

## City of Lancaster



Resourcefulness: Provide internal and external customers a cost effective return for citizen's tax dollars by working within a structured budget. Encourage innovative and responsible risk taking for continuous process improvement.

<b>SUBJECT: Purchasing Policy</b>		<b>POLICY NO.: P-7</b>
<b>APPROVED BY:</b> Opal Mauldin-Jones	<b>POLICY DATE:</b> 1-18-05	<b>REVISED DATES:</b> 12-7-06, 10-22-17

### ALL PURCHASES

All purchases, regardless of type, must be in compliance with this policy, the procedures, a purchase order issued **prior** to placing an order or be paid with a purchasing card. Exceptions: Utility and Benefit Payments or refunds by check request.

### COMPLIANCE WITH POLICY

Failure to comply with all of the provisions of **this policy and the procedures** may result in disciplinary action up to and including termination in addition to any criminal penalties.

Formal notification will be issued for all non-compliance issues. (Form: Purchase Statement-Non Compliance)

### ETHICS

Funds are entrusted to the City of Lancaster by the public. It is imperative that all transactions committing City of Lancaster funds observe the highest standard of ethics throughout the procurement process to ensure public trust. See section 2 of the procedures for further information.

### GENERAL AUTHORITY

The Purchasing Agent shall have the authority to procure all supplies, equipment, and services for the City either on an individual basis or through annual contracts. These purchases will comply with the Texas Local Government Code.

<b>Dollar Value</b>	<b>Authorized to Make Purchase</b>	<b>Approval of Purchase</b>	<b>Approval PO</b>	<b>Approval Invoice</b>	<b>Approval Contract</b>	<b>Approval Contract Amendment</b>
Under \$3000	Authorized Staff Purchasing Agent	Supervisor or Director	Purchasing Agent Finance Director City Manager	Authorized Staff Supervisor or Director	City Manager	City Manager
Over \$5,000 Fixed Asset or Capital Purchase	Purchasing Agent	Supervisor or Director	Purchasing Agent Finance Director City Manager	Director	City Manager	City Manager
\$3000-\$50,000	Authorized Staff Purchasing Agent	Supervisor and Director	Purchasing Agent Finance Director City Manager	Director	City Manager	City Manager
Over \$50,000	Purchasing Agent	Director and City Council	Purchasing Agent Finance Director City Manager	Director or City Manager	City Council City Manager	City Council City Manager

**INSURANCE REQUIREMENTS, Labor Code, §406.096**

All contractors and subcontractors shall have insurance coverage including worker’s compensation. The City’s standard requirements must be given to vendors prior to obtaining quotes. Proof of coverage must be provided prior to any work beginning. *Certificates must be submitted to purchasing.*

**PUBLIC RECORDS – NOTICE OF AWARD**

A notice of intent to award will be issued upon receipt of the bid recommendation from the department.

**PUBLIC RECORDS - TAB SHEETS**

A vendor or a member of the public may request a copy of a Bid Tabulation Sheet that is compiled when bids are opened in accordance with Chapter 552 of the Texas Government Code.

The City will not release copies of bids or the bid evaluations until after the contract has been awarded in accordance with Chapter 552.104 of the Texas Government Code.

## **STANDARD PRACTICE**

The City of Lancaster procurement process must allow vendors/contractors to compete for business on a fair, equal, and transparent basis. Staff associated with the procurement function is responsible for protecting the integrity of the procurement process and maintaining fairness in the treatment of all vendors/contractors.

All staff involved shall follow the policy and adhere to the procedures as attached.

## **QUOTE - PURCHASES LESS THAN \$3000 FOR SUPPLIES**

A onetime purchase or cumulative purchase by a single department or from multiple departments for supplies requires a single written quote. Purchase may be made with the purchasing card or by obtaining a purchase order prior to placing the order.

## **QUOTE - PURCHASES MORE THAN \$3000 AND LESS THAN \$10,000 FOR SUPPLIES**

A onetime purchase or cumulative purchase by a single department or from multiple departments for supplies requires three written quotes and two must be from HUB vendors as required by statute. Purchase may be made with the purchasing card or by obtaining a purchase order prior to placing the order.

## **QUOTE - PURCHASES LESS THAN \$3000 FOR SERVICE**

A onetime purchase or cumulative purchase by a single department or from multiple departments requires a single written quote. If service is performed on City property, all vendors should be given a copy of the standard insurance requirements and a certificate of insurance obtained. Work should not be started until a PO has been issued and a copy of the insurance submitted.

## **QUOTE - PURCHASES MORE THAN \$3000 AND LESS THAN \$10,000 FOR SERVICE**

A onetime purchase or cumulative purchase by a single department or from multiple departments requires three written quotes and two must be from HUB vendors as required by statute. If service is performed on City property, all vendors should be given a copy of the standard insurance requirements and a certificate of insurance obtained. Work should not be started until a PO has been issued and a copy of the insurance submitted.

## **ASSET / CAPITAL – PURCHASES IN EXCESS OF \$5,000**

Any asset or capital purchase with a value greater than \$5,000 must be processed by Purchasing and a purchase order issued.

**BID – PURCHASES GREATER THAN 10,000 AND LESS THAN \$50,000 FOR SUPPLIES OR SERVICES**

A onetime purchase or cumulative purchase by a single department or for multiple departments must be processed by Purchasing. The minimum bid processing time as defined in the statute will be followed and a standard contract/purchase order will be issued.

**BID/RFP/RFQ – PURCHASES GREATER THAN \$50,000 FOR SUPPLIES OR SERVICE**

A onetime purchase or cumulative purchase by a single department or for multiple departments must be processed by Purchasing. The extended bid process will be used as defined in Section 4 of the policy procedures, and a standard contract/purchase order will be issued.

**CONTRACTS – GREATER THAN \$10,000 FOR SUPPLIES OR SERVICES**

All purchases greater than \$10,000 must include a standard contract, insurance and purchase order. City Attorney review is not required and will be processed by Purchasing.

All purchases greater than \$50,000 must include a contract, insurance, bonds (if needed), and purchase order. City Attorney review and Council approval is required and will be processed by Purchasing.

**All contracts will be maintained in the Contract Management Software. See Section 18 of the Policy Procedures for further instructions.**