



# Purchasing Policy

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## Purpose

To establish a uniform policy and procedure for obtaining goods and services that is consistent with legally mandated purchasing requirements. The application of a comprehensive policy is critical to all City of Pflugerville employees and stakeholders in order to ensure that public funds are expended in a responsible and legal manner.

## Application

This purchasing policy applies to all City employees involved in the purchasing process, which includes those who validate or authorize payment. Adherence to the purchasing policy is an individual and departmental responsibility. A breach of this policy or unauthorized departure from the procedures derived from this policy may result in disciplinary action and criminal penalties as outlined in Texas Local Government Code Chapter 252 Subchapter D.

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## Purchasing Overview

### Roles and Responsibilities

#### Purchasing Division

- Ensures that purchases are processed within guidelines established by Federal Law, State of Texas Statute, City of Pflugerville Ordinance.
- Obtains most advantageous pricing for goods and services for the City.
- Provides public confidence, transparency and trust in the procurement process.
- Maintains the integrity of the solicitation process to ensure fair and equitable treatment of vendors.
- Establishes term contracts to ensure continuing supply of goods or services for the City.
- Administers contracts for goods and services.
- Administers the P-Card program.
- Provides quality customer service.

#### Department

- Provides a clear and concise scope of work for the procurement of goods and services.
- Verifies proper budget source and funding availability for purchases.
- Ensures that competitive process is maintained by avoiding component, split or sequential purchases and that purchases and contracts exceeding \$50,000 or multi-year contracts are processed by Purchasing.
- Ensures that at least two historically underutilized business (HUB) vendors are contacted, and 3 quotes are collected when seeking informal quotes for goods or services up to \$50,000.
- Ensures that Purchasing and P-Card policies and procedures are followed by staff.

#### Legal

- Provides legal advice and guidance on purchasing issues and will prepare formal correspondence if needed.

#### City Manager's Office

- City Manager or authorized designee approves all contracts that are \$50,000 or below or purchases and contracts up to \$200,000 from the [authorized purchases](#) list pre-approved by City Council.

#### City Council

- Contracts and purchases for goods and services over \$50,000 require City Council approval. Interlocal agreements between the City and other governmental entities also require City Council approval regardless of dollar amount. Contracts approved by City Council will be signed by the Mayor.

## Contracting Authority

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

<b>Contract Amount</b>	<b>Role of Authority</b>
\$0 - \$2,999.99	Department Director
\$3,000 - \$24,999.99	Deputy/Assistant City Manager or authorized designee
\$25,000 - \$49,999.99	City Manager or authorized designee
Contract Renewals Less than \$50,000	Finance Director or authorized designee

## Contract Management

City departments will send all contracts to the Purchasing Division for entering into the City's financial system. All change orders, authorization of change in services, and final payment request will come through the Purchasing Division for review and contract compliance for further processing. For contracts utilizing Federal funds, contractor oversight will comply with 2 CFR 200.318 (b). The City Manager or designee is responsible for the settlement of all contractual and administrative issues arising out of procurements.

For all contracts that require approval by City Council, the Purchasing Division will maintain all Certificate of Interested Parties Form 1295 and all non-disclosure statement for any employee or participant involved in the creation of a specifications, evaluation of bid/proposal or award of contract.

## Legal Requirements

- If the City is processing a Request For Quote (RFQ) between \$3,000 and less than \$50,000, per Section 252.0215 of the Texas Local Government Code at least two HUB vendors need to be contacted on a rotating basis. Historically Underutilized Business (HUB) vendors are identified through the State of Texas Comptroller CMBL [List](#) for Williamson and Travis County by commodity [code](#).
- Purchasing will perform a debarred vendor check to ensure that the selected vendor is not debarred from doing business with the State or Federal Government for any one-time purchase or contract that is \$25,000 or more.
- Contracts and/or expenditures over \$50,000 for the purchase of goods and services that fall under Section 252.021 of the Texas Local Government Code require a formal competitive sealed solicitation. The solicitation is advertised in the newspaper and posted on the City's website for a minimum of 14 days and is required to be approved by City Council prior to contract execution.
- Purchasing strategies to avoid competitive bidding requirements are prohibited. Section 252.62 of the Local Government Code states that "A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly makes or authorizes separate, sequential, or component purchases to avoid the competitive bidding requirements of Section 252.021." This is a Class B Misdemeanor. These include:
  - Component Purchases - purchasing components that would normally be purchased as a whole
  - Separate Purchases - purchasing items in a series of purchases that could be made in a single purchase.
  - Sequential/Serial Purchases - Purchases made over a period that should be procured through a competitive process at the same time.
- All Contracts and/or expenditures in excess of \$50,000 must be approved in advance by City Council regardless of the procurement method. This applies to:
  - Purchase(s) made in the same fiscal year from the same vendor for the same goods or services that total over \$50,000.
  - A Contract that is executed for more than \$50,000 regardless of term.
- Contracts for \$50,000 or less require the City Manager's or authorized designee signature as well as purchases and contracts pre-approved by City Council.

## Purchasing at a Glance

From	To	Method	Notes
	<b>Under \$3,000</b>	<b>Check Request</b>  <b>P-Card</b>  <b>Manual Purchase Order</b>	<ul style="list-style-type: none"> <li>• A check request form will be submitted along with the related invoice</li> <li>• P-Cards can be used for purchases under \$3,000. Purchases over \$3,000 cannot be split into separate purchases.</li> <li>• Manual Purchase Order can be used if requested or required by the vendor.</li> </ul>
<b>\$3,000</b>	<b>\$50,000</b>	<b>Contract and/or Purchase Order</b>	<ul style="list-style-type: none"> <li>• Purchase Order requires: <ul style="list-style-type: none"> <li>– Request for Quote (RFQ) with a minimum of three written quotes and documentation to show that at least two registered HUB vendors were contacted.</li> <li>– OR Cooperative or Exempt Purchase</li> <li>– OR Existing City contract</li> </ul> </li> </ul>
	<b>Over \$50,000</b>	<b>Contract and/or Purchase Order</b>	<ul style="list-style-type: none"> <li>• One-time purchase or contract requires a formal solicitation issued by Department or Purchasing <ul style="list-style-type: none"> <li>○ OR Cooperative or Exempt Purchase</li> <li>○ OR Purchase order issued from an approved City contract.</li> </ul> </li> </ul> <p><b>Note: Contract and City Council approval is required for new purchases and contracts.</b></p>

## Purchases Less Than \$3,000

Individual department directors may exercise discretion regarding the procurement of goods or services when the estimated expenditure is less than \$3,000. These purchases will be accomplished by means of a City issued P-Card, check request with invoice, or manual purchase orders if required by the vendor. Competitive quotations or formal bidding are not required, but competition is recommended. A single purchase may not be purposely split or separated into smaller components to stay within the dollar amount.



## Purchases of \$3,000 But Less Than \$50,000

A Request for Quote (RFQ) for the purchase of goods that cost \$3,000 or more but are less than \$50,000 that are not on an existing City contract can be conducted by the Department or Purchasing. A total of three informal quotes are required and at least two Historically Underutilized Business (HUBs) must be contacted during the RFQ process.

### Contracts

If a purchase requires a contract, the user department will work with Legal and Purchasing to prepare a contract. Services of \$3,000 but less than \$50,000 may be:

Minor Construction Contracts: the department will designate a project manager from internal Facilities Management staff for all minor construction projects for all City buildings.

Professional/Personal Services Contracts: For professional service the user department will work with Legal and Procurement to prepare a professional services contract using standard templates.

Note: Goods or services procured through the RFQ method will result in a purchase order or contract for goods or services ordered and received in the current fiscal year (October 1st-September 30th). If the need to order and receive goods or services goes beyond the current fiscal year Purchasing will identify the correct procurement method and process the request.

Governing Policy: [Texas Local Government Code, Chapter 252](#)

## Purchases Over \$50,000

The Texas Local Government Code requires either competitive bidding or competitive Request for Proposals (RFP) for City purchases including high technology, insurance and all other purchases exceeding \$50,000 with few exceptions. City employees are prohibited from making “separate, sequential, or component purchases to avoid the competitive bidding requirements”.

A violation of these prohibitions is a Class B misdemeanor (\$1,000 fine and/or 180 days in jail), and conviction results in immediate removal from office or employment and ineligibility for other public office or employment for four years after the date of conviction.

All purchases utilizing Federal funds will comply with 2 CFR 200.318 (b), 2 CFR 200.323-324 and 2 CFR 200.326.

City Council approval is required for the purchase of goods and service over \$50,000.

### Request for Qualifications

Departments will create RFQ(s) utilizing the City’s RFQ standard document and submit to Purchasing. Request for Qualifications is a two-stage procurement process in which firm’s qualifications are submitted, reviewed, and evaluated to identify the most qualified firm(s). Once the most qualified firm is identified the City will request pricing and negotiate both price and terms with the most qualified firm. All RFQ(s) will be posted on the City’s on-line bidding system by Purchasing. Purchasing will post all award information in the bidding system. It is the user departments responsibility to evaluate the quotes and submit all evaluation documentation to Purchasing. If three or more quotes cannot be obtained documentation will show a good faith effort to contact City of Pflugerville vendors registered by commodity.

### Professional Services

"Professional Services" are those services which involve mental or intellectual skills, usually accompanied by formal certification or licensing by a state agency, such as accounting, architecture, land surveying, engineering, medicine, real estate appraisal services. Section 2254 of the Government Code prohibits the purchase of professional services using competitive bidding requirements. User departments will select professional service consultants based on demonstrated competence and qualifications and will negotiate fees based on what is fair and reasonable for the type of services, rather than on a "low bid" basis. Except for architects, engineers and surveyors’ services as discussed below, both price and qualifications can be considered in selecting consultants.

When utilizing HUD funds acceptable contract structures for professional services are lump sum, cost plus fixed fee, or unit price (contracting mechanisms that reduce risk on the side of the grantee and set caps on the contractors.)

Governing Policy: [Texas Local Government Code, Chapter 2254](#)

## Architects/Engineers/Surveyors

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

## Contract Amendments

All contract amendments will be approved by the City Council if the contract was originally approved by the City Council. Amendments not originally approved by the City Council and not involving the expenditure of additional money in excess of \$50,000.00 may be approved by the City Manager.

## Construction Projects

Construction projects include construction activities for facilities and infrastructure improvements. The City Manager will designate a City employee, usually a department director, to serve as Project Manager of each construction project. These projects sometime involve the acquisition by the City of real property, right-of-way, or easements, which will be completed before the project is advertised. In addition, State law requires most public works projects to be designed and overseen by a registered professional engineer or architect, who can be either a City employee (Engineering Department) or a contracted consultant.

### *Alternative Methods of Delivery for the Construction of Structures*

What are alternative delivery methods for City construction projects?

The alternatives to the basic competitive bidding model of construction procurement are best-value competitive bidding, competitive sealed proposals, construction management-agent, construction management at-risk, indefinite delivery/indefinite quality, and job order contracting.

What benefits can alternative delivery methods provide cities?

Alternative delivery methods have some advantages over traditional competitive bidding. In the traditional competitive bidding process, a contract must be awarded to the lowest responsible bidder. Subjective considerations such as the contractor's track record on a particular type of project, anticipated use of minority and local contractors, and other factors generally cannot be considered. When subjective criteria are used in the selection process, the City will have greater flexibility to choose contractors that can provide maximum quality on every project.

### *Change Orders*

After a construction contract is awarded, if changes are necessary in the scope of work, the contract price, or the contract time, staff will prepare a change order on a City approved form.

After a bid has been awarded, the City may still increase or decrease the quantity of work to be done or the materials or supplies to be furnished if it is necessary to do so. Such changes may not increase or decrease the original contract price by more than 25 percent. If the City wants to decrease the contract amount by more than 25 percent, it needs to obtain the approval of the contractor for such a change. There is no comparable authority for the City to simply gain contractor approval to increase the amount of the order by more than 25 percent. In such a situation, the City would need to seek bids or proposals for the work or products that would be beyond the 25 percent amount.

The City Council delegates to the City Manager the authority to approve change orders less than a \$50,000 decrease or increase in the contract amount.

1. Change orders involving an increase of \$50,000 or less or involving a decrease in funds will be executed by the City Manager after review by the Finance and Legal departments.
2. Change orders involving an increase of more than \$50,000 will be approved by City Council after review by the Finance and Legal departments. Change orders will be distributed after approval and execution by the City Manager.

### Rental and Lease Equipment

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

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

Governing Policy: [Texas Local Government Code, Chapter 252](#)

## **Exempt Purchasing Functions**

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

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

### **Emergency Purchases**

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

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

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

## Sole Source

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

- Items that are available from one source because of patents, copyrights, secret processes, or natural monopolies
- Films, manuscripts, or books published and available from only one source
- Gas, electricity, water, and other utility services
- Captive replacement parts or components for equipment
- Books, papers, and other library materials for public library that are available only from the persons holding the exclusive rights to the materials

Sole Source purchases are exempt from competitive solicitation. Departments should use their best professional judgement when selecting a vendor. Contracts or purchases over \$50,000 require City Council approval. When City Council approval is necessary, a detailed explanation of the sole source basis for the purchase will be included by the user department on the agenda request form.

Brand specific purchases are not necessarily exempt from competition. Some of the questions to ask when considering sole source are:

- Why is the procurement a sole source?
- Why is the vendor the only viable solution?
- Are there other resellers, distributors, or dealers in the market?
- Has this procurement been competitively solicited in the past? How has the City been procuring this item or service previously?
- Are there any other acceptable alternative solutions (e.g. brands)? If not, what makes them unacceptable?
- Is there a concern regarding warranty, compatibility, health, and public safety, and/or routine safety?
- Are there territorial or geographic restrictions for the product distribution and sale?
- What other suppliers or products/services were considered?

## Other Exemptions

In addition to sole source purchases Section 252.022 of the Texas Local Government Code allows for other reasons that expenditures may be exempt from competition. These include:

- A procurement necessary to preserve or protect the public health or safety of the municipality's residents
- A procurement necessary because of unforeseen damage to public machinery, equipment, or other property.
- A procurement for work that is performed and paid for by the day as work in progress
- A purchase of land or a right-of-way
- 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
- A public improvement project, already in progress, authorized by the voters of the municipality, for which there is a deficiency of funds for completing the project: in accordance with the plans and purposes by Subchapter C, Chapter 212
- Personal Property sold:
  - at auction by a state licensed auctioneer.
  - at a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code; by a political subdivision of this state, a state agency, or an entity of the federal government.
  - under an Interlocal contract for cooperative purchasing administered by a regional planning commission established under Chapter 391.
- Services performed by blind or severely disabled persons, ex. Contract TIBH
- Goods purchased by the municipality for subsequent retail sale by the municipality.
- Advertising, other than legal notices

Governing Policy: [Texas Local Government Code, Chapter 252.022](#)

## Cooperative and Interlocal Purchasing

A Cooperative purchase is a procurement based on a contract that has been competitively bid and issued by another government or purchasing alliance with the intention of sharing it with other government entities. Cooperative agreements are sometimes referred to as “piggybacking” from another entity’s contract. The use of Purchasing Cooperatives provides for volume discount pricing and expedited placement of orders. A complete list of authorized Cooperative Purchasing Organizations is provided in [Appendix A](#).

Individual purchase orders may be processed using a Vendor’s cooperative contract up to \$50,000 per year without City Council approval provided that the Vendor has presented to the City a valid quote referencing the cooperative contract number. Either a single or multiple purchase orders issued to a vendor for the same goods or services, using a cooperative contract in an amount that exceeds \$50,000 per year for the same goods or services will require City Council approval. The cooperative contract number must appear on the vendor’s quote. If multiple orders will need to be placed against the cooperative contract with the same vendor and the total is expected to exceed \$50,000 in a fiscal year the City will work with Legal to develop a formal contract for City Council approval that will “piggyback” from the cooperative contract. There are several advantages to the City establishing our own contract including possible volume discounts, a dedicated vendor representative, a scope of work developed to meet City needs, shortened ordering process, a price list as well as delivery and billing terms that will comply with City, State and Federal procurement guidelines.

In addition to the CPOs listed in Appendix A the City can also establish Interlocal Agreements to utilize other local government’s competitively bid contracts. When using the contract of another governmental agency, the City agrees to the same terms and conditions of that contract, including terms and pricing. The execution of an Interlocal Agreement requires City Council approval regardless of dollar amount.



## Authorized Purchases List

The Authorized Purchases List (APL) is used to reduce the number of smaller purchases going to City Council for approval. Finance will work with the departments during the annual budget process to develop an authorized purchases list for City Council approval prior to the start of each fiscal year.

Once the authorized purchases list is approved by City Council the City Manager may execute contracts and purchases in excess of \$50,000 up to \$200,000 through the City Managers agenda process if certain criteria applies:

- The item costs \$200,000 or less
- The item does not require the Mayor's signature.
- The purchase does not deviate from the original purpose as designated on the list
- Actual cost is no greater than 10% or \$10,000 of the approved amount
- City Council does not require the item to come back to them for approval

City Purchasing Policy applies to all purchases on the authorized purchases list and those purchases may still require a formal solicitation and/or contract.

## Purchasing Transaction Methods

Before an order is placed for goods or services the transaction method needs to be identified. There are three methods for procuring goods and services: a check request, P-Card, or purchase order. Both the check request and P-Card are used to pay for smaller dollar items. A purchase order is used to procure items from a City contract for any dollar amount and for non-contract purchases over \$1,000.

### *Check Request*

A check request is used to pay for goods or services up to \$1,000 per invoice or for invoices greater than \$1,000 if the type of purchase is listed below. This transaction method is used if the Vendor does not accept credit cards (for purchases of \$3,000 or less) and the items being purchased are not available from a City contract. It is very common to process a check request for membership dues, subscriptions, licensing fees, seminar fees, mileage reimbursement and other exception payment types using this method.

#### Payment Exceptions:

- Advertising
- Artists, musicians, sports referees or similar
- Books, brochures, and educational materials
- Event fees
- Fees associated with bond sales, legal fees or any fees required by law
- Legal settlements
- Magazine, newspaper, and periodical subscriptions
- Membership dues
- Payments processed through pre-encumbered contracts
- Permits
- Postage and postage meter
- Professional licenses, certification, and exam fees
- Property tax, real estate, and real estate appraisals
- Refunds, rebates, and program incentives
- Seminar and training fees
- Sponsorships
- Utility bills and telephone bills (not cellular)

### *P-Card*

A City P-Card can be issued to a City employee if approved by their Supervisor. Once issued a P-Card can be used to purchase one-time, small dollar purchases up to \$3,000 provided that the item is not being purchased from a City or cooperative contract. A detailed receipt is collected and entered into the City's Financial System as part of the monthly P-Card approval and reconciliation process. The City of Pflugerville Purchasing Card Policy and Procedures must be followed to retain possession and authorization for use of a City P-Card. Violation of the policy may include, but not limited to, disciplinary action such as suspension/termination of P-Card

privileges, or termination of employment. P-Card is the preferred method of payment for smaller transactions.

### *Purchase Order*

A purchase order is the most common transaction method for ordering goods or services. A purchase order is created from a department requisition. Purchase orders are issued for both one-time purchases over \$1,000 and purchases made from an approved City or cooperative contract regardless of dollar amount. A purchase order achieves several important objectives; it encumbers money from the Department Budget and City contract in financial system (if applicable), it details the goods or services being ordered and communicates to the Vendor that the order is approved for processing and delivery. When sending the purchase order to the Vendor, City staff should instruct the Vendor to complete the order and to include the City's purchase order number on the Vendor's invoice.

## Grants Compliance

Once a Grant has been approved following the City's Grants Compliance Guidelines, expending approved grant funds requires the City to follow Section 8: Uniform Grant Guidance-Federal Procurement Rules; 2 CFR 200.320. In most cases the City's purchasing thresholds are more conservative than the Federal purchasing thresholds, however purchasing guidelines for each grant are unique and must be reviewed in advance of collecting bids, proposals, or quotes.

Purchasing will perform a debarred vendor check to assure that the selected vendor is not debarred from doing business with the State or Federal Government on any purchase or contract that is \$25,000 or more.

## Gifts and Gratuities

City staff should always conduct business with integrity and in a transparent and ethical manner. City staff should avoid the appearance of purchasing decisions being influenced by a Vendor because of a personal relationship or personal benefit to the City Employee.

It is not uncommon for Vendors doing business with the City to present gifts to City employees, especially during the holidays. Before accepting any gift, the employee will need to consider if the gift is in compliance with the City of Pflugerville Employee Handbook. A City employee may not solicit or accept any benefit, gift favor, funds, or service they know, or suspect is offered to influence their official conduct. The employee may accept unsolicited advertising or promotional materials such as pens, pencils, note pads, calendars, and other items of nominal value. Because no list would be complete, employees must use their judgement, but should refuse gifts that a reasonable person may believe could have the appearance of impropriety.

## Purchasing Definitions

- **Addendum:** An addition or supplement to a document, e.g., items or information added to a procurement document.
- **Best Value Competitive Bidding Method:** Bidding method is a procurement method by which the City contracts with a contractor for the construction, alteration, rehabilitation, or repair of a facility by awarding the contract to the lowest responsible bidder
- **Bid:** A complete, properly signed response to an Invitation for Bid. Which if accepted, would bind the Bidder to perform the resulting agreement.
- **Bidder:** A person, firm or entity that submits a Bid, signed by an authorized representative, in response to an Invitation for Bid.
- **Bid Sheet:** A document, signed and dated by a Bidder, containing unit and extended bid process for all goods and/or services, identified by item numbers and descriptions, for which Bids are being submitted.
- **Buyer Approved Equal:** Used to indicate that an item may be substituted for a required item if it is equal in quality, performance, and other characteristics.
- **Change Order:** A document modifying information concerning goods and/or services, price, and/or quantities in an existing contract/purchase order; if the total amount of the contract/purchase order is increased by the change order, the change order may require approval by a different authority than that used to approve the contract/purchase order and/or previous change orders. The total of all change orders cannot exceed 25% of the original contract/purchase order amount.
- **Competitive Sealed Process:** Procurement method by which a City requests proposals, ranks the offerors, negotiates as prescribed, and then contracts with a general contractor for the construction, rehabilitation, alterations, or repairing of facility
- **Contract:** A mutually binding legal document obligating the Vendor to furnish the goods, equipment or services specified within the solicitation and obligating the City to compensate in accordance with the conditions of the Contract.
- **Contract Amendment:** also known as contract addendums or revised contracts refers to making modifications to, correcting, deleting from, or adding to an existing contract proposal after an initial bid. The issuance of contract amendments takes place after some days or months from the date when an initial bid was issued.
- **Contract Purchase Order:** A purchase order issued referencing a City of Pflugerville Contract. The purchase order issued from a contract is the Vendor's authority to deliver and invoice the City for the Goods and/or Services specified in the City's contract, and the City's commitment to accept the Goods and/or Services for an agreed upon contract price. A contract purchase order is posted against the City's contract through a requisition and

reduces the contract dollar authority while also encumbering funds against the Department's budget.

- **Construction:** The construction, repair, rehabilitation, alteration, conversion, or extension of buildings, parks, utilities, streets or other improvements or alterations to real property.
- **Construction Management:** The construction manager-agent method allows cities which may not have the in-house expertise and/or sufficient staff to effectively oversee a construction project to employ an agent to oversee a project on their behalf
- **Construction Manager at Risk:** A construction manager-at-risk (CMAR) assumes the risk for construction, rehabilitation, alteration, or repair of a facility at the contracted price in the same manner as a general contractor, but also provides consultation to the City regarding construction during and after the design of the facility.
- **Deliverables:** The goods, products, materials, and/or services to be provided to the City under a purchase order or contract.
- **FOB Destination:** (Freight prepaid and allowed). Seller pays the freight charges and Seller is responsible for goods in transit.
- **Goods:** Supplies, materials, or equipment.
- **Historically Underutilized Business (HUB) Vendor:** Has received a State of Texas Comptroller's Office designation as a Historically Underutilized Business. <https://comptroller.texas.gov/purchasing/vendor/hub/>. When a purchase is anticipated to cost over \$3,000 a minimum of two HUB vendors must be contacted for a quote or bid.
- **Indefinite delivery/indefinite quantity:** Allows the City to select multiple entities that will compete for future contracts or task orders under the umbrella of the main contract.
- **Interlocal Agreement:** An agreement that is executed to authorize cooperative purchasing, or other services, between two or more governmental entities.
- **Invitation for Bid (IFB):** A document used to solicit a formal; competitive or multi-step sealed bids that is advertised in the newspaper and posted on the Internet for a known commodity or service. IFB's are based on a set of published specifications and the specifications and price are.
- **Job Order Contracting:** The job order method for procurement may be used for the maintenance, repair, alteration, renovation, remediation, or minor construction of a facility when the work is recurring in nature and the time or quantities required are indefinite
- **Non-Professional Services:** Skilled or unskilled labor or professional work, but do not include professional and consulting services, as defined in Texas Government Code, Section 2254.
- **Offer:** A complete signed response to a Solicitation including, but not limited to, an Invitation for Bid, a Request for Proposal, a Request for Qualification Statements, or a Request for Quotation.

- **Personal Services:** Only those services which are performed personally by the individual who is contracted to perform them.
- **Pre-Bid / Pre-Proposal Meeting:** A meeting that is scheduled to take place during a formal solicitation process. Vendors are invited to attend to receive information from City Staff pertaining to the Solicitation. This meeting may be mandatory or optional and may also include a site visit.
- **Professional Services:** Are occupations in the tertiary sector of the economy requiring special training in the arts or sciences. Some professional services require holding professional licenses such as architects, auditors, engineers, doctors, and lawyers. professional and consulting services, as defined in Texas Government Code, Section 2254.
- **Purchase Order (PO):** A written document issued by the City to a vendor formalizing all the terms and conditions of a proposed transaction, to include but not be limited to, a description of the requested item, delivery schedule, terms of payment, transportation, delivery location, price, quantity, and special instructions. The purchase order conveys to the vendor the authority to deliver and invoice the City for the Goods and/or Services specified, and it represents the City's commitment to accept the Goods and/or Services for an agreed upon price.
- **Purchaser:** The Purchaser is a position in the Purchasing Division of the Finance Department. The Purchaser is solely responsible for preparing and posting formal IFB, RFP, RFQs or RFA solicitations over \$50,000 for goods or services or for multi-year contracts regardless of the dollar amount on behalf of City departments.
- **Request for Information (RFI):** A non-binding method whereby a jurisdiction publishes via newspaper, internet, or direct mail its need for input from interested parties for an upcoming solicitation. A procurement practice used to obtain comments, feedback, or reactions from potential suppliers (contractors) prior to the issuing of a solicitation. Generally, price or cost is not required. Feedback may include best practices, industry standards, technology issues.
- **Request for Proposal (RFP):** The document used to solicit proposals from potential providers for goods and services (Respondents). Price is usually not a primary evaluation factor. Provides for the negotiation of all terms, including price prior to agreement award. May include a provision for the negotiation of Best and Final Offers. May be a single step or multi-step process.
- **Request for Qualifications (RFQs):** A document which is issued by a procurement entity to obtain statements of the qualifications of potential development teams or individuals (i.e. consultants) to gauge potential competition in the marketplace, prior to issuing the solicitation.
- **Request for Quote (RFQ):** A small order amount purchasing method for goods or services expected to be ordered and received in the same fiscal year. A request is sent to suppliers



along with a description of the commodity or services needed and the supplier is asked to respond with price and other information by a pre-determined date.

- **Requisition:** A requisition is an electronic document created by the Department in the financial system to request a purchase order for goods or services. The requisition will identify the vendor, commodity code, a description goods or services to be ordered, budget codes and a contract # (if applicable). Through an electronic approval process in the financial system the requisition is converted to a purchase order.
- **Services:** Work performed to meet the requirements and demand of said purchase order or contract. The furnishing of labor, time, or effort by the vendor and their ability to comply with promised delivery dates, specification and technical assistance specified.
- **Subcontractor:** Any person or business entity employed to perform part of a contractual obligation under the control of the principal contractor for fulfillment of a purchase order or contract with the City. Any supplier, distributor, vendor, or firm that furnishes supplies or services to a prime contractor or another subcontractor to fulfill their obligations with the City.
- **Vendor:** Person or business enterprise providing goods, equipment, labor and/or services to the City as fulfillment of obligations arising from a contract or purchase order.

## **Appendix: A**

### **Authorized Cooperative Purchasing Organizations (CPOs)**

Current established Cooperative Purchasing Organizations (CPOs) operating within the State of Texas and authorized by City Council are:

- BuyBoard
- (DIR) Department of Information Resources
- GoodBuy Cooperative Program
- GSA Schedule 70 and 84 (Federal)
- (HGAC) Houston Area Council of Governments
- (NCPA) National Cooperative Purchasing Alliance
- National Purchasing Partners.Gov
- OMNIA Partners (formally National IPA, TCPN & US Communities)
- (PCA) Purchasing Cooperative of America
- Sourcwell (Formally NJPA)
- The Interlocal Purchasing System (TIPS)
- (TXMAS) Texas Comptroller - Texas SmartBuy\*
- Choice Partners

\*Note: "Texas SmartBuy" orders are processed online by Purchasing staff.