



City of Jacksonville, Texas

PURCHASING

POLICY

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GOVERNING AUTHORITY

This Policy is pursuant to the below-listed current State of Texas and local purchasing laws. Should there be a conflict between this document and state law, state law as amended will control.

- Texas Local Government Code, Chapter 252 and Chapter 271
- Texas Government Code, Chapter 552, Chapter 791, Chapter 2253, Subchapter B and Chapter 2254; Chapter 2269
- The City of Jacksonville City Charter
- The City of Jacksonville Code of Ordinances as may apply

PURPOSE AND SCOPE

The City of Jacksonville (“City”) operates under a decentralized purchasing structure. This means that the procurement function is spread across the organization and individual departments are responsible for fulfilling various aspects of the purchasing role.

This manual outlines the policies and procedures for purchasing goods and services for the City. The purpose is to provide guidance and instruction for all City employees regarding the purchasing process, as well as to provide a reference manual for City staff involved in the City procurement process.

It is the policy of the City to conduct purchasing and procurement functions efficiently while remaining in full compliance with applicable federal, state and local laws while procuring the highest quality material and services at the best value for the citizens of Jacksonville. All formal solicitations (except certain construction, public works, and engineering projects – see Section Construction and Engineering Procurement), which include Invitation for Bid (IFB), Request for Proposal (RFP), and Request for Qualifications (RFQ), will be handled by the procuring department within certain limitations as outlined in this Policy and oversight and review by the Finance Department. Additionally, selected personnel in the City's operating departments are authorized to make purchases as provided herein.

Authorized employees may make purchases below \$3,000 using a Procurement Card (“P-Card”), in accordance with Signature Authority. All acquisitions exceeding \$3,000 will be processed through the procuring Department, except certain categories including construction, public works, engineering, and certain other professional services as noted throughout this policy.

The Finance Department should be included in the early planning phases of major projects. This will enable the Finance Department to gain a full understanding of the goals to be accomplished while adding specialized knowledge of the procurement process. Early involvement by the Finance Department will also ensure solicitations are scheduled for timely delivery of products and services to help avoid delays.

To ensure complete legal compliance and best financial practice, each employee making a purchase must comply with this Purchasing Policy, as amended, which is available on the City Website under Home/Departments/Finance/Financial Policies/Purchasing Policy.

CODE OF ETHICS

Public employment is a public trust. Public employees must discharge their duties impartially so as to assure fair competitive access to governmental procurement by responsible vendors and contractors. Moreover, employees should conduct themselves in such a manner as to foster public confidence in the integrity of the City of Jacksonville procurement organization. When in doubt it is best to avoid any situation which might influence or appear to influence purchasing decisions. At all times, City of Jacksonville officers and employees shall:

- Comply with all State and local regulations governing conflicts of interest, including, Texas Local Government Code Chapter 171, City of Jacksonville Home-Rule Charter, Article 11.2, and City of Jacksonville Code of Ordinances as may apply;
- not knowingly use confidential information for actual or anticipated personal gain; and
- not communicate with vendors during the solicitation process, pursuant to Competitive Bidding/Proposal Requirements, herein.

PROCUREMENT INCLUSION PROGRAM

The goal of the Procurement Inclusion Program is to include certified Minority or Women owned businesses (M/WBE's) in every possible segment of the procurement process by affording M/WBE's an opportunity, on a competitive basis to be considered for and awarded City business.

Definitions

Minority/Women Business Enterprise (M/WBE) as defined by the Small Business Administration: A M/WBE is any legal entity organized to engage in commercial transactions which is at least 51 percent owned, controlled, and operated by one or more minorities or women.

Veteran-owned small business as defined by the Small Business Administration: Veteran- Owned Business means: A small business that: is at least 51 percent unconditionally owned by one or more veterans (as defined at 38 U.S.C. 101(2)); or a publicly owned business with at least 51 percent of the stock of which is unconditionally owned by one or more veterans; and whose management and daily business operations are controlled by one or more veterans.

Small disadvantaged business as defined by the Small Business Administration: Small Disadvantaged Business means a small business that: (i) has received certification as a small disadvantaged business consistent with 13 CFR part 124, Subpart B; (ii) no material change in disadvantaged ownership and control has occurred since its certification; (iii) where the concern is owned by one or more individuals, the net worth of each individual upon whom the certification is based does not exceed \$750,000, after taking into account the applicable exclusions set forth at 13 CFR 124.104 (c) (2); and (iv) is identified, on the date of its representation, as a certified small disadvantaged business in the database maintained by the Small Business Administration.

Historically underutilized business as defined by the State of Texas: means an entity with its principal place of business in this state that is: (i) a corporation formed for the purpose of making a profit in which 51 percent or more of all classes of the shares of stock or other equitable securities are owned by one or more economically disadvantaged persons who have a proportionate interest and actively participate in the corporation's control, operation, and management; (ii) a sole proprietorship created for the purpose of making a profit that is completely owned, operated, and controlled by an economically disadvantaged person; (iii) a partnership formed for the purpose of making a profit in which 51 percent or more of the assets and interest in the partnership are owned by one or more economically disadvantaged persons who have a proportionate interest and actively participate in the partnership's control, operation, and management; (iv) a joint venture in which each entity in the venture is a historically underutilized business; or (v) a supplier contract between a historically underutilized business and a prime contractor under which the historically underutilized business is directly involved in the manufacture or distribution of the goods or otherwise warehouses and ships the goods.

Certification: The process by which a business is initially determined to be a bona-fide minority or woman owned business.

Certified: A certified company is a minority or woman owned business that has met the requirements established by an authorized agency of the State of Texas or Federal Government.

Sourcing: Sourcing is the process of identifying qualified and certified M/WBE suppliers.

Objectives

The Procurement Inclusion Program will increase the awareness and sensitivity of employees to M/WBE's and assures fair and non-discriminatory consideration when competing with other suppliers.

Policy Statement

It is the policy of the City of Jacksonville to actively encourage and seek qualified and certified M/WBE's to participate in all phases of the procurement process. In this effort, the City will take appropriate measures to assure that M/WBE's have knowledge of, access and equal opportunity to compete for the goods and/or services required by the City of Jacksonville. The participation shall include all procurement within the City for goods and services purchased from the lowest responsible bidder or to the bidder who provides goods or services at the best value for the City that exhibits the best combination of price, quality, and service.

Program Commitment

It is in the best interest of the City of Jacksonville to stimulate the growth of M/WBE's. The growth of such businesses can be encouraged through their full participation in all phases of City of Jacksonville procurement opportunities. Therefore, the City Council and executive management of the City of Jacksonville have endorsed this program.

The City shall, where economically and reasonably prudent, reach out into the community through minority business organizations, chambers of commerce, seminars, trade shows, and special programs to enhance the program credibility.

Certification

Staff shall identify certified minority/women owned companies to eliminate companies that appear to be M/WBE's, but are not actually owned or controlled by a minority group.

The City of Jacksonville accepts certification from the following agencies:

- State of Texas – Historically Underutilized Business Program
- North Central Texas Regional Certification Agency (NCTRCA)
- South Central Texas Regional Certification Agency (SCTRCA)
- Texas Department of Transportation
- Any other certifying agency deemed acceptable by the City of Jacksonville

Sourcing

Sourcing is the heart of a successful inclusion program. It is the process of identifying M/WBE suppliers. To be effective, sourcing requires time and coordination to locate qualified, certified M/WBE suppliers by required commodity.

Sourcing is an ongoing, never-ending search to include new suppliers entering into the marketplace.

Techniques for sourcing of M/WBE's shall include:

- Networking with the local Chamber of Commerce and M/WBE organizations.
- Utilizing the City's website to communicate procurement opportunities.
- Membership directories by business/commodity type on the local and national levels.
- Attendance at special programs, trade fairs, and other programs to meet potential M/WBE suppliers.
- Requesting and sharing supplier information with other governmental entities.
- Access to the North Central Texas Regional Certification Agency (NCTRCA) and State of Texas qualified, certified bid lists.
- Requests for referrals from current M/WBE's.

PURCHASING PROCEDURES

Purchases up to \$3,000

Each employee making purchases ("purchasing employee") in this price range should follow the below process.

1. Quotes. Neither competitive bids nor quotes are required for the purchase of goods or services in this price range, however, purchasing employees should obtain competitive quotes when

possible. Upon request, the Finance Department will assist the purchasing employee in identifying possible vendors.

2. Contract Execution. If a contract is required, the purchasing employee shall ensure the contract is reviewed and approved by the City Attorney prior to presenting to the City Manager for signature, and, once signed, shall ensure that a copy of the executed contract is on file with the City Clerk.
3. Approval. Purchases or acquisitions made in this range are approved by a Department Director or designee(s) whether being made with a P-Card or direct bill.
4. Purchase. Once the purchasing employee receives quotes, the purchasing employee should make the purchase by using a P-Card, in accordance with the Procurement Cards section of this policy. If use of the P-Card is not possible, the purchasing employee may precede with the purchase direct with the approved vendor with use of direct bill/invoice. No purchase order is required.

Purchases from \$3,000 to \$10,000

The purchasing employee making purchases in this price range should follow the below process.

1. Vendor Quotation Form. Employees making purchases must complete the Vendor Quotation Form (See Appendix A).
2. Quotes. Employees making purchases should obtain not less than three (3) phone or written competitive quotes, at least two (2) of which shall be HUB vendors, if available. The purchasing employee should contact the Finance Department for questions regarding HUB vendors. A list of HUB vendors can be found on the City Website under Home/Departments/Finance/Financial Policies.
3. No Response. When using a “No Response” as one of the three quotes, the purchasing employee shall provide the following for each of the entities not providing a response: company name, contact person, and telephone number.
4. Contract Execution. If a contract is required, the purchasing employee shall ensure each contract is initialed by the City Attorney prior to presenting to the City Manager for signature and, once signed, shall ensure that a copy of the executed contract is on file with the City Clerk.
5. Approval. Purchases or acquisitions made in this range are approved by a Department Director or a designated Division Supervisor/Manager.

6. Purchase Order. Employee should then initiate a requisition in the financial software. The requisition will be routed through the appropriate electronic approval queues. Once the Finance Department has received all required supporting documentation from the department making the procurement, the Finance Department will review the requisition and make the final electronic approval. The timeline for the Finance Department to generate approval and return of the purchase order to the department is generally one (1) business day.
7. Purchase. Once the Finance Department approves the purchase order, the Finance Department will notify the purchasing employee, and the purchasing employee or the purchasing employee's supervisor is responsible for placing the order with the vendor. No employee may authorize an order with a vendor until this process has been completed.

Purchases from \$10,000 to \$25,000

Each purchasing employee making purchases in this price range should follow the below process.

1. Written Quotes. The purchasing employee should follow the same procedures as those set forth for purchases between \$3,000 and \$10,000 including the HUB requirements. However, the purchasing employee must obtain three (3) written quotes, through the process outlined below. If utilizing Interlocal cooperative purchasing with another entity, political subdivision, or other purchasing cooperative then document both the source and cooperative contract number.
2. Request for Quotation. The purchasing employee should: (a) add the purchase specification(s) to the Request for Quotation template (Appendix B); (b) fill in the due date and the items for which the purchasing employee is requesting a quote on the Request for Quotation template; and (c) mail, e-mail, or fax the Request for Quotation to the vendors.
3. Contract Execution. If a contract is required, the purchasing employee shall ensure each contract is initialed by the City Attorney prior to presenting to the City Manager for signature and, once signed, shall ensure that a copy of the executed contract is on file with the City Clerk.
4. Approval. Purchases or acquisitions made in this range are approved by a Department Director.
5. Purchase Order. Employee should then initiate a requisition in the financial software. The requisition will be routed through the appropriate electronic approval queues which in this purchasing range will require a Director approval. Once the Finance Department has received all required supporting documentation from the department making the procurement, the Finance Department will review the requisition and make the final

electronic approval. The timeline for the Finance Department to generate approval and return of the purchase order to the department is generally one (1) business day.

6. Purchase. Once the Finance Department approves the purchase order, the Finance Department will notify the purchasing employee, and the purchasing employee or the purchasing employee's Director/or Supervisor that is responsible for placing the order with the vendor. No employee may authorize an order with a vendor until this process has been completed.

Purchases from \$25,000 to \$50,000

Each purchasing employee making purchases in this price range should follow the below process.

1. Written Quotes. The purchasing employee should follow the same procedures as those set forth for purchases between \$3,000 and \$10,000 including the HUB requirements. However, the purchasing employee must obtain three (3) written quotes, through the process outlined below. If utilizing Interlocal cooperative purchasing with another entity, political subdivision, or other purchasing cooperative then document both the source and cooperative contract number.
2. Request for Quotation. The purchasing employee should: (a) add the purchase specification(s) to the Request for Quotation template (Appendix B); (b) fill in the due date and the items for which the purchasing employee is requesting a quote on the Request for Quotation template; and (c) mail, e-mail, or fax the Request for Quotation to the vendors.
3. Contract Execution. If a contract is required, the purchasing employee shall ensure each contract is initialed by the City Attorney prior to presenting to the City Manager for signature and, once signed, shall ensure that a copy of the executed contract is on file with the City Clerk.
4. Approval. Purchases or acquisitions made in this range are approved by a Department Director and City Manager or his designee.
5. Purchase Order. Employee should then initiate a requisition in the financial software. The requisition will be routed through the appropriate electronic approval queues which in this purchasing range will require both Director and City Manager or his designee approval. Once the Finance Department has received all required supporting documentation from the department making the procurement, the Finance Department will review the requisition and make the final electronic approval. The timeline for the Finance Department to generate approval and return of the purchase order to the department is generally one (1) business day.

6. Purchase. Once the Finance Department approves the purchase order, the Finance Department will notify the purchasing employee, and the purchasing employee or the purchasing employee's Director/or Supervisor that is responsible for placing the order with the vendor. No employee may authorize an order with a vendor until this process has been completed.

Purchases greater than \$50,000

Each purchasing employee making purchases in this price range should follow the below process.

1. Competitive Bidding/Proposal Requirements. If the purchasing employee expects that a purchase will have a value of greater than \$50,000, the purchasing employee shall comply with the requirements pursuant to Texas Local Government Code Chapter 252, as amended, and outlined herein, unless such purchase is exempted from complying with those requirements, as outlined in the General Exemptions to Bidding Process section of this document. The purchasing employee should contact the Finance Department for assistance with this process unless the purchasing employee is from the Public and Community Services Departments, as those departments may handle the competitive bidding/proposal process for their purchases.
2. City Council Approval. All purchases greater than \$50,000, including those exempt from the competitive sealed bidding/proposal requirements, must be approved by the City Council. Once the purchasing employee has identified the vendor to whom the City will award a contract, the purchasing employee should prepare the appropriate documentation, including the contract signed by the vendor, for the agenda item for City Council review. Depending on the status of the contract and what City staff recommends, the City Council may then either: (a) authorize the City Manager to negotiate and execute a contract with the vendor; or (b) approve the contact and authorize the City Manager to sign the contract.
3. Contract Execution. The purchasing employee shall ensure each contract is initialed by the City Attorney prior to presenting to the City Manager for signature and, once signed, shall ensure that a copy of the executed contract is on file with the City Clerk.
4. Purchase Order. After the City Council meeting, at which the expenditure is approved, the Finance Department will enter a purchase order in the financial software, to include the date of when the City Council approved the purchase. The timeline for the Finance Department to generate a purchase order after receiving the supporting document is generally one (1) business day.
5. Purchase. Once the Finance Department approves the purchase order, the Finance Department will notify the purchasing employee, and the purchasing employee or the purchasing employee's supervisor is responsible for placing the order with the vendor. No employee may authorize an order with a vendor until this process has been completed.

Formal sealed bid/proposal process

1. IFB or RFP. The purchasing employee should first contact the Finance Department to determine whether an Invitation for Bid (“IFB”) or a Request for Proposal (“RFP”) is more appropriate for the purchase.
 - a. IFB: The City may award a contract for a purchase after an invitation for bid has been issued to either: the lowest responsible bidder; or the bidder who provides goods or services at the best value for the City. Generally, IFBs are used when requirements are clearly defined, negotiations are not permitted, and price is the major determining factor for selection.
 - b. RFP: The City may award a contract for a purchase to the responsible offeror whose proposal is determined to be the most advantageous to the city considering the relative importance of price and other evaluation factors included in the request for proposal. Generally, RFPs are used when factors in addition to price are to be considered, when objective criteria cannot be defined, and/or negotiations are necessary.
2. Timing. The purchasing employee should allow for necessary time to develop a detailed specification or scope of work to ensure that the correct requirements are being communicated to the responding vendors. The purchasing employee should allow at least eight (8) to ten (10) weeks for the entire sealed bid/proposal procurement process, as outlined below, to occur.
3. Notice. Once the purchasing employee and the Finance Department determine whether to issue an IFB or RFP, the Finance Department will place an advertisement in the Official Newspaper and any other media appropriate for the type of IFB/RFP for two (2) consecutive weeks in compliance with State law and will send the IFB/RFP package to those vendors responding to the notice of IFB/RFP.
4. Communications with Vendor. Except for the City Attorney and the Finance Department, City Staff, including the purchasing employee and City Council Members, must not communicate with any of the vendors during the purchasing process. If such prohibited communication occurs, the response to the IFB/RFQ from the vendor who has communicated with City Staff or City Councilmembers may be disqualified.
5. Pre-Bid/Proposal Conference. City staff may hold a pre-bid conference that may or may not be required for the vendors to attend. The date, time, and location, as determined by the purchasing employee and the Finance Department, must be included in the IFB/RFP. The purchasing employee, or someone from the purchasing employee’s department must attend the pre-bid conference.
6. Ranking & Bid/Proposal Opening. Generally, the Finance Department will conduct the bid/proposal opening and ranking, which will be in accordance with the Formal Sealed

Bid/Proposal Process, and which must only take place fifteen (15) days after the date the notice of the IFB/RFP was first published. The purchasing employee's department and the Finance Department will tabulate the responses and determine the selected vendor to recommend to the City Council. If the purchasing employee or other City Staff determines that a selection committee is beneficial, the Finance Department will facilitate the meetings, but will generally not participate in the selection of the vendor. If the purchasing employee and the Finance Department determine that negotiations are necessary prior to selecting a proposal, the Finance Department may assist in that process with the vendor.

7. Award of Contract. Either the Finance Department, the purchasing employee, or the selection committee will select a vendor whose bid is either the lowest responsible vendor, or that provides the goods/services at the best value for the City, if it is from an IFB; or the vendor whose proposal is the most advantageous to the City considering the relative importance of prices and other evaluation factors, if it is from an RFP.

In determining the response to the IFB that provides the goods/services at the best value for the City, pursuant to State law, the City may consider:

- a. purchase price;
 - b. the reputation of the bidder and the bidder's goods or services;
 - c. quality of the proposed goods or services;
 - d. extent to which the goods or services meet the municipality's needs;
 - e. bidder's past relationship with the municipality;
 - f. the impact on the ability of the municipality to comply with laws and rules relating to contracting with HUB and nonprofit organizations employing persons with disabilities;
 - g. the total long-term cost to the municipality to acquire the bidder's goods or services; and
 - h. any relevant criteria specifically listed in the solicitation.
8. Change Orders. After the award of the contract, if circumstances change that will alter the scope, a change order may be issued. Per Local Government Code 252.048(d), as amended, change orders may not increase more than 25% of the original contract price, or decrease the original contract by more than 25% without consent of the contractor. Any change greater than 25% will require a new solicitation (or a finding by the City Council that an exception to bidding, such as "health and safety" is applicable to the additional amount). Any change orders above \$50,000 require City Council approval. Change orders under \$50,000 may be approved by the City Manager as long as they are not increasing the contract price by 25% or more. Change orders should be scrutinized very carefully.
 9. Contract Extensions. Contract extensions may be written into the terms and conditions of the solicitation. If extensions are included in the solicitation, these should also be included in the City Council agenda item. The Finance Department will issue a formal letter to the vendor

when renewing a contract. The vendor has the right to refuse the extension. A copy of the letter of contract extension must be placed in the contract and bid files.

10. Appropriation of Funds. Any awarded contract is subject to the appropriation of funds by the City Council in the City's budget adopted for any fiscal year for the specific purpose of making payments pursuant to the awarded contract for that fiscal year. The obligation of the City pursuant to the awarded contract in any fiscal year for which the awarded contract is in effect shall constitute a current expense of the City for that fiscal year only, and shall not constitute an indebtedness of the City of any monies other than those lawfully appropriated in any fiscal year. In the event of non-appropriation of funds in any fiscal year to make payments pursuant to the awarded contract, the awarded contract may be terminated.

Bid/Proposal Openings Procedure

If the competitive sealed bidding requirement applies to the contract, notice of the time and place at which the bids will be publicly opened must be listed in the bid solicitation document. At the Bid/Proposal opening, the Finance Department will request each attendee to sign an attendance page, providing their company name, and representative name and title, which will become a part of the procurement file. The Finance Department will then follow the procedures outlined below.

1. Invitation for Bid (IFB)
 - a. Open and read the sealed responses in any order.
 - b. Refrain from answering vendor questions or making any verbal agreements with attending vendors. Ask vendors to submit any concerns in writing.
 - c. The Finance Department will recite the following information during the public opening:
 - i. The solicitation number;
 - ii. The name of each respondent;
 - iii. The proposed price/amount for each item number must be read at IFB bid openings (if included in bid);
 - iv. If appropriate, the model number (if different from specified model).
2. Request for Proposal/Request for Qualification (RFP/RFQ)
 - a. Open and read the sealed responses in any order.
 - b. Refrain from answering questions or making any verbal agreements with attending vendors. Ask vendors to submit any concerns in writing.
 - c. The procurement staff should recite the following information during the public opening:
 - i. The solicitation number;
 - ii. The name of each respondent;
 - iii. DO NOT read the price included in proposals at an RFP/RFQ bid openings.

Information Technology Purchases

All technology purchases, except minor peripherals and consumables, regardless of the amount, must have the approval of the Information Technology (IT) Department. If IT is outsourced by the City then approval may be in the form of an email from the outsourced IT service provider.

Construction and Engineering Procurement

Construction Procurement, Building Renovation/Repair, Capital Improvements Projects, as well as other construction projects, are generally managed by the Public and Community Services Departments in conjunction with the responsible operating departments. These departments prepare specifications, issue and evaluate bids and recommend award of contracts on such projects, with the approval of the City Council. Bids for demolition services where hazardous materials may be involved will be conducted by the appropriate department(s) responsible for the same. All other solicitations of any nature not described above will generally be issued by the Finance Department.

SOLICITATIONS FOR GRANT AWARDS

All solicitations for purchases involving grant funds must follow all procedures outlined in the in this document as well as all the requirements of the grant contract. These special requirements may include, but are not limited to Davis-Bacon Wage Determination, National Environmental Policy Act, National Historic Preservation Act, Solid Waste Disposal Act, Buy- American initiative, E-Verify, or any other requirement outlined in the Grant submission instructions.

In addition to procurement procedures, the purchasing employee should give special care to divestiture procedures. Many Grants have criteria of how an item that was procured with grant dollars must be treated when the useful life of the product has been reached. The purchasing employee should keep these divestiture procedures with the item or in the file so when the time comes to eliminate the item from inventory the proper procedures are followed.

When required by the grantor, the purchaser shall verify debarment status of all vendors prior to utilizing grant funds, using the EPLS system (<http://www.SAM.Gov>).

Before Homeland Security funds may be spent, the purchasing employee will:

1. Go to EPLS website (see above).
2. The purchasing employee or their agent will search the EPLS system for the vendor.
3. If the vendor is found to be debarred, the vendor may not be used for procurements utilizing Homeland Security Grant Funds.
4. If the vendor is found not to be debarred, print the screen page and retain with the procurement documentation.
5. A copy of the screen print indicating the vendor is not debarred, at the time of the procurement, must be included with the supporting documentation submitted to the Texas Homeland Security State Administrative Agency requesting reimbursement or advance.

GENERAL EXEMPTIONS TO BIDDING PROCESS

State law allows the purchase of some goods and services without using the competitive bid process (Local Government Code Section 252.022 & Government Code Ch. 2254, as amended). These include, but are not limited to the following enumerated in this Section.

1. Sole Source Purchases (Local Government Code Section 252.022)

- a. Competitive bids cannot be obtained on items that are only available from one source.
- b. The purchasing employee shall seek and receive preapproval by the Finance Department and the City Attorney, and such approval shall be noted on the requisition. No employee may declare an item sole source before contacting the Finance Department.
- c. Any items that are considered sole source will need to be supported by all of the following:
 - i. a statement on company letterhead from the vendor attesting to the fact that the item(s) being requested is/are only available from that vendor;
 - ii. a statement on how the determination was made that the item(s) requested is/are only available from one source. Include why a functional equivalent is not available from any other source;
 - iii. information concerning previous attempts to obtain competitive bids on the item(s) requested; and
 - iv. names of people contacted in an effort to find other sources.

2. Emergency Purchases (Local Government Code Section 252.022 items 1-3)

- a. Circumstances Allowed. A purchasing employee who is making a purchase that falls under one of the categories below is not required to comply with the competitive bidding process, but the purchasing employee shall still comply with the general purchasing procedures of this Policy (i.e., obtaining quotes, written contracts, budget compliance, etc. as much as practicable). The three (3) basic categories include:
 - i. Items purchased in case of public calamity to relieve the needs of the citizens or to preserve City property;
 - ii. Items to preserve or protect the public health or safety of the residents of the City; and

- iii. Items necessary because of unforeseen damage to public property.

Emergency purchases are extremely unique and must be considered on a case-by-case basis.

- b. Process. The purchasing employee must follow the below process when seeking to make an emergency purchase.

- i. The purchasing employee must first obtain approval from the Emergency Management Coordinator, City Manager, or City Manager designee for all Emergency purchases, including machinery and repairs.
- ii. The purchasing employee should coordinate with the Finance Department to ensure payment is available.
- iii. The purchasing employee should communicate to the vendor(s) that the City is still working within a budget involving taxpayer funds. Such estimate will be made in consultation between the department, the vendor, the Finance Department, and/or the City Manager, as appropriate and available.

3. Cooperative Purchasing

- a. Circumstances Allowed. Cooperative purchasing occurs when two or more entities (federal, state or local governments) coordinate some or all of their purchasing needs so that they can join in purchases to the mutual benefit of all the entities concerned.
- b. Interlocal Agreement. The purchasing employee must first confirm whether an interlocal government cooperative purchasing agreement was approved first by the City Attorney, then by the City Council. The purchasing employee may obtain this information from the Finance Department. The purchasing employee should also contact the Finance Department if the purchasing employee wishes to execute a new interlocal government cooperative purchasing agreement.
- c. Benefits. Benefits of cooperative purchasing include:
 - i. Lower costs through economies of scale.
 - ii. Lower (shared) administrative costs.
 - iii. Improved response from vendors.
 - iv. Shared experience leading to better product specifications.

4. Professional Services

State law specifically exempts contracts for professional services from the competitive bidding requirements. Professional services have been described as those services which are mainly mental or intellectual rather than physical or manual. That is, professional services are those disciplines requiring special knowledge or attainment and a high order of learning, skill, and intelligence.

5. Other Exemptions from Competitive Bidding (Local Government Code Section 252.022 items 4-6, 8-16, as amended)

Any use of City funds \$50,000 and over must be approved by the City Council, and an express finding of an exemption must be made by the City Council for the exemption(s) to apply.

SIGNATURE AUTHORITY

Only the City Manager or City Manager designee has the authority to sign contracts or other agreements on behalf of the City of Jacksonville. Any Purchase over \$50,000 will require City Council approval before the City Manager, or their designee, may execute the contract. This policy applies to all documents that obligate the City, regardless of the title or designation of the document, except that Department Directors may sign invoice approvals and/or receiving reports.

PROCUREMENT CARDS (“P-CARD”)

The procurement card system (“P-Card”) allows selected City employees to purchase goods and services that do not require a formal competitive bid. The purchasing employee using a P-Card must comply with the provisions herein. Purchasing employees can find additional information on the P-Card program in Appendix C “Procurement Card Program”.

1. Authorized Use. P-Cards are issued at the discretion of Department Directors with input from the Finance Department. Department Directors of those employees authorized to use P-Cards are responsible for monitoring the use of all P-Cards that are issued in the department. The purchasing employee using the P-Card is responsible for ensuring that any documentation related to the purchase with the P-Card is loaded in the financial software.
2. Threshold Amount. The purchasing employee may use the P-Card for a single purchase if the purchase is \$3,000 or less. The purchasing employee must follow the above guidelines for procurement of items exceeding \$3,000. IF P-Card is utilized for a purchase exceeding \$3,000 then a purchase order is required with the appropriate approval level to be followed.
3. City Business Only. The purchasing employee must use the P-Card for legitimate business purposes only, and must not be used for personal use or gain.

ASSET DISPOSAL

The City of Jacksonville primarily sells surplus property via internet auctions. Employees should place equipment for sale by auction when the sale of these items is expected to be financially prudent. Employees intending to place equipment for sale by auction should contact the Finance Department for information about asset disposal and online auctions.

CONTRACT MANAGEMENT

Once an agreement is executed between the selected vendor and the City, the purchasing employee is responsible for managing the contract, which includes the following:

1. Familiarity with Contract. The purchasing employee should be familiar with the drafting of the contract and know if, when, and how it may be renewed, and must coordinate with the Finance Department and the City Attorney before communicating with the vendor regarding renewing the contract.
2. Point of Contact. The purchasing employee should be the point of contact for the contractor for any issues that may arise throughout the term of the agreement.
3. Record Keeping. The purchasing employee is responsible for ensuring that the City Clerk has the official copy of the executed contract and for maintaining a copy of the executed copy in the purchasing employee's department's files.

VENDOR/CONTRACTOR NON-PERFORMANCE

In the event a Contractor fails to perform or otherwise comply with the agreement executed with the City, the following steps should be taken:

1. Inform Finance Department. The purchasing employee must notify the Finance Department, who will contact the City Attorney, if a contractor fails to comply with the agreement, which includes the purchase order, specifications, and scope of work.
2. Communication with Contractor. The Finance Department will work with the City Attorney to determine, based on language in the agreement, the most appropriate method of communicating to the contractor the contractor's failure to comply with the agreement.

ENFORCEMENT

1. **Internal Enforcement**. Employees who violate the provisions of this Policy are subject to disciplinary action pursuant to the City of Jacksonville Personnel Policy Manual.
2. **Criminal Penalties**. Below is a list of the potential criminal penalties for violations of Texas Local Government Code Chapter 252.

- 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.

DEFINITIONS

HUB Vendor (per Texas Government Code 2161.001) - Historically Underutilized Business (HUB) means an entity with its principal place of business in this state that is:

- a. A corporation formed for the purpose of making a profit in which 51 percent or more of all classes of the shares of stock or other equitable securities are owned by one or more economically disadvantaged persons who have a proportionate interest and actively participate in the corporation's control, operation, and management;
- b. A sole proprietorship created for the purpose of making a profit that is completely owned, operated, and controlled by an economically disadvantaged person;
- c. A partnership formed for the purpose of making a profit in which 51 percent or more of the assets and interest in the partnership are owned by one or more economically disadvantaged persons who have a proportionate interest and actively participate in the partnership's control, operation, and management: "Economically disadvantaged person" means a person who is economically disadvantaged because of the person's identification as a member of a certain group, including Black Americans, Hispanic Americans, women, Asian Pacific Americans, and Native Americans, and who has suffered the effects of discriminatory practices or other similar insidious circumstances over which the person has no control.

M/WBE – Minority/Women Business Enterprise

"Separate purchases" means purchases, made separately, of items that in normal purchasing practices would be purchased in one purchase; not permitted.

"Component purchases" means purchases of the component parts of an item that in normal purchasing practices would be purchased in one purchase; not permitted.

"Sequential purchases" means purchases, made over a time period, of items that in normal purchasing practices would be purchased in one purchase; not permitted.

Purchase Order – An approval to acquire goods, supplies and services.

Purchasing employee – Any employee that is authorized to make purchases or enter purchase requests for the City.

APPENDIX A: VENDOR QUOTATION FORM

This form shall be used for obtaining verbal and written quotations for purchases greater than \$3,000 in accordance with the City's Purchasing Policy. Notate for H.U.B. verification.

Department: _____ Date of Quotation: _____

Description of Supply/Material/Service: _____

Quantity/Units: _____ Quotation is valid for: _____ days

Quotation One:

Vendor: _____ H.U.B. Vendor? Yes / No

Amount: _____ Certified? _____
(by what agency)

Quotation Two:

Vendor: _____ H.U.B. Vendor? Yes / No

Amount: _____ Certified? _____
(by what agency)

Quotation Three:

Vendor: _____ H.U.B. Vendor? Yes / No

Amount: _____ Certified? _____
(by what agency)

Department Head/ or Designee: _____

Finance Department: _____

City Manager/ or Designee: _____

APPENDIX B: REQUEST FOR QUOTATION TEMPLATE

This form shall be used for obtaining written quotations for purchases greater than \$10,000 in accordance with the City's Purchasing Policy. Notate for H.U.B. verification.

Department: _____ Date of Quotation: _____

DESCRIPTION	Unit Price	Quantity/Units	Extended Price

Is pricing based on Purchasing Cooperative Contract? Yes / No

If yes, Name of Cooperative: _____ Contract # _____

H.U.B. Vendor? Yes / No Certified? _____
(by what agency)

Payment Terms discount if any: _____

Authorized Signature/Contact Information

Quotes which are not signed may be considered non-responsive and may be rejected.

Name of Vendor: _____

Address of Vendor: _____

Signature: _____

Print Name / Title: _____

Telephone Number: _____

Email Address: _____

APPENDIX C : PROCUREMENT CARD (P CARD) PROGRAM

1. Background/Purpose

The P-Card is designed to improve efficiency in processing small ad hoc purchases as well as such things as term contract payments and travel. The P-Card offers purchase limits and reports/data not available with a traditional credit card. Cards are issued to employees, who use them to purchase goods or services from any merchant that accepts MasterCard credit cards. Settlement is typically performed electronically, thereby eliminating the need to process supplier invoices and in turn draft checks to pay each supplier.

The finance department's goal is to make purchases of goods and services in the most cost-effective manner. The purpose of the P-Card program is to provide authorized City employees ("Cardholders") with a quick, efficient, and controllable method of making those purchases. The finance department will issue P-Cards to eligible employees. The card will be used only for the types of purchases authorized in this document. This card policy serves as a supplement to the, City Council adopted, Purchasing Policy.

2. Types of Cards and Limits

The City issues two types of cards. The "master" P-Card is the card used by the finance department as a payables tool for the payment of invoices to a vendor that accepts MasterCard. It has limits conducive for its intended use.

The "employee" P-Card is issued to individuals for making small retail purchases within the standard employee limits. Credit limits and types of purchases may differ between the individual Cardholders and are customized as necessary. Transaction limits are established to ensure compliance with Texas purchasing laws, maintain proper budgetary controls, and minimize excessive use of individual Cardholder's credit line.

3. Eligible Employees

Department Heads will recommend full-time and part-time regular employees whose responsibilities would benefit in cost savings and efficiency to receive a P-Card. Temporary employees are not eligible.

Each designated employee will receive a P-Card. The card is embossed with their name and the City's name. Authorization to use this card is restricted to the individual. It may not be lent or delegated. It has been designed to avoid confusion with personal credit cards. The card is to be used for City business and SHALL NOT BE USED FOR PERSONAL PURCHASES.

4. Types of Purchases

The card will be used only for authorized purchases as explained in this document. The finance department will act as the P-Card Program Administrator to answer policy questions and assist Cardholders in the use of their cards.

A Cardholder may make a purchase of goods or services for use by the City when authorized by their Department Head. Any purchase that a Cardholder is unsure about should be pre-approved by the City Manager, Department Head, or Finance Director before the purchase is made.

The different classes of goods and services are detailed as follows:

- Retail Goods – are items that are available for purchase from a retailer either at a storefront, by mail, or on the internet.
- Off Premise Services – are services performed at a location other than at City facilities. These purchases do not require liability insurance verification prior to making the purchase.
- On Premise Services – are services to be performed on City property. They may only be purchased after coordination with the Community and Public Services Director, or Associate Director, so that the applicable liability insurance requirements are met. Examples include repair & service calls.
- Travel, Training, & Education – Purchases such as registration, shuttle, hotel, fuel for City vehicles, meals for local events, and parking may be made with the P-Card after travel is approved by either the department head (for in-state travel) or the City Manager (for out of state travel).
 - Note: Airline tickets may not be purchased by individual employees without prior approval by the City Manager.
- Emergency purchases – Those purchases necessary to protect the public health or safety of citizens or City property.
 - Note: P-Card limits may temporarily be raised, in the case of an emergency, to protect the public health or safety of citizens or City property.

5. Cardholder & Supervisor

Each month, a Cardholder MUST:

- Review electronic Cardholder statement transactions to date for the reporting period,
- Verify their authenticity,
- Upload a detailed receipt for each transaction,
- Enter the appropriate general ledger accounting code for each transaction,
- Check the “reviewed” box adjacent to each transaction,

- Complete the steps above, for each reporting period, on or before the 15th of each month.

Each month, a Cardholder's Supervisor MUST:

- Review and approve their subordinate Cardholders' receipts & statements,
- Verify the general ledger account number & business purpose of expense that was entered by the Cardholder,
- Note any unapproved transactions,
- Authorize the purchases by checking the "approved" box adjacent to each transaction,
- Complete the steps above, for each reporting period, on or before the 20th of each month.

The deadline for transaction review, receipt upload, general ledger account coding, review, and approval is by 5:00 p.m. on the 15th of each month, in such cases that the 15th may fall on a weekend or holiday, the deadline extends until 9:00 a.m. on the morning following the weekend or holiday. It is imperative that each Cardholder and Supervisor meet this deadline. If an employee is absent from work for any reason, he/she must either submit the required items to his approver prior to planned absences, or if the absence is unplanned, contact his approver and arrange for receipts to be gathered and submitted to the finance department.

6. Usage Rules

REPEATED FAILURE TO ABIDE BY THESE RULES WILL RESULT IN TERMINATION OF P-CARD PRIVILEGES.

- The "Cardholder" is the City-designated individual authorized to use the P-Card. The P-Card has transaction limits for the maximum amount of each transaction as well as the maximum monthly cycle transaction total. The Cardholder will be responsible for reconciling and recording the transactions made and attaching the detailed receipts.
- Upon receipt of the P-Card, the Cardholder is responsible for contacting the issuer and activating the P-Card. The Cardholder must understand the rules of usage and sign the Cardholder agreement. Failure to abide by the P-Card procedures will result in loss of card privileges, and possible disciplinary action, up to and including termination of the employee.
- The Cardholder must use only his/her assigned P-Card. Cards must not be loaned to another employee for his/her use. Each Cardholder shall use the P-Card only for authorized purchases. A hardcopy receipt must be obtained from the vendor each time the P-Card is used. Internet and telephone purchases must also be documented by a receipt.
- Each Cardholder has a supervisory approver. The approver, typically the Cardholder's immediate supervisor, must approve the transactions made by the Cardholder. The approval comes in the form of the approver's checking of the "approved" box adjacent to each transaction in the online reporting system.

- The Cardholder is responsible for immediately reporting any fraudulent use as well as any lost or stolen cards to the issuer, their supervisor and the City's Program Administrator.
- It is a violation of this policy to use the City P-Card for personal purchases. If a Cardholder accidentally uses the City P-Card to make a personal purchase, the Cardholder will be required to reimburse the City for the unauthorized transactions as soon as the violation is discovered. Repeated violations of this type may subject the Cardholder to loss of P-Card privileges and/or disciplinary action.
- Credit limits are replenished at the start of each statement cycle. Please note that the statement cycle is not a calendar month. A cycle ends on the 5th of each month unless the 5th is a weekend or holiday, in those cases the cycle ends on the next day following the weekend or holiday.
- The Cardholder is required to ensure that all goods and services purchased with the card have been received, credits received for returned merchandise, no sales tax paid, and that duplicate billings are not approved.
- Upon resignation or termination of employment of a Cardholder, the supervising Department Head shall notify the Program Administrator immediately, and the P-Card shall be turned in to the Program Administrator.

7. Program Administrator

The City will appoint a Program Administrator(s) (PA) who is responsible for the management of the cards and accounts in coordination with the charge card vendor. Ideally, to achieve the appropriate separation of duties, PAs should not be Cardholders. For the City of Jacksonville, the Program Administrator is the Finance Director and is backed up by other finance department staff in case of the Director's absence. The responsibilities of the PA include:

- Serve as a liaison between the City's Cardholders and the charge card vendor,
- Attend pertinent training provided by the charge card vendor, the Comptroller of Public Accounts (CPA), and the State Auditor's Office,
- Establish Cardholder accounts and authorization controls,
- Maintain a Cardholder Agreement for all Cardholders,
- Provide instructions, training and assistance to Cardholders and approvers,
- Provide Cardholders with the City's Tax Exemption Number and information on its appropriate use,
- Maintain account information and secure all Cardholder information,
- Use appropriate software to perform account management and oversight of accounts,
- Keep Cardholders up-to-date on any new or changing information,
- Upon receipt of information indicating fraudulent use or lost/stolen cards, immediately report to the charge card vendor,

- Ensure P-Card accounts are being utilized properly as set forth within the Purchasing Policy, established P-Card procedures, and federal, state, and local legal requirements,
- Establish internal checks and balances to ensure proper execution of the Program at the City level,
- Define the City's procedures for the proper documentation and storage of original receipts, logs and approvals,
- Upon completion of all approval processes, authorize payment to the charge card vendor in accordance with the Prompt Payments Act,
- Identify any personnel changes (retrieving the P-Card should be part of the standard employee exit checklist; cards may also be temporarily deactivated by the charge card vendor for a period because of an extended leave of absence),
- Designate an individual to serve as backup for the duties listed above,
- Notify the charge card vendor if there is a change in PA status,
- Immediately notify the City Manager and the Department Head of any observed violations to the Purchasing Policy and/or P-Card Procedures.

8. Departmental Responsibility

The Department Head is responsible for designating Cardholders and supervisory approvers within his/her department. The Department Head shall designate which employees will be issued a P-Card and determine jointly with the City Manager what transaction limits shall apply to the card's use. The Finance Director ensures that purchases are authorized and within City policies. Departments may implement more stringent internal authorization procedures beyond that of the P-Card Procedures that its Cardholders must follow. However, such procedures must be compatible with established Finance Department accounting procedures and be within the overall guidelines of the P-Card program. At the end of each statement cycle, the Department Head shall insure that the transactions from all approvers within his/her department are properly completed by the 15th of each month. Transactions should be reconciled, coded, reviewed, and approved promptly, each month, to facilitate timely entry into the General Ledger before the month end closing.

9. Card Limits

The P-Card has transaction limits. The total purchase price as printed on the individual credit card receipt is known as the "single transaction amount". The monthly available credit for each P-Card is known as the "credit limit".

Each Cardholder will be set up with limits for both. A card transaction will be denied when swiped if the transaction exceeds either of the set limits.

The transaction and credit limits are dependent upon the requirements of the Cardholder's position and function. The City Manager, Department Head, and the Finance Director determine limits jointly. Limits vary according to levels of budget authority, discretion of the Department Head, and type of purchases required by the job. However, the limits may not exceed those set in these guidelines.

Cardholder Category	Single Transaction Limit	Credit Limit
Master	\$50,000	\$100,000
All other Cardholders	\$3,000	\$10,000

Department Heads may request limits for their staff Cardholders for any amount up to the transaction limit or special limits may be arranged for a cardholder upon approval of the City Manager.

After limit is exceeded, employees must utilize an alternative payment method, or the Department Head may petition the City Manager for a temporary increase in transaction limits. No increase will be granted without express communication from the City Manager directing the Finance Director to increase the Cardholders transaction limit.

10. Taxes

As a tax-exempt government agency, The City of Jacksonville does not pay sales tax. The P-Card will have the City's logo and federal tax ID number printed on the front. Cardholders are then responsible for ensuring that the merchant does not include sales tax in the transaction. If tax is included, the Cardholder will be responsible for ensuring that the merchant is reimbursing the tax amount to the City. If the Cardholder does not show a good faith effort to avoid paying sales tax, the cardholder will then be responsible for reimbursing the City for the tax. An exception to this rule is sales tax at eating establishments, hotels, airlines, and other travel related merchants. These sales tax charges are difficult to have removed, and will be paid by the City without penalty to the Cardholder.

11. 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.

12. Restrictions and Exemptions

Employees may not use the P-Card for the following:

- Any purchases of items for personal use.
- Cash refunds or advances.
- Any purchase of goods/services at a merchant type that is not considered prudent or of good judgment.
- Any transaction amount greater than the Cardholder's transaction limit.
- Items specifically restricted by this policy, unless an emergency exception is granted by the City Manager.

- Alcohol or liquor of any kind unless an emergency exception is granted by the City Manager for special use in Police Activities. Patronization of bars, drinking places, and package liquor stores should not be paid for with the P-Card, and may not be reimbursed or paid by the City in any manner.
- Separate, sequential, and component purchases or any transaction made with intent to circumvent City purchasing policy.
- Purchase of computers or other devices that are connected to the City network unless prior, documented, permission has been obtained from the Information Technology Supervisor.

13. Documentation

Supporting documentation in the form of a credit card receipt must accompany each transaction. The receipt must display date of purchase, merchant name, itemized descriptions, cost, and tax exemption status. If a receipt is lost, the Cardholder must attach a written memo to the monthly card statement explaining the purchase transaction. Employees who repeatedly lose receipts will be subject to P-Card revocation.

14. Personal Use Restrictions

The P-Card may not be used to pay spouse/family expenses incurred while traveling except those that normally cannot be separated for payment (i.e., hotel rooms, etc.). Such personal expenses must be reconciled and reimbursed to the City. Only City business expenses are allowable and personal expenses should be paid separately by the Cardholder whenever possible.

15. Resolving Errors and Disputes

In the case of an error, first contact the supplier and try to reach an agreement. Most disputes can be resolved between you and the supplier directly. If you are unable to reach an agreement with the supplier, contact the Program Administrator to complete the "Dispute a Transaction" process. A disputed transaction must be submitted within 60 days of the statement date the transaction is posted to the account.

16. Revocation of the Purchasing Card

The P-Card is subject to revocation at any time at the discretion of the City Manager or from the recommendation of the Department Head and/or Finance Director, with the approval of the City Manager. Suspension of the P-Card via electronic methods will occur if the Cardholder does not complete monthly transaction review, documentation, account coding before the 15th of each month. Suspension of the P-Card via electronic methods or disciplinary action may occur for both the Cardholder and his/her Supervisor if transactions are not approved by the 20th of each month.

17. Reimbursement Process

All unauthorized purchases must be resolved in an appropriate method so that the City does not bear the cost of the purchase. Resolutions will be handled in the following procedure:

- Cardholder will return the unauthorized item to the merchant for credit on the card account, and submit the credit receipt to the Program Administrator as part of a statement cycle remittance.
- If the item cannot be returned, then the Cardholder will be required to submit payment for the full amount of the purchase to the Program Administrator within seven (7) calendar days of notification of the unauthorized purchase.
- If payment is not received within the time prescribed above, then the amount of the purchase will automatically be deducted from the Cardholder's next paycheck.
- In addition, an unauthorized purchase may subject the Cardholder to disciplinary action and/or revocation of card privileges.

18. Cardholder Training

Training will be required for Cardholders, Approving Officials and others who may have oversight over Cardholders and/or transactions. Employees will be educated with sufficient information to minimize violations.

Training will include the following components for card and account security:

- Cardholders should write "ask for identification" on the back of the P-Card.
- Cardholders should take special care to protect the security number on the back of their P-Card.
- Cardholders should maintain possession of their cards (the least of which extends to maintaining "eye contact" with the P-Card at all times during a purchase).
- The P-Card may not be transferred to, assigned to, or used by anyone other than the designated Cardholder.
- Ensure that no receipts or documents display a full account number.
- Require Cardholder to sign a "cardholder agreement" to acknowledge his/her acceptance of responsibility for the card.
- Include standards of conduct/ethics.
- Ensure Cardholders understand the Purchasing Policy.
- Clearly state consequences of misuse; follow through with stated consequences when misuse is uncovered.
- Cardholder's will be provided training before receiving their P-Card, other training will be provided as determined necessary.

19. Summary

As a public entity, the City is expected to be able to demonstrate to the public that it has spent their tax dollars wisely. All participants in the P-Card program are responsible for insuring purchases made with the P-Card will withstand the scrutiny of the press, public, and internal audits.

Therefore, the Cardholder must make sure he/she has adequate documentation, including a clear explanation of exactly what the purchase is for. All goods and services must have been received or returned for credit, and utilized for City business.

APPENDIX D : PURCHASING POLICY GUIDELINES

Purchasing Policy Guidelines Adopted, October 2022			
Threshold	Required Documentation	Approval Level	Other Requirements
<i>UP TO \$3,000</i>	No quotes – however, price comparisons are always encouraged for “best value”	Department Director or designee (Card Holder)	Designed for P-Card Purchases; No Purchase Order Required
<i>\$3,000 - \$10,000</i>	(3) Competitive price quotations obtained verbally or in writing; documented on form	Authorized by Department Director or Designated Division Supervisor/Manager	Purchase Order Required**; HUB Documentation*
<i>\$10,000 - \$25,000</i>	Three (3) written quotes required unless Cooperative is used.	Authorized by Department Director	Purchase Order required; Written Documentation of Quotes; if Co-Op pricing used document source;
<i>\$25,000 - \$50,000</i>	Three (3) formal, written quotes required unless Cooperative is used. **	Department Head and City Manager	HUB Documentation
<u>Greater than \$50,000</u>	Formal Bid procedure OR Cooperative as specified by Ch. 252 of the Texas Local Government Code, Subchapter B.***	Department Head, City Manager, Finance, and City Council	Purchase Order Required after approval of City Council.
*HUB Website: http://window.state.tx.us/procurement/prog/hub			
** Documentation must be provided if product or vendor is a sole source			
*** A copy of the resolution/minutes of Council should be attached to the purchase order			
References: <u>Texas Local Government Code 252</u>			