

# PUR 2.01 Authority Limits

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## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.01

Effective Date: 9/30/2014

Revised Date: 12/31/2015

Review Date: 12/31/2020

#### AUTHORITY LIMITS

##### Purpose

To establish purchasing approval and authority limits for specific employees to enter into contractual and other obligations on behalf of the City of Pearland.

##### Background

Pursuant to Section 8.17 of the City Charter, the City Council has conferred to the City Manager the general authority to contract for expenditure. The City Manager has delegated oversight responsibility and authority for all City purchase and contracting activities to the Finance/Purchasing Division.

The City subscribes to the philosophy of decentralized purchasing, whereby most purchases of goods and services are the responsibility of the individual City departments. As such, authority and approval limit levels are established to ensure good fiscal management and internal controls. Levels are intended to recognize the scope of responsibility of City employees and control the creation of unauthorized or unintended liability.

##### Policy

Authority levels are as follows:

Assistant Directors can have the same approval levels as Directors, with written approval of the appropriate Director.

1. Goods and Services

- 0 - \$9,999 PO Entry/Supervisor
- \$10,000 - \$29,999 Director
- \$30,000 - \$50,000 Assistant City Manager
- \$50,001 + City Manager & City Council Authorization

2. Land/ROW

- 0 - \$30,000 Projects Director
- \$30,001 - \$100,000 Assistant City Manager
- \$100,001 + City Manager & City Council Authorization

3. CIP Change Orders

- Projects Director can approve CIP Change Orders up to \$30,000; ACM up to \$50,000. CIP Change Orders \$50,000 + require City Manager and 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 orders, 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 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.**

**Procedure**

Authority levels for department designees and supervisors are authorized by Department Directors and maintained in New World by Purchasing. To add or request a change in authority levels for a department, e-mail Purchasing and include:

1. Employee's Name;
  2. Authority Level Requested;
  3. Account Numbers to be Included.
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# PUR 2.02 Purchase Orders & Other Procurement Contracts

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## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.02

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### PURCHASE ORDERS AND OTHER PROCUREMENT CONTRACTS

#### Purpose

To document policy and procedures for procurement contract processing.

#### Procedures

##### I. Procurement Contract Processing Procedures

###### A. Purchase Orders

1. Purchase Order and Approval - A completed New World purchase order must be entered and approved by the requesting department at the time the need is planned or determined for the purchase. Contact Purchasing if you need assistance with detailed instructions for purchase order entry and approval.

a. The purchase order will require approval pursuant to authority levels outlined in Section 2.01

2. Verification - The purchase order will be verified for completeness by Purchasing. If the purchase order does not have all required information, it will be returned to the requestor

3. Availability of Funds Verification - It is the responsibility of the requesting department to verify that funds are available in the appropriate account. By approving the purchase order, the requesting department is verifying that funds are available. Purchase orders with insufficient funds will not proceed through the approval process until a budget transfer has been completed by Budget. Except in cases of emergency purchases, adequate funds must be available in the appropriate budget account for a purchase order to be issued. An emergency purchase is defined as a purchase made without following normal purchasing procedures in order to obtain goods or services to meet an urgent or unexpected requirement where health, public safety or the conservation of public resources is at risk. (See Section 2.22 for Emergency Purchase Order Procedures)

4. Purchase Order Issuance and Ordering - A purchase order will be issued once Purchasing has acknowledged the final approval in New World. After receiving an approved purchase order, orders may be placed by the requesting department for the purchase. **Pursuant to City Charter Section 8.17 and policy, orders shall not be placed without an approved purchase order unless a true emergency situation exists.** This will be monitored by Finance personnel via New World reports.

**NOTE: For any expenditures which will be funded in any portion by Federal grant funds, the Purchasing Division will run a current Excluded Parties List System (EPLS) 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 projects involving grant funds where such findings disqualify vendors from receiving contract awards or federal funds.**

Turnaround Time - All complete, properly approved and funded purchase

orders received during the working day shall be processed and issued a purchase order within two working days. The requesting department will receive a notification in New World once the PO is fully approved.

5. Purchase Order Distribution

·Approved purchase orders will be forwarded to the requesting department for distribution to the vendor. Retain any packing slips or shipping documents to include with invoices at time of payment/entry into New World for payment. It is the responsibility of the department to ensure that the items are received in New World and the packing slip and invoice are attached as backup documentation for processing the invoice for payment in a timely manner. This information shall be promptly submitted to Accounts Payable so that late charges, loss of discounts and vendor credit hold may be avoided.

·Partial Payments - Partial payments may be made to vendors upon receipt of a copy of materials or services. Accounts Payable shall process payment only for those items that are authorized. This procedure applies to back order items and partial completion of work in progress.

·Returned Items - Any time goods are delivered in an unsatisfactory condition and the goods are refused or returned for any reason, the event should be documented via e-mail to Purchasing personnel.

·Credit Memos - Any time a credit memo is received for goods returned, the department must include in an invoice batch in New World.

·Check Distribution - All checks disbursed by the City shall be released by the Accounting Department. Checks will be mailed to vendors unless the vendor specifically requests to pick up the check. Upon proof of identification, the check shall be released and the person receiving the check shall be required to sign documentation that it was received.

B. City of Pearland Standard Contracts

1. Contracts for Amounts of \$10,000 or Less

- a. The approved purchase order with supporting documents, including scope of work, will serve as a contract document for

amounts less than \$10,000.

2. Contracts For Amounts \$10,000 to \$50,000

a. Approval - Pursuant to authority levels, approved individuals may execute contracts for amounts \$10,000 to \$50,000.

b. Contract Preparation

i. The Purchasing Division shall provide and maintain Standard Contract Templates on the shared drive including, but not limited to: (please see Appendix for contract forms)

·General Services Contract for \$10,000 - \$50,000

·Small Construction Contract for \$10,000 - \$50,000

ii. The requesting department shall prepare the appropriate Standard Contract by completing the following items (please contact Purchasing if assistance in determining the appropriate Standard Contract is required).

Section I. Summary of Contract Terms

·Name of Contractor

·Description of Services

·Estimated or Maximum Contract Amount

Section V. Additional Contract Documents

A. Contractor's Additional Contract Documents:

Ø This will include the Contractor's proposal with Statement of Work.

B. City's Additional Contract Documents

Ø These may include the contractor insurance requirements from 3.02 (if any) and a Statement of Work (if one is not contained in the Contractor's proposal). If there are not Additional City Contract Documents, type "None."

**The City Standard Services contracts are maintained by the City Attorney – do not modify them other than as described above.**

c. Transmittal Memorandum - The requesting department shall prepare a transmittal memorandum which outlines or explains the scope of the project. The memorandum shall be sent to Purchasing. E-mail correspondence with the pertinent documentation shall suffice. The account and project number where the contract is to be charged shall also be included in the transmittal memorandum. This information is required by Purchasing for funding verification and purchase order approval.

d. Finance Review – Budget and Purchasing shall verify funding, compliance with purchasing procedures and insurance requirements and indicate approval to the requesting department, via e-mail or compatible means.

e. Contractor's Signature - The requesting department shall obtain the signature of an individual authorized to bind the contractor (signed documents may be sent via e-mail).

f. Department Supervisor/Manager Review and Approval - The Department shall review the documents and obtain approval of the appropriate management level via signature .

g. Distribution - The Department shall make distributions as follows (scanned documents sent via e-mail are acceptable):

·City Secretary.

·Requesting department/division. The requesting department shall make a copy for their file and forward the fully executed contract original to the Contractor.

·Purchasing.

h. Purchase Order - The Department will enter a Purchase Order in New World. A purchase order shall then be issued and distributed as per the purchase order procedure above.

i. Certificate of Interested Parties – Vendors must also complete a Certificate of Interested Parties, form 1295, if the contract required council approval. Completed forms are to be sent to Purchasing for acknowledging on the state website.

j. Interim Payments - Invoices for interim payments must be authorized by the requesting department before payment will be made by Accounts Payable (see purchase order Partial Payments).

### 3. Contracts for Amounts Over \$50,000

a. Purchasing Review - Purchasing shall verify compliance with purchasing procedures and insurance requirements.

b. Contractor's Signature - The requesting department shall obtain the signature of an individual authorized to bind the Contractor.

c. Agenda Request - The requesting department will assist the Purchasing Division in the preparation of an agenda request. Attachments to the agenda request shall include the bid tabulation. If this is a budgeted item, and funds are available, this information must be included in both the agenda request and the memorandum. If this is not a budgeted transaction or the expenditure exceeds budget, the requesting department must indicate how they will fund the purchase.

d. City Manager Approval - After council approval, the City Manager or designee will indicate approval by signing the contract. Assistant City Manager is an authorized designee.

### 4. Parks Instructor Contracts (please see appendix)

#### C. Supplier Prepared Contracts

1. City Attorney Approval - The requesting department shall forward to the City Attorney for review and approval of the supplier prepared contract.

2. To complete the process - Follow the identical procedures provided for the processing of City of Pearland Standard Contracts above based on the dollar amount of the contract.

D. Purchase Order Review - Purchasing will distribute a list of outstanding purchase orders to departments on a quarterly basis. Departments are to review the list and identify which purchase orders are complete and can be closed. Departments should close/complete purchase orders in New World.

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# PUR 2.03 City Attorney Review & Approval of Contracts

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## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.03

Effective Date: 9/30/2014

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### CITY ATTORNEY REVIEW AND APPROVAL OF CONTRACTS/AGREEMENTS

#### Purpose

To document policy and procedures for review and approval of contracts by the City Attorney.

#### Policy

##### **A. City of Pearland General Services and Small Construction Contracts**

Contracts up to \$50,000, which have been pre-approved by the City Attorney are considered to have been reviewed by the City Attorney. Contracts must be prepared on approved forms to assure that they include all required contract/legal language. It is presumed no changes have been made to the existing contract language. If changes are contemplated, the documents must be reviewed by the City Attorney.

##### **B. Previously Reviewed Terms and Conditions**

Purchase orders, supply agreements and contracts containing only City of Pearland standard terms and conditions, which have once been approved by the City Attorney, are considered to have been reviewed by the City Attorney.

### **C. Special Terms and Conditions**

Equipment, materials, supplies and service contracts bearing any special terms and conditions, other than administrative provisions, not previously approved by the City Attorney, shall be submitted to Purchasing for review. Purchasing shall determine if documents should be subsequently reviewed by the City Attorney.

### **D. Use of Non-Conforming Contracts/Agreement**

All contracts and/or agreements not on City of Pearland pre-approved contract forms, must be reviewed by the City Attorney's office prior to the purchase of goods or services to ensure that contract provisions are not determined by the City.

### **E. Legal Issues**

The City Attorney must always be consulted when any legal issues arise from the procurement process.

In order for adequate review, please submit your contract to legal in ample advance time of your purchase.

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# PUR 2.04 Interlocal Cooperative Purchasing

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## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.04

Effective Date: 9/30/2014

Revised Date: 12/31/2015

Review Date: 12/31/2020

## INTERLOCAL COOPERATIVE PURCHASING

### Purpose

To document policy and procedures for interlocal cooperative contract purchasing.

### Policy

The City of Pearland will utilize cooperative purchasing agreements as a purchasing option. Cooperative purchasing agreements are normally agreements that include a list of items that have already been through the bid process and the lowest or best qualified bidders have been approved.

### Discussion

The Interlocal Cooperation Act, Chapter 791 of the Government Code authorizes local governments to enter into cooperative purchasing agreements with other jurisdictions such as Independent School Districts and Counties (Local Government Code 271, Subchapter F). Furthermore, LGC 271, Subchapter D allows a local government to purchase goods on the state's purchasing contracts, and allows the state to solicit bids on the local government's behalf, when considered feasible by the Texas Comptroller of Public Accounts.

## **Procedure**

1. Purchasing shall research Interlocal Cooperative Purchasing contracts to determine best value for both competitive bidding and for quotes. Interlocal cooperatives include but may not be limited to:

- HGAC;
- State of Texas - TPASS;
- Buyboard;
- TASB;
- Brazoria County;
- US Communities;
- Any municipality agreeing to allow participation under an eligible contract (one which has been agreed to by specification with the awarded vendor).

2. Purchasing will get pertinent specifications and quotes if necessary and review to determine if interlocal agreement meets department needs.

3. When Purchasing, in concurrence with the department determines that utilizing an interlocal cooperative agreement is the best value to the City, Purchasing will contact the awarding entity and/or the awarded vendor for approval to participate in the contract. Purchasing will assist department in preparing an agenda request for approval from City Council for participating in the contract if purchase exceeds \$50,000. If purchase is less than \$50,000 department may proceed with entering a purchase order in New World once Purchasing has approved use of the subject contract.

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# PUR 2.05 Bonding

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## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.05

Effective Date: 9/30/2014

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## BONDING

### Purpose

To document policy and procedures for bonding.

### Policy

#### I. Performance and Payment Bond

On certain public works contracts, the City shall require performance and payment bonds as prescribed by state law, and reflected below. "Public Works contract" means a contract for constructing, altering, or repairing a public building or carrying out completing any public work. When the City contracts with a prime contractor, the City shall require the contractor, before beginning the work, to execute the following in favor of the City of Pearland (where applicable):

1. A performance bond if the contract is in excess of \$100,000; and

The performance bond shall be:

- solely for the protection of the City of Pearland
- in the total amount of the contract; and
- conditioned on the faithful performance of the work in accordance with the

plans, specifications, and contact documents

2. A payment bond if the contract is in excess of \$50,000.

The payment bond shall be:

- 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; and
- in the amount of the contract.

The payment and performance bonds will be required only of the awarded bidder. The bonds will be obtained by either the Projects department (for CIP projects), or Purchasing for other Public Works projects and maintained through the end of the project and return after final payment has been approved for payment.

## **II. Bid Security**

Public Works project bids must be accompanied by a certified or cashier's check or an approved Bidder's Bond underwritten by a surety named in the current list of "Surety Companies Acceptable on Federal Bonds" as published in the Federal Register by the Audit Staff Bureau of Accounts, U.S. Treasury Department, for the sum of five percent (5%) of the amount of the maximum total bid as guarantee that, if awarded the contract, the Bidder will promptly enter into a contract and execute Performance and Payment Bonds required for contracts in excess of \$100,000 and \$50,000 respectively on the forms included in the contract documents. Certified or cashier's check shall be made payable to the City of Pearland. Once bid is accepted, Bidder agrees that he will furnish the required Performance and Payment Bonds within (10) calendar days after Notice of Award of the contract. If he fails to do so he will be liable to the City of Pearland, 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 Pearland may apply the bond or check accompanying this bid to said amount. If the damages are greater than said sum, the City of Pearland, shall be entitled to the difference. **Bids without the required bond or checks will not be considered.**

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# PUR 2.06 Purchases up to \$2,999.99

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## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.06

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#### PURCHASES UP TO \$2,999.99

##### Purpose

To document policy and procedures for purchase transactions less than \$3,000.

##### Discussion

This policy applies to all purchase activity for amounts less than \$3,000 except for professional services, procurement card purchases, emergency purchases, blanket purchase order transactions, and check requests which are addressed in separate procedures.

##### Policy

Purchases for amounts less than \$3,000 shall be made from the source that the requesting department determines offers the best value to the City. In determining the best value for the City, the requesting department shall consider price, delivery, service and quality. All other factors being equal, the source offering the lowest price shall be selected. General Policy Statements outlined in section 1.03 shall apply.

## Procedures

**1. Define Specifications** - The requesting department shall define what it is they seek to buy.

a. Purchases of Goods

- Specifications for goods may consist of a description and manufacturer's model number of functional and/or performance characteristics. If a city internal services department will be responsible for servicing the goods being purchased, that department should review and concur with the specifications prior to purchase.

b. Purchases of Services

- The requesting department shall forward a Scope of Work (SOW) that completely describes the contractual work requirement. A clear and concise SOW is essential in order to establish performance standards, provide contractors with a basis of estimate, and to communicate effectively.
- Refer to Section 3.02 Contractor Insurance Requirements and determine if there are any insurance requirements for the service being purchased. If it is determined that there are contractor insurance requirements, include them in all Requests for Quotations.

## **2. Solicitation**

a. Purchases of Goods - The requesting department shall solicit at least one quotation from a competent vendor. Website, fax and e-mail quotations are acceptable.

b. Purchase of Services - The requesting department shall solicit at least one quotation from a competent contractor based on the SOW and the contractor insurance requirements determined in item 1 (if any). Website, fax and e-mail quotations are acceptable.

## **3. Source Selection**

a. Purchases of Goods - The requesting department shall select the vendor, that it determines offers the best value to the City considering the factors of price, delivery, service and quality.

- b. Purchases of Services - The requesting department shall select the contractor, which in his or her opinion, offers the best value to the City considering the factors of price, deliver, service and quality.
- c. If the department should choose to do business with employees or their families/relatives, the department must get 3 quotes to ensure work is given to the lowest responsible bidder.
- d. Parks Instructors/Contractors must have a signed contract for any dollar amount. See Appendix for Parks Instructor Contract.

**4. Transaction Completion. Requesting department shall enter purchase order into the New World system, attach quote/supporting documents and wait for approved purchase order before actually purchasing the goods/services.**

**5. Budget Management** – Purchase orders with insufficient funds will not move through the approval process until an appropriate budget transfer has been processed.

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# PUR 2.07 Purchases for amounts \$3,000-\$50,000

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## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.07

Effective Date: 9/30/2014

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### PURCHASES OF \$3,000 - \$50,000

#### Purpose

To document policy and procedures for purchase transactions for amounts \$3,000.01 - \$50,000.

#### Policy

When making an expenditure in the range of \$3,000.01 to \$50,000, the requesting department shall obtain a minimum three (3) competitive quotes, including contact for quote of at least one (1) Historically Underutilized Businesses (HUB) concerning the purchase, on a rotating basis, based on information pursuant to Chapter 2161, Government Code. If there is no applicable HUB located in Brazoria County or the expenditure is covered under General Exemption per Chapter 252.022 of the Local Government Code, this shall not apply. In cases of cooperative, sole source or single source purchases, the competitive bidding requirement is met. The Purchasing Division may determine that additional quotes or a bid process are necessary. The Purchasing Division must concur with single source and sole source justifications. Purchases requiring competitive quotes shall be made from the source that the requesting department determines offers the best value to the City. In determining the best value

for the City, the requesting department shall consider price, compliance with specifications, delivery, service and quality. All other factors being equal, the source offering the lowest price shall be selected. Written justification shall be required in cases of single or sole source purchases or purchases where the recommended vendor is other than the low quote. (See Section 2.10 for Sole/Single Source Purchase). **To reiterate, NO employee shall obligate the City to any purchase in this expenditure range without a valid, signed City purchase order in their possession. Violations of this policy will be addressed as deemed appropriate by user department management personnel and/or Human Resources.**

City of Pearland employees shall not intentionally or knowingly make or authorize separate, sequential or component purchases to avoid the competitive bidding and/or Historically Underutilized Business (HUB) contact requirements listed in Chapter 252.021 of the Texas Local Government Code.

In addition to the steps above, for single purchases with expenditures anticipated to be between \$25,000 and \$50,000, Purchasing staff will post the bid on the City website for a minimum of seven (7) days prior to the issuance of a purchase order. Exceptions to this procedure will be documented by Purchasing staff with the justification for the exception.

## **Procedures**

**1. Define Specifications** - The requesting department shall define what it is they seek to buy.

a. Purchases of Goods. Specifications for goods may consist of a description and manufacturer's model number of functional and/or performance characteristics. If a City internal services department will be responsible for servicing the goods being purchased, that department shall review and concur with the specifications prior to purchase.

b. Purchases of Services

The requesting department shall forward a Scope of Work (SOW), with the requisition, that completely describes the contractual work requirement. A clear and concise SOW is essential in order to establish performance standards, provide contractors with a basis of estimate, and to communicate effectively.

·Refer to Section 3.02 Contractor Insurance Requirements and determine if there are any insurance requirements for service being purchased. If it is determined that there are contractor insurance requirements, include them in all Requests for Quotations and as an attachment document to the contract.

## **2. Obtain quotes and complete HUB form per Section 2.08**

**3. Local Preference.** Pursuant to Section 2.25 of this Policy manual, City staff should apply the following preference to local bids (within City of Pearland) – only when appropriate claim form has been submitted by bidder and approved by Director of Finance:

As allowed by Section 271.905 of the Local Government Code, apply a 3% preference to a local bidder on bids (construed herein to mean those bids other than competitive sealed bids) for the purchase of real property or personal property that is not affixed to real property. This will include purchases of \$3,000 to \$50,000.

**4. City of Pearland standard contracts are required for amounts \$10,000 to \$50,000. Parks Instructor contracts are required for any amount. Refer to Section 2.02 (b)**

Transaction Completion. Proceed to Section 2.02 of this manual.

**5. Budget Management.** Purchase orders with insufficient funds will not move through the approval process until an appropriate budget transfer has been processed.

**6. Purchases from Federal Grant Proceeds.** Purchases which will be funded by Federal Grant proceeds shall require a system for award management exclusion records search report to be run prior to purchase reflecting that the awarded vendor is not excluded from participation in Grant-related activities. This report shall be printed and included in the PO document attachments.

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# PUR 2.08 Historically Underutilized Business (HUB)

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## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.08

Effective Date: 9/30/2014

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## HISTORICALLY UNDERUTILIZED BUSINESS

### Purpose

To document policy and procedures for Historically Underutilized Business (HUB) requirements.

### Policy

Pursuant to Chapter 252.0215 of the Texas Local government Code, the department originating a requisition must certify that Brazoria County HUB's are identified and contacted concerning single purchases over \$3,000 and less than \$49,999.

### Procedure for completing Hub Form found in Appendix

### Section I - General Information

1. Complete items A. through G. of the form after following the instructions for

Sections II and III and the purchase order has been entered in the New World system.

2. Contact Purchasing if you have any questions.
3. Attach the completed form when entering a purchase order for approval or e-mail the completed form (please do not include the instructions) to Purchasing.

## **Section II - HUB Contact Documentation**

1. Local Government Code Chapter 252.022 General Exemptions to HUB requirements are listed below.

a.A purchase made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the city's residents or to preserve the property of the City

b.A purchase necessary to preserve or protect the public health or safety of the city's residents

c.A purchase necessary because of unforeseen damage to public machinery, equipment, or other property

d.A purchase for personal, professional, or planning services

e.A purchase 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 purchase of items that are available from only one source, including:

i. Items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies

ii. Films, manuscripts, or books

iii. Gas, water, and other utility services

iv. Captive replacement parts or components for equipment

v. Books, papers, and other library materials for a public library that are available only from persons holding exclusive distribution rights to the materials

vi. 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. 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 city, 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 contract by which a developer participates in the construction of a public improvement
- l. Personal property sold:
  - i. At an auction by a state licensed auctioneer
  - ii. At a going out of business sale held in compliance with State Law
  - iii. By a political subdivision of this state, a state agency of this state, or an entity of a federal government
  - iv. Under an inter-local contract for cooperative purchasing
- m. Services performed by the blind or severely disabled persons
- n. Goods purchased by a municipality for subsequent retail sale by the municipality
- o. Electricity

If the goods or services being purchased are covered under one of the General Exemptions above, check item (J) on the form, record the letter of the applicable General Exemption in the space provided, and proceed to the instructions for Section III.

If the goods or services being purchased are not covered under one of the General Exemptions, proceed to item 2.

2. Internet search for applicable Historically Underutilized Businesses (HUB) located in Brazoria County.
  - a. Open your Internet browser.

- b. Clear the Address Bar and type in: <https://mycpa.cpa.state.tx.us/tpasscmbsearch/index.jsp>, press enter. For future convenience, this URL address may be saved in your Internet browser "Favorites".
        - c. A web page titled "Centralized Master Bidders List – HUB Directory Search" should now be displayed in your browser.
        - d. Scroll to the middle of the page and Left click in the "County Location" space and select "Brazoria" from the drop down list.
        - e. Left click on the button titled "Submit Search".
        - f. The General Services Commission list of Brazoria County HUB's should now be displayed in your browser. Scan the list and determine if any of the businesses are applicable to your purchase. The list may be printed by left clicking on the print icon of the browser. More detailed information on a particular business may be displayed by left double clicking on the company name. Proceed to item 3.
3. If zero applicable HUB's are identified from the search performed in item 2, place a check in front of item (I) on the form and proceed to the instructions for Section III.
4. If one or more applicable HUB's are identified from the search performed in item 2, the requesting department shall contact at least two (2) of them concerning the purchase. If only one applicable HUB is identified, the requesting department shall contact that business concerning the purchase. Proceed to item 5.
5. After contacting the HUB's, place a check in front of item (H) on the form. Document the names of the HUB's that were contacted as follows:
  - a. If two HUB's were contacted, record the names of the HUB's in the spaces labeled HUB # 1 and HUB # 2 in item (H) of the form. Proceed to the instructions for Section III.
  - b. If only one HUB was contacted because at least two could not be identified from the list, record that company's name in the HUB #1 space

in item (H) of the form. Enter "None" in the HUB # 2 space. Proceed to the instructions for Section III.

### **Section III - Competitive Quotation Documentation**

1. Answer the questions in items (K), (L) and (M) of the form.
  - a. If this is a cooperative or sole source purchase, proceed to the instructions for Section I.
  - b. If this is a single source purchase, provide written justification in the space provided in item (S), attaching additional sheets if necessary. Proceed to the instructions for Section I.
2. If the purchase is neither a cooperative, sole source or single source purchase, a minimum of three (3) competitive quotations should be obtained by the end user department. If the items being purchased consist of services, the Statement of Work (SOW) that was prepared in item 1. (c) shall be provided to the prospective contractors.
3. Record three (3) quotations in items N. through R. of the form.
  - a. If the vendor being recommended is the low quote, proceed to the instructions for Section I and type in recommended vendor in (F).
  - b. If the vendor being recommended is not low quote, provide written justification in the space provided in item (S), attaching additional sheets if necessary. Proceed to the instructions for Section I.

# PUR 2.09 Purchases for Amounts over \$50,000

Last Modified on 11/19/2018 4:26 pm EST

## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.09

Effective Date: 9/30/2014

Revised Date: 12/31/2015

Review Date: 12/31/2020

### PURCHASES FOR AMOUNTS OVER \$50,000

#### **Purpose**

To document policy and procedures for purchase transactions for amounts over \$50,000.

#### **Policy**

Purchase of goods and services involving an expenditure of more than fifty thousand dollars (\$50,000) from City funds shall be made by competitive sealed bidding or competitive sealed proposals, pursuant to Section 252.021, except those covered under General Exemption as specified in Chapter 252.022 of the Local Government Code or through cooperative agreements. Notice of the time and place at which solicitation responses will be publicly opened and read aloud shall be published at least once a week for two (2) consecutive weeks in the City's official newspaper. The date of the first publication must be before the fourteenth day before the date set to publicly open the bids/proposals. Where competitive sealed bidding requirements apply, the contract shall be awarded by the City Council to the lowest responsible bidder or to the bidder who provides the goods or services as the best value to the City. Competitive proposals shall be evaluated pursuant to the process described herein. The City

Council may reject any and all bids/proposals.

## **Procedures**

**1. Budget Management** - The purchase of goods and or service must be budgeted and funds available before proceeding with a competitive bid.

**2. Check Competitive Bidding Requirements** - Refer to the General Exemptions below.

a. If the expenditures are not covered by General Exemption, proceed to item 4, Sealed Competitive Bid.

b. If the expenditure is covered by General Exemption, the City is exempt from competitive sealed bidding requirements. Proceed to item 3, q. evaluations and recommendations. Note: Purchasing must concur that the exemption being claimed is applicable.

c. Local Government Code Chapter 252.022 General Exemptions listed below

- i. A purchase made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the city's residents or to preserve the property of the City.
- ii. A purchase necessary to preserve or protect the public health or safety of the city's residents
- iii. A purchase necessary because of unforeseen damage to public machinery, equipment, or other property
- iv. A purchase for personal, professional, or planning services
- v. A purchase for work that is performed and paid for by the day as the work progresses
- vi. A purchase of land or a right-of-way
- vii. A purchase 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 persons holding exclusive distribution rights to the materials

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

viii. Purchase of rare books, papers, and other library materials for a public library

ix. 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

x. A public improvement project, already in progress, authorized by the voters of the city, for which there is a deficiency of funds for completing the project in accordance with the plans and purposes authorized by the voters

xi. A payment under contract by which a developer participates in the construction of a public improvement

xii. Personal property sold:

1. At an auction by a state licensed auctioneer

2. At a going out of business sale held in compliance with State Law

3. By a political subdivision of this state, a state agency of this state, or an entity of a federal government

4. Under an inter-local contract for cooperative purchasing

xiii. Services performed by the blind or severely disabled persons

xiv. Goods purchased by a municipality for subsequent retail sale by the municipality

xv. Electricity

xvi. Cooperative agreements. If a cooperative agreement that offers the desired goods or services exists, then a sealed competitive bid is not required, unless the City wants to pursue both options to ensure best price.

### **3. Local Bidder Preference**

Pursuant to Section 2.25 of this Policy manual, City staff should apply the following preference to local bids (only when appropriate claim form has been submitted by bidder and subsequently approved by City Council, if determined to meet economic development requirements as stated in Section 271.9051, Local Government Code):

As allowed by above-referenced statute, the City may apply a 5% preference to a local bidder (within the City of Pearland) on competitive sealed bids for the purchase of real property, personal property that is not affixed to real property, or services. This will apply to bids for purchases in the range of \$50,001 to \$99,999.99 for construction services; or for purchases in the range of \$50,001 to 499,999.99 for other purchases.

#### **4. Sealed Competitive Bid**

a. Specifications - Departments are responsible for developing written specifications for the items to be bid. Purchasing will assist when and where necessary. Purchasing shall review specifications, delivery, response time, requirements to ensure documents are without errors and do not favor a particular vendor. **If a City internal services department will be responsible for servicing the goods being purchased, that department shall review and concur with the bid specifications.**

b. Insurance Requirements - If services are being purchased, refer to Section 3.02 Contractor Insurance Requirements and determine if contractor insurance is required.

c. Bid Request - The requesting department shall provide a bid request to Purchasing. This may be in the form of an e-mail or written memo, and shall be forwarded to Purchasing along with the written specifications and a list of suggested suppliers.

d. Bid Package - Using the bid request, specifications furnished by the requesting department, and the appropriate contract award criteria language, Purchasing shall prepare a completed bid package.

e. Transmittal Memorandum - Purchasing shall prepare a transmittal memorandum for routing of the bid package back to the requesting department for review and approval.

f. Public Notice - Purchasing will draft the proper legal notice and forward it to the paper of record for publication.

g. Notice to Bid - Copies of the published legal notice shall be provided Purchasing by the City Secretary.

h. Internet Posting - Purchasing shall enter the bid information into the city's website.

i. Invitation to Bid Document Distribution - Purchasing shall e-mail or fax a bid

announcement to all vendors listed on the suggested vendors list. Purchasing will identify additional vendors at its discretion. It shall be the responsibility of Purchasing to provide copies of the bid packet to all interested parties that respond to the bid announcement as well as those who request the bid package via the website or publication. Purchasing will assist with CIP as requested.

j. Pre-bid Conference - Purchasing shall conduct pre-bid conferences(s), if any at the specified place, date and time (with the exception of Projects related conferences). If the pre-bid conference is designated as mandatory, Purchasing shall document the firms in attendance. Bids will not be accepted from bidders who fail to attend a mandatory pre-bid conference.

k. Vendor Contact - Purchasing shall serve as the vendor contact for all clarifications and questions to bids, except CIP. All vendors will be supplied the same information. Departments should not answer vendor questions directly, but rather route vendor inquiries to Purchasing.

l. Addenda - With the assistance of the requesting department, Purchasing will prepare any necessary addenda as a result of the pre-bid conference or vendor questions. Purchasing will send all vendors who hold bid specifications a copy of any addenda, and shall post the addenda on the website.

m. Bid Opening - Purchasing shall conduct the bid opening, including CIP. Late bids will not be considered.

n. Bid Opening Attendance - A representative of the requesting Department (optional) may attend the bid opening.

o. Bid Tabulation - Purchasing will prepare a formal bid tabulation, excluding CIP. Unit cost shall prevail if bids contain calculation errors. The formal bid tabulation will be sent to the requesting department for review and recommendation. The requesting department will sign the bid tabulation and forward to Purchasing.

p. Bid Evaluation and Recommendation - Departments are to evaluate the bids and check references submitted with bid documents if applicable. The Department Supervisor/Manager shall consult with Purchasing prior to making a final recommendations to City Council based on the contract award criteria determined in item 3. a. above. Department should submit justification to Purchasing if not recommending the lowest bidder. The justification for not selecting lowest bidder will

be reviewed and approved by the Purchasing Division prior to award.

q. Bid Award - All sealed competitive bids over \$50,000 are awarded by Council.

r. Council Agenda - The requesting department will assist the Purchasing Division in the preparation of an agenda request (AR) for council action. The bid tabulation / analysis shall be included with the agenda request if competitive sealed bidding was required.

s. Contract Bid Renewals – Renewal terms of commodity/supply contract bids which are referenced within originating Council AR will be renewed by Purchasing staff when: (1) no price change requested at renewal; or (2) requested price change at renewal is within allowable percentage increase in CPI index as prescribed by bid specifications. NOTE: Renewals for bids with originating Council award subsequent to September 27, 2010 (9/27/10) will be brought to Council for ratification at each renewal. Renewals for bids with originating award prior to September 27, 2010 will be processed as described in (1) or (2) above, as applicable.

t. Retention:

- Original approved agenda and one original fully executed contract (if applicable) shall be retained by the City Secretary.
- One copy of approved agenda and one original fully executed contract (if applicable) should be obtained by the requesting department. The requesting department shall forward the executed original contract to the contractor and retain a copy.

Purchasing shall maintain a complete bid file to include bid, bid addendum, vendor correspondence, bid tabulation, results of reference checks and evaluation matrix based on bid criteria if applicable. Any documentation/justification for not awarding to lowest responsible bidder will also be maintained in the bid file.

u. Purchase Order - Upon receipt of the document(s) specified in item t., the requesting department shall enter a purchase order. Purchasing will review and approve a purchase order in accordance with Section 2.01 Purchase Orders and Other Procurement Documents.

v. Notice to Proceed – Purchasing will provide a notice to proceed or award letter and forward to vendor, except for CIP.

w. Purchases from Federal Grant Proceeds – Purchases which will be funded by Federal Grant proceeds shall require an Excluded Parties List System (EPLS) report to be run prior to purchase reflecting that the awarded vendor is not excluded from participation in Grant-related activities. This report shall be stored in the appropriate bid file.

## **5. Competitive Sealed Proposal (Request for Proposals – RFP)**

a. Applicability – Pursuant to Section 252.042, Local Government Code, the City may solicit competitive sealed proposals under a Request for Proposal (RFP) if determined to be in its best interest to do so. User department should consult with Purchasing staff to determine applicability of the RFP process to a given procurement need.

b. Specifications – RFP specifications shall be developed by Purchasing staff with assistance from requesting user department, including a statement of the relative importance of price and other evaluation factors to be used in assessing proposals received.

c. Public Notice – Public notice process for RFPs shall be consistent to that employed for competitive sealed bids, pursuant to requirements of Section 252.041, Local Government Code.

d. RFP Opening – Public opening of RFP submissions shall be held in same manner as competitive sealed bids, but information disclosed shall be limited to identification of proposers only. It shall be the practice of the City not to release contents of any submitted proposals publicly until such time as City Council has approved an award, as release of information prior to this time could compromise the City's position in ongoing negotiations/interaction with any or all of the respondents to a City RFP.

e. Selection Team – A selection team comprised of City personnel shall be identified and recruited, based upon specific subject matter expertise, or closely-related knowledge. The selection team shall be responsible for subsequent review and evaluation of proposals received, and for participation in any related presentations

and/or interviews with submitting proposers. Some or all of these personnel may be included in a negotiation team (which may be established as necessary to successfully finalize an award recommendation). Purchasing staff should be present (in advisory capacity only, not as voting member or formal evaluator) at any meeting of the selection team.

f. Best and Final Offer – City shall reserve the right, at its discretion, to invite best and final offers after initial submissions, or may make an award determination on the basis of proposals as submitted.

g. Agenda Request – Upon selection team’s consensus and recommendation for award, Purchasing staff shall consult with user department for the preparation of an agenda request for City Council action.

h. Other Provisions – Other provisions of Section 3, above, of Section 2.09 of the City Purchasing Policy, deemed by City Legal and Purchasing to apply to both competitive sealed bids and proposals, shall govern for Section 4, and are further included herein by this reference.

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# PUR 2.10 Sole/Single Source Purchases

Last Modified on 11/19/2018 4:28 pm EST

## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.10

Effective Date: 9/30/2014

Revised Date: 12/31/2015

Review Date: 12/31/2020

## SOLE/SINGLE SOURCE PURCHASES

### Purpose

To define the guidelines for the proper justifications of sole/single source purchases.

### Definitions

Sole Source – Where it can be substantiated that a requirement involves a commodity or service provided by only one vendor which has exclusive rights to the manufacturing of the product or services which:

1. Is the only of its kind which can fully satisfy the requirements;
2. Is available from one, and only one, source

Single Source – Where it can be substantiated that a commodity or service can be obtained only from one vendor who is the “single” representative of the manufacturer or principal company, whose product or service is discernibly distinguished from all others in the market, and singularly meets the City’s requirement.

### Policy

The City is responsible for obtaining fair pricing and for fostering competition among those offering products or services. However, some products and services are unique and possess features or characteristics that may not be available from competitors. In those instances, with written justifications, sole or single source purchases can be made based on the criteria below:

- One-of-a-kind - The commodity or service has no competitive product and is available from only one supplier.
- Compatibility – The commodity or service must match existing brand or equipment for compatibility and is available from only one vendor.
- Replacement Part – The commodity is a replacement part for specific brand of existing equipment and is available from only one supplier.
- Unique Design – The commodity or service must meet physical design or quality requirements and is available from only one supplier.
- Emergency – URGENT NEED for the item or service does not permit soliciting competitive bids, as in cases of emergencies, disaster, etc.

Sole/Single source purchasing is an exception to the purchasing policies and should not be used unless you are sure there is a valid requirement and adequate documentation is provided.

Factors which do not apply for sole/single source purchases include but are not limited to:

1. Personal preference for vendor or product.
2. Cost, vendor performance, local service, maintenance and delivery (these may be considered award factors in a competitive bidding process)
3. Explanation of need and use of the equipment, unless provided as part of the uniqueness

Lack of planning exists on behalf of the requesting department.

If a request is made to purchase a product by sole/single source, yet multiple sources can provide a similar product, the request will be subject to the normal quote/bid

process.

If the purchase is via a single manufacturer, yet there are multiple vendors/suppliers that carry the items, the request will be subject to the normal quote/bid process.

### **Procedure**

A sole/single source service request must be identified in the comments section of the purchase order and supporting documentation forwarded to purchasing.

Final determination as to whether products/services will be purchased on a sole source basis will be made by the Purchasing Office in consultation with the requestor.

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# PUR 2.11 Computer Purchases - Software and Hardware

Last Modified on 11/19/2018 4:32 pm EST

## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.11

Effective Date: 9/30/2014

Revised Date: 12/31/2015

Review Date: 12/31/2020

### COMPUTER PURCHASES – SOFTWARE & HARDWARE

#### Purpose

To establish standards, guidelines and procedures for the purchase of computer equipment and computer peripherals.

#### Policy

Information Technology must review and approve all computer and computer related purchases to ensure compatibility, suitability, and ensure support network resources needed for the equipment. Computer purchases include: desktops, laptops, speakers, scanners and all software, pda's, etc. No personal owned software or hardware may be used, connected to or installed on City provided network.

Information Technology will coordinate and facilitate the bulk purchase of all replacement computers, printers and new computers identified during the annual budget process. The City's standard configuration of a computer will be purchased

unless otherwise approved and budgeted for during the annual budget process. Exception to the standard will only be allowed upon valid, identified need and not personal preference.

Standard configuration for current computer and laptop is listed in the appendix.

### **Procedure**

- A. Using the Hardware and Software Request form located in Appendix
  1. Provide requestors information,
  2. Describe the need for the new hardware or software. Do not give specifications for what you think you want.
  3. Departmental approval is required.
  
- B. Send the Hardware and Software Request form with step 1 completed to the Information Technology Department.
  
- C. Upon receipt of your request, the Information Technology Department will gather information as necessary to understand your need and make an appropriate product selection. The resulting specifications, quote, and vendor will be returned to requestor for review and further processing.
  
- D. Upon receipt of the specifications and quote, the requestor is responsible for the creation of an appropriate purchase order and ultimate purchase order approval.
  
- E. The requestor is responsible to ensure the original purchase order is delivered to the Information Technology Department. Only upon receipt of the P.O. will the order be placed. The requestor or their respective department should not place the order; rather the Information Technology Department will perform this task. This ensures proper inventory documentation and proper installation.
  
- F. After placing the order, the Information Technology Department will monitor for accurate and complete receiving. When all the items have been properly received, the installation and/or setup process will occur within three (3) business days, unless otherwise agreed.

# PUR 2.12 Fleet Purchases

Last Modified on 11/19/2018 4:34 pm EST

## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.12

Effective Date: 9/30/2014

Revised Date: 12/31/2015

Review Date: 12/31/2020

#### FLEET PURCHASES

##### **Purpose**

To establish standards, guidelines, and procedures for purchase, receiving and record keeping for all City Vehicles.

##### **Background**

The City of Pearland maintains a centralized garage and fleet vehicle operation under Public Works. This centralized operation is responsible for the acquisition, maintenance, and disposal of the City's fleet of vehicles. (Vehicles are further defined to include tractors, trailers, cars, trucks, motorcycles, gradealls, etc.)

##### **Policy**

The Fleet Division will coordinate and facilitate the purchase of all replacement and new vehicles identified and appropriated in the annual operating budget receiving and disposing thereof. It is recognized that under certain circumstances, departments may specify specialized vehicles for their department, however, Fleet needs to review and approve as to capability, maintenance needs, etc.

Replaced vehicles taken out of service will not remain part of the City's active fleet. If in the case of special approved circumstances, replaced vehicles may be transferred to

another department and continue to be used.

## **Procedure**

1. Fleet will prepare specifications for the purchase of all vehicles appropriated in the budget based on the need and duties of the vehicle, as conveyed by the user department, not on department personal preferences. (Excluding specialized department vehicles).
2. Fleet will distribute to all appropriate departments a list of all replacement and new vehicles with Fleets recommended specifications for department review and sign off prior to forwarding to Purchasing to price.
3. Department requested changes to specifications must be valid, justified and approved by Fleet.
4. Any upgrade in vehicles (sedan to truck; F150 to F250; truck to SUV) must have been reviewed and approved during the budget process. Upgrades may be considered on a case by case basis, but no upgrades that increase the cost of vehicle over budgeted dollars will be considered, unless department funds are available within existing budget and approved by City Manager or his designee.
5. The final approved list of specifications (including unit numbers) will be forwarded to Purchasing by Fleet during the month of September to ensure the purchase and delivery of vehicles in a timely manner.
6. Purchasing will determine the appropriate purchasing method (cooperatives, competitive bidding, etc.) and proceed.
7. Any individual department cost overruns will first be funded out of the total vehicle budget, then secondly from within each department's budget.
8. Purchasing will prepare tentative list of vehicles in order for Fleet to provide new unit numbers.
9. Purchasing will prepare agenda item for Council approval and enter purchase order into system.
10. It is Fleets responsibility to monitor delivery timelines, invoice payment and

follow-up on delays, etc. with assistance from Purchasing.

### **Purchases – Department Specialized Vehicles**

1. Where appropriate, Departments will prepare specifications for their own vehicles however, Fleet must review and approve the specifications for compatibility and maintenance requirements. Fleet can recommend changes to specifications based on use, maintenance needs, etc.

### **Receiving**

1. All vehicles will be delivered to Fleet. It is Fleets responsibility to ensure what is delivered is what was ordered according to specifications and vehicles checked for damage.

2. Upon acceptance of vehicles, Fleet should receive the vehicle in the New World system.

3. Fleet should begin the title processing, inform Risk Manager in Human Resources for insurance requirements, and begin the detailing and installation of equipment, either done in-house or contracted out.

4. Any and all operating and fully functional equipment that can be transferred to the new vehicle from old vehicle will be. Just because we are replacing the vehicle does not justify replacing all the equipment.

5. Once the vehicle is ready, the department will be notified for pick-up. Issuance of keys, gas cards, insurance card, etc. will complete the transfer of the vehicle from Fleet to the department.

### **Disposal**

1. In conjunction with the transfer of a new vehicle to a department, the replaced vehicle will transfer to Fleet.

2. The vehicle should come to Fleet clean, inside and out, and for the most part ready to be auctioned.

3. Fleet will complete the vehicle processing to make the vehicle ready for auction.

4. Fleet will take pictures, and a completed vehicle inspection form which details the description and condition of the vehicle, to upload to the City's on-line auction site.
  5. Auction of vehicles should be done timely in order to avoid the City holding property that is no longer needed.
  6. Pick-up of auctioned vehicles will be at the Service Center and appropriate paperwork confirmed before transfer of vehicle to new owner.
  7. City Secretary handles transfer of title.
  8. Finance handles the sale of property for fixed assets and accounting records.
  9. Risk Manager is notified by City Secretary's Office to remove the auctioned vehicles from insurance.
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# PUR 2.13 Tie Bids

Last Modified on 11/19/2018 4:35 pm EST

## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.13

Effective Date: 9/30/2014

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## TIE BIDS

### Purpose

To document policy and procedures for awarding tie bids.

### Policy

In the event of a tie bid, the following criteria will be applied in sequence until a tie is broken.

1. First tiebreaker is delivery terms most advantageous to the City;
  2. In the case of equivalent delivery terms, or the absence of delivery terms, the bid will be awarded to a local (within City of Pearland) over a non-local bidder.
  3. In absence of delivery terms or local vendor, the bid will be awarded to a Historically Underutilized Business.
  4. The final tie-breaker shall be a coin flip by City of Pearland Purchasing personnel, with affected bidders invited to attend.
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# PUR 2.14 Contract Management

Last Modified on 11/21/2018 9:55 am EST

## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.14

Effective Date: 9/30/2014

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Review Date: 12/31/2020

## CONTRACT MANAGEMENT

### Purpose

To document policy and procedures for contract management.

### Policy

Departments requesting the work shall ensure that contractual services are being delivered in accordance with the contract terms, conditions, and pricing. Contract monitoring will ensure that quality services are provided and the department standards are maintained.

Monitoring is the active oversight of performance and includes review, reporting and follow-up to ensure:

1. Compliance with the terms and conditions of the contract
2. Fiscal responsibility
3. That corrective actions are implemented

## Procedure

I. Departments will appoint a "Contract Manager" for each contract who is responsible for enforcing performance of the contract terms and conditions and serves as the a liaison between the requesting department and provider.

Responsibilities include:

1. Conduct pre-performance conference prior to the start of contract to establish a common understanding of contract requirements and responsibilities.
2. Conduct monitoring activities, scheduled and unscheduled.
3. Document contract deficiencies and provide copies to Purchasing.
4. Review and communicate deficiencies with contractors and implement a corrective action plan as deemed necessary.
5. Keep Purchasing informed at all times for documentation purposes.

II. If deficiencies continue that are unacceptable to the department, the department will contact Purchasing. Contract will be reviewed by Purchasing for termination provisions. Contract will be terminated and services rebid.

City attorney to be involved for possible notices of contract default and liquidated damages, etc.

When a vendor is terminated from a contract, the vendor will not be considered for future work by the City, in any department.

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# PUR 2.15 Blanket Purchase Orders

Last Modified on 11/21/2018 9:58 am EST

## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.15

Effective Date: 9/30/2014

Revised Date: 12/31/2015

Review Date: 12/31/2020

## BLANKET PURCHASE ORDERS

### Purpose

To document policy and procedures for the use, creation and processing of a Blanket Purchase Order.

### Policy

1. A blanket order should be used where multiple/repeated purchases will be continuously made throughout the year to the same vendor, where there is no contract or agreement in place **and where expenses will be charged to multiple accounts**. Examples include office supplies, shipping expenses, chamber luncheons, paper products, etc. If there is a contract or agreement in place or only one or two account numbers are involved, then use of a Standard purchase order is required.
2. If you have a contract or agreement in place where multiple accounts/projects need to be charged, such as on-call contracts, and it is unknown until the time of purchase, use a blanket order, but reference clearly on the front of the order or in the comments section bid number, contract, resolution number etc.

3. A blanket order may be input for the anticipated annual amount not to exceed \$50,000.

a. A blanket order may not exceed a maximum period of 12 months – one fiscal year.

b. All blanket orders will expire at the end of the then current fiscal year – September 30<sup>th</sup>.

c. A blanket order does not encumber funds until payment is processed.

4. Limits

a. No **single item** purchased against a blanket purchase order should exceed \$2,999, unless already bid out or made in conjunction with an inter-local agreement already in place. Refer to Section 2.07 for single purchases exceeding \$2,999.

b. Total expenditures on the blanket order must not exceed the amount identified on the blanket. Requests for increases to existing blanket purchase orders shall require the entry of a Change Purchase Order in the amount of the increase; include justification for the requested increase in the item description (with the exception of Projects change orders, which are executed via formal written change order with appropriate signatures).

c. Blanket orders \$50,000 and above are subject to state bidding procedures. State law requires bidding procedures for like purchases throughout the year that meet the \$50,000 threshold – City-wide, not just by Department. Purchasing will review all blankets at the beginning of the year to identify those that may be subject to the bidding process. If you have such a purchase but have not conducted the bidding process, please enter the blanket up to \$25,000. Purchasing and the departments are responsible for monitoring these blanket purchase orders to ensure that the bidding process moves forward and a contract is in place as the \$50,000 threshold is approached.

5. Refer to [Section 2.02](#) for purchase order process.

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# PUR 2.16 Inspecting Receipts and Receiving Invoices

Last Modified on 11/21/2018 10:00 am EST

## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.16

Effective Date: 9/30/2014

Revised Date: 12/31/2015

Review Date: 12/31/2020

### INSPECTING RECEIPTS AND RECEIVING INVOICES

#### Purpose

To document policy and procedures for inspecting shipments/receipts and receiving invoices.

#### Policy

##### **I. INSPECTING**

Since there is not a central receiving point, each department is responsible for receiving commodities and services. Any shortages, late deliveries, damaged merchandise or other problems relating to the vendors' performance should be reported to the Purchasing Division as soon as possible. Initially, affected Departments should call the Purchasing Division, and follow up with a written explanation of the situation to the Purchasing Division to be kept on file for the vendor/contract.

## **A. Inspection**

When receiving ordered goods, the user will promptly conduct an initial inspection of the merchandise to determine its condition. A comparison is made of the goods received against the product specifications. Once a determination has been made that article(s) received meet specifications and are not damaged, denote "received" on the shipping/packing list.

## **B. Damage/Shortage**

1. **Visible damage** - If freight is visibly damaged, the receiver should instruct the freight line driver to:
  - a. Note the details of the damage and or shortage on the freight bill
  - b. Sign the freight bill and take receipt of the goods.
  
2. **Concealed damage** - If there has been concealed damage, save the shipping cartons. Notify the freight line and request an "inspection report of concealed damage". Denote the damage on the shipping/packing list also.
  
3. **Packing Materials** - All boxes and packing materials should be kept in the event of visible or concealed damage freight shipments until the situation is resolved with the shipper and/or the freight line company.
  
4. Do not use any of the goods received until the shipper has acknowledged that the goods may be used.

## **C. Reporting Damage/Shortages**

Damaged freight or shortages should always be reported to the freight line and shipper within the same day of the delivery, if possible.

## **D. Returns**

Damaged goods (supplies, equipment, or materials) should not be returned to the freight line, or the vendor. If the vendor/shipper requests return of the items, they will arrange for pick up. The items should be returned after determining that a claim that has been filed, and that authorization has been given by the vendor.

## **II. NON-SPECIFIED ITEMS**

**If it is suspected that non-specified items have been shipped** arrangements for the utilization of outside testing laboratories will be made by the Purchasing Division. Payment for testing will normally be made from the requesting departments' budget; however, if the test reveals non-spec material has been supplied, the vendor will pay for the testing or face disqualification from future bidding.

## **III. RECEIVING**

### **1. Goods**

Departments shall pay particular attention to the delivery/packing ticket, and how it matches the City of Pearland Purchase Order. The employee receiving the materials must verify that all items were shipped as stated on the delivery ticket prior to denoting "received" on the packing/delivery ticket. Once the goods have been confirmed received on the delivery/packing ticket, the receiving department should hold the paperwork to include with the invoice in New World when ready to process the invoice for payment..

### **2. Services**

Departments shall pay particular attention to the City of Pearland Purchase Order when signing a service ticket for services received to ensure the services match to the request. Once the services have been received along with a valid invoice the receiving department should include the service ticket and the invoice in New World when ready to process the invoice for payment. .

## **IV. INCOMPLETE/PARTIAL ORDERS**

In the event an order is incomplete, the department should make the inquiry with the shipper for scheduled shipment of the remaining order.

Vendors may invoice the partially shipped orders if the items received are independent in use of the remaining items to be received. The City has the responsibility to remit payment for goods within 30 days of receipt of invoice.

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# PUR 2.17 Change Orders

Last Modified on 11/04/2019 2:57 pm EST

## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.17

Effective Date: 9/30/2014

Revised Date: 12/20/2018

Review Date: 12/31/2020

#### CHANGE ORDERS

##### Purpose

To document policy and procedures for change orders.

##### Policy

1. A change order must be completed in New World when any of the following items in the purchase order has changed:

- a. Price
- b. Quantity
- c. Scope of Work
- d. General Ledger Account Number

1. Pursuant to state law, the following considerations apply to change orders for goods and services procured in accordance with Chapter 252 of the Texas Local Government Code (LGC):

- a. Change order amounts in excess of \$50,000 require City Council approval.
- b. The original contract amount may not be increased by more than 25%.
- c. The original contract amount may not be decreased by more than 25% without consent of the contractor.
- d. Funding must be available/appropriated to the requesting department before a change order request is approved.

1. Unit Price Contracts

a. For unit-price contracts (supplies or services), the contract or quote pricing shall be the table of unit prices contained in the successful bid response. In no event shall the table of unit prices contained in the successful bid response be modified except in accordance with the terms of the contract and all applicable purchasing procedures related to contract amendments.

b. The total Base Contract Amount represents the estimated expenditure for the quantity of supplies or services identified in the contract, and/or shall be the amount reflected in the "Expenditure Required" field of the authorizing Agenda Request (AR).

c. Unit-price contracts exceeding \$50,000 shall require City Council approval.

d. Cumulative increase(s) to the total Base Contract Amount in aggregate up to 25% may be approved administratively pursuant to Section 2.01, Authority Limits, without additional City Council action; except that any individual increase in excess of \$50,000 shall require City Council approval.

**e. For contracts that initially exceed \$50,000, cumulative increase(s) to the total Base Contract Amount, greater than 25%, shall require City Council approval with such approval establishing a new Base Contract Amount which shall be used when considering subsequent increases.**

**f. In the event the initial Base Contract Amount is less than \$50,000, any individual increase or combination of increases that result in the Base Contract Amount exceeding \$50,000 shall require City Council approval.**

g. The Requesting Department shall **NOT** authorize additional work orders under the original unit-price contract award until the requested Base Contract Amount increase is approved by City Council or pursuant to Section 2.01 of this Policy, and not until the affected purchase order has been increased in a commensurate amount.

## 2. Professional Services Contracts

- a. Pursuant to Texas Government Code, Chapter 2254 (Professional Services Procurement Act), professional service contract awards are not based on competitive bids, but must be based on the demonstrated competence and qualifications of respondents; such contracts shall be subject to the limits and provisions herein.
- b. Individual professional service contracts or amended contracts exceeding \$50,000 require City Council approval.
- c. Contract amendments less than \$50,000 may be approved pursuant to section 2.01 of this Policy;
- d. For contracts that initially exceed \$50,000, cumulative increase(s) to the Base Contract Amount, greater than 25%, shall require City Council approval with such approval establishing a new Base Contract Amount which shall be used when considering subsequent increases.**
- e. In the event the initial Base Contract Amount is less than \$50,000, any individual increase or combination of increases that result in the Base Contract Amount exceeding \$50,000 shall require City Council approval.**
- f. The Requesting Department shall **NOT** authorize additional work orders under the original professional service contract until the requested Base Contract Amount increase is approved by City Council or pursuant to Section 2.01 of this Policy, and not until the affected purchase order has been increased in a commensurate amount.

## 3. Capital Project Construction Contracts

Capital Project Construction contracts shall be subject to the following limits:

- a. Any contract exceeding \$50,000 shall require City Council approval.
- b. Any change order to a contract in excess of \$50,000 shall require City Council Approval.
- c. Any change order less than \$50,000 and not exceeding 25% of Original Contract Amount may be approved pursuant to Section 2.01 of this Policy.
- d. Under no circumstances may change orders to a contract cumulatively exceed 25% of the Original Contract Amount.**

### **Procedure**

1. If changes in plans or specifications are necessary after the performance of the contract has 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, the following shall apply.

a. The total Base Contract Amount or Original Contract Price may not be increased unless sufficient budgeted funds for increased costs are available for that purpose, and all provisions outlined in “Policy” section herein are met.

b. Changes to existing purchase orders that are not CIP related shall be facilitated through New World.

2. Requests for changes to existing purchase orders shall require the entry of a change purchase order request in New World in the amount of the increase, decrease, or account number change, and justification for the requested change in the Change/Correct Reason (with the exception of Projects change orders, which are executed via formal written change order with appropriate approvals).

3. Change Orders – CIP

a. CIP related change orders are to use the change order form and process as outlined in the Project Delivery Model.

b. Budget will review and check availability of project funding prior to approval. If funds are not available, Budget will contact Projects for funding options and prepare appropriate budget transfer of funds so long as scopes of projects will not be changed.

c. Upon approval by Budget and Finance, the change should be entered in New World and a copy of the change order form attached.

d. Change Orders in New World will require an approval process just as new purchase orders follow.

e. Council approved change orders will be processed upon receipt of signed/approved change order form.

4. NOTE: Sound judgment should be exercised to avoid separating change orders for work, which would typically be performed as a single work item, into smaller work items, to avoid the statutory threshold that triggers City Council approval.

# PUR 2.18 Contract Renewal Procedures

Last Modified on 11/21/2018 10:05 am EST

## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.18

Effective Date: 9/30/2014

Revised Date: 12/31/2015

Review Date: 12/31/2020

## CONTRACT RENEWAL PROCEDURES

### Purpose

To document policy and procedures for contract renewal.

### Policy

#### A. Terms

Renewal terms should be limited to two (2) renewals following the original term, with a maximum contract of five (5) years in duration. Exceptions may be made on a case by case basis when in the best interest of the City.

#### B. Multiple Award Contracts

When multiple vendor awards occur, if all vendors do not agree to renew, the contract in its entirety should be rebid.

#### C. Price Changes

Renewal terms, when the City has changed quantities (up or down) or when the vendor is proposing a price increase, changes shall be allowed only as dictated by

the appropriate bid specifications.

#### D. Vendor Performance

Vendor performance will always be a consideration when deciding whether or not to renew or rebid.

#### **Procedure**

Purchasing will monitor contract expiration dates. Approximately two (2) months prior to contract expiration, Purchasing will notify the department of contract expiration and request a recommendation on contract extension if applicable. The department's recommendation for contract extension shall be submitted to Purchasing within 5 days of receipt of the notification.

If the department has recommended a contract extension, Purchasing will prepare a letter to extend the contract as outlined in the original bid specifications. The letter is to be signed by the vendor agreeing to the renewal and subsequently filed in the bid file. If the contract is not extended, the requesting department will work with Purchasing to prepare bid specifications to rebid the contract.

If the contract renewal results in an anticipated expenditure in excess of \$50,000, Purchasing staff will assist the subject user department with preparation of an agenda request in the manner described in [Section 2.09](#) .

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# PUR 2.19 Architect and Engineering Procurement Policy (Project Related)

Last Modified on 11/21/2018 10:15 am EST

## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.19

Effective Date: 9/30/2014

Revised Date: 12/31/2015

Review Date: 12/31/2020

### ARCHITECT AND ENGINEERING PROCUREMENT POLICY (PROJECT RELATED)

#### Policy

All Engineering and Architectural Services will be procured as provided in Chapter 2254, Professional Services Procurement Act, Government Code, which requires the selection of the firm which is the most highly qualified provider of those services on the basis of demonstrated competence and qualifications.

#### 1. General Procedure

This process will be utilized when selecting prime consulting firms to provide civil, architectural and traffic engineering and planning services. The general procedure for evaluating and selecting Prime Architect-Engineer firms consists of:

- a. The Engineering Department will maintain a list of generally acceptable firms.A-E

firms are encouraged to utilize the U.S. General Services Administration, Standard Form 330 Architect-Engineer Qualifications (in a digital format), as a submittal to the City to request consideration.

- A database will be developed by the Engineering Department to manage the 330 forms during the selection process.
- The digital 330 forms will be refreshed every two years.

b. A User Department will establish the need for an A-E consultant and will prepare a brief project description and /or scope.

c. The Consultant Selection Committee members along with the User Department will individually utilize the project description to identify 3-5 firms per project that are qualified to provide the anticipated services.

- The Committee will consist of the City Engineer (committee chair), Project Director, a representative of the sponsor department and the Assistant City Manager.
- Committee members may request copies of Form 330 from Engineering to assist in their decision making process.

d. The Consultant Selection Committee and the User Department collectively will evaluate all the firms submitted for consideration and select no more than 3 firms for further consideration.

e. Firms selected for further consideration may be invited to appear for separate presentations to the Consultant Selection Committee and User Department. The engineers, architects and other personnel that will be assigned to the project will provide the presentation utilizing the scope and project description developed by the sponsor department. The presentation should define the consultant's understanding of the project, set forth the firm's approach to the project and establish the experience of the personnel assigned to the project. Each firm should submit a list (no more than 3 pages) of like projects, completed in the last 3 years, along with references that can verify quality of work performed.

f. Following the Consultant Selection Committee review of the presentations and reference check, a final ranking of the short listed firms will be prepared. All short listed firms will be notified of the top respondent selected based upon presentations and references.

g. Negotiations will be initiated with the top-ranked firm on the short list. The firm will

be contacted and requested to meet with the City to develop a detailed proposed scope of work and a schedule of fees for that work. If staff is unable to successfully negotiate a contract with the top-ranking firm, then staff will proceed to meet with the second ranking firm and enter negotiations with that firm. This process will be repeated until a successful contract negotiation has occurred, or the City terminates the process

## **2. Basis for Selection**

As a basis for evaluating the qualifications of an A-E firm during initial short list development and the firm presentations, the following elements merit consideration:

- a. The firm's past experience in performing similar assignments for other public owners, and the overall reputation of the firm.
- b. The depth of experience of the firm's staff in the particular field.
- c. The firm's ability to assign qualified staff that will be in responsible charge of the project and will be able to complete the work within the time schedule required.
- d. Location of project staff with respect to the general geographic area of the project.
- e. The consultant has, on past projects, demonstrated innovative concepts.
- f. Suggested project approach.
- g. Previous experience on municipal projects.
- h. Previous experience on Pearland projects.
- i. Knowledge of local conditions.
- j. Demonstrate firm's ownership in the project by addressing the following questions:
  - What is the firm's philosophy on project "Ownership"?
  - How the firm will ensure that all assigned personnel will take "ownership" of the project?
  - Provide examples of taking "ownership" in projects that the firm has led. How did this result in a better, faster, less expensive project outcome?
  - Explain the firm's Quality Assurance /Quality Control Policy. Is it a written policy?
  - What processes are in place to ensure the QA/QC Policy is followed?
  - Provide examples where the firm QA/QC Policy saved a client money by avoiding a significant mistake before the project was bid/under construction.

## **3. Selection of Firms, other than Prime**

The City will also utilize various consulting firms for services other than as a

prime consultant. These services include, but are not limited to: geotechnical, structural, mechanical, environmental, surveying, appraisal, materials testing, land acquisition, construction management and inspection services.

The City will establish a list of firms pre-qualified for these specific disciplines that are available to provide services to Prime Consultants. Firms wanting to become pre-qualified in specific disciplines should submit a request to the Engineering Department.

#### **4. Tie Procedures**

If criteria “a” through “j” above result in two or more firms being rated equal, then the following tie procedure shall be utilized.

1. Local firms are preferred over non-local firms. Local firm shall be defined as having an office staffed with firm employees with the City of Pearland.
2. Non-local firms who associate with local firm for the work are preferred over non-local.

#### **5. Availability of Funds**

No contracts may be entered into unless funds are appropriated and are available.

#### **6. Approval Authorization**

1. Any A/E services contract with a total fee amount exceeding the approval authorization of \$50,000 granted by the Council to the City Manager, must be approved by City Council.
  2. Contracts for A/E services with a total fee **not** exceeding the \$50,000 approval authorization granted by Council to the City Manager can be negotiated at the staff level with approval according to authority limits.
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# PUR 2.20 Professional Services

Last Modified on 11/21/2018 10:16 am EST

## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.20

Effective Date: 9/30/2014

Revised Date: 12/31/2015

Review Date: 12/31/2020

## PROFESSIONAL SERVICES

### Purpose

To document policy and procedures for procuring professional services other than architectural and engineering services.

### Background

"Professional Services" are services which involve mental or intellectual skills, usually accompanied by formal certification or licensing by a state agency, such as accounting, architecture, engineering, medicine, planning, economics, law, financial advisory services and scientific or laboratory consulting services.

State law exempts the purchase of professional services from competitive bidding requirements. User departments must select professional service consultants on the basis of demonstrated competence and qualifications, and must negotiate fees on the basis of what is fair and reasonable for the type of services, rather than on a "low bid" basis.

For professional services involving an anticipated fee of \$50,000 or less, the process

described may be followed in an informal manner by the user department. For services involving an anticipated fee of more than \$50,000, use a formal Request-For-Proposal ("RFP") in coordination with the Purchasing Department.

## **Procedure**

When a user department wishes to initiate an RFP to procure professional services, the following information should be provided to the Purchasing Division. The professional services must be budgeted and funding available before RFP is initiated.

1. A description of the project or activity to be undertaken by the consultant. (Scope of Work).
2. An outline of the types of information (e.g., education, professional association memberships, past similar projects, references, insurance requirements, etc.) that are to be submitted by the consultants for evaluation.

Projects or Purchasing Division will prepare a draft RFP and schedule as appropriate and review it with the User Department. The Purchasing Division will then place advertisements and distribute RFP's to potential consultants. Proposals will be evaluated either by the user department or by a team of employees appointed by the department or City Manager.

## **Evaluating the Proposal**

Proposals are evaluated either by the user department or by the team. Proposals must be carefully reviewed to determine whether proponents can provide services in compliance with the RFP's specifications, in a timely manner and at a reasonable cost.

The City Manager will determine who negotiates the fees for each professional service contract. The City Manager has the authority to approve the type and amount of fees charged for the purchase of professional services.

### **1. Fee Structures**

Fee structures typically included in professional services contracts are one of two types:

A. Fixed Fee: The fixed fee structure provides a firm price for all of the consultant's services. This type of fee structure is appropriate when the City's needs are well-defined and it is possible to closely predict the costs involved in executing the specified services. Minor adjustments to the scope of services and fixed fee will be in the form of Professional Services Contract Amendment (See Appendix)

B. Not to Exceed with Hourly Rate Cap This structure provides for the acquisition of services on the basis of direct labor costs at specified hourly rates (including salary costs, overhead, profit and general administrative expenses). A cap or ceiling price must also be negotiated at the outset of the contract. This type of fee structure is appropriate when the City's needs are not well-defined, or when the City can possibly achieve a cost savings by paying a consultant only for the hours worked on a project. This fee structure requires closer monitoring than does the fixed fee structured contract. Minor adjustment to the cap or ceiling amount in the hourly rate structure or the scope of services will be in the form of a Professional Services Contract Amendment. (See Appendix)

## 2. Additional Services

Additional services are those provided by a consultant that are outside the scope of services included in the contract. In a fixed fee contract, additional services must represent a substantial deviation from the scope of services. The fees for the provision of additional services must be negotiated in conjunction with the fee structure for the rest of the agreement. Compensation for additional services is normally computed based on an hourly rate schedule which includes salary costs, overhead, profit and general administrative expenses. A cap or ceiling amount of fees for additional services must be established in the additional services authorization and included in the total contract amount.

## 3. Reimbursable Expenses

Reimbursable expenses are out-of-pocket costs that may be charged to the City by the Consultant. These expenses must be related only to the City's project, and they include such things as travel, reproduction of documents, long distance communication, freight, subsistence and lodging. Reimbursable expenses are usually charged to the City at actual cost, however, in some instances they will be computed using a multiplier (e.g. actual cost of item x 1.10). Whether reimbursable expenses will be allowed and what items will be included as reimbursable must be negotiated in conjunction with the

fee structure.

Once the proposal has been evaluated and fees have been finally negotiated with the successful proponent, the Legal Department will formulate a contract based on the information in the RFP, the proposal, and additional information submitted by the user department and/or the City Manager. Negotiation of the terms of the contract is sometimes necessary with the consultant during contract preparation.

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# PUR 2.21 Protest and Contested Bids

Last Modified on 11/21/2018 10:18 am EST

## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.21

Effective Date: 9/30/2014

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Review Date: 12/31/2020

## PROTEST AND CONTESTED BIDS

### Purpose

To document policy and procedures for accepting and processing vendor protests and contested bids

### Policy

Bid Protest are filed by vendors because they seek remedy to a wrong, be it perceived or otherwise, which has inflicted injury or hardship to their company as a result of some action taken by the City during the bid process.

Notice of an intention to protest does not substitute for filing a protest following the form and content required within the deadlines stated. Further, casual inquiry or complaint that does not specifically identify the purpose as protest, and does not comply with the form, content and deadlines herein, are also not considered or acted upon as a protest action.

### Procedure

Certain concerns must be filed as a protest before bids are due. Any matter known, or

that should have been known by bidders, before the bid deadline, must be protested to the Purchasing Officer in writing as soon as practical, and at least three business days before the bid deadline.

Such matters include, but are not limited to:

- Complaints about events or decisions made before the solicitation deadline
- Complaints that the solicitation unduly constrains competition through improper minimum qualifications or specifications
- Complaints that the pre-bid conference was not fair or accessible
- Complaints that questions were not fully or properly addressed by the Purchasing Division
- Complaints that the RFP or ITB did not provide adequate information or contained improper criteria
- Other matters known or that should have been known to interested bidders by reading the solicitation document.

Protest over such matters will not be accepted after the bid deadline.

## I. NOTICE OF PROTEST

**After the bid deadline, only vendors that submitted a bid are eligible to protest.** If a department is contacted by a vendor wishing to protest the award of a bid or imply alleged improprieties or ambiguities in the bid process, the department should contact either the Purchasing Officer or instruct the vendor to contact the Purchasing Officer. The Purchasing Officer will attempt to determine the reasons behind the potential protest, and if unable to satisfy the vendor, will instruct the vendor to prepare a written protest. The written protest should:

- a. Include both the name and address of the protestor, as well as the vendor they represent.
- b. Identify the bid number and the item; and
- c. Contain a statement of the grounds for protest including any specific facts, reasons or basis for the protest and any supporting documentation. This statement shall be signed by an authorized agent of the company.

d. Notice of protest will be communicated to the Department, the City Attorney, Director of Finance, Assistant City Manager and City Manager.

## **II. STAFF REVIEW**

Protests must be submitted not later than three (3) days from notice of award (posted Council agendas). A decision and response to the protest will be prepared by the Purchasing Officer, in consultation with the department and the City Attorney, within ten (10) days of receipt of the protest. The response to the protest will include information regarding the right to an appeal the staff determination to the City Council. Within the ten (10) day time period the City will:

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

## **III. APPEALS**

If the protesting vendor does not agree with staff recommendation, they may pursue the following appeal channel:

Protests relating to staff recommendations may be directed to the City Council by contacting the City Secretary. All staff recommendations will be made available for public review prior to consideration by the City Council.

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# PUR 2.22 Emergency Purchase

Last Modified on 11/21/2018 10:20 am EST

## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.22

Effective Date: 9/30/2014

Revised Date: 12/31/2015

Review Date: 12/31/2020

## EMERGENCY PURCHASE

### Purpose

To document policy and procedures for emergency purchases.

### Policy

Emergency Purchase is a purchase made without following normal purchasing procedures. An emergency purchase is a procurement that is made necessary by a sudden, unexpected occurrence that poses a clear and imminent danger to public safety or requires immediate action to preserve, prevent or mitigate the loss or impairment of life, health, property or essential public services.

The use of emergency purchase orders should not be used to circumvent purchasing procedures. Failure to anticipate need or lack of planning shall not be considered an emergency.

### Procedure

1. Emergency Purchases During Normal Business Hours.

- a. Normal business hours are 8 a.m. to 5 p.m., Monday through Friday, except for City Holidays.
- b. The requesting department shall contact Purchasing via telephone (or email) to advise that an emergency purchase order is needed. This request should include a general description of the items needed and an estimate of the cost.
- c. The requesting department shall enter and approve a purchase order in New World for the goods or services being purchased with an estimate of the cost. The department should include notes in the reason for the emergency order.

## 2. Emergency Purchases Outside Normal Business Hours

- a. If an emergency occurs which requires the purchase of goods or services outside normal business hours, the supervisor on duty may initiate purchases necessary to mitigate the emergency without an approved purchase order.
- b. A New World purchase order for the goods or services being purchased shall be entered and approved by the requesting department the next business morning for issuance of an approved purchase order. The words “emergency purchase” shall be included in the description field.

## 3. Emergency purchases in excess of \$50,000 require Assistant City Manager or City Manager approval and shall be taken to Council for ratification as soon as possible after the emergency event.

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# PUR 2.23 Local Bidder Preference

Last Modified on 11/21/2018 10:21 am EST

## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.23

Effective Date: 9/30/2014

Revised Date: 12/31/2015

Review Date: 12/31/2020

### LOCAL BIDDER PREFERENCE

#### Purpose

To document policy and procedures for application of local bidder preference for business located within the Pearland city limits.

#### Policy

City Council has found it to be in the best economic interest of the City to implement a local bidder preference. This preference will be applied only for those businesses located within the city limits of Pearland, without regard for the location of the owner/operator's personal place of residence. This preference will be in the form of a percentage preference discount applied to a local vendor's bid ONLY for the purpose of evaluating bid responses for award. Subsequent orders, where applicable, will be for the full amount of the subject bid.

#### Procedure

1. Upon submission by a bidder of the "Local Bidder Preference Claim Form" (found

in Appendix and on City website), Purchasing and/or end user departments shall utilize the following preferences as applicable. NOTE: the form should be included in all City bid documents on formal bid solicitations (greater than \$50,000); City staff will be responsible for making the form known and available to local vendors for purchases of \$3,000 to \$50,000.

As allowed by Section 271.9051, apply a 5% preference to a local bidder on competitive sealed bids for the purchase of real property, personal property that is not affixed to real property, or services. This will apply to bids for purchases in the range of \$50,001 to \$499,999.99, or construction services up to \$99,999.99.

As allowed by Section 271.905, apply a 3% preference to a local bidder on bids (construed herein to mean those bids other than competitive sealed bids) for the purchase of real property or personal property that is not affixed to real property. This will apply to bids for purchases of \$3,000 to \$50,000.

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# PUR 2.24 Green Procurement

Last Modified on 11/21/2018 10:23 am EST

## CITY OF PEARLAND

### INTER-DEPARTMENTAL ADMINISTRATIVE RULES AND PROCEDURES

#### POLICY NUMBER: PUR 2.24

Effective Date: 9/30/2014

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Review Date: 12/31/2020

#### GREEN PROCUREMENT

##### **Purpose:**

The City of Pearland recognizes that we are a large consumer of a broad spectrum of goods and services. All of our purchases have an environmental impact resulting from the combined effect of a product's manufacture, delivery, use, and disposition. As a result, our purchasing decisions can positively, or negatively, affect the environment.

##### **Definition:**

Green purchasing is the practice of purchasing environmentally preferable products and services, which are products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those which contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxins disposed of or consumed.

##### **Why "Buy Green"?**

We are faced every day with the reality that many of the products we buy can cause

damage to the environment and/or public health. From the extraction of raw materials and the manufacture of products, to their use and disposal, products that we use everyday can be harmful. By purchasing environmentally preferable (EP) products and services we look to reduce those impacts.

**Policy/General Procedures:**

- In accordance with Council's Resolution declaring Pearland a "Green City", all departments of the City of Pearland are encouraged to purchase goods made with recycled materials or of recyclable or remanufactured products if it is determined that such preference would promote recycling or remanufacturing and/or
- All departments of the City of Pearland shall procure and use, whenever practicable, cleaning and/or sanitizing products having properties that minimize potential impacts to human health and the environment, consistent with maintaining clean and sanitary State facilities."
- Whenever practical, all departments of the City will eliminate the use of disposable and single-use products.
- The City will set standards for equipment and appliances, the purchase of cars and trucks, gasoline mileage standards and alternate fuel vehicles.
- The City will set standards for the purchase of recycled paper, which shall have minimum postconsumer or recovered materials content of no less than 30 percent.

**Goal:**

The City of Pearland will strive to balance environmental considerations with

performance, availability and fiscal responsibilities in making green purchasing decisions. We will strive to purchase more environmentally preferable goods and services as long as they meet acceptable use and performance needs and are available within a reasonable period of time at a reasonable cost. Nothing in this policy shall be construed as requiring a purchaser or contractor to procure products that do not meet needs, perform adequately, or exclude competition, or are not available at a reasonable cost or in a reasonable period of time.

**Hence forth**, the City of Pearland will give preference to environmentally superior products, where quality, function and cost are equal or superior.

The City of Pearland will consider the following environmental attributes when purchasing products and services:

- Durable, as opposed to single use or disposable items
- Non-toxic or minimally toxic, preferably biodegradable
- Highly energy and water efficient
- Recyclable, but if not recyclable, may be disposed of safely
- Made from materials that have been obtained in an environmentally sound, sustainable manner
- Made from recycled materials or that maximizes post consumer content
- Manufactured in an environmentally sound manner
- Causing minimal or no environmental damage during normal use or maintenance
- Shipped with minimal packaging (consistent with care of the product), preferably made of recycled and or recyclable materials
- Locally or regionally manufactured to minimize the environmental costs associated with shipping

### **Bidding and Contracting:**

When appropriate, City departments will include in Requests for Quotations a clause in its bidding specifications that reads: "City of Pearland is committed to buying products with recycled content or environmentally sustainable alternatives. Please offer any environmentally sustainable or eco-friendly alternatives that you feel are available for this product and supply all relevant specific information about the product."

Purchasing documents shall routinely include a sustainability statement in all of its Requests for Proposals and Requests for Information as follows:

### **Sustainability and Green Initiative**

In the interest of supporting the City of Pearland's Green initiative to reduce waste and extraneous use of natural resources, the City strongly encourage vendors to submit proposals following these guidelines:

- Electronic submittals via the City's e-bid system, Ionwave, are preferred.
- When submitting hard copy proposals:
  - oAll proposals should be submitted on two-sided recycled paper (minimum 30% post-consumer content).
  - oProposers should refrain from using three ring binders where possible, especially for the copies being requested. Three ring binders are acceptable if the size of the proposal warrants such use.
  - oProposers should refrain from using excessive and unnecessary packaging when shipping or mailing their responses
  - oProposers should consider presenting peripheral information (i.e. company and product brochures) on CD, DVD or USB drive where possible or practical.

### **Special Events and Sponsorships:**

In the interest of supporting the City of Pearland's Green initiative to reduce waste and extraneous use of natural resources, recycling containers will be provided at all City sponsored special events and at all events sponsored by the City where funds and/or in-kind services are provided.

### **City of Pearland Employees can make a difference!**

- Buy recycled copy paper with a minimum 30% post consumer content
- Buy energy-efficient office equipment
- Buy fewer pieces of office equipment (i.e. multi function devices versus separate copiers, printers, fax machines and scanners)

- Buy office supplies with recycled content or are otherwise environmentally friendly
  - Buy recycled toner cartridges
  - Recycle toner cartridges and ink cartridges
  - Print emails, reports and memos on two sided paper if printing is necessary Do not request paper catalogs if the vendor has an on-line catalog
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