

Purpose

All contracts and purchases shall be handled so as to obtain the best value for the City, with bids, proposals or quotations solicited whenever practical. The Texas State Legislature has passed and made Chapter 252 a part of the *Local Government Code* and it shall be the policy of the City of El Campo to fully comply in all aspects with the rules, regulations and procedures contained therein.

General Information

Approval requirements for purchases:

Amount	Department Head	Finance Director	City Manager	City Council
Less than \$500	X			
\$500 to less than \$3,000	X	X		
\$3,000 to less than \$50,000	X	X	X	
\$50,000 or more	X	X	X	X

Purchases less than \$500

Purchases less than \$500 do not require approval from the Finance Director, City Manager or City Council. No quotes are required for these purchases. A sufficient unencumbered appropriated balance must be available to pay for the supplies, materials, equipment or contractual services for all transactions less than \$500.00.

Purchases \$500 to less than \$3,000

Purchases \$500 to less than \$3,000 require approval from the Finance Director. Approval prior to purchase is required. The requisition shall include a minimum of three quotes that may be obtained orally or in writing. The Department Head is responsible for ensuring that the requisition is completed accurately and budgeted funds are available.

Purchases \$3,000 to less than \$50,000

Purchases \$3,000 to less than \$50,000 require approval from the Finance Director and City Manager. Approval prior to purchase is required. Three quotes shall be obtained in writing. The Department Head is responsible for ensuring that the requisition is completed accurately and budgeted funds are available.

The City Manager shall be granted the general authority to approve change orders involving a decrease or increase of less than \$15,000 as long as funds are budgeted for such purpose.

Purchases over \$50,000

City Council approval is required for any expenditure \$50,000 and over. A purchase requisition cannot be issued prior to Council approval (including cooperative purchasing and state contracts although exempt from competitive bidding).

Purchases over \$50,000 require formal bid process including detail specifications. After Council approval, the requisition can be entered. The bid number and Council approval must be noted in the description area.

Formal bid procedure

The purpose of competitive bidding is to ensure that public monies are spent properly, legally and that the best possible value is received for the money. It is also to give qualified and responsible vendors a fair and equitable opportunity to do business with the City.

Every formal bid, RFP or RFQ should be assigned a bid number. Finance will prepare or assist with the preparation of the bid, RFP or RFQ. In consultation with the department, Finance will set the advertising dates and schedule the bid opening.

Finance will receive the bids and place them in a secure location until the date of the bid opening. The bid opening will be conducted by the City Secretary, Finance Director or his/her designee in the Council Chambers or a designated room unless otherwise specified.

The City Secretary will prepare a tabulation following the bid opening. After the bids have been opened and tabulated, the Department is responsible for preparing the agenda item to go to Council.

Upon approval by the City Council, the requisition can be entered.

The Finance Department is available to assist with soliciting bids. It is the intent of the Finance Department to support and protect the departments without increasing their workload.

Sole source purchases

Competitive bids cannot be obtained on items that are only available from one source.

Sole source determination will need to be approved by the Finance Director and City Manager before the purchase is made.

Emergency purchases

These purchases are exempt from competitive bidding:

1. Items purchased in case of public calamity to relieve the needs of the citizens or to preserve City property.
2. Items to preserve or protect the public health or safety of the city's residents.
3. Items necessary because of unforeseen damage to public machinery, equipment or other property.

Other exemptions from competitive bidding

These items are exempt from competitive bidding, but still require approval from Council:

1. Personal or professional services
2. Work paid for on a daily basis (day labor)
3. Land or right of way
4. State of Texas Catalog purchases
5. Interlocal contracts (HGAC, BuyBoard)

Cooperative purchasing

Cooperative purchasing can save time and money. A local government cooperative purchasing agreement must be developed and approved by the City Council.

The benefits of utilizing cooperative purchasing are: lower costs, improved response from vendor and lower shared administrative costs.

There are several ways cooperative purchasing can be done: entering into a cooperative agreement with another government entity for a bid, two or more governments may jointly purchase goods/services, buying from state contracts or purchasing through a third party (BuyBoard, HGAC).