

# CITY OF SAN MARCOS



# PURCHASING POLICY

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## **1. INTRODUCTION**

This policy establishes and describes the basic procurement policies under which the City of San Marcos (the “City”) operates. This policy is effective immediately upon issuance, and supersedes all previous purchasing policy instructions or directives.

The Purchasing Division (a division of the Finance Department) functions as the City’s agent for buying, contracting, the acquisition storage and disposal of goods, and the procurement of services and construction.

## **2. PURCHASING DIVISION POLICY STATEMENT**

As the chief executive officer for the City, the City Manager is responsible for the administrative affairs of the City. The City Manager has delegated purchasing responsibility within the guidelines established in this policy manual to the Purchasing Manager. The Purchasing Manager is authorized to perform all purchasing related functions on behalf of the City within these policies procedures. In the event of a conflict between this policy and the corresponding guidelines, the City Manager will issue a decision on the resolution of the conflict as necessary for the effective operation of the Purchasing Division. Should a conflict arise between federal, state, and local laws regarding procurement, the most restrictive law will apply.

## **3. CONTRACTING AUTHORITY**

The authority to execute contracts on behalf of the City are as follows:

\$0 - \$14,999.99	Assistant City Manager or authorized designee
\$15,000 and above	City Manager or authorized designee
Contract renewals	Purchasing Manager

## **4. CONTRACT MANAGEMENT**

The Purchasing Division is responsible for the management of all City contracts. City departments will send all contracts to the Purchasing Division for entering into the Tyler-Munis financial system. All change orders, authorization of change in services (“ACIS”), and final payment requests will come through the Purchasing Division for review and contract compliance for further processing. The Purchasing Division will maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

## 53. PURCHASE CATEGORIES

The City's purchasing categories are outlined below. San Marcos City Charter, Section 8.17 provides that "**Before the City makes any purchase or contract for supplies, material, equipment, or contractual service, opportunity shall be given for competition**". City employees will make every reasonable effort to engage in procedures which produce the highest level of competition in procuring goods and services on behalf of the City.

### **A. PROCUREMENT CARD POLICY:**

The City's Procurement Card ("P-Card") is to be used for purchasing small dollar (under \$3,000), high volume items for City use and for travel by City employees and elected officials. The P-Card is for official City business purposes only and may will not be used for personal transactions. Use of the P-Card to make purchases of capitalized equipment is not allowed.

1. Suspension/Termination of P-Cards: Cardholders who do not abide by City policies will have their P-Card privileges suspended and may face further disciplinary action, up to and including termination of employment and prosecution by the City. The City will immediately cancel a P-Card in the event a cardholder terminates employment with the City.
2. Reinstatement of P-Card: If a P-Card is cancelled for misuse, the card may be reinstated after a period of one year. Reinstatements must be approved by the City Manager. The cardholder will complete a mandatory re-training prior to reinstatement of the P-Card. The reinstatement will be probationary for a six month period from the date of re-issuance of the card.
3. Card request~~The cardholder will~~: The cardholder will:
  - a) The cardholder will:
    - (1)a) Be approved, in writing (P-card application form), by their Department Director;
    - (2)b) Sign the Cardholder Agreement Form prior to issuance of a P-Card;
    - (3)c) Attend a "new" PCard training prior to issuance of a P-Card;
    - (4)d) Attend a mandatory refresher training every two years; and when new P-Cards are issued.and
    - (5)e) Comply fully with the Procurement P-Card Policy.

b) Purchasing will:

(1) Order cards the first of every month;

(2) Provide training the middle of every month; and

(3) Issue travel cards to those City staff who only use the PCard for travel.

f) Attend a mandatory refresher training every two years.

4. Cardholder Responsibilities:

a) All purchase transactions processed against the P-Card will only be made by the cardholder.

b) The cardholder has sole responsibility for the use and control of the card.

c) Cardholders will review and sign approve their cardholder statements through the on-line showing approval process for all purchases.

5. Cardholder Security: Each cardholder is responsible for the security of their P-card, and therefore will not give their account number or P-card to someone anyone else.

6. Cardholder Misuse: The cardholder will not make personal purchases with their P-card. The cardholder understands that they will be personally liable for improper use of the P-card and agrees to pay to the issuer of the P-card for such use (such issuer will be a third party beneficiary under this agreement), other than improper use as the result of a lost or stolen card which was immediately reported as required including fees and interest assessed against the improper purchase. The cCardholder understands that improper use of the P-card may be cause for disciplinary action by the City including termination of employment and that improper use of the P-card may subject cardholder to criminal prosecution. The cardholder understands that the City may withhold amounts attributable to improper use by the cardholder from any paycheck or other State of Texas warrant which may be payable to the cardholder.

7. Unauthorized Purchases: The following types of items many not be purchased with the P-card, no matter the dollar amount:

a) Items purchased under any Federal, State or Local grant program if payment of grant purchases by a P-card is not allowed;

b) Any purchases where insurance requirement are a consideration and the cardholder has not obtained and verified the insurance, excluding contracts

established through Purchasing;

- c) Internet transactions on an unsecured site;
- d) Circumvention of the single transaction limits; and
- e) Purchases exceeding policy limitations.

85. P-Card purchase approvals: Either a division manager or the department director will review and approve all cardholder statements. This will be an approver at least one level above the cardholder.

96. P-Card dollar limitations:

- a) The P-Card will may be used for purchases of goods or certain business services under \$3,000. This means if the total payment, including freight, to be made to a vendor is \$3,000 or more, a purchase order will be issued.
- b) Cardholders will may only charge travel related expenses to the P-Card for amounts up to and above \$3,000.
- c) A City P-Card is maintained by the Purchasing Division. The Purchasing Manager and purchasing staff may use these is cards for purchases over \$3,000 where vendors do not accept purchase orders, if it is stated in the contract to pay by a P-card, or if there are exceptional circumstances regarding the purchase. The Purchasing Manager will determine if additional cards are to be utilized by City departments for purchases of \$3,000 and above.
- d) A City P-Card may be maintained by the Accounting Division. An appointed accounting position may use this card to pay invoices over \$3,000 if determined so in the contract, or pay for utilities.
- f) ) The City Manager's P-card maintains a limit higher than \$3,000 for purchases made during a declared disaster or state emergency. The City Manager or the Director of Finance will determine which additional card limits will be increased during this type of emergency.

## **B. PURCHASES LESS THAN \$3,000**

Individual department directors may exercise discretion regarding the procurement of goods or services, when the estimated expenditure is less than \$3,000.00. These purchases will be accomplished by means of a purchase order issued by the Purchasing Division or through the use of the City P-Card as appropriate. Competitive

quotations or formal bidding are not required, but competition is recommended.

### **C. PURCHASES OF GREATER THAN \$2,999 BUT LESS THAN \$50,000**

All User Departments are responsible for obtaining a minimum of at least three informal quotes for goods or services when the total estimated cost is within the \$3,000 to \$49,999.9950,000 range with exceptions as authorized by this policy manual. The Purchasing Division will Employees will contact at least two Historically Underutilized Businesses ("HUB's") within Hays County on a rotating basis for each purchase in this range in accordance with the Texas Local Government Code. For purchases less than the \$50,000.00 threshold, the Purchasing Manager has the authority to execute the appropriate purchasing documents. Contact the Purchasing Division for information on HUBs.

1. REQUEST FOR QUOTES ("RFQ"): User departments will create RFQ's utilizing the City's RFQ standard document. All RFQ's will be posted on the City's On-Line Bidding System "EProcurement" Internet by the Purchasing Division. The Purchasing Division will post all tabulations and award information on EProcurement. It is the user departments responsibility to evaluate the quotes and submit all evaluation documentation to Purchasing.
  
12. MINOR CONSTRUCTION CONTRACTS: For all minor construction projects involving a cost of \$49,999.9950,000 or less, the Purchasing Division will create a Minor Construction Contract after quotes have been received. Minor construction projects include construction related activities as defined in Section 3.D (3) where the estimated cost is between \$3,000 and \$49,999.9950,000. One of the The City Facilities Managers will serve as the Project Manager for all minor construction projects for all City buildings. The user department will designate a Project Manager responsible for minor construction projects **that do not** involve City buildings, i.e. street repair, drainage improvements, fencing, etc.
  - a) Engineers:
    1. For all minor construction projects that involve any electrical or mechanical engineering, plans and specifications will be prepared by a registered professional engineer licensed in the State of Texas, if the contemplated construction costs exceed \$8,000 in accordance with chapter 2254 of the Government Code.
    2. For all minor construction projects that do not involve any electrical or mechanical engineering, plans and specifications will be prepared by a registered professional engineer licensed in the State of Texas, if the contemplated construction costs exceed \$20,000.
  - b) Change Orders: After a minor construction contract is signed, and changes

become necessary in the scope of work, the contract price, or the contract time, a change order will be prepared on a City approved form for execution by the Contractor, the Engineer or Architect (as necessary) and the City.

A change order can notcannot be executed on a minor construction contract where the increase would cause the contract amount to exceed \$50,000. **will**

- c) Payment Requisitions: Payment requisitions will be prepared, properly completed with **all** necessary signatures except the Finance Department. Purchasing will and verify that all information contained on the Payment Requisition is correct including verifying that the payment request is in compliance with the contract.

- 3. PROFESSIONAL/PERSONAL SERVICES CONTRACTS: For professional services involving an anticipated fee of \$3,000 to \$49,999.9950,000 or less, the user department will work with must contact the City Legal Department to prepare for a professional services contract.

#### **D. PURCHASES OVER \$50,000**

The Texas Local Government Code requires either competitive bidding or competitive Requests for Proposals ("RFP") for city purchases exceeding \$50,000.00 with few exceptions. City employees are prohibited from making "separate, sequential, or component purchases to avoid the competitive bidding requirements". **All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of 2 CFR 200.319. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. A violation of these prohibitions is a Class B misdemeanor (\$1,000 fine and/or 180 days in jail), and conviction results in immediate removal from office or employment and ineligibility for other public office or employment for four years after the date of conviction.**

The City must perform a cost or price analysis in connection with every procurement action in excess of \$50,000 including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the City must make independent estimates before receiving bids or proposals. The City must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. The cost



plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

The City will make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the non-Federal entity desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

The City's contracts related to federal awards must contain the applicable provisions described in Appendix II to 2 CFR 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards.

City Council approval is required for the purchase of goods and services of over \$50,000.00. For purchases less than the \$50,000.00 threshold, the Purchasing Manager has the authority to execute the appropriate purchasing documents.

1. HIGH TECHNOLOGY PURCHASES: High technology purchases will be accomplished using a RFP process where the anticipated expense is in excess of \$50,000.00. Departments are prohibited from splitting purchases to avoid this RFP requirement. The Texas Local Government Code State law requires that the relative importance of price and other evaluation factors be specified in the RFP. All RFP's will be prepared in cooperation with the City Purchasing Division and will be approved by the user Department Director or representative, and the Legal Department, and the City Manager prior to advertisement.
2. PROFESSIONAL SERVICES: "Professional Services" are those services which involve mental or intellectual skills, usually accompanied by formal certification or licensing by a state agency, such as accounting, architecture, land surveying, engineering, medicine, real estate appraisal services. Section 2254 of the Texas Government Code states that for professional services involving an anticipated fee of \$50,000 or less, the Legal Department will create a Professional Services Contract (Section C(2) above), the Texas Government Code State law prohibits the purchase of professional services using competitive bidding requirements. User departments will select professional service consultants on the basis of demonstrated competence and qualifications, and will negotiate fees on the basis of what is fair and reasonable for the type of services, rather than on a "low bid" basis. Except for architects, engineers and surveyors services as discussed below, both price and qualifications can be considered in selecting consultants.

For the professional services listed above involving an anticipated expenditure of

more than \$50,000, user departments are encouraged to use the RFP procedure in coordination with the Purchasing Manager but it is not mandatory. **The RFP calendar will be approved by the Department Director or representative City Manager prior to issuance of the RFP.**

a) Architects/Engineers/Surveyors: In procuring architectural, engineering or surveying services a two step process will be followed. The first step involves the initial selection of the most highly qualified provider of the services based on demonstrated competence and qualifications (and not considering price); and the second step involves negotiation of a fee with the selected provider at a fair and reasonable price. If a contract cannot be successfully negotiated with the most highly qualified provider of services, then the contract negotiations will be formally ended and negotiations with the second most qualified provider may be undertaken, and so forth. It is important to keep in mind that price may **not** be considered in the initial selection of an engineer, architect or surveyor.

1. An Architect will be engaged on any construction project that involves:

- a. New building construction for education, assembly or office occupancy where construction costs will exceed \$100,000.
- b. Any alteration or addition to a City building for education, assembly or office occupancy where the construction cost will exceed \$50,000, and the removal, relocation or addition of a wall or partition or the alteration or addition of an exit(s) is involved.
- c. Some construction projects require an architect and an engineer, such as new building construction involving electrical, air conditioning, heating or plumbing installations.

2. An Engineer will be engaged on any construction project that involves:

- a. Any electrical or mechanical engineering, plans and specifications will be prepared by a registered professional engineer licensed in the State of Texas, if the contemplated construction costs exceed \$8,000. Electrical or mechanical engineering where the contemplated construction costs exceed \$8,000.
- b. Any electrical or mechanical engineering, plans and specifications will be prepared by a registered professional engineer licensed in the State of Texas, if the contemplated construction costs exceed \$20,000A construction project involving an engineering field other than electrical or mechanical where the contemplated

expenditure exceeds \$20,000.

- b) Contract Amendments: All contract amendments will be approved by the City Council if the contract was originally approved by the City Council. Amendments not originally approved by the City Council and not involving the expenditure of additional money in excess of \$50,000.00 may be approved by the City Manager.
  - c) Authorization of Change in Services (“ACIS”): Consultants will receive written approval from the City prior to initiating any additional work. Additional services for which compensation exceeds \$50,000 will be approved by the City Council. All changes in services for which compensation is less than \$50,000 may be administratively approved by the City Manager. In the event that an Authorization of Change in Services causes the original contract to increase in excess of the \$50,000 threshold, the original contract will be ratified by the City Council.
3. CONSTRUCTION PROJECTS: Construction projects include construction activities for facilities and infrastructure improvements, buildings, streets, parks, airport and utility system improvements including renovations and demolitions. The City Manager will designate a City employee, usually a department director, to serve as Project Manager of each construction project. These projects sometimes involve the acquisition by the City of real property, right-of-way or easements, which will be completed before the the contractor enters the project area is advertised. In addition, as stated above in Section D.2., `State law requires most public works projects to be designed and overseen by a registered professional engineer or architect, who can be either a City employee (Engineering Department) or a contracted consultant.

Technical specifications/plans are developed by the architect or an engineer.

- a) Asbestos Abatement: If the project involves renovation or demolition work on an existing City building, state law requires an asbestos abatement survey to be conducted by an individual licensed to perform these services, and material samples will be collected and submitted for analysis by a State certified laboratory. If asbestos is found, the Project Manager will contact the Facilities Manager located in the City Parks and Recreation Department for additional information regarding asbestos abatement. All demolition projects will be reported to the Texas Department of Health regardless of whether asbestos is present.
- b) Elimination of Architectural Barriers: If the project involves construction or renovation of a building with an estimated construction cost of \$50,000 or more, the City’s consultant is required to submit all plans and specifications for the construction or renovation to the Texas Department of Licensing and

Regulation for review and approval.

- c) Change Orders: After a construction contract is awarded, if changes are necessary in the scope of work, the contract price, or the contract time, the consultant advises the Project Manager. With the Project Manager's approval, the consultant will prepare a change order on a City approved form in triplicate originals for execution by the contractor, the City, and the consultant.

**The net amount of all change orders cannot increase the original contract price by more than 25%. The net amount of all change orders cannot decrease the original contract price by more than 25% without the Contractor's consent.**

**If a change order for a contract with an original contract price of less than \$1 million increase the contract amount to \$1 million or more, subsequent change orders may not increase the revised contract amount by more than 25%.**

1. Change orders involving an increase of \$50,000\$25,000 or less or involving a decrease in funds will be executed by the City Manager after review by the Finance and Legal departments. Change orders will be distributed by the Legal Department.
  2. Change orders involving an increase of more than \$50,000\$25,000 will be approved by City Council after review by the Finance and Legal departments. Change orders will be distributed by the City Legal Department after approval and execution by the City Manager.
  3. The City Manager has the authority to approve individual change orders in amounts not to exceed \$100,000 each in circumstances involving a public calamity, unforeseen damage to public machinery, equipment or property or when otherwise necessary to preserve or protect the health or safety of city residents.
- d) Payment Requisition: It is the responsibility of the Project Manager and the contracted professional consultant to ensure that the correct payment requisition forms are obtained from the City and are properly completed with **all** necessary signatures except the Finance Department, City Attorney, and the City Manager, which are obtained after the completed and signed Payment Requisition, is sent to the Finance Department. The City Manager and City Attorney's signatures are required on final payments only.
- e) Value Engineering: The City will use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for

cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

- g) **Bonding:** For construction or facility improvement contracts or subcontracts exceeding \$50,000, the City will impose the following minimum bonding requirements:
- a. A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.
  - b. A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
  - c. A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

## **6. REVIEW OF EQUIPMENT AND VEHICLE PURCHASES**

All capital equipment and vehicle specifications will be reviewed by the Fleet Division Manager prior to bidding or a purchase is approved. The Purchasing Division will forward all requests to the Fleet Division for review.

### **74. EXEMPT PURCHASING FUNCTIONS**

State law provides few exemptions from competitive bidding requirements. The City encourages the use of making certain exempt purchases using an RFP procedure even though such a procedure may not be required under state law.

The application of exemptions from the competitive bidding requirements for purchases in excess of \$50,000 will be approved in each case by the City Manager and the City Council. When City Council approval is necessary, a detailed explanation of the exempt nature of the purchase will be included by the user department on the agenda request form.

**A. EMERGENCY PURCHASES:** Emergency purchases are those procurements

necessary due to a public calamity, a need to preserve or protect the public health or safety of the City's residents, unforeseen damage to public machinery, etc. When bona fide emergency purchases are made, the user department will make the purchase at the best possible price. The Purchasing Division will issue a purchase order number verbally upon request in the event an emergency purchase is necessary. For those occasions when it is not feasible to obtain a purchase order number, the user department will follow-up with a requisition as soon as time permits. The user department will submit an electronic purchase requisition within 48 hours after the issuance of an emergency purchase order.

Emergency purchase orders in excess of \$50,000 **will** be accompanied by the appropriate contract documents, authorized by the City Manager and Finance Director and ratified by the City Council. When City Council approval is necessary, a detailed explanation of the emergency will be included by the user department on the agenda request form.

The necessity for an emergency construction procurement does not waive insurance, bond, wage rate compliance or any grant related conditions, etc. where those requirements would otherwise apply.

During a declared disaster or state emergency, user departments will comply with Section 26.002 and 26.009 of Ord. No. 2006-29, § 1, 7-3-06"

**B. SOLE SOURCE PURCHASES:** State laws allow for a limited exemption from competitive bidding for the purchase of goods where the functional requirements of the City can be satisfied by only one source. This applies to: purchases where competition is precluded such as:

1. The existence of patents, copyrights, secret processes or natural monopolies;
2. The purchase of films, manuscripts or books; purchases of gas, water, and other utility services; and
3. The purchase of captive replacement parts or components for equipment.

A product is eligible for sole source purchase only when there is a significant functional difference between the product and other similar products on the market, and when the item is available only from one vendor. The following are **not** sufficient justifications for a sole source purchase:

1. A product is made by only one manufacturer, if products from other manufacturers are available that perform a similar function.
2. A particular name brand of product is preferred over other brands.

3. Only one local vendor offers a product, if other vendors who offer the product can meet the City's needs.

Sole source purchases in excess of \$50,000 will be approved by the City Manager and the City Council prior to the purchase. When City Council approval is necessary, a detailed explanation of the sole source basis for the purchase will be included by the user department on the agenda request form.

## **85. RENTAL AND LEASE EQUIPMENT**

All lease agreements for goods or services are accomplished by sealed bids/proposals if the amount of the lease is expected to exceed \$50,000 over the **term** of the lease agreement. A lease of equipment is subject to the requirements for competition that apply to purchases. Rental or lease equipment agreements will be processed on a standard purchase order.

The user department will identify the source of funds to cover payments of lease charges for the entire period of the lease.

## **69. INTERGOVERNMENTAL PURCHASES**

It is the policy of the City to facilitate joint purchasing arrangements on an inter-governmental basis. The Purchasing Manager will work with other governmental entities to take advantage of the benefits of joint purchasing arrangements. In addition, the Purchasing Manager will utilize various cooperative programs available to the City. All interlocal agreements require City Council approval prior to utilizing the cooperative program.

## **710. CITY COUNCIL AUTHORIZATION**

Under Section 2.566 of the City Code, contracts for the purchase of goods and services involving an expenditure in excess of \$50,000 require the approval of the City Council, whether or not the purchase has been obtained through a competitive bidding or RFP procedure. The Purchasing Manager is responsible along with the user department director for timely processing of City Council Agenda Request forms to the City Manager when Council approval is necessary for a purchase.

## **811. BUYING LOCALLY**

The City encourages purchases from vendors in San Marcos when the needs of the City and the requirements for competition in this policy can be met. State law, however, does not permit purchases to be limited to San Marcos vendors when competition is afforded by out-of-town vendors who can meet the City's delivery and/or service requirements.

## **912. ETHICS CODE RESTRICTIONS**

Because the City is a major purchaser of goods and services in the San Marcos community, and because the City Council encourages service on City boards and commissions by business persons in the community, the process of selecting vendors for goods and services will include a review and determination of compliance with State and local restrictions.

The City Charter and Ethics Ordinance provide that the City cannot make purchases from a vendor where a City Council member, a City employee, or their immediate family would have a financial interest in the sale. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

The City adopted ethical criteria for award of City contracts for each procurement process, these are located on the City website, under the Purchasing Division section.

## **1310. HISTORICALLY UNDERUTILIZED BUSINESSES (HUB'S)**

The City is taking the following actions to assist Historically Underutilized Businesses (HUB's) in doing business with the City.

- A. The Purchasing Division insures that HUB's are given a fair and equal opportunity to participate in City contracts.
- B. The Purchasing Division ensures that, before the City makes an expenditure of more than \$3,000 but less than \$50,000, at least two HUB's in Hays County are contacted on a rotating basis, based on information available from the Texas Comptroller of Public Accounts Texas Building and Procurement Commission.
- C. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- D. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- E. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and



women's business enterprises but not if doing so will have the affect of changing the procurement responsibilities due to contracting limits.

- F. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- G. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- H. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (C) through (H) of this section.

It is the City's intent that these actions help in securing further participation from HUB's within the City.

BIDDER'S LIST: The Purchasing Division is the single point of contact for businesses requesting to be added to the City's bidder's list (EProcurement is used for all types of procurements.)

### **1411. FIXED ASSETS**

The City is responsible for keeping records of all of its fixed assets. All new assets which have an original cost of \$5,000 or more and an estimated three year life span are fixed assets and will be added to the fixed assets records. Fixed assets are charged to a 60000 series account code. All duties and responsibilities related to fixed assets inventory records are supervised by the Finance Department. Cooperation from department directors and division managers throughout the City is necessary if the system is to work; however, this effort is centrally organized, monitored, and reported by the Finance Department staff.

### **1512. SURPLUS**

All surplus computer hardware and software will be returned to the I.T. Department Support Manager. For all other surplus goods, you will contact the Purchasing Division for disposal either by on-line auction, or City garage sale. The donation of **all** surplus goods to other entities will be approved by City Council resolution.

### **1613. RECYCLED PRODUCTS**

The Purchasing Division encourages all user departments to assist in the purchase of

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recycled products and to support recycling efforts.

## **1714. PURCHASE ORDER POLICY**

The primary purchasing document used by the City to secure supplies and/or equipment is the Purchase Order ("PO"). The PO is a binding written agreement between the City and a vendor obligating the City to pay for specified goods or services when delivered in accordance with the purchase order terms. PO's will be issued by the Purchasing Division only. **NO ORDER IS BINDING UPON THE CITY UNTIL A PURCHASE ORDER HAS BEEN ISSUED. NO EMPLOYEE SHALL CONSENT TO AN ORDER ON THE "CONFIRMING" BASIS BEFORE A PURCHASE ORDER HAS BEEN ISSUED.**

## **186. DEBARMENT**

The City of San Marcos may suspend or debar Vendors from the consideration for award of contracts. Grounds for suspension/debarment are included, but will not be limited to the following:

1. If the Vendor misrepresents its qualification, experience or provides false information on a bid/proposal/quote response to the City;
2. If the Vendor is debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Department, State Department or local government;
3. If the Vendor, within a three year period preceding an Agreement, has been convicted of or had a civil judgment rendered against it 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;
4. If the Vendor is indicted at the time of submitting a bid/proposal/quote response for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of other similar services or contracts;
5. If the Vendor, within a three year period preceding the bid/proposal/quote due date, had one or more public transactions (Federal, State or local) terminated for cause or default; and
6. If the Vendor violates any Federal, State and local governmental laws, rules

and regulations relating to its responsibilities, as set forth in the bid/proposal/quote documents or agreement.

The Vendor may appeal the Purchasing Manager's decision to remove the Vendor from the City's Vendor list by submitting a protest to the City of San Marcos Purchasing Division.

## 197. DEMOLITION/SALVAGE POLICY

The City is a strong proponent of minimizing waste and maximizing the reuse and recycling of building materials (such as windows, doors, lighting fixtures, hardware, flooring, plumbing fixtures and fittings) and to support our citizens to build, remodel and repair their homes, and our community.

The City does not believe that every structure can or should be saved. Through neglect, time, and damage some structures are no longer structurally sound or economically viable and need to be demolished. The City does believe that materials from these structures should be recycled whenever possible.

Recycled materials reduce landfill waste and allow pieces of old buildings to serve a useful purpose. Many of these components have architectural, historical or design details in these structures and are difficult to reproduce, even at a high cost, and can very safely and easily be removed before demolition.

### A. DEFINITIONS:

1. Deconstruction: The selective dismantlement of building components, specifically for re-use, recycling, and waste management.
2. Demolition: The act or process of reducing a structure, as defined by State or local code, to a collapsed state.
3. Demolition debris: Materials including building materials and personal effects that are deposited as a result of the demolition process.
4. Salvage: Materials saved that were in danger of damage or destruction.
5. Unsafe structures: A structure found to be dangerous to the life, health or safety of the public because such structure is so damaged or structurally unsafe as a direct result of the declared disaster that partial or complete collapse is imminent.

**B. INSPECTION OF STRUCTURE:** The Chief Building Official will inspect the structure to provide determination as to whether the structure can be sold and moved or whether it must be demolished. The City will consider alternative measures to eliminate threats to life, public health, and safety posed by damaged unsafe structures, including fencing off unsafe structures and restricting public access, when evaluating requires for demolition. The following factors relating to the feasibility of selling existing structures on the site will be considered:

1. The level of intactness of the original structure and the quality of extensions and renovations undertaken in the past.

2. The structural integrity and condition of the existing building. This assessment is based on both external condition (including the existence of hazardous materials), and internal condition (including the condition of existing services such as plumbing and electricity).

**C. HISTORICAL SIGNIFICANCE:** The Development Services Director will determine if the structure has any historical or cultural significance.

**D. SALE OF STRUCTURE:** If the structure has been approved by the Chief Building Official, the structure will first be sold either through a public auction or through a formal bidding process. If no bids are received, the City will proceed with the demolition/salvage process.

**E. DEMOLITION OF STRUCTURE:** If the structure is not able to be sold, the City will complete the following:

1. Asbestos Abatement: If the project involves demolition work on an existing City building, state law requires an asbestos abatement survey to be conducted by an individual licensed to perform these services, and material samples will be collected and submitted for analysis by a State certified laboratory. If asbestos is found, the Project Manager will contact the Facilities Manager located in the Community Services Department, Parks and Recreation Division for additional information regarding asbestos abatement. All demotion projects will be reported to the Texas Department of Health regardless of whether asbestos is present.
2. Invitation to Bid ("IFB"): Issue an IFB or Request for Quote ("RFQ") (depending on the total dollar value of the resulting contract) for the structure through the Purchasing Division.

**F. SALVAGE MATERIALS:** The contractor will donate all salvageable materials to local organizations for disbursement to citizens to meet the City's mission **OR "G" BASED ON THE SPECIFIC SITUATION.**

**G. OWNERSHIP OF MATERIALS:** The City has the right to retain ownership of any salvaged material or equipment. The contractor will notify the City prior to the disposal of any salvageable material.

**H. HISTORIC STRUCTURES:** The City will not issue any permit for the demolition of any building, structure, site or object which is being considered by the Texas Historic Commission for designation as historic or which is located within a district being considered by the Texas Historic Commission for designation as historic where the permit application is filed on or after the date that notices of proposed designation have been mailed, except that the City may issue a permit if the Texas Historic Commission has approved the application or has not taken final action on designation of a district

and more than ninety (90) days have elapsed from the date the permit application was filed with the Texas Historic Commission.

## **20. Applicability to FR-5938-N-01**

Revision Notice 07/31/2016: This policy was reviewed and edited for compliance with CDBG-DR requirements for FR-5938-N-01. In instances where the existing City of San Marcos policy exceeded the standards outlined in the Federal Register, the City retained the more stringent existing policy standards.