



CITY OF LUFKIN PURCHASING PRACTICES

10/22/08

The City of Lufkin has designated three City procurement and contracting Departments for goods and services: (1) Engineering for construction, architectural and engineering services; (2) IT for Information systems, hardware, and software; and (3) Purchasing for all equipment, materials, and supplies not furnished by the construction contractors.

The general objectives of the City of Lufkin's Purchasing Practices 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.

The City's policy is that the highest quality of goods and services will be acquired for the lowest possible price. In order to comply with purchasing laws and regulations, Purchasing is charged with establishing procedures and controls in the purchasing process. The procurement practices of the City must conform to requirements as set out in the City Charter, City Code and State Law.

The levels of purchases are:

Level I – Purchases for less than \$1000 may be ordered in the most expeditious manner by use of one quotation. Quotation will be verbally accepted based upon past experience, considering price, quality and delivery date. HTE Field Purchase Order (FPO) is required at this level. FPO's should remain in HTE no longer than 30 days. Verbal quote data will be recorded on the FPO, using F8 to enter data.

Level II – Purchases for more than \$1000 and less than \$3000 shall require three written quotations. Lowest best quotation will be accepted. Any or all quotations 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 is to be done in HTE.

Level III – Purchases greater than or equal to \$3,000 and less than \$50,000 shall require three written bids and will be viewed at a public opening at a pre-announced time and date. 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.

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The Purchasing Department must be contacted for HUB (historically underutilized businesses) for vendor notification. State law requires the City of Lufkin to notify Angelina County HUB vendors for purchases greater than or equal to \$3000 and less than \$25,000. When contacted, Purchasing will check the HUB list for any HUB vendors who sell the product or service the department is buying. The list of HUB vendors selling that product is given to the department for inclusion on the bidders list.

Level IV – Purchases for \$50,000 or greater must have written bids as required by State statute. At this level, sealed, written bids are required. 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. At this level, Purchasing will be responsible for managing the bid process for those items not under the umbrella of Engineering or IT. City Council's approval is required for expenditures in this Level. Requisition/Purchase Order is required at this level and quote information is to be entered in HTE.

Public Works projects over \$25,000 require an Engineer's Certification and review of bid specifications.

SPECIAL PROVISIONS:

- Competitive bidding is not permitted 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.
- Petty Cash Purchases should be held to a minimum and may be utilized for purchases under \$100
- 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 a letter of justification documenting the emergency, signed by the applicable Director; and at a minimum address the following (a) nature of the emergency purchase (hazard to life, health, safety, welfare or property or to avoid undue additional cost to the City,) and what caused the emergency situation; and (b) the estimated impact or damage either financial or otherwise that will occur by following normal procurement practices.
 - **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.

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- All other legal requirements shall apply.
- The City of Lufkin's Purchasing department will perform regular audits of the purchasing process within departments to ensure compliance with the policy and to provide assistance and training in the process.

EXCEPTIONS:

If an item or a product is obtainable via BuyBoard, HGAC, or State term contracts (pre-bid contracts), Purchasing is to be advised.

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

11/1/2007 – Applicability of Executive Order 12549 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 and non-procurement transactions such as grants or cooperative agreements of any amount.

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.