



**City of Burleson, Texas**  
**PROCUREMENT**  
**PROCEDURES**

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## CODE OF ETHICS

- By participating in the procurement process, employees of the City of Burleson agree to:
- Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.
- Demonstrate loyalty to the City of Burleson by diligently following the lawful instructions of the employer, using reasonable care, and only authority granted.
- Refrain from any private business or professional activity that would create a conflict between personal interests and the interest of the City of Burleson.
- Refrain from soliciting or accepting money, loans, credits, or prejudicial discounts, and the acceptance of gifts, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence purchasing decisions.
- Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether as payment for services or not; and never accept for himself or herself or for family members, favors or benefits under circumstance which might be construed by reasonable persons as influencing the performance of Governmental duties.
- Engage in no business with the City of Burleson, directly or indirectly, which is inconsistent with the conscientious performance of Governmental duties.
- Handle confidential or proprietary information belonging to employer or suppliers with due care and proper consideration of ethical and legal ramifications and governmental regulations.
- Never use any information gained confidentially in the performance of Governmental duties as a means of making private profit.
- Promote positive supplier relationships through courtesy and impartiality in all phases of the purchasing cycle.
- Know and obey the letter and spirit of laws governing the purchasing function and remain alert to the legal ramifications of purchasing decisions.
- Expose corruption and fraud wherever discovered.
- Uphold these principles, ever conscious that public office is a public trust.

# PROCUREMENT PROCEDURES

## 1.0 INTRODUCTION

The Procurement Procedures serves as a companion to the Procurement Council Policy 36, governing procurement in the City of Burleson.

The Purchasing Division is a division of Finance and should be included in all stages of acquisition, through planning, ordering, and receiving. A professional staff issues purchase orders (POs) and bids, and/or negotiates and executes contracts to deliver goods and services in a timely manner, to ensure compliance with the State of Texas competitive bid statutes and the City's purchasing policies.

## 2.0 THE GENERAL DUTIES OF THE PURCHASING DIVISION ARE AS FOLLOWS:

1. Observe and enforce the policy and procedures outlined in the City of Burleson Procurement Policy or as directed by the City Manager or his/her designee;
2. Advise and assist in the formulation of policies and procedures connected with the purchasing activities of the City, and keep the Director of Finance advised of such policies and procedures;
3. Investigate and analyze research done in the field of purchasing by other governmental agencies and by private industry, in an effort to keep abreast of current developments in the fields of purchasing, price, market conditions and new products;
4. Coordinate, organize, and assist departments in the specification writing process to ensure that specifications are written concisely and are not written in an exclusive manner;
5. Join with other governmental agencies in cooperative purchasing plans when it is in the best interest of the City;
6. Receive, open, and evaluate competitive solicitations;
7. Act in an advisory role as a non-voting member on evaluation committees;
8. Prepare and coordinate with user departments staff reports recommending award of competitive solicitations for City Council approval
9. Combine purchases of similar items whenever possible and practical, to allow for better pricing and establish a more competitive atmosphere
10. Assist department heads in the disposition of junk and scrap material such as pallets, scrap pipe, paper products, etc.;
11. Dispose of stolen, abandoned and recovered property coming into the possession of the City;
12. Dispose of surplus City property at public auction;

13. Conduct a purchasing class each quarter on an as-needed basis for employees who process requisitions, conduct receiving, approve purchase orders, and/or develop specifications. Additionally, individual training by the Purchasing Division is available at the request of departments.

### **3.0 PROCUREMENT METHODS**

The City's terms and conditions prevail and terms and conditions are required for purchases. A purchase order is required before placing an order. Contracts and price agreements are established to comply with the statutes where multiple departments use the same or similar products or service and/or the cumulative total of expenditures exceeds \$50,000.

#### **3.1 Quotes**

- a. Purchases of goods or services totaling \$10,000 do not require quotes.
- b. Purchases totaling up to \$10,000 can be approved by the Purchasing Manager. Purchases totaling \$25,000-\$50,000 will require approval by the City Manager.
- c. Three or more competitive written quotes are required for any transactions from \$10,000 - \$50,000. Two 'no' quotes returned equal one quote.
- d. The department is encouraged to contact the Purchasing Division for purchases over \$10,000 to discuss the best method of purchase for goods and services.
- e. The Department or Division executing the purchase of items are responsible for obtaining quotes to be reviewed and approved by the Purchasing Department. Quotes are required for the requisition being considered.

#### **3.2 Historically Underutilized Business (HUB)**

Local Government Code Chapter 252.0215 Competitive bidding in relation to Historically Underutilized Business vendors, states that a municipality, in making an expenditure of more than \$3,000 but less than \$50,000, shall contact at least two HUBs on a rotating basis. If the list fails to identify a disadvantaged business in the county in which the City is situated, the City is exempt from this section. Purchasing will ensure all requirements are met in section 252-0215.

HUB – Certified businesses that are at least 51% owned, operated, and controlled by the qualifying groups, which include Asian Pacific Americans, Black Americans, Hispanic Americans, Native Americans and American Women.

To obtain a listing of all businesses certified by the State of Texas for either Johnson or Tarrant County visit <http://www2.tbpc.state.tx.us/cmbl/cmblhub.html>. A link to this database is also available through the Purchasing Portal on the City's intranet.

#### **3.3 Invitation to Bid (ITB) (Goods and Services)**

Texas Local Government Code, Section 252.062, states:

A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly makes or authorizes separate, sequential, or component purchases to avoid the competitive bidding requirements of Section 252.021. An offense under this subsection is a Class B Misdemeanor.

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 in subsection (a). An offense under this subsection is a Class B Misdemeanor.

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.

Conviction for any of these offenses may result in immediate removal from office or employment.

Except as otherwise exempted by applicable State law, requisitions for item(s) whose aggregate total cost is more than \$50,000 must be processed as competitive solicitations (e.g. sealed bids, request for proposals, and request for offers). Texas Local Government Code, Subchapter B, Section 252.021 defines the requirements for competitive bids.

Under no circumstances shall multiple requisitions of \$50,000 or less be used in combination to avoid otherwise applicable bidding requirements or City Council approval, which is required for all purchases greater than \$50,000.

- a. The user department shall initiate the bid process by contacting the Purchasing Division.
- b. The Purchasing Manager in conjunction with the user department shall develop a generic set of specifications so as not to eliminate competition. User department will provide a list of any known vendor they wish to receive a bid package.
- c. Purchasing assigns the bid package a number or groups it with other like items already in a bid package
- d. Bids received after the due date and time will be rejected as non-responsive.
- e. Bid openings will be conducted by the Purchasing Manager or designee.
- f. The Purchasing Division will prepare a tabulation for each item or group of items following the bid opening and consult with each Department/Division involved in order to arrive at a mutual agreement for recommendation. Bids are awarded based on lowest responsible bidder or best value.

### **3.4 Time Requirements**

The time required for the processing of competitive sealed bids is generally 6-8 weeks. The process consists of the following requirements:

- a. Receipt of specifications;

- b. Specifications are developed, drafted, and reviewed by the requesting department and the Purchasing Division;
- c. Bid is advertised in the printed media as required by statute. By law, the bid cannot be opened until at least the 14th day after the initial advertisement;
- d. Bid is posted on the City of Burleson website (<http://burlesontx.bonfire.com/>), where potential bidders are notified of the opportunity. Download is available to any interested party;
- e. A pre-bid conference is held, if applicable;
- f. Addenda are issued, as needed;
- g. Bid is opened, tabulated, and evaluated and recommendation of award is forwarded to user department by the Purchasing Manager;
- h. Department memo is prepared, presented to City Council for approval;
- i. Receipt of all required insurance and bonds; and notification is issued;

### **3.5 Request for Proposals (RFP)**

The governing body of a municipality that is considering using a method other than competitive sealed bidding must determine before notice is given the method of purchase that provides the best value for the municipality. The governing body may delegate, as appropriate, its authority under this subsection to a designated representative. If the competitive sealed proposals requirement applies to the contract, the municipality shall consider the criteria described by Section [252.043](#)(b) and the discussions conducted under Section [252.042](#) to determine the best value for the municipality.

If provided in a RFP, proposals shall be opened in a manner that avoids disclosure of the contents to competing offers and keeps the proposals confidential during negotiations. All proposals are open for public inspection after the contract is awarded, but trade secrets and confidential information in the proposals are not open for public inspection.

Access to bidder-declared trade secrets or confidential information shall be in accordance with the Texas Government Code Chapter 552, the Public Information Act, and applicable City policies implementing this chapter.

#### **How to Prepare a Request for Proposal**

The process consists of the following requirements:

- a. Receipt of specifications;
- b. Specifications are developed, drafted, and reviewed by the requesting department and the Purchasing Division;

- c. RFP is advertised in printed media as required by statute. By law, the RFP cannot be opened until at least the 14th day after the initial advertisement:
- d. Proposal documents can be downloaded at on the City of Burleson's website.
- e. A pre-proposal conference is held, if applicable;
- f. Addenda are issued, as needed;
- g. Proposal is opened and evaluated;
- h. Presentations by bidders, if applicable;
- i. Negotiate, if required;
- j. Contract development, if applicable;
- k. Staff report is prepared and presented to City Council for approval;
- l. Receipt of all required insurance and bonds; and
- m. If awarded, a PO or contract and an award letter are issued.

### **3.6 Request of Qualifications**

Personal and professional services are exempted from the competitive bidding process and are procured through the use of Request for Qualification (RFQ) documents. The Purchasing Division is available to consult with departments regarding the preparation of information; however, the presentation of technical and qualifications aspects of personal and/or professional services included in the RFQ documents is the sole responsibility of the requesting department. The City has prequalified firms for these various services. Contract Purchasing to obtain the approved list.

Texas Government Code, Chapter 2254, Subchapter A, Professional Services, states that contracts for the procurement of defined professional services may not be awarded on the basis of competitive bids. Instead, they must be awarded on the basis:

- a. Of demonstrated competence and qualifications to perform the services;
- b. Highest ranking respondent enters negotiations with the City in order to find a mutually approved professional services agreement.
- c. If a fair and reasonable amount is not met: negotiations end and negotiations begin with the next highest ranking vendor.
- d. Must be consistent with and not higher than the recommended practices and fees published by the applicable professional associations; and
- e. May not exceed any maximum provided by law.

- f. Professional Services for the purposes of Government Code Chapter 2254 are defined as those “services within the scope of the practice, as defined by state law of:
- Accounting
  - Architecture
  - Landscape architecture
  - Land surveying
  - Medicine
  - Optometry
  - Professional engineering
  - Real estate appraising
  - Professional nursing
- g. or provided in connection with the professional employment or practice of a person who is licensed or registered as a:
- Certified public accountant
  - Architect
  - Landscape architect
  - Land surveyor
  - Physician (including a surgeon)
  - Optometrist
  - Professional engineer
  - State certified real estate appraiser
  - Registered nurse

### **3.7 High Technology Procurement**

- a. Contact the Purchasing Division for all high technology procurements. The Purchasing Division will coordinate with Information Technology to ensure that the appropriate solicitation procedure is used.
- b. Automated information systems include:
1. The computers on which the information system is automated;
  2. Departments are required to work with Purchasing and I.T. in order to purchase items or services.

### **3.8 Cooperative Purchases**

Cooperative purchasing occurs when two or more governmental entities coordinate some or all purchasing efforts to reduce administrative costs, take advantage of quantity discounts, share specifications, and create a heightened awareness of legal requirements.

Cooperative purchasing can occur through:

- Interlocal agreements
- State contracts
- Piggybacking
- Joint purchases

Best value can be determined by non-cost factors. Past performance, reliability and overall deliverables should be assessed when determining best value. Purchasing, in conjunction with user departments must ensure that all procurement requests, on cooperative contracts are thoroughly vetted by checking cooperative price to market pricing for like items on purchases exceeding \$50,000.

### **3.9 Interlocal Agreement Purchases**

Texas Government Code Chapter 791, Interlocal Cooperation Act, allows local governments to contract with and between one another, to provide governmental functions and services, as well as join together in contracting with other entities to provide goods and services.

### **3.10 State Contract Purchases**

Texas Local Government Code Chapter 271, Subchapter D, § 271.081-271.083, State Cooperation in Local Purchasing Programs, allows local governments to purchase items on the State's purchasing contracts and allows the State to solicit bids on the local government's behalf when considered feasible by the State.

### **3.11 Piggybacking**

Piggybacking occurs when one governmental agency purchases for itself and for others as joint purchase.

### **3.12 Joint Purchases**

Joint Purchases agencies should protect themselves by establishing a policy in writing, even when the arrangement is informal.

Joint purchasing occurs when two or more governmental agencies join together to purchase one or more items. This may involve each entity handling part of the administrative duties or agreeing to have one entity handle the transactions under the guidance of other entities. All parties to a purchase must agree to the product specifications so that the result will be a satisfactory purchase for all involved entities.

### **3.13 Emergency Purchases**

The Legislature exempted certain items from sealed bidding in the Vernon's Texas Codes Annotated - Local Government Code Section 252.022(a), including but not limited to:

- a. A procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents or to preserve the property of the municipality;
- b. A procurement necessary to preserve or protect the public health or safety of the municipality's residents;

- c. A procurement necessary because of unforeseen damage to public machinery, equipment or other property.

### **3.14 Definition of a Valid Emergency Purchase**

Valid emergencies are those that occur as a result of the breakdown of equipment which must be kept in operation to maintain the public's safety or health, or whose breakdown would result in the disruption of City operations.

Care should be taken to avoid emergencies created by negligence. Most vendors will charge a premium if labor, supplies or materials are required immediately. Better prices can usually be obtained if the material is purchased on sealed, written bids. Most vendors will go through the manufacturers for a price that is lower than the vendor's wholesale price.

Typical examples of emergencies created through negligence are depletion of stock due to neglect; emergency orders for materials for projects which could have been planned weeks or months ahead, etc. Abuse of the emergency purchase procedure is justification to withhold issuance of additional confirming PO's.

If an emergency situation arises, the Departmental Director is responsible for contacting the City Manager, Finance Director and Purchasing Manager to determine appropriate action. The City Manager must give written consent to issue the purchase order once the cost is determined.

### **3.15 Ratification by the City Council**

At the next City Council meeting following the date the exempted expenditure is made, for which there is sufficient time to give notice under the Texas Open Meetings Act, the Department Director shall place the exempted expenditure item on the City Council agenda for ratification if the expenditure is in excess of \$50,000.

### **3.16 Sole Source Purchases**

Sole-source purchases are items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies as defined by local government code.

When a department has identified a specific item with unique features or characteristics essential and necessary to the requesting department and no alternate products are available, a detailed written justification must be provided to the Purchasing Division in advance for review and approval.

The legislature exempted certain items from sealed bidding in the Vernon's Texas Codes Annotated - Local Government Code Section 252.022 (a) 7, in part: Procurement of items available from only one source, including:

- a. items available from only one source because of patents, copyrights, secret processes, or natural monopolies;
- b. films, manuscripts, or books;
- c. gas, water and other utility services;

- d. capital replacement parts or components for equipment;
- e. books, papers, and other library materials for a public library that are available only from the person holding exclusive distribution rights to the materials; and
- f. management services provided by a nonprofit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits.
- g. sole source should be used in rare cases.

### **3.17 Sole Source Documentation**

The department shall provide the Purchasing Division with:

- a. A completed copy of the sole-source document. (Exhibit III)
- b. A sole source letter from the vendor, on that company's letterhead, stating why the item being purchased is sole-source. This letter shall include item description, patent, copyright, and/or other pertinent information that will assist the Purchasing Division in making the decision as to whether or not the item is acceptable as sole source. The letter will remain valid for one year from the date of approval.

## **4.0 BIDDING REQUIREMENTS**

### **4.1 Advertising Requirements**

Vernon's Texas Codes Annotated - Local Government Code, Section 252.041(a) states:

Whenever the competitive sealed bidding requirement applies to the contract, notice of the time and place at which the bids will be publicly opened and read aloud must be published at least once a week for two consecutive weeks in a newspaper published in the municipality.

The date of the first publication must be before the 14th day before the date set to publicly open and read them aloud. If no newspaper is published in the municipality, the notice must be posted at the City hall for 14 days before the date set to open the bids and read them aloud.

### **4.2 Pre-Bid/Pre-Proposal Conferences**

Pre-bid and pre-proposal conferences are held whenever it is determined that such a conference is needed and allowed by law. Pre-bid and pre-proposal conferences may be held for projects that involve installation on City property and/or when warranted by the complexity of the work.

### **4.3. Bid/Proposal Specifications**

A specification provides an accurate description of a particular commodity or service to be procured. The City specifications, when set forth, shall define the requirement and convey the same meaning to all parties concerned, i.e., the user, purchaser and vendor. Federal and standard specifications shall be used whenever possible.

The specifications describing supplies, materials and equipment to be bid through the Purchasing Division will be developed primarily by the requesting department with the assistance of the Purchasing Manager as required. Final approval of all solicitation packages is at the discretion of the Purchasing Manager.

### **4.4 Statement of Work (SOW)/Technical Specifications**

- a. The requesting department is responsible for submitting a Statement of Work/Technical Specification that functionally defines the needs and requirements.
- b. The requesting department is responsible for ensuring that the Statement of Work (SOW) is quantified and structured in such a manner as to:
  - c. secure the best economic advantage for the City;
  - d. be clearly stated;
  - e. be unbiased and non-prejudiced toward vendors;
  - f. encourage innovative or alternate solutions to the requirement described; and
  - g. allow free and open competition to the maximum extent reasonably possible.

### **4.5 Opening of Bids**

Competitive sealed bids shall be publicly opened, read aloud, and recorded at a designated location at the scheduled date and time. All vendors submitting bids are invited to attend these bid openings, as well as City personnel representing the division/department and other interested parties.

The City will reject late bids; however, they will not be opened nor considered in the evaluation of the bid. Bids may be withdrawn at any time prior to the official opening. Bids may not be altered, amended or withdrawn after the official opening without the recommendation and approval of the Purchasing Manager.

### **4.6 Evaluation of Bids**

The Purchasing Manager, and other City personnel as required, will evaluate all competitive bids, proposals, and/or offers received in accordance with the evaluation criteria established and included in the solicitation documents. An evaluation team should be established for each project.

#### **4.7 Lowest Responsive and Responsible Bidder**

A responsive bidder is defined to be one who submits a completed sealed bid packet within the stated time deadline and in accordance with the bid specifications.

A responsible bidder is defined to be one who demonstrates specific selection criteria responses that define whether the company can successfully deliver the supplies, equipment, or services as determined by the internal evaluation committee.

#### **4.8 Best Value Bidder**

Texas Local Government Code, Section 252.043, states, in part:

In determining the best value for the municipality, the municipality may consider:

- a. the purchase price;
- b. the reputation of the bidder and of the bidder's goods or services;
- c. the quality of the bidder's goods or services;
- d. the extent to which the goods or services meet the municipality's needs;
- e. the bidder's past relationship with the municipality;
- f. the impact of the ability of the municipality to comply with laws and rules relating to contracting with HUB and non-profit 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 request for bids or proposals.

#### **4.9 Identical Bids**

Vernon's Texas Codes Annotated - Local Government Code, Section 271.901 states in part:

- a. If a municipality or district is required to accept bids on a contract and receives two or more bids from responsible bidders that are identical, in nature and amount, as the lowest and best bids, the governing body of the municipality or district shall enter into a contract with only one of those bidders and must reject all other bids.
- b. If only one of the bidders submitting identical bids is a resident of the municipality or district, the municipality or district must select that bidder. If two or more of the bidders submitting identical bids are residents of the municipality or district, the municipality or district must select one of those bidders by the casting of lots. In all other cases, the municipality or district must select from the identical bids by the casting of lots.
- c. The casting of lots must be in a manner prescribed by the mayor of the municipality or the governing body of the district and must be conducted in the presence of the governing body of the municipality or district. All qualified bidders or their legal representatives may be present at the casting of lots.

#### **4.10 City Council Action – Recommendation for Award**

The Mayor and City Council approve all contracts, purchase orders and change orders \$50,000 or greater. The User Department submits AIP's, the requesting division/department is responsible for providing any information necessary to complete the item.

#### **4.11 Award of Contract**

Texas Local Government Code, Section 252.043, states, in part

- a. If the competitive sealed bidding requirement applies to the contract for goods or services, 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 municipality.
- b. Before awarding a contract under this section, a municipality 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 municipality.

#### **4.12 Bid Protest**

Any actual bidder or contractor who is aggrieved in connection with a bid invitation or award of a contract may protest to the City Manager. The protest must be submitted in writing within five (5) business days after public posting of the Recommended Award. Only written protests shall be considered. The protest letter must be signed and include the following information:

- a. Name, address, and telephone number of the protester;
- b. The bid/proposal or contract number;
- c. A detailed statement of the legal and factual grounds for protest, information demonstrating its timeliness, copies of relevant documents, and reasons the protest should be sustained; and
- d. A specific request for a ruling by the City Manager.
- e. Failure to provide this information may result in a determination that the protest is without merit.
- f. The decision of the City is final.
- g. If the bid or proposal has not been opened and there is a protest regarding overly restrictive specifications, omissions, ambiguous or indefinite evaluation factors, or other concerns, protesters are to contact the Purchasing Manager to explain any concerns, not later than five (5) business days before the bid or proposal is scheduled to be opened. If the protest is determined to have merit, the Purchasing Manager will make a reasonable effort to issue an addendum, extend the bid opening date, or resolve any issue prior to the bid opening or receipt of bids/proposals.

#### **4.13 Bond Requirements**

A bid bond/proposal guarantee, issued by the bidder's/proposer's surety, is a legal document used to bind the vendor to honor the bid/proposal. In the event the vendor fails to honor a bid/proposal, the bid bond/proposal guarantee may be forfeited and the issuing surety shall pay the City the amount of the bond/guarantee to defray the City's cost. Bid bonds/proposal guarantees shall, as a general rule, be five percent (5%) of the bid/proposal amount. In certain procurements a dollar amount may be specified in place of a percentage. The issuing surety must be a company authorized to conduct business in the State of Texas.

#### **4.14 Payment Bonds**

A payment bond, generally, in an amount of one hundred percent (100%) of the contract amount is a legal document insuring faithful payment by the vendor of all invoices for materials, labor, subcontractors, taxes, and any/all other expenses relative to the contract. In the event of vendor's failure to pay any/all of the costs relative to the contract, the bonding company becomes liable. In accordance with Texas Government Code Chapter 2253, payment bonds are required for all public works contracts in excess of \$25,000.

#### **4.15 Performance Bonds**

A performance bond in the amount of one hundred percent (100%) of the contract amount is a legal document insuring faithful performance of the work of the contract by the vendor. In the event of contractor's failure to perform the work, the surety is liable for the satisfactory completion of the work or may pay the City up to the full bond amount. A performance bond is required for all public works (construction contracts) in excess of \$100,000.

Subject to the requirements of applicable law, the Purchasing Division, with input from the department, shall determine whether a performance bond will be required. While the decision is discretionary, the decision shall take into consideration the work to be performed or system/subsystem to be developed. Performance bonds must be submitted by the successful vendor along with the duly executed contract documents prior to receiving a "Notice to Proceed" for the work. Other bonds such as fidelity bonds, etc., and additional requirements will be imposed on a case-by-case basis.

#### **4.16 Insurance Requirements**

When contract work is to be performed on City property, the contractor must provide proof of required insurance coverage. (Exhibit IV)

The insurance coverage and amounts are determined by the potential risk or loss to the City. These coverage and amounts are established at the time the bid/proposal packages are being prepared and are included as requirements in the package.

The successful bidder or proposer is required to submit an appropriate Certificate Of Insurance (COI) reflecting that all required coverage are in effect and current, along with the executed contract documents and required bonds or proposal guarantee.

#### **4.17 Change Orders to Existing Purchase Orders and Contracts**

Change orders are contract changes made after execution of the contract that effect necessary changes to plans and specifications or to increase/decrease the scope or quantity of the work to be performed or the materials, equipment, or supplies to be furnished.

The initiating department can contact the Purchasing Manager to begin the process. Appropriate documentation is required.

The Purchasing Manager will ensure that the documentation is placed with the appropriate bid files. With the exception of a legally defined emergency purchase, no contract work or changes may begin prior to the issuance of a Notice to Proceed.

Per State law, the original amount of a contract may not be increased with a change order by more than twenty-five percent (25%). The original amount of a contract may not be decreased with a change order by more than twenty-five percent (25%) without the written consent of the contractor.

Change Orders over \$50,000 or any contracts with an increase of more than 10% will require council approval.

When an original construction contract amount is for more than \$50,000, change orders individually larger than 10% of the original contract or more than 20% of the original contract in aggregate must be approved by City Council prior to commencement of the services or work. The original contract price may not be increased by more than 25 percent. The original contract price may not be decreased by more than 25 percent without the consent of the contractor.

### **5.0 EXCESS/SURPLUS PROPERTY**

Furniture, fixtures, equipment, or supplies, which are no longer needed by a department, become excess or surplus property. Determined by the Purchasing Manager.

#### **5.1 Recycling Surplus Property**

Surplus property that is irreparably broken or no longer usable for originally intended purposes shall be classified as obsolete and disposed of accordingly with the approval of the Purchasing Division.

#### **5.2 Methods of Disposition of Surplus Property**

Methods of disposing of City property include, but are not limited to the following:

- a. On-line auctions;
- b. Public auctions;
- c. Advertisements for sealed bids;

- d. Transfers to other governmental agencies;
- e. Soliciting bids from sources, known to use or purchase for sale, like items;
- f. Recycling; and
- g. Trade-in on new equipment when in the best interest of the City.

## **6.0 CONTRACTS/PRICE AGREEMENTS**

The City's terms and conditions prevail and terms and conditions are required for purchases. A purchase order is required before placing an order. Contracts and price agreements are established to comply with the statutes where multiple departments use the same or similar products or service and/or the cumulative total of expenditures exceeds \$50,000.

### **6.1 Obligation of City and Contractor to Utilize Contract**

- a. The contractor has an obligation to furnish all materials and/or services against the contract and the City has an obligation to order materials and/or services covered by the contract on an as- needed basis from the successful contractor.
- b. Items that are on existing contract with a vendor should not be procured from any other vendor. This may constitute a breach of contract and may result in violations of the competitive bidding statutes. Before a purchase is made, contact Purchasing to see if an existing contract exists.
- c. The contract takes precedence over all other pricing. For example, if Vendor A holds the contract for office supplies, the City cannot procure said supplies from Vendor B, even though the price may be lower at the time of purchase. The City is under contractual obligation to purchase from Vendor A.
- d. All contracts and agreements must be provided to the Purchasing Manager.

### **6.2 Renewal of Contract/Price Agreements**

- a. Efforts should be made for multi-year contracts (Preferably 3 years). If multi-year contracts are not obtainable, annual contracts can be considered by the Purchasing Manager.
- b. The City department(s) utilizing the item(s) on an annual contract will define the requirements and make any recommendations for extension of the contract. Departments are instructed to fill-out vendor performance evaluation forms to assist in contract management.
- c. Recommendations will be based on service, delivery, quality of materials and customer service. Departmental recommendations to renew or cancel annual contracts should be submitted to the Purchasing Division no less than 60 days prior to expiration of the existing contract.

- d. The 60-day notice is required to allow sufficient time to notify the contractor of cancellation and to re-bid the contract or to advise the Mayor and City Council of the intent to renew. All renewals are at the discretion of the Mayor and City Council.
- e. In the event that the Purchasing Division does not receive a recommendation from the user department, the stakeholders will assume the responsibility of preparing the recommendation to either extend the contract or re-advertise for new bids.

## **7.0 BID/PROPOSAL SPECIFICATIONS**

### **7.1 CHARACTERISTICS OF AN EFFECTIVE SPECIFICATION:**

1. **SIMPLE:** Avoid unnecessary detail, but be complete enough to ensure that requirements will satisfy the intended purpose.
2. **CLEAR:** Use terminology that is understandable to the City and bidders. Use correct spelling and appropriate sentence structure to eliminate confusion. Avoid legal-type language and jargon whenever possible.
3. **ACCURATE:** Use units of measure that are compatible with industry standards. All quantities and packing requirements should be clearly identified.
4. **COMPETITIVE:** Identify at least two commercially available brands, makes, or models (whenever possible) that will satisfy the intended purpose. Avoid unneeded extras that could reduce or eliminate competition and increase costs.
5. **FLEXIBLE:** Avoid totally inflexible specifications that may prevent the acceptance of a bid that could offer greater performance at a lower cost.

### **7.2 Bid Specification Development**

To expedite the competitive bid process, departments must contact Purchasing prior to beginning the specification development process. Ideally, Purchasing should be contacted as soon as a requirement is recognized.

The requesting department will prepare the initial specifications; define its requirements by function, stating how the material or equipment is to be used, and required quantities. The specifications should clearly state the minimum acceptable levels for equipment or supply items.

In certain cases, cut sheets, technical handbooks, and industry practices/standards are required to effectively describe the goods or services. This should be done in such a manner as to not restrict competition or be proprietary to a specific manufacturer or supplier. The Purchasing Division is responsible for working with departments to ensure their specifications are as fair and open to competition whenever possible.

The requesting department will forward the specifications to the Purchasing Division. The Purchasing Manager will then be responsible for working with the department to refine the specifications and obtain any outside technical assistance as required.

To ensure that specifications are clear, legal and non-restrictive, user departments work with purchasing manager. This ensures proper quality control and avoids specification conflict between departments.

Purchasing will forward final specifications to the requesting department(s) for approval prior to the release of the solicitation.

The time required for developing the specifications will vary depending upon the complexity of the item(s) and the availability of information. To facilitate the preparation of the solicitation, the requesting department shall supply the Purchasing Division with any/all known acceptable products, acceptable vendors, or any other information regarding the item(s) requested.

### **7.3 Purchase Requisition**

The purchase requisition is used to inform the Purchasing Manager of the needs of a department and to identify the goods or services requested for competitive quotes, bids or proposals that will be considered as one-time purchases. A requisition must be entered and a purchase order is required before placing an order.

Requisition must be entered after a bid but before Council approval.

## **8.0 DOCUMENT PROCESSING**

### **8.1 Sufficient Funds**

It is the department/division's responsibility to verify sufficient funds are available within the expenditure category.

When the department verifies sufficient funds are available, the requisition may be processed.

### **8.2 Processing Time Frames**

Requisitions should be prepared far enough in advance so as not to create an emergency situation. This allows the Purchasing Manager adequate time to secure or assist in obtaining competitive quotes and reasonable delivery by the vendor.

For items \$3,000 or greater, but less than \$50,000, the Purchasing Manager should receive the requisition in the automated system and follow-up documentation (quotes, etc.) at least 48 hours before services or goods are required.

Requisitions in the financial software that do not have the appropriate number and type of quotes will not be approved by Purchasing Manager. Proper supplemental documentation must be provided to suffice the needs of Council Policy 36. If the requisition does not contain this information, it will be returned to sender.

### Requisitions over \$3,000

All requisitions in the financial software must be pre-approved by the Department Director in addition to their designee, and have appropriate quotes, prior to the assignment of a purchase order. Processing of Requisitions \$50,000 or Greater the department shall contact the Purchasing Division with enough lead time to allow for the appropriate solicitation, if required. A requisition shall be entered into the financial software and will remain in the system until it is either closed or a purchase order is issued by the Purchasing Manager, after appropriate solicitations and required Council approval are accomplished. The Purchasing Manager will then approve the requisition and create the purchase order.

## **8.3 Purchase Orders (PO)**

The purchase order (PO) is the vendor's authorization to ship materials or provide services as specified. The PO is also a contract and is designed to control and expedite the City's procurement process. No orders are to be placed with vendors prior to the issuance of a PO in the financial software.

In the financial software system, the requisition number is tied to the purchase order number, which is also tied to the invoice and final receiving report.

## **8.4 Receiving of Full and Partial Shipments**

- a. The automated procurement system contains a receiving module that tracks receipt of goods and services within the City. Immediately upon receipt of ordered items, the receiving department shall enter the receipt into the automated procurement system in accordance with the packing slip or delivery ticket so that prompt payment can be made.
- b. Receiving records shall be precise and accurate. No receivers shall be entered if the goods have not been received or completed.
- c. In the case of partial receipts, enter into the automated procurement system the actual items received, after verifying that the order matches the packing slip. If the order is incomplete or does not match the packing slip, contact vendor immediately.

## **8.5 Invoices**

An invoice is an itemized statement of merchandise delivered by the vendor. Invoices are based on the purchase order and the actual delivery tickets or packing slips.

In the automated procurement system, payment of an invoice can occur only if the purchase order quantity and amount match the receiver(s) quantity and amount, and both of those must match the invoice(s) quantity and amount.

The receiving department shall bring any receiving discrepancies or non-payments to the attention of Accounts Payable.

## **8.6 Legal Review**

The City Attorney or designee may review all documents, contracts and legal instruments in which the City has an interest, at his/her discretion. Equipment, materials, supplies, and service contracts bearing any special terms and conditions, not previously approved by the City Attorney, shall be submitted for such approval and must receive approval prior to issuance.

## **8.7 Signature Authority**

Only the City Manager or designee has signature authority to execute contracts of any nature. Such signature authority is detailed and delegated below:

- a. The City Manager has authority to execute contracts under \$50,000.
- b. The City Manager has authority to execute contracts equal to or in excess of \$50,000 if approved by City Council in the annual budget or as a city council agenda item.
- c. The Purchasing Manager has authority to execute contracts under \$10,000 if the contracts are procured in compliance with this Purchasing Policy.
- d. The City Manager may designate in writing a city employee to sign contracts in his/her absence.

## **8.8 Department Requirements**

Departments are responsible for ensuring contracts are compliant with Council Policy 36 prior to routing for approval. It is incumbent upon the department to verify the contractor, the purpose of the agreement, including the terms and conditions in an effort mitigate risk, and ensure consistency in the City's contracting process. Departments shall submit all required forms as required by Purchasing.

## **9.0 PROCUREMENT CARD PROCEDURES**

### **9.1 General**

The Procurement Card Program (P-card Program) is designed to streamline and create efficiencies within the purchasing process for small dollar purchases. The Program is intended to give authorized City employees the power to procure for City related business, goods or services directly from vendors, while at the same time reducing the time and effort normally associated with ordering and paying for these types of purchases. Cardholders are expected to comply with the policies and procedures contained in these procedures and with the City Council Policy 36.

## 9.2 Eligible Employees

The City Manager may approve full-time employees, whose responsibility includes purchasing business related goods and services, to receive a procurement card. An individual will only receive the card after completing the application form, acknowledge receipt of Procurement Card Policies and Procedures, and signing a Cardholder Agreement Form. Temporary employees are not eligible.

The card is issued to one employee only. Authorization to use this card is restricted to the employee whose name is embossed on the card. As a cardholder, the employee is responsible for the appropriate use of City funds. Although the card is issued to the employee, it remains City property and may be rescinded at any time. The employee should use the card only for the types of purchases described in this guide and approved by his/her supervisor. Department cards are prohibited.

## 9.3 Card Limits

- a. The credit limit of any P-card shall be \$3,000 per cycle. The City Manager or designee may, on a case-by-case basis, increase the credit limit of a P-card to \$10,000 per cycle if such increase is necessary to cover non-recurring departmental expenses the purchase of which are not in violation of this Policy.
- b. Purchases under \$10,000 may be made through the purchase order (PO) process. Purchases under \$3,000 may be made through the City's procurement card (P-card) program. The City Manager or designee may, on a case-by-case basis, increase the single purchase limit of a P-card to \$10,000 per purchase if such increase is necessary to cover non-recurring departmental expenses the purchase of which are not in violation of this Policy.

## 9.4 Cardholder Responsibilities

The employee promises to comply with the program rules and regulations as determined by the Burleson Purchasing Procedures and by signing the Procurement Cardholder Agreement (Appendix A).

Additionally, the cardholder is responsible for:

- a. Upon receipt of the card, contact JPMC and activate the card; using your employee ID number.
- b. Hold and secure the card;
- c. Order materials and services as needed by the department;
- d. Ensure sales tax is not charged;
- e. Receive and inspect all ordered materials for discrepancies (resolving discrepancies directly with the vendor first);
- f. For each transaction made, indicate the account code that will be used to pay for the purchase;

- g. Cardholder or Department Card Coordinator must mark “approved” for each transaction at least weekly, thus indicating the transaction is valid;
- h. Save all sale receipts; and submit to Accounts Payable along with the “Department/Division Approval Report.”
- i. Maintain proper documentation and storage of imaged receipts, logs and approvals;
- j. Use the card for City related business only, in accordance with city, state and federal policies, procedures and laws;
- k. Immediately report any fraudulent use as well as lost or stolen cards to JPMC and the City’s Purchasing Manager.

## **9.5 Program Administrator Responsibilities**

The Purchasing Manager serves as the liaison between the cardholders and the Bank. Additionally, the responsibilities include:

- a. Establish Cardholder accounts and authorization controls;
- b. Provide instructions, training and assistance to Cardholders and approvers;
- c. Maintain proper documentation and storage of imaged receipts, logs and approvals;
- d. Authorize payment to JPMC in accordance with City policies, procedures and the Prompt Payment Act;
- e. Immediately notify the Finance Director of any suspected abuse or fraudulent activity.

## **9.6 Supervisor Responsibilities**

The Cardholder’s supervisor, manager, or director, is responsible for approving transactions and verifying that related receipts and documentation are submitted. The Department Director is responsible for approving the information in the ERP system for each transaction by noon on Friday, this indicating the transaction is valid (see Segregation of Duties below).

Failure to process transactions in a timely manner (by noon on Friday unless otherwise expressly approved) could result in Pcard privileges being suspended indefinitely determined by the Finance Director and City Manager.

The supervisor is also responsible for obtaining the card from cardholders upon their exit from the City (resignation or termination) and providing the card to Human Resources.

**Segregation of Duties** In order to ensure proper internal controls, each department must maintain a separation of duties for the electronic review and approval of all transactions in the ERP system.

Departments may opt to centralize the “review” process through a procurement card coordinator.

Cardholder supervisor(s), or designee, must “approve” transactions in ERP system. Under no circumstances should the same individual be the “reviewer” and the “approver”.

## **9.7 Using the Card**

The procurement card is a supplement to the purchasing process. Use of the card is not intended to replace effective procurement planning which enables volume discounts nor is it intended to preempt City policies and procedures or State law.

The procurement card is intended for approved purchases that benefit the City of Burleson.

Purchases shall not be split to circumvent accounting and procurement regulations. Charging personal expenses, even if the intent is to reimburse the City later, is prohibited.

Procurement cards **shall not** be used for:

- a. Cash advances and/or cash refunds;
- b. Alcoholic beverages, unless approved by the City Manager.
- c. Charitable, civic, political or religious organizations;
- d. Court costs and fines;
- e. Separate, sequential or component purchases;
- f. Gift Cards, Departments wishing to purchase gift cards with a Pcard must notify the Purchasing Manager, and provide documentation of the place the card was purchased, the amount, and who the card was distributed to. This list must be signed off by the Department Director in conjunction with the Purchasing Manager.

## **9.8 Transaction Reconciliation**

All transactions should be supported by a copy of the charge slip, sales receipt, or any other information related to the purchase. Receipts should be itemized as much as possible to show what is being purchased. In instances where the receipt is lost, Cardholder must obtain a copy at their own expense from the Bank or vendor.

## **9.9 Sales Tax**

The City of Burleson is tax exempt. The City’s tax exempt number is 75-6000475, this number is printed on each card. The cardholder is responsible for ensuring compliance and will be held responsible for ensuring credit for any tax erroneously applied. When traveling, hotel charges, food charges and fuel charges will most likely be taxed.

## **9.10 Discrepancies and Dispute Procedures**

Disputes, if possible, should be resolved promptly between the Cardholder and the Vendor.

Cardholders should raise disputes immediately.

A failure to do so will result in an authorized purchase that the department is responsible for paying even though the charge is incorrect.

If the dispute cannot be resolved within 10 days, the Cardholder should submit a Dispute Form (Appendix B) to the Purchasing Card Program Administrator.

## **9.11 Lost or Stolen Procurement Cards**

It is the responsibility of the cardholder to immediately report a lost or stolen procurement card directly to JPMC at 1-800-270-7760.

During business hours, a Program Administrator may assist the employee with reporting the lost/stolen card to JPMC and deactivating the card.

After business hours, the cardholder must report the lost/stolen card to the Purchasing Manager as soon as possible.

The City is responsible for all transactions until the card is reported lost or stolen.

The employee's quick response will reduce the risk of fraud.

## **9.12 Canceling Procurement Cards**

An employee's supervisor may cancel a card for an employee at any time for any reason by notifying the Purchasing Manager or Finance and delivering the canceled card(s).

## **9.13 Renewal of Existing Procurement Cards**

Renewed procurement card(s) are sent automatically to Finance 30 days prior to the expiration date of the card. Purchasing will notify the appropriate individuals when cards are available to be picked up.

## **9.14 Misuse of the Procurement Card**

The procurement card represents the City's trust in the employee and his/her empowerment as a responsible employee of the City of Burleson to safeguard and protect its assets.

As a cardholder, each employee assumes the responsibility for the protection and proper use of the procurement card including timely reconciliation.

Cardholders suspected of fraud, theft or misuse will have their card(s) suspended or terminated. Further, appropriate disciplinary actions will be taken against the employee in accordance with City policies and procedures.

### **9.15 Personal Misuse**

The following situations are a few examples of personal misuse of the procurement card:

- a. Purchases using the card for the sole benefit of the employee or the employees family or friends;
- b. Purchases of clothing, food or entertainment not authorized by the employee's department;
- c. Assignment, transfer, or "loaning" of an individual card to an unauthorized person;
- d. Use of a procurement card by a suspended or terminated employee.

These examples may indicate negligence on the part of the Cardholder when no apparent fraudulent acts have been committed.

Following the Finance Directors review of personal misuse, he or she may implement the following repercussions for the cardholder:

- a. Cardholder may be required to reimburse the City for the purchases and provide documentation proving reimbursement with two weeks;
- b. 1st Offense – Card suspended for 30 days; notice sent to cardholder, supervisor and department director.
- c. 2nd Offense – Card suspended permanently.
- d. Other disciplinary measures up to and including termination and legal action.

### **9.16 Administrative Misuse**

The following situations are a few examples of administrative misuse of a procurement card:

- a. Lack of proper documentation, i.e.: itemized receipts for each transaction;
- b. Lack of proper and timely reconciliation of individual cardholder account;
- c. Lack of properly safeguarding the card (repetitive lost cards);

- d. Card use in direct violation of the Purchasing Policies and Procedures (i.e.: split transactions to circumvent the single transaction limit; multiple transactions to circumvent the bidding process);

Administrative misuse will be handled promptly and uniformly for all cardholders.

Following the Program Administrator's review of administrative misuse, s/he may implement the following repercussions for the cardholder:

- a. 1st Offense – Warning sent to Cardholder and Supervisor.
- b. 2nd Offense – Card suspended permanently.

## 9.17 Records Management

Procurement card receipts and all related documentation supporting a procurement card purchase is considered an accounts payable transaction and should be maintained in accordance with established guidelines and policies for such documents.

### (EXHIBIT I)

## INSURANCE REQUIREMENTS

### INSURANCE REQUIREMENTS (IN THE MINIMUM OF)

The successful bidder shall submit evidence of required insurance on an original Acord certificate not later than fifteen (15) working days following bid award notification. Failure to submit the required document(s) may result in rescinding the award. The bid may thereafter be awarded to the next lowest bidder.

1. A certificate of insurance is not required at the time of the bid. However, an insurance certificate is required to be on file prior to the start of any work.
2. **Commercial General Liability:** \$500,000 per occurrence, \$500,000 products/ completed operations and \$1,000,000 general aggregate for bodily and personal injury and property damage. This policy shall have no coverage removed by exclusions.
3. **Automobile Liability:** \$500,000 combined single limit per accident for bodily injury and property damage. Coverage should be provided as a "Code 1," any auto.
4. **Workers' Compensation and Employers' Liability:** Statutory. Employers Liability policy limits \$100,000 for each accident, \$500,000 policy limit - Disease.

### Other Insurance Provisions

1. The City, its officials, employees and volunteers shall be named as an additional insured on the commercial general liability and automobile liability insurance policies. These insurance policies shall contain the appropriate additional insured endorsement signed by a person authorized by that insurer to bind coverage on its behalf.
2. Each insurance policy required by this clause shall be endorsed to state that coverage shall not

be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days prior written notice has been provided to the City. If the policy is canceled for non-payment of premium, only ten (10) days notice is required.

3. Insurance is to be placed with insurers with a best rating of no less than A: VII. The company must also be duly authorized to transact business in the State of Texas.
4. Workers' Compensation and Employers' Liability Coverage: The insurer shall agree to waive all rights of subrogation against the City, its officials, employees and volunteers for losses arising from the activities under this contract.
5. Certificates of insurance and endorsements effecting coverage required by this clause shall be forwarded to:

Purchasing Division - Bid No. \_\_\_\_\_ City of Burleson  
141 W. Renfro  
Burleson, Texas 76028

## Other Insurance Requirements

### Workers' Compensation Insurance Coverage

#### A. **Definitions:**

Certificate of coverage ("certificate") - A copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83 or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.

Duration of the project - Includes the time from the beginning of the work on the project until the contractor /person's work on the project has been completed and accepted by the governmental entity.

Persons providing services on the project ("subcontractor" in Section 406.096) - Includes all persons or entities performing all or part of the services the contractor has undertaken to perform on the project, regardless of whether that person contracted directly with the contractor and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity, which furnishes persons to provide services on the project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries and delivery of portable toilets.

- B. The contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the contractor providing services on the project, for the duration of the project.
- C. The contractor must provide a certificate of coverage to the governmental entity prior to being awarded the contract.
- D. If the coverage period shown on the contractor's current certificate of coverage ends during the duration of the project, the contractor must, prior to the end of the coverage period, file a new certificate of coverage with the governmental entity showing that coverage has been extended.
- E. The contractor shall obtain from each person providing services on a project, and provide to the governmental entity:
  - 1. A certificate of coverage, prior to that person beginning work on the project, so the governmental entity will have on file certificates of coverage showing coverage for all persons providing services on the project; and
  - 2. extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.

- F. The contractor shall retain all required certificates of coverage for the duration of the project and for one (1) year thereafter.**
- G. The contractor shall notify the governmental entity in writing by certified mail or personal delivery, within ten (10) days after the contractor knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project.
- H. The contractor shall post on each project site a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.
- I. The contractor shall contractually require each person with whom it contracts to provide services on a project, to:
1. Provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the project, for the duration of the project.
  2. Provide to the contractor, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the project, for the duration of the project.
  3. Provide the contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.
  4. Obtain from each other person with whom it contracts, and provide to the contractor:
    - a. a certificate of coverage, prior to the other person beginning work on the project; and
    - b. a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project.
  5. Retain all required certificates of coverage on file for the duration of the project and for one  
(1) Year thereafter.
  6. Notify the governmental entity in writing by certified mail or personal delivery, within ten (10) days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project.
  7. Contractually require each person with whom it contracts, to perform as required by paragraphs (1)-(7), with the certificates of coverage to be provided to the person for whom they are providing services.
- J. By signing this contract or providing or causing to be provided a certificate of coverage, the contractor is representing to the governmental entity that all employees of the contractor who will

provide services on the project will be covered by workers' compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.

- K. The contractor's failure to comply with any of these provisions is a breach of contract by the contractor, which entitles the governmental entity to declare the contract void if the contractor does not remedy the breach within ten (10) days after receipt of notice of breach from the governmental entity.

(EXHIBIT II)

FOR MINORITY AND/OR WOMAN-OWNED

BUSINESSES ENTERPRISES



FOR MINORITY AND/OR WOMAN-OWNED  
BUSINESS ENTERPRISES

(To be completed only if applicable)

Minority and/or Woman-Owned Business Enterprises are encouraged to participate in Burleson's procurement process. The Purchasing Division will provide additional clarification of specifications, assistance with Bids Forms, and further explanation of procedures to those who request it. The City of Burleson recognizes the certification of the State of Texas Building and Procurement Commission Historical Underutilized Business (HUB) Program. All companies seeking information concerning certification are urged to contact:

State of Texas HUB Program  
Texas Building and Procurement Commission  
P.O. Box 13047  
Austin TX 78711-3047  
(512) 463-5872  
<http://www.tbpc.state.tx.us/hubbid>

In order to be identified as a Qualified Minority and/or Woman-Owned Business Enterprise in the City of Burleson, this form, along with a copy of your certification, must be returned to the City of Burleson Purchasing Division. You should return these documents with this response, or if you have already submitted this form and a copy of your certification to the Purchasing Division, it is not necessary to re-send certification. If you meet the criteria and are not currently certified, you may contact the agency shown above for instructions to be certified. Upon receipt of certification, you may then return this form and a copy of your certification to: City of Burleson, Purchasing Division, 141 W. Renfro St. Burleson, Texas 76028.

Company Name \_\_\_\_\_  
Representative \_\_\_\_\_  
Address \_\_\_\_\_  
City, State, Zip \_\_\_\_\_  
Email \_\_\_\_\_  
Telephone No \_\_\_\_\_

**INDICATE ALL THAT APPLY**

- Minority-Owned Business Enterprise**  
 **Woman-Owned Business Enterprise**

(EXHIBIT III)

**SPECIFICATION CHECK LIST**

- A. Is the specification clear and concise to both the vendor and the purchaser? Specifications should be as simple as possible to ensure exactness but written so that a loophole will not allow a bidder to evade any of the provisions, thereby taking advantage of competitors and the City. Misunderstandings are expensive and often result in re-bids.
- B. Is the specification identified with a specification or standard that is well known? Have required features or characteristics been identified? Are acceptable alternatives listed?
- C. Can the specification be verified? The specification should describe the method of verification that will govern acceptance or rejection. A specification that cannot be verified is of little value.
- D. Does the specification have reasonable tolerances? Extreme precision is expensive.
- E. Is the specification as fair as possible to all participating vendors?
- F. Is the specification written to allow open competition by several vendors?
- G. Has the end use of the item or service been described?
- H. Are all stated requirements necessary for the intent of the specification?
- I. Has the user researched all possible sources of the item or service? If, after the search, only one item or service provider is deemed acceptable, has all required documentation, rationale and support been gathered and submitted for the bid file?
- J. Is the format of the specification simple and logical?
- K. Is the specification legible?

**Should other Government Entities decide to participate in this contract, would you, the Vendor, agree that all terms conditions, specifications, and pricing would apply?**

Yes \_\_\_\_\_

No \_\_\_\_\_

If you, the Vendor checked yes, the following will apply: Government entities utilizing Inter-Governmental Contracts with the City of Burleson will be eligible, but not obligated, to purchase materials/services under this contract(s) awarded as a result of this bid. All purchases by Governmental Entities other than the City of Burleson will be billed directly to that Governmental Entity and paid by that Governmental Entity. The City of Burleson will not be responsible for another Governmental Entity's debts. Each Governmental Entity will order its own material/service as needed.

**BY SIGNING BELOW, YOU SIGNIFY THAT YOU HAVE READ THE ABOVE COOPERATIVE PURCHASING GUIDELINES AND AGREE TO THE TERMS AND CONDITIONS THEREIN.**

Company Name and Address	Company's Authorized Manager
	Signature

Federal ID Number (TIN) Or SSN and Name	Name and Title (Typed or Printed)
Telephone No.	Date
Fax No.	Email address:

**APPENDIX A**

**PROCUREMENT CARDHOLDER AGREEMENT  
CITY OF BURLESON**

**A procurement card is requested for the following employee:**

<b>Employee Name:</b>		<b>Title:</b>
<b>Date of Birth:</b>	<b>Employee ID Number:</b>	<b>Last 4 ONLY of Social Security Number:</b>
<b>Department Name:</b>		
<b>Job Description:</b>		
<b>E-mail Address:</b>		
<b>Work Phone Number:</b>		
<b>Employee Signature:</b>		
<b>Director Signature:</b>		
<b>Proposed Single Purchase \$ Limit Not to Exceed:</b>	<b>Estimated \$ Amount of Spending per Billing Cycle:</b>	
<b>Date Approved by City Manager:</b>	<b>Date Approved by Program Administrator:</b>	
<b>Print Name: Bryan Langley</b>	<b>Print Name: Justin Scharnhorst</b>	
<b>Signature:</b>	<b>Signature:</b>	

I \_\_\_\_\_ hereby agree to comply with the Purchasing Card Policy and Procedures as written in the City of Burleson Purchasing Manual.

I understand that I am being entrusted with a valuable tool, the purchasing card. I will be making financial commitments on behalf of the City of Burleson. I will obtain the best value for the City of Burleson by using the card wisely and with discretion.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Appendix B

### CARDHOLDER STATEMENT OF DISPUTED ITEM(S)

CARDHOLDER NAME: \_\_\_\_\_

CARD NUMBER: \_\_\_\_\_

MERCHANT NAME: \_\_\_\_\_

DISPUTED AMOUNT: \_\_\_\_\_

I dispute the charge(s) described herein as follows: [Check Appropriate Box(es)]

- I certify that the charge listed above was not made by me nor were the goods or services represented by the above transaction received by me or by a person authorized by me.
- I do not recognize the transaction as listed above. Please inform me of merchant name and description of merchandise.
- Although I did engage in the above transaction, I dispute all or part of the charge in the amount of \$\_\_\_\_\_.
- I have contacted the merchant and requested a credit adjustment that I did not receive or was not satisfactory.
- I have been charged twice for the same transaction. Posting dates: \_\_\_\_\_ and \_\_\_\_\_
- A credit slip was listed as a sale on my statement.
- The amount of the sales slip was increased from \$\_\_\_\_\_ to \$\_\_\_\_\_. Enclosed is my copy of the sales slip prior to alteration.
- I received a price adjustment (credit slip) on the above transaction, and it has not appeared on my statement. Enclosed is a copy of the credit memorandum.
- Non-Acceptance
- Other, please explain completely.

I am disputing the charge because: \_\_\_\_\_

\_\_\_\_\_

Designated Cardholder Signature: \_\_\_\_\_

Daytime Phone: \_\_\_\_\_

Date: \_\_\_\_\_

**EMAIL DISPUTE FORM TO PURCHASING MANAGER**

**Appendix C**  
**LOST OR DESTROYED RECEIPT FORM**

This form is to be used for internal documentation purposes only if the original receipt, invoice, order confirmation, or packing list has been lost or destroyed. It is the cardholders responsibly to make every effort to obtain a copy of the receipt prior to completing this form.

**Explanation of missing receipt:**

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**Description of Purchase:**

---

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**Vendor Name and Address:**

---

**Amount:** \_\_\_\_\_ **Date of Purchase:** \_\_\_\_\_

---

**Approval:**

*I understand that falsification of the itemization of this purchase constitutes an act of fraud.*

\_\_\_\_\_  
Cardholder Name – Printed                      Cardholder Signature                      Date

\_\_\_\_\_  
Cardholder Department                      Last 4 # of P-Card

\_\_\_\_\_  
Dept. Director Name – Printed                      Dept. Director Signature                      Date

\_\_\_\_\_  
Pcard Administrator                      Pcard Administrator Signature                      Date