivered to the City Clerk or the City Manager before the member leaves office.

8. Receiving Purchases

The Department Head or designated individual will be responsible for acknowledging the receipt of merchandise and/or services purchased. The Department Head or designated individual will inspect the merchandise delivered or picked up.

- A. Originals of the receiving report or invoice will be sent to Finance Department and are to be used to signify actual receipt of the item(s). The Department Head or designated individual will deliver the original receiving receipt or invoice attached to purchase order to Finance the next working day after receipt.
- B. The Department Head of the department initiating the purchase shall be responsible for verifying its receipt, the condition of the goods received and for notifying Finance of any discrepancies, damage or back-orders that would affect payment to the vendor.
- C. Finance will match the receiving report / invoice to the Purchase Order.
- D. Upon receiving equipment (fixed asset over \$5,000.00) the Department Head shall complete a Fixed Asset Inventory Form and forward to Finance. Finance will issue inventory tags to all departments. The Department Head will be responsible for affixing the inventory tag to the asset.

9. Processing of Invoices

All invoices are to be forwarded or sent directly to Finance.

- A. When the proper documentation is received it shall be matched with the original purchase order and the original purchase requisition.
- B. If the invoice amount is greater than the purchase order, Finance will process payment up to 10% of the original purchase order amount without having to issue another purchase order (unencumbered). If the difference between the invoice and purchase order amount is greater than 10% each Department Head is responsible for submitting a written request to Council to increase the purchase order prior to the invoice being paid OR returning the merchandise to the vendor for proper invoicing.
- C. Accounts Payable will process invoice for payment when the stated procedures have been followed. Special Event invoices will be paid within 5 days after receipt of the signed invoice and receiving report; a purchase order must be provided, if applicable.
- D. If the invoice submitted for payment is for goods or services from a Council approved contract, BID/RFP/RFQ award or utilities the request for payment shall be processed and a check issued to the vendor. The payment will be listed on the accounts payable list presented to council as an informational item.

10. City Council Discretionary Funds

Discretionary funds are to be used at the discretion of the Mayor or member of the City Council. The funds must be utilized for a municipal purpose. Texas Constitution prohibits the donation of municipal funds. The City Attorney can assist in determining whether the use is considered municipal purpose.

Guidelines for expenditures are in the table below.

Category	Transaction Type	Guidelines
Alcohol	Alcoholic Beverages	Not Permitted
Awards	Employee Awards	Not Permitted
Cards	Holiday Greeting Cards	Not Permitted
Contributions	Donations – Includes any type of contribution, the purchase of a table, or advertising relating to charitable events or organization	Not Permitted
Dues	Governmental / Individual	Permitted
Flowers	Congratulatory Funeral / Illness Friends / Donors Administrative Professionals day	Not Permitted
Gifts	Employee / or any organization	Not Permitted
Meals	Entertaining official guests Working Lunch Community meetings in a public building Municipal meetings in a public building where municipal business or programs are discussed	Permitted
Postage / Flyers / Mail outs	To announce municipal activity or function	Permitted

11. Ratifications

Ratifications for the purchase of goods or services are prohibited unless a legitimate emergency or matter of public necessity exists. An emergency is defined as an unforeseen condition arising suddenly and unexpectedly, not caused by any neglect or omission, and

which calls for immediate action. Lack of planning or preparation does not constitute an emergency.

12. Manual Checks

Manual checks shall be treated as an emergency expense. A purchase order will be issued along with the manual check. The purchase order must be attached to invoice and must be submitted to Finance the following work day.

13. Professional Service Agreements must be approved or authorized by City Council.

A "Request for City Council Agenda Item Form" must be completed and approved by council before any type of agreement is made, either verbal or written, for professional services. Examples: Attorneys, Auditors, Land Surveyors, Architects, Interior Designers, etc.

When "Professional Services" are not required to be procured under the Professional Services Procurement Act procedures, the City Council may elect any procurement procedure authorized by Texas Law when time constraints make compliance with Request for Qualifications Process difficult or imprudent.

14. New vendor process

Vendors requesting to engage in business transactions with the City will need to adhere to the processes in this policy. A Conflict of Interest Form (CIQ) and a W9 must be completed by each vendor before any business transactions can take place. The City employee requesting an addition to the vendor file will forward the completed forms to the Chief Financial Officer for input. A Vendor Identification Number will be issued by the Chief Financial Officer once the documentation is verified. The Chief Financial Officer will forward the CIQ form to the City Clerk for filing. The Accounts Payable clerk will file a copy of the CIQ and W9 form in the vendor file. Under no circumstances will the Accounts Payable Clerk issue a Vendor ID for any vendor. In the absence of the Chief Financial Officer, the Accounting Technician, not involved with the accounts payable function, will issue Vendor ID's.

ACCOUNTS PAYABLE LIST

A report of the accounts payable shall be submitted to Mayor and Council for informational purposes.

CAPITAL EXPENDITURE REQUESTS

A purchase requisition form must be completed for each acquisition of equipment where the total cost is in excess of \$5,000.00 and has a life expectancy of year (1) or more years. Also a purchase requisition form must be prepared for each capital renovation project. Acquisition is defined as either outright purchase or a lease or rental of equipment. Total cost is defined as

equipment cost, applicable taxes, freight, and projected installation and/or renovation costs. The various components of the total cost should be shown as indicated on the purchase requisition.

Annually, each department shall submit a budget request detailing equipment and/or projects exceeding \$5,000 (five thousand dollars) in total cost and having a life expectancy of 1 (one) years or more. Each request must be supported by a needs assessment and a statement of benefits derived from the purchase of the equipment and/or completion of the project.

Cooperative Purchasing

Cooperative purchasing was created by legislation in 1979 for the benefits of providing volume purchasing power to local governments and assistance organizations in Texas while meeting competitive bidding requirements. The City can purchase through Cooperative agreements as follows: TxSmartBuy, Term Contract, TXMAS Program, Local Government Assistance, Region 19 and, TCPN.

Criminal Penalties and Removal

Section 252.062 of the Texas Local Government Code: CRIMINAL PENALTIES. (a) A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly makes or authorizes separate, sequential, or component purchases to avoid the competitive bidding requirements of Section 252.021. An offense under this subsection is a Class B misdemeanor. (b) A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly violates Section 252.021, other than by conduct described by Subsection (a). An offense under this subsection is a Class B misdemeanor. (c) A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly violates this chapter, other than by conduct described by Subsection (a) or (b). An offense under this subsection is a Class C misdemeanor.

Violation of the Purchasing Policy will lead to disciplinary action to include termination of employment.



**CITY OF SOCORRO
 BID AND QUOTE COMPARISON WORKSHEET**

Date:

Department:

Employee Name:

Brief Description of Purchase:

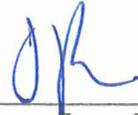
Step 1: Solicit a minimum of three (3) quotes or bids

	Company	Phone Number	Website/Email
Vendor #1			
Vendor #2			
Vendor #3			
Vendor #4			
Vendor #5			

Step 2: Review each quote or bid for best overall value

	Price	Availability (Meet timeline)	Previous Experience	Rank
Vendor #1				
Vendor #2				
Vendor #3				
Vendor #4				
Vendor #5				

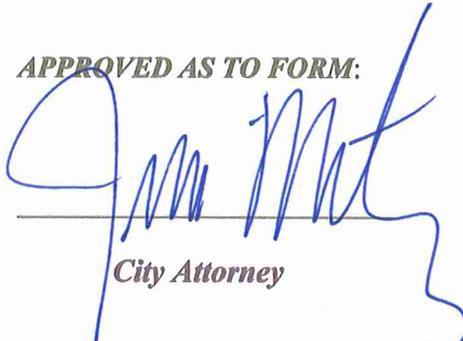
REVISED AND APPROVED BY THE CITY COUNCIL OF SOCORRO, TEXAS ON THIS
20 DAY OF August, 2015.



Mayor Jesus Ruiz

ATTEST:


Olivia Navarro
Assistant City Clerk

APPROVED AS TO FORM:


City Attorney