



Purchasing Policy, including Signatory Policy and P-Card Policy

Approved and Effective:

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Contents

| | |
|--|----|
| CHAPTER 1 ~ GENERAL PROVISIONS | 4 |
| §1-101 Purpose | 4 |
| §1-102 Public Procurement | 5 |
| §1-103 Mission | 5 |
| §1-104 Function and Responsibilities | 5 |
| §1-105 Principles..... | 7 |
| §1-106 Code of Ethics..... | 7 |
| §1-107 Conduct When Dealing with Vendors..... | 8 |
| §1-108 Procurement Records and Information | 9 |
| CHAPTER 2 ~ ADMINISTRATIVE MATTERS | 10 |
| §2-101 Applicability..... | 10 |
| §2-102 Signatory Authorities and Approval Thresholds | 10 |
| §2-103 Department Representative(s) | 11 |
| §2-104 Historically Underutilized Business (HUB) | 11 |
| §2-105 Disadvantaged Business Enterprise (DBE)..... | 12 |
| §2-106 Conflict of Interest | 12 |
| §2-107 Tax Exempt Status | 14 |
| §2-108 Confidential Information..... | 14 |
| CHAPTER 3 ~ SOURCE SELECTION | 15 |
| §3-101 Methods of Source Selection..... | 15 |
| §3-102 Competitive Sealed Bidding | 16 |
| §3-103 Competitive Sealed Proposals | 21 |
| §3-104 Construction Related Procurements | 22 |
| §3-105 Small Purchases..... | 22 |
| §3-106 Sole Source Procurements | 23 |
| §3-107 Emergency Procurements..... | 24 |
| §3-108 Cooperative Procurements..... | 24 |
| §3-109 Check Requests..... | 24 |
| §3-110 Separate, Sequential or Component Purchases..... | 25 |
| §3-111 Finality of Determinations..... | 25 |
| §3-112 Bid Protests..... | 25 |
| §3-113 Reporting of Anticompetitive Practices | 26 |

| | |
|--|-----------|
| §3-114 Retention of Procurement Records | 26 |
| §3-115 Excluded Party Verification..... | 26 |
| §3-116 Non-Compliant Purchases | 26 |
| CHAPTER 4 ~ SPECIFICATIONS AND AMENDMENTS | 28 |
| §4-101 Specification Preparation | 28 |
| §4-102 Specifications Prepared by Other Than City Personnel..... | 28 |
| §4-103 Specification Amendments | 28 |
| §4-104 Pre-Bid Conferences and Site Visits | 28 |
| CHAPTER 5 ~ LEGAL REQUIREMENTS | 30 |
| §5-101 Payment Bonds | 30 |
| §5-102 Performance Bonds | 31 |
| §5-103 Bid Bonds | 31 |
| CHAPTER 6 ~ CONTRACT ADMINISTRATION, MODIFICATION AND TERMINATION | 34 |
| §6-101 Multi-Year Contracts..... | 34 |
| §6-102 Definition..... | 34 |
| §6-103. Initiation of Contract | 36 |
| §6-104 Monitoring and Contractor Report Cards | 36 |
| §6-105 Renewals..... | 36 |
| §6-106 Change Orders | 37 |
| §6-107 Terminations..... | 37 |
| §6-108 Maintenance Agreements | 37 |
| §6-109 Lease Agreements..... | 38 |
| §6-110 Contract Review and Approval | 38 |
| CHAPTER 7 ~ SURPLUS MATERIALS AND EQUIPMENT..... | 39 |
| §7-101 City-Owned Materials and Equipment | 39 |
| CHAPTER 8 ~ PROCUREMENT CARDS | 41 |
| §8-101 Procurement Cards (P-cards) | 41 |
| §8-102 Card Issuance | 41 |
| §8-103 Limits..... | 41 |
| §8-104 How it Works..... | 41 |
| §8-105 Guidelines for Cardholders | 42 |
| §8-106 Disputes | 42 |
| §8-107 Credits | 42 |
| §8-108 Sales Tax | 43 |
| §8-109 Card Security..... | 43 |

| | |
|--|----|
| §8-110 Documentation and Reconciliation..... | 43 |
| §8-111 End of Employment | 44 |
| CHAPTER 9 ~ PROFESSIONAL SERVICES | 45 |
| §9-101Professional Services | 45 |
| §9-102Competitive Sealed Qualifications..... | 45 |

APPENDIX ~ VENDOR MAINTENANCE FORM

EXHIBITS

- A – Requisition Coversheet**
- B – Conflict of Interest Questionnaire**
- C – Professional/Consulting Services Agreement**
- D – Vendor Agreement**
- E – Independent Contractor Agreement**
- F – Surplus Property Disposition Form**
- G – Contractor Report Card**
- H – Non-Compliant Purchase Authorization Form**
- I – Purchasing Card Cardholder Agreement**
- J – Check Request Form**

CHAPTER 1 ~ GENERAL PROVISIONS

§1-101 Purpose

The City of League City, Texas (City) Purchasing Department presents this manual to promote understanding by employees, vendors, contractors, and the public regarding the procurement of goods and/or services on behalf of the City.

The public must have confidence that public funds are spent prudently, on its behalf, and not for the personal benefit of City employees, officials, or their friends. The deliberate elements of actual or perceived conflict of interest, fraud and abuse can be destructive to the public trust. The policies and procedures incorporated within should:

- Provide a combined centralized and decentralized procurement program encompassing nationally approved principles and practices.
- Be reviewed, thoughtfully and regularly, to ensure the utility of procurement statutes and for periodic modifications for improvements that will enhance the efficiency and effectiveness of the procurement function.
- Promote and encourage ethical management and efficiency in City procurement procedures.

The purpose of this manual is to establish policies and procedures that will be used to:

- Simplify, clarify and modernize the City of League City's procurement practices.
- Ensure the application of consistent and sound business practices in City purchasing and demonstrate our ongoing commitment to increasing communication among the departments.
- Bolster public confidence in public procurement procedures.
- Ensure the fair and equitable treatment of all persons dealing with the City procurement system.
- Foster effective broad-based competition within the free enterprise system.
- Provide increased economy in City procurement activities.
- Maximize the procurement value of City funds.
- Safeguard the high quality and integrity of the procurement system.
- Ensure that expenditure of public funds (including federal and state funds) complies with the terms and conditions of the funding source. If federal or state requirements conflict with provisions of this manual, nothing in the manual shall prevent the City from complying with the terms and conditions of the federal or state requirements.

Because the City buys diverse services and commodities to support its operation, it uses a combined centralized and decentralized procurement system. These policies set forth the following elements of a centralized/decentralized procurement function:

Centralized. These policies are to be followed by anyone who has the authority to act as an agent of the City in the procurement of all goods and services regardless of the dollar value. This authority lies within the Purchasing Department.

Decentralized. These policies are for the benefit of City personnel responsible for the procurement of goods and services for their departments in an amount up to \$49,999.99.

§1-102 Public Procurement

Procurement in the public sector is the process through which a government acquires goods and services. The terms “procurement” and “purchasing” are often used interchangeably. However, “purchasing” is only one of three stages of the procurement cycle.

1. *Planning and scheduling.* Procurement activities to meet program and budgetary objectives;
2. *Source selection.* (Purchasing) The process through which solicitations are issued, advertisements run, vendors selected, and goods and services received and;
3. *Contract administration.* Enforcement of the terms of the purchase agreement or contract and payment of invoices.

One of the most important standards of public procurement to remember is that each procurement action results in a legal contract between the City and the supplier. Each procurement action is a legal action. Public procurement activities are governed by common law, the Uniform Commercial Code (UCC), government procurement laws, ordinances and case law.

§1-103 Mission

The Purchasing Department’s mission is to assist all City departments in the procurement of materials, supplies, equipment and services at the lowest possible cost, consistent with the quality and delivery required. All purchases by an employee, acting as an agent of the City, must be made in an open, fair and ethical manner to promote competition and best serve the taxpayers.

§1-104 Function and Responsibilities

A. The Purchasing Department

Under the general supervision of the Director of Finance, some of the functions and responsibilities of the Purchasing Department are as follows:

- (1) To observe and enforce the procedures outlined and adopted in the City of League City
 - Procurement Manual, City Ordinances, City Charter and State Law.
- (2) To conduct the Purchasing Department in such a frank and open manner that vendors:
 - Will be aware of the fairness of all awards
 - Will be encouraged to continually furnish competitive bids so the City shall secure the best goods and services of the right quality and the best price.

- (3) To encourage competitive bidding at all times while maintaining good vendor relations. To solicit new vendors, specifically League City vendors, and do all things possible to encourage maximum participation.
- (4) To maintain a list of vendors classified according to materials, equipment, supplies and services in the “Public Purchase” database.
- (5) To assist department directors in their efforts to purchase all supplies, materials and contractual services for the City.
- (6) To explore the possibilities of consolidating purchases of like, when possible, or common items to obtain the maximum economic benefits.
- (7) To prepare specifications, where practical, governing purchases of various items.
 - However, when it is proposed to purchase articles of technical or scientific nature for special use, the head of the requisitioning department shall submit recommended specifications.
- (8) To provide for the inspection and appropriate testing for goods delivered, although this responsibility may be delegated to the head of the using department, and to insure that inferior or unsatisfactory articles are rejected or returned.
- (9) To monitor contract timelines in order to assure timely bids and contract renewals.
- (10) To maintain a record of all bids, quotations and purchases.
- (11) To investigate violations of the purchasing policies.
- (12) To arrange for the disposal of surplus/scrap materials and equipment, including obsolete stock and scrap, as outlined by this manual.
- (13) To manage the City’s relations with vendors, in particular, those who have disputes and/or disbarred.
- (14) To document vendor performance through the use of the Contractor Report Card (Exhibit G).

B. Using Departments

The Purchasing Department shall continuously familiarize itself with the particular requirements of the other City departments and be receptive to suggestions or comments. The using departments can assist the Purchasing Department in complying with state and local laws and regulations by:

- Planning their work so that “Rush Orders” and “Emergencies” will be held to a minimum. Requests for procuring goods and services should be forwarded to the Purchasing Department far enough in advance to allow them to obtain vendors and in turn, allow the vendor sufficient time to complete the request for quotation.
- Monitoring staff purchases and requiring strict compliance with policies (i.e. no splitting of invoices to avoid the City’s purchasing limits).
- Preparing complete and reasonable specifications for materials that require engineering or technical background. Specifications should be written in a way that encourages maximum vendor participation to ensure the City receives the best goods and services at the most advantageous cost or best value as defined in §2155.074 of the Texas Local Government Code.
- Assisting the Purchasing Department in developing and maintaining vendor lists by providing contact information as new vendors are identified.
- Preparing agenda items (Data Sheets) timely, to allow for review by the Purchasing

Department, Finance Department, City Attorney and the City Manager.

- Monitoring contract timelines in order to assure timely bids and contract renewal.
- Assisting the Purchasing Manager in establishing maximum and minimum quantities for inventory items and to inform him of any abnormal usage of materials sufficiently in advance so that an adequate supply may be maintained.

No City employee shall purchase supplies, materials or equipment of any kind for personal use.

C. Vendors

The vendor community can assist the Purchasing Department in complying with state laws and regulations by:

- Following ethical business practices and procedures by working within the purchasing process, treating other vendors fairly and respectfully, not colluding or offering kickbacks.
- Providing goods and/or services as specified and on time.
- Completing and returning required forms, bid documents, affidavits and conflict of interest questionnaires.

§1-105 Principles

The Purchasing Department personnel shall comply with these principles:

- In all transactions, to consider first what is in the best interests of the City. To believe and carry out the established policies of the City.
- To be receptive to competent counsel from colleagues.
- To be guided by counsel without impairing the dignity and responsibility of the office.
- To establish practical procedures for the conduct of the office.
- To subscribe to and work for honesty and truth in buying and selling and to denounce all forms and manifestations of commercial bribery.
- To accord a prompt and courteous reception to all who call on a legitimate business mission.
- To counsel and assist fellow employees in the performance of their duties.
- To cooperate with and participate in organizations and with individuals engaged in activities designed to enhance the development and standards of procurement.

§1-106 Code of Ethics

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

Any employee that makes purchases for the City is an agent of the City and is required to follow the City's Code of Ethics (Ordinance Section 2-34 and amendments).

§1-107 Conduct When Dealing with Vendors

All employees of the City are prohibited from accepting any gifts, entertainment (including meals), special personal price considerations, fees, commissions or other gratuities from any vendors or bidders. Employees may accept items of negligible value used as obvious forms of advertisement such as pencils, calendars, notepads and key rings, etc., which shall not be considered gratuities. Vendors or bidders who offer gifts, entertainment, etc. may be declared irresponsible bidders and may be debarred from bidding. An employee who accepts a gift, entertainment, etc., shall be subject to disciplinary action, up to and including termination.

When performing procurement duties on behalf of the City, it is important to:

- Deal with suppliers fairly.
- Do not disclose one vendor's price to another in an attempt to obtain the same price from a preferred vendor.
- Offer to give equal assistance to all suppliers and potential vendors.
- Be certain to make procurement records open and available to anyone requesting information. This excludes information you receive that is proprietary or confidential.
- Make certain solicitation activities are truly competitive.
- State the award criteria in the terms of the solicitation and do not change those criteria without each bidder's knowledge.
- No preference should be given to any supplier. Goods or services should not be called proprietary or sole source unless it is determined that they are and that determination can be documented.
- No subjective favoritism is permitted; for example, a statement like "We have always bought from that vendor" is reasoning that does not encourage or allow for competition.
- Be certain to give the same kind of service to internal customers and external suppliers as you expect to receive from them.

The ability to make purchases on behalf of the City does not entitle the purchaser to any kind of special personal privileges from the vendor and no professional buying for the City should be, in any way, tied to any personal purchases at any time.

PERCEPTION IS EVERYTHING. Even if a procurement decision is sound, the method of determination should be documented and will be open to public inspection. If a decision is perceived to be less than fair to all competitors, then the perception becomes the reality to the unsuccessful bidders. And, if the opinion is that the City has "favorite companies we always do business with," our job is to set the record straight with all who may have this complaint. It is important that awards are made based on competition and/or the best value for the City, that the reason(s) for those awards is documented and defensible, and that a decision is based on fact and made in the best interest of the City.

§1-108 Procurement Records and Information

Public access to procurement information. Procurement information shall be a public record and shall be available to the public.

Copies of procurement information. Copies of procurement information, subject to public access, are available to the public upon written request to the Office of the City Secretary. A charge of \$.10 per page may be collected from the requesting party and shall be paid to the City of League City, TX prior to obtaining the copies.

CHAPTER 2 ~ ADMINISTRATIVE MATTERS

§2-101 Applicability

Policies and procedures set forth in this manual shall apply to all purchases entered into by the City. Contracts funded, in whole or in part, with federal assistance monies shall comply with the appropriate federal, state and local laws and the rules and regulations promulgated pursuant to such law.

Policies and procedures set forth in this manual, in addition to the standard state and local requirements, shall apply to all employees acting as agents of the City for the purpose of procurement of goods and/or services. Any employee who expends City funds: (a) for personal use; (b) without the written approval of his/her manager; (c) without being authorized to act as an agent of the City; or (d) without following the procedures as set forth by the City will be subject to disciplinary action(s), up to and including termination.

§2-102 Signatory Authorities and Approval Thresholds

NOTE: This replaces Signatory Authority Policy and Procedure, dated October 2013.

Generally, the City is required to follow the bidding or proposal procedures outlined in Local Government Code Chapter 252 when it plans to make an expenditure of more than \$50,000. Only the City Council has the authority, or may designate the authority, to commit funds. The City Manager has approved and delegates the following authority:

A. Goods and Services

- 0 - \$1,000 Department Designee
- \$1,000 - \$2,999.99 Department Head
- \$3,000 - \$10,000 Director
- \$10,001 - \$49,999.99 City Manager/Deputy City Manager
- \$50,000 + City Council Authorization

B. Construction Contract Change Orders

- City Manager or Deputy City Manager may approve Construction Contract Change Orders up to \$50,000 in the aggregate. Construction Contract Change Orders \$50,000 + require City Council approval.

Authority to sign contracts or agreements on behalf of the City is granted and delegated as shown above. This applies to all types of documents including, but not limited to: purchase requisitions, contracts for services, leases, rental agreements, service/maintenance agreements, facility use agreements, etc.

Employees granted authority to make and approve purchases, will be held accountable for ensuring that each purchase is made in accordance with this policy and all applicable federal, state, and local law, procedures, directions, and good business practice.

City personnel should be aware that personal financial liability or disciplinary action, up to and including termination of employment, may result if an individual makes purchases without delegated authority as defined.

Special Note: This delegation of authority to obligate is not assignable to others without the express and written consent of the City Manager.

§2-103 Department Representative(s)

Department heads of each using department shall appoint a responsible and qualified employee(s) who shall assume the duties of liaison between their department and the Purchasing Department. The employee shall be responsible for the proper initiation of all purchasing matters concerning their departments, for the supervision of all receiving procedures and handling inventory for their department. Mandatory training for department representatives will be held on a bi-annual basis.

All department heads should make provisions to appoint an alternate in order to ensure that this Program is maintained during the representative's absence. The Purchasing Department shall be advised by each department head of the name of the individual(s) who is designated as its representative.

Authority has been granted for each designated department buyer to obtain at least three (3) written quotes up to \$49,999.99 for items that have been approved in the City budget. The Purchasing Department will not be restricted to the quotes provided by the department and maintains the right and authority to supplement the quotes from other providers, if necessary. After a formal solicitation process or approved justification, any request over \$50,000 must be presented to City Council for approval prior to transacting a purchase.

Once written quotes have been received, or a contract issued (if required), a purchase requisition must be entered into the system. A purchase order may be processed by the Purchasing Department authorizing the vendor to provide the goods and/or services requested. Any authorization of a purchase to a vendor without a purchase order is not valid and will require the approval of the Department Director and the Finance Director. Once the purchase order is created, the Purchasing Department will electronically transmit the purchase order to the vendor with a copy to the department representative.

Any department requiring assistance for any purchase, regardless of the estimated cost, should contact the Purchasing Department.

§2-104 Historically Underutilized Business (HUB)

State law requires a City to attempt to contact at least two (2) historically underutilized businesses if the City makes an expenditure between \$3,000 and \$50,000 (See Exhibit A – Requisition Coversheet, Section II).

- (1) *Definition.* Is (a) at least 51% owned by an Asian Pacific American, Black American, Hispanic American, Native American, American woman and/or Service Disabled Veteran, (b) an entity with its principal place of business in Texas, and (c) has

an owner residing in Texas with a proportionate interest that actively participates in the control, operations and management of the entity's affairs.

- (2) *Requirements.* According to §252.0215 of the Texas Local Government Code, the City, in making an expenditure of more than \$3,000 but less than \$50,000, must contact at least two (2) HUBs on a rotating basis, based on information provided by the comptroller. If the list fails to identify a HUB in Galveston County, the City is exempt. If the expenditure is for less than \$3,000 or for more than \$50,000, this special notification requirement does not apply.
- (3) *Procedure.* Departments must contact at least two (2) HUBs in the procurement process of construction, goods and services (including professional and consulting) if the expenditure is between \$3,000 and \$50,000. To determine what businesses within the county are classified as HUBs, departments can access the comptroller's website: <https://mycpa.cpa.state.tx.us/tpasscmblsearch/index.jsp>, select "HUBs Only" and enter the appropriate search criteria. Documentation must be presented to the Purchasing Department via the "Requisition Coversheet" form (Exhibit A), certifying that requesting department either made contact with available Galveston County HUB vendors or that no applicable HUB vendors were identified in Galveston County for the particular commodity being ordered.

§2-105 Disadvantaged Business Enterprise (DBE)

- (1) *Definition.* A for-profit small business concern: (1) that is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged, or, in the case of a corporation, 51 percent of the stock of which is owned by one or more such individuals; and (2) whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.
- (2) *Requirements.* 49 CFR §26.21 of the Federal Transit Administration (FTA) Best Practices Procurement Manual requires all FTA recipients who receive \$250,000 or more in FTA planning, capital, and/or operating assistance in a federal fiscal year, and who let DOT-assisted contracts, to have a DBE program meeting the requirements of 49 CFR part 26.
- (3) *Procedure.* All procurements that involve the expenditure of FTA monies shall comply with such federal law and authorized regulations which are mandatorily applicable and which are not presently reflected in this manual.

§2-106 Conflict of Interest

Effective June 29, 2007, H.B. No. 1491 of the 80th Texas Legislature requires a vendor that wishes to conduct business or be considered for business with the City of League City, Texas to file a Conflict of Interest Questionnaire (Exhibit B). These forms, once completed by the

vendor and submitted with vendor's bid response, will be maintained by the Purchasing Department and stored in Laserfiche.

Pursuant to the requirements of §176.002(a) and §176.003 of the Texas Local Government Code, vendors or respondents who meet the following criteria must fill out a Conflict of Interest Questionnaire no later than the seventh (7th) day after the person begins contract discussions or negotiations with the City or submit an application, response to a request for proposals or bids, correspondence, or another writing related to a potential agreement with the City:

A vendor or respondent that –

- (1) Contracts or seeks to contract for the sale or purchase of property, goods, or services with a local governmental entity; or
- (2) is an agent of a person described above in the person's business with a local governmental entity.
- (3) Any person who meets the criteria, as for enforcement to ensure the veracity of the vendors, the statute makes it a Class C Misdemeanor to violate the vendor disclosure provisions.

The forms required to comply with the above Government Code are available on the Ethics Commission website at: <http://www.ethics.state.tx.us/forms/CIQ.pdf>.

The City shall not contract for goods or services for any department if the contract is with an employee of that department.

Furthermore, contracting for goods or services with an employee, administrative officer, member of the employee's immediate family, or a company which is owned in whole or part by an employee, administrative officer, or a member of his/her immediate family, or a company in which an employee, administrative officer, or a member of his/her immediate family has a financial interest (as defined below), is permitted providing strict adherence to the following requirements:

- (1) The Purchasing Department shall be notified immediately in writing, of such an ownership interest or financial interest. That documentation will be stored in the vendor maintenance file in Laserfiche.
- (2) No contract for goods or services shall be written to an employee owned business if it could be construed or there is an appearance that the City employee owned business has an advantage over other competitors.
- (3) No solicitation of business by the employee shall take place during his/her normal duty hours.
- (4) All purchases or contracts involving employee owned businesses, regardless of estimated cost, shall be executed by the Purchasing Department.

For the purpose of this provision,

- Owned in part means having an ownership interest of more than 10% of the business.
- Financial interest means any interest in the business by means of a loan or other evidence of indebtedness, in excess of 10% of said business' outstanding indebtedness.
- Immediate family is defined as a spouse, parent, child, or sibling.

§2-107 Tax Exempt Status

The City is exempt from federal, state, and local taxes except in certain prescribed cases. A sales tax exemption certificate is available from the Accounting Department and will be furnished to any of the City's suppliers upon request.

Employee use of any tax exemption is solely at the discretion of the Director of Finance. Use of exemptions for personal use is strictly prohibited. Violators will be reported to the Director of Finance for disciplinary action.

§2-108 Confidential Information

It shall be a breach of ethics for any employee or former employee of the City of League City to knowingly use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any person.

CHAPTER 3 ~ SOURCE SELECTION

Part A ~ Methods of Source Selection

§3-101 Methods of Source Selection

There are a variety of methods available to acquire goods and services. Unless otherwise authorized by law, all City contracts shall be awarded by one of the following methods (see Exhibit A – Requisition Coversheet, Section III):

- a) **Section 3-102 (Competitive Sealed Bidding);**
- b) **Section 3-103 (Competitive Sealed Proposals);**
- c) **Section 3-104 (Construction Related Procurements);**
- d) **Section 3-105 (Small Purchases);**
- e) **Section 3-106 (Sole Source Procurements);**
- f) **Section 3-107 (Emergency Procurements);**
- g) **Section 3-108 (Cooperative Procurements);**
- h) **Section 3-109 (Check Requests)**
- i) **Section 3-110 (Separate, Sequential or Component Purchases).**

| Dollar Range | Procedure |
|---------------------------------|--|
| \$0.00 to \$3,000.00 | <ul style="list-style-type: none">○ City departments may contact vendors directly for price quotation. Written competitive quotes are a good idea, however, they are not required.○ Procurement Card may be used for purchases up to \$1,000.00. |
| \$3,000.01 to \$49,999.99 | <ul style="list-style-type: none">○ City departments and/or Purchasing will solicit a minimum of three informal quotes (should be written quotes).○ Requisition should be entered by department. Requisition Coversheet should be sent to Purchasing along with all quotes obtained.○ Purchase Orders are created by Purchasing.○ Purchasing will use its discretion to issue a solicitation and obtain competitive bids via the City's website. Purchasing staff will consult with user department personnel to develop applicable bid specifications. |
| \$50,000.00 and up | <ul style="list-style-type: none">○ Purchasing must issue a formal solicitation and obtain competitive sealed bids.○ Requires advance Public Notice of the bid opportunity in the City's Newspaper of Record.○ Award of bid requires approval by City Council. |

§3-102 Competitive Sealed Bidding

(1) *Conditions for Use.* Contracts shall be awarded by competitive sealed bidding for any solicitation that is projected to exceed \$50,000 except as otherwise provided in Section 3-101 (Methods of Source Selection).

(2) *Invitation for Bids.* State law requires a formal, competitive process for purchases of more than \$50,000 (Texas Local Government Code §252.021). However, there are sixteen (16) general exceptions delineated in Section 252.022 of the Local Government Code. Those exemptions are:

(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;

(d) a procurement for personal, professional, or planning services;

(e) a procurement for work that is performed and paid for by the day as the work progresses;

(f) a purchase of land or a right-of-way;

(g) a procurement of items that are available from only one source, including:

(1) items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies;

(2) films, manuscripts, or books;

(3) gas, water, and other utility services;

(4) captive replacement parts or components for equipment;

(5) books, papers, and other library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials; and

(6) management services provided by a nonprofit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits;

(h) a purchase of rare books, papers, and other library materials for a public library;

(i) paving drainage, street widening, and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements;

(j) a public improvement project, already in progress, authorized by the voters of the municipality, for which there is a deficiency of funds for completing the project in accordance with the plans and purposes authorized by the voters;

(k) a payment under a contract by which a developer participates in the construction of a public improvement as provided by Subchapter C, Chapter 212;

(l) personal property sold:

(1) at an auction by a state licensed auctioneer;

(2) at a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code;

(3) by a political subdivision of this state, a state agency of this state, or an entity of the federal government; or

(4) under an interlocal contract for cooperative purchasing administered by a regional planning commission established under Chapter 391;

(m) services performed by blind or severely disabled persons;

(n) goods purchased by a municipality for subsequent retail sale by the municipality;

(o) electricity; or

(p) advertising, other than legal notices.

(1) This chapter does not apply to bonds or warrants issued under Subchapter A, Chapter 571.

(2) This chapter does not apply to expenditures by a municipally owned electric or gas utility or unbundled divisions of a municipally owned electric or gas utility in connection with any purchases by the municipally owned utility or divisions of a municipally owned utility made in accordance with procurement procedures adopted by a resolution of the body vested with authority for management and operation of the municipally owned utility or its divisions that sets out the public purpose to be achieved by those procedures. This subsection may not be deemed to exempt a municipally owned utility from any other applicable statute, charter provision, or ordinance.

(3) This chapter does not apply to an expenditure described by Section 252.021(a) if the governing body of a municipality determines that a method described by Chapter 2269, Government Code, provides a better value for the municipality with respect to that expenditure than the procedures described in this chapter and the municipality adopts and uses a method described in that chapter with respect to that expenditure.

Generally notwithstanding the aforementioned, an Invitation to Bid shall be issued and shall include, at a minimum:

- the purchase description
- contractual terms and conditions applicable to the procurement
- any special terms and conditions
- criteria for evaluating the bids received
- whether the bid will be awarded by line item, groups of items or the entire bid

(3) *Public Notice.* Any solicitation that is projected to exceed \$50,000 (at a minimum) will be advertised. In accordance with §252.041 of the Texas Local Government Code: “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 the bids and read them aloud.” Bids are also posted on the City’s website and Public Purchase, a free internet vendor registration and bid notification system.

(4) *Bid Opening.* Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the Invitation for Bids. The amount of each bid, and such other relevant information as may be specified by regulation, together with the name of each bidder shall be recorded; the record and each bid shall be open to public inspection.

(5) *Bid Acceptance.* Bids shall be unconditionally accepted without alteration or correction, except as authorized in this manual. Un-opened bids are to be time and date stamped at the office of the City receptionist (City Hall) to validate the time of receipt. The clock located in the City Hall receptionist's area will be the official time. Late bids shall not be considered and will be returned un-opened to the bidder. Bids which are lacking an appropriate signature on the Bid Proposal page or Affidavit form will be rejected. The Affidavit allows bidders to verify that they are not in arrears in their obligations to the City. See Article VI, Section 2-262 of the City's Code of Ordinances.

Bids which are not received in a sealed envelope by bid opening date/time will be rejected by the Purchasing Department. This includes all envelopes, which are secured by metal clasp, twist tie string, etc. or those, which do not otherwise preclude unauthorized access. Bidders who deliver their bids in an envelope which is not sealed may be allowed to correct this deficiency provided they do so before time/date specified for opening of bids.

(6) *Bid Evaluation.* Bids shall be evaluated based on the criteria set forth in the Invitation for Bids in order to determine which represents the lowest responsive and responsible bidder. Any criteria, other than price, to be used in evaluating solicitations shall be clear and exact and stated in the Invitation for Bids. They must be stated with sufficient clarity and exactness to inform each bidder of the factors which will be used in evaluating a bid in relation to others. This statement enables bidders to estimate, within reasonable limits, the effect of the application of the evaluation factors to their bid. Factors such as estimated quantities, and delivery time when the need is urgent, together with liquidated damages in case of delay and any other circumstances which may cause the award to be made in an "unusual" manner, must be set forth in the request for quotations or invitation for bids.

If a bid is non-responsive, it shall be rejected and there is no need to continue the evaluation. Rejected bidders are not to be considered for award.

Responsiveness is compliance with the requirements of the solicitation, including specifications and contractual terms and conditions. It also insures that all bidders respond to a solicitation in a common manner that provides the basis for equal competition. Absolute conformity is not required. Conformity in material respects suffices. This protects the bidders from being denied from the competition for reasons that are inconsequential. Failure by the bidder to accept the requirements of the bid is grounds for rejection of its bid. Some common instances where bids must be rejected and declared non-responsive are:

- The bidder states that it will not accept an award unless the solicitation terms and conditions are modified or altered.
- The bidder states that it will only accept an award for all line items when the solicitation allows award by line item or aggregate grouping of line items.
- The bid is not submitted on the City's Bid Proposal page.
- The Affidavit is not signed.
- The bidder is found to be in arrears in their obligations to the City.
- The bidder has been identified on the Federal Excluded Parties List System (EPLS) at www.sam.gov. See §3-113.

- The bid item does not meet the stated specifications and the bidder has not indicated the item bid is an alternate.

(7) *Correction or Withdrawal of Bids; Cancellation of Awards.* Bidders are allowed to make corrections to their bid only before the bid opening date and time. Bids will still be due at the specified date and time in order to be considered for award. A bid that has been opened may not be changed for the purpose of correcting an error in the bid price. This chapter does not change the common law right of a bidder to withdraw a bid due to a material mistake in the bid.

A bidder choosing to withdraw their bid may do so by providing a signed letter requesting to withdraw their bid. The withdrawal request letter must identify the method of return or identify the person authorized to receive the bid. If no method of bid return is identified, the bid shall be destroyed after bid opening.

Cancellation of awards or contracts shall be permitted with City Council approval and is appropriate only under the following circumstances:

- Unavailable, inadequate, ambiguous specifications, terms, conditions or requirements were cited in the solicitation;
- Specifications, terms, conditions or requirements have been revised;
- The supplies or services being contracted for are no longer required;
- The solicitation did not provide for consideration of all factors of cost to the agency;
- Bids received indicate that the needs of the agency can be satisfied by less expensive article differing from that for which the bids were invited;
- All otherwise acceptable bids received are at unreasonable prices or only one bid is received and the agency cannot determine the reasonableness of the bid price;
- No responsive bid has been received from a responsible bidder, or
- The bid process was not fair or equitable.

If any of the above criteria apply to the solicitation and an award is not consistent with the City's best interests, one of the following actions should be taken, as appropriate, after Council approval:

Re-bid

1. Document the purchase file with summary narrative fully explaining the decision making process that lead to the decision to re-bid.
2. The narrative must clearly demonstrate that one or more of the statutory criteria are met.
3. Initiate the re-bid process and make changes to bid document as appropriate.

Cancellation of Invitation for Bid

1. The bid may be cancelled if the services or supplies are no longer needed.
2. Document the purchase file with summary narrative fully explaining the decision making process that lead to the decision to cancel the procurement.
3. The narrative must clearly demonstrate that one or more of the statutory criteria are met.

(8) *Award.* The contract shall be awarded with reasonable promptness by the City Council to the lowest responsible bidder or to the bidder who provides goods or services at the best value for the City. In determining the best value for the City, the City may consider those things listed in §252.043 of the Texas Local Government Code. The Best Value Method is determined by considering the following:

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

If the aforementioned Best Value Method is utilized, it must be specifically stated in the bid as part of the "terms and conditions" for award.

Identical Bids.

Per §271.901 of the Texas Local Government Code:

(a) If a municipality or district is required to accept bids on a contract and receives two (2) 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.

(d) This section does not prohibit a municipality or district from rejecting all bids.

(e) This section applies to all municipalities and districts required by general or special law or by municipal ordinance or charter to accept bids and award contracts on the basis of the

lowest and best bid, but does not apply to bidding for contracts to act as a depository for public funds or as a depository for school funds under Subchapter G, Chapter 45, Education Code.

(9) *Multi-Step Sealed Bidding.* When it is considered impractical to initially prepare a purchase description to support an award based on price, a Request for Information (RFI) may be issued requesting the submission of un-priced offers to be followed by an Invitation for Bids.

§3-103 Competitive Sealed Proposals

(1) *Conditions for Use.* A contract may be entered into by competitive sealed proposals when the Purchasing Manager or Director or City Manager determines that the use of competitive sealed bidding is either not practicable or not advantageous to the City.

(2) *Request for Proposals.* Proposals shall be solicited through a Request for Proposals (RFP). The relative importance of price and other evaluation factors must be specified.

(3) *Public Notice.* Adequate public notice of the RFP shall be given in the same manner as provided in Section 3-102(3). (Competitive Sealed Bidding, Public Notice)

(4) *Receipt of Proposals.* Proposals shall be opened so as to avoid disclosure of contents to competing offers. Only the name and location of the responding vendors will be announced. A tabulation/record shall be prepared and may be open for public inspection after a contract has been executed.

(5) *Evaluation Factors.* The RFP shall state the relative importance of price and other factors and sub-factors, if any, that will be considered in awarding a contract. Proposals shall be evaluated by committee to be formed by the Purchasing Manager or designee. The evaluation committee shall screen and rate all of the responses that are submitted.

(6) *Discussion with Responsible Offerors and Revisions to Proposals.* As provided in the RFP, discussions may be conducted with up to five (5) responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors.

(7) *Award.* Award shall be made to the responsible offer or whose proposal conforms to the solicitation and is determined in writing to be the most advantageous to the City taking into consideration price and the evaluation factors set forth in the RFP. No other factors or criteria shall be used in the evaluation. Written notice of the award of a contract to the successful offeror shall be given to all offerors.

(8) *Debriefings.* The Purchasing Manager is authorized to provide debriefings that furnish the basis for the source selection decision and contract award only after an award has been made by City Council.

§3-104 Construction Related Procurements

There are other methods of solicitation and contracting allowed by State Law that may be considered by the City Manager. Those other methods are: Construction Manager at Risk, Design-Build and Job Order Contracting.

§3-105 Small Purchases

(1) *Conditions for Use.* Any procurement not exceeding \$49,999 may be made by the Department Head or his designee in accordance with small purchase procedures provided below. Per §3-102 of this manual, Competitive Sealed Bidding, purchases above \$50,000 will be procured by the Purchasing Department. Per §3-105 of this manual, purchases shall not be artificially divided so as to constitute a small purchase under this Section.

Note: Any purchase expected to exceed \$50,000 must go through a solicitation process and be approved by City Council prior to entering into or agreeing to any contract.

(2) *Request for Quotes.* Quotes are to be solicited for purchases between \$3,000 and \$49,999.

- a) A minimum of three (3) timely quotations shall be sought from League City vendors, if available. If fewer than three (3) sources are solicited, the reasons are to be explained on the Requisition Coversheet.
- b) A minimum of one (1) minority-owned business and one (1) woman-owned business shall be invited to quote, if available, documented on the Requisition Coversheet and sent to the Purchasing Department. See § 2-106.
- c) Awarded to the lowest, responsive and responsible quote. Quote submitted by a qualified bidder with the lowest or best price and whose business and financial capabilities, past performance and reputation meet the required standards.
- d) If the description of the need is lengthy or complicated, a written solicitation should be used.

The following elements should, at a minimum, be included in a Request for Quotes:

- 1) Administrative information: name, address, and phone number of using department and any special shipping instructions.
- 2) Date of the quote, including duration of quote.
- 3) Any special terms and conditions.
- 4) The purchase description.
- 5) Specifications covering the item or items needed.
- 6) Criteria for evaluating the quotes received.

(3) *Procurement Cards. (P-cards)* An alternative procurement and payment method designed to reduce costs while preserving procurement controls. For policies and procedures pertaining to P-card purchases, see §8-101.

§3-106 Sole Source Procurements

(1) *Conditions for Use.* Sole Source purchases are exempt from the standard bidding requirement according to §252.022(7) of the Texas Local Government Code.

(2) *Types of Sole Source Purchases*

- (a) **One-of-a-Kind** – The product has no competitive product and is available from only one supplier. The product has essential unique design/performance features providing superior utility not obtainable from similar products.
- (b) **Compatibility** – The product must match an existing brand of equipment for compatibility and is available from only one supplier.
 - Products that are an integral repair part or accessory compatible with existing equipment.
 - Products that, although not an integral repair part or accessory, must be compatible with existing equipment, systems or a substantial parts inventory and compatibility is the overriding consideration
- (c) **Replacement Part** – The product is a replacement part for a specific brand of existing equipment and is available from only one supplier.
 - Components or replacement parts for which there is no commercially available substitute. (Ex. Components of a major assembly.)
 - Warranty required service and/or parts.
- (d) **Legal Monopoly** – Circumstances may dictate that only one supplier can furnish the service, such as Utility services.
- (e) **Disposal of Solid Waste** – A City can award a contract for the collection, hauling and disposal of solid waste to a private corporation without soliciting competitive bids because this is an activity to preserve and/or protect the public health.

(3) *Procedure.* Using departments must state on the Requisition Coversheet that the product/service to be purchased is a sole source purchase and provide a justification as to the reason(s) the purchase is a sole source procurement. Upon approval by the Departmental Director and the Purchasing Manager, any purchases exceeding \$50,000 must be submitted to City Council for approval. If there is any reasonable doubt to the validity of a sole source, competition will be attempted by the Purchasing Department in a manner appropriate to the projected budget.

§3-107 Emergency Procurements

- (1) *Conditions for Use.* An emergency purchase may be warranted to prevent a hazard to life, health, safety, welfare, property or to avoid undue additional cost to the City.
- (2) *Procedure.* Emergency purchases exceeding \$3,000 require a justification documenting the emergency and must be approved by the City Manager or his designee, via the Requisition Coversheet form. Using Departments should complete the form and submit to the City Manager or Deputy City Manager for signature.

§3-108 Cooperative Procurements

- (1) *Definition.* The Interlocal Cooperation Act, Chapter 791 of the Government Code and Chapter 271, subchapters F and G, of the Local Government Code authorizes local governments to enter into interlocal agreements with other governmental jurisdictions including all states within the United States, independent school districts, counties, councils of governments, and non-profit corporations created to provide various governmental functions/services. Furthermore, §271.103 of the Texas Local Government Code provides for the purchase of goods and services under Federal supply schedules of the U.S. General Services Administration.
- (2) *Requirements.* Purchases of goods and services through co-ops satisfy any state law requiring the City to seek competitive bids for the purchase of the goods or services.

Using departments are requested to contact the Purchasing Department to determine that proper Interlocal Contracts are in place before attempting to secure pricing through any co-ops.

§3-109 Check Requests

The purchase of certain items and/or payments for certain services of \$200.00 or less are exempt from the normal purchasing requirements. Such exemptions shall be submitted for payment on a Check Request Form (Exhibit J) or paid from petty cash. All pertinent documentation shall be attached to the Check Request Form and submitted to the Accounting Department for payment.

The following items are exempt from normal purchasing requirements:

- (1) Utility services such as gas, electric, water, telephone, mail, etc.
- (2) Travel advances, travel reconciliations and meal request payments
- (3) Payroll related expenses
- (4) Refund checks or reimbursements
- (5) Debt payments
- (6) Membership dues and training expenses, if P-Card is not accepted
- (7) Purchases that can be made with the P-Card
- (8) P-Card payments
- (9) Credit card processor/gateway fees
- (10) Check requests under \$200.00

§3-110 Separate, Sequential or Component Purchases

§252.062(a) of the Texas Local Government Code states that 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 §252.021 of the Texas Local Government Code. An offense under this subsection is a Class B misdemeanor.

It is important to note that the phrases “separate purchases,” “sequential purchases” and “component purchases” are all specifically defined by §252.001 of the Texas Local Government Code. “Separate purchases” means purchases, made separately, of items that in normal purchasing practices would be purchases in one purchase. “Sequential purchases” means purchases, made over a period of time, of items that in normal purchasing practices would be purchases in one purchase. Aggregate purchases of over \$50,000 should be competitively bid or be on an interlocal contract and be approved by City Council in order to be in compliance. “Component purchases” means purchases of the component parts of an item that in normal purchasing practices would be purchased in one purchase.

Part B ~ Determinations and Reports

§3-111 Finality of Determinations

The determinations required by Section 3-102(7) (Competitive Sealed Bidding, Correction or Withdrawal of Bids; Cancellation of Awards), Section 3-103(1) (Competitive Sealed Proposals, Conditions for Use), Section 3-103(7) (Competitive Sealed Proposals, Award), Section 3-106 (Sole Source Procurement), Section 3-107 (Emergency Procurements), Section 5-101 (Multi-Year Contracts) are final and conclusive unless they are clearly erroneous, arbitrary, capricious, or contrary to law.

§3-112 Bid Protests

(1) *Notice of Protest.* A vendor wishing to protest any aspect of the procurement process must do so, in writing and submit to the Purchasing Manager. The written protest should include, at a minimum:

- Both the name and address of the protestor, as well as the vendor they represent, if different
- The name of the bid being protested
- A statement of the grounds for protest and any supporting documentation

A protest may be submitted to the Purchasing Manager no later than ten (10) working days after award.

(2) *Staff Review.* A protest must be in writing and supported by sufficient information in order to be considered. A decision and response to the protest will be prepared by the

Purchasing Manager or his designee, in consultation with the Department Director and the City Attorney, within fifteen (15) days of receipt of the protest. Within the fifteen (15) day time period, the City may:

- Allow for informal conference on the merits of the protest with all interested parties.
- Allow for reconsideration if data becomes available that was not previously known, or if there has been an error of law or regulation.
- Render a decision supporting or canceling the award, such decision shall be in the form of a staff recommendation.

(3) *Appeals.* If the protesting vendor does not agree with staff recommendation, they may appeal to the City Manager within five (5) working days. Staff recommendations may be made available for public review prior to consideration by the City Manager. City Manager will render a decision within thirty (30) calendar days. His decision will be final.

§3-113 Reporting of Anticompetitive Practices

When for any reason collusion or other anticompetitive practices are suspected among any bidders or offerors, a notice of the relevant facts shall be transmitted to the City Attorney for referral to the Attorney General.

§3-114 Retention of Procurement Records

All procurement records shall be retained and disposed of in accordance with records retention guidelines and schedules approved by the City Council (City Ordinance Chapter 2, Article V. Records Management). All procurement records, which include and are not necessarily limited to: solicitation responses; tabulations, contracts, correspondence, Purchase Orders, etc., must be made available to the City Secretary in order to remain in compliance with the City's Records Retention Schedule.

§3-115 Excluded Party Verification

For any expenditure in excess of \$25,000.00, the Purchasing Department will run a System for Award Management (www.sam.gov) excluded party search on the prospective awarded vendor prior to issuance of a Purchase Order and maintain a copy of the results in its documentation. Any findings of exclusion, debarment or suspension will result in the vendor being ineligible for participation in City of League City purchases.

§3-116 Non-Compliant Purchases

Purchases made without using an authorized purchasing method (Purchase Order, Contract/Agreement or P-Card) require justification and approval by the Departmental and Finance Director prior to the issuance of a Purchase Order or payment. The justification (Non-Compliant Purchase Authorization Form, Exhibit H) from the department's Director should include:

- Documentation of the reason for the non-compliant purchase
- Name and title of the individual responsible for the purchase
- Amount of purchase
- Signed statement declaring that the individual involved has been informed of proper purchasing procedure
- Agreement that future purchases will be made in accordance with purchasing procedures.
Note: Future non-compliant purchases may be refused reimbursement.
- Appropriate signature of the Departmental Director AND the Finance Director

Recurring non-compliant purchases may be reviewed for further discipline, up to and including termination.

CHAPTER 4 ~ SPECIFICATIONS AND AMENDMENTS

Part A ~ Specifications

§4-101 Specification Preparation

The creation and submission of specifications to the Purchasing Department is the responsibility of the using department. Purchasing will assist the using department in any way necessary to develop specifications that will promote full and unrestricted competition.

Departments should provide the Purchasing Department at least two (2) weeks to properly prepare a solicitation. It is imperative that using departments carefully plan their requests giving consideration to the Purchasing Department's timelines in connection with department deadlines.

All specifications shall seek to promote overall economy for the purposes intended and encourage competition in satisfying the City's needs, and shall not be unduly restrictive.

§4-102 Specifications Prepared by Other Than City Personnel

The requirements of this chapter regarding the purposes and non-restrictiveness of specifications shall apply to all specifications prepared other than by City personnel, including, but not limited to, those prepared by architects, engineers, and designers.

§4-103 Specification Amendments

If, after issuance of a solicitation, changes must be made in quantity, specifications, delivery schedule, or closing date, or if corrections are needed because of defects or ambiguities, an amendment to the solicitation will be issued, in writing, no later than seventy-two (72) hours prior to the date and time fixed for submission of bids/proposals. Sole issuing authority of addenda shall be vested in the Purchasing Manager. If there was a mandatory pre-bid conference, only those vendors that were in attendance may be notified of amendments. Bidders are required to sign the amendment and submit it with their bid, attesting to the fact that the changes are reflected in their bid. Failure to submit a signed amendment may be grounds for a bid to be rejected. The City assumes no responsibility for the proposer's failure to obtain and/or properly submit any addendum. It is the vendor's responsibility to check for any addendums that might have been issued before bid closing date and time. All addenda will be numbered consecutively, beginning with the number one (1). Addenda will be posted, with the referenced solicitation, to the City website.

§4-104 Pre-Bid Conferences and Site Visits

(1) *Conditions for Use.* A pre-bid conference may be held when specifications or the scope of work is considered somewhat complex and requirements need to be clarified by City personnel. Because of this, some pre-bid conferences are mandatory and any vendor/supplier that does not attend a mandatory meeting will not have their bid considered.

(2) *Process.* The Purchasing Manager of the City of League City or his designee shall conduct all pre-bid meetings. In addition to the Purchasing Manager or his designee, there will be at least one City employee from the requesting department present at the pre-bid meeting. This employee must be knowledgeable of the bid specifications and should be prepared to answer all questions that pertain to the specifications. Pre-bid conferences and site visits are an opportunity for dialogue between the Purchasing Department, the using department and the supplier community. Both facilitate the timely exchange of information to enable all involved to clarify bidding requirements and specific program needs. Bidder servicing or equipment capabilities, application of industry requirements or standards may be clarified. In addition, any need for changes in specifications or bid requirements may be identified to facilitate a more competitive environment or to better define the City's needs so that we obtain the desired materials, equipment or services to meet our program needs. Sign-in sheets will be made available to all attending the pre-bid conference. Bids received from vendors not listed on the role of attendees of mandatory pre-bid conferences will be rejected and returned unopened to the bidder.

CHAPTER 5 ~ LEGAL REQUIREMENTS

Part A ~ Bonds

To ensure that the successful bidder will enter into a contract with the City and complete the project as defined by the bid specifications, bidders may be required to provide the City with surety bonds guaranteeing successful completion of the contract. There are three types of surety bonds commonly used with City contracts as listed below. A surety is a firm (usually an insurance company) that will guarantee that the bidder will perform as defined by the specifications. The City will only accept corporate sureties as bonding entities. Personal sureties are unacceptable. All bonds should be forwarded to the City Secretary for retention. **Any required bonds must be issued to the City of League City prior to the commencement of any work.**

§5-101 Payment Bonds

- (1) *Definition.* Payment Bonds are solely for the protection and use of payment bond beneficiaries who have a direct contractual relationship with the prime contractor or a subcontractor to supply public work, labor or material. If required, Payment Bonds shall be for the total amount of the contract and shall be submitted to the Purchasing Department prior to the commencement of work.
- (2) *When Required – Amounts.* In accordance with Chapter 2253 of the Government Code, a payment bond is required if a public work contract is in excess of fifty thousand dollars (\$50,000). Bonds shall be furnished on prescribed forms in the amount of one hundred percent (100%) of the contract price with corporate surety duly authorized to do business in the State of Texas. Attorneys-in-fact who sign bonds must file with each bond a certified and effective date copy of their Power of Attorney. Bonds shall be obtained by the Purchasing Department and forwarded to the City Secretary for retention.
- (3) *Authority to Require Additional Bonds.* Nothing shall be construed to limit the City to require a payment bond or other security in addition to such bonds, or in circumstances other than specified in this manual.

Once a bid has been accepted, Bidder shall agree to furnish the required Payment Bond within fifteen (15) calendar days after notice of award of the contract to him and that if he fails to do so he will be liable to the City of League City, Texas in the amount equal to the difference between the bid of the bidder and the next lowest secured bid for this work and the City of League City may apply the bond or check accompanying this bid to said amount and if the damages are greater than said sum, the City of League City, shall be entitled to the difference.

§5-102 Performance Bonds

(1) *Definition.* Performance Bonds are solely for the protection of the governmental entity awarding the public work contract and are conditioned on the faithful performance of the work in accordance with the plans, specifications, and contract documents. If required, Performance Bonds shall be for the total amount of the contract and shall be submitted to the Purchasing Department prior to the commencement of work.

(2) *When Required – Amounts.* In accordance with Chapter 2253 of the Government Code, a performance bond is required if a public work contract is in excess of one hundred thousand dollars (\$100,000). Bonds shall be furnished on prescribed forms in the amount of one hundred percent (100%) of the contract price with corporate surety duly authorized to do business in the State of Texas. Attorneys-in-fact who sign bonds must file with each bond a certified and effective date copy of their Power of Attorney. Bonds shall be obtained by the Purchasing Department and forwarded to the City Secretary for retention.

Once a bid has been accepted, Bidder shall agree to furnish the required Performance Bond within fifteen (15) calendar days after notice of award of the contract to him and that if he fails to do so he will be liable to the City of League City, Texas in the amount equal to the difference between the bid of the bidder and the next lowest secured bid for this work and the City of League City may apply the bond or check accompanying this bid to said amount and if the damages are greater than said sum, the City of League City, shall be entitled to the difference.

§5-103 Bid Bonds

(1) *Definition.* A bid bond shows proof of guarantee to the City entity that a bidder can comply with the bid contract and also that they can accomplish the job as laid out in the contract. It is a guarantee stating that the vendor has the capability to take on and implement the project.

(2) *Requirement for Bid Security.* All solicitations for public works projects of \$50,000 or more or at the instruction of the Deputy City Manager or Purchasing Manager will be accompanied by a bid bond with corporate security authorized to conduct business in the State of Texas.

(3) *Amount of Security.* Bid security, regardless of project amount, shall be in an amount not less than five percent (5%) of the amount of the maximum total bid. A certified or cashier's check will be accepted in lieu of bid bond.

(4) *Rejection of Bids for Noncompliance with Bid Security Requirements.* When the solicitation requires security, noncompliance requires that the bid be rejected.

(5) *Withdrawal of Bids* After bids are opened, they shall be irrevocable for the period of sixty (60) days or as specified in the solicitation (except as provided for bids in Section 3-102(7)).

Part B ~ Insurance

Contractors performing work on City property or public right-of-way for the City of League City shall provide the City a certificate of insurance listing City of League City as additional insured and evidencing the coverages and coverage provisions identified below. All insurance must be written by an insurer licensed to conduct business in the State of Texas, unless otherwise permitted by Owner. The Contractor shall, at his own expense, purchase, maintain and keep in force insurance that will protect against injury and/or damages which may arise out of, or result from, operations under a contract, whether the operations be by himself or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable.

For construction and construction-related projects, all contractors and sub-contractors, including those delivering equipment or materials, performing service on a Public Works project, shall provide Texas workers' compensation for all employees. All contractors shall provide proof of coverage satisfactory to the Purchasing Department within fifteen (15) days of award. Contractor shall not commence until certificate has been provided to the Purchasing Department. Prime contractors are responsible for ensuring that sub- contractors carry the same or higher insurance amounts as those required of the prime contractor. Contractors shall post required signs at job site(s) informing all workers of their right to workers' compensation coverage.

The following minimum limits of insurance and bond coverage will be required:

Contractor shall maintain, at his sole cost, at all times while performing work hereunder, the insurance and bond coverage set forth below with companies satisfactory to the Owner with full policy limits applying, but not less than stated. A certificate evidencing the required insurance and specifically citing the indemnification provision set forth in the Agreement shall be delivered to the Owner within fifteen (15) days that Notice to Proceed has been accepted by Contractor.

- (1) Workman's Compensation Insurance as required by laws and regulations applicable to and covering employees of Contract engaged in the performance of the work under this agreement with a limit of not less than \$1,000,000.00;
- (2) Employers Liability Insurance protecting contractor against common law liability, in the absence of statutory liability, for employee bodily injury arising out of the master-servant relationship with a limit of not less than \$100,000.00.
- (3) Comprehensive General Liability Insurance including products/completed operation with limits of liability of not less than: Bodily Injury \$1,000,000.00 per each person, \$1,000,000.00 per each occurrence/\$2,000,000.00 aggregate; Property Damage \$1,000,000.00 per each occurrence;

- (4) Excess Liability Insurance Comprehensive general Liability, Comprehensive Automobile Liability and coverage's afforded by the policies above, with the minimum limits of \$5,000,000.00 excess of specified limits;
- (5) Builders "All-Risk Insurance" protecting the respective interest of Owner and contractor and its "Field Subcontractors" covering loss of damage during the course of construction of the Project described in this agreement and all property at the job site or in transit thereto which shall become a part of such Project. Such insurance shall be maintained until such Project is completed and accepted. This insurance shall be terminated with respect to portions of such Project when such portions are completed and accepted; and
- (6) Performance Bond and Payment Bond, furnished as guaranty of the faithful performance of the work and for the protection of the claimants for labor and material, each in the full amount of the Contract price, executed by a surety company or surety companies authorized to execute surety bonds under and in accordance with the laws of the State of Texas.

Errors and Omissions Insurance (Professional Liability Insurance)

Errors and omissions, or professional liability, insurance shall be required to cover professional advice and service providing individuals and companies with limits of liability not less than \$1,000,000.00, per each occurrence.

Medical Malpractice Insurance

Medical malpractice insurance shall be required to cover medical services with limits of liability not less than \$1,000,000.00, per each occurrence.

Exceptions to these minimum requirements may be increased/decreased at the discretion of the City Manager or his designee.

In no event shall these minimum requirements be less than the maximum claim amounts listed under the Texas Tort Claims Act (Texas Local Government Code §101).

Part C ~ Prompt Payment Act

Payment will be made upon receipt of the original invoice and the acceptance of the goods or services by the City of League City, in accordance with the State of Texas Prompt Payment Act. The City's standard payment terms are net 30, i.e. payment is made within thirty (30) days from the date of the invoice. Exceptions for early payment may only be approved under the authorization of the Department Director and Finance Director.

CHAPTER 6 ~ CONTRACT ADMINISTRATION, MODIFICATION AND TERMINATION

Part A ~ General Information

All written contracts/agreements, whether they have been competitively bid or not, require appropriate approval. That approval is delineated in §2-102 of this Policy on Signatory Authority. Legal review is required on all written contracts/agreements.

Part B ~ Preferred Type of Contract

The preferred type of contracts to use for most City procurement is firm fixed price. It requires minimum administration and provides maximum incentive to the supplier.

§6-101 Multi-Year Contracts

- (1) *Specified Period.* Unless otherwise provided by law, a contract for supplies or services may be entered into for generally two (2) years with a renewal option of typically not more than three (3) one year renewals (one year at a time). The term of the contract and conditions of renewal or extension, if any, are to be included in the solicitation and funds are available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds therefore.
- (2) *Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods.* When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract shall be cancelled.

Part C ~ Basic Contract Process

§6-102 Definition

Basically, an agreement is necessary, regardless of cost, when a person or a company will perform a service for the City, either on City property or at another location. The following agreements have been approved by the Purchasing Manager and the City Attorney for use in contracting with vendors. Generally, these agreements are considered in two unique categories:

1. Professional/Consulting Service Agreements

The State of Texas, under Government Code 2254, has defined Professional Services as those services performed by:

- ❖ “Professional services” means services: (A) within the scope of the practice, as defined by state law, of: (i) accounting; (ii) architecture; (iii) landscape architecture; (iv) land surveying; (v) medicine; (vi) optometry; (vii) professional engineering; (viii) real estate appraising; or (ix) professional nursing; or (B) provided in connection with the

professional employment or practice of a person who is licensed or registered as: (i) a certified public accountant; (ii) an architect; (iii) a landscape architect; (iv) a land surveyor; (v) a physician, including a surgeon; (vi) an optometrist; (vii) a professional engineer; (viii) a state certified or state licensed real estate appraiser; or (ix) a registered nurse.

NOTE: Refer to Chapter 9 of this manual for explicit instruction on processing Professional Services Agreements.

The State of Texas, under Government Code 2254, has defined Consulting Services as those services performed by:

- ❖ "Consulting service" means the service of studying or advising a state agency under a contract that does not involve the traditional relationship of employer and employee. "Consultant" means a person that provides or proposes to provide a consulting service.

Under Exhibit C, a pre-approved agreement is available to City employees wishing to engage either a provider for Professional/Consulting Services.

2. Vendor Agreements

The Vendor Agreement is required for providers who are performing a service for the City, usually on City property, where the City must ensure that all protections for the City (insurance, Worker's Comp, etc.) are in full force and effect. For example, grounds maintenance, software, maintenance agreements and janitorial services, etc. are prime examples of general services that would require a Vendor Agreement. Purchasing has developed a formal agreement for these type services which has been approved by the City Attorney. The Vendor Agreement is included in this correspondence as Exhibit D.

In both of the aforementioned instances, the Signatory Policy noted on page 14 of this document is understood. Only those employees with specific authority may obligate the City and sign an agreement.

3. Independent Contractor Agreements

The aforementioned agreements for Professional/Consulting Services are clearly defined by the State of Texas. The Vendor Agreement is unique in that its use is for companies who provide goods and/or services to the City. A third and less common agreement is that of an Independent Contractor Agreement

Regardless of what either party calls themselves, an independent contractor is self-employed, bears responsibility for his or her own taxes and expenses, and is not subject to an employer's direction and control. Examples are guest speakers, sports officials, temporary instructors (karate teacher, etc.). People who will provide services to the City of League City in some capacity and are independent of a corporation and who are NOT employees of the City must

complete and agree to the terms and conditions of the Independent Contractor Agreement (Exhibit E).

§6-103. Initiation of Contract

After the contract or agreement has been fully executed (all parties have agreed and signed), electronically return the entire file to contracts@leaguecity.com for electronic filing. Finally, Purchasing will forward the contract to the City Secretary for retention.

Once you have submitted the file, you should create a requisition for payment. This requisition and subsequent Purchase Order will directly reflect the agreement. If the payment tool for the agreement will utilize a P-card, then it should be clearly noted in the correspondence of the file. **No** payment will be issued to the provider until the complete, executed file is in place in the Purchasing system.

§6-104 Monitoring and Contractor Report Cards

(1) *Using Departments.* The using department is responsible for monitoring the vendor and the goods and services being provided to the City. It is imperative that using department heads and Directors familiarize themselves with their contracts in order to help facilitate vendor compliance. The scope of work, services and the terms and conditions of the contract must be met prior to making payment.

After work has been completed, the using department shall complete the appropriate Contractor Report Card (Exhibit G) before payment will be issued. There are three versions of the Contractor Report Card: Delivery of Goods, Professional Services and Construction. Contractors shall be rated based on quality of workmanship, timeliness of work, contract compliance and overall job performance. Completed Contractor Report Cards shall be forwarded to the Purchasing Department, documented in the contract file and used in the determination of contractor's responsibility for consideration of future contracts.

§6-105 Renewals

(1) *Vendor Agreement.* The Purchasing Department, with the cooperation and approval of the using department, shall be responsible for obtaining, in writing, a vendor's agreement to renew a contract at the original contract price or with pre-approved escalation. Once received, the Purchasing Department shall forward this information to the using department.

(2) *Purchasing Department.* The Purchasing Department shall be responsible for preparing the necessary paperwork to submit a contract renewal to City Council for approval. The renewal process should be completed prior to a contract's expiration to allow for uninterrupted operations.

Part D ~ Contract Modifications and Terminations

§6-106 Change Orders

- (1) *Definition.* As stated in Texas Local Government Code §252.048, if changes in plans or specifications are necessary after the performance of the contract is begun or if it is necessary to decrease or increase the quantity of work to be performed or of materials, equipment, or supplies to be furnished.
- (2) *Requirements.* The original contract price may not be increased by more than twenty-five percent (25%). The original contract price may not be decreased by more than twenty-five percent (25%) without the consent of the Contractor.
- (3) *Appropriations.* The total contract price may not be increased because of the change orders unless additional money for increased costs is appropriated for that purpose from available funds.

§6-107 Terminations

- (1) *for Cause.* If, through any cause, a Contractor shall fail to fulfill in a timely and proper manner his obligations under a contract, or if a Contractor shall violate any of the covenants, agreements or stipulations of a contract, the City shall thereupon have the right to terminate the contract by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. Notwithstanding, the above, the Contractor shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the contract by the Contractor, and the City may withhold any payments to the Contractor for the purpose of set-off until such time as the exact amount of damages due the City from the Contractor is determined.
- (2) *for Convenience.* The City may terminate a contract at any time giving at least thirty (30) days notice in writing to the Contractor. If a contract is terminated by the City as provided herein, the Contractor will be paid for the service that it has performed up to the termination date.

Part E ~ Maintenance and Lease Agreements

§6-108 Maintenance Agreements

- (1) *Definition.* The City maintains service agreements with manufacturers and authorized service centers for various machines and equipment. Criteria used to determine this need are:
 - (a) The item cannot be repaired by City maintenance personnel without extensive training;
 - (b) The item has many moving mechanical parts or is of such a nature that regular adjustment of an exacting nature is required;
 - (c) The equipment is old, costly to replace, but in adequate shape for continued use.
 - (d) The item is costly and the guarantee has expired.

Computer related equipment is maintained through the Information Technology Department (IT). No computer maintenance agreements will be contracted for, until first approved by IT.

(2) *Responsibility.* It is the using department's responsibility to budget funds for and obtain necessary maintenance agreements. It is also the responsibility of the using department to assure that equipment is serviced per terms of the agreement. The using department must inform Purchasing of any disposition of equipment that makes it necessary to cancel an existing maintenance agreement.

§6-109 Lease Agreements

All lease purchases or capital leases shall be coordinated with the Finance Department. This type of purchase and financing is unique and is accounted for through debt service funds, not the customary departmental expenditure accounts.

§6-110 Contract Review and Approval

Regardless of value, the City Manager, or his designee, will review and approve all contracts prior to execution. All contracts will be reviewed and approved prior to execution by the appropriate designee per §2-102 Signatory Authorities and Approval Thresholds. Non-standard contracts will be reviewed as to form by the City Attorney prior to execution.

CHAPTER 7 ~ SURPLUS MATERIALS AND EQUIPMENT

Part A ~ Disposal

(1) *Definition:* The Purchasing Manager is responsible for the final disposition of City-owned surplus property through a public on-line auction. Surplus property shall consist of the following:

- City-owned property, real or personal, which has been retired from service and no future need of same property is anticipated.

(2) Under this provision, an employee may not purchase property of any type through City auction.

(3) *Proceeds:* The Purchasing Manager shall deposit the proceeds from the sale of salvage or surplus property into the City's general fund or other fund as appropriate.

§7-101 City-Owned Materials and Equipment

(1) *Procedure.* The Purchasing Manager will periodically notify each department of the dates that the department will be available to accept surplus items. Using departments will complete the Surplus Property Disposition Form (Exhibit F) and submit to the Purchasing office via e-mail (purchasing@leaguecity.com) or interoffice mail, those items (including vehicles and heavy equipment) that they wish to dispose of.

Vehicles and Heavy Equipment. Using departments that have vehicles and/or heavy equipment that they wish to dispose of must contact the City's Vehicle Maintenance Department and arrange for the equipment to be placed at the garage.

(2) *Responsibilities:*

Purchasing. The Purchasing Manager shall be responsible for:

- Maintaining an inventory log of surplus items and equipment.
- Preparing an agenda item for City Council approval for the sale of the items and equipment, when appropriate or if disposal value exceeds \$2,500.
- Photographing all items and equipment and submitting to the auctioneer, along with descriptions, location, preview dates, contact information, etc.
- Scheduling the auction, coordinating with the auctioneer and overseeing the sale.
- Releasing the property to the successful bidder. No auction items shall be released to any buyer without a paid sales receipt from the Auctioneer.
- Collecting the revenue from the auctioneer and depositing it with the Cashiers.

Equipment Services. Vehicle Maintenance shall be responsible for:

- Preparing the appropriate forms for the Auctioneer and submitting them to Purchasing.
- Removing any decals from the vehicle(s).
- Removing all additional equipment (GPS, siren, etc.) from the vehicle(s).
- Removing all license tags from the vehicle(s).
- Submit notification of transfer with Texas Department of Motor Vehicles.
- Providing adequate personnel to assist in the management, placement and physical removal of auction vehicles and equipment prior to, during and after the auction.
- Issuing an Application for Transfer of Title and the original title to the buyer of vehicles and equipment. (City Secretary's office performs this task.)

Auctioneer. The Auctioneer shall be responsible for:

- Providing an on-line internet auctioneering service according to the terms and conditions of the City's most current contract.
- Setting minimum prices on items sold at auction. However, should it be in the best interest of the City to set a minimum price, the item should be appraised by an expert to determine a fair market value.
- Collecting all monies from the successful bidder(s) per the contract agreement.
- Providing receipts to the Purchasing Manager when buyers have rendered payment.
- Submitting payment of the total gross sales less sales tax and Auctioneer commission to the Purchasing Manager, along with the sales recap outlining (for each item sold) the buyer's name, address and amount of sale.

Buyer. The successful bidder shall be responsible for:

- Rendering payment to the Auctioneer within timeframe set forth by Auctioneer.
- Removing the property from the City's facility within ten (10) working days, unless other arrangements have been made and approved by the Purchasing Manager.
- The ownership of the property shall revert back to the City if the successful bidder does not comply with the removal time requirement.

CHAPTER 8 ~ PROCUREMENT CARDS

§8-101 Procurement Cards (P-cards)

Purpose

This policy describes the procedures for appropriate purchasing card (P-card) use.

The P-card is another tool for financial transactions and is governed by all City of League City policies, procedures and directives currently in place. A purchase with the card should be made anytime it is the most productive purchasing method. Under most instances, when the P-card can be used within established procedures, it should be used. The Purchasing Manager or designee will coordinate the P-card program for the City of League City.

P-cards shall ONLY be used for City expenses.

§8-102 Card Issuance

A P-card will be issued to an employee upon management approval and after the employee attends training and executes a signed agreement form (Exhibit I). The card will be embossed with the employee's name and account number. No other person is permitted to use another employee's card.

§8-103 Limits

Each P-card will have a single purchase limit and a maximum spending limit per month. Limits may be increased for one-time purchases if requested by the Department Head and it is deemed the most productive purchasing method. No single purchase limit is to exceed \$2,999.99, unless approved by the Purchasing Manager.

§8-104 How it Works

The Purchasing Card simplifies the purchasing and disbursement process by facilitating point-of-demand procurement for small dollar purchases. Purchasing authority is delegated to the ordering department enabling the authorized cardholder to place an order directly with the supplier.

When the supplier requests a purchase authorization, the credit card system validates the transaction against pre-set limits established by the City. Certain merchant categories are blocked from the program and purchases through them will be declined. If the employee feels that his/her purchase has been mistakenly declined, the employee should contact Purchasing.

§8-105 Guidelines for Cardholders

Use League City merchants when possible, especially for “will call” goods or services. The card can be used wherever credit cards are accepted. If a vendor frequently used by the City does not accept credit cards, inform Purchasing. The City’s credit card company will assist in recruiting the vendor to take the necessary steps to begin acceptance of the card. It will be the preference of the City of League City to do business with merchants that do accept the card. The following are items that should be purchased with the P-card:

- Small dollar purchases
- Over the counter retail purchases
- Internet purchases
- Memberships, subscriptions, books
- Registration to seminars and classes
- Catering
- Travel related expenses excluding meals

LOST OR STOLEN CARDS SHOULD BE REPORTED IMMEDIATELY.

All cardholders should make a note of the credit card company’s Lost/Stolen Department’s phone number and keep it in a safe place separate from the card. It is suggested you also post the number in a prominent place at your work site.

If your card is lost or has been stolen, contact the credit card company immediately. Inform your Department Head and the Purchasing Department immediately. Your quick response will reduce the risk of fraud.

§8-106 Disputes

In case of an exception or disputed charge, the cardholder should first contact the vendor. Most exceptions or issues can be resolved between the cardholder and vendor. If the cardholder cannot reach an agreement with the vendor, the next step is to immediately contact the Purchasing Department to dispute the charge.

§8-107 Credits

The vendor should issue a credit to the card on which the returned or faulty goods or services were charged. The cardholder cannot receive personal credit, gift cards or cash. The credit will appear on the cardholder’s statement.

Disputes must be made within sixty (60) days of the charge transaction date. Always thoroughly document any exceptions or issues and the resolution process.

Improper use of the card for unauthorized purchases will result in disciplinary action, up to and including termination. Other restrictions may apply on an individual cardholder basis.

§8-108 Sales Tax

The City is sales tax-exempt. Cardholders must ensure card purchases do not include sales tax. If sales tax is inadvertently charged, inform the vendor at the time of purchase so they can credit the card appropriately. Sales tax charges discovered later will need to be corrected by the cardholder contacting the individual vendor and having them issue a credit to the card. A copy of the City Tax Exempt Certificate can be obtained from Accounts Payable. A cardholder that signs a receipt that includes sales tax may elect to pay to the City the amount of the sales tax. This option would be in lieu of the sales tax credit process. In any event, one of the two options must occur unless approved by the Purchasing Manager. An exception to this rule is tax paid to restaurants, hotels, airlines, and other travel related merchants. Cities are not exempt from hotel tax and certain other federal and state taxes that are not the standard sales tax. The continual charge of sales tax will result in suspension of charging privileges.

§8-109 Card Security

Always treat the City card with at least the same level of care that you treat your own personal credit cards. Keep your card in an accessible but secure location.

§8-110 Documentation and Reconciliation

With the authority to purchase specific goods and services comes the responsibility to maintain adequate documentation at the source of the transaction. All receipts (should be original and be itemized), invoices and supporting documentation should be acquired and maintained by the cardholder for reconciliation to the statement and delivered to Purchasing by the due date. All receipts must be original and itemized. Travel related charges such as hotel stays should have conference agenda or reason for overnight stay.

Keep current records of transactions and receipts for your own protection. They are an important part of any purchasing process and essential to the success of the P-card program.

Weekly Transaction Report:

- Posted transactions will be downloaded into the AS400 P-Card module each Monday by Accounts Payable.
- Cardholders or department designee must reconcile purchases weekly via the AS400 P-Card module. Reconciliations for the previous week must be completed by the following Monday at noon.
- When reconciling purchases, Cardholders (or their designee) must enter a detailed description of each transaction, add the vendor number, add the proper account number, add the appropriate invoice number and add proper project number, if applicable. Once these items have been added to the transaction record, the transaction is approved by the Cardholder.
- Should transactions not be reconciled by Tuesday, Cardholders and the department designee will be emailed a reminder notice with their direct supervisor copied.
- Cardholders with transactions not reconciled by the end of the week for the previous week may have their P-Card disabled until proper reconciliation has occurred.

Monthly P-card Report:

- Purchasing will send an email out notifying departments of the statement date and due date of their P-card reports and back up.
- Receipts are to be in the same order as the listed transactions on the statement. The Cardholder's Department Head (or above) must sign each statement.
- By signing the Cardholder's statement, the Department Head is verifying that all transactions listed were made in compliance with this and all other City policies.

If an itemized receipt is lost, the Cardholder must attach a written memo, signed by the Cardholder's Department Head, explaining the purchase transaction and the reason there is no corresponding receipt. The memo will be directed to the Purchasing Manager. Acceptance of the memo as transaction justification is at the sole discretion of the Purchasing Manager.

Failure to provide Purchasing with proper documentation and timely reconciliation may result in the suspension of charging privileges until resolved. Once a Cardholder has had their P-Card disabled three (3) times in a twelve (12) month period, the Cardholder may be subject to discipline up to and including termination.

§8-111 End of Employment

If a Cardholder leaves the employment of the City, it is the responsibility of the Cardholder to return the card for cancellation. Assignment of a card will be kept on record in Purchasing and a copy of the Cardholder Agreement Form will be forwarded to the Human Resources Department. The Human Resources Department shall notify the Purchasing Department within one (1) business day of employee termination/resignation.

Each employee should document any questions, suggestions or difficulties he/she or the suppliers have regarding the P-card program. The feedback will provide vital information to our program during evaluations.

CHAPTER 9 ~ PROFESSIONAL SERVICES

§9-101 Professional Services

- (1) *Definition.* Generally, those services performed by an individual or group of individuals where education, degrees, certification and/or license is required for qualification to perform the service. The service is usually based on intellectual qualifications as opposed to craftsmanship. Certain professions are specifically named in the Professional Services Procurement Act, Government Code Sec. 2254.002(2)(a).
- (2) *Method of Selection.* The City may not select a provider of professional services or a group or association of providers or award a contract for the services on the basis of competitive bids submitted for the contract or for the services, but shall make the selection and award: (1) on the basis of demonstrated competence and qualifications to perform the services; and (2) for a fair and reasonable price. The professional fees under the contract may not exceed any maximum provided by law per Government Code §2254.003 and must be consistent with and not higher than the recommended practices and fees published by the applicable professional associations.

§9-102 Competitive Sealed Qualifications

- (1) *Conditions for Use.* A contract may be entered into by competitive sealed qualifications for such professional services as architecture, land surveying, or professional engineering.
- (2) *Request for Qualifications.* Qualifications shall be solicited through a Request for Qualifications (RFQ). The relative importance of competence, qualifications and other evaluation factors must be specified.

For projects where fees are less than \$50,000, the City Manager may permit a modified selection process to determine the most qualified vendor.

- (3) *Public Notice.* Adequate public notice of the RFQ shall be given in the same manner as provided in §3-102(3). (Competitive Sealed Bidding, Public Notice)
- (4) *Receipt of Qualifications.* Qualifications shall be opened so as to avoid disclosure of contents to competing offerors. Only the name and location of the responding vendors will be announced. A Register of Qualifications shall be prepared and shall be open for public inspection.
- (5) *Evaluation Factors.* The RFQ shall state the relative importance demonstrated compliance with requirements, offeror qualifications, financial capacity, project schedule and other factors, if any. Qualifications shall be evaluated by committee to be formed

by the Purchasing Manager. The evaluation committee shall screen and rate all of the responsive submittals.

- (6) *Discussion with Responsible Offerors and Revisions to Proposals.* As provided in the RFQ, discussions may be conducted with up to five (5) responsible offerors who submit qualifications determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion. In conducting discussions, there shall be no disclosure of any information derived from qualifications submitted by competing offerors.
- (7) *Negotiations.* Once the evaluation committee has selected the most highly qualified provider, the City Manager, or his designee, must attempt to negotiate with that provider a contract at a fair and reasonable price. If a satisfactory contract cannot be negotiated with the most highly qualified provider, the City Manager, or his designee, shall formally end negotiations with that provider, select the next most highly qualified provider and attempt to negotiate a contract with that provider at a fair and reasonable price. This process shall continue until a contract is entered into.
- (8) *Award.* Award shall be made to the responsible offeror whose qualifications conform to the solicitation and is determined in writing to be the most advantageous to the City taking into consideration the evaluation factors set forth in the RFQ. No other factors or criteria shall be used in the evaluation.
- (9) *Debriefings.* The Purchasing Manager is authorized to provide debriefings that furnish the basis for the source selection decision and contract award only after an award has been made by City Council.

PURCHASING POLICY -- APPENDIX

Vendor File Maintenance

1. Prior to any vendor maintenance being performed, the request for vendor maintenance will be approved by the Purchasing Manager, Director of Finance or the City Controller.
2. Access to perform vendor maintenance will be restricted to the Buyer and the Contract Administrator positions in the Purchasing Department.
3. Vendor Additions, Activations and Changes:
 - a. User Department completes Vendor Maintenance Form (VMF), selecting the applicable maintenance option.
 - b. User Department submits the VMF and following documentation to Purchasing for approval:
 - i. For addition or activation: a current IRS Form W-9 (W-9 not required for employee, Council member or volunteer accounts or P-Card vendors).
 - ii. For changes or inactivation of vendors: documentation from the vendor for the change or non-use of company for prior three (3) years or if the vendor is out of business.
 - iii. For change from P-Card vendor to regular (check or EFT) vendor: a current IRS Form W-9; will be validated and processed as a new vendor/update, keeping the same vendor number.
 - iv. For inactivation of employee, volunteer firefighter or council member: copy of Payroll screen print to verify the separation of service from the City. Human Resources Department will submit the termination information at the end of each payroll processing cycle (this should be simultaneous to IT notification).
 - c. Upon VMF receipt, the vendor will be validated by either the Buyer or the Contract Administrator.
 - i. Verify W-9 vendor business name and Tax ID with the IRS "Taxpayer Identification Number (TIN) On-Line Matching"

program. A print screen from the website of the vendor verification information will be kept and maintained with the VMF information.

- ii. Verify vendor is not currently on the Excluded Parties List/Debarred Vendor List of System for Award Management (SAM.gov) website, or equivalent website. A print screen from the website of the vendor verification information will be kept and maintained with the VMF information.
 - iii. Verify P-Card vendor information and Tax ID with the bank card website (SDOL). A print screen of the vendor verification information will be kept in lieu of a W-9 form and maintained with the VMF information. Per IRS regulations, the Bank Card Issuer is responsible for 1099 reporting of P-Card payments.
 - iv. In order to prevent duplication of vendors, verify the Tax ID is not being used by a current vendor in the Global Financial System application.
- d. After the vendor has been validated, the Buyer or the Contract Administrator will submit the VMF and associated documentation to the Purchasing Manager, Director of Finance or the City Controller for approval. The VMF form must be signed and dated by the approver.
- e. Upon receipt of the approved VMF, the vendor will be entered/updated in the Global Financial System application by the Buyer or the Contract Administrator.
4. Approved Vendor Maintenance forms and related backup will be maintained by the Purchasing Department and archived in their record storage drive or Laserfiche. This backup will be maintained by Vendor #.
5. Periodic Review of Vendor Activity:
- a. During the month of July, an annual review will be made by the Purchasing Department of vendor activity for vendors with no activity for the previous three (3) calendar years.
 - b. Any active vendor with no activity, including P-Card transactions, for the previous three (3) calendar years will be inactivated by the Buyer or the Contract Administrator prior to fiscal year end.

6. Periodic Review of Vendor Maintenance Activity:
 - a. At minimum, a quarterly review of vendor maintenance activity will be reviewed by the Purchasing Manager or designee.
 - b. The review will include a sample selection of vendor records with maintenance activity performed within the previous quarter and reconciled with the approved VMF of the activity.
7. The City has established a naming convention for vendor additions and maintenance. The naming convention procedure follows this section of the policy.

VENDOR NAMING CONVENTION

Name - Use all capital letters

- Do not use acronyms
- Do not abbreviate first word of vendor name
- Do not use punctuation unless vital to vendor name as per invoice or statement; do not use comma before “INC”
- Replace “and” with the ampersand (“&”) in the vendor’s name
 - Ex. JONES & JONES rather than JONES AND JONES
- Omit dashes except in hyphenated last names of individuals
 - Ex. MCGRAW HILL rather than MCGRAW-HILL
- Do not use apostrophes in a vendor’s name or in abbreviations
 - Ex. READERS DIGEST rather than READER’S DIGEST
 - Ex. NATL rather than NAT’L
- Use one space after each initial
 - Ex. JOHN J JONES
 - Ex. J J JONES
- Vendor name needs to fit on one line
- If the vendor name includes CORP, INC, PC, LLC or LLP, include that in the name when you set up the vendor
- Vendor names beginning a number (ex. 3M) should be entered as specified. Unless, the name begins with a year (ex. 2014 ORGANIZATION CONFERENCE) that will likely be used again another year (ex. 2015 ORGANIZATION CONFERENCE) should be setup without the year prefix
- Abbreviations should be used consistently, in compliance with the attached listing, “Additional Guidelines and Abbreviations”
- Government Entities should be entered as:
 - Cities: City of _____
 - Counties: _____ County
 - State: _____ State
- If the first word of the vendor’s name is “The”, enter the name without “The” comma “THE”
 - Ex. NEW YORK TIMES, THE rather than THE NEW YORK TIMES

Individual - Exclude name prefixes such as Mr., Ms., or Dr.

When entering an individual as a vendor, in the name field, enter:
Last,_First (Last name-comma-space-First name)

Ex: Smith, Joe

The system will then automatically will default the “Payee Name” field with: First Name Last Name

- **Vendor Names are changed only in the case of individuals changing names due to marriage, divorce or court action.**

The vendor must submit the required legal documentation to substantiate the requested change. If the vendor is a City employee, the required documentation can be submitted by the employee, the Human Resources Department or the Payroll Department.

- When a business changes names either through acquisition or consolidation, the change is treated as dealing with two separate vendors. The current vendor is inactivated and a new vendor is added. Usually tax id information, etc, changes with the name change.

Address – Use all capital letters, remembering the USPS reads from the last line up (delivery information: city/state, then street, then company)

- Line 1 – can be used as an “ATTN” line, unless the vendor is a 1099 vendor. If a P-Card vendor, enter “P-Card Only Vendor”
- Line 2 – if entering both a street address and a PO Box, enter the street address on line 2 and the PO Box on line 3
 - If the street address is too long to include suite number or PMB (personal mail box) or MS (mail stop), enter the information on line 2 and the street address on line 3
 - Abbreviate street address as noted in the attached listing, “Additional Guidelines and Abbreviations”, per USPS preferences
 - Directional address (East=E, North=N, etc), Suite, Floor and Apartment, Street, Road, Drive, Place, Freeway, Highway
 - Fractions: #/# -- Ex. Avenue P 1/2
 - Do not use punctuation, with the exception of # as needed. If # not necessary, do not use (i.e. Apt 301 does not require #, MS 301 #ABC does require#)
 - Per USPS preference, for postal boxes, use “PO Box” (not P. O. Box, etc)
- **Employees:** If mailing address is not provided, use their City Department or City Hall address.

City, State, Zip – Use all capital letters

- Do not enter a comma after the city. The system automatically inserts the comma in the address
- State is the two digit state abbreviation per the USPS website
- Zip accommodates the zip+4 code, without the hyphen (ex. Enter 775730194 for 77573-0194 zip+4 code)

Country – Enter “US”, unless a foreign country, and then enter the represented country

ADDITIONAL GUIDELINES AND ABBREVIATIONS

And -- & -- Do not spell out, use ampersand
Attention Line -- ATTN_Name (Ex. ATTN JOE SMITH)
American -- AMER
Association -- ASSN
Apartment -- APT
Attention -- ATTN
Boulevard -- BLVD
Building -- BLDG
Care of -- C/O
Circle -- CIR
Company -- CO
Corporation -- CORP
Court -- CT
County -- CTY
County Road -- CR
Department -- DEPT
Division -- DIV
Doing Business As -- D/B/A
Drive -- DR
Expressway -- EXPY
Floor -- FL
Freeway -- FWY
Highway - HWY
Incorporated or Incorporation -- INC
International -- INTL
Lane -- LN
Mail Stop -- MS
National -- NATL
Organization -- ORG
Parkway -- PKWY
Personal Mail Box -- PMB
Place -- PL
Plaza -- PLZ
Point -- PT
Road -- RD
Route -- RT
Square -- SQ
States -- See USPS website
Street -- ST
Suite -- STE
Trail -- TRL
United States -- US

CITY OF LEAGUE CITY REQUISITION COVERSHEET



Section I - General Information

- (A) Requisition Number: (B) Requisition Date:
(C) Description of Goods: (D) Requisitioned By:
(E) Total Amount of Purchase: (F) Name of vendor recommended:

Section II - HUB Contact Documentation

In compliance with Chapter 252.0215 of the Texas Local Government Code and Section 2-104 of the City Purchasing Policy, the department originating this purchase requisition certifies that:

SELECT ONLY ONE

- ☐ (G) The following Galveston County Historically Underutilized Businesses were identified and contacted concerning this purchase:

| HUB #1 | HUB #2 |
|--------|--------|
| | |

- ☐ (H) No applicable Galveston County HUBs were identified from the Comptroller of Public Accounts listing; therefore, the City is exempt from HUB contact requirements for this purchase.
- ☐ (I) Purchase is exempt from HUB contact requirements because it is covered under General Exemption Number _____. (Refer to the instructions for a list of the General Exemptions)

Section III. - Competitive Quotation Documentation

Competitive quotations are not required for cooperative, emergency, sole source or single source purchases, with justification/sole source documentation, and approval by Purchasing, per Chapter 3, pages 19-30 of the City Purchasing Policy.

- (J) Cooperative Purchase? ☐ Yes ☐ No Contract # _____
(K) Sole Source? ☐ Yes ☐ No
(L) Single Source? ☒ Yes ☐ No
(M) Emergency Purchase? ☐ Yes ☐ No (Requires City Manager Approval Below)

| | | Quotation #1 | Quotation #2 | Quotation #3 | Quotation #4 |
|-----|--------------------|--------------|--------------|--------------|--------------|
| (N) | Name of Company | | | | |
| (O) | Telephone Number | | | | |
| (P) | Contact Person | | | | |
| (Q) | Email Address | | | | |
| (R) | Total Price Quoted | | | | |
| (S) | Delivery Time | | | | |

- (T) Justification for sole/single source, emergency purchase or recommendation of vendor other than low quote (attach additional sheets if necessary).

Department Director Signature

Date

City Manager Signature

Date

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of person who has a business relationship with local governmental entity.

2 ☐ Check this box if you are filing an update to a previously filed questionnaire.

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 Name of local government officer with whom filer has employment or business relationship.

Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

☐ Yes ☐ No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

☐ Yes ☐ No

D. Describe each employment or business relationship with the local government officer named in this section.

4

Signature of person doing business with the governmental entity

Date



PROFESSIONAL/CONSULTING SERVICES AGREEMENT

This SERVICES AGREEMENT ("Agreement") is entered into by and between the undersigned, _____ ("Contractor"), _____ (Social Security Number or Federal I.D. No.), located at _____ and City of League City ("City"), a City in the State of Texas, located at 300 W. Walker, League City, Texas 77573.

Services: Contractor will perform the designated services and/or products as set forth in **Exhibit A**, which is attached and incorporated for all purposes.

Term and Termination: This agreement shall begin on _____, and shall terminate on _____. This agreement may be terminated by either party upon thirty (30) days written notice or immediately by CITY in the event of breach by Contractor. CITY may terminate this Agreement with or without cause upon thirty (30) days prior written notice to the Contractor. Upon such termination, CITY shall pay Contractor, at the rate set out in **Exhibit B**, for Services satisfactorily performed up through the date of termination. Notwithstanding any provision in this Agreement to the contrary, CITY will not be required to pay or reimburse Contractor for any services performed or for expenses incurred by Contractor after the date of the termination notice that could have been avoided or mitigated by Contractor.

Compensation: Contractor shall be paid for the services and reimbursable travel expenses, if any, as set forth in **Exhibit B**, attached and incorporated for all purposes. CITY shall pay Contractor in accordance with the Texas Government Code 2251. Contractor must submit invoices for all services, which invoices must include dates of service and details of services provided. Payment for delivery of services rendered shall not be unreasonably withheld or delayed. If CITY disapproves any amount submitted for payment by Contractor, CITY shall give Contractor specific reasons for disapproval in writing. Upon resolution of any disputed charges, Contractor shall submit an amended invoice covering any remaining charges to CITY.

Relationship of the Parties: Contractor is an independent contractor and is not an employee, partner, joint venture, or agent of CITY. Contractor understands and agrees that he/she will not be entitled to any benefits generally available to City of League City employees. Contractor shall be responsible for all expenses necessary to carry out the services under this agreement, and shall not be reimbursed by CITY for such expenses except as otherwise provided in this agreement.

Travel: Contractor ☐ shall ☐ shall not be reimbursed for travel conducted in the pursuit of this contract and appropriate per diem as outlined in **Exhibit B** attached hereto and incorporated for all purposes. Documentation of travel costs (original receipts) shall be provided by the contractor for all travel related expenses except mileage on personal automobile. Original



PROFESSIONAL/CONSULTING SERVICES AGREEMENT

receipts are required for travel expenses related to hotel, rental car, commercial airlines, parking, taxi, etc.

Intellectual Property: This agreement shall be an agreement for services and the parties intend and consider any work created as a result of this agreement, including any and all documentation, images, products or results, to be a work for hire under federal copyright law. Ownership of the work shall belong to and remain the exclusive property of CITY. The work may be edited at any time within the City's discretion. If the work would not be considered a work-for-hire under applicable law, Contractor hereby assigns, transfers, and conveys any and all rights, title and interest to City of League City, including without limitation all copyrights, patents, rights of reproduction, rights to ownership, and right to secure registrations, renewals, reissues and extensions thereof. As the sole copyright holder of the work, CITY maintains and asserts the rights to use, reproduce, make derivative works from, and/or edit the Work in any form of medium, expression or technology now known or hereafter developed, at any time within the City's discretion. Contractor shall not sell, disclose or obtain any other compensation for the services provided herein. If the work is one to which the provisions of 17 U.S.C. § 106A apply, the Contractor hereby waives and appoints CITY to assert on the Contractor's behalf the Contractor's moral rights or any equivalent rights regarding the form or extent of any alteration to the work (including, without limitation, removal or destruction) or the making of any derivative works based on the Work, including, without limitation, photographs, drawings or other visual reproductions of the work, in any medium, for City purposes.

Confidentiality: During the course of the work and/or services to be provided under this agreement, Contractor may come in contact with confidential information of CITY. Contractor agrees to treat as confidential the information or knowledge that becomes known to Contractor during performance of this agreement and not to use, copy, or disclose such information to any third party unless authorized in writing by CITY. This provision does not restrict the disclosure of any information that is required to be disclosed under applicable law. Contractor shall promptly notify CITY of any misuse or unauthorized disclosure of its confidential information and upon expiration of this agreement shall return to CITY all confidential information in Contractor's possession or control. Contractor shall further comply with all City information security policies that may apply and shall not make any press releases, public statements or advertisement referring to the services provided under this agreement or the engagement of Contractor without the prior written approval of CITY.

Warranties and Representations: Contractor warrants and agrees that Contractor shall perform the Services and conduct all operations in conformity with all applicable federal, state, and local laws, rules, regulations, and ordinances. For any Service performed on premises owned or controlled by CITY, Contractor warrants and agrees that Contractor will perform the Services in compliance with all city Rules, including but not limited to, prohibitions related to tobacco use, alcohol, and other drugs.

Licenses/Certifications: Contractor agrees to obtain, at its own cost, any and all approvals,



PROFESSIONAL/CONSULTING SERVICES AGREEMENT

licenses, filings, registrations and permits required by federal, state or local laws, regulations or ordinances, required for the performance of the Services.

Performance/Qualifications: Contractor agrees and represents that Contractor has the personnel, experience, and knowledge necessary to qualify Contractor for the particular duties to be performed under this Agreement. Contractor warrants that all services performed under this Agreement shall be performed consistent with generally prevailing professional or industry standards.

Conflict of Interest: Contractor warrants, represents, and agrees that Contractor presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of the Services hereunder. Contractor further warrants and affirms that no relationship or affiliation exists between Contractor and CITY that could be construed as a conflict of interest with regard to this Agreement.

Insurance: For the entire term of the Agreement ("Term"), Contractor shall maintain Comprehensive General Liability insurance coverage of \$1,000,000 per occurrence or medical malpractice insurance (whichever applies). If, during the Term, Contractor will enter City property, Contractor shall also maintain the following insurance: (i) Worker's Compensation coverage with statutory limits for the State of Texas, including Employers Liability coverage of \$500,000 per accident; (ii) Commercial Automobile Liability coverage of \$1,000,000 Combined Single Limit; (iii) for engineers and architects only: Professional Liability coverage of \$5,000,000 per occurrence; and (iv) for builders only: Builder's Risk coverage in the amount of the construction cost, including protection against named windstorm and flood. All policies must contain a waiver of subrogation against City. Comprehensive General Liability and Commercial Automobile Liability policies must name CITY as Additional Insured. Contractor shall pay all insurance deductibles and deductibles must not exceed \$10,000 unless approved in advance by City. Contractor shall provide City Certificates of Insurance evidencing these insurance requirements prior to the start of work.

Indemnification: Contractor shall indemnify and hold harmless City, and each of its directors, officers, agents and employees from and against all claims, actions, suits, demands, proceedings, costs, damages and liabilities, including without limitation attorneys' fees and reasonable litigation costs, arising out of, connected with, or resulting from any acts or omissions of Contractor or any agent, employee, subcontractor, or supplier of Contractor in the execution or performance of this contract, to the extent the claim arises from negligence, willful act, breach of contract or violation of law.

Force Majeure: Neither CITY nor Contractor shall be liable for any delay in the performance of this Agreement, nor for any other breach, nor for any loss or damage arising from uncontrollable forces such as fire, theft, storm, war, or any other force majeure that could not have been reasonably avoided by exercise of due diligence.



PROFESSIONAL/CONSULTING SERVICES AGREEMENT

Notices: Any notice given under this contract by either party to the other may be affected either by personal delivery in writing or by mail, registered or certified postage prepaid with return receipt requested. Mailed notices shall be addressed to the addresses of the parties as they appear in the contract. Notices delivered personally shall be deemed communicated at the time of actual receipt. Mailed notice shall be deemed communicated three (3) days after mailing.

Texas Family Code Child Support Certification: Pursuant to Section 231.006, *Texas Family Code*, Contractor certifies that it is not ineligible to receive the award of or payments under the Agreement and acknowledges that the Agreement may be terminated and payment may be withheld if this certification is inaccurate.

State Auditor: Contractor understands that acceptance of funds under the Agreement constitutes acceptance of the authority of the Texas State Auditor's Office, or any successor agency (collectively, "Auditor"), to conduct an audit or investigation in connection with those funds. Contractor agrees to cooperate with the Auditor in the conduct of the audit or investigation, including without limitation providing all records requested. Contractor will include this provision in all contracts with permitted subcontractors.

Jurisdiction: Any disputes under this agreement shall be brought in a court of competent jurisdiction in Galveston, Texas and governed by Texas law.

Alternative Dispute Resolution: To the extent that Chapter 2260, Texas Government Code, is applicable to this Contract and is not preempted by other applicable law, the dispute resolution process provided for in Chapter 2260 and the related rules adopted by the Texas Attorney General Pursuant to Chapter 2260, shall be used by CITY and the Contractor to attempt to resolve any claim for breach of contract made by Contractor that cannot be resolved in the ordinary course of business. The Director of Finance of CITY shall examine Contractor's claim and any counterclaim and negotiate with Contractor in an effort to resolve such claims. The parties hereto specifically agree that (i) neither the occurrence of an event giving rise to a breach of contract claim nor the pendency of a claim constitute grounds for the suspension of performance by Contractor, (ii) neither the issuance of this Contract by CITY nor any other conduct, action or inaction of any representative of CITY relating to this contract constitutes or is intended to constitute a waiver of CITY's or the state's sovereign immunity to suit; and (iii) CITY has not waived its right to seek redress in the courts.

Entire Agreement: This agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements, and understanding, oral or written between the parties relating to this agreement. This agreement may not be modified except by mutual written agreement of the parties executed subsequent to this agreement.

Authority: Contractor warrants and represents that Contractor has full power and authority to enter into and perform this agreement and to make the grant of rights contained herein. The



PROFESSIONAL/CONSULTING SERVICES AGREEMENT

person signing on behalf of CITY represents that he/she has authority to sign this agreement on behalf of CITY.

| | |
|---------------------|---------------------|
| _____ | City of League City |
| <Contractor's Name> | |
| By: _____ | By: _____ |
| Name: _____ | Name: _____ |
| Title: _____ | Title: _____ |
| Date: _____ | Date: _____ |

Note: Modification of this Form requires approval by the Office of City Attorney.



PROFESSIONAL/CONSULTING SERVICES AGREEMENT

EXHIBIT "A"
SERVICES

1. Services:

Contractor will serve as a

2. Deliverables:

Contractor will deliver the following (Attach additional sheet, if necessary):

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.



PROFESSIONAL/CONSULTING SERVICES AGREEMENT

EXHIBIT "B" COMPENSATION

1. Compensation (Select one item):

☐ Contractor shall be paid a **flat rate** of _____ dollars (\$_____) for services.

OR

☐ Compensation shall be based on a **daily rate** of _____ dollars (\$_____) for _____ (____) days between _____ and _____, _____ (year).

OR

☐ Compensation shall be based on an **hourly rate** of _____ dollars (\$_____) for a total amount of _____ (____) Service hours.

Total compensation paid by CITY to Contractor for Services shall not exceed _____ dollars (\$_____), which amount does not include applicable sales tax or reimbursable expenses (below), without the express written consent of CITY.

Compensation will be made upon completion of services and in accordance with the Texas Prompt Payment Act.

2. Reimbursable Travel Expenses:

Reimbursable Travel Expenses under this Agreement and charged to CITY will not exceed _____ dollars (\$_____):

Reimbursable Expenses included in this agreement are listed as follows:

Reasonable expenses related to meals, lodging, mileage, and coach class airfare that Contractor incurs may be covered if required to complete obligations herein (collectively "**Travel Expenses**"). Contractor agrees and acknowledges that in regard to reimbursement for Travel expenses, Contractor shall be subject to the State of Texas Travel Reimbursement Guide, as may be amended from time to time. Further, Contractor agrees and acknowledges that Contractor will not be reimbursed by CITY for expenses that are prohibited or that exceed the allowable amounts set forth in the Travel



PROFESSIONAL/CONSULTING SERVICES AGREEMENT

Reimbursement Guide. Airfare reimbursements will be provided for general coach seating only and must be approved in advance by CITY. All requests for reimbursement of Travel Expenses must be accompanied by a signed invoice accompanied by original substantiating receipts.

EXHIBIT C



VENDOR AGREEMENT

This Agreement made this ____ day of _____, 20____, by and between City of League City (City), located in League City, Texas and _____, located at _____ (Contracting Party).

City and Contracting Party agree as follows:

1. **CONTRACT TERM:** The initial term of this Agreement shall be for a period of ____ year(s), from _____ to _____. The parties may mutually agree in writing to extend the term of the Agreement.

City reserves the right to terminate the Agreement at any time, with or without cause, on thirty (30) days prior written notice to Contracting Party.

2. **CONTRACT DOCUMENTS/WORK STATEMENTS:** The provisions of the attached City Request For Proposal - RFP (or Request for Qualifications – RFQ) dated _____, Contracting Party's response to RFP dated _____, and Exhibits _____ (if any), are hereby incorporated by reference and made a part of this Agreement. Contracting Party's representations and warranties regarding its Work are set forth in Exhibit _____ (if any). To the extent there are conflicts or inconsistencies between the documents, the order of priority in which documents will be interpreted is as follows:

- The provisions of this document

3. **CONTRACT FEE:** In consideration for the mutual covenants contained herein, City shall pay Contracting Party for work satisfactorily performed as follows:

_____. Total compensation shall not exceed _____. Payment terms for amounts due from City under the Agreement (including due dates, late fees and interest) are governed by Chapter 2251 of the Texas Government Code.



4. **CONFLICT OF INTEREST:** Contracting Party assures that to the best of its knowledge there exists no conflict of interest or appearance of a conflict between Contracting Party's family, business or financial interest and the services provided under this Agreement. Should this situation change during the term of this Agreement, Contracting Party will advise City of such change.

5. **INDEPENDENT CONTRACTOR:** This Agreement shall not be construed to create a partnership, joint venture, nor other agency relationship between the parties, who are independent of one another. The relationship of the Contracting Party to City is and shall continue to be that of an independent contractor, and no liability or benefits such as workers' compensation, pension rights or liabilities, insurance rights or liabilities, arising out of or related to an employer/employee relationship, shall arise, or accrue to either party or either party's agent, subcontractor or employee, as a result of this Agreement or its performance. No relationship, other than that of independent contractor, shall be implied between the parties or between either party and the other party's agent, employee, or subcontractor, and the Contracting Party hereby agrees to hold City harmless from any such claims by it or its associates, and any cost or expense related thereto.

6. **DEFAULT:** In the event of a failure by Contracting Party to satisfactorily perform the services specified herein and/or a default by Contracting Party in abiding by the other terms and conditions of this Agreement, City may terminate the Agreement on written notice to Contracting Party and Contracting Party shall be liable for all damages, costs, and expenses (including attorney fees) incurred by City related to this default.

7. **ALTERNATIVE DISPUTE RESOLUTION:** The dispute resolution process provided for in Chapter 154 of the Texas Civil Practice and Remedies Code may be used, by City and Contracting Party to attempt to resolve any claim for breach of contract made by Contracting Party, to the extent it is applicable to the Agreement and not preempted by other law. Except as otherwise provided by law, nothing herein is a waiver by City or the State of Texas of the right to seek redress in a court of law.

8. **ASSIGNMENT:** The parties recognize that this contract is based upon the skill and expertise of the parties and therefore agree that the contract and the obligations thereunder may not be assigned or delegated without the written consent of the other party, except as expressly allowed by this contract.



9. **COMPLIANCE WITH LAW:** Contracting Party shall certify that he/she or it is in compliance with all applicable state and federal laws, including non-discrimination laws as it relates to the terms and conditions of the agreement.

10. **NON-APPROPRIATIONS:** Contracting Party understands that City is a governmental entity, and should the Legislature fail to provide funding for any period during the term of this contract, City shall be excused for all liability for payment. City is required to give Contracting Party written notice within thirty (30) days after learning that the funds will not be available. Upon receiving written notice from City, this contract will automatically terminate

11. **NOTICES:** Any notice given under this contract by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified postage prepaid with return receipt requested. Mailed notices shall be addressed to the addresses of the parties as they appear in the contract. Notices delivered personally shall be deemed communicated at the time of actual receipt. Mailed notice shall be deemed communicated three (3) days after mailing.

12. **OFFICIALS NOT TO BENEFIT:** No Mayor, Council-person, officer, director, employee, administrator and representative of City shall be admitted to any share or part of this contract or to any benefit that may arise therefrom.

13. **GOVERNING LAW/VENUE/STATUTE OF LIMITATIONS:** The validity of this Agreement and the interpretation of its terms and the applicable statute of limitations for any cause of action brought by or against City pursuant to the Agreement shall be governed by the laws of the State of Texas. Jurisdiction for any legal proceedings incident to this agreement shall lie in Galveston County, Texas.

14. **FORCE MAJEURE:** In the event of Force Majeure, City may terminate this agreement by written notice following such casualty and City shall not be responsible for any damages sustained by Contracting Party. Force Majeure shall mean fire, earthquake, flood, act of God, strikes or other labor disturbances, riots or civil commotion, litigation, terrorism, war or other acts of any foreign nation, power of government or government agency or authority, or any other cause like or unlike any cause above-mentioned which is beyond the control or authority of City.

15. **SUBCONTRACTS:** Any subcontracts and outside associates or consultants required by Contracting Party in connection with the services covered by this contract will be limited to such individuals or firms as were specifically identified and agreed to during negotiations. Contracting Party shall ensure that each subcontractor complies with all



provisions of the Agreement and this Addendum. Contracting Party shall remain liable for the acts and omissions of such subcontractor(s) and the proper performance and delivery of the products and/or services set forth in the Agreement.

16. **TAX EXEMPTION:** City and Contracting Party agree that City will not be required to pay any taxes for which it can demonstrate an exemption.

17. **CONFIDENTIALITY:** Subject to the Texas Public Information Act and any similar legal requirements, neither Party shall disclose any confidential information obtained from the other Party without such Party's prior written approval.

18. **INTELLECTUAL PROPERTY:** Contracting Party represents that it has all intellectual property rights necessary to enter into and perform its obligations under the Agreement and shall indemnify, defend and hold harmless the State of Texas and City against any action, claim, liability, loss or expense related to such intellectual property rights and representations. Contracting Party will pay any damages attributable to such claim that are awarded against the State of Texas and/or City in a judgment or settlement.

19. **INDEMNIFICATION:** Contracting Party shall indemnify and hold harmless City, and each of its regents, officers, agents and employees from and against all claims, actions, suits, demands, proceedings, costs, damages and liabilities, including without limitation attorneys' fees and reasonable litigation costs, arising out of, connected with, or resulting from any acts or omissions of Contracting Party or any agent, employee, subcontractor, or supplier of Contracting Party in the execution or performance of this contract.

20. **INSURANCE:** For the entire term of the Agreement ("Term"), Contracting Party shall maintain Comprehensive General Liability insurance coverage of \$1,000,000 per occurrence. If, during the Term, Contracting Party will enter City property, Contracting Party shall also maintain the following insurance: (i) Worker's Compensation coverage with statutory limits for the State of Texas, including Employers Liability coverage of \$500,000 per accident; (ii) Commercial Automobile Liability coverage of \$1,000,000 Combined Single Limit; (iii) for engineers and architects only: Professional Liability coverage of \$5,000,000 per occurrence; and (iv) for builders only: Builder's Risk coverage in the amount of the construction cost, including protection against named windstorm and flood. All policies must contain a waiver of subrogation against City. Comprehensive General Liability and Commercial Automobile Liability policies must name City as Additional Insured. Contracting Party shall pay all insurance deductibles and deductibles must not exceed \$10,000 unless approved in advance by City. Contracting Party shall



provide City Certificates of Insurance evidencing these insurance requirements prior to the start of work.

21. **AUDIT; INDEPENDENT AUDITS; RIGHT TO AUDIT; RETENTION; SUPPORTING DOCUMENTS:** The Contracting Party agrees and authorizes City and/or the State Auditor (collectively, “Auditor”) to conduct audits or investigations in connection with this Agreement. Contracting party agrees to cooperate with Auditors conducting such audits or investigations and to provide all information and documents reasonably requested. Contracting Party will include this provision in all contracts with permitted subcontractors.

22. **LIMITATIONS:** The Parties are aware that there are constitutional and statutory limitations on the authority of City to enter into certain terms and conditions of the Agreement, including, but not limited to, those terms and conditions relating to liens on City’s property; disclaimers and limitations of warranties; disclaimers and limitations of liability for damages; waivers, disclaimers and limitations of legal rights, remedies, requirements and processes; limitations of periods to bring legal action; granting control of litigation or settlement to another party; liability for acts or omissions of third parties; payment of attorneys’ fees; dispute resolution; indemnities; and confidentiality (collectively, the “Limitations”), and terms and conditions related to the Limitations will not be binding on City except to the extent authorized by the laws and Constitution of the State of Texas.

23. **SOVEREIGN IMMUNITY:** Except as otherwise provided by Texas law, neither the execution of the Agreement by City nor any other conduct, action or inaction of any City representative relating to the Agreement is a waiver of sovereign immunity by City.

24. **REPRESENTATIONS BY CONTRACTING PARTY:** Contracting Party represents and warrants that it will obtain and maintain in effect, and pay the cost of all licenses, permits or certifications that may be necessary for Contracting Party’s performance of this Agreement. If Contracting Party is a business entity, Contracting Party warrants, represents, covenants, and agrees that it is duly organized, validly existing and in good standing under the laws of the state of its incorporation; and is duly authorized and in good standing to conduct business in the State of Texas, that it has all necessary power and has received all necessary approvals to execute and deliver the Agreement and is authorized to execute this Agreement according to its terms on behalf of Contracting Party.

25. **ELIGIBILITY TO RECEIVE PAYMENT:** Contracting Party certifies that, as a matter of State law, it is not ineligible to receive the Agreement and payments pursuant



to the Agreement and acknowledges that the Agreement may be terminated and payment withheld if this representation is inaccurate.

26. **PAYMENT OF DEBT/DELINQUENCY TO STATE:** Contracting Party certifies that it is not indebted to the City of League City and is current on all taxes owed to the City of League City. Contracting Party agrees that any payments owing to Contracting Party under the Agreement may be applied directly toward any debt or delinquency that Contracting Party owes the City of League City regardless of when it arises, until such debt or delinquency is paid in full.

27. **PRODUCTS AND MATERIALS PRODUCED IN TEXAS:** If Contracting Party will provide services under the Agreement, Contracting Party covenants and agrees that in performing its duties and obligations under the Agreement, it will purchase products and materials produced in Texas when such products and materials are available at a price and delivery time comparable to products and materials produced outside of Texas.

28. **TRAVEL EXPENSES:** If the Agreement requires City to reimburse for travel expenses, the Contracting party shall invoice all requests for reimbursement in accordance with the State of Texas travel, meal and lodging reimbursement guidelines applicable to State of Texas employees.

29. **RISK OF LOSS:** All work performed by Contracting Party pursuant to the Agreement will be at Contracting Party's exclusive risk until final and complete acceptance of the work by City. In the case of any loss or damage to the work prior to City's acceptance, such loss or damage will be Contracting Party's responsibility.

30. **PUBLICITY:** Contracting Party shall not use City's name, logo or likeness in any press release, marketing materials or other public announcement without receiving City's prior written approval.

31. **LEGAL CONSTRUCTION/SEVERABILITY:** In the event that any one or more of the provisions contained in this contract shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision, and this contract shall be construed as if such invalid, illegal or unenforceable provisions had never been contained in it. To this end, the provisions of this contract are declared to be severable. The Parties may mutually agree to renegotiate the contract to cure such illegality/invalidity or unconstitutionality if such may be reasonably accomplished.



32. **NON-WAIVER:** No covenant or condition of this Agreement may be waived except by written consent of the waiving party. Forbearance or indulgence by one party in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by the other party.

34. **ENTIRE AGREEMENT:** This contract constitutes the entire contract and supersedes all prior or contemporaneous agreements, whether written or oral, between the parties. Verbal representations not contained herein shall not be binding on the parties unless acknowledged by them in writing.

35. **AUTHORITY:** The person signing below on behalf of City and Contracting Party warrants that he/she has the authority to execute this contract according to its terms.

36. **AMENDMENT:** This Agreement may be changed, amended, modified, extended or assigned only by mutual consent of the parties provided that consent shall be in writing and executed by the parties hereto prior to the time such change shall take effect.

37. **BINDING AGREEMENT:** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, City and Contracting Party, by and through their duly authorized officers and representatives, have executed this Agreement as of the date first above written.

CITY OF LEAGUE CITY

CONTRACTING PARTY:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____



Independent Contractor Agreement

Independent Contractor Agreement between the City of League City and
_____ (Instructor's Name)

Article I: Parties and Term of Contract

1.01 This agreement is entered into by and between the City of League City (Hereinafter "Client") and _____ (Instructor's Name-hereinafter "Contractor"). This agreement will become effective on the _____ day of _____, _____, and will continue in effect until such time as the session for which contractor was hired per this agreement, has been completed, or until terminated.

Article II: Services to be Performed by Contractor

2.01 The services contractor agrees to perform is to create and implement a _____ Program for the League City Recreation Center at Hometown Heroes Park and devote as much time and attention to complete or achieve the program expectations until the end of the indicated session.

2.02 Contractor will determine methods, details, and means of performing the above described services. Contractor shall not be entitled to engage in any activities which are not expressly set forth by this agreement.

2.03 Client retains the right to inspect, stop or alter the work of Contractor to assure its conformity with this agreement and program expectations.

2.04 Contractor is expected to attend all classes held during the session. If the Contractor misses 3 consecutive classes, Client will terminate contract.

2.05 Contractor enters into this agreement, and will remain throughout the term of this agreement, as an Independent Contractor. Contractor agrees that Contractor is not and will not become an employee, partner, agent or principal of Client while this agreement is in effect. Contractor is not entitled to the rights of benefits afforded to Client's employees, including Disability or Unemployment Insurance, Worker's Compensation, Medical Insurance, Sick Leave, or any other Employment Benefit. Contractor is responsible for providing, at Contractor's own expense, Disability, Unemployment Insurance, Worker's Compensation, and other Insurance, Training Permits, and Licenses for Contractor.

2.06 Contractor will be required to submit a copy of their insurance policy listing the Client as a Certificate Holder and a copy of their current food permit (if applicable).

Article III: Compensation

3.01 As compensation for the services rendered by Contractor under this agreement, Client shall pay _____ per class for services set forth in this agreement, or the percentage that the City and the Contractor will each get. City percentage _____, Contractor percentage _____

Article IV: Notice Concerning Withholdings of Taxes

4.01 Contractor recognizes and understands that it will receive an IRS 1099 statement and related tax statements, and will be required to file Corporate and/or Individual Tax Returns and pay taxes in accordance with all provisions of applicable federal and state law. Contractor hereby promises and agrees to indemnify the Client for any damages or expenses, including Attorney fees, and legal expenses, incurred by Client as a result of Contractor's failure to make such required payments.

Article V: Expenses

5.01 Supplies needed for a program should be discussed during the planning portion. Contractor will be required to purchase supplies, with own monies, unless prior approval is given by City of League City Parks Recreation Management for purchases of program supplies. If approval is given, the Contractor may submit original receipt to Client and Contractor will be reimbursed and the purchase then becomes property of the City of League City.

Article VI: Property Rights of Parties

6.01 (a) All records of the accounts of League City Recreation Center customers, of any nature, whether existing at the time of this agreement, procured through the efforts of Contractor, or learned by Contractor from any other source, and whether prepared by Contractor otherwise, shall be exclusive property of Client.

(b) All equipment or supplies utilized by Contractor in performing Contractor's duties, supplied by Client, under this agreement shall be immediately returned to Client by Contractor on any termination of this agreement, whether or not any dispute exists between Client and Contractor at, regarding, and/or following the termination of this agreement.

Article VII: General Provisions

7.01 Entire Agreement: This agreement supersedes any and all other agreements, either oral or in writing between the parties hereto with respect to the hiring of Contractor by Client, and contains all of the covenants and agreements between the parties with respect to that hiring in any manner whatsoever. Each party to this agreement acknowledges that no representation, inducements, promises or agreements, statement, or promise not contained in this agreement shall be valid or binding on either party, except that any other written agreement dated concurrent with or after this agreement shall be valid as between the signing parties thereto.

7.02 Modifications: Any modification of this agreement will be effective only if it is in writing and designed by the party to be charged.

7.03 Governing Law: This agreement shall be governed by the laws of the State of Texas.

7.04 Attorney's Fees: If any legal action is commenced or necessary to enforce or interpret the terms of this agreement, the prevailing party shall be entitled to reasonable Attorney's fees, costs, and necessary disbursements in addition to any other relief to which that party may be entitled.

Article VIII: Termination

8.01 Client reserves the right to terminate this contract at any time without cause and without any recourse by Contractor against the Client with 30 days prior to notice.

8.02 Client reserves the right to terminate this contract immediately with cause.

Article IX: Indemnification

9.01 Contractor agrees to indemnify and save harmless the City from and against any and all liabilities, damages, claims, suits, costs (including court costs, attorney fees and costs of investigation) and actions of any kind by reason of injury to or death of any person or damage to or loss of property to the extent caused by the contractor's negligent performance of services under this agreement or by reason of any negligent act or omission on the part of the contractor.

This agreement is executed in the City of League City, County of Galveston, State of Texas on this _____ Day of _____, _____.

City of League City:

Parks and Cultural Services Director

Date

Independent Contractor Agreement

Contractor

Independent Contractor's Signature

Date

Independent Contractor's Name Printed

Phone: _____

Address: _____

EXHIBIT E

Surplus Property Disposition Form



Department _____

[illegible]

Surplus Property Disposition Form



Department _____

[illegible]



| | |
|----------------------|------------------------------|
| Name Of Contractor: | Date Contract Began: |
| Contract/Bid Number: | Date Contract Ended: |
| Name of Project: | Date Report Card Completed: |
| Project Number: | Previous Report Card Rating: |

| Topic | Questions | Findings | Points | Comments |
|--|--|----------------------------------|--------|----------|
| PRICE LISTS | | | | |
| Price List | Was the price list being used by the contractor the current approved price list? | Yes/No | | |
| Modifications | Was the contractor responsive to City directed changes to priorities and/or schedule? | 1.....2.....3.....4.....5 | | |
| Modifications | Number of change orders? | | | |
| | Contractor recommended change orders | | | |
| | City recommended change orders | | | |
| Billing | The contractor comply with billing responsibilities? | 1.....2.....3.....4.....5 | | |
| FINANCIAL | | | | |
| Bankruptcy | Is the Contractor free from Bankruptcy proceedings? | Yes/No | | |
| Sub-contractors | If applicable, was sub-contractor information collected in the contractor's system and included in the billing detail? | 1.....2.....3.....4.....5...NA | | |
| Sub-contractors | Were sub-contractors paid timely without notices filed? | 1.....2.....3.....4.....5...NA | | |
| ADMINISTRATIVE | | | | |
| Change of Name | Did the contractor comply with Change of Name requirements? | Yes/No/NA | | |
| Administrative | Was the contractor's Contact for Contract Administration information (address/phone/fax/email) correct? | Yes/No | | |
| PROJECT (Answer in a scale of 1-5: 1 being below agreed upon standards - 5 being exceeded expectations) | | | | |
| Timeline | Was the order delivered on time? | Yes/No | | |
| Contract Scope | Did the contractor comply with the scope of their contract? | 1.....2.....3.....4.....5 | | |
| Sub-contractors | If there are participating sub-contractors, are the sub-contractors listed and current in the contract? | Yes/No/NA | | |
| Value added | Did contractor provide value added options for cost, schedule, or final product? | 1.....2.....3.....4.....5 | | |
| Professionalism | Did contractor exhibit professionalism and courtesy when dealing with City Staff? | 1.....2.....3.....4.....5 | | |
| Professionalism | Did contractor exhibit professionalism and courtesy when dealing with Citizens and the business community? | 1.....2.....3.....4.....5.....NA | | |
| Professionalism | Was the quality of work performed to the standards required in the contract? | 1.....2.....3.....4.....5 | | |
| Professionalism | Did the contractor and the contractor's staff perform in a professional manner? | 1.....2.....3.....4.....5 | | |
| Site | Was the site clean and organized? | 1.....2.....3.....4.....5.....NA | | |
| OVERALL | | | | |
| Additional Comments that impact points? | | | | |
| | | TOTAL POINTS | | |
| Grade (77-85=A, 68-76=B, 58-67=C) | | A.....B.....C.....F | | |

Lead Manager Signature



Contractor Report Card-Professional Services

| | |
|---------------------|------------------------------|
| Name Of Contractor: | Date Contract Began: |
| Contract Number: | Date Contract Ended: |
| Name of Project: | Date Report Card Completed: |
| Project Number: | Previous Report Card Rating: |

POINTS - Yes=5, No=0, NA=5

| Topic | Questions | Findings | Points | Comments |
|--|--|----------------------------------|--------|----------|
| PRICE LISTS | | | | |
| Pricing | Was approved pricing honored? | Yes/No | | |
| Modifications | Was the contractor responsive to City directed changes to priorities and/or schedule? | 1.....2.....3.....4.....5 | | |
| Modifications | Number of change orders? | | | |
| | Contractor recommended change orders | | | |
| | City recommended change orders | | | |
| Billing | The contractor complying with billing responsibility? | 1.....2.....3.....4.....5 | | |
| FINANCIAL | | | | |
| Bankruptcy | Is the Contractor free from Bankruptcy proceedings? | Yes/No | | |
| Billing | Was billing accurate when received from the contractor? | 1.....2.....3.....4.....5 | | |
| Sub-contractors | If applicable, was sub-contractor information collected in the contractor's system and included in the billing detail? | 1.....2.....3.....4.....5 | | |
| Sub-contractors | Were sub-contractors paid timely without notices filed? | 1.....2.....3.....4.....5 | | |
| ADMINISTRATIVE | | | | |
| Change of Name | Did the contractor comply with Change of Name requirements? | Yes/No/NA | | |
| Administrative | Was the contractor's Contact for Contract Administration information (address/phone/fax/email) correct? | Yes/No | | |
| PROJECT (Answer in a scale of 1-5: 1 being below agreed upon standards - 5 being exceeded expectations) | | | | |
| Timeline | Did contractor complete project in contracted timeframe? | Yes/No | | |
| Timeline | Did contractor complete project milestones on time? | 1.....2.....3.....4.....5 | | |
| Contract Scope | Did the contractor demonstrate that they comply with the scope of their contract? | 1.....2.....3.....4.....5 | | |
| Sub-contractors | If there are participating sub-contractors, are the sub-contractors listed and current in the contract? | Yes/No/NA | | |
| Value added | Did contractor provide value added options for cost, schedule, or final product? | 1.....2.....3.....4.....5 | | |
| Professionalism | Did contractor exhibit professionalism and courtesy when dealing with City Staff? | 1.....2.....3.....4.....5 | | |
| Professionalism | Did contractor exhibit professionalism and courtesy when dealing with Citizens and the business community? | 1.....2.....3.....4.....5.....NA | | |
| Professionalism | Was the quality of work performed to the standards required in the contract? | 1.....2.....3.....4.....5 | | |
| Professionalism | Did the contractor and the contractor's staff perform in a professional manner? | 1.....2.....3.....4.....5 | | |
| Professionalism | Did the contractor's key personnel remain consistent throughout the duration of the project? | 1.....2.....3.....4.....5 | | |
| OVERALL | | | | |
| Any other issues on the job? | | | | |
| Additional Comments? | | | | |
| | | TOTAL POINTS | | |
| Grade (86-95=A, 76-85=B, 66-75=C, below 66=F) | | A.....B.....C.....F | | |

10/1/2014 version

Directions: The lead manager on the contract will complete the form with input from accounts payable and any additional departments affected by the contract. This form must be filled out between 90 and 30 days before contract completion. If the contract is going out for new bid, this form must be completed before solicitation is posted.

*Once the contractor report card is complete, two copies must be created. One copy will be kept in the project folder and the other copy sent to the Purchasing Department for cataloging.

Lead Manager Signature _____



Contractor Report Card-Construction

| | |
|----------------------|------------------------------|
| Name Of Contractor: | Date Contract Began: |
| Contract/Bid Number: | Date Contract Ended: |
| Name of Project: | Date Report Card Completed: |
| Project Number: | Previous Report Card Rating: |

POINTS: Yes=5, No=0, NA=5

| Topic | Questions | Findings | Points | Comments |
|--|--|--------------------------------|--------|----------|
| PRICE LISTS | | | | |
| Pricing | Was approved pricing honored? | Yes/No | | |
| Modifications | Was the contractor responsive to City directed changes to priorities and/or schedule? | 1.....2.....3.....4.....5 | | |
| Modifications | Number of change orders? | | | |
| | Contractor recommended change orders | | | |
| | City recommended change orders | | | |
| Billing | The contractor complied with billing responsibilities? | 1.....2.....3.....4.....5 | | |
| FINANCIAL | | | | |
| Bankruptcy | Is the Contractor free from Bankruptcy proceedings? | Yes/No | | |
| Billing | Was billing accurate when received from contractor? | 1.....2.....3.....4.....5 | | |
| Sub-contractors | If applicable, was sub-contractor information collected in the contractor's system and included in the billing detail? | 1.....2.....3.....4.....5 | | |
| Sub-contractors | Were sub-contractors paid timely without notices filed? | 1.....2.....3.....4.....5 | | |
| ADMINISTRATIVE | | | | |
| Change of Name | Did the contractor comply with Change of Name requirements? | Yes/No/NA | | |
| Administrative | Was the contractor's Contact for Contract Administration information (address/phone/fax/email) correct? | Yes/No | | |
| PROJECT (Answer in a scale of 1-5: 1 being below agreed upon standards - 5 being exceeded expectations) | | | | |
| Timeline | Did contractor complete project in contracted timeframe? | Yes/No | | |
| Timeline | Did contractor complete project milestones on time? | 1.....2.....3.....4.....5 | | |
| Contract Scope | Did the contractor comply with the scope of their contract? | 1.....2.....3.....4.....5 | | |
| Sub-contractors | Are the sub-contractors listed and current in the contract? | Yes/No/NA | | |
| Value added | Did contractor provide value added options for cost, schedule, or final product? | 1.....2.....3.....4.....5 | | |
| Professionalism | Did contractor exhibit professionalism and courtesy when dealing with City Staff? | 1.....2.....3.....4.....5 | | |
| Professionalism | Did contractor exhibit professionalism and courtesy when dealing with Citizens and the business community? | 1.....2.....3.....4.....5...NA | | |
| Professionalism | Was the quality of work performed to the standards required in the contract? | 1.....2.....3.....4.....5 | | |
| Professionalism | Did the contractor and the contractor's staff perform in a professional manner? | 1.....2.....3.....4.....5 | | |
| Professionalism | Did the contractor's key personnel remain consistent throughout the duration of the project? | 1.....2.....3.....4.....5 | | |
| Site | Was the site kept clean and organized? | 1.....2.....3.....4.....5...NA | | |
| Project Closeout | Was the project closeout completed timely? (punch list completion, test reports, bonds, warranties, as-built drawings, O&M manuals, spare parts) | 1.....2.....3.....4.....5 | | |
| OVERALL | | | | |
| Any other issues on the job? | | | | |
| Additional Comments that impact points? | | | | |
| | | TOTAL POINTS | | |
| Grade (90-105=A, 80-89=B, 60-79=C, below 60=F) | | A.....B.....C.....F | | |

10/1/2014 version

Directions: The lead manager on the contract will complete the form with input from accounts payable and any additional departments affected by the contract. This form must be filled out 30 days after contract completion.

*Once the contractor report card is complete, two copies must be created. One copy will be kept in the project folder and the other copy sent to the Purchasing Department for cataloging.

Lead Manager Signature _____



Purchasing Department

Non-Compliant Purchase Authorization Form

(Purchase of goods or services before a purchase order is approved and issued.)

Originating Dept: _____

Date: _____

Vendor Name: _____ Requisition Number(s) _____,

Purchase Order Number(s) _____; or Vendor Invoice Number(s) _____
has (have) been identified as "procedurally non-compliant" due to a finding of an invoice which pre-dates the issuance of a valid City purchase order and/or the entry and appropriate Departmental approval of a related purchase requisition by the originating Department listed above. This occurrence breaches the City Purchasing Policy.

The following information is requested of the initiating Department and the completed form must be returned with the appropriate signatures to the Purchasing Department. The Department Director and Finance Director shall approve/disapprove the purchase. Purchase Order will be issued if approved by the aforementioned directors. **NOTE:** Should the directors disapprove, the employee who initiated the purchase may be held personally responsible for the expense and may be obligated to pay the vendor using their personal funds.

1. Explanation/justification for the unauthorized obligation, i.e., why the requisition/purchase order process was initiated **after** the invoice was dated/received:
2. Explain the steps which will be taken to avoid similar non-compliance in the future (please note date and nature of any Departmental consultation/corrective actions taken in response to this non-compliant purchase):

Signature (Employee responsible for obligation)

Printed Name

Signature (Department Director)

Date: _____
Approve Disapprove (Please circle one)

Signature (Finance Director)

Date: _____
Approve Disapprove (Please circle one)

IMPORTANT NOTICE:

- 1) Repeated violations of the above-referenced City Purchasing Policy may subject the responsible employee to disciplinary action up to and including termination, at the user department's discretion.
- 2) The supplier will be notified of this occurrence and advised not to accept any future orders from City of League City personnel without an approved purchase order.

CITY OF LEAGUE CITY

PURCHASING CARD PROCEDURES

PURPOSE

This policy describes the procedures for appropriate purchasing card (P-card) use.

INTRODUCTION

The P-card is another tool for financial transactions and is governed by all City of League City policies, procedures, and directives currently in place. A purchase with the card should be made anytime it is the most productive purchasing method. Under most instances, when the P-card can be used within established procedures, it should be used. The Purchasing Manager or designee will coordinate the P-card program for the City of League City.

CARD ISSUANCE

A P-card will be issued to an employee upon management approval and after the employee attends training and executes a signed agreement form. The card will be embossed with the employee's name and account number. No other person is permitted to use another employee's card.

LIMITS

Each P-card will have a single purchase limit and a maximum spending limit per month. Limits may be increased for one-time purchases if requested by the Department Head and it is deemed the most productive purchasing method. No single purchase limit is to exceed \$2,999.99 unless approved by the Purchasing Manager.

HOW IT WORKS

The Purchasing Card simplifies the purchasing and disbursement process by facilitating point-of-demand procurement. Purchasing authority is delegated to the ordering department enabling the authorized cardholder to place an order directly with the supplier.

When the supplier requests a purchase authorization, the MasterCard system validates the transaction against pre-set limits established by the City. Certain merchant categories are blocked from the program and purchases through them will be declined. If the employee feels that his/her purchase has been mistakenly declined, the employee should contact Purchasing.

GUIDELINES FOR CARDHOLDERS

Use League City merchants when possible, especially for "will call" goods or services. The card can be used wherever MasterCard is accepted. If a vendor frequently used by the City does not accept MasterCard inform Purchasing. JP Morgan Chase Bank

will assist in recruiting the vendor to take the necessary steps to begin acceptance of the card. It will be the preference of the City of League City to do business with merchants that do accept the card. The following are items that should be purchased with the P-card:

- Small dollar purchases
- Over the counter retail purchases.
- Internet purchases
- Memberships, Subscriptions, books
- Registration to seminars and classes
- Catering
- Travel related expenses excluding meals
- Annual contract items

LOST OR STOLEN CARDS SHOULD BE REPORTED IMMEDIATELY

All cardholders should make a note of JP Morgan Chase Bank's Lost/Stolen Department's phone number and keep it in a safe place separate from the card. It is suggested you also post the number in a prominent place at your work site.

If your card is lost or has been stolen, contact JP Morgan Chase Bank immediately at 1-800-316-6056. Inform your Department Head and Purchasing immediately. Your quick response will reduce the risk of fraud.

DISPUTES

In case of an exception or disputed charge, the cardholder should first contact the vendor. Most exceptions or issues can be resolved between the cardholder and vendor. If the cardholder cannot reach an agreement with the vendor the next step is to immediately contact Purchasing to dispute the charge.

CREDITS

The vendor should issue a credit to the card on which the returned or faulty goods or services were charged. The cardholder cannot receive personal credit or cash. The credit will appear on the cardholder's statement.

Disputes must be made within sixty (60) days of the charge transaction date. Always thoroughly document any exceptions or issues and the resolution process.

Improper use of the card for unauthorized purchases will result in disciplinary action, up to and including termination. Other restrictions may apply on an individual cardholder basis

SALES TAX

The City is sales tax-exempt. Cardholders must ensure card purchases do not include sales tax. If sales tax is inadvertently charged, inform the vendor at the time of purchase so they can credit the card appropriately. Sales tax charges discovered later will need to be corrected by the cardholder contacting the individual vendor and having them issue a credit to the card. A copy of the City Tax Exempt Certificate can be obtained from Accounts Payable. A cardholder that signs a receipt that includes sales tax may elect to pay to the City the amount of the sales tax. This option would be in lieu of the sales tax credit process. In any event, one of the two options must occur unless approved by the Purchasing Manager. An exception to this rule is tax paid to restaurants, hotels, airlines, and other travel related merchants. Cities are not exempt from hotel tax and certain other federal and state taxes that are not the standard sales tax. The continual charge of sales tax will result in suspension of charging privileges.

CARD SECURITY

Always treat the City card with at least the same level of care that you treat your own personal credit cards. Keep your card in an accessible but secure location.

DOCUMENTATION AND RECONCILIATION

With the authority to purchase specific goods and services comes the responsibility to maintain adequate documentation at the source of the transaction. All original itemized receipts, invoices and supporting documentation should be acquired and maintained by the cardholder for reconciliation to the statement and delivered to Purchasing by the due date. All receipts must be original and itemized. Travel related charges such as hotel stays should have conference agenda or reason for overnight stay. Business meal receipts should be attached to the Business Meal Request Form. This form may be found on the Intranet.

Keep current records of transactions and receipts for your own protection. They are an important part of any purchasing process and essential to the success of the card program.

Weekly Reconciliation

- Posted transactions will be downloaded into the AS400 P-Card module each Monday by Accounts Payable.
- Cardholders or department designee must reconcile purchases weekly via the AS400 P-Card module. Reconciliations for the previous week must be completed by the following Monday at noon.
- When reconciling purchases, Cardholders (or their designee) must enter a detailed description of each transaction, add the vendor number, add the proper account number and add proper

project number, if applicable. Once these items have been added to the transaction record, the transaction may be taken off hold and approved.

- Reconciled purchases must be approved by the Cardholder's assigned Approver, once taken off hold by the Cardholder.
- Should transactions not be reconciled by Tuesday, Cardholders and the department designee will be emailed a reminder notice with their direct supervisor copied.
- Cardholders with transactions not reconciled by the end of the week for the previous week may have their P-Card disabled until proper reconciliation has occurred.

Monthly Reconciliation

- Purchasing will send an email out notifying departments the statements dates and due date of their P card reports and back up.
- Receipts are to be in the same order as the listed transactions on the statement. The Cardholder's Department Head (or above) must sign each statement.
- By signing the Cardholder's statement, the Department Head is verifying that all transactions listed were made in compliance with this and all other city policies.

If an itemized receipt is lost, the Cardholder must attach a written memo, signed by the Cardholder's Department Head, explaining the purchase transaction and the reason there is no corresponding receipt. The memo will be directed to the Purchasing Manager. Acceptance of the memo as transaction justification is at the sole discretion of the Purchasing Manager.

Failure to provide Purchasing with proper documentation and timely reconciliation will result in the suspension of charging privileges until resolved. Once a Cardholder has had their P-Card disabled three (3) times in a twelve (12) month period, may be subject to suspension for a period of six (6) months.

END OF EMPLOYMENT

If a cardholder leaves the employment of the City it is the responsibility of the cardholder to return the card for cancellation. In the event of unauthorized or inappropriate purchases, the City reserves the right to withhold paychecks until this matter is resolved. Assignment of a card will be kept on record in Purchasing and a copy of the Cardholder Agreement Form will be forwarded to the Human Resource

Department. A final check will not be released until the card is returned to H/R in the exit process.

Each employee should document any questions, suggestions or difficulties he/she or the suppliers have regarding the purchasing card program. The feedback will provide vital information to our program during evaluations.

EXHIBIT I

**CITY OF LEAGUE CITY
PURCHASING CARD PROGRAM
CARDHOLDER AGREEMENT**

Your signature verifies that you have completed the City of League City Purchasing Card program training, received a copy of the P-card procedures, understand the guidelines listed below, and agree to comply with all aspects of the program.

1. The Purchasing Card is provided to employees, based on their need to purchase City of League City related goods and services. A card may be revoked at any time by either the Program Administrator or your Department Head. *The card is not an entitlement nor reflective of title or position.*
2. The card is for City of League City business-related purchases only. Any personal charges may result in termination.
3. You are the **only** person entitled to use the card and are responsible for all charges made against the card.
4. Improper use of the card (unauthorized purchases) shall be considered a misappropriation of City funds and will result in disciplinary action.
5. Cardholders are expected to comply with internal control procedures in order to protect City assets. This includes keeping itemized receipts, reconciling monthly statements, following proper card security measures and compliance with all League City rules, procedures, policies, directives, and guidelines.
6. You are responsible for reconciling monthly statements and resolving any discrepancies by contacting the vendor and/or J. P. Morgan Chase bank.
7. A lost or stolen card should be reported immediately by telephone to J. P. Morgan Chase bank Customer Service at 1-800-890-0669 and in writing to your Department Head and the Purchasing Manager.
8. A cardholder must surrender the card upon termination of employment (retirement, voluntary, or involuntary termination). At this point, no further use of the card is authorized.
9. I agree that any unauthorized charges will be withheld from my paycheck.

Cardholder Signature

Cardholder Printed Name

Date

Department

Check Request Form

EXHIBIT J



Date: FY Budget:

Vendor #:

Payable To:

Address:

City/State:

Zip/Postal Code:

City of League City
300 West Walker
League City, Texas
77573
Phone: 281-554-1000
Fax: 281-554-1349
www.leaguecity.com

| Account # | Project No. | Invoice Amount |
|-----------|-------------|----------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| TOTAL: | | <input type="text"/> |

Payable For:

Date check is needed:

Mail Check: ☐ Yes ☐ No ☐ EFT

Is this request covered in the current year fiscal budget? ☐ Yes ☐ No

Approved By:

Requisitioner:

Department Head:

Director: (over \$3,000)

Finance Department: