PROCUREMENT MANUAL
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I. GOALS AND OBJECTIVES

Procurement is defined as the acquisition of goods and/or services at the best possible cost, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of the City.

The City of Victoria Purchasing Department is responsible for organizing and administering the procurement of supplies, equipment, and services for the City in a manner that will result in the best value. Purchasing personnel will work closely with departments to provide the types of goods and services necessary in conformance with ethical practices as well as City policy and procedures.

The Purchasing Department will assist each department and their staff in procuring quality goods and services at the best possible price that is necessary to provide the citizens with the services they expect. Quality goods and services will be purchased within the guidelines of all applicable Federal, State, and Municipal purchasing laws. The Texas State Legislature has passed and made Chapter 252 a part of the Local Government Code and it will be the policy of the City of Victoria to fully comply in all aspects with the rules, regulations, and procedures contained therein. Additionally:

- Purchasing may further delegate certain types of purchasing activities to the departments and establish procedures for departments to follow when making delegated purchases;
- Purchasing will have final discretion and responsibility for vendor selection and award of requisitioned procurements. Any changes to purchase requests will be communicated back to the requesting department prior to issuance of the Purchase Order. Where the competitive process is not required and purchasing discretion is permitted, Purchasing will review all requisitions as to whether bidding would provide better value to the City;
- Purchasing will maintain an online Procurement Manual containing procedures, guidelines and general information related to common types of City purchasing activities;
- Purchasing will ensure responsible bidders are given a fair opportunity to compete for the City’s business. This is done by the statutory requirements for competitive bids and proposals, as well as the City’s own established procurement procedures. Purchasing will post all competitive bidding opportunities through an online bidding system with which any vendor can participate;
- Purchasing will strive to achieve and maintain various certifications from Public Procurement organizations for the policies and procedures implemented therein;
- Purchasing will make provisions for sole source or other proprietary purchases. When a department cannot consider alternative products, that department must provide to the Purchasing Department a detailed justification explaining why other vendors or other products are not acceptable. In addition, the vendor must provide a written letter further justifying their sole source product. The Purchasing Department will make the determination, with the assistance from Finance and Legal as needed, based on information provided by the department, as to whether requests are sufficiently documented to qualify as a true sole source purchase. Only after Purchasing has approved the sole source request will the purchase request be processed. All existing documentation must be reviewed and updated annually. (Refer to Sole Source Justification Memo – Appendix E);
- Regardless of the source of funds or dollar level of purchase, the Purchasing Department will make a good faith effort to purchase from state certified Historically Underutilized Businesses (HUB) as required by law to the fullest extent legally permissible and will make a good faith effort to meet local, state, and federal laws for doing business with HUBs;
- The Purchasing Agent is designated as the primary Purchasing Card (PCard) Administrator. Alternate PCard administrators are listed in the Purchasing Card Program Policy (Appendix D). The primary administrator will be responsible for maintaining an online PCard Manual containing procedures, guidelines and information for City PCard transactions;
The Finance Department may make changes to the Procurement or Purchasing Card procedures as necessary. Significant procedural changes are to be reviewed and approved by the Director of Finance prior to implementation;

Purchasing will monitor the expenditure of all public funds throughout the procurement process. Although Purchasing does not usually designate or initiate the types of purchases to be made, they will see that the best value is received for the public dollar;

Purchasing Staff will achieve and maintain proper training and certification as necessary. The Purchasing Agent will obtain no less than eight hours of procurement related training annually. Each additional purchasing staff member is encouraged to attend training annually related to procurement procedures;

Purchasing will facilitate the proper training of all departmental procurement staff and maintain periodic updates of any changes in the procurement process;

Purchasing will maintain Centralized Purchasing objectives within all aspects of the procurement process.

**Noncompliance with Competitive Bidding Requirements**

- If a city enters into a contract without complying with the requirements of Chapter 252, the contract is void. Any property tax paying resident of the city may bring suit in district court to stop the performance or payment of the contract. Further, if the contract is for the construction of public works, a person who submitted a bid for a contract for which the competitive sealed bidding requirement applies, regardless of residency, may bring suit in district court to stop the performance or payment of the contract.

- If a person fails to comply with the competitive bidding or competitive proposal procedures required by Local Government Code Chapter 252, that person may be convicted of a Class B misdemeanor. This includes a situation in which a person makes or authorizes separate, sequential, or component purchases in an attempt to avoid competitive bidding requirements. Class B misdemeanors may be punished by a fine of up to $2,000, confinement in jail for up to 180 days, or both the fine and confinement.

- Under Texas law, an individual is automatically removed from his or her position if that person is finally convicted of failing to comply with the competitive bidding or competitive proposal procedures required by Local Government Code Chapter 252. Once removed from office, such a person may not hold any public office in this state for four years after the date of final conviction. Also, for four years after the date of final conviction, the convicted person may not be employed by the city where the person was serving when the offense occurred and may not receive any compensation through a contract with the city. The convicted person may, however, continue to receive any retirement or workers’ compensation benefits.

- State law provides that any official (elected or city staff) who is convicted of failing to comply with competitive bidding or competitive proposal requirements under the Local Government Code is subject to certain punishment. It would appear that a prosecuting attorney could seek charges against any city staff or elected officials who authorized a criminally illegal purchase practice. What would constitute such an approval is not clear and would depend on the facts involved.

This manual is prepared to inform and instruct each department and their staff of the many methods of procurement and the responsibilities of all those involved in the procurement process.

This manual cannot address every situation; and, when an unusual situation occurs or a difficult legal problem arises, the final authority for City procurement procedures is the law itself as interpreted by the Legal Department.
II. ETHICAL STANDARDS AND RELATIONSHIPS

Any individual engaged in procurement for or with the City of Victoria will comply with the following ethical standards:

**Personal Gain**

City employees will not attempt to realize unauthorized personal gain through employment with the City of Victoria or by any conduct inconsistent with the proper discharge of the employee’s duties.

**Influence of Public Employee**

City employees will not attempt to influence any public employee of the City of Victoria to violate the standards of conduct set forth by the City.

**Participating in Procurements with Family or Friends**

City employees will not participate directly or indirectly in procurement for the City of Victoria when the employee knows that:

- The employee or any member of the employee’s immediate family has a financial interest pertaining to the procurement;
- A business or organization in which the employee, or any member of the employee’s immediate family, has a financial interest pertaining to the procurement;
- A business or organization in which a City Council member, or anyone of the City Council member’s immediate family, has a financial interest pertaining to the procurement;
- Any other person, business or organization with which the employee or any member of the employee’s immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

**Gratuities and Kickbacks**

City employees will not accept or solicit any money, property, service or other thing of value which can be construed in any way intent to influence the employee in the discharge of their duties. An award or gift officially given in a public ceremony may be accepted by a specific individual when approved by the Department Head and/or City Manager.

**Confidential Information**

City employees will not knowingly use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any person.

**Purchase of Materials, Equipment and Supplies for Personal Use**

City employees will not purchase City property for their own personal use unless it is purchased through the City’s public auctions or through the sealed bid sale process of the City. This includes new and used equipment, materials or supplies.
**Private Purchases through City Facilities**

City employees will not use the purchasing power of the City of Victoria to make private purchases. In addition, employees will not have private purchases sent to the City C.O.D. to be paid for by the employee.

- Such purchases may give citizens the erroneous impression that something dishonest is being perpetrated.
- It may be considered a mild form of blackmail on the merchant involved who desires to do business with the City.
- It may evade sales tax, which is illegal.

**Disclosure of Certain Relationships**

Chapter 176 of the Local Government Code requires a vendor to file a conflicts of interest questionnaire if the vendor has a business relationship with the city and has: (1) an employment or other business relationship with an officer or an officer’s family member that results in the officer receiving taxable income that is more than $2,500.00 in the preceding twelve months; or (2) has given an officer or an officer’s family member one or more gifts totaling more than $250 in the preceding twelve months.

Vendors or respondents must fill out and file a conflicts of interest questionnaire no later than the 7th day after (1) the person begins contract discussions or negotiations with the City or submits to the City an application, response to a request for proposals or bids, correspondence, or another writing related to a potential agreement with the City; or (2) the date the vendor becomes aware of a relationship or gives a gift to an officer or officer’s family member.

The Conflict of Interest (CIS & CIQ) forms can be found in *Appendix A*. 
III. DUTIES AND RESPONSIBILITIES

PURCHASING DEPARTMENT

Purpose

- Recommend to the Director of Finance and/or City Manager those policies and procedures needed to ensure that goods are acquired, stored, disbursed, utilized, and disposed of in a uniform and economical manner.
- Aid all departments in understanding established procurement policies and procedures in order to ensure that they are consistently followed.
- Provide resources as necessary to all departments in order to improve the City’s procurement procedures.
- Review all purchase requisitions and issue the Purchase Order, which obligates the City for purchases as required for daily service of the citizens of Victoria.
- Review all Purchasing Card transactions for adherence to the City’s Purchasing Card policy.

Responsibility

- Serve as a central resource facility for all departments in obtaining information or documentation as needed from other governmental entities in order to facilitate the procurement process.
- Assist the individual departments in the development of quality and quantity specifications for goods and services to be purchased along with required delivery schedules. Purchasing will also assist the appropriate departments with the preparation of all formal bid specifications to ensure minimum formal bidding requirements are met.
- Be responsible for legal advertising, invitations to bid and bid openings for all materials, supplies, and construction contracts.
- Encourage competition between vendors through negotiations, competitive bidding, and quantity buying by continuously monitoring requisitions by all departments to facilitate consolidation of purchases where possible.
- Solicit evaluations and recommendations from all departments on goods and supplies received from individual suppliers in order to monitor vendor performance.
- Use cooperative purchasing programs with state agencies and other local government units when cost-effective to ensure the City is receiving the best value.
- Encourage combining current City bids and requests for services with similar requests from other local government entities (i.e. police cars, pickup trucks, etc.) to allow for volume purchasing resulting in discounts in pricing.
- Facilitate the disposal of surplus, obsolete and worn-out scrap material at City auctions, online auctions, through interlocal agreements or other approved auction methods.
- Maintain an online bidding system for all requests for proposals (RFP), Invitations to Bid and all other competitive bidding opportunities. This system will show the status of all current as well as expired bid processes including the recipient of the bid.
REQUESTING DEPARTMENT

Responsibility

• Plan their work so that “rush orders” and emergencies will be held to an absolute minimum.
• Notify the Purchasing Department far enough in advance for all requests to allow sufficient time to meet all procedures of the procurement process.
• Allow sufficient time for the Purchasing Department to issue a purchase order and the vendor to make delivery.
• Develop bids and specifications that require an engineering or technical background unique to their department. Purchasing will provide assistance as requested.
• Supply to the Purchasing Agent an estimated timeline of events for all approved budgeted capital expenditures that will require the formal bidding process in the current Fiscal Year. This list should be submitted to the Purchasing Agent in advance to allow for sufficient time to facilitate the procurement process.
• Inform the Purchasing Department of any abnormal or unusual demands.
• Avoid obligating the City without a purchase order, except for an emergency or expedited purchase, as outlined in this manual.
• Enter purchase requisitions with each item containing a complete, clear, concise description of each item or service requested in order to complete the Purchase Order process.

FINANCE DEPARTMENT

Responsibility

• Monitor the annual appropriations as approved by the City Council.
• Monitor all purchases, including but not limited to Petty Cash, Purchasing Card, Accounts Payable Vouchers and Purchase Requisitions for adherence to the procedures established within this Policy.
• Monitor and assist the daily operations of the Purchasing Department as well as all Requesting Departments.
• Assist the Purchasing Department with the administration and enforcement of procedures as outlined within this policy as well as all local, state and federal regulations.
• Review each purchase requisition for sufficient funds and proper coding before authorizing a purchase or issuing a purchase order.
• Issue asset numbers when warranted, following established internal control for asset tracking.
• Assist the Purchasing Department and the Requesting Department in the resolution of any vendor disputes.
IV. PROCUREMENT PROCEDURES

The following dollar limits and authorization requirements have been developed for any routine purchase of goods, supplies or equipment and apply to each order in total. All purchases are subject to the annual appropriations as approved by City Council.

(Refer to Appendix B for a quick reference guide on limits and authorization required.)

A. Dollar Limits and Authorization Required:

Purchases of $.01 to $100.00
1. May be purchased using Petty Cash, PCard (recommended) or Purchase Order.
2. Requires Department Head or Department Designee approval.
3. Online purchases using PCard only with established COV Online vendors – Appendix C
4. Written quotes not required but recommended to ensure best price.

Purchases of $100.01 to $1,000.00
1. May be purchased using PCard (recommended) or Purchase Order.
2. Requires Department Head or Department Designee approval.
3. Online purchases using PCard only with established COV Online vendors – Appendix C
4. Written quotes not required but recommended to ensure best price.

Purchases of $1,000.01 to $2,499.99
1. Written quotes not required but recommended to ensure best price.
2. Requires Department Head or Department Designee approval.
3. Requires Purchase Order.

Purchases of $2,500.00 to $24,999.99
1. Requires three written or catalog quotes. The requesting department should forward to Purchasing any quotes obtained to complete the ordering process.
2. Requires Department Head or Department Designee approval.
3. Requires Purchase Order.

Purchases of $25,000.00 to $49,999.99
1. Requires minimum of three written quotes. The requesting department should forward to Purchasing any quotes obtained to complete the ordering process.
2. Requires Department Head approval.
3. Requires City Manager approval if necessary.
4. Requires City Council approval.
5. Requires Purchase Order.

Purchases $50,000.00 or greater
1. Requires competitive bids or proposals in compliance with Chapter 252 of the Texas Local Government Code, unless exempt therein (see Texas Local Gov’t Code Section 252.022 for exemptions from competitive bidding requirement).
2. Requires Department Head approval.
3. Requires City Manager approval.
4. Requires City Council approval.
5. Requires Purchase Order.
B. Methods of Purchase:

**Petty Cash** – Petty cash is commonly used for small incidental parts and supplies needed immediately and that can be procured locally (i.e. individual item under $100.00 but no more than $100.00 total).

**Purchasing Card (PCard)** – Individually assigned purchasing cards designed to procure necessary items locally or online using the established COV online vendors without having to initiate a purchase requisition. (Refer to Purchasing Card policy – Appendix D and COV Online Vendors – Appendix C).

**Purchase Requisition** – Formal electronic request entered into the City’s financial software system. It is the first step after the need for a good or service is determined. It includes a system of authorizations and safeguards to protect against improper or illegal purchasing.

**Annual Supply Contracts** – Used to satisfy State bidding laws requiring sealed competitive bidding on purchases $50,000 or greater (i.e. fuel, water meters, asphalt supplies, etc.). Annual Supply Contracts are also used to satisfy competitive bidding requirements for sequential, component or separate purchases on items routinely purchased throughout the budget year.

**Maintenance Contracts (Services)** – Provides a method to make periodic payments for work or services performed by a contractor. Requires a written contract signed by both parties.

**Construction Contract** – Contract for construction of a public work. State law contains extensive requirements for construction contracts that vary depending on the amount expended. These requirements include, but may not be limited to worker’s compensation insurance, payment on prevailing wage rates, payment bonds (contracts over $50,000) and performance bonds (contracts over $100,000).

**Professional Services Contract** – Services which involve the use of mental or intellectual skills, often accompanied by formal certification or licensing by a state agency, such as land surveying, real estate appraisal, consulting, computer programming, accounting, architecture, engineering, planning, legal, financial advisory services and scientific or laboratory consulting services. State law exempts the procurement of these services from the competitive bidding requirements.

**Automation and Technology Contract** – All automation procurements will be reviewed and approved, in writing, by the City of Victoria Information Technology Department prior to advertisement or purchase. This includes all software, hardware items and peripherals.

**Sole Source Purchases** – Purchases that can be made from only one source because of patents, copyrights, secret processes, captive replacement parts or captive equipment components unique to a particular source that are essential to the requirements of the City and can be provided by no other source. When a department desires to purchase a sole source product and will not consider alternate products, that department must provide to the Purchasing Department a detailed justification explaining why alternate vendors or products are not acceptable prior to the purchase request. In addition, the vendor must provide a written letter further justifying their sole source product. If the purchase is for $25,000 or greater, then the City Council must also approve the sole source purchase. All existing documentation must be reviewed and updated annually. (Refer to Sole Source Justification Memo – Appendix E).

**Emergency Purchases** – An emergency is unforeseen damage to public property, machinery, or equipment, and such breakdown would significantly disrupt the operation of the City or significantly increase the cost of City operations. If an emergency arises and an immediate purchase is necessary, a Department Head may authorize a purchase if necessary to alleviate the situation. After the emergency is subsided, please contact the Purchasing Department or Finance Department to discuss the matter and inform them of any purchases made. If it is after hours, please contact either department the next business day. If the purchase is $25,000 or greater, the City Manager approval is strongly recommended, if possible, prior to purchase.
Cooperative Agreements – Cooperative purchasing agreements allow the City to purchase property or services via contracts established by other governmental entities or agencies that have already been through the formal bid process and the lowest or best qualified bidders have been approved. These agreements satisfy statutory requirements for competitive bidding process required on purchases over $2,500.00. Whenever deemed appropriate, the City of Victoria Purchasing Department will utilize cooperative purchasing agreements. (Refer to the Cooperative Purchasing Agreement listing – Appendix F).

Travel Voucher – Use of a Travel Voucher is required for all City related Travel and Lodging, including registration and conference fees. (Refer to the Travel Policy – Appendix G).

Accounts Payable Voucher – Use of an Accounts Payable Voucher (APV) is only acceptable for payments not requiring any of the above mentioned methods. Generally, these services have been previously authorized by a separate agreement or contract. The Accounts Payable Voucher is available on the Intranet to all departments and the original invoice must be attached. (Payments will not be made from vendor statements or sales quotes, only original invoices.) The following services can be submitted to the Finance Departments using an APV:

- Utility Services (i.e. electricity, natural gas, etc.)
- Telephone / Cell phone / pager / Cable TV / Internet payments
- Advertising payments (i.e. classified ads, employment ads, etc.)
- Membership Fees and Dues, Notary Fees, Professional Dues and Licenses
- Necessary service (repairs, cleaning, etc.) to City property and equipment
- Petty Cash Reimbursements
- Operating Leases / Maintenance Agreements
- Invoices for Professional Services (i.e. Attorney Fees and Engineering)
- Interlocal Agreements
- Reimbursements / Payments to other Agencies
- Reimbursements / Payments to other Employees
- Employee Payroll and Health Plan related Payments / Reimbursements
- Contract Labor Services
- Customer Deposit Refunds
- Transmittal of Fees to State of Texas
- Emergency expenditures related to damage of City property and equipment
- Exceptions approved in advance by Director of Finance and / or City Manager

C. Initiating the Procurement Process:

The Procurement Process begins when a department identifies a need for goods or services. Once the necessary departmental authorization is granted, the departmental designee initiates the electronic purchase requisition. Electronic purchase requisitioning is a formal request entered into the City’s financial software system requesting a purchase be made and the issuance of a purchase order sent to the appropriate vendor. It includes a system of authorization and safeguards to ensure the appropriate procurement process is followed. Preparation must be done far enough ahead of the date that the goods or services are needed to allow sufficient time for processing including:

- Obtaining bids or price quotations, including freight or shipping costs
- Processing bids, placing purchase orders or concluding contracts
- Allowing for delivery of goods or services
Before a Purchase Requisition is entered, the requesting department should have the following information:

1) Requestor’s name and location for delivery;
2) Complete description of item(s) being ordered. Specifications should be concise, but complete in detail. The catalog number, model number or quote number alone may not be sufficient to process the order;
3) Quantity and unit of measurement for each item;
4) Either estimated or actual cost. (Note: Estimated cost should be reasonably accurate.) Include any freight or shipping costs as a separate item;
5) Complete account coding for each item;
6) Suggested source (Desired Vendor) for the goods. The key words here are suggested source. The Purchasing Department will make the final determination on the vendor used. Any changes to the desired vendor will be communicated back to the requesting department prior to issuance of the Purchase Order;
7) Any special instructions to ensure proper delivery.

(Refer to Appendix H for instructions on completing a Purchase Requisition and associated processes).

The Finance Department will review the requisition for the proper account coding. Once the Purchasing Department receives the requisition, it will be reviewed for completeness. If everything is complete on the Purchase Requisition, it will be prioritized and a Purchase Order processed accordingly. Any changes made by Purchasing to the purchase request will be communicated back to the requesting department prior to finalization of the Purchase Order. This Purchase Order will be sent electronically to the vendor to authorize the purchase. Please allow three to five business days for processing of the purchase request and notice of intent to order sent to the respective vendor.

Generally, allow sufficient time for delivery of most goods or materials after a Purchase Order is issued. Once the vendor ships the goods, it is the department’s responsibility to inspect and approve the goods. If all items received are acceptable, a goods receipt should be performed against the PO. Once the Purchase Order is complete, payment will be made to the vendor.

(Refer to Appendix I for an overview of the Requisition Procurement Process).

D. Procurement Procedures:

A purchase totaling more than $2,500.00 requires the initiating department and/or Purchasing to obtain at least three written or catalog quotes. Obtaining additional comparisons to obtain the best price is highly recommended.

The requesting department should obtain price estimates on each purchase to determine the budget impact and verify the appropriate funds are available. If the department is obtaining estimates, the vendor must be advised that the price information being requested is only an estimate and that final bidding procedures and actual order placement will be performed by the Purchasing Department. The Purchasing Department will review the purchase requests and may obtain additional quotes if necessary. Any changes made by Purchasing to the purchase request will be communicated back to the requesting department prior to finalization of the Purchase Order. Purchasing is available for any assistance during this process.

Any estimates or quotes obtained by the requesting department should be emailed to the Purchasing Department (purchasing@victoriatx.org) for assistance in processing the purchase request. Please indicate any name or other contact information on the quotes that would assist in processing the request.
E. Competitive Bidding Process (Purchases $50,000.00 or greater)

Chapter 252 of the Texas Local Government Code requires governmental entities to purchase goods and services with a value exceeding $50,000 via competitive sealed bids or proposals, except as exempt therein. Exceptions to the bidding requirement are detailed in Texas Local Government Code § 252.022, and include procurements:

1. made because of a public calamity;
2. necessary to preserve or protect public health or safety;
3. necessary because of unforeseen damage to public machinery, equipment, or other property;
4. for personal, professional, or planning services;
5. for work performed and paid for by the day as the work progresses;
6. of land or right-of-way;
7. of items available from only one source, including:
   a. patents, copyrights, secret processes, or natural monopolies;
   b. films, manuscripts, or books;
   c. gas, water, and other utility services;
   d. captive replacement parts or components for equipment;
   e. library materials sold by persons with exclusive distribution rights to them;
   f. management services by a nonprofit organization for a museum, park, zoo, or other facility;
8. of rare books, papers, and other library materials for a public library;
9. of improvements that are at least 1/3 paid by special assessments levied on benefited property;
10. of items for in-progress, fund-deficient, voter-approved, public improvement projects;
11. under Chapter 212 developer participation contract for construction of public improvements;
12. of personal property sold:
   a. at an auction by a state licensed auctioneer;
   b. at a going out of business sale complying with Tex. Bus. & Com Code § 17.81, et. seq;
   c. by a Texas political subdivision or state agency or an entity of the federal government; or
   d. under cooperative purchasing contract administered by a regional planning commission;
13. of services performed by blind or severely disabled persons;
14. of goods for subsequent retail sale by the City;
15. of electricity;
16. of advertising, other than legal notices; or
17. through alternative procurement mechanisms pre-determined by the City Council to provide the "best value" for the City, including competitive proposals, and the following procurement mechanisms for the construction of above-ground facilities:
   a. design-build;
   b. construction manager;
   c. job order contracts.

Purchases may not be divided into procurements of less than $50,000 apiece for the purpose of avoiding the competitive bidding requirements.
To use the competitive sealed bidding process, the requesting department should:

1. prepare or obtain technical specifications for the goods and/or services required:
   a. determine if consultants, engineers, architects or other professionals will be required to
      assist in preparation of technical specifications;
   b. engineers or architects are required for construction of public works projects exceeding
      $20,000 and electrical or mechanical engineering projects exceeding $8,000 (Occupations
      Code §1001.053).
2. incorporate the technical specifications into the City's standard bid package. Contact Purchasing
   for an example bid package for the purchase of goods and for the standard bid package for
   construction services or for any assistance in the bidding process;
3. submit proposed bid package to the Legal Department for comment and/or revision;
4. submit approved bid package to Purchasing for placement on City website, plan rooms, etc.;
5. request Purchasing to advertise for bids in compliance with Chapter 252 of Texas Local
   Government Code;
6. conduct pre-bid meetings as necessary;
7. assist Purchasing with public opening of bids;
8. assist Purchasing with tabulating bids and determine which is the lowest responsible bid:
   a. Bids may be split to obtain lowest prices if splitting is specified in the bid documents;
   b. Tie bids are decided in accordance with Tex. Local Government Code § 271.901 by:
      1. choosing the City resident, if only one tied winner is a City resident;
      2. if (1) above does not apply, casting lots in presence of City Council.
      3. If the City chooses, the City may reject all bids in this event.
   c. When indicated in the bid specifications and requirements for goods or services, City must
      award the contract to the lowest responsible bidder or to the bidder who provides those goods
      or services at the best value for the municipality, determined by criteria listed in the bidding
      documents.
      1. Contracts for goods less than $500,000 or services less than $100,000 may be awarded
         to a local business if that bid is within 5% of the lowest bid price received from a non-
         local bidder, if Council determines in writing that the local bidder offers the "best
         combination of contract price and additional economic development opportunities for
         the local government created by the contract award (Note---local bidder must
         complete questionnaire disclosing bidder's profit margin and other information to
         potentially qualify for this bid preference).
      2. Contracts for goods may be awarded to a local business whose bid is within 3% of the
         lowest bid received, if Council determines, in writing, that the local bidder is
         providing those goods at the "best combination of contract price and additional
         economic development opportunities for the local government created by the contract
         award."
9. submit CM-1 for City Council consideration, recommending acceptance or rejection of bid;
10. submit complete bid package with all contract documents completed by contractor & necessary
     bonds to Legal Department to obtain signatures of City officials.

The status of all bids and proposals will be maintained by the Purchasing Department through an online
tracking system. This system will show the status of the bid as well as provide any pertinent information
necessary to the bid.
The following divisions of responsibilities have been developed regarding the overall formal bidding process on bids:

**Bids for Supplies, Materials and Equipment:**

**Purchasing Department**
- Assisting requesting department with development of specifications as needed.
- All advertising required by law will be placed by the Purchasing Department. If the Requesting Department or Outside Engineer chooses to facilitate the advertising, Purchasing should be informed and updated as any details change.
- Releasing of invitations to bid to prospective bidder. If the Requesting Department or Outside Engineer chooses to release the invitations to bid, Purchasing should be informed and updated as any details change.
- Responsible for receiving and opening bids.
- Performing the tabulation of bids and sending to Requesting Department.
- Processing of Purchase Order for goods once approved.

**Requesting Department**
- Responsible for developing and approving specifications with assistance from the Purchasing Department as needed.
- Conveying prospective bidders to Purchasing Department.
- Assisting Purchasing Department with the tabulation of bids.
- Responsible for evaluating bids.
- Reviewing the tabulation of bids and making bid recommendation.
- Preparing CM-1 form for the City Council meeting.
- Presenting the recommendation during the respective City Council meeting.
- Notifying the Purchasing Department of the approved City Council action.
- Clearing the Purchase Order once all items have been received and accepted.

**Bids for Services:**

**Purchasing Department**
- Assisting requesting department with development of specifications as needed.
- All advertising required by law will be placed by the Purchasing Department. If the Requesting Department or Outside Engineer chooses to facilitate the advertising, Purchasing should be informed and updated as any details change.
- Releasing of invitations to bid to prospective bidder. If the Requesting Department or Outside Engineer chooses to release the invitations to bid, Purchasing should be informed and updated as any details change.
- Responsible for receiving and opening bids.
- Performing the tabulation of bids and sending to Requesting Department.
- Processing of Purchase Order if necessary once approved.
Requesting Department

- Responsible for developing and approving specifications with assistance from the Purchasing Department as needed.
- Conveying prospective bidders to Purchasing Department.
- Assisting Purchasing Department with the tabulation of bids.
- Responsible for evaluating bids.
- Reviewing the tabulation of bids and making bid recommendation.
- Preparing CM-1 form for the City Council meeting.
- Presenting the recommendation during the respective City Council meeting.
- Notifying the Purchasing Department of the approved City Council action.
- Clearing the Purchase Order once all items have been received and accepted.

Bids for Construction:

Purchasing Department

- Assisting requesting department with development of specifications as needed.
- All advertising required by law will be placed by the Purchasing Department. If the Requesting Department or Outside Engineer chooses to facilitate the advertising, Purchasing should be informed and updated as any details change.
- Releasing of invitations to bid to prospective bidder. If the Requesting Department or Outside Engineer chooses to release the invitations to bid, Purchasing should be informed and updated as any details change.
- Responsible for receiving and opening bids.
- Assisting the Requesting Department with the tabulation of bids.
- Processing of Purchase Order if necessary once approved.

Requesting Department

- Responsible for developing and approving specifications with assistance from the Purchasing Department as needed.
- Responsible for tabulating and evaluating bids.
- Responsible for making bid recommendation.
- Preparing CM-1 form for the City Council meeting.
- Presenting the recommendation during the respective City Council meeting.
- Issuing notice to proceed once approved by City Council and contract fully executed.
- Monitoring and administration of construction contract once approved.

All specifications and documents related to each individual formal bidding procedure will be available on the City of Victoria website. The status of each process, including both active and expired solicitations, will be updated on the City’s website so any interested vendor can obtain necessary information or updates.
F. Historically Underutilized Businesses (HUBs)

Purchasing actively seeks opportunities for Historically Underutilized Business (HUB) firms to provide the goods and services needed to support the mission, administrative, and logistical operations of the City. Purchasing is committed to increasing contracting opportunities for HUBs. Purchasing actively supports and encourages participation by soliciting offers, bids and proposals from HUBs when the opportunity arises. Awards are made based on the best value through competitive pricing.

Purchasing, in conjunction with the City’s HUB Coordinator, will attempt to increase utilization of HUB vendors by:

- contacting at least two HUBs on a rotating basis, when possible, on expenditures of more than $3,000 but less than $50,000, based on information provided by the Texas General Services Commission pursuant to Texas Government Code § 2161.001, et. seq;
- serving as a resource to small minority owned businesses;
- assisting minority owned businesses in completion of the HUB application process;
- participating in regional vendor fairs and economic forums to provide information to these businesses about the products and services the City uses;
- providing in-house training and education programs to departmental purchasing personnel to identify HUB vendors and the benefits of participating in the program.

"Historically Underutilized Business" (HUB) is an entity with its principal place of business in Texas that is:

a. a corporation formed for the purpose of making a profit in which 51% or more of all classes of the shares of stock or other equitable securities are owned by one or more “economically disadvantaged persons” who have a proportionate interest and actively participate in the corporation's control, operation, and management. An "economically disadvantaged person" is a person who is economically disadvantaged because of the person's identification as a member of a certain group, including Black Americans, Hispanic Americans, women, Asian Pacific Americans, and Native Americans, and who has suffered the effects of discriminatory practices or other similar insidious circumstances over which the person has no control;

b. a sole proprietorship created for the purpose of making a profit that is completely owned, operated, and controlled by an economically disadvantaged person;

c. a partnership formed for the purpose of making a profit in which 51% or more of the assets and interest in the partnership are owned by one or more economically disadvantaged persons who have a proportionate interest and actively participate in the partnership's control, operation, and management;

d. a joint venture in which each entity in the venture is a historically underutilized business, as determined under another paragraph of this subdivision; or

e. a supplier contract between a historically underutilized business as determined under another paragraph of this subdivision and a prime contractor under which the historically underutilized business is directly involved in the manufacture or distribution of the goods or otherwise warehouses and ships the goods.

Any vendor interested in being registered as a HUB for the City of Victoria should contact the Development Services Department – Planning Division at (361) 485-3360. Refer to Appendix J for a complete listing of all HUBs currently registered with the City of Victoria. Please contact the Development Services Department CDBG Coordinator for any other HUB questions.
G. Use of Cooperative Purchasing Agreements:

Whenever deemed appropriate, the City of Victoria will utilize cooperative purchasing agreements. Cooperative purchasing agreements allow the City to purchase property or services via contracts established by other governmental entities or agencies that have already been through the formal bid process and the lowest or best qualified bidders have been approved. These agreements satisfy statutory requirements for competitive bidding on purchases over $2,500.00. Even if the formal bidding process has been utilized, the Cooperative Purchasing Agreements can be used to compare the prices obtained. This helps to ensure that the City is obtaining the best price.

Refer to Appendix F for a complete listing of all approved Cooperative Purchasing Agreements available to the City of Victoria.

H. Inspection and Acceptance of Delivered Goods

Inspection and Acceptance of Goods

It is the responsibility of the requesting department to inspect and accept/reject any equipment, supplies or goods purchased for their department. In addition to verifying the quantity ordered, the price of each item delivered should also be verified. A copy can be sent from or be made available by the Finance Department for the receiving department to verify the price and quantity on the invoice. Once any necessary changes (i.e. freight, accepted pricing change, etc.) are made to the original Purchase Order, the order should be cleared/received by the requesting department and the Finance Department should be notified that the invoice is ready for payment.

Partial Receipts / Damaged Merchandise

There will be times when the seller will ship an incomplete order or when the merchandise will become damaged during the shipment; therefore, the freight bills and packing slips are very important. They should be checked and signed by the individual receiving the merchandise. Each shipment received should be carefully checked for damages and shortages. If there are any shortages or damages, they should be noted on the freight bill and the delivery driver should sign noting such damage or shortage. In the event of concealed damage, the Purchasing Department should be notified promptly so that the proper action may be taken. Any damaged item must be held for inspection by the freight company.

If a partial receipt is performed by the requesting department for goods delivered and accepted, a corresponding partial payment can be made to the supplying vendor if they send an invoice for the partial shipment. It is the responsibility of the requesting department to correctly receive the appropriate items after any necessary changes are made to the original purchase order.
I. Payment of Delivered Goods

The City normally pays for goods and services after they have been accepted.

In a rare situation where payment is requested in advance of the completion of the purchase order, the Finance Department will request additional information to justify any such advance payment. The department requesting the advance payment is responsible for ensuring that the vendor provides the goods or services to the City in a timely manner. If goods or services that were previously paid for are not received in a timely manner, the requesting department should promptly contact the Purchasing Agent and the Legal Department to recover the payment.

J. Vendor Performance

The Requesting Department should notify the vendor directly to informally resolve any problems or issues concerning a Purchase Order. Vendors are usually very cooperative because customer relations are of great importance to them. Many times, problems can be alleviated in advance if the Requesting Department makes sure that the vendor has a clear understanding of the Department’s needs. For example, when requesting a telephone quote, have the vendor confirm the details of the quote (pricing, delivery, tax exemption, etc). If the quote information is technical or otherwise confusing, have the vendor fax or mail the quote information with all the pertinent information. If the informal approach does not fix the problem, then a formal complaint can be pursued through the Purchasing Department.

K. Filing Formal Vendor Complaint

It is the Requesting Department’s responsibility to notify the Purchasing Department of any vendor complaints which cannot be resolved. For example, the inability of the vendor to provide the products and/or services on a timely basis or an incomplete delivery without proof of a future delivery to complete the order should be provided to Purchasing in writing. Proper written documentation of problems is essential in determining the responsiveness of the vendor. Without written documentation, it is difficult to prevent that vendor from bidding and receiving the award of the contract again.

To file a formal vendor complaint, complete a Vendor Performance Complaint Form - Appendix K and forward it to the Purchasing Department. Purchasing will review the information and determine how to proceed with the complaint. If it is still possible, Purchasing will attempt to obtain a satisfactory resolution. Keep in mind that the department that originally placed the order is responsible for keeping documentation that would be useful in substantiating why the goods or services were not satisfactory. Past performance information is used by Purchasing and other City departments to evaluate written quotes. Vendors with a history of complaints may be considered irresponsible for purposes of competitive bidding.
V. Procedures for Correcting Deviations from Policy

Requesting Departments cannot obligate the City by ordering goods or supplies used for normal daily activities prior to the proper requisitioning and issuance of a Purchase Order. Requesting Departments must ensure that the necessary Purchase Order is created before the goods or services are ordered from any vendor. Any situation where the goods or services are received by the Requesting Department prior to the issuance of the Purchase Order is referred to as an “after-the-fact” purchase.

A. Responsibility of Requesting Department Regarding Deviations from Policy

If there are indications that a purchase request is for an after-the-fact purchase, a written memo explaining why this is an after-the-fact purchase must be provided to the Purchasing Department. The memo must be signed by the Department Head and include statements describing the following:

1) What happened and the circumstances surrounding it;
2) Whether or not the actions that occurred were in the interests of the City, and if not, to what extent were these actions detrimental to the City;
3) Action taken by Requesting Department to correct those circumstances which led to the deviation from City policy or procedure. Disciplinary action may be taken against the employee(s) involved where actions were not justifiable. Steps to reinforce policy and use of positive administrative action(s) such as staff training, establishment of internal procedures, realignment of staff responsibilities, etc. are to be undertaken to correct any existing problem(s) that may discourage adherence to policy.

B. Responsibility of the Purchasing Department Regarding Deviations from Policy

When the purchase order is processed for a purchase request noted above, notation will be made to identify the Purchase Order as an “after-the-fact” purchase, and the Purchase Order sent to the vendor will state the following:

“**DO NOT DUPLICATE**”

“This purchase order ratifies the purchase of previously ordered goods / services that were provided without prior written authorization (i.e. a City of Victoria Purchase Order). For future orders, please insure that a proper Purchase Order has been received prior to the release or delivery of requested goods or services.”

The Purchasing Department will follow up with a telephone conversation to the vendor to explain the circumstances surrounding this Purchase Order and clarify the proper future procedures.
VI. **Professional Services, Construction Services, Insurance, Maintenance Agreements, Service Contracts and Software Licenses**

Purchase orders are used for procuring goods, supplies, and moveable equipment. Purchase orders alone are not appropriate for the procurement of most professional services, construction services, insurance, maintenance agreements, service contracts, and software licenses. These types of purchases are subject to statutorily established requirements and often expose the City to special risks (such as the presence of contractors on City-owned property) that are only managed effectively through the use of contractual provisions.

If the transaction is under $10,000 it may, in some cases, be secured with only a City Contract Purchase Order, if no signature is required. The Contract Purchase Order, which is issued by the Finance Department, contains sufficient language to secure these smaller work and service requests. However, if the cost for these types of services is less than $10,000 and the vendor requires a signature on an agreement or contract, the work can be secured with the City’s Contract Purchase Order but the contract or agreement must be reviewed by Legal before being signed by the respective Department Head. All construction services procured from outside sources should go through Legal to determine whether a contract will be required regardless of the amount.

If the cost for these types of services exceeds $10,000, then the department will be required to initiate and finalize a contract between the City and the contractor prior to services being rendered.

The City has developed a standardized document (Contract Term Sheet) for contracts used to obtain competitively bid construction contracts as well as service contracts (Refer to Appendix L). Once the requesting department has completed the Contract Term Sheet for a particular contract, the department should forward the Contract Term Sheet to the Legal Department for review and approval. If needed, Legal may confirm with Purchasing that all bidding requirements have been satisfied and verify with Finance that funding is available. The contract should then be signed by the vendor and forwarded by the managing department back to the Legal Department, who will obtain signatures from the appropriate City official. If the contract exceeds $25,000, it will need City Council approval. If the contract exceeds $50,000, competitive bidding requirements may apply.

Once Legal has obtained the necessary signatures from City Manager, a copy will be sent back to the managing department as well as the Finance Department. The Finance Department will encumber the full amount of the contract and have all of the resulting payments tracked. Once the contract is processed by Finance, a Purchase Order number will be sent back to the administering department to use for future payment correspondence. A copy of the Purchase Order can also be sent to the vendor if necessary.
VII. Warehouse and Inventory Controls

Inventory is defined as goods bought in bulk and stored until needed by various users. There are strict accounting measures in place for all purchases and usages, allowing for accurate counts at any given point. The main reasons for keeping inventory is lead-time in obtaining the goods, uncertainty of usage and economies of scale in buying.

The City of Victoria Warehouse operation, a component of the Purchasing Department, will maintain in inventory only those standardized items that are required to sustain daily usage of parts and supplies for various departments. Those items commonly used by multiple departments will be inventoried by the Warehouse and purchased in bulk, taking advantage of discounts as available.

The City Warehouse will not maintain inventory on items that can be 1) readily purchased through local wholesale and retail outlets, 2) have been previously established through annual supply contracts or 3) specialty items used by only one department. The specialized items used by only one department will be maintained by outside vendors and obtained on an as-needed basis.

The City Warehouse will maintain a list of any commonly used item that will be centrally warehoused along with the current price of each item. An online ordering system allows user departments to access the Warehouse inventory, place an order and have it ready for pickup at the Warehouse. The City Warehouse will send out a report each month to all departments indicating the usage of any centrally warehoused item.

If any department requests an item which is not currently inventoried, the requesting department will be required to submit a formal written request for a new item. This request will be reviewed by the Purchasing Agent, and if determined that the item will be commonly used by multiple departments, the item will be added to the inventory. Feedback is requested from using departments to determine if current styles/brands are adequate to fit the needs of the using departments. Also, all items will be reviewed periodically by Warehouse personnel to determine obsolescence.

Any item used routinely that is not inventoried by the City Warehouse will be purchased by the requesting department as needed. These purchases will be made with pre-established supply contracts, cooperative purchasing agreements or competitive bidding at the time of purchase. Only the amounts that are needed to sustain the daily requirements of that department should be kept on-hand or “stocked”.

An individual item over $250.00 is not considered stock and any excess quantities should be inventoried by the respective department. Each department will be responsible for determining what should be stocked or inventoried at their respective locations, keeping quantities to a minimum and implementing established controls to account for the usage of stocked and inventoried goods.

The minimum controls that should be adhered to are as follows:

- Performing daily or weekly count and reconciliation of inventory, reporting any discrepancies to a Supervisor and Purchasing immediately;
- Correctly coding all usages of inventory to fit the specific project;
- Monitoring after-hour usage of stock and inventory, reporting any discrepancies to a Supervisor and Purchasing immediately;
- Monitoring levels of stock and inventory, issuing reorder request to avoid “out-of-stock” situations;
- Evaluating current stocked and inventoried items to keep up with changes in departmental activity.

All departments will be subject to quarterly and annual stock and inventory audits by the City Warehouse, Finance Department staff and external auditors.
VIII. Fixed Asset Inventory Control

Definition of Fixed Asset

Fixed assets are items of property that are tangible in nature, have an economic useful life of at least one year, are not repair or supply items, and have a significant value. They are not intentionally acquired for resale, nor are they readily convertible to cash. Any tangible asset with a purchase cost of $1,000 or greater will be capitalized; furthermore, any purchase under $1,000 can still be capitalized if deemed necessary.

Acquisition of Fixed Assets

Fixed assets will be recorded at original (historical) cost. Original cost will include both the purchase price or construction cost of the asset and any other necessary and reasonable costs incurred to place the asset in service in its intended location. In the event that the original cost is not available, assets will be valued in accordance with professional appraisal standards to estimate original cost.

Grant Funded Assets

Fixed assets, acquired in whole or in part with grant funds, will be controlled and accounted for in accordance with the Federal Government Office of Management and Budget (OMB) Circular A-102 9, revised, A-87, “Cost Principles for Grants to State and Local Governments”, as well as requirements outlined in the “Uniform Requirements for Grants and Cooperative Agreements with State and Local Governments (Common Regulations)”, as published in the Code of Federal Regulation (CFR), subject to the specific requirements of the individual grantor agencies.

Depreciation of Fixed Assets

Depreciation will be calculated and recorded for depreciable fixed assets in the City’s proprietary funds.

Asset Tagging

The Finance Department will be responsible for assigning the fixed asset number prior to the purchase request. The Requesting Department will be responsible for affixing identification number tags to all fixed assets and accounting for all fixed assets which belong to their department.

Departments will maintain accountability for their equipment by conducting physical inventories under the coordination of the Finance Department. The Finance Department will distribute annually a list of all fixed assets to the corresponding department. Each fixed asset should be verified and if any discrepancies are found, it is the responsibility of the department to investigate the matter and notify Finance of their findings.

Records Maintenance

Fixed asset records will be maintained for the life of each asset and retained in accordance with State and City requirements for the retention of accounting records.
IX. Disposal, Sale and Donation of Property

Surplus and Scrap Property

Scrap Property is defined as personal property, other than those items routinely discarded as waste that because of use, time, accident, or any other cause is so worn, damaged, or obsolete that it has no value for the purpose for which it was originally intended.

Surplus Property is defined as personal property that is not scrap property, is not currently needed by the City and is not required for the City's foreseeable needs.

Disposition

It is the intent of the City of Victoria to dispose of surplus and scrap property as it becomes available. This will maximize value of surplus and scrap property by avoiding hidden costs such as storage, maintenance, and obsolescence.

Any department that determines it has surplus or scrap property should inform the Purchasing Department of the property's kind, number, location, condition, original cost or value, and date of acquisition. No disposition of surplus or scrap property with a fair market value greater than $25,000, other than transfers among city departments, will be made unless it is first approved by the City Council.

Method of Disposal

- **Direct Transfers to Other City Departments** – Each department is responsible for making available any surplus property to other City Departments and coordinating the transfer directly to another City Department on a first come, first serve basis. If the item is electronic in nature (computers, printers, copiers, fax), contact IT in advance so they can advise on the proper handling.

- **Transfer / Sale to Other Governmental Entities** - The property may also be transferred to another governmental entity. The Purchasing Department, with assistance from the department releasing the property, will establish a fair market value that the government entity will be required to pay prior to the transfer. The Purchasing Department will coordinate the transfer to another governmental entity on a first come, first serve basis.

- **Direct Sale to Public** - If no City Department or governmental entity acquires the surplus or scrap property, the Purchasing Department will dispose of the property by sale directly to the public. This may be accomplished by (but not limited to) public auction, internet auction, or competitive bids.

Record

The Purchasing Department will keep a record of each item of surplus or scrap property sold and the sale price of each item. The City will maintain a record of each disposed item in accordance with the City of Victoria Code of Ordinances, Chapter 2, Article I, Section 2-4 "Management and retention of city records”, as it may be amended from time to time.

Proceeds

The Finance Department will deposit the proceeds from the sale of surplus or scrap property in the City depository to the credit of the fund from which the property was purchased.
Disposition of Fleet and Information Technology Property

- **Fleet** - The interdepartmental transfer of vehicles and heavy equipment will be coordinated by the Fleet Manager and will be made available to other local governments and/or the public in the same manner listed above only after the Fleet Manager has exhausted the equipment's useful life by transferring it to other City Departments and/or declaring it scrap or surplus, or trading it in for another vehicle.

- **Information Technology** - The interdepartmental transfer of computer and high technology items will be coordinated by the Information Technology Director and will be made available to other local governments and/or the public in the same manner listed above only after the Information Technology Director has exhausted the equipment's useful life by transferring it to other City Departments and/or declaring it scrap or surplus.

**Abandoned or Unclaimed Property**

Abandoned or unclaimed property of value not seized by peace officers will be sold through the City auction process. The Police Department will manage any abandoned and unclaimed property seized by peace officers, and it will be advertised, disposed, sold, and otherwise managed in accordance with Article 18.17, et. seq., of the Code of Criminal Procedure. Abandoned vehicles will be dealt with in accordance with Texas Transportation Code § 683.011 and applicable provisions of the Victoria City Code.

**Seized Weapons, Explosive Weapons or Other Prohibited Contraband**

The disposition of unclaimed personal property in the possession of the Police Department will be disposed of in accordance with state laws and other applicable laws.

**Acceptance of Donated Property**

Gifts or donations of real property must be approved and accepted by City Council. Other donations or gifts offered to the City must be approved in writing by the Director of Finance and/or City Manager prior to acceptance. The determination to accept or reject the donation will be based upon the best interest of the City, considering such things as projected operating, maintenance and insurance costs. Solicitations for donations to the City must be approved by the respective Department Head, prior to the actual request being made.
## APPENDICES

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Conflicts of Interest Disclosures

When is an officer required to file a “conflicts disclosure statement”?

An officer is required to file a conflicts disclosure statement if a vendor enters into a contract with the City or if the City is considering entering into a contract with the vendor, and the officer or officer’s family member has an employment or other business relationship with the vendor that results in the officer or officer’s family member receiving taxable income that is more than $2,500 in the preceding twelve months. An officer who receives investment income, regardless of amount, is not required to file a disclosure statement. Investment income includes dividends, capital gains or interest income gained from a personal or business checking or savings account or other similar account, a personal or business investment or a personal or business loan.

An officer is also required to file a statement if the officer or officer’s family member accepts from a vendor one or more gifts with an aggregate value of more than $250 in the preceding twelve months. An officer is not required to file a statement in relation to a gift, regardless of amount, that is accepted by an officer or officer’s family member if the gift is given by a family member of the person accepting the gift, is a political contribution, or is food, lodging, transportation or entertainment accepted as a guest.

(Note: An officer is required to file a statement no later than 5:00 p.m. on the seventh business day after the date on which the officer becomes aware of facts that require a filing or statement.)

When is a vendor required to file a “conflicts of interest questionnaire”?

A vendor is required to file a conflicts of interest questionnaire if the vendor has a business relationship with the City and has: (1) an employment or other business relationship with an officer or an officer’s family member that results in the officer receiving taxable income that is more than $2,500 in the preceding twelve months; or (2) has given an officer or officer’s family member one or more gifts totaling more than $250 in the preceding twelve months.

A vendor is required to file a questionnaire not later than the seventh business day after the latter of the following: (1) the date the vendor begins discussions or negotiations to enter into a contract with the City or submits an application or response to a bid proposal; or (2) the date the vendor becomes aware of a relationship or gives the gift to an officer or officer’s family member.

How is a “vendor” defined?

A vendor is any person who enters or seeks to enter into a contract with the City. The term also includes an agent of a vendor.

How is a “family member” defined?

A family member is defined as a person related to another person with the first degree of consanguinity (blood) or affinity (marriage). An officer’s family member would include the officer’s spouse, father, mother, son, daughter, father-in-law, mother-in-law, son-in-law, daughter-in-law or stepchild.
To what types of contracts does the law apply?

The law applies to any written contract for the sale or purchase of real property, goods or services. A contract for services would include one for skilled or unskilled labor, as well as for professional services.

With whom should the statements and/or disclosures be filed?

The statements and disclosures must be filed with the records administrator of the City. A records administrator includes a city secretary, a person responsible for maintaining city records or a person who is designated by the City to maintain the statements and disclosures filed under this law.

A City that maintains a website is required to post statements and disclosures that are required to be filed under this law. However, a city that does not have a website is not required to create or maintain one.

(Note: A city does not have a duty to ensure that a vendor that is required to file a questionnaire does so.)

What happens if a statement is not filed?

An officer or vendor who knowingly fails to file a statement or a disclosure when required to do so commits a Class C misdemeanor. A Class C misdemeanor is punishable by a fine of up to $500. It is an exception to prosecution if an officer/vendor files a statement/questionnaire not later than the seventh day after the date the person receives notice from the City of the alleged violation.

(Note: The validity of a contract between a City and a vendor is not affected solely because an officer or vendor fails to file a statement or disclosure.)
CONFLICT OF INTEREST QUESTIONNAIRE
For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session. This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

1. Name of person who has a business relationship with local governmental entity.

2. Check this box if you are filing an update to a previously filed questionnaire.

   (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3. Name of local government officer with whom filer has employment or business relationship.

   Name of Officer

   This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

   A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

      Yes    No

   B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

      Yes    No

   C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

      Yes    No

   D. Describe each employment or business relationship with the local government officer named in this section.

4.

   Signature of person doing business with the governmental entity

   Date

Adopted 06/29/2007
# LOCAL GOVERNMENT OFFICER

## CONFLICTS DISCLOSURE STATEMENT

(Instructions for completing and filing this form are provided on the next page.)

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This is the notice to the appropriate local governmental entity that the following local government officer has become aware of facts that require the officer to file this statement in accordance with Chapter 176, Local Government Code.

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<td><strong>5</strong></td>
<td>List gifts accepted by the local government officer and any family member, excluding gifts described by Section 176.003(a-1), if aggregate value of the gifts accepted from person named in item 3 exceed $250 during the 12-month period described by Section 176.003(a)(2)(B)</td>
</tr>
<tr>
<td>Date Gift Accepted</td>
<td>Description of Gift</td>
</tr>
<tr>
<td>Date Gift Accepted</td>
<td>Description of Gift</td>
</tr>
<tr>
<td>Date Gift Accepted</td>
<td>Description of Gift</td>
</tr>
</tbody>
</table>

(attach additional forms as necessary)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6</strong></td>
<td>AFFIDAVIT</td>
</tr>
</tbody>
</table>

I swear under penalty of perjury that the above statement is true and correct. I acknowledge that the disclosure applies to a family member (as defined by Section 176.001(2), Local Government Code) of this local government officer. I also acknowledge that this statement covers the 12-month period described by Section 176.003(a), Local Government Code.

__________________________________________
Signature of Local Government Officer

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said ____________________________________________, this the _______________ day of ________________, 20 ______, to certify which, witness my hand and seal of office.

__________________________________________
Signature of officer administering oath

Printed name of officer administering oath

Title of officer administering oath

Adopted 06/29/2007
LOCAL GOVERNMENT OFFICER
CONFLICTS DISCLOSURE STATEMENT

Section 176.003 of the Local Government Code requires certain local government officers to file this form. A "local government officer" is defined as a member of the governing body of a local governmental entity; a director, superintendent, administrator, president, or other person designated as the executive officer of the local governmental entity; or an employee of a local governmental entity with respect to whom the local governmental entity has, in accordance with Section 176.005, extended the requirements of Sections 176.003 and 176.004. This form is required to be filed with the records administrator of the local governmental entity not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of this statement.

A local government officer commits an offense if the officer knowingly violates Section 176.003, Local Government Code. An offense under this section is a Class C misdemeanor.

Please refer to chapter 176 of the Local Government Code for detailed information regarding the requirement to file this form.

INSTRUCTIONS FOR COMPLETING THIS FORM

The following numbers correspond to the numbered boxes on the other side.

1. **Name of Local Government Officer.** Enter the name of the local government officer filing this statement.

2. **Office Held.** Enter the name of the office held by the local government officer filing this statement.

3. **Name of person described by Sections 176.002(a) and 176.003(a), Local Government Code.** Enter the name of the person described by Section 176.002, Local Government Code with whom the officer has an employment or other business relationship as described by Section 176.003(a), Local Government Code.

4. **Description of the nature and extent of employment or business relationship with person named in item 3.** Describe the nature and extent of the employment or other business relationship with the person in item 3 as described by Section 176.003(a), Local Government Code.

5. **List gifts accepted, excluding gifts described by Section 176.003(a-1), if aggregate value of the gifts accepted from person named in item 3 exceed $250.** List gifts accepted during the 12-month period (described by Section 176.003(a), Local Government Code) by the local government officer or family member of the officer, excluding gifts described by Section 176.003(a-1), from the person named in item 3 that in the aggregate exceed $250 in value.

6. **Affidavit.** Signature of local government officer.
# City of Victoria

## Procurement Procedures

### Quick Reference Matrix

<table>
<thead>
<tr>
<th>Total Purchase Request</th>
<th>Petty Cash</th>
<th>PCard</th>
<th>Purchase Order</th>
<th>Written Quotes</th>
<th>Formal Bidding Process</th>
<th>Dept Head / Designee Approval</th>
<th>City Manager Approval</th>
<th>City Council Approval</th>
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</thead>
<tbody>
<tr>
<td>$.01 to $100.00</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Recommended but not Required</td>
<td>No</td>
<td>Required</td>
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<td>Yes</td>
<td>Recommended but not Required</td>
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<td>Recommended but not Required</td>
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<td>Required</td>
<td>Minimum 3 Written Quotes Required</td>
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<td>Required</td>
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<td>$50,000.00 or greater</td>
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<td>No</td>
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<td>Yes *</td>
<td>Dept Head Approval Required</td>
<td>Required</td>
<td>Required</td>
</tr>
</tbody>
</table>

* Unless exempt from Formal Bidding Process – see Texas Local Government Code Section 252.022 for exemptions.
Online purchases can only be made from the vendors below. Please contact Purchasing to add any vendors to the Approved Online Vendors List.

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>WEB ADDRESS</th>
<th>VENDOR</th>
<th>WEB ADDRESS</th>
</tr>
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<tr>
<td>Adorama Camera Sales</td>
<td><a href="http://www.adorama.com">www.adorama.com</a></td>
<td>In The Swim</td>
<td><a href="http://www.intheswim.com">www.intheswim.com</a></td>
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<td>Alert All Corp.</td>
<td><a href="http://www.alertall.com">www.alertall.com</a></td>
<td>Kennedy Wire Rope</td>
<td><a href="http://www.kwrs.com">www.kwrs.com</a></td>
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<tr>
<td>All American Sales</td>
<td><a href="http://www.allamericasales.net">www.allamericasales.net</a></td>
<td>Kustom Signal</td>
<td><a href="http://www.kustomsignals.com">www.kustomsignals.com</a></td>
</tr>
<tr>
<td>Amateur Softball Association</td>
<td><a href="http://www.asasoftball.com">www.asasoftball.com</a></td>
<td>Lason (Minolta Cartridges)</td>
<td>Call for pricing</td>
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<tr>
<td>Bound Tree Medical</td>
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<td>Lone Star Uniforms</td>
<td><a href="http://www.lonestaruniforms.com">www.lonestaruniforms.com</a></td>
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<tr>
<td>BP Sales &amp; Service</td>
<td><a href="http://www.postagetape.com">www.postagetape.com</a></td>
<td>Mark Andy Print Products</td>
<td><a href="http://www.markandy.com">www.markandy.com</a></td>
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<td>Brownells Inc.</td>
<td><a href="http://www.brownells.com">www.brownells.com</a></td>
<td>Medtronic Physio Control</td>
<td><a href="http://www.medtronic.com">www.medtronic.com</a></td>
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<tr>
<td>BWI, Inc.</td>
<td>Call for pricing</td>
<td>Medsafe,</td>
<td><a href="http://www.medsafe.com">www.medsafe.com</a></td>
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<tr>
<td>Cables to Go</td>
<td><a href="http://www.cablestogo.com">www.cablestogo.com</a></td>
<td>Metro Fire</td>
<td>Call for pricing</td>
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<tr>
<td>Insight Public Sector</td>
<td><a href="http://www.calence.com">www.calence.com</a></td>
<td>Moore Medical, LLC</td>
<td><a href="http://www.mooremedical.com">www.mooremedical.com</a></td>
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<tr>
<td>Cards Direct</td>
<td><a href="http://www.cardsdirect.com">www.cardsdirect.com</a></td>
<td>Motorola</td>
<td><a href="http://www.motorola.com">www.motorola.com</a></td>
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<tr>
<td>Carrolls Gun Shop</td>
<td><a href="http://www.carolsgunshop.com">www.carolsgunshop.com</a></td>
<td>Municipal Em. Service (MES)</td>
<td><a href="http://www.mesfire.com">www.mesfire.com</a></td>
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<tr>
<td>Chief Supply</td>
<td><a href="http://www.chiefsupply.com">www.chiefsupply.com</a></td>
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<tr>
<td>Contractor Lighting</td>
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<td>Northern Tool</td>
<td><a href="http://www.northerntool.com">www.northerntool.com</a></td>
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<tr>
<td>Data Optics Cable</td>
<td><a href="http://www.dataoptics.com">www.dataoptics.com</a></td>
<td>Northrop Grumman</td>
<td><a href="http://www.northropgrumman.com">www.northropgrumman.com</a></td>
</tr>
<tr>
<td>Demco, Inc.</td>
<td><a href="http://www.demco.com">www.demco.com</a></td>
<td>Parade Store</td>
<td><a href="http://www.paradestore.com">www.paradestore.com</a></td>
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<tr>
<td>Dooley Tackaberry</td>
<td><a href="http://www.dti.com">www.dti.com</a></td>
<td>PCMCG</td>
<td><a href="http://www.pcmcg.com">www.pcmcg.com</a></td>
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<tr>
<td>Ewing Irrigation</td>
<td><a href="http://www.ewingirrigation.com">www.ewingirrigation.com</a></td>
<td>Physio Control</td>
<td><a href="http://www.physiocomponent.com">www.physiocomponent.com</a></td>
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<tr>
<td>Fingerprint Service</td>
<td>Call for pricing</td>
<td>Priority Dispatch</td>
<td><a href="http://www.prioritydispatch.net">www.prioritydispatch.net</a></td>
</tr>
<tr>
<td>Gemplers</td>
<td><a href="http://www.gemplers.com">www.gemplers.com</a></td>
<td>Radwell</td>
<td><a href="http://www.radwellinternational.com">www.radwellinternational.com</a></td>
</tr>
<tr>
<td>Graffiti Solutions</td>
<td><a href="http://www.graffittisolutions.com">www.graffittisolutions.com</a></td>
<td>Screen Now</td>
<td><a href="http://www.screennow.com">www.screennow.com</a></td>
</tr>
<tr>
<td>Grainger</td>
<td><a href="http://www.grainger.com">www.grainger.com</a></td>
<td>SHI - Software House Inc.</td>
<td><a href="http://www.shi.com">www.shi.com</a></td>
</tr>
<tr>
<td>Graphic Designs</td>
<td>Call for pricing</td>
<td>Signsdirect</td>
<td><a href="http://www.signsdirect.com">www.signsdirect.com</a></td>
</tr>
<tr>
<td>GT Distributors</td>
<td><a href="http://www.gtdist.com">www.gtdist.com</a></td>
<td>Sirchie Fingerprint Labs</td>
<td><a href="http://www.sirchie.com">www.sirchie.com</a></td>
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<td>Hach Chemical</td>
<td><a href="http://www.hach.com">www.hach.com</a></td>
<td>Sports Unlimited Inc.</td>
<td><a href="http://www.sportsunlimitedinc.com">www.sportsunlimitedinc.com</a></td>
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<td>Highsmith, Inc.</td>
<td><a href="http://www.highsmith.com">www.highsmith.com</a></td>
<td>Sulzer Pumps</td>
<td><a href="http://www.sulzerpumps.com">www.sulzerpumps.com</a></td>
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<tr>
<td>HP Direct</td>
<td><a href="http://www.hp.com">www.hp.com</a></td>
<td>Summa</td>
<td><a href="http://www.summa.com">www.summa.com</a></td>
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<td>Symantec Stores</td>
<td><a href="http://www.symantecstore.com">www.symantecstore.com</a></td>
</tr>
<tr>
<td>TECH SOUP</td>
<td><a href="http://www.techsoup.org">www.techsoup.org</a></td>
</tr>
<tr>
<td>Techni-tool</td>
<td><a href="http://www.techni-tool.com">www.techni-tool.com</a></td>
</tr>
<tr>
<td>The Fire Store (Witmer)</td>
<td><a href="http://www.thefirestore.com">www.thefirestore.com</a></td>
</tr>
<tr>
<td>Thermal Scientific</td>
<td><a href="http://www.fishersci.com">www.fishersci.com</a></td>
</tr>
<tr>
<td>Titan Wireless Online</td>
<td><a href="http://www.titanwirelessonline.com">www.titanwirelessonline.com</a></td>
</tr>
<tr>
<td>USA Bluebook</td>
<td><a href="http://www.usabluebook.com">www.usabluebook.com</a></td>
</tr>
<tr>
<td>Vernon Library Supplies</td>
<td><a href="http://www.vernonlibrarysupplies.com">www.vernonlibrarysupplies.com</a></td>
</tr>
<tr>
<td>Zapco Door Hangers</td>
<td><a href="http://www.zapcopaper.com">www.zapcopaper.com</a></td>
</tr>
<tr>
<td>Zee Medical</td>
<td><a href="http://www.zeemedical.com">www.zeemedical.com</a></td>
</tr>
</tbody>
</table>

Updated 3/2015
City of Victoria

Purchasing Card Program

Policy and Procedures Manual

Updated: March 2015
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   o Limitations and Restrictions
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   o Disputed or Fraudulent Charges
   o Receipt Retention / Record Log
   o Payment of Monthly Invoice

VI. Sales and Use Tax

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VIII. Cardholder Agreement Form
I. Introduction

Welcome to the Wells Fargo Bank Purchasing Card (PCard) Program.

The purpose of the PCard Program is to streamline and simplify the procurement process. It is designed to shorten the approval process and reduce the paperwork of procurement procedures, such as purchase orders, petty cash, check requests and expense reimbursements, on routine purchases under the established Purchasing Card dollar limit.

This reference guide will provide each cardholder with the specifics of the program, including general guidelines, reconciliation and record keeping procedures, as well as customer service information. It is important to read the following information carefully, as each cardholder will be responsible for adhering to the established policy and procedures.

It is difficult to anticipate every question or issue that may arise, so any feedback on this program will provide an opportunity to refine the policies and procedures.

Please contact the Program Administrators for any questions regarding this program. The following is a list of all Purchasing Card Program Administrators:

- Primary Program Administrator – Lana Schultz, Purchasing (361) 485-3183
- Backup Program Administrator – Andrew Jacob, Finance (361) 485-3098
- Backup Program Administrator – Richard Ruiz (361) 485-3182
- Backup Program Administrator – Sarah Vasquez (361) 485-3080

II. General Guidelines

Card Issuance

Requests for new Purchasing Cards should be sent by the Department Head to the Primary Program Administrator. When the request is approved, the cardholder will be required to complete the attached Cardholder Agreement Form. By signing the form, the cardholder agrees to adhere to the guidelines established in this manual. Most importantly, that cardholder is the only person entitled to use the card and the card is not to be used for personal use. The card cannot be transferred from one employee to another as each card is assigned to an individual employee.

Once the PCard is received, the account can be activated by calling the toll-free number printed on the card. For verification purposes, the cardholder will have to provide a piece of information provided to the cardholder by the Program Administrator. Although the card will be issued in the employee’s name, the cardholder’s personal credit history will not affect their ability to obtain a card. The City is responsible for payment of all authorized purchases.

Card Usage

The PCard can be used at any local merchant that accepts MasterCard except as the City otherwise directs. It is designed for in-store local purchases; however, online purchases can be made with authorized City of Victoria Purchasing Card Online Vendors or by prior approval from a Program Administrator.
When using the card with merchants, please emphasize that an invoice should not be sent as this may result in a duplicate payment.

Not all vendors will accept MasterCard. If a vendor does not accept MasterCard, please contact the Primary Program Administrator.

**Limitations and Restrictions**

Each cardholder account has been assigned credit limits. A single transaction limit is placed on each cardholder account, which means the purchase will be declined if an attempt is made to purchase more than this set amount at any one time.

*Do not split a purchase to avoid the single transaction limit. Failure to comply with the above guidelines for authorized purchases under the Wells Fargo Purchasing Card Program will result in disciplinary action, cancellation of your card privileges, and/or possible termination of employment.*

In addition to the single transaction limit, every cardholder account has a total monthly dollar limit assigned to their account. This limit tracks all of the authorized purchases in any given month and will not allow the cardholder to exceed this limit.

The PCard Program also allows for merchant category blocking. If a particular merchant category, a jewelry store for example, is blocked and a purchase is attempted at such a merchant, the purchase will be declined. The Program Administrators have made an effort to ensure that the vendors/suppliers used during the normal course of business are not restricted. If your card is refused at a merchant where the cardholder believes it should have been accepted, contact the Primary Program Administrator to determine the reason for refusal.

**IMPORTANT:** All requests for changes in limitations and restrictions must be made in writing through the cardholder’s supervisor and then forwarded to the Primary Program Administrator. Wells Fargo Bank will change existing cardholder restrictions only after a request is received from one of the Program Administrators.

**Lost or Stolen Cards**

Each cardholder is responsible for the security of their card and any purchases made on their account. If a card is lost or stolen, *immediately report this information to Wells Fargo Bank Business Purchasing Service Center (BPSC) at 800-932-0036. Immediately after reporting to the BPSC, inform the Primary Program Administrator. It is extremely important to act promptly in the event of a lost or stolen card to avoid City liability for fraudulent transactions.*

As with any personal credit card, the cardholder’s account number will be disabled immediately after notifying the bank. A new card should be issued within 48 hours of notice to Wells Fargo Bank.
III. Purchases

**Authorized Transactions**

- Office supplies and forms
- Books and subscriptions
- Professional membership dues
- Hardware and tools
- Spare parts
- Courier or Overnight Deliveries
- Travel Expenses (with the applicable card authorizations)
- Registration Fees (with the applicable card authorizations)

Any purchase made is subject to the annual appropriations as approved by City Council.

**Unauthorized Transactions**

- Items for personal use
- Any single transaction exceeding your current limit
- Capital goods or Leased equipment, unless previously approved in writing
- Sales Tax on any purchase made
- Computer Software or License (This must always be coordinated with the City IT Dept.)
- Meals for out-of-town trips (Refer to Travel Policy for further details)

As with any City purchase, the PCard is not to be used for any product, service or with any merchant considered to be inappropriate for City funds.

**IV. Levels of Authorization**

**Maintenance and Operation**

The first level of authorization is given to all cardholder accounts. It allows for purchase of routine items needed to perform the daily activities as required by their position. The PCard, when used for maintenance and operation purchases, must be used in accordance with the City's Procurement Policy already established.

- $1,000.00 Transaction Limit
- $5,000.00 Monthly Limit
**Travel**

The second level of authorization is “Travel”. It includes all of the authorizations from “Maintenance and Operation”, but also allows employees to make payment on airfare, hotels, and authorized business expenses during business travel. The PCard, when used for travel, must be used in accordance with the City’s Procurement and Travel Policies already established.

- $2,500.00 Transaction Limit
- $10,000.00 Monthly Limit

**V. Reconciliation and Payment**

**Reconciliation of Purchases**

At the end of each weekly statement period, the cardholder will receive an email notification to review their card statement. The statement is accessed online through the Commercial Card Expense Reporting tool at [https://wellsoffice.wellsfargo.com/portal/signon/index](https://wellsoffice.wellsfargo.com/portal/signon/index). Each statement will reflect the transaction date, posting date, supplier or merchant name and the total amount of the purchase.

Each cardholder is responsible for the following:

- Retaining all receipts for items purchased under the program.
- Ensuring all transactions posted are legitimate purchases made by the cardholder on behalf of the City.
- Verifying the coding, both department and account, on each transaction is correct.
- Adding a description to each purchase.

Immediately upon receipt of the statement notice, ensure that all the transactions listed are legitimate purchases. All functions, such as reclassifying or splitting transactions and adding descriptions, should be performed using the Wells Fargo Commercial Card Expense Reporting portal.

If all transactions are correct, mark the statement as reviewed. *(Note: the cardholder should print the statement at this point and attach all receipts)*. Once the statement has been marked as reviewed, an email will be issued to the cardholder’s supervisor for their approval. In order for the supervisor to approve the statement, the transactions and all receipts should be forwarded to them for review. Once the approver has completed their review, no further changes can be made. Please contact a Program Administrator for further changes.

**Disputed or Fraudulent Charges**

Any discrepancy in transaction receipts or the cardholder statement should be addressed immediately. The cardholder may need to contact the merchant or complete the online dispute form through Wells Fargo to resolve the disputed transaction.
If the merchant has charged an incorrect amount, or there is an outstanding quality or service issue, first contact the merchant and try to resolve the error or problem. If the matter is resolved directly with the merchant, and the error involved an overcharge, a credit adjustment should be requested and will appear on the next statement.

If the merchant disagrees that an adjustment is necessary, complete the online dispute form. The details of the disputed transaction will be entered online and handled by Wells Fargo Bank.

Wells Fargo Bank must receive any charge dispute within 60 days of the transaction date. While pending resolution, Wells Fargo Bank will credit the City’s account for the amount of the disputed transaction. Although Wells Fargo Bank acts as the arbitrator in any dispute, the cardholder should never assume that a dispute will be resolved in the City’s favor.

If the dispute is not resolved satisfactorily, the cardholder should notify the Primary Program Administrator with the relevant details to take further action.

Any fraudulent charge (i.e., a charge appearing which was not authorized) must be reported immediately to the Program Administrator. Prompt reporting of any such charge will help to prevent the City from being held responsible.

**Receipt Retention / Record Log**

It is a requirement of the program that the transaction log and all receipts for goods and services purchased be forwarded weekly to the Finance Department. The statements and receipts should be submitted prior to the beginning of the next review cycle. The Finance Department will be responsible for retaining these records under the City’s Records Retention policy. It is essential to adhere to the above record keeping guidelines as purchases are audited periodically.

**Payment of Monthly Invoice**

The Finance Department is responsible for paying the PCard Program invoice each month. Each cardholder is not responsible for the actual payment of their individual transactions or account balance; however, each cardholder is responsible for approving their purchases and the cumulative of all transactions for the month will be charged to the City’s checking account.

**VI. Sales and Use Tax**

The City of Victoria is exempt from paying sales tax on any purchase. If a vendor requires a Tax Exemption Form, please contact the Finance Department or the Finance Intranet page for a copy.
VII. Frequently Asked Questions

• Why did the City decide to participate in a Purchasing Card Program?

Like most businesses today, the City continues to explore ways to streamline processes and reduce costs. The expenses incurred to process a small dollar purchase can run as high as the price of the item itself.

With a Purchasing Card, many of the typical purchasing steps are eliminated, including generating a requisition, preparing a purchase order, matching a packing slip to a purchase order, matching invoices with purchasing requisitions, individual payments of invoices, etc.

• What is the procedure when I pay for something with my Purchasing Card?

Essentially, the process is the same as when using a personal credit card. Always obtain a receipt for the cardholder’s records.

• Are there any restrictions associated with the use of the Purchasing Card?

Yes, in addition to City Policy stating the type of products that can be bought, other controls and limits that may be placed on the card include:

- Per transaction dollar limit
- Monthly dollar limits
- Blocked merchant categories

Please see your supervisor or Program Administrator for your specific restrictions.

• How will I know if I have exceeded my monthly limit?

You can check your balance and expenditures online at any time. Please contact the Primary Program Administrator for assistance on this process.

• What should I do if a supplier does not accept the Purchasing Card?

Please contact the Program Administrator and provide them with the supplier’s name, address and phone number.

• How will I know if the City is billed correctly for the purchases I have made?

You will be able to check all transactions online at any time. You will also review your statement each Tuesday. This statement is for your review only and allows you to reconcile your purchases. You must review the statement in a timely manner, as any disputed or fraudulent transactions must be reported to Wells Fargo Bank in a timely manner.
Appendix D

• How will my monthly Purchasing Card expenses be paid?

You are not responsible for the payment of your Purchasing Card bills. The monthly statement will be received by the Finance Department, reviewed and one monthly payment made to Wells Fargo Bank covering expenses for all City employees using the card.

• Who in the City may I talk to if I have questions going forward?

We have designated the following individual(s) as Program Administrator(s) (PA):

  Lana Schultz – Purchasing Office (361) 485-3183
  Andrew Jacob – Finance Office (361) 485-3098
  Richard Ruiz – Purchasing Office (361 485-3182

The PA should be contacted for any questions you have regarding limits, usage and other issues. Only the PA has the authority to change any existing information or restrictions to a cardholder’s account.

• What should I do if I have a problem associated with something I bought with my Purchasing Card?

Please refer to the “Disputed or Fraudulent Charges” section of this guide for complete details. It is extremely important that you address these items immediately.

• Once I receive the card, can I begin using it immediately?

Once you receive your card, you will be instructed to call Wells Fargo Bank’s toll-free number and provide certain information (provided by Program Administrator) to activate the card. This procedure ensures a secure card issuance process and helps to prevent fraud.

• What should I do if my card is lost or stolen?

It is extremely important to call Wells Fargo Bank’s Customer Service toll-free number (1-800-932-0036) immediately in the event your card is lost or stolen. You must also notify your Program Administrator.

• Can another employee utilize my card for purchases?

Each Purchasing Card will be embossed with the individual employee’s name. The employee is responsible for the proper use of their card. **At no time should another individual utilize your card.**

• Can the Purchasing Card be used outside the United States?

Yes, the Wells PCard is accepted worldwide. Purchases can be made in any currency and billed in U.S. Dollars; however, please contact a Program Administrator prior to making any international purchase.

• What should I do if I need to change my monthly or single purchase limits?

You must contact your supervisor who will forward the request to a Program Administrator.
The City of Victoria

Wells Fargo Bank Purchasing Card (PCard)

CARDHOLDER AGREEMENT

I, ____________________________, agree to the following regarding my use of the Wells Fargo Bank Purchasing Card (PCard).

1. I understand that I am being entrusted with a City Purchasing Card (the PCard), and that, each time I use the PCard, I will be making financial commitments on behalf of the City of Victoria.

2. I will not allow others to use my PCard and will ensure that my PCard is kept secure at all times. If my PCard is lost or stolen, I understand that it is my responsibility to immediately notify the Program Administrator or Wells Fargo Bank by calling 1-800-932-0036.

3. I agree that the PCard may only be used for business expenses.

4. I understand that under no circumstances will I use the PCard to make personal purchases, either for myself or for others. If an accidental personal purchase is made, I will immediately refund the City of Victoria for the full purchase price.

5. I will obtain a receipt, which reflects the total amount paid to the vendor and details of the items purchased, each time I use the PCard. All City of Victoria purchases are tax-exempt.

6. I will use the PCard in accordance with this agreement and in accordance with PCard processes and procedures and submit my Cardholder Statement, with all receipts attached, to my Authorized Approver within three working days of distribution of cardholder statements. Failure to do so may result in revocation of my PCard usage privileges.

7. I am aware of my PCard credit limits and will abide by those limits.

8. I understand and agree that failure to adhere to the terms of this Agreement or use of the PCard for personal use or gain will be treated as a serious violation of City Policy and will result in disciplinary action up to and including termination of employment.

__________________________________
Employee Name (Print)

__________________________________
Employee Signature / Date
SOLE SOURCE JUSTIFICATION FORM

INSTRUCTIONS: Complete this form for any sole source or proprietary purchases and forward to Purchasing for review. Only after Purchasing has approved the sole source request, with the assistance of Finance and/or Legal, will the purchase request be processed.

- **NOTE:** The fact that a specific company has performed the service for a number of years is not an appropriate justification for a single source, especially in the area of Information Technology. Requesters are reminded to do their homework and be able to state with certainty that a specific Vendor is the “only Vendor” that can provide the service/commodity.
- Sole Source documentation shall be updated annually.

<table>
<thead>
<tr>
<th>Vendor Name</th>
<th>Date (month, day, year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Vendor Contact</td>
<td>Vendor Telephone Number</td>
</tr>
<tr>
<td>Vendor Address (Street, City, State, and Zip Code)</td>
<td></td>
</tr>
<tr>
<td>Department Name</td>
<td>Requestor’s Name</td>
</tr>
<tr>
<td>Requisition/Purchase Order Number</td>
<td>Approved for Fiscal Year Purchase</td>
</tr>
</tbody>
</table>

This purchase qualifies as a sole source purchase for the following reason(s):

1) Procurement of items that are available from only one source, including:
   a) items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies;
   b) films, manuscripts, or books;
   c) gas, water, and other utility services;
   d) captive replacement parts or components for equipment *;
   e) books, papers, and other library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials; and
   f) 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;

* Compatibility of standardized equipment is of paramount consideration and no substitutions can be utilized

**Explanation is required for the above selection.** Information shall include research performed or subject matter expertise detailed to justify the use of this particular vendor and their product or service. This must clearly indicate the proposed vendor is the **ONLY** vendor that will meet your requirements.

<table>
<thead>
<tr>
<th>Sole Source Justification Prepared By</th>
<th>Department/Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone</td>
<td>E-mail Address</td>
</tr>
<tr>
<td>Signature (Department Head or Designee)</td>
<td>Date (month, day, year)</td>
</tr>
</tbody>
</table>

Purchasing Department Use Only

| Received By: | Approved by: |
Cooperative Purchasing Agreements

- Houston Galveston Area Council (HGAC)
- BuyBoard Inc.
- U. S. Communities
- State of Texas Contracts (DIR, TPASS, TxMAS,)
- Texas Cooperative Purchasing Network (TCPN)
- National Purchasing Partners (NPP)
- Choice Partners
- GSA- US General Services Administration
- TIPS/TAPS – The Inter-local Purchasing System
- NJPA – National Joint Purchasing Alliance
- NCPA – National Cooperative Purchasing Alliance

Please contact Purchasing for assistance with Cooperative Agreements.

Updated 3-2015
CITY OF VICTORIA
TRAVEL POLICY

SCOPE, PURPOSE AND EFFECTIVE DATE

This policy statement is updated for all City employees as of March 31, 2015.

It is recognized that City employees are at times required to travel because of their positions and to take advantage of educational opportunities. This policy is intended to provide consistency and control over travel and travel expenditures. It is also intended to provide employees reasonable travel accommodations so that the employee has neither an out-of-pocket gain nor loss as a result of City travel.

MODE OF TRANSPORTATION

Employees are expected to use the most reasonable mode of transportation when traveling, considering time and cost constraints. An employee may be allowed to use an alternate method of transportation to the one determined to be the most reasonable by the employee’s Department Head and/or Finance Department. In such cases, the City will allow expenses only for the most reasonable method. The employee will be required to pay the difference between actual transportation costs and the amount of City reimbursement.

For example, if a flight costs $250 round trip but the acceptable mileage calculated for driving the same round trip costs $300, the City would only pay $250 towards this trip. Even if the employee chooses to drive and receive the mileage, the City’s reimbursement would be capped at $250 for this trip. In addition, any additional vehicle expenses incurred during the trip (i.e. valet parking, gas, etc.) would not be reimbursable expenses and would be the responsibility of the employee.

Also, in such cases, if additional time off work is needed for travel time because of this decision, that extra time will be considered vacation time.

The Finance Intranet page has a Mileage vs. Rental Calculator to assist with determining the most reasonable means of transportation. After inputting the variables such as travel miles, days of the trip, etc, the calculator will show the results of personal vehicle mileage reimbursement vs. a rental car cost. It is recommended the employee use the most reasonable means of transportation (i.e. lower cost). Should the employee choose the alternate route, the additional cost is the employee’s responsibility.

ROOM ACCOMMODATIONS, HOTEL TAX, SALES TAX, GOVERNMENT RATE

Employees are expected to use lodging accommodations convenient to their place of business while traveling out of the City. When there are several options available, cost should be considered in choosing the place of lodging. In many cases, City employees are eligible for government rates which should offer savings to the City. Employees should take advantage of government discount rates or other available discount rates when possible.

City employees traveling on City business within the State of Texas are not exempt from the hotel room tax. In order to take advantage of any possible tax exempt status while traveling in other states, it is the employee’s responsibility to inquire into particular hotel tax exemption requirements when making reservations.
ADVANCE FUNDS, PAYMENT, DIRECT BILLINGS, REGISTRATIONS, RESERVATIONS

Advance travel funds may be requested. When requesting an advance, the employee should completely fill out the advance section of the Travel Advance & Expense Voucher form and attach any supporting documentation for all advance requests. **Advance requests should be turned into the Finance Department at least five (5) working days before the check is needed.** The advance request may be made for any amount up to the maximum expected cash outlay the employee expects as a result of the trip. If attending an educational conference, the employee should indicate which, if any, meals are to be provided through the registration fee. Please attach the education conference itinerary or agenda to the travel advance request. This will allow for the review and/or calculation of the **Per Diem Meal Allowance** to be advanced to the employee.

An employee may wish to pre-register for an out-of-town event or reserve lodging accommodations in advance. This may be done only after the Travel Advance & Expense Voucher form has been filled out and signed by the Department Head and/or City Manager.

Employees may choose the option of paying for miscellaneous expenses out-of-pocket and then be reimbursed by the City; however, all expected meal costs shall be advanced to the employee following the **Per Diem Meal Allowance** (see section on Allowable Expenditures – Meals, as well as Exhibit A). In either case, itemized receipts must be provided for all expenses submitted for reimbursement except for meal costs.

Should the employee traveling have a City Purchasing Card, all expenses related to the business travel should be placed on the City Purchasing Card as this will reduce the amount of travel advanced funds. If the employee’s card doesn’t have the travel authorizations, please contact a Program Administrator and / or Finance to have the card’s authorizations temporarily adjusted to allow for the business travel expenses.

**APPROVAL OF TRIP**

**Department Head** – Any City employee within a department must have the written authorization of their Department Head in advance before that employee travels out of town on City business.

**City Manager** – Any City Department Head must receive the written approval of the City Manager in advance before traveling on City business.

**Budget** – Travel will be allowed only for purposes included in the current budget and only when sufficient funds are available.

**RENTAL CARS**

Rental cars are available as an alternative mode of transportation for employees while traveling on business. Refer to the [Enterprise Rental Policy](#) for details. Use of any car rental must be approved by the Department Head and approved by the Finance Department and/or City Manager in advance. The appropriate **Rental Reservation Form** needs to be filled out, signed by both the employee renting the vehicle along with their respective Department Head and forwarded to the Finance Department for completion of the rental reservation. The Finance Department will then contact the rental agency and finalize all arrangements prior to the date of travel. This allows for one central point of contact between the City and the rental agency. Rental cars should be returned in a timely manner or additional costs (i.e. additional day charges, gas, etc.) will occur.

Also, when considering rental cars as an alternate mode of transportation, the gas that will be consumed during the trip should also be included in addition to the standard daily rental rate.

Another source of transportation, if available, is a City vehicle provided through the department or City fleet.
ALLOWABLE EXPENDITURES

**Travel Costs** - Mileage for out-of-town trips in a private vehicle will be reimbursed at the Internal Revenue Service allowable amount. Please refer to the [current mileage announcement](#) on the Finance page of the Intranet for the rate. For assistance in determining acceptable mileage, please refer to the [Mileage Guide](#) on the Finance page of the Intranet. Any additional mileage requested above the standard mileage will have to be documented as business mileage and reasons included for exceeding the standard mileage.

Employees will not be reimbursed for “first class” plane fare, and are expected to fly “tourist class”.

Receipts must be turned in for all travel expenditures except for meal expenses.

**Meals** – All expected meal costs will be advanced to the employee using the [Per Diem Meal Allowance](#) method. Under the Per Diem Allowance method, the employee is advanced a set amount based on the location of the conference less any meals that are provided as part of the conference registration and / or lodging reservation. Furthermore, the Per Diem is always based on the actual location of the conference so even if the employee’s lodging is in a different city, the Per Diem will still be based on the location of the conference. The employee is not required to submit any meal receipts or other backup for their meal costs; however, any actual meal costs above the advanced Per Diem Meal Allowance are the responsibility of the employee.

This allowance provides the employee with a set amount per day based on the location of travel less any meals that are provided as part of the conference registration. Also, the first and last day allowance is reduced to 75% and reduced for any meals provided through the conference registration. (Please refer to Exhibit A for the Per Diem Meal Allowance rates.)

In addition, a [Per Diem Meal Allowance calculator](#) has been developed to assist with the calculation of the allowance amount. If the calculator is used, please print the calculated results and attach it to the Travel Voucher.

Meal expenses incurred during travel to a conference or other educational training should not be paid for with the City’s Purchasing Card. Any such expenses will have to be reimbursed to the City by the employee and should be part of the Per Diem Meal Allowance policy.

**Miscellaneous** – The City will pay for reasonable and approved miscellaneous costs, such as parking fees, storage fees, internet access for business purposes, etc. One personal call home per day will be allowed when of a reasonable length (less than ten minutes); however, the use of business or personal cellular phones is recommended during business travel. Any reasonable use of personal cellular phones will be reimbursed at a reasonable rate. Other miscellaneous tips such as tips to bellhops, porters or baggage carriers are built into the Per Diem Allowance as “Incidentals”.

**Exclusions** – The City will not pay for, nor reimburse for, the cost of any alcoholic beverages. The City will not pay for, nor reimburse for, the cost of any entertainment associated with out of town travel. Spouses or guests may accompany employees, but all additional costs of the spouse/guest traveling will be borne by the employee.

**FILING FINAL EXPENSE REPORT**

After any employee returns from travel, that employee must file a final expense report. It must be signed by the employee and approved by the Department Head and/or City Manager. It must then be filed with the Finance Department within ten working days from the last day of travel. Each employee who travels must file an individual expense report. Original receipts for all expenses except for meal costs must be turned in with the final expense report. Meal receipts are not required with the Per Diem Meal Allowance policy.
EXCEPTIONS

Any exceptions to this policy should be noted on the Travel Advance & Expense Voucher form and must be approved by the Director of Finance and/or City Manager before reimbursement will be made by the City.

DAY TRIPS AND IN-TOWN MEALS

**Day Trips** – A day trip is defined as business travel not requiring overnight stay. Expense reports for day trips must still be filed if expenses were incurred and are to be reimbursed to the employee or paid to the provider, i.e. rental cars. Employees and Department Heads need to make sure that the day trip has been approved by the appropriate person.

**In-Town Meals** – An in-town meal is defined as a business meal incurred while on City business without traveling outside the City of Victoria. In-town meals are not subject to the Per Diem Meal Allowance policy. If the employee possesses a City Purchasing Card, the meal expense may be charged to the card. Employees and Department Heads need to make sure that the in-town meal has been approved by the appropriate person.

**Meal Cost for Day Trips** – Internal Revenue Service regulations now require that company reimbursed meal costs incurred during day travel, with certain exceptions, are taxable income to the employee. Those exceptions include: 1) meal costs that are included as part of a registration fee for an educational meeting, and 2) meal costs incurred when company business is actually conducted during the meal, with another party. For any of these meals, receipts detailing the time, date, subject matter and all participants present should be retained for potential future IRS inquiries. City policy shall be that costs of meals incurred during day travel and in-town travel will not be reimbursed unless they fall into the exceptions noted above, and then are subject to Finance Department and/or City Manager approval.
The following chart indicates the amounts allowed per location in Texas. Please contact Finance for assistance in determining out-of-state Per Diem rates.

<table>
<thead>
<tr>
<th>Primary Destination</th>
<th>Maximum Daily Per Diem Meal Allowance</th>
<th>First &amp; Last Day Maximum Daily Per Meal Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austin</td>
<td>$ 55.00</td>
<td>$ 41.25</td>
</tr>
<tr>
<td>Dallas / Fort Worth</td>
<td>$ 55.00</td>
<td>$ 41.25</td>
</tr>
<tr>
<td>Houston</td>
<td>$ 55.00</td>
<td>$ 41.25</td>
</tr>
<tr>
<td>San Antonio</td>
<td>$ 55.00</td>
<td>$ 41.25</td>
</tr>
<tr>
<td>All Other Texas Cities</td>
<td>$ 44.00</td>
<td>$ 33.00</td>
</tr>
</tbody>
</table>

* Per Diem rates updated January 2012

The following chart will be used to **deduct any meals provided as part of the conference registration.**

<table>
<thead>
<tr>
<th>Meal</th>
<th>Maximum Daily Per Diem Meal Allowance</th>
<th>$ 44</th>
<th>$ 55</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>8</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Lunch</td>
<td>12</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Dinner</td>
<td>21</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Incidentals</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>
Appendix H

Creating Purchase Requisitions, Displaying Purchase Orders and Processing Goods Receipts

Getting Started

The following screens are shown using a modified screen layout, which simplifies the purchase requisition entry process. In order to modify the current screen layout and be able to follow the document, please click the “Layout Settings” button above the line item overview. Choose “Select Layout” and choose the “PREQ LAYOUT” option. This will modify the screen layout for only the necessary fields.

Once you have chosen the customized layout, the screen should appear as follows:
Differentiating between Purchase Requisition & Purchase Order

**Purchase Requisition**: Created by a department when requesting to order materials, supplies and/or equipment utilizing the funds within their budget. Must be reviewed and released by the department creating requisition as well as the Finance Department.

**Purchase Order**: Created by Purchasing after requisition is complete and is faxed to the vendor to authorize the purchase. The PO is a binding contract between the City and the vendor and is a promise made by the City of Victoria to pay the vendor for the items/goods once delivered and accepted as stated in the Purchase Order. This should only be done by Purchasing.

The SAP transaction ME51N is used to create a Purchase Requisition. Most information needed to create a Purchase Requisition is normally obtained from a quote that the vendor should provide stating the amount of purchase and description of purchase. Additionally, before creating a requisition, the amount of funds available to make the purchase should be verified within the department’s budget to avoid interruptions in creating the requisition. If proper funds are not available in the associated line item, the requisition will not save as complete. In the event of insufficient available funds, the purchase requisition can be “held” until sufficient funds are transferred. An “Intradepartmental Budget Amendment” will need to be submitted to Finance and processed prior to the Purchase Requisition being finalized.
Appendix H

Creating Purchase Requisitions, Displaying Purchase Orders and Processing Goods Receipts

The menu path for the ME51N (Create Requisition) transaction is: Logistics -> Materials Management -> Purchasing -> Purchase Requisition -> Create Requisition.

Most requisitions will be created using one of the following Account Assignment Categories: (K) Cost Center, (A) Asset, (X) Balance Sheet. The print screen below shows the drop down menu of the available categories.

- **(K) Cost Center**: utilizes the funds available within a department’s budget in a non-capital asset account.

- **(A) Asset**: utilizes the funds available within a department’s budget from a capital asset account that requires an asset number.

- **(X) Balance Sheet**: utilized the funds available within an account that does not have a cost center. This will primarily be used for purchases from a Trust & Agency account.
Appendix H

Creating Purchase Requisitions, Displaying Purchase Orders and Processing Goods Receipts

As the Purchase Requisition is processed, the appropriate boxes will appear depending on which Account Assignment Category is chosen. If the (K) Cost Center is chosen, a box asking for the cost center and account will appear. Furthermore, a box asking for the asset number will appear if the (A) Asset category is chosen.

The screen below shows an example purchase requisition when the (K) Cost Center category is chosen. All of the populated fields below are required fields. The desired vendor should be populated if the requesting department knows which vendor can supply the desired goods.
Creating Purchase Requisitions, Displaying Purchase Orders and Processing Goods Receipts

This screen shows when the (A) Asset category is chosen and would be used when ordering an item that will be coded to a single Asset Number. Entering the “Asset number” will populate all the remaining fields except for the “Unloading Point”. The “Unloading Point” does not print on Purchase Order so make sure to select the right “Plant” so that the items being ordered are delivered to the correct location.
Creating Purchase Requisitions, Displaying Purchase Orders and Processing Goods Receipts

This screen shows when the (A) Asset category is chosen and would be used when ordering multiple numbers of the same item that will be coded to multiple asset numbers. For example, ordering 3 of the same Dell computers for 3 different asset numbers. The following will explain how to enter that information as a single line item but code it to the multiple asset numbers.

Once the information is completed in the overview box (description, quantity, etc.), the lower portion for the “Account Assignment” should be completed. Selecting the “Distribution” drop-down and choosing “Distribute on Quantity Basis” will allow for the entry of multiple assets.

The “Quantity” on each line would be the corresponding number that needs to be charged to each asset number. Enter the “Asset number” on each line and populate the “Unloading Point”. The “Unloading Point” does not print on Purchase Order so make sure to select the right “Plant” so that the items being ordered are delivered to the correct location.
Creating Purchase Requisitions, Displaying Purchase Orders and Processing Goods Receipts

Other fields within the Requisition that provide helpful information in the ordering process are as follows. (Some of the fields above are drop-down enabled to allow the user to search for the proper values):

- **Short Text** – description of the item(s) being requested
- **Quantity** – number of item(s) being requested
- **Unit** – unit of measure (i.e. EA for each)
- **Delivery Date** – Reasonable date for which goods could be delivered.
- **Plant** – location for the items to be delivered. If further explanation is needed, include special instructions in the “Text” tab of the requisition.
- **Unloading Point** – address where the items/supplies should be delivered
- **Recipient** – Person responsible for receiving supplies, items, equipment, etc.
- **Valuation Price** – cost of the item(s) being requested (on the “Valuation” Tab)

Examples on screen below:
Releasing Purchase Requisitions:

Once the user has completed all of the pertinent information in the Purchase Requisition, it is recommended for the requisition to have an overall check performed before saving the data. This is performed by clicking the “Check” icon. This will display any messages or errors that will inhibit the completion.

Prior to the Purchase Order being created, the Purchase Requisition must be released by the user creating the requisition as well as the Finance Department. These are described in SAP as Z1- 1st Release (User Release) and Z2- 2nd Release (Finance Release). The user has the option of two different methods of releasing requisitions for the Z1-1st Release.

Transaction Code ME54N – Individual Release: This transaction will allow the user to release only one requisition at a time. The requisition number must be known to use this transaction. The user clicks on the “Release” icon for the Z1 level only (the Z2 release will be performed by Finance) and saves the requisition.
Appendix H

Creating Purchase Requisitions, Displaying Purchase Orders and Processing Goods Receipts

Transaction Code ME55 – Collective Release: This transaction will display all requisitions created by a department and allow the release of the requisitions as a group. By clicking on the “Execute” button, the system will display any requisitions for the user’s appropriate department(s) and allow for a collective release. (Note: Delete any other values that are populated if they are not shown below in order to get the proper results.)
Appendix H

Creating Purchase Requisitions, Displaying Purchase Orders and Processing Goods Receipts

Additional topics related to Purchase Requisitions and Purchase Orders:

- **Making changes to a Purchase Requisition prior to the creation of the Purchase Order.**

  **Transaction Code ME52N – Purchase Requisition Change** – This transaction allows the user to make changes to a Purchase Requisition prior to the Purchase Order being created. Note: Once the requisition is saved, the price or quantity cannot be changed. Please notify Purchasing should one of these items needs to be changed.

- **Adding extra text or description to a requisition.**

  While in Transaction ME52N, click on the “Text” Tab within the Requisition. Please make sure to add the text into the “Text” tab of the requisition. This will allow the user to add additional comments and descriptions related to the items being requested for purchase. Enter any information that would be helpful in creating the actual Purchase Order. This text will print out on the Purchase Order.
Appendix H

Creating Purchase Requisitions, Displaying Purchase Orders and Processing Goods Receipts

Finding Previous Purchase Orders

Purchase Orders by Vendor

Transaction Code ME2L allows the user to view all Purchase Orders by Vendor. The user must know the vendor number or search for the vendor by clicking the “drop-down menu” button and using the search term of the first three letters of the vendor name. All Purchase Orders created under the vendor searched will be displayed. The user must then search in the list displayed for the specific PO in question.

To narrow the vendor search, enter either the “Plant” for which the PO would have been created or the range of dates in the “Document Date” fields and the specific PO’s for that vendor and that search criteria will be displayed.

Print Screen of Transaction Code ME2L:
Appendix H

Creating Purchase Requisitions, Displaying Purchase Orders and Processing Goods Receipts

Purchase Order by Cost Center

In addition, Transaction Code ME2K allows the user to view Purchase Orders by Cost Center. The user should input the department’s cost center into the “Cost Center” box and all PO’s created using that specific cost center will be displayed. This allows the user to specifically search PO’s for a specific department.

To narrow the vendor search, enter either the “Plant” for which the PO would have been created or the range of dates in the “Document Date” fields and the specific PO’s for that vendor and that search criteria will be displayed.

Print Screen of Transaction Code ME2K:
Appendix H

Creating Purchase Requisitions, Displaying Purchase Orders and Processing Goods Receipts

Below is a display of the results from Transaction Code ME2K, Purchasing Documents for Cost Centers. This is an example of the most recent Purchase Orders created under cost center 01FIN for the Finance Department. All of the PO’s shown have a complete status since there are no remaining goods to be delivered and no invoices outstanding.
Appendix H

Creating Purchase Requisitions, Displaying Purchase Orders and Processing Goods Receipts

Goods Receipts

Once the goods from a Purchase Order are received, a goods receipt needs to be processed within SAP. Goods receipts can be done using transaction MIGO_GR. The menu path for this transaction is Logistics -> Materials Management -> Inventory Management -> Goods Movement -> Goods Receipt -> For Purchase Order.

Enter the PO Number in the white box following the “Purchase Order” box and hit “Enter”. All line items that have items to receive will appear. The screen below shows the Goods Receipt in a fast-entry mode and allows the user to check all the items that need to be received and change any quantity as needed.
If any line item is highlighted in blue, the “Detail Data” is open for that line item. The “Detail Data” is at the bottom and has several tabs related to that individual line item. For most goods receipts, this “Detail Data” is not necessary, so the information can be hidden. Click on the “Close Detail Data” tab and the fast-entry screen will appear as in the prior slide.
Check the “OK” box for the items that are ready to be received. Verify the quantity is correct, if a partial receipt is being done, change the quantity that needs to be received.

Finally, copy the “Material Short Text” for each line item into the “Text” box. Highlight the “Material Short Text” and copy (Ctrl-C) and then click in the “Text” box and paste (Ctrl-V). This will populate the line item detail when reviewing that department budget in Funds Management. Click on “Save” to complete the goods receipt.
Requisition Procurement Process

1. Requesting Department Creates Purchase Requisition
2. Requesting Department Releases Purchase Requisition
3. Finance Department Releases Purchase Requisition
4. Purchasing Department Creates Purchase Order (PO) & Sends to Vendor
5. Vendor Accepts PO & Initiates Delivery of Goods / Supplies
6. Requesting Department Receives Goods & Verifies Order
7. If Delivered Goods are Acceptable, Requesting Department Receives PO
8. Finance Department Enters Invoice for Payment
9. Finance pays Invoice on Due Date of Invoice
The vendors below are registered as Historically Underutilized Businesses (HUB) with the City Development Services Department. Please contact the CDBG Coordinator for any questions or to register with the City.

<table>
<thead>
<tr>
<th>COV Hub Certificate Number</th>
<th>SAP Vendor Number</th>
<th>Name of Firm</th>
<th>Primary Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>HUB09-015</td>
<td>9781</td>
<td>A &amp; A Constructors, Inc.</td>
<td>General contractors</td>
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<tr>
<td>HUB10-020</td>
<td>471</td>
<td>Accurate Water</td>
<td>Water treating equipment and filter media achemicals</td>
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<tr>
<td>HUB13-005</td>
<td>98</td>
<td>Amkon Filters of Victoria, Inc.</td>
<td>Air conditioning filter service</td>
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<td>HUB09-016</td>
<td>30</td>
<td>Anchor Lumber Yard, Inc.</td>
<td>Lumber, building materials and hardware</td>
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<tr>
<td>HUB10-001</td>
<td>5950</td>
<td>Braman Paving Company</td>
<td>Paving contractor</td>
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<tr>
<td>HUB12-002</td>
<td>n/a</td>
<td>Buher Roofing</td>
<td>Wholesale / retail trade (roofing)</td>
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<tr>
<td>HUB10-024</td>
<td>67</td>
<td>C &amp; W &amp; A, Inc.</td>
<td>Road base materials (sand, gravel, limestone)</td>
</tr>
<tr>
<td>HUB10-004</td>
<td>11943</td>
<td>Carbon Silica Partners, L.P. d/b/a Diamond Fiberglass</td>
<td>Manufacture fiberglass process vessels &amp; storage tanks</td>
</tr>
<tr>
<td>HUB12-001</td>
<td>1077</td>
<td>Carpet Masters - Carpet One</td>
<td>Wholesale / retail trade (flooring)</td>
</tr>
<tr>
<td>HUB10-015</td>
<td>17824</td>
<td>CivilCorp, LLC</td>
<td>Engineering and surveying</td>
</tr>
<tr>
<td>HUB10-012</td>
<td>6255</td>
<td>Clegg Industries, Inc.</td>
<td>Manufacture specialized vehicles</td>
</tr>
<tr>
<td>HUB08-001</td>
<td>10777</td>
<td>Coastal Office Products</td>
<td>Office supplies and office furniture</td>
</tr>
<tr>
<td>HUB08-002</td>
<td>11941</td>
<td>Crossroads Specialties</td>
<td>Commercial building specialties</td>
</tr>
<tr>
<td>HUB-09-019</td>
<td>11937</td>
<td>Custom Interiors</td>
<td>Commercial and residential flooring products</td>
</tr>
<tr>
<td>HUB09-003</td>
<td>11942</td>
<td>D &amp; S Lease Service, Inc.</td>
<td>Construction</td>
</tr>
<tr>
<td>HUB10-018</td>
<td>19550</td>
<td>De Web Works</td>
<td>Web software, design and development</td>
</tr>
<tr>
<td>HUB10-002</td>
<td>142</td>
<td>Edwards Plumbing, Inc.</td>
<td>Plumbing repair and installation - new and old</td>
</tr>
<tr>
<td>HUB09-005</td>
<td>437</td>
<td>Falcon Lease Operating Company</td>
<td>Dirt work and utilities</td>
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<tr>
<td>HUB10-023</td>
<td>163</td>
<td>Farm Industrial</td>
<td>Agriculture</td>
</tr>
<tr>
<td>HUB10-007</td>
<td>5805</td>
<td>Goodwin Personnel Consultants</td>
<td>Employment agency</td>
</tr>
<tr>
<td>HUB09-007</td>
<td>1230</td>
<td>Goyen Electric Inc.</td>
<td>Electrical contractors</td>
</tr>
<tr>
<td>HUB10-017</td>
<td>194</td>
<td>Gulf Bolt &amp; Supply</td>
<td>Job placement</td>
</tr>
<tr>
<td>HUB14-001</td>
<td>12083</td>
<td>Gutter Perfections &amp; More</td>
<td>Gutters, carports &amp; metal roofs</td>
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<tr>
<td>HUB09-006</td>
<td>1657</td>
<td>Husky Tower Company</td>
<td>Rental and erection of radio towers</td>
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<tr>
<td>HUB09-011</td>
<td>9780</td>
<td>Jerry Lenz Sports, Inc. d/b/a Team Sports Of Texas</td>
<td>Athletic equipment dealer</td>
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<tr>
<td>HUB13-007</td>
<td>14456</td>
<td>Jung Tile Services</td>
<td>Ceramic tile / flooring sales</td>
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<tr>
<td>HUB13-006</td>
<td>8736</td>
<td>L-Ann Imaging</td>
<td>Photography</td>
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<td>HUB10-011</td>
<td>289</td>
<td>Lentz Hardware Co.</td>
<td>Retail hardware sales</td>
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<tr>
<td>HUB09-018</td>
<td>11933</td>
<td>Mahan's Foundations And Contractors, Inc.</td>
<td>Construction, demolition and water damage repairs</td>
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<tr>
<td>HUB10-003</td>
<td>649</td>
<td>New Distributing</td>
<td>Wholesale petroleum products</td>
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<td>HUB09-017</td>
<td>11944</td>
<td>Performance Lubricants, Inc.</td>
<td>Oil product sales</td>
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<tr>
<td>HUB10-009</td>
<td>5709</td>
<td>Premier Cylinder Head Service</td>
<td>Automotive machine shop</td>
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<td>HUB08-007</td>
<td>4086</td>
<td>Rain King, Inc.</td>
<td>Roofing and sheet metal</td>
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<td>HUB10-013</td>
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<td>S &amp; G Cement Contractors</td>
<td>Concrete construction</td>
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<td>HUB09-010</td>
<td>7925</td>
<td>Serrano Services, Inc.</td>
<td>Hauling (landfill waste, dirt, gravel, etc.)</td>
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<td>HUB10-016</td>
<td>503</td>
<td>Service Supply</td>
<td>Plumbing, HVAC and safety tool maintenance</td>
</tr>
<tr>
<td>HUB13-001</td>
<td>22164</td>
<td>South Texas Fence &amp; Deck</td>
<td>Fencing, decking &amp; siding</td>
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<tr>
<td>HUB09-002</td>
<td>1514</td>
<td>Tom's Vacuum Center</td>
<td>Vacuum sales, service and parts</td>
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<tr>
<td>HUB10-022</td>
<td>12112</td>
<td>VCS Security Systems Inc.</td>
<td>Security systems, TV and home theater</td>
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<tr>
<td>HUB09-004</td>
<td>713</td>
<td>Victoria Air Conditioning, Ltd</td>
<td>HVAC and plumbing service work</td>
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<tr>
<td>HUB08-003</td>
<td>521</td>
<td>Victoria Blue Print Co, Inc.</td>
<td>Reprographic services</td>
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<tr>
<td>HUB13-003</td>
<td>2829</td>
<td>Victoria Builder Supply</td>
<td>Overhead doors &amp; openers</td>
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<tr>
<td>HUB10-005</td>
<td>2071</td>
<td>Victoria Communication Services</td>
<td>Cellular and 2-way radio sales and services</td>
</tr>
<tr>
<td>HUB10-021</td>
<td>9816</td>
<td>Victoria Landscape &amp; Irrigation</td>
<td>Landscape and irrigation contractor</td>
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<tr>
<td>HUB13-002</td>
<td>534</td>
<td>Victoria Office Equipment, Inc.</td>
<td>Office equipment dealer</td>
</tr>
<tr>
<td>HUB09-013</td>
<td>535</td>
<td>Victoria Oliver Company, Inc.</td>
<td>Farm equipment sales and service</td>
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<tr>
<td>HUB10-006</td>
<td>160</td>
<td>Victory Air &amp; Equipment</td>
<td>Corrosion control &amp; painting equip, air compressors</td>
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<tr>
<td>HUB10-014</td>
<td>8932</td>
<td>VMC Signs</td>
<td>Manufacture, install and service signs</td>
</tr>
<tr>
<td>HUB10-026</td>
<td>14175</td>
<td>Wholesale Electric</td>
<td>Wholesale and retail trade</td>
</tr>
</tbody>
</table>

Updated: March 20, 2015
## REPORT OF VENDOR PERFORMANCE

INSTRUCTIONS: 1. Complete this form to report complaints or compliments on vendors, commodities or to report any unsatisfactory service.  
2. Furnish all necessary detail so that a satisfactory settlement of the complaint can be made.  
3. Verify all information to insure accuracy. Vendor performance reports become a permanent record of the commodity or vendor concerned and must be accurate to guarantee intelligent and equitable settlement and to serve as a guide for future action.

<table>
<thead>
<tr>
<th>Vendor Name</th>
<th>Date (month, day, year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Vendor Contact</td>
<td>Vendor Telephone Number</td>
</tr>
<tr>
<td>Vendor Address (Street, City, State and Zip Code)</td>
<td></td>
</tr>
<tr>
<td>Department Name</td>
<td>Requestor’s Name</td>
</tr>
<tr>
<td>Purchase Order Number</td>
<td>Line Item</td>
</tr>
</tbody>
</table>

### POSITIVE COMMENTS
- Vendor confirms delivery time and date prior to delivery.
- Vendor responds to complaints in a timely manner.
- Vendor is responsive to department’s needs.
- Vendor is reliable and dependable.
- Other (Explain in Remarks section)

### PROBLEMS WITH DELIVERY AND QUANTITY
- Delivery not made on date ordered or promised.
- Delivery of damaged commodity.
- Unsatisfactory workmanship in installation of commodity.
- Quantity delivered in excess of order and cannot be accepted.
- Quantity delivered is less than ordered. Balance is required.
- Un satisfactory and unauthorized Substitute delivered by vendor.
- Other (Explain in Remarks section)

### REMARKS (give detailed explanation of complaint or compliment, using reverse side if additional space is necessary)

Performance Report executed by:
Name (please print) ____________ Department / Title ____________

Telephone Number ____________ E-mail address ____________

Signature ____________ Date (month, day, year) ____________

Received by: ____________
SAMPLE CONTRACT DOCUMENTS FOR CONSTRUCTION AND SERVICES

The “Contract Term Sheet” should be completed and sent to Legal in order to draft a contract for construction services, service contracts or professional services. This document can be found on the Common (Q) drive at “Legal \ Contract Term Sheet”.

Once a contract is fully executed, a contractor may need written approval to begin work and should be sent a “Notice to Proceed”. This document can be found on the Common (Q) drive under the “Purchasing / Sample Contract Documents” folder.

If an existing executed contract needs a change in scope and / or price, the administering department should complete a “Change Order” form and send it to Legal for review. This document can be found on the Common (Q) drive under the “Purchasing / Sample Contract Documents” folder.

- Contract Term Sheet
- Sample Notice to Proceed
- Sample Change Order Form

Updated March 2015