



**CITY OF BEDFORD
PURCHASING
POLICY & PROCEDURES**

**As Approved by the City Council
November 27, 2018**

INTRODUCTION

PURPOSE

The purpose of this policy is to establish standard practices and procedures to create an efficient and effective purchasing program for the City of Bedford, Texas. It is the intention to provide guidance and instruction to all employees for the purchasing process.

These procedures have been developed to aid departments in making purchases that (a) will be in accordance with applicable State Law and Local Charter requirements regarding competitive bidding, (b) allow the goods or services required by the department to be obtained at the best value to the City, and (c) have the proper authorization, account coding, and documentation sufficient to ensure budgetary and audit control.

Regardless of the expenditure, it is the policy of the City of Bedford to garner competition that produces the highest quality of goods and services at the lowest possible price whether the item or service is subject to bid or not. Each Department is charged with ensuring the timely availability of needed goods, services, and supplies, as well as establishing procedures and controls in the purchasing process to comply with all applicable laws and regulations. In addition, it is the policy of the City to allow the City Council to make the final award on any expenditure exceeding the dollar amount governed by the State Competitive Bid Law, or City Ordinance whether the item is subject to bid or not.

Should any portion of this policy no longer meet the statutory requirements per the Texas Local Government Code as well as the Texas Government Code due to legislative changes, this policy will abide by State Law. Therefore, all sections of the policy in conflict with new statutory requirements will be repealed.

PURCHASING CODE OF ETHICS

Public employment is a public trust. Therefore, it is the policy of the City of Bedford to promote and balance the objective of procurement by prescribing essential standards of ethical conduct.

Public employees must discharge their duties impartially to assure fair competitive access to governmental procurement by responsible contractors. Moreover, they should conduct themselves in such a manner as to foster public confidence in the integrity of the procurement process for the City of Bedford.

ETHICAL STANDARDS

It shall be considered a breach of the ethical guidelines set forth in the Employee Handbook and the Ethics Ordinance should staff attempt to realize personal gain by exercising power or duties through employment with the City of Bedford that demonstrates any conduct inconsistent with proper discharge of the employee's duties.

It shall be considered a breach of the ethical guidelines for any employee of the City of Bedford to participate directly or indirectly in procurement when the employee knows any member of the employee's immediate family or any other City employee/elected official has a financial interest pertaining to the procurement or has an arrangement concerning prospective employment through that business.

It shall be considered a breach of ethical guidelines for any employee of the City of Bedford to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or purchase request, influencing the content of any specification, or procurement standard pertaining to any program requirement, or a contract or subcontract or to any solicitation or proposal therefore pending before this government.

It shall be considered a breach of ethical guidelines for any payment, gratuity or offer of employment to be made by or on behalf of any contractor or subcontractor, for any contract with the City of Bedford, or any person associated therewith, as an inducement for the award of a contract before this government.

It shall be considered a breach of ethical guidelines for any employee of the City of Bedford to knowingly use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any person.

VENDOR RELATIONSHIPS

Establishing relationships with vendors is an important function for the City and the vendor. Each department will be responsible for maintaining points of contact between itself and the vendor.

When interviewing representatives from vendor companies, the following should comply:

1. Fairness when dealing with vendor representatives.
2. Cooperating with representatives but not to the detriment of the City.
3. Being truthful and honest in every transaction.
4. Respecting the confidence of each representative.
5. Avoiding any personal obligation to the representative.
6. Maintaining a professional relationship devoid of personal feelings.
7. Encouraging vendors whose policies mirror the City's Affirmative Action Plan.
8. Promoting the good will of the City.

Authority to purchase from a vendor shall never be flaunted or used to in a manner that suggests influential favors and any behavior that does not represent of the good will of the City.

City employees shall not accept gratuities from vendors.

Confidential information received from a vendor representative must be handled in strict confidence and should not be revealed to competing firms. If such information is not identified as confidential, judgment shall be made as to what may or may not be revealed. This judgment shall be based on the effect with which the action taken will have on the City of Bedford considering economics, integrity, fairness, and good will. However, any information defined as "public record" or "public information" pursuant to City ordinance or State statute shall be available to the public through the normal open records process.

Samples should only be taken if it has little intrinsic value to avoid an obligation for special consideration or reporting the test results to the vendor.

DUTIES AND RESPONSIBILITIES OF THE DEPARTMENT MAKING PURCHASES

Section 3.02 of the Home Rule Charter describes the City Manager as the chief executive officer and head of the administrative branch of the city government. The City Manager is responsible to the City Council for the proper administration of all affairs for the City of Bedford.

Therefore, it is established by the City Council that authority to purchase goods and services for the City of Bedford is given to the City Manager. And the City Manager gives all

department managers the authority to oversee purchases, in an effort to ensure the purchasing policy guidelines are met. Moreover, the City Council has authorized staff to purchase goods and services for the City of Bedford in accordance with this policy up to **\$50,000** without additional approval from its governing body. Therefore, all purchases greater than **\$50,000** must be approved by the City Council.

All contracts and agreements must be reviewed by the City Attorney prior to execution. In addition, all contracts greater than **\$50,000** between the City of Bedford and a third-party vendor will require City Council approval.

Each department is responsible for meeting all purchasing requirements for goods and services as prescribed in Chapters 252 and 271 of the Texas Local Government Code and the City Code of Ordinances.

Each department must support and enforce the procedures and guidelines outlined in this document, which includes conducting the purchasing activity on behalf of the City in an honest and impartial manner that will encourage competitive bidding and attract reputable suppliers.

Each department will work with other governmental entities in cooperative purchasing programs whenever it is in the best interest of the City.

Each department is responsible for investigating and reporting any likely collusion among bidders, as well as suppliers and City personnel.

Each department will control the cost of the procurement operation and monitor its spending in order to maximize the most efficient use of City funds.

Debarment Policy Statement:

The City or its agent shall verify the debarment status of all vendors prior to utilizing Homeland Security funds, by using the Excluded Parties Listing Systems (EPLS) website (<https://www.SAM.Gov>). In addition, the City or its agent must document that verification has occurred. This policy applies to the procurement of all good(s) and service(s) regardless of the unit price or quantity. Verification must be made prior to issuing a new purchase order, blanket purchase order, contract, or single time purchase, because the vendors are being removed and added to the EPLS on a daily basis.

PURCHASING POLICY STATEMENT

PURCHASES OF \$ 3,000 OR LESS

Purchases for non-contracted goods and services that total \$3,000 or less per commodity require **no quotation**. When a purchase is made for \$3,000 or less, departments are encouraged to use their city issued procurement card. Refer to Purchasing Card Manual (Appendix A) for detailed procedures. If a vendor does not accept the purchasing card or the purchaser does not have a City Purchasing Card, departmental purchase orders can be obtained from the Finance Department. The necessary steps for completion of this Purchase Order form (**Attachment B**) and processing for payment are as follows:

1. Complete the date, vendor, description of the goods or services, and obtain the proper departmental authorization from a Department Director **before** the purchase.
2. Present the original signed copy to the vendor at the time of purchase and obtain a sales receipt or invoice documenting the sale.
3. Attach the **original** sales receipt or invoice to a copy of the purchase order and forward to the Finance Department along with a request for payment processing.

PURCHASE OF AT LEAST \$3,000 BUT NOT EXCEEDING \$50,000

All purchases exceeding \$3,000 but less than \$50,000 will require written quotes. Three (3) written quotes, if possible, will be obtained by the department making the purchase. Telephone/verbal quotes WILL NOT be accepted.

The quotes can be obtained by having vendors fill in a portion of the Evaluation Form (see Appendix D). No quote will be accepted without the vendor signature and date the form was submitted. In addition, a vendor can submit a quote using its own letter-head document or email. Should the vendor email a quote to the department, or fax a quote using its own letter-head document, the requesting department will print the email or take the fax and attach it to the Evaluation Form.

1. A qualifying quote shall include name of vendor, individual's name providing quote, contact information, and dollar amount of quote.
2. In accordance with Section 252.0215 of the Texas Local Government Code, Departmental personnel shall contact at least two (2) Historically Underutilized Businesses (HUB's) on a rotating basis, based on information provided by the [Texas] Comptroller pursuant to Chapter 2161 of the Government Code. If the list of HUB's fails to identify a HUB in Tarrant City this requirement is WAIVED.
3. If a purchase is exempt under Local Government Code 252 or can be purchased under a State of Texas contract, an inter-local agreement on file with the City, or another already authorized competitively bid or cooperative purchasing agreement this requirement can also be WAIVED.

Listed below are general exemptions to Chapter 252 of the Local Government Code:

- A. A purchase made because of a public calamity that requires immediate appropriation of money to relieve the necessity of the Bedford residents or preserve property of the City.
- B. A purchase necessary to preserve or protect the public health or safety of Bedford residents.
- C. A procurement necessary because of unforeseen damage to public machinery, equipment, or other property;**
- D. A purchase for personal, professional, or planning services.
- E. A purchase for work that is performed and paid for by the day as the work progresses.
- F. A purchase of land or right-of-way property.
- G. A purchase of items that are available from **ONLY one source must first complete the Request for Sole Source Procurement Form (see Appendix C). A purchase of this type of item includes:**
 - 1. Items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies;
 - 2. Films, manuscripts, or books;
 - 3. Gas, water, and other utility services;
 - 4. Captive replacement parts or components for equipment**
 - 5. Books, papers, and other library materials for public library are available only from the persons holding exclusive distribution rights to the materials; and
 - 6. 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.
- H. A purchase of rare books, papers, and other library materials for a public library.
- I. 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.
- J. A public improvement project, already in progress, authorized by the voters of Bedford, for which there is a deficiency of funds for completing the project in accordance with the plans and purposes authorized by the voters.
- K. **A payment under a contract by which a developer participates in the construction of a public improvement as provided by Subchapter C, Chapter 212; and Any and all other exemptions listed under Section 252.022 of the Texas Local Government Code.**

PURCHASE OF GREATER THAN \$50,000

COMPETITIVE REQUIREMENTS FOR PURCHASES:

Per Section 252.021 of the Texas Local Government Code, a department may use the competitive sealed proposal procedure for the purchase of goods or services, including high technology items and insurance that exceeds \$50,000. All purchases for an item or items whose aggregate total cost will be over \$50,000 must be processed as formal bids. In addition, these purchases must be approved by the City Council. **Under no circumstances will a purchase be split to avoid the requirement for City Council approval, which is required for all purchases over \$50,000.**

The competitive bidding procedure as provided herein shall be used for the award of all contracts subject to the provisions of this section, except that in the case of 'high technology procurements'. The City may follow the competitive sealed proposal procedure. Per Section 252.001 'high technology procurements' is defined as the procurement of equipment, goods, or services of a highly technical nature, including: 1) data processing equipment and software and firmware; 2) telecommunications equipment and radio and microwave systems; 3) electronic distributed control systems, including energy management systems; and 4) technical services related to those items.

The Texas Local Government Code allows for municipalities to receive bids or proposals through electronic transmission if the governing body adopts rules to ensure the identification, security, and confidentiality of the electronic bids or proposals. **It is the policy of the City of Bedford, to NOT accept bids or proposals through electronic transmissions.**

NOTICE REQUIREMENTS

- A. If the competitive sealed bidding requirement applies to the contract, a notice of the time and place at which the bids will be publicly opened and read aloud must be published once a week for two consecutive weeks in a newspaper of general circulation within the City. The first publication must be before the 14th day before the date set to publicly open the bids and read them aloud. If no newspaper is published, the notice must be posted at City Hall for 14 days before the date set to publicly open the bids and read them aloud. (See Appendix E)
- B. If the competitive request for proposals applies to the contract, a notice for the request for proposals must be given in the same manner as that prescribed in subsection 'A' above.
- C. If the contract is for the purchase of machinery for the construction or maintenance of roads or streets, the notice for bids and the order for purchase must include a general specification of the machinery desired.

D. Should the City Council intend to issue time warrants for the payment of any part of the contract, the notice must include a statement of:

- 1. The City Council's intention;**
- 2. The maximum amount of the proposed time warrant indebtedness;**
- 3. The rate of interest the time warrants will bear; and**
- 4. The maximum maturity date of the time warrants.**

BID REQUEST INFORMATION

Bid request (sealed bids) and informal quotes (for purchases under \$50,000) have the same basic requirements. The request must convey the item needed, quantity needed, and a detailed description (specifications). The request must be given to each vendor with the same information to avoid confusion and to keep all the bidders on the same playing field. With sealed bids the information will be more precise. In either case any changes that arise about the specification must be sent to all potential bidders before the closing of the request.

Bid request publication (assigning Bid Reference Number) and Bid opening will be processed by the requesting department, with specifications. Advertising and Bid Openings will also be the responsibility of the department.

The department will review all sealed Request for Bids and assign the Bid Reference Number.

Bid request must have the following: Cover Sheet, indicating Bid Reference Number, date of opening and location, instructions to bidders, specifications, quote sheet, authority to quote, and references form attached.

Bid request for construction projects, large service contracts and other projects that may require additional input from potential vendors and contractors, should have a Pre-Bid conference prior to the opening of the bids. This will give time to amend the Bid Request to include changes to the specifications and prevent any confusion as to the details of the request.

BID QUOTE SPECIFICATIONS

Specifications are necessary for an accurate description of the material, or equipment or service to be purchased. The following procedures are guidelines for the specifications process.

The department will develop written specifications for the purchase of supplies, equipment, and services contracts. This cooperation will establish quality level, pricing strategies and standardization where practical. The department will be responsible to ensure a competitive environment and the state statutes are followed.

Specifications should be written with these items as a guide:

- A. As simple as possible, but specific enough as to the required needs to avoid ambiguity and misinterpretation of the specifications.
- B. Identify products when possible **by brand name**, but only as far as **minimum desired specifications and quality**. When using brand name include the wording "**approved or equal**" in the specifications.
- C. Whether or not the product needs to match or be compatible with existing products or equipment.
- D. Flexible when possible, but always with the best interest of the City in mind.
- E. Include contingencies if needed.
- F. Plans and drawings if required.
- G. As good an estimate on quantities as possible.
- H. Specifications are not unnecessarily restrictive to one vendor.**
- I. If the purchase is a multi-year annual renewable contract, a price increase may be allowed at each renewal period. The amount of the increase allowable must be stated in the specifications. Example: allowable increase no more than 5% and based on the Labor or Price Index for the service or commodity.
- J. Transportation cost (FOB City of Bedford), delivery cost, set-up fees, maintenance manuals, training, special maintenance tools should be included in the pricing.
- K. Delivery time and date required by the City.
- L. Warranty statement from vendor.
- M. Contractor's bond as needed or applicable.

Specification sources can come from vendors, manufacturers, other City, City and State purchasing offices.

REQUESTS FOR PROPOSALS

All requests for items to be purchased by request for proposal must follow the same procedure as any other request for item(s) estimated to cost over \$50,000, including providing a public notice in the same manner as those for competitive sealed bidding.

The request for proposals shall specify the relative importance of price and other evaluation factors and the award of the contract shall be made to the responsible offer on whose proposal is determined to be the most advantageous to the City, taking into consideration the relative importance of price and other evaluation factors set forth in the Request for Proposals.

Discussions in accordance with the terms of a request for proposals and with regulations adopted by the City Council may be conducted with offerors who submit proposals and who are determined to be reasonably qualified for the award of the contract. Offerors shall be treated fairly and equally with respect to any opportunity for discussion and revision of

proposals. To obtain the best final offers, revisions may be permitted after submissions and before the award of the contract.

AWARD OF CONTRACT EVALUATION CRITERIA

Under the competitive bidding requirement, the contract must be awarded to the lowest responsible bidder or to the bidder who provides goods or services at the BEST VALUE for the City. In determining the BEST VALUE, the City may consider but is not limited to the following criteria:

1. The purchase price;
2. The reputation of the bidder and of the bidder's goods or services;
3. The quality of the bidder's goods or services;
4. The extent to which the goods or services meet the City's needs;
5. The bidder's past relationship with the City;
6. The impact on the ability of the City to comply with laws and rules relating to contracting with historically underutilized businesses and nonprofit organizations employing persons with disabilities;
7. The total long-term cost to the City to acquire the bidder's goods or services; and,
8. Any relevant criteria specifically listed in the request for bids or proposals.

Before awarding the contract, the City must indicate in the bid specifications and requirements that the contract may be awarded either to the lowest responsible bidder or to the bidder who provides goods or services at the best value for the City.

COMPETITIVE BIDDING REQUIREMENTS FOR CONSTRUCTION CONTRACTS:

Per Section 252.043 of the Local Government Code, the contract must be awarded to the lowest responsible bidder if the competitive sealed bidding requirement applies to the contract for the construction of the following; unless the construction project requires an expenditure of \$1.5 million or less that may be awarded using the competitive sealed proposal procedure prescribed in Subchapter D, Chapter 2269 of the Government Code:

1. Highways, roads, streets, bridges, utilities, water supply projects, water plants, wastewater plants, water and wastewater distribution or conveyance facilities, wharves docks, airport runways and taxiways, drainage projects, or related civil engineering construction projects; or
2. Buildings or structures that incidental to projects that are primarily civil engineering construction projects.

COMPETITIVE BIDDING METHOD FOR FACILITY CONTRACTS

Per Section 2269.101 of the Government Code, a municipality shall contract for the construction, alteration, rehabilitation, or repair of a facility only after the entity advertises for bids for the contract in a manner prescribed by law, receives the competitive bids and awards the contract to the lowest responsible bidder. In pursuit of the contract, a municipality shall:

1. Select or designate an architect or engineer to prepare construction documents for a project to be awarded by competitive bidding.
2. Prepare a request for competitive sealed proposals that includes construction documents, estimated budget, project scope, estimated project completion date, and other information that a contractor may require to submit a bid.
3. Receive, publicly open, and read aloud the names of the offerors and their bids as part of its evaluation process.
4. Document the basis of its selection and make the evaluation public no later than the **seventh day** after the date the contract is awarded.

COMPETITIVE SEALED PROPOSAL METHOD FOR FACILITY CONTRACTS

Per Section 2269.151 of the Government Code, a municipality requests for proposals, ranks the offerors, negotiates as prescribed, and then contracts with a general contractor for the construction, rehabilitation, alteration, or repair of a facility. In pursuit of the **contract**, a municipality shall:

1. Select or designate an architect or engineer to prepare construction documents for the project.
2. Prepare a request for competitive sealed proposals that includes construction documents, selection criteria and the weighted value for each criterion, estimated budget, project scope, estimated project completion date, and other information that a contractor may require to respond to the request.
3. Receive, publicly open, and read aloud the names of the offerors and any monetary proposals made by the offerors.
4. Evaluate and rank each proposal submitted in relation to the published selection criteria not later than the 45th day after the date on which the proposals are opened.
5. Select an offeror that submits the proposal that offers the best value for the City based on the selection criteria in the request for proposal and the weighted value for those criteria in the request for proposal; and its ranking evaluation.
6. The City shall first attempt to negotiate a contract with the selected offeror through itself and the architect, or engineer, to discuss options for a scope or time modification and any price change associated with the modification.

7. If the City is unable to negotiate a satisfactory contract with the selected offeror, the City shall formally, and in writing, end negotiations with the offeror and proceed to the next offeror in order of the selection ranking until a contract is reached or all proposals are rejected.

RECEIPT OF PURCHASED GOODS AND MATERIALS

The Department making the purchase for goods and materials is responsible for the receipt and inspection of those supplies. If a discrepancy is found, it is the responsibility of the ordering Department to notify the vendor and correct the order. Inspection of the delivery should be done when the delivery is made to ensure the condition and quantity is correct.

The Department making the purchase is responsible for the **payment requisition** issued to Accounts Payable. The **payment requisition** must include the invoice from the vendor and coded to the proper Department line item account number.

PURCHASING THROUGH ESTABLISHED CONTRACTS

Purchasing from established contracts that have been properly bid and awarded in the prescribed manner can be handled through the department.

The commodity/service to be purchased **must** be on the awarded contract in order to fall under this procedure, if not, then the prescribed method must be used to make the purchase.

This procedure does not allow for the expenditure of funds above the limit of the awarded contract. If the purchase will exceed the awarded contract amount, a change order must be approved in accordance with the City of Bedford's change order policy.

When a contract is awarded, the department that has the budgeted funds will have the responsibility to oversee the management and direction of the vendor/contractor. If the contract is funded from several departments, a department designated by the City Manager will oversee the contract, (example; copiers).

Note: Separate, Sequential or Component Purchases. When determining the amount of the expenditure for goods or service, the total amount must be based on the normal way the commodity or service is purchased. That is, Texas statutes prohibit the breaking into separate components or making sequential or separate purchases to avoid the competitive bidding process.

Also: **Do not avoid** the bidding requirements by underestimating the cost of goods or services to avoid the sealed bid process. If there is any estimate that the cost might exceed the \$50,000 statute, the sealed bid process and advertising requirements should be used.

REQUEST FOR QUALIFICATIONS (RFQ) - THE PROFESSIONAL SERVICES PROCUREMENT ACT

Chapter 2254 of the Government Code defines a specific procedure the City shall follow before awarding a contract for professional services provided by a certified public accountant, architect, land surveyor, physician or surgeon, optometrist, real estate appraiser or professional engineer. The City shall make the award based on demonstrated competence and qualifications to perform the services. The City shall first select the most highly qualified provider, then attempt to negotiate with that provider a contract of fair and reasonable price.

STATE CONTRACTS AND INTERLOCAL AGREEMENTS

As provided in Section 271.083 of the Local Government Code, the City may buy items from State contracts. This section of the Code requires local governments to designate a single point of contact (SPOC) to process orders. The City Manager or a designee is the only representative authorized to process requisitions with the State General Services Commission. Some Federal (GSA) contracts offered through the state may be used by the City without need for competitive bidding. In all cases involving cooperative purchasing programs, the requesting Department will seek comparative pricing to ensure the best value is obtained for the City.

INTER-LOCAL AGREEMENTS

As provided in Chapter 791, Texas Government Code, and Chapter 271.102 of the Local Government Code, the City may enter into an inter-local agreement with another public entity in the United States for the purposes of pooling resources to obtain favorable pricing for goods and services. Inter-local Agreement purchases require City Council approval if exceeding \$50,000.

OTHER COOPERATIVE PURCHASING PROGRAMS

The City of Bedford has established a number of cooperative purchasing agreements with many public entities and State and City Council-approved cooperatives. Among them are the Local Government Purchasing Cooperative (Buy Board); Texas Building and Procurement Commission, and others. All agreements are established for the purpose of achieving of maximizing savings to the City through pooling of economic buying power. A purchase from an approved cooperative satisfies the requirement for competitive bidding.

See Appendix F for a complete listing of the Purchasing Cooperatives the City of Bedford participates in:

GRANTS

A. Expenditures from funds Awarded to the City though a grant or government loan may require special processing because of specific legal terms and conditions placed by the funding agency. Grants often have certain purchasing requirements that are different or additional to the City's Purchasing Policy and they require special purchasing procedures. It is the responsibility of the using

Department to identify any special purchasing requirements or provisions and to ensure that all requirements are followed.

B. For federal and State grant funded projects the City shall follow the Procurement process required by the funding agency and grant agreement. Unless otherwise specified in the grant, all grant funded Purchases shall follow the City's Purchasing Policy.

C. Purchases utilizing federal funds must comply with all requirements of Title 2 of the Code of Federal Regulations (CFR), and the resulting Contract shall include all federal Contract clauses, as applicable. The provisions of 2 Code of Federal Regulations (CFR) Part 200 are hereby incorporated herein by reference and shall be applicable to Procurements funded pursuant to a grant agreement that is governed by those provisions and the resulting contract shall include all federal contract clauses as applicable.

ENFORCEMENT OF THE PURCHASING POLICY

CRIMINAL PENALTIES (in accordance with Chapter 252.062 of Local Government Code)

- 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.

REMOVAL; INELIGIBILITY

- A. The final conviction of a municipal officer or employee for an offense under Section 252.062 (a) or (b) results in the immediate removal from office or employment of that person.
- B. For four years after the date of the final conviction, the removed officer or employee is ineligible:
 - 1. To be a candidate for or to be appointed or elected to a public office in this State.
 - 2. To be employed by the municipality with which the person served when the offense occurred, or,
 - 3. To receive any compensation through a contract with that municipality.

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

CHANGE ORDER POLICY

Changes to awarded contracts will be necessary from time to time. Amending an existing contract requires defined procedures and requirements. The State statutes requirements for increasing or decreasing an awarded contract are defined in Section 252.048 and Section 271.060 of the Local Government Code.

DEFINITIONS:

Change orders are written and executed agreements entered into between contractor and owner covering alterations, changes, additions, or deletions to the contract which are necessary or desirable for proper completion of the work.

The City of Bedford Project Manager is the administrative official employed by the City of Bedford who is directly responsible for handling the affairs of the project.

The Consultant Program Manager is the individual representing the consulting firm for the project in question who is directly responsible for handling the affairs of the project for the consulting firm.

1. If changes in plans or specifications are necessary after the performance of the contract is 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 governing body of the municipality may approve change orders making the changes.
2. The total contract price may not be increased because of the changes unless additional money for increased costs is appropriated for that purpose from available funds or is provided for by **the authorization of the issuance of time warrants**.
3. If a change order involves a decrease or an increase of \$50,000 or less, the governing body may grant general authority to the City Manager or designee of the municipality to approve the change orders.
4. The original contract price may not be increased under this section by more than 25 percent. The original contract price may not be decreased under this section by more than 25 percent without the consent of the contractor.

1. PROJECT ALLOWANCE

The Project Design Engineer/Architect may include allowances in the bid proposal of a project with a dollar amount attached not greater than 10% of the original contract amount. Examples of allowance categories are as follows but are not limited to:

1. Landscaping Allowance
5. Sanitary Sewer Allowance

2. Tree/Shrub/Plant Allowance
3. Fencing and Driveway Allowance
4. Water and Plumbing Allowance
6. Drainage Allowance
7. Paving Allowance

II. MONTHLY REPORT OF CHANGE ORDER ACTIVITIES

The Director or the department responsible for the change order shall present to the City or designee a written report of all change order activity.

PROCEDURE:

A change order may be required on capital improvement projects (CIP) when additions, deletions, or revisions to the work are necessary. In all cases the change order will be handled according to the standard specifications attached to the original contract and must relate to the type of work being performed in the contract. This policy will outline procedures City staff will follow to implement and process a change order.

III. DETERMINING THE NEED FOR A CHANGE ORDER

Discovery - The Bedford Project Manager will be notified of the need for a change order by the Design Engineer, the Contractor, or by the Inspector's review of the project. All change order notifications should be submitted on a Change Order Request Form.

The Project Manager will promptly check the plans, contract, and specifications to determine if a problem exists.

Decision For a Change Order and Initial Notice - The Consultant Program Manager will decide if a change order should be proposed. If a change order is needed, the Consultant Program Manager will notify the Bedford Project Manager and the Contractor that a change order is being considered and that any work involved with the change is not authorized until formal approval. The Consultant Program Manager will start the change order process.

Inter-local Agreements - For projects in which the City has entered into an Inter-local Agreement, change orders may require the approval of all parties to the Agreement. When required by the Interlocal Agreement, the change order will not be authorized until all parties have approved the change order in writing.

IV. DEVELOPMENT OF A CHANGE ORDER

Parts of the Change Order - The change order is a contract amendment, and must include the following information:

1. A description of the change in plans or changes in work.
2. Quantities or units of work necessary to complete the change.
3. A listing of an item as an “existing” or “new” item with a justification of the unit cost for all new items.
4. The cost and/or time needed to complete the change, with explanations of each.
5. The reason for the change.

The following procedures will outline how each part of the change order is developed.

1. **Plan or Work Change** - Any change in plans or in the amount of work must be approved by the Bedford Project Manager and Design Engineer who originally signed the plans. The Consultant Program Manager will contact the Project Manager for assistance in plan revision.
2. **Quantities** - After the plans are modified, the Inspector will calculate the quantities necessary to implement the change. If a new item is needed, the Consultant Program Manager will notify the Contractor of the need for a price. (On some items, the Consultant Program Manager and Bedford Project Manager will be involved in negotiating prices.)
3. **Time** - The Consultant Program Manager will review the construction schedule to determine if the change in work requires a change in the contract construction time.
4. **Cost** - The Consultant Program Manager will calculate costs and draft a change order as soon as prices for the work items are available.
5. **Reason** - The reason for the change will be drafted by the Consultant Program Manager.
6. **Council Agenda Item** - When a Council Agenda Item is required it will be prepared by City staff.

V. CHANGE ORDER APPROVAL AND ROUTING

- A. After the change order has been prepared, the Consultant Program Manager and the Bedford Project Manager will review.
- B. Depending on the amount of the change order, the following ***signatures*** will be required:
 1. **From \$0 to \$15,000** with prior written approval by the Bedford Project Manager.
 - a) Consultant Program Manager
 - b) Bedford Project Manager
 - c) Department Manager
 2. **Greater than \$15,000 to \$50,000**
 - a) Consultant Program Manager
 - b) Bedford Project Manager
 - c) Department Manager
 - d) City Manager or **Deputy City Manager**
 3. **Greater than \$50,000 (Council Agenda Item)**
 - a) Consultant Program Manager
 - b) Bedford Project Manager
 - c) Department Manager
 - d) City Manager or **Deputy City Manager**
 - e) City Council approval
 4. **Cumulative amount to exceed \$100,000 (Council Agenda Item)**
 - a) Consultant Program Manager
 - b) Bedford Project Manager
 - c) Department Manager
 - d) City Manager or Deputy City Manager
 - e) City Council approval

VI. EMERGENCY CHANGE ORDERS

A. \$0 to \$50,000

The Department Manager may authorize specific changes in emergency situations to protect lives or property. Such emergency change orders will be sent through the normal routing for signatures as soon as possible following the emergency authorization.

B. Greater than \$50,000

The City Manager or designee may authorize specific changes in emergency situations to protect lives or property. Such emergency change orders will be placed on the next available council agenda for approval (see Attachment No. 1).

C. Accumulative amounts exceeding \$100,000

When the accumulative amount of change orders exceeds \$100,000 on any given project, the change order that makes the amount exceed \$100,000 must be approved by The City Council. For example, if all previous change orders total \$95,000 and a subsequent change order for \$6,000 is needed, then the \$6,000 change order needs Council approval because the total accumulated amount is \$101,000, which exceeds the \$100,000 limit.

VII. IMPLEMENTATION OF THE CHANGE ORDER

After approval, the City staff will notify the Contractor that work is authorized.

References: State of Texas Local Government Code and the North Central Texas Council of Governments (NCTCOG)

Attachments: (SEE APPENDIX G)

- 1. Emergency Change Order Declaration Form**
- 2. Change Order Request**
- 3. Change Order Form**
- 4. Change Order Cost Breakdown Form**
- 5. Change Order Routing Slip**

SURPLUS AND IMPOUNDED PROPERTY POLICY

Any property the City has that becomes obsolete or no longer needed, the department that is responsible will dispose of the property. This Department will decide the usefulness of the property and the possible disposition of the property. In addition, this Department will contact other departments to find a possible need for the property. If no need exists within another department, the City Manager, or designee, will decide the disposition. Disposition can be a sale by auction, a sale by sealed bid, an Internet sale, a donation to charity, a disposal as junk or sold as scrap.

Impounded property is handled through the Police Department's Property Room. After obtaining the proper documents from the Court the property will be disposed of as in the above procedures. As authorized by Resolution of the City Council, the City Manager or the Manager's designated person can dispose of surplus property by the best possible means.

DEPARTMENT AUTHORITY AND RESPONSIBILITY

1. Each department will have the authority to declare property that is assigned to his/her department as surplus and no longer needed for the operations of the department.
2. That department will store the item if possible until disposition is decided.
3. The department disposing the property will contact other departments for possible use of the surplus property and if no other use is required, that department will authorize disposition.
4. Disposition can be by the following procedures:
 - a. Public Auction
 - b. Sale to salvage company
 - c. For Sale by Sealed Bid
 - d. Donation to charity
 - e. Discarding as trash
 - f. Or other means appropriate in the circumstances
5. Departments will itemize all property and forward to the coordinating department if the property is listed as a fixed asset in accordance with the City's fiscal and budgetary policy.
6. The Finance Department will record the disposition of the items if the items were listed as fixed assets in the City's financial records.
7. The Finance Department will provide departments with forms for itemizing surplus property.
8. The department that is coordinating the auction will make arrangements for Public Auction or other means for disposition.
9. As soon as possible after enough property has been accumulated, the coordinating department will notify other departments that an auction is forth coming.
10. Each Department will be responsible for arrangement of transporting surplus property to the auction site.

**APPENDIX
SECTION
(FORMS AND
ATTACHMENTS)**

APPENDIX A

CITY OF BEDFORD

Purchasing Card Policy

I. Purpose

The purpose of the Purchasing Card Program is to provide the City with an efficient and controllable method of making small dollar commodity, service, and travel purchases. The City will issue cards via JP Morgan Chase. The card will be primarily used in place of petty cash, small regular purchase orders, blanket purchase orders (where sales are made over-the-counter), emergency purchase orders, and all other credit cards. This card policy is not intended to replace, but rather supplement existing purchasing, travel, and other City policies.

II. Usage

The card will be used for the following:

1. Any transaction that does not exceed \$5,000.00, or the cardholder's transaction limit, whichever is lesser.
2. Over-the-counter type retail purchases normally made using a charge account or discontinued credit cards.
3. Travel related purchases in compliance with the City of Bedford Travel Policy.
4. Any other business-related purchase as long as:
 - a. The vendor accepts credit cards, and the goods/services purchased is not covered under a City supply contract. Contracts are in place for tires, fuel, and water utility supplies. **The Finance Department** will periodically update staff via email of any commodities that cannot be purchased with the purchasing card.
 - b. All other purchases are to be made using the standard purchasing process.
 - c. Some advantages of the card are:
 - i. Reduces paperwork generated by small transactions.
 - ii. Facilitating quick payment to the vendor.
 - iii. Eliminate need for purchase orders for qualified purchases.
 - d. Purchases made on the card will be for City business only. The card is not a personal line of credit. When in doubt as to whether a purchase is allowable under City policy, the cardholder should either contact the program administrator before making the purchase or make payment personally and seek reimbursement from the City afterwards. Please remember that reimbursement for any out-of-pocket purchase made without authorization is subject to the City Manager's approval.

Unauthorized purchases are prohibited, and purchaser will be subject to disciplinary action.

III. Duties and Responsibilities

A. CARDHOLDER

1. The employee who is issued a card is called a “cardholder”. The purchasing card has transaction limits for the maximum amount of each transaction as well as the maximum monthly transaction total, and the types of merchants where the card may be used.
2. All cardholders must have access to the Internet. Access can be made at home or work. The cardholder will use the Internet in order to reconcile his/her statement weekly, at a minimum. Supervisors, or their designees, will also check purchases in their respective divisions. Each cardholder is provided with a card with a unique card number, and a user ID/password for secure access to the cardholder’s account on the Internet.
3. The cardholder must use **only** his/her assigned card. Cards must not be loaned to another employee for his/her use. All “walk-in” accounts will be closed unless approved by Finance. If an employee does not have a purchase card they will not be able to make City purchases.
4. Each cardholder shall use the card only for authorized purchases. A hardcopy receipt **must** be obtained from the vendor each time the card is used. Online and telephone charges must also be documented by a receipt, so the cardholder shall request the vendor to fax or mail the cardholder a receipt.
5. **The cardholder is responsible for immediately notifying JP Morgan Chase, his/her supervisor, and the Program Administrator, at 817-952-2132 if the card is lost or stolen. The contact number at JP Morgan Chase is 1-800-890-0669 or 1-800-316-6056. The cardholder shall then complete the Lost Card form and submit it to the Program Administrator promptly.**
6. Each cardholder must acknowledge receipt of the purchasing card, understand the rules of usage, and sign the cardholder agreement. Failure to abide by this Purchasing Card policy may result in disciplinary action, including termination of employee. **The cardholder will be required to reimburse the City for any unauthorized transactions.** See section XII, Reimbursement Process.
7. After the cardholder makes a credit card purchase, the transaction will appear on the cardholder’s current statement under the Cycle-To-Date Transactions. The transaction usually takes two to three days to appear. Cardholders are urged to check their statement on a weekly basis and process any transactions that appear. Do not wait until the end of the month to do this, as there are short time constraints on reviewing the statement.

8. **Monthly**, each cardholder will print a cycle statement, assemble the accumulated receipts, have the Department Director sign the statement, and forward the package to the program administrator.
9. Upon resignation or termination of employment of a cardholder, the supervising Department shall notify the Program Administrator immediately, and the card shall be turned in to the Program Administrator.

B. APPROVER

1. The “approver” is a supervisory level employee responsible for approving the cardholder’s usage of the purchasing card. The approver is required to perform routine approval of the transactions made by his/her cardholders. Approvers must have Internet access. The approver receives e-mail notification when his/her subject cardholder has approved a statement and forwarded it for the approver to review.
2. Each cardholder has a corresponding “approver”. The approver shall be a supervisory level employee who will receive email notice of all cardholder transactions for the subject cardholder. The approver will make any necessary changes, and then approve each monthly statement. Upon approval, the statement will forward to the program administrator for statement processing.

C. PROGRAM ADMINISTRATOR

The “program administrator” manages the purchasing card program. The administrator is the City’s point of control for the card program, monitors all usage of the card, and is the point of contact for any cardholder questions or problems. The administrator has no approval power over card transactions but verifies all information about the transaction prior to download to the General Ledger. The administrator and his/her assistant are knowledgeable on all the procedures in the purchasing card policy. The administrator may not modify or revise the purchasing card policy, but rather is charged with implementing the policy and advising the City Manager of problems that may prompt a need to revise the policy.

The program administrator is also responsible for ensuring all cardholders are properly trained in the use of the purchasing card before the card is issued.

The Program Administrator will also report to the Department Director and Director of Finance any cardholder infractions or potential infractions.

D. DEPARTMENTAL RESPONSIBILITY

The Department Director is responsible for designating cardholders and approvers. The Department Director shall designate which employees will be issued a card, and what transaction and merchant limits shall apply to the card's use. The Director insures that purchases are authorized and within City policies. Departments may implement more stringent internal authorization procedures that its cardholders must follow in order to make purchases with the card. At the end of each month, the Department Director shall collect the card statements from all approvers within his/her department, sign off approval of each, and forward the approved statements to the Program Administrator. Statements should be turned in promptly to facilitate timely download to the GL. In addition, activity reports are available for additional review by the Department Director if so requested.

IV. JP Morgan Chase

JP Morgan Chase will automatically debit the City's bank account once each month for all transactions that have taken place in the previous month's weekly statement cycle. The transactions will be processed regardless of whether the transactions have been approved by the cardholder or approver. However, the transactions cannot be downloaded to the general ledger until they have been approved. It is imperative that each cardholder/approver promptly process the transactions and forward receipts to the program administrator. Access to the entire system is afforded through the Internet. Therefore, the cardholder/approver needs only to access a computer with Internet access anywhere to perform his/her duties. These steps need not be performed on a City computer. Failure to process these steps in a prompt manner will subject the cardholder to revocation of card privileges.

V. TRANSACTION/CARD LIMITS

- A. Each individual purchasing card will have transaction and/or spending limits. The program administrator has the ability also to limit types of purchases, place of purchase and hours of day purchases can be made on individual cards. The total purchase price as printed on the individual credit card receipt is known as the “transaction amount”. The purchasing card may be limited by the merchant type, transaction amount, and monthly transaction limit. Each cardholder will be set up with limits for each of these categories. A card transaction will be denied when swiped if the transaction exceeds any of the limits. The Department Director, Program Administrator, and the Finance Director determine limits jointly. However, the limits may not exceed those set in the policy guidelines (see *Transaction Limits*).
- B. The card may be restricted to the type of purchase, hour’s purchases may be made, days of week purchases are made, and vendor’s cardholder may purchase from. Program administrator also has the ability to limit total amount card will purchase, amount per day card will purchase and monthly amounts for card. These limits and restrictions can be adjusted on-line by the Program Administrator and will take effect immediately.

VI. SALES TAX

As a tax-exempt government agency, the City of Bedford does not pay sales tax. Cardholders will be provided a copy of the City’s tax exemption certificate. Cardholders are then responsible for insuring that the merchant does not include sales tax in the transaction. If tax is included, the cardholder may be responsible for reimbursing the tax amount to the City.

VII. RETURNS

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

VIII. RESTRICTIONS AND EXEMPTIONS

- A. Employees may *not* use the card for the following:
1. Any purchases of items for personal use.
 2. Cash refunds or advances.
 3. Any purchase of goods/services or, or at a merchant type not considered prudent or of good judgment.
 4. Any transaction amount greater than the cardholder’s transaction limit. Items under contract unless an emergency exception is granted by Purchasing.

5. Alcohol or liquor of any kind **unless approved by City Manager to be utilized for a City Sponsored Special Event.** Patronization of bars, drinking places and package liquor stores should not be paid for with the purchasing card.
 6. Separate, sequential, and component purchases or any transaction made with intent to circumvent City purchasing policy or state law.
 7. Any other purchase specifically excluded in the City purchasing policy.
- B. Supporting documentation must accompany each transaction.
- C. Personal Use Restrictions
- D. The card may **not** be used to pay spouse/family expenses incurred while traveling. Only City business expenses are allowable, and the cardholder should pay personal expenses separately.



**City of Bedford Purchasing Card Program
New Cardholder Request Form**

	Example	Department	Finance Only
Cardholder FIRST Name	John		
Cardholder LAST Name	Doe		
Company Name	M2200- CITY OF BEDFORD	M2200- CITY OF BEDFORD	M2200- CITY OF BEDFORD
Employee ID	12340		
Address	2000 FOREST RIDGE	2000 FOREST RIDGE	2000 FOREST RIDGE
City	BEDFORD	BEDFORD	BEDFORD
State	TX	TX	TX
Zip Code	76021-5713	76021-5713	76021-5713
Social Security Number	123-45-6789		
E-mail	john.doe @bedfordtx.gov	@bedfordtx.gov	@bedfordtx.gov
Date of Birth	01/01/1976		
Work Phone#	817-952-9999		
Department	Public Works		
Division	Fleet		
Cycle Spending Limit (\$)	\$5,000		
Single Purchase Limit (\$)	\$2,500		
Transactions per Day	25	25	25
Transactions per Cycle	50	50	50
MCC Group	M2200-MGMT	M2200-MGMT	M2200-MGMT
Special Instructions for MCC Group (Add or Delete MCC # from group)		Add:	
		Delete:	
Director's Signature			
Date of Request			
Administrator's Approval			
Date of Approval			

APPENDIX C



City of Bedford

REQUEST FOR SOLE SOURCE PROCUREMENT FORMAT

TO: Purchasing Manager
or Designee

FROM: _____

1. Request approval for Sole Source Procurement of goods and/or services for the reasons as described in section 3 herein.
 2. Describe Item/Service purchased (or to be purchased). Include cost, name, and telephone number of vendor and other descriptive information.
-
-

3. Definition of Source Procurement Condition (check one or more items). This procurement is necessary because:
 - A. ___ items that are available from only one source because of patents, copyrights, secret process, or natural monopolies;
 - B. ___ electricity, gas, water, and other utility services.
 - C. ___ captive replacement parts or components for equipment are paramount consideration or use of other than OEM parts jeopardizes warranty and/or insurance coverage.
 - D. ___ film, manuscripts, books, papers, and other materials that are available only from the persons holding exclusive distribution rights to the materials;
and

E. _____ management services provided by nonprofit organization to municipal museum, park zoo, or other facility to which the organization has provided significant financial or other benefits;

4. Summary and Justification of Sole Source Procurement Condition:

(write here)

5. I certify a Sole Source Procurement exists for item(s) that are normally bid competitively.

Please forward this request to the City Secretary's Office.

_____	_____	_____	
Division Manager	Department	Signature	Date

6. Solicitations:

Name of vendor Person Contacted Telephone Number	Indicate HUB (or) Non-Minority Code *	Total Bid Amount
A. _____		
B. _____		
C. _____		

7. Purchasing Department Comments:

(Write here)

Purchasing Manager or Designee

Date

(VALID FOR ONE YEAR, FROM DATE OF APPROVAL)

APPENDIX D



EVALUATION FORM

To: _____

Quote:

Dept/Div: _____

Description of Commodity/Service:



Date: _____

Copies of the quotes and quote tabulation are submitted for your evaluation and recommendation. Please provide your comments below. Your evaluation should be based on the best-value criteria consisting of the following: The purchase price; the reputation of the vendor and the vendor's goods or services; the quality of the vendor's goods and services; the extent to which the goods or services meet the City's needs; the vendor's past relationship with the City; the impact on the ability of the City to acquire the vendor's goods and services; and the total long-term cost to the City to acquire the vendor's goods and services; and any other relevant factor that a private business entity would consider in selecting a vendor.

Evaluation Comments

--

Completed and Submitted By: _____

Name	Title	Date
------	-------	------

Name of Business: _____

Approved and Received By: _____

Dept/Div.

Date

APPENDIX E

NOTICE TO BIDDERS

The City of Bedford, Tarrant City, Texas, will receive sealed bids in the office of the City Secretary's Office, 2000 Forest Ridge Drive, Bedford, Texas, 76021 until (specified time), (month-day-year) at which time and place all bids will be publicly opened and read aloud in the City Council Chambers, with the award to be made at a regularly scheduled meeting of the Bedford City Council. Bid information and specifications may be obtained in the office of the _____, _____, Bedford, Texas. All bids must be marked with the date of bid and general description of bid items. The City of Bedford reserves the right to reject any or all bids and to waive any or all formalities.

Department Director

Note: *To be accepted, bids must be received in a sealed envelope addressed to _____, received by (specified time), (month-day-year), and show bid date and general description of bid items.*

Opening Bids

Formal bids will be publicly opened, read aloud, and recorded at a designated location at the pre-scheduled and advertised date and time. All bidders for the project(s) are invited to attend these bid openings as well as staff representing the requisitioning department(s).

Late Bids and Proposals

Late bids or proposals are not accepted under any circumstances. The date / time stamp in the _____ Division is the official time of record. Vendors will be offered an opportunity to retain their submittals. If received late via mail or other means of delivery, the _____ Division will issue a letter to the vendor requesting disposition instructions for the submitted documents. If no response is received in a reasonable time (14 days after notification), _____ will destroy the documents. Explicit instructions for the delivery location of the bid or proposal are contained in the solicitation document. A document received in a location other than _____ that does not arrive in the _____ Division prior to the deadline date and time, is considered late and may not be accepted or considered. Only the names of companies submitting proposals are read at the time they are opened.

APPENDIX F

Purchasing Cooperatives for which the City of Bedford is a member:

- **Buy Board**
- **TCPN - The Cooperative Purchasing Network**
- **TXMAS - Texas Building and Procurement Commission (State contracts)**
- **CISV - Catalog Information Systems Vendor**
- **TX DIR - Texas Department of Information Resources**
- **Tarrant City Contracts**
- **Houston-Galveston Area Council (H-GAC) Buy Program**
- **General Services Administration**
- **Interlocal Purchasing System (TIPS/TAPS)**
- **Any other cooperative purchasing program as needed**

APPENDIX G (*see attachments*)

