



CITY OF LUFKIN PURCHASING POLICY

Revised March 2013

The City has attempted to incorporate local, state and federal laws into this Policy. The City, however, does not warrant that this policy include all such laws. Local, state, and federal laws will prevail over these rules where applicable. The City of Lufkin does comply with Local Government Code 252, which relates to Municipal Acquisition, Sale or Lease of Property.

PURPOSE

The general purposes of the City of Lufkin's Purchasing Policy are:

- To afford the most competitive opportunity for individual vendors to provide items to the City.
- To minimize the administrative costs of manpower, storage, and freight costs associated with accomplishing the purchasing function.
- To divide purchases into levels based upon dollar value and method of procurement.

In order to comply with purchasing laws and regulations, HR/Purchasing is charged with establishing procedures and controls in the purchasing process. The purchasing policy of the City must conform to requirements as set out in the City Charter, City Code and State Statutes.

The City of Lufkin has separated the purchasing and contracting process for goods and services into four areas: 1) INDIVIDUAL DEPARTMENTS and their levels of purchasing responsibility (to be explained below); 2) ENGINEERING for construction, architectural and engineering services; 3) IT for Information systems, hardware and software; and 4) HR/PURCHASING for equipment, materials and supplies not furnished by the construction contractors and that are greater than \$50,000 (Level III Purchases). The HR/PURCHASING Department is responsible for coordinating and assisting with the purchasing policy.

Petty Cash Purchases should be held to a minimum and may be utilized for purchases under \$50.00. See Finance's Petty Cash Policy.

PURCHASING LEVELS:

Level I – Purchases for less than \$3000 may be ordered by the Department in the most expeditious manner by use of multiple verbal quotes. Quotations will be verbally accepted based upon past experience, considering price, quality and delivery date. HTE Field Purchase Order (FPO) is required at this level. It is optional as to whether or not you enter the quotes in the Comments section of the FPO. However, if you do not, you should retain documentation in reference to the quotes. Example, date, vendor name, item(s) and quoted amount.

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Note: Departments may purchase items or services through Buy Board, H-GAC, DIR, or TX Smartbuy, which satisfy any state law requiring competitive bids. HR/Purchasing must be informed and is responsible for providing the necessary paperwork required by the inter-local agreements.

Department Heads/Directors may institute additional restrictive policies as warranted, as long as there is no deviation from the original intent of this policy.

Level II – Purchases **greater than or equal** to \$3,000 and less than \$50,000 shall require the Department to obtain three written bids. These bids can be sent by email, fax or by mail or hand delivered and will be viewed at a public opening at a pre-announced time and date. Bids maybe sealed, if vendor prefers. Lowest best bid will be accepted. Any or all bids may be rejected. City may also base their decision upon past experience, quality and delivery date. Requisition/Purchase Order is required at this level and entry of quote information must be done in HTE.

State law requires the City of Lufkin to notify **two (2)** Lufkin/Angelina County HUB (Historically Underutilized Businesses) vendors for purchases greater than or equal to \$3000 and less than \$50,000, if the HUBs exist.

The State Procurement website for the H.U.B. Listing for Lufkin is:

<http://www.window.state.tx.us/procurement/prog/hub/>

On the left side of the screen, click Search HUB Directory. On the Directory screen, scroll down and type in Lufkin in the City field; then click on the Submit Search button.

The result will be the listing of the HUBs in Lufkin, if any, and a description of the product or service they provide. Print this list to keep with your quotes.

If there is a HUB vendor, that vendor must be given an opportunity to provide a bid.

For a Level II bid to be valid, it must contain the following information:

- Addressed to the City
- Written on the vendor's letterhead
- Date
- Lead time (the amount of time to deliver the goods)
- FOB (ownership of merchandise in transit and freight terms)
- Description of the product
- Price and/or price per unit
- Signature of vendor rep with authority to make such bid.

Departments may purchase items or services through Buy Board, H-GAC, DIR, or TX Smartbuy, which satisfy any state law requiring competitive bids. HR/Purchasing must be informed and is responsible for providing the necessary paperwork required by the inter-local agreements.

Procurement of goods or services equal to or in excess of \$25,000 (utilizing Federal Funds) must follow Federal Executive Order 12549. See page 3 and blank Certification form attached.

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Department Heads/Directors may institute additional restrictive policies as warranted, as long as there is no deviation from the original intent of this policy.

Level III – Purchases for **\$50,000 or greater** must have written sealed bids as required by State statute. At this level, HR/Purchasing will be responsible for coordinating the bid process for those items not under the umbrella of Engineering or IT. The notice of time and place of public opening must be advertised in two successive issues of a local paper and on the City's Website. City Council's approval is required for expenditures at this Level. Requisition/Purchase Order is required at this level and quote information is to be entered in HTE.

Public Works projects over \$50,000 require an Engineer's Certification and review of bid specifications.

SPECIAL PROVISIONS:

Note: Departments may purchase items or services through Buy Board, H-GAC, DIR, or TX Smartbuy, which satisfy any state law requiring competitive bids. HR/Purchasing must be informed and is responsible for providing the necessary paperwork required by the inter-local agreements.

- Competitive bidding is exempt under State Statute in the procurement of professional services, including but not limited to architects, auditors, attorneys, consultants, engineers and fiscal agents. Request for qualifications are utilized to select professional services.
- Procurement of items that are available only from one source is exempt from competitive bidding. Examples: there is no competitive product; product is only available from a regulated or natural monopoly. (gravel from the only gravel pit in the area); product is a component of an existing system that is only available from one supplier.
- Emergency: An unforeseeable circumstance that may require an immediate response to avert an actual or potential public threat; with the objective being to 'cure the event'.
 - Justification Requirement: Emergency purchases require documentation by the Department justifying the emergency.
 - Solicitation Procedures: at least three informal bids are encouraged whenever possible on all emergency purchases. An award should be made based on best value, considering the type of emergency.
- *The City of Lufkin's HR/Purchasing department will coordinate training on an annual basis for the purpose of reviewing the purchasing process.*

Executive Order 12549 to City of Lufkin Contracts

The City of Lufkin will follow Federal Executive Order 12549, 44 CFR § 13.35 ("Subawards to debarred and suspended parties'). The Texas Uniform Grant Management System (UGMS), the Texas Department of Public Safety/Texas Homeland Security-State administrative Agency requires all Homeland Security Grant Program sub recipients (to include all programs administered by the TXDPS/THS-SAA) check the

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debarment status of all vendors before contracting with or making any purchases with funds from any federal grant.

The City Purchaser shall verify debarment status of all vendors prior to utilizing Homeland Security funds, using the Excluded Parties Listing System (WWW.SAM.Gov). SAM stands for System for Award Management.

Procedures for Documentation

Each sub recipient must be able to provide that debarment status of vendors has been verified before funds have been dispersed to the vendor.

Example Procedures:

Before *Homeland Security funds* may be spent, the City purchaser will:

1. Go to the SAM Website (WWW.SAM.Gov).
2. The City Purchaser or their agent will search under the **Search Records** tab for the vendor.
3. If the vendor is found not be debarred, a copy of the screen print indicating the vendor is not debarred at the time of the procurement should be included with the paperwork for that purchase and retrained with the procurement records for audit and monitoring purposes.
4. If the vendor is debarred, the City may not do business with this vendor.

During monitoring and reviews, sub recipients must be able to provide proof that the debarment status of vendors was verified before a purchase or contract was executed, and all documentation should be retained for audit purposes (maintain a copy of the screen print verification from the SAM website) throughout the record retention period for the particular grant. Failure to do so may result in withholding of reimbursements or a reduction in future grant funding.

Executive Order 12549 and 12689 to City of Lufkin Contracts

The City of Lufkin will follow Federal Executive Orders 12549 and 12689 “Debarment and Suspension” which states that non-federal entities are prohibited from contracting with or making sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred when the transaction is supported by *federal funds*.

Covered transactions include procurement transactions (purchase of goods or services) equal to or in excess of \$25,000, utilizing Federal Funds.

The City, under covered transactions, must screen each covered potential contractor to determine whether each has a right to obtain a contract in accordance with federal regulations on debarment, suspension, ineligibility and voluntary exclusion. Each covered contractor must also screen each of its covered subcontractors.

The City, when it enters into a covered transaction is required to verify that the entity (as well as its principals and affiliates) it proposes to contract or subcontract with is not excluded or disqualified. The City will collect a certification from that person, using the attached Certification, which will suffice as verification that the vendor is not excluded or disqualified.

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Effective Date: 3/26/2013

Approved By: Original Signed
Paul L. Parker, City Manager

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VENDOR CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBLE
MATTERS - CITY OF LUFKIN, TEXAS

Any vendor who holds a current contract with the City of Lufkin, Texas, or wishes to participate in a contract in the future must provide a completed certification regarding debarment, suspension, and other responsible matters as indicated below.

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions (defined in Definitions and Coverage sections of the rules implementing Executive Order 12549) by any federal department or agency;

(b) have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) have not within a three-year period preceding this application/proposal had one or more public transactions (federal, state or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

(3) The prospective primary participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

Signature/Authorized Certifying Official

Typed/Printed Name and Title

Applicant/Organization

Date Signed