

# City of Arlington, Texas PROCUREMENT MANUAL

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#### **Code of Ethics**

The Financial Services Department/Purchasing Division believes that the following ethical principles should govern the conduct of every person employed by the City who procures goods and services.

- Believes in the dignity and worth of the service rendered by the City, and the societal responsibilities assumed as a trusted public servant.
- Is governed by the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the City and the public being served.
- Believes that personal aggrandizement or personal profit obtained through misuse of public or personal relationships is dishonest and will not be tolerated.
- Identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved.
- Believes that members of the City and its staff should, at no time, or under any circumstances, accept directly or indirectly, gifts, gratuities, or other things of value from suppliers, which might influence or appear to influence purchasing decisions.
- Neither seeks nor dispenses personal favors. Handles each administrative problem objectively and empathetically, without discrimination.

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#### **PURCHASING MANUAL**

#### PART I: GENERAL INFORMATION

#### 1.0 INTRODUCTION

The Purchasing Manual serves as a companion to the Procurement Policy, governing procurement of goods and services in the City of Arlington.

The Purchasing Division is a functional support division and should be included in all stages of acquisition, through planning, ordering, and receiving. A professional staff issues purchase orders (POs) and bids, and/or negotiates and executes contracts to deliver goods and services in a timely manner, to ensure compliance with the State of Texas competitive bid statutes and the City's purchasing policies.

## 2.0 PURPOSE AND SCOPE

The Purchasing Division is committed to providing quality service through effective teamwork and communication with City departments and suppliers alike, in order to fulfill the purchasing needs of the City in a professional, responsive and timely manner in compliance with all City policies and applicable federal, State, and local purchasing laws. Public purchasing entities have the responsibility to obtain the most value for the tax dollar in a fair, efficient and equitable manner. To achieve this objective, the Purchasing Division seeks to foster as much competition as possible. In doing so, we adopt the goal of fairness by ensuring all who wish to compete for the opportunity to sell to the City of Arlington can do so. Our goal is to:

- 1. Give all suppliers full, fair, prompt and courteous consideration;
- 2. Keep competition open and fair;
- Solicit supplier suggestions in the determination of clear and adequate specifications and standards:
- 4. Cooperate with suppliers and consider possible difficulties they may encounter; and
- 5. Observe strict truthfulness and highest ethics in all transactions and correspondence.

# 3.0 OBJECTIVES

The primary objective of the City of Arlington's Purchasing Division is to be open and fair in all aspects of the procurement process. The Purchasing Division is responsible for ensuring that City departments comply with federal, state and local statutes regulating competitive sealed bids, competitive sealed proposals, professional services, high technology purchases, cooperative purchases, and emergency and sole-source purchases when obtaining goods and services. The Purchasing Division solicits for all competitive procurements as required by law, evaluates bids and proposals, and makes final recommendations to the Mayor and City Council for awarding of contracts.

# 3.1 The general duties of the Purchasing Division are as follows:

- 1. Observe and enforce the policy and procedures outlined in the City of Arlington Purchasing Policy or as directed by the City Manager or his/her designee;
- Advise and assist in the formulation of policies and procedures connected with the purchasing activities of the City, and keep the Director of Finance advised of such policies and procedures;
- 3. Investigate and analyze research done in the field of purchasing by other governmental agencies and by private industry, in an effort to keep abreast of current developments in the fields of purchasing, price, market conditions and new products;
- 4. Coordinate, organize, and assist departments in the specification writing process to ensure that

specifications are written concisely and are not written in an exclusive manner;

- 5. Join with other governmental agencies in cooperative purchasing plans when it is in the best interest of the City;
- 6. Receive, open, and evaluate competitive solicitations;
- 7. Act in an advisory role as a non-voting member on evaluation committees;
- 8. Prepare and coordinate with user departments staff reports recommending award of competitive solicitations for City Council approval;
- 9. Combine purchases of similar items whenever possible and practical, to allow for better pricing and establish a more competitive atmosphere;
- 10. Assist department heads in the disposition of junk and scrap material such as pallets, scrap pipe, paper products, etc;
- 11. Dispose of stolen, abandoned and recovered property coming into the possession of the City;
- 12. Dispose of surplus City property at public auction and record disposition;
- 13. Issue Sales Tax Exemption Certificates and W-9 Federal Identification Number and Certification to vendors by request; (**Part III/Sections 14.1 and 14.2**)
- 14. Conduct a purchasing class each quarter for employees who process requisitions, conduct receiving, approve purchase orders, and/or develop specifications in the automated procurement system. Additionally, individual training by the assigned Purchasing Agent is available at the request of departments or as new information or policy updates become available.

# 3.2 Exceptions to the responsibilities of the Purchasing Division

The Purchasing Division does not issue sealed bid invitations for professional services, major building construction/renovations, street construction, water/sewer line construction, storm sewer, drainage, water towers, or treatment plants. These types of contracts are issued by the Public Works and Water Departments.

### 4.0 RESPONSIBILITIES OF THE USER DEPARTMENTS

- 1. Each City department should plan their work so "rush orders" and emergency requests are kept to a minimum.
- 2. Purchases of goods or services anticipated to be greater than \$50,000 require bidding and council approval per state law and shall brought to the attention of the Purchasing Division as soon as the need is identified.
- 3. Departments are required to implement adequate advance planning for major purchases to allow for state-required bid, RFP, and/or quotation process. Advanced planning requires the involvement of the Purchasing division as soon as the purchase or need is identified.
- 4. Non-repetitive purchases of \$2,999 or less may be made by departments through the Lawson purchasing system, or, if the purchase meets policy guidelines, using the City's procurement card.
- 5. Purchases of goods or services less than \$100 must be made using the City's procurement card or petty cash, if available.

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- 6. Departments are required to notify purchasing for any repetitive cumulative purchases that reach any designated quote or bid threshold.
- 7. Each City department shall submit all requisitions for goods & services via the automated procurement system (Lawson). Automated approvals are obtained at the appropriate quote thresholds and user authorities. For goods or services over \$3,000, quotes are required per state law, unless otherwise exempted. For any goods or services over \$50,000, the appropriate formal solicitation shall occur through Purchasing and appropriate City council approval shall be obtained prior to PO approval. Goods and Services covered by this policy shall not be entered into the eBuilder system, as it is solely for CIP (engineering and construction projects).
- 8. The department is required to allow sufficient lead-time for all quoted and solicited actions.
  - a. The purchases of goods or services more than \$3,000, but less than \$50,000, shall be made on the basis of a minimum of three quotes. Per state law, at least two of the quotes must be from Historically Underutilized Businesses (HUBs) in Tarrant County, if any such HUBs are available. Verification of non-availability is required.
  - b. Departments are required to notify the Purchasing Division when any purchase is made using any type of federal funding (i.e., grant, transportation, homeland security, etc.) This is to ensure that proper terms, conditions, and clauses can be added in order to preserve the funding and guarantee reimbursement.
  - c. Departments may obtain the required quotes, but determination of the award shall be at the sole discretion of the Purchasing Agent.
  - d. The Purchasing Division may assist departments in obtaining quotes, upon request or if determined necessary by the Purchasing Agent.
  - e. Each City department should assist the Purchasing Division by suggesting, in writing, the contact information of known suppliers that have access to the particular item or items being requested, especially items of a technical nature.
  - f. **No orders shall be placed without an approved PO number** or use of the City procurement card. Departments do not have the authority to order directly from a supplier without an approved purchase order, nor to negotiate any purchases between \$3,000 and \$50,000, without the consent of the Purchasing Division. (**See section 9.2 Unauthorized Purchases**)
  - g. When using cooperative contracts, the department shall work with the Purchasing Division. The department is responsible for ensuring the resulting PO and any payments are in accordance with pricing and terms quoted in the cooperative being used.
  - h. When a department applies for and accepts federal funds they also accept the responsibility of maintaining oversight of the procurement process and assuring its federal compliance. State and federal regulations regarding procurement of goods and services are complex, detailed, and often change to reflect changes in legislation.
  - The requirements and standards of Circular 4220 Third Party Contracting Requirements apply to procurements using FTA funds. Before procurements are initiated to include quotes, sealed bids, request for proposals, request for qualifications, interlocal agreements, or inter-agency agreements, departments are to review the grant requirements and work with the Purchasing Manager to ensure required steps are followed. Recipients are required to have all stages of the procurement reviewed and approved by Finance Department.

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- j. Purchases involving IT products, maintenance, or systems must have the prior approval of the IT Governance Board. The Purchasing Division cannot proceed on these types of purchases without this written approval. The department is responsible for obtaining the approval and providing it to the Purchasing Division.
- 9. No employee shall purchase supplies, services, materials or equipment of any kind through the City of Arlington for personal use.
- 10. Each department head shall assume the responsibility of maintaining control of their departmental expenditures, including expenditures on annual contract.
  - a. Specific appropriations are made in the annual operating budget for each department's budget.
  - b. The Lawson purchasing system will not release requisitions for approval if the associated account number has insufficient budget. The department is responsible for correcting/adjusting budget to ensure orders can be placed.
  - 11. Each department's Fixed Asset Coordinator shall be responsible for the control and safekeeping of the fixed asset inventory items assigned to his/her department.
    - a. This control is to include procedures to update inventory for deletions and additions as defined in the Fixed Asset Manual, Appendix C, Fixed Assets.
    - b. Prior to trading-in a tagged fixed asset as part of a purchase, the Department's Fixed Asset Coordinator shall notify the Fixed Asset Accountant of the trade; to include the cost of the new equipment without the trade-in.
    - c. A copy of the vendor's quote and the Fixed Asset Accountant acknowledgement shall be forwarded to Purchasing prior to approving the purchase.
  - 12. Departments are encouraged to closely monitor vendor performance. In the event that a vendor fails to perform in compliance with specifications, departments should complete and submit to the Purchasing Division, a Vendor/Contractor/Consultant Performance Report.

    (Part III/Section 14.3)

#### 5.0 PROCUREMENT METHODS

# 5.1 Quotes

1. Purchases of non-contract goods or services totaling \$3,000 or less require no quotation. In such instances, departments should make every effort to use the City's procurement card.

Except where otherwise exempted by applicable State law, purchases totaling \$3,000 or more (but less than \$50,000) require a minimum of three quotes, two of which must be from Tarrant County HUB vendors, if available and identified in the CMBL on the State website. All quotations received must be in writing from the vendor and will be evaluated by a purchasing agent who will then authorize and issue a purchase order through Lawson.

Purchases of supplies and services exceeding \$50,000 are processed by the Purchasing Division using sealed bid or other approved competitive solicitation method, and must comply with applicable State laws.

2. <u>Local Government Code Chapter 252.0215</u> Competitive bidding in relation to HUB vendors, states that a municipality, in making an expenditure of more than \$3,000 but less than \$50,000, shall contact at least two HUBs on a rotating basis. If the list fails to identify a disadvantaged business in the county in which the City is situated, the City is exempt from this section.

**HUB** – Certified businesses that are at least 51% owned, operated, and controlled by the qualifying groups which include Asian Pacific Americans, Black Americans, Hispanic Americans, Native Americans and American Women.

To obtain a listing of all businesses certified by the State of Texas for Tarrant County visit <a href="https://mycpa.cpa.state.tx.us/tpasscmblsearch/index.jsp">https://mycpa.cpa.state.tx.us/tpasscmblsearch/index.jsp</a>. A link to the this database is also available through the Purchasing Portal on the City's intranet.

# 5.2 Competitive Bids (Goods and Services)

1. Except as otherwise exempted by applicable State law, requisitions for item(s) whose aggregate total cost is more than \$50,000 must be processed as competitive solicitations (e.g. sealed bids, request for proposals, and request for offers). Texas Local Government Code, Subchapter B, Section 252.021 defines the requirements for competitive bids.

Under no circumstances shall multiple requisitions of \$50,000 or less be used in combination to avoid otherwise applicable bidding requirements or City Council approval, which is required for all purchases of greater than \$50,000. Refer to Purchasing Manual Section 9.0 VIOLATIONS for details on this Class B Misdemeanor offense

- 2. The State of Texas Reciprocity Law provides that the State or political subdivision cannot award contracts or purchases to non-resident bidders having local preference laws in their resident states unless their bid is lower than the lowest bid submitted by a responsible Texas resident bidder by the amount that a Texas resident bidder would be required to underbid a nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located.
- 3. Award of Contract

# Texas Local Government Code, Section 252.043, states, in part:

- (a) If the competitive sealed bidding requirement applies to the contract for goods or services, the contract must be awarded to the lowest responsible bidder or to the bidder who provides goods or services at the best value for the municipality.
- (c) Before awarding a contract under this section, a municipality must indicate in the bid specifications and requirements that the contract may be awarded either to the lowest responsible bidder or to the bidder who provides goods or services at the best value for the municipality.
- 4. Time Requirements

The time required for the processing of competitive sealed bids is generally twelve to fourteen weeks, depending on when the Purchasing Division receives the specifications and whether the order will be placed by a one-time purchase order or annual contract. The process consists of the following requirements:

- a. Receipt of specifications;
- b. Specifications are developed, drafted, and reviewed by the requesting department and the Purchasing Division;

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- c. Bid is advertised in the printed media and as required by law. By law, the bid cannot be opened until at least the 15<sup>th</sup> day after the initial advertisement;
- d. Bid is posted on DemandStar and the City's own Supplier Portal where potential bidders are notified of the opportunity. Download is available to any interested party;
- e. A pre-bid conference is held, if applicable;
- f. Addenda are issued, as needed;
- g. Bid is opened, tabulated, and evaluated and recommendation of award is forwarded to user department by the Purchasing Agent;
- h. Staff report is prepared, presented to City Council for approval;
- i. Receipt of all required insurance and bonds; and
- j. If awarded, a PO or contract and an award letter are issued;

# 5.3 Request For Competitive Sealed Proposals (RFCSP)

# 1. <u>Texas Local Government Code Chapter 252.042</u> states:

- (a) Request for Proposals (RFPs) made under Section 252.021 must solicit quotations and must specify the relative importance of price and other evaluation factors.
- (b) Discussions in accordance with the terms of a request for proposals and with regulations adopted by the governing body of the municipality may be conducted with offerers who submit proposals and who are determined to be reasonably qualified for the award of the contract. Offerers shall be treated fairly and equally with respect to any opportunity for discussion and revision of proposals. To obtain the best final offers, revisions may be permitted after submissions and before the award of the contract.

# 2. Texas Local Government Code Chapter 252.049(b) states:

If provided in a RFP, proposals shall be opened in a manner that avoids disclosure of the contents to competing offerers and keeps the proposals secret during negotiations. All proposals are open for public inspection after the contract is awarded, but trade secrets and confidential information in the proposals are not open for public inspection.

3. Access to bidder-declared trade secrets or confidential information shall be in accordance with the <u>Texas Government Code Chapter 552</u>, the <u>Public Information Act</u>, and applicable City policies implementing this chapter.

#### 4. Time Requirements

The time required for the processing of a RFCSP (proposal) is generally fourteen to twenty-four weeks, depending on the complexity of the specifications and scheduling of the City evaluation team. The process consists of the following requirements:

- Receipt of specifications;
- b. Specifications are developed, drafted, and reviewed by the requesting department and the Purchasing Division;

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- c. RFCSP is advertised in printed media as required by law. By law, the RFCSP cannot be opened until at least the 15<sup>th</sup> day after the initial advertisement;
- d. Post proposal on DemandStar and the City's own Supplier Portal where potential bidders are notified of the opportunity. Download is available to any interested party;
- e. A pre-proposal conference is held, if applicable;
- f. Addenda are issued, as needed;
- g. Proposal is opened and evaluated;
- h. Presentations by bidders, if applicable;
- i. Negotiate, if required;
- j. Contract development, if applicable;
- k. Staff report is prepared and presented to City Council for approval;
- I. Receipt of all required insurance and bonds; and
- m. If awarded, a PO or contract and an award letter are issued.

#### 5.4 Professional Services

- 1. <u>Texas Government Code, Chapter 2254, Subchapter A, Professional Services</u>, states that contracts for the procurement of defined professional services may not be awarded on the basis of competitive bids. Instead, they must be awarded on the basis:
  - (1) Of demonstrated competence and qualifications to perform the services;
  - (2) For a fair and reasonable price;
  - (3) Fees are allowed:
  - (4) Must be consistent with and not higher than the recommended practices and fees published by the applicable professional associations; and
  - (5) May not exceed any maximum provided by law.
- 2. Professional Services for the purposes of <u>Government Code Chapter 2254</u> are defined as those "services within the scope of the practice, as defined by state law, of accounting, architecture, landscape architecture, land surveying, medicine, optometry, professional engineering, real estate appraising, or professional nursing, or provided in connection with the professional employment or practice of a person who is licensed or registered as a certified public accountant, an architect, a landscape architect, a land surveyor, a physician, including a surgeon, an optometrist, a professional engineer, a state certified or state licensed real estate appraiser, or a registered nurse."
- 3. Personal and professional services are exempted from the competitive bidding process and are procured through the use of Request for Qualification (RFQ) documents. The Purchasing Division is available to consult with departments regarding the preparation of information; however, the presentation of technical and qualifications aspects of personal and/or professional services included in the RFQ documents is the sole responsibility of the requesting department.

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- 4. City management has mandated that professional services contracts shall be encumbered through use of a PO in the Lawson financial system. This allows for more accurate tracking and payment in the official system of record.
- 5. City management has mandated that all professional services contracts shall include the City's Insurance requirements. Departments creating professional services contracts shall contact the City's Risk Management Division for details.

# 5.5 Automated Information Systems (High Technology Procurements)

- 1. Purchases involving IT products, maintenance, or automated systems must have the prior approval of the IT Governance Board. The Purchasing Division cannot proceed on these types of purchases without this written approval. The department is responsible for obtaining the approval and providing it to the Purchasing Division
- 2. Automated information systems include:
  - a. The computers on which the information system is automated;
  - b. A service related to the automation of the system, including computer software, or the computer; and
  - c. A telecommunications apparatus or device that serves as a component of a voice, data, or video communications network for transmitting, switching, routing, multiplexing, modulating, amplifying, or receiving signals on the network.

## 3. Time Requirements

- a. The time required for the processing of a technology solicitation is fourteen to twenty-six weeks, depending on the complexity of the specifications.
- 4. Due to the complexity of technology specifications, process, and negotiations, <u>departments</u> <u>are required to route all technology procurements through the Purchasing Division</u>.

#### 5.6 Cooperative Purchases

Cooperative purchasing occurs when two or more governmental entities coordinate some or all purchasing efforts to reduce administrative costs, take advantage of quantity discounts, share specifications, and create a heightened awareness of legal requirements. Cooperative purchasing can occur through interlocal agreements, state contracts, piggybacking, and joint purchases.

The Purchasing Division can help locate cooperative options, upon request, but it is the requesting department's is responsible for verifying that a current cooperative remains available for use throughout the life of the purchase. The department is also responsible for verifying that any resulting Purchase Orders and invoices reflect the pricing and terms contained in the referenced cooperative and, in the case of negotiable cooperatives such as State of Texas DIR, the vendor, pricing, scope must be detailed prior to issuance of the Purchase order.

# 5.6.1 Interlocal Agreement Purchases or Inter-Agency Agreements

<u>Texas Government Code Chapter 791, Interlocal Cooperation Act,</u> allows local governments to contract with and between one another, to provide governmental functions and services, as well as join together in contracting with other entities to provide goods and services.

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When a department applies for and accepts federal funds they also accept the responsibility of maintaining oversight of the procurement process and assuring its federal compliance. State and federal regulations regarding procurement of goods and services are complex, detailed, and often change to reflect changes in legislation.

The requirements and standards of Circular 4220 Third Party Contracting Requirements apply to procurements using FTA funds. Before procurements are initiated to, interlocal agreements, or interagency agreements, departments are to review the grant requirements and work with the Purchasing Manager to ensure required steps are followed. Recipients are required to have all stages of the procurement reviewed and approved by Finance Department.

#### 5.6.2 State Contract Purchases

<u>Texas Local Government Code Chapter 271, Subchapter D, § 271.081-271.083, State Cooperation in Local Purchasing Programs</u>, allows local governments to purchase items on the State's purchasing contracts and allows the State to solicit bids on the local government's behalf when considered feasible by the State.

The Texas Department of Information Resources (DIR) has a web-based bulletin board system service to download price sheets on various products. DIR offers business systems planning, analysis, design, application development, assistance with telecommunications and video-conferencing network planning, management, and implementation. DIR has working agreements with training providers that offer the best pricing available to government organizations, regardless of size. Refer to <a href="https://www.dir.state.tx.us">www.dir.state.tx.us</a>.

# 5.6.3 Piggybacking

Piggybacking occurs when one governmental agency purchases for itself and for others as a convenience to the others. Both governmental agencies should protect themselves by establishing an agreement in writing, even when the arrangement is informal. The agreement should specify the duties and responsibilities of each party.

### 5.6.4 Joint Purchases

Joint purchasing occurs when two or more governmental agencies join together to purchase one or more items. This may involve each entity handling part of the administrative duties or agreeing to have one entity handle the transactions under the guidance of other entities. All parties to a purchase must agree to the product specifications so that the result will be a satisfactory purchase for all involved entities.

# 5.7 Emergency Purchases

The Legislature exempted certain items from sealed bidding in the <u>Vernon's Texas Codes Annotated</u> <u>Local Government Code Section 252.022(a)</u>, including but not limited to:

- 1. A procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents or to preserve the property of the municipality:
- 2. A procurement necessary to preserve or protect the public health or safety of the municipality's residents:
- 3. A procurement necessary because of unforeseen damage to public machinery, equipment or other property.

#### 5.7.1 Definition of a Valid Emergency Purchase

Valid emergencies are those that occur as a result of the breakdown of equipment which must be kept in

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operation to maintain the public's safety or health, or whose breakdown would result in the disruption of City operations.

Care should be taken to avoid emergencies created by negligence. Most vendors will charge a premium if labor, supplies or materials are required immediately. Better prices can usually be obtained if the material is purchased on sealed, written bids. Most vendors will go through the manufacturers for a price that is lower than the vendor's wholesale price.

Typical examples of emergencies created through negligence are: depletion of stock due to neglect; emergency orders for materials for projects which could have been planned weeks or months ahead, etc. Abuse of the emergency purchase procedure is justification to withhold issuance of additional confirming POs.

# 5.7.2 Emergency Purchase Procedures

- 1. If an emergency arises <u>during</u> normal office hours:
  - a. The requesting department should immediately enter a purchase requisition into Lawson and contact the Purchasing Division concerning the fact that an emergency situation exists. If the normal department approver is unavailable, the Purchasing Division can expedite the issuance of a purchase order number.
  - The department should place the order immediately upon issuance of the purchase order number.

If an emergency arises after normal office hours:

- a. Requesting department should keep accurate and factual documentation concerning the nature and cause of the emergency. Include price quotations received by telephone and confirmed in writing by the vendor. A requisition for the purchase must be entered into Lawson, if possible. If the purchase can be immediately approved to purchase order, the department may place the order with the vendor, using the resulting purchase order number.
- b. If the purchase can not be immediately approved to purchase order for any reason, the department will maintain all applicable documentation and proceed in placing the order with the vendor.
- c. No later than the following workday, contact the Purchasing Division for appropriate follow-up and issuance of a valid purchase order number. The assigned Purchasing Agent will make all required documentation in Lawson and ensure that the vendor is contacted with the correct purchase order number.

#### 5.8 Sole Source Purchases

#### 5.8.1 Definition

Sole-source purchases are items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies as defined by local government code.

When a department has identified a specific item with unique features or characteristics essential and necessary to the requesting department and no alternate products are available, a detailed written justification must be provided to the Purchasing Division in advance for review and approval.

# 5.8.2 Legal Definition

The legislature exempted certain items from sealed bidding in the <u>Vernon's Texas Codes Annotated - Local Government Code Section 252.022 (a) 7, in part:</u> Procurement of items available from only one source,

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# including:

- A. items 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 person 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.

#### 5.8.3 Sole Source Documentation

The department shall provide the Purchasing Division with:

- 1. A completed copy of the sole-source document. (Section 14.4)
- 2. A sole source letter from the vendor, on that company's letterhead, stating why the item being purchased is sole-source. This letter shall include item description, patent, copyright, and/or other pertinent information that will assist the Purchasing Division in making the decision as to whether or not the item is acceptable as sole source. The letter will remain valid for one year from the date of approval.

#### 6.0 CAPITAL ITEMS

All capital items, regardless of dollar amount, are to be procured by the Purchasing Division or as directed by the City Manager or his/her designee. Capital items are those items costing \$5,000 or more and having a useful life of more than one year. Items costing less than \$5,000 should not be charged to a capital account. Capital items with a purchase price of \$5,000 or more are considered fixed asset capital expenditures and should be charged to the appropriate fixed asset accounts.

Contact the Finance Fixed Asset Accountant for instructions regarding procedures for asset tagging and disposition.

# 6.1 Deficiency in Budgeted Amount for Capital Purchase

The adoption of the annual operating budget by the City Council is an expression of intent on its part to accomplish the projects and purchase capital equipment itemized in the budget document. This expression of intent is based on the estimated costs of projects and capital equipment. If the actual cost for a capital equipment item exceeds the amount appropriated in the annual operating budget by more than ten percent (10%), including shipping and handling, specific written authorization must be obtained from a Deputy City Manager or his/her designee prior to issuance of a purchase order.

#### 7.0 BIDDING REQUIREMENTS

# 7.1 Pre-Bid/Pre-Proposal Conferences

Pre-bid and pre-proposal conferences are held whenever it is determined that such a conference is needed and allowed by law. Pre-bid and pre-proposal conferences may be held for projects that involve installation

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on City property and/or when warranted by the complexity of the work.

# 7.2 Opening of Bids

Competitive sealed bids shall be publicly opened, read aloud, and recorded at a designated location at the scheduled date and time. All vendors submitting bids are invited to attend these bid openings, as well as City personnel representing the division/department and other interested parties.

The City will return late bids unopened. A photocopy of the time-stamped envelope will be retained in the file. Bids may be withdrawn at any time prior to the official opening. Bids may not be altered, amended or withdrawn after the official opening without the recommendation and approval of the Purchasing Agent.

#### 7.3 Evaluation of Bids

The Purchasing Agent, and other City personnel as required, will evaluate all competitive bids, proposals, and/or offers received in accordance with the evaluation criteria established and included in the solicitation documents. If necessary, an evaluation team will be established.

# 7.3.1 Lowest Responsive And Responsible Bidder

- 1. A **responsive** bidder is defined to be one who submits a completed sealed bid packet within the stated time deadline and in accordance with the bid specifications.
- A responsible bidder is defined to be one who demonstrates specific selection criteria responses that define whether the company can successfully deliver the supplies, equipment, or services.

#### 7.3.2 Best Value Bidder

Texas Local Government Code, Section 252.043, states, in part:

In determining the best value for the municipality, the municipality may consider:

- 1. the purchase price;
- 2. the reputation of the bidder and of the bidder's goods or services;
- 3. the quality of the bidder's goods or services;
- 4. the extent to which the goods or services meet the municipality's needs;
- 5. the bidder's past relationship with the municipality;
- 6. the total long-term cost to the municipality to acquire the bidder's goods or services; and
- 7. any relevant criteria specifically listed in the request for bids or proposals.

#### 7.4 City Council Action – Recommendation for Award

Staff reports are prepared in accordance with City Manager's Office requirements. The Mayor and City Council approve all contracts, purchase orders, and change orders \$50,000 or greater. While the Purchasing Division generally submits staff reports, the division/department is responsible for providing any information necessary to complete them.

#### 7.5 Bid Protest

- Any actual bidder or contractor who is aggrieved in connection with a bid invitation or award of a
  contract may protest to the City's Purchasing Manager. The protest must be submitted in writing
  within five (5) business days after public posting of the Recommended Award. Only written
  protests shall be considered. The protest letter must be signed and include the following
  information:
  - a. Name, address, and telephone number of the protester;
  - b. The bid/proposal or contract number;
  - c. A detailed statement of the legal and factual grounds for protest, information demonstrating its timeliness, copies of relevant documents, and reasons the protest should be sustained; and
  - d. A specific request for a ruling by the Purchasing Manager.
- 2. Failure to provide this information may result in a determination that the protest is without merit.
- 3. The decision of the City is final.
  - 3. If the <u>bid or proposal has not been opened</u> and there is a protest regarding overly restrictive specifications, omissions, ambiguous or indefinite evaluation factors, or other concerns, protesters are to contact the Purchasing Agent to explain any concerns, not later than five (5) business days before the bid or proposal is scheduled to be opened. If the protest is determined to have merit, the Purchasing Agent will make a reasonable effort to issue an addendum, extend the bid opening date, or resolve any issue prior to the bid opening or receipt of bids/proposals.

# 7.6 Bond Requirements

# 7.6.1 Bid Bonds/Proposal Guarantees

A bid bond/proposal guarantee, issued by the bidder's/proposer's surety, is a legal document used to bind the vendor to honor the bid/proposal. In the event the vendor fails to honor a bid/proposal, the bid bond/proposal guarantee may be forfeited and the issuing surety shall pay the City the amount of the bond/guarantee to defray the City's cost. Bid bonds/proposal guarantees shall, as a general rule, be five percent (5%) of the bid/proposal amount. In certain procurements a dollar amount may be specified in place of a percentage. The issuing surety must be a company authorized to conduct business in the State of Texas.

# 7.6.2 Payment Bonds

A payment bond, generally, in an amount of one hundred percent (100%) of the contract amount is a legal document insuring faithful payment by the vendor of all invoices for materials, labor, subcontractors, taxes, and any/all other expenses relative to the contract. In the event of vendor's failure to pay any/all of the costs relative to the contract, the bonding company becomes liable. In accordance with <a href="Texas Government Code Chapter 2253">Texas Government Code Chapter 2253</a>, payment bonds are required for all public works contracts in excess of \$25,000.

#### 7.6.3 Performance Bonds

A performance bond in the amount of one hundred percent (100%) of the contract amount is a legal document insuring faithful performance of the work of the contract by the vendor. In the event of contractor's failure to perform the work, the surety is liable for the satisfactory completion of the work or may pay the City up to the full bond amount. A performance bond is required for all public works

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(construction contracts) in excess of \$100,000.

Subject to the requirements of applicable law, the Purchasing Division, with input from the department, shall determine whether a performance bond will be required. While the decision is discretionary, the decision shall take into consideration the work to be performed or system/subsystem to be developed. Performance bonds must be submitted by the successful vendor along with the duly executed contract documents prior to receiving a "Notice to Proceed" for the work.

7.6.4 Other bonds such as fidelity bonds, etc., and additional requirements will be imposed on a case-by-case basis.

## 7.7 Insurance Requirements

- 7.7.1 When contract work is to be performed on City property, the contractor must provide proof of required insurance coverage. Standard coverage and requirements have been established by the Management Resources Department, Risk Management Division. (Exhibit VII)
- 7.7.2 The insurance coverage and amounts are determined by the potential risk or loss to the City. These coverage and amounts are established at the time the bid/proposal packages are being prepared and are included as requirements in the package.
- **7.7.3** The successful bidder or proposer is required to submit an appropriate Certificate Of Insurance (COI) reflecting that all required coverage are in effect and current, along with the executed contract documents and required bonds or proposal guarantee.

# 7.8 Change Orders to Existing Purchase Orders and Contracts

- **7.8.1** Change orders are contract changes made after execution of the contract to effect necessary changes to plans and specifications or to increase/decrease the scope or quantity of the work to be performed or the materials, equipment, or supplies to be furnished.
- **7.8.2** Change orders are only accomplished by the Purchasing Division. The initiating department or vendor can contact the assigned Purchasing Agent to begin the process. Appropriate documentation is required and the Agent will ensure that the documentation is placed with the appropriate bid files. With the exception of a legally defined *emergency purchase*, no contract work or changes may begin prior to the issuance of a *Notice To Proceed*.
- **7.8.3** Per State law, the original amount of a set-quantity contract may not be increased with a change order by more than twenty-five percent (25%). The original amount of a contract may not be decreased with a change order by more than twenty-five percent (25%) without the written consent of the contractor.
- **7.8.4** Change orders to the original contracts that are \$50,000 or greater must be presented to the City Council for approval.

#### 7.9 Federal Funding

- 7.9.1 The use of federal funds for City purchases may require the addition of certain assurance clauses or special language. In some cases, this can require use of a specific type of procurement process. Failing to identify use of federal funds during the planning phases of the bid process can result in a deficient bid and threaten the continued availability of the funding. Departments are required to notify the Purchasing Division whenever a bid is to include federal funding.
- 7.9.2 In the instance of any City-wide contract in which affects the Handitran Division, the Federal

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Transportation Authority (FTA) requires the addition of certain assurance clauses. These clauses are required to be included in the bid documents and the owner department is responsible for identifying Handitran participation.

- 7.9.3 The requirements and standards of Circular 4220 Third Party Contracting Requirements apply to procurements using FTA funds. Before procurements are initiated to include quotes, sealed bids, request for proposals, request for qualifications, interlocal agreements, or inter-agency agreements, departments are to review the grant requirements and work with the Purchasing Manager to ensure required steps are followed. Recipients are required to have all stages of the procurement reviewed and approved by Finance Department.
- 7.9.4 When using FTA grant assistance to support acquisition, refer to the most updated version of the FTA Circular for Third Party Contracts for guidance. Federal Contracts shall include all the Third Party Contract requirement clauses set forth in Appendix D of FTA Circular for Third Party Contracts. Chapter 14 provides the latest FTA Circular and describes the provisions, clauses and procedures followed by Contracting Officers specific to contracts associated with federal funding.
- 7.9.5 When using federal funds, the use of time and materials and cost-plus contracts are prohibited. Also, federal procurements can not consider any local geographic preference during the award process.
- 7.9.6 Per the Uniform Guidance, Independent Cost Estimates (ICE) and Price Analysis must be conducted for all procurements above the simplified acquisition threshold of \$250,000.

#### 8.0 LEGAL REQUIREMENTS

## 8.1 Exemptions from Competitive Bidding

Per <u>Vernon's Texas Codes Annotated – Local Government Code, Section 252.022,</u> there are general exemptions to the competitive bidding requirements, including:

- A procurement made because of public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents or to preserve the property of the municipality;
- A procurement necessary to preserve or protect the public health or safety of the municipality's residents;
- c. A procurement necessary because of unforeseen damage to public machinery, equipment, or other property;
- d. A procurement for personal, professional services, or planning services;
- e. A procurement for work that is performed and paid for by the day as the work progresses; and
- f. A purchase of land or a right-of-way;
- g. Goods subsequently sold by the City (i.e., resale).

# 8.2 Advertising Requirements

Vernon's Texas Codes Annotated - Local Government Code, Section 252.041(a) states:

Whenever the competitive sealed bidding requirement applies to the contract, notice of the time and place

at which the bids will be publicly opened and read aloud must be published at least once a week for two consecutive weeks in a newspaper published in the municipality.

The date of the first publication must be before the 14th day before the date set to publicly open and read them aloud. If no newspaper is published in the municipality, the notice must be posted at the City hall for 14 days before the date set to open the bids and read them aloud.

#### 8.3 Identical Bids

Vernon's Texas Codes Annotated - Local Government Code, Section 271.901 states in part:

- (a) If a municipality or district is required to accept bids on a contract and receives two or more bids from responsible bidders that are identical, in nature and amount, as the lowest and best bids, the governing body of the municipality or district shall enter into a contract with only one of those bidders and must reject all other bids.
- (b) If only one of the bidders submitting identical bids is a resident of the municipality or district, the municipality or district must select that bidder. If two or more of the bidders submitting identical bids are residents of the municipality or district, the municipality or district must select one of those bidders by the casting of lots. In all other cases, the municipality or district must select from the identical bids by the casting of lots.
- (c) The casting of lots must be in a manner prescribed by the mayor of the municipality or the governing body of the district and must be conducted in the presence of the governing body of the municipality or district. All qualified bidders or their legal representatives may be present at the casting of lots."

#### 8.4 Cumulative Purchases

The legislature defined certain cumulative purchases as "separate", "component" and "sequential" and defined them as follows in the <u>Vernon's Texas Codes Annotated - Local Government Code, Section 252.001:</u>

- 1. "Component purchases" means purchases of the component parts of an item that in normal purchasing practices would be purchased in one purchase.
- 2. "Separate purchases," means purchases, made separately, of items that in normal purchasing practices would be purchased in one purchase.
- 3. "Sequential purchases" means purchases, made over a period, of items that in normal purchasing practice would be purchased in one purchase."

Generally accepted purchasing practice interprets these definitions to mean that separating large purchases into multiple small purchases to avoid the competitive bidding process is not legal under the State statutes. The Purchasing Division is making every effort to establish annual contracts for those items that may exceed the \$50,000 limit. Departments shall bring to the attention of the Purchasing Department any material, supplies or products that are not on annual contract and for which the anticipated usage will be near or exceed the \$50,000.

#### 9.0 VIOLATIONS

# 9.1 Violations of the Competitive Bidding Statutes

Vernon's Texas Codes Annotated, Local Government Code, Section 252.062 states:

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- (a) A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly makes or authorizes separate, sequential, or component purchases to avoid the competitive bidding requirements of Section 252.021. An offense under this subsection is a Class B Misdemeanor.
- (b) A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly violates Section 252.021, other than by conduct described by Subsection (a). An offense under this subsection is a Class B Misdemeanor.
- (c) A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly violates this chapter, other than by conduct described by Subsection (a) or (b). An offense under this subsection is a Class C Misdemeanor.

#### 9.2 Unauthorized Purchases

All purchases must be properly placed and approved by a person granted signature authority. An unauthorized purchase includes any purchase made without proper approval through the Purchase Order (PO), procurement card, or petty cash method. An unauthorized purchase also includes any purchase made without proper management or council approval where required by State of Texas law and/or City of Arlington Administrative Regulations. An unauthorized purchase is the responsibility of the person placing the order. **Departments found in violation of this section will be required in writing to provide detailed description of incident and any corrective actions taken**.

#### 9.3 Penalties For Violation

Vernon's Texas Codes Annotated, Local Government Code, Section 252.063(a) and (b) states:

The final conviction of a municipal officer or employee for an offense under Section 252.062(a) or (b) results in immediate removal from office or employment of that person. For four years after the date of the final conviction, the removed officer or employee is ineligible:

- 1. to be a candidate for or to be appointed or elected to a public office in this state;
- 2. to be employed by the municipality with which the person served when the offense occurred; and to receive any compensation through a contract with that municipality.

#### 10.0 EXCESS/SURPLUS PROPERTY

# 10.1 Surplus Property

Furniture, fixtures, equipment, or supplies, which are no longer needed by a department, become excess or surplus property.

# 10.2 Recycling Surplus Property

- Surplus property that is still in good condition and/or mechanically sound shall be retained by the
  departments and placed on the City surplus item listing located on the Purchasing Portal. If the
  item is a fixed asset, the department must contact the Fixed Asset Accountant prior to submitting
  the item to surplus.
- Auctions for surplus property will occur once quarter. Purchasing will make every attempt to dispose of all surplus property by year end with all auctions being completed no later than mid-September.
- All City departments may review this listing and make arrangements to obtain the surplus item for City use.

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- 4. Items shall be removed from the City surplus item listing once the items are scheduled for the next auction.
- 5. Surplus property that is irreparably broken or no longer usable for originally intended purposes shall be classified as obsolete and disposed of accordingly with the approval of the Purchasing Division. Departments are solely responsible for maintaining documentation of broken/irreparable items and method of disposal.

# 10.3 Methods of Disposition of Surplus Property

Methods of disposing of City property include, but are not limited to the following:

- 1. On-line auctions;
- 2. Public auctions;
- 3. Advertisements for sealed bids;
- 4. Transfers to other governmental agencies;
- 5. Soliciting bids from sources, known to use or purchase for sale, like items;
- 6. Recycling; and
- 7. Trade-in on new equipment when in the best interest of the City.

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#### **PURCHASING POLICY**

PART II: CONTRACT ADMINISTRATION

#### 11.0 CONTRACTS/PRICE AGREEMENTS

Contracts and price agreements are established to comply with the statutes where multiple departments use the same or similar products or service and/or the cumulative total of expenditures exceeds \$50,000. City purchasing is decentralized. Departments are solely liable for exercising control and tracking expenditures to avoid violating the competitive bid process on expenditures exceeding \$50,000.

Should the anticipated or cumulative total for any single item, multiples of the same item, components or services be expected to exceed \$50,000, the Purchasing Division must be informed to determine the procurement method and whether an annual contract will be required.

## 11.1 Obligation of City and Contractor to Use Contract

- 1. The contractor has an obligation to furnish all materials and/or services against the contract and the City has an obligation to order materials and/or services covered by the contract on an asneeded basis from the successful contractor.
- 2. Items that are on existing contract with a vendor should not be procured from any other vendor. This may constitute a breach of contract and may result in violations of the competitive bidding statutes.
- 3. The contract takes precedence over all other pricing. For example, if Vendor A holds the contract for office supplies, the City cannot procure said supplies from Vendor B, even though the price may be lower at the time of purchase. *The City is under contractual obligation to purchase from Vendor A*.

# 11.2 Renewal of Contract/Price Agreements

- 1. Whenever possible, annual contracts will have an option for extension for at least one (1) year. This option must be exercised prior to the completion of the annual contract and mutually ratified by both parties.
- The City department(s) utilizing the item(s) on an annual contract will define the requirements and make any recommendations for extension of the contract. Departments are encouraged to fillout vendor performance evaluation forms to assist in contract management.
- 3. Recommendations will be based on service, delivery, quality of materials and customer service. Departmental recommendations to renew or cancel annual contracts should be submitted to the Purchasing Division no less than 120 days prior to expiration of the existing contract.
- 4. The 120-day notice is required to allow sufficient time to notify the contractor of cancellation and to re-bid the contract or to advise the Mayor and City Council of the intent to renew. All renewals are at the discretion of the Mayor and City Council.
- 5. In the event that the Purchasing Division does not receive a recommendation from the user department, the Purchasing Division will assume the responsibility of preparing the recommendation to either extend the contract or re-advertise for new bids.

#### 12.0 BID/PROPOSAL SPECIFICATIONS

A specification provides an accurate description of a particular commodity or service to be procured. The

City specifications, when set forth, shall define the requirement and convey the same meaning to all parties concerned, i.e., the user, purchaser and vendor. Federal and standard specifications shall be used whenever possible.

The specifications describing supplies, materials and equipment to be bid through the Purchasing Division will be developed primarily by the requesting department with the assistance of the Purchasing Division as required. Final approval of all solicitation packages is at the discretion of the Purchasing Division.

# 12.1 Characteristics of an Effective Specification:

- 1. SIMPLE: Avoid unnecessary detail, but be complete enough to ensure that requirements will satisfy the intended purpose.
- CLEAR: Use terminology that is understandable to the City and bidders. Use correct spelling and appropriate sentence structure to eliminate confusion. Avoid legal-type language and jargon whenever possible.
- 3. ACCURATE: Use units of measure that are compatible with industry standards. All quantities and packing requirements should be clearly identified.
- 4. COMPETITIVE: Identify at least two commercially available brands, makes, or models (whenever possible) that will satisfy the intended purpose. Avoid unneeded extras that could reduce or eliminate competition and increase costs.
- 5. FLEXIBLE: Avoid totally inflexible specifications that may prevent the acceptance of a bid that could offer greater performance at a lower cost.

Use approximate values such as dimensions, weight, speed, etc. (whenever possible) if they will satisfy the intended purpose. If approximate dimensions are used, it should be within a 10% rule-of-thumb, unless otherwise stated.

# 12.2 Bid Specification Development

- To expedite the competitive bid process, departments must contact Purchasing prior to beginning the specification development process. Ideally, Purchasing should be contacted as soon as a requirement is recognized.
- 2. The requesting department will prepare the initial specifications; define its requirements by function, stating how the material or equipment is to be used, and required quantities. The specifications should clearly state the minimum acceptable levels for equipment or supply items.
- 3. In certain cases, cut sheets, technical handbooks, and industry practices/standards are required to effectively describe the goods or services. This should be done in such a manner as to not restrict competition or be proprietary to a specific manufacturer or supplier. The Purchasing Division is responsible for working with departments to ensure their specifications are as fair and open to competition whenever possible.
- 4. Samples of the Cooperative Agreement Form, MWBE Form, Specification Checklist, Specification, Bid Cover/Signature Page, Instructions to Bidders, and Terms & Conditions are provided herein. (Part III/Sections 14 and 15)
- 5. The requesting department will enter the requisition into Lawson and forward the *draft* specifications to the Purchasing Division. The assigned Purchasing Agent will then be responsible for working with the department to refine the specifications and obtain any outside technical assistance as required.
- 6. To ensure that specifications are clear, legal and non-restrictive, the final acceptance of the

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- specifications rests with the Purchasing Division. This ensures proper quality control and avoids specification conflict between departments.
- 7. Purchasing will forward final specifications to the requesting department(s) for approval prior to the release of the solicitation.
- 8. The time required for developing the specifications will vary depending upon the complexity of the item(s), the availability of information, and the Purchasing Agent's workload at the time the specification is received. To facilitate the preparation of the solicitation, the requesting department shall supply the Purchasing Division with any/all known acceptable products, acceptable vendors, or any other information regarding the item(s) requested.

# 12.3 Statement of Work (SOW)/Technical Specifications

- 1. The requesting department is responsible for submitting a Statement of Work/Technical Specification that functionally defines the needs and requirements.
- 2. The requesting department is responsible for ensuring that the Statement of Word (SOW) is quantified and structured in such a manner as to:
  - a. secure the best economic advantage for the City;
  - b. be clearly stated;
  - c. be contractually sound;
  - d. be unbiased and non-prejudiced toward vendors;
  - e. encourage innovative or alternate solutions to the requirement described; and
  - f. allow free and open competition to the maximum extent reasonably possible.

#### 13.0 DOCUMENT PROCESSING

#### 13.1 Purchase Requisitions

- 1. The purchase requisition is used to inform the Purchasing Agent of the needs of a department and to identify the goods or services requested for competitive quotes, bids or proposals that will be considered as one-time purchases. Purchase requisitions are required for all purchases over \$3,000. (Refer to **Section 4.0**)
- 2. Purchase requisitions are used to procure all capital assets (fixed assets).
- 3. All purchase requisitions for goods/services shall be entered into the automated procurement system.
- 4. Contracts for Professional Services shall be entered into the Lawson procurement system so that the resulting PO encumbers the fund and allows centralized tracking. The first line of this type of requisition shall read: *Professional Service*

#### 13.1.1 Sufficient Funds

- 1. If sufficient funds are not available, the automated system will not route the requisition for approval until the department corrects the deficit.
- 2. The department may either withdraw the request, request a transfer in budgeted accounts, or provide a budget supplement to cover the cost of the material.
- 3. A budget transfer or supplement must be submitted in accordance with the policy in The Budget

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(Revision: 4-14-21) Page No. 26 Manual, Section I.C.2, Requests for Transfer of Appropriations.

4. Budgeted accounts are the sole responsibility of the requesting department.

# 13.1.2 Processing Time Frames

- 4. Requisitions should be prepared far enough in advance so as not to create an emergency situation. This allows the Purchasing Agent adequate time to secure or assist in obtaining competitive quotes and reasonable delivery by the vendor.
- 4. For items \$3,000 or greater, but less than \$50,000, the Purchasing Agent should receive the requisition in the automated system and follow-up documentation (quotes, etc.) at least one week before services or goods are required.
- 4. Requisitions in the automated system that do not have the appropriate number and type of quotes will not be approved by Purchasing until the required quotes and/or documentation are received by the assigned Agent.
- 4. Requisitions in the automated system \$50,000 or greater will require at least 12-14 weeks to solicit competitive sealed bids or proposals and obtain City Council approval.

# 13.1.3 Automated Purchase Requisitions

An automated purchase requisition process through Lawson is available to all departments. Hands-on classes are scheduled quarterly through the Purchasing Division. [Refer to Section **3.1 (14)**]

# 13.1.4 Processing of Requisitions \$50,000 or Greater

The Department shall contact the Purchasing Division with enough lead time to allow for the appropriate solicitation, if required. A requisition shall be entered into the automated system and will remain in the system until it is either closed or approved to purchase order by an Agent, after appropriate solicitations and required Council approval are accomplished. The Purchasing Division is responsible for administering and maintaining the bid documents.

After the bid closes, a bid tabulation will be created and the all submittals will be evaluated with the assistance of the department, if required. The Agent will then approve the requisition and create the purchase order.

#### 13.2 Purchase Orders (PO)

The purchase order (PO) is the vendor's authorization to ship materials or provide services as specified. The PO is also a contract and is designed to control and expedite the City's procurement process.

No orders shall be placed prior to the issuance of a valid PO in the automated system. The only exceptions to this requirement are items designated for resale and aborted procurement card attempts.

# 13.2.1 Printing and Viewing of Purchase Orders

In the Lawson procurement system, the requisition number is tied to the purchase order number, which is also tied to any receivers and subsequent payments.

When the purchase order is created, a printed copy is available through the PO printing system. That copy can be emailed or printed and faxed/mailed to the vendor.

Once the purchase order number is issued, it can be viewed by anyone with access to Lawson.

# 13.2.2 Confirming POs

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In some instances, it may be necessary to re-send a purchase order to a vendor. In these cases, the purchase order should be clearly marked as "**Confirming PO Only**", to avoid a double order.

# 13.2.3 Canceling POs

The Purchasing Agent may cancel a PO upon written request from the requesting department. Upon cancellation of the PO, all encumbered, unused funds are released.

# 13.3 Emergency DPOs (Departmental Purchase Orders)

The DPO is a hardcopy purchase order form that has a pre-assigned number and signature blocks. When signed by an authorized party, it serves as an official City purchase order for goods and/or services. This form remains under purchasing control and is issued to departments for use only in times of declared emergency or prolonged system outages. (**Part III Section 14.5**)

#### 13.3.1 DPO Procedures

When a requisition cannot be obtained from the Lawson system due to declared emergency or prolonged system outage, the Purchasing Division shall issue paper DPOs to the departments by numbered batches for use during the outage.

- 1. The DPO shall be filled out completely. If quotes are required, they shall be attached to the DPO. If the purchase is for a contracted item, the contract number shall be listed on the DPO and contract pricing shall be used.
- 2. The DPO shall contain the signatures of both the requisitioning staff member and the approving supervisor.
- 3. When filled-out and signed, the document serves as an official PO for the purchase of services or goods.
- 4. The vendor should be provided a copy of the signed DPO, as the DPO number must be referenced on all subsequent invoices. For payment, the white copy shall be sent to Accounts Payable, the yellow copy shall be sent to the Purchasing Division, and the pink copy shall stay with the department.
- 5. Receiving shall be annotated in the "receiving block" of the DPO.
- 6. After the emergency or prolonged outage, unused DPOs shall be immediately returned to the Purchasing Division. DPOs that have been used will be back-entered into the automated system by the Purchasing Division for record-keeping purposes.

#### 13.3.2 Misuse of DPOs

During a declared emergency or prolonged system outage, department personnel will be held accountable for the proper use and administration of the DPO process. If the DPO is not completed properly, all communication regarding the DPO will be noted in writing and kept for audit purposes. Continual misuse of the DPO may result in the department losing the option of ordering via this method.

# 13.4 Basic Requisition Guidelines

Departments shall not manipulate the automated procurement system to knowingly circumvent the competitive bid process. Texas statutes have defined separate, component and sequential purchases as items that would normally be purchased at one time, and therefore shall not be split during requisition entry to avoid quotes or solicitations.

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Step-by-step instructions for ordering goods and services within the automated procurement system are located on the Purchasing intranet (portal).

#### 13.5 Procurement Card Purchases

The Procurement Card (P-Card) Program provides rapid turnaround for the purchase of low-dollar-value goods and reduces paperwork and handling costs. Also, the payment cycle is dramatically shortened from that of the traditional requisition process. Department personnel who have been issued procurement cards may initiate transactions in person or by telephone/internet and receive goods within the limits of the *Procurement Card Policy and Procedures Manual*, which is located on the Purchasing portal. Under no conditions shall purchases on the procurement card be used to bypass quotation or bid requirements.

# 13.6 Receiving of Full and Partial Shipments

The automated procurement system contains a receiving module that tracks receipt of goods and services within the City. Immediately upon receipt of ordered items, the receiving department shall enter the receipt into Lawson in accordance with the packing slip or delivery ticket so that prompt payment can be made.

Receiving records shall be precise and accurate. No receivers shall be entered if the goods have not been received or completed.

In the case of partial receipts, enter into the automated procurement system the actual items received, after verifying that the order matches the packing slip. If the order is incomplete or does not match the packing slip, contact the Purchasing Division immediately.

Step-by-step instructions for receiving goods and services within the automated procurement system are located on the Purchasing intranet.

# 13.7 Invoices

- 1. An invoice is an itemized statement of merchandise delivered by the vendor. Invoices are based on the purchase order and the actual delivery tickets or packing slips.
- 2. In the Lawson system, payment of an invoice occurs in a number of ways:

**Three-Way Match**: In the case of a regular PO, the quantity and dollar amount match the receiver(s) quantity and invoice dollar amount.

**Two-Way Match**: In the case of a service PO or Service Agreement, where no receiver is entered into Lawson. The invoice is received/approved by the authorized signatory in the department, the signed invoice counts as the receiver and payment can be made.

- 3. The receiving department shall bring any receiving discrepancies or non-payments to the attention of the Purchasing division.
- 4. As of December 21, 2009, the Accounts Payable function is outsourced to SourceNet Solutions. Two-Way and Three-Way matches are still processed accordingly through an off-site A/P Division. Vendors are to send all invoices to the following address, where they will be electronically routed back to City staff for online verification/approvals.

City of Arlington Accounts Payable PO Box 30143 College Station, TX 77842

# 13.7.1 Matching Invoices to PO Lines via SourceNet Solutions/Lawson Interface

- 1. Periodically, an invoice does not match the PO or receiving document. This situation causes an error in the payment system, resulting in an error report. Due to the sensitive nature of payment timelines, **these errors must be corrected immediately**
- 2. In any event where the invoice is incorrect, it is the responsibility of the ordering location to request corrected invoices from the vendor and reject any incorrect invoices in SourceNet's Catalyst system.

# a. **SERVICE TYPE POs** (two-way match)

- i. These are uploaded into Catalyst by direct mail to SourceNet, or by ordering locations. If Payment cannot be made for any reason, the error will be flagged and sent to the Purchasing queue for research and resolution. The Agent shall then work with in-house AP staff and SourceNet to determine the most appropriate solution.
- ii. It is the responsibility of each ordering department to request corrected invoices from the vendor and reject any incorrect invoices in the Catalyst system.
- iii. If the invoice is correct, but the PO requires modification, the ordering department must provide written guidance/authorization to the Agent as to how the discrepancy is to be repaired. Under no circumstances will Purchasing staff change POs without prior written consent of the approving supervisor of the location that created the PO.

# b. **COMMODITY TYPE POs** (three-way match)

- i. These are items that should pay automatically if the PO, receipt, and invoice match perfectly. When an invoice fails to match, an error report is created and sent to the Purchasing Agent. The Agent shall then work with in-house AP staff and SourceNet to determine the most appropriate solution.
- ii. If it is determined that an invoice is incorrect, the department shall be notified to contact the vendor and request a corrected invoice.
- iii. If the invoice is correct, but the PO or receiver requires modification, the ordering department must provide written guidance/authorization to perform the modification. Under no circumstances will Purchasing staff change POs or receiving records without prior written consent of the approving supervisor of the location that created the PO.
- iv. In the event that PO contains more than one line item and the department receives only part of the order or uses multiple receivers for one line, the interface may attempt to match on a first-come/first-served basis, creating a matching error. The Purchasing Agents can identify this type of error and will provide guidance to the department as to the most appropriate solution—but will obtain written agreement prior to performing any corrections.
- 3. The Texas Prompt Payment Act requires payment of correct, valid invoices within thirty (30) days of receipt. Under no circumstances shall the City place itself in violation of state payment law. If errors preventing payment are not corrected in a timely manner, the department director of the ordering location shall be notified in order to authorize resolution of the issue.

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4. The Assistant Director of Finance retains the right to make or authorize necessary adjustments in the matching and payment process to ensure compliance with state law.

## 13.8 Non-PO Payments and Check Requests

Payment Authorizations are no longer used as a form of payment for the City. With the outsourced A/P, non-PO payments, check requests, or reimbursements are entered into the Catalyst System (via the outsourced A/P with SourceNet).

# 13.8.1 Non-PO Payment

Any type of payment to be made that doesn't require a PO, but <u>does</u> have an invoice. The following examples may apply:

- 1. Freight bills
- 2. Organization dues and memberships
- 3. Pay estimates for construction projects
- 4. Purchases from vendors who do not accept POs and require check or cash. This will be permitted only when all other required purchasing procedures have been exhausted and proper written documentation for the vendor is in the system
- 5. Other invoiced payments authorized by the City Manager and/or City Council

# 13.8.2 Check Request

Any type of payment to be made that doesn't require a PO and does not have an invoice. The following examples may apply:

- 1. Travel expense advances; training expense or mileage
- 2. Organization dues and memberships
- 3. Revenue refunds
- 4. Reimbursement for personal credit card purchases
- 5. Other non-invoiced payments authorized by the City Manager and/or City Council

# **13.9** Verification of Contracting Vendor in System for Award Management (SAM)

Per contractual agreement, the third-party payables contractor is required to set up new vendors in Lawson, to include checking the debarment status of all each new set-up against the federal government's Excluded Parties List (EPLS) within SAM or any subsequent system as approved by the federal government.

The Purchasing Division is responsible for verifying the EPLS status of vendors related *only* to Purchasing Division contracts and bid files to include annual agreements, renewals, single-source, and cooperative procurements. Purchasing staff will ensure there are no findings on the EPLS. If an intended awardee is found to have an EPLS status that indicates debarment, that contractor will not be used.

#### **GLOSSARY OF PURCHASING TERMS**

# Agreement

A properly executed and legally binding contract usually written between two or more parties, (contract or PO)

# **Approved Equal**

A substitute product offered by a prospective Bidder approved by the City as being equal to or better than a designated process, service, or manufacturer's brand-name product

# **Assignment**

The legal transfer of a right or property

# **Authorizations and Approvals**

Requestors must obtain the necessary authorizations and approvals based on the type of Requisition. The 'Lawson Approval Workflow Matrix establishes the authority levels and identification of employees authorized to enter requisitions to procure goods and services and/or to approve Requisitions.

#### **Award**

The act of accepting a bid, thereby forming a contract between the City and a bidder.

#### Bid

An offer to contract with the City submitted in response to a bid invitation issued by the Purchasing Division.

# **Bid Sample**

Furnished sample from a Bidder required by the IFB as part of its bid to show the characteristics of a product offered in its bid to assure procurement of an acceptable product. The User Department may request physical samples when the written specification does not adequate describe certain characteristics of a product

#### **Bid Tabulation**

The recording of bids and bidding data for purposes of bid evaluation and record keeping.

#### Bidder

An individual or entity submitting a bid The term includes anyone acting on behalf of the individual or other entity that submits a bid, such as agents, employees, and representatives.

#### **Brand Name**

A commercial product described by brand name and make, model number, or other appropriate nomenclature by which the particular manufacturer, producer, or distributor offers the product for sale to the public. The brand name is only for establishing identification and a general description of the item

#### Capital Items

Those items with a unit value in excess of \$5,000.00 and having a useful life of more than one year.

# **Centralized Master Bidders List (CMBL)**

A list maintained by the Texas Building and Procurement Commission (TBPC) containing the names and addresses of prospective bidders and HUB suppliers.

#### **Change Order**

Modification to an agreement, contract or Purchase Order; used to modify or change an existing award for a variety of reasons, such as changing a unit price, period of performance, or any other aspect of procurement

#### Commodity

Supplies, materials or equipment (e.g. not a service)

#### **Commodity Book**

Contains class and item numbers for a variety of commodities

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# **Competitive Bidding**

The process of inviting and obtaining bids from competing sources in response to advertised competitive specifications.

## **Competitive Specifications**

A specification stated in such a manner that two or more bidders can meet the specifications.

## **Component Purchases**

Buying parts of an item individually that under standard purchasing practices should be bought together.

## **Confirming Order**

A purchase order number issued to a vendor (placed verbally or otherwise) in advance of the hard copy purchase order, listing the commodities or services and terms of an order.

#### **Conflicts of Interest**

Conflicts of Interests can be either 'personal' or 'organizational'

- 1. Personal Conflict of Interest occurs when an employee, officer, board member or agent, including any member of the person's immediate family, partner or organization that employs or intends to employ, has a financial interest in the entity selected for award. The conflicted party is always a person
- 2. Organizational Conflict of Interest can be real or apparent and exists when the work to be performed under an agreement without some restrictions on future activities result in an unfair competitive advantage or impair objectivity in performing the contract work. The conflicted party is an organization

#### Consensus

A process used by an evaluation committee wherein the committee as a whole arrives at a common understanding as to the ranking of offers using narrative appraisals of the significant strengths, weaknesses and risks of each proposal or qualification, or adjectives such as poor, fair, excellent, or most important, very important, rather than numerical scoring.

#### Contract

A written, legally enforceable agreement between the City and one or more other parties to provide a product or service

#### **Contract Administration**

Contract administration is the responsibility of the requesting department. A system for ensuring that Contractors conform to contract terms, conditions, and specifications. Contract Administration includes monitoring of the contract, annual usage and expenditures, vendor performance, and renewal options.

# **Contract Modifications**

Any written alteration in the specifications, delivery point, and rate of delivery, contract period, price, quantity, and exercise of options or other contract provision of an existing contract, accomplished by a bilateral mutual action of the parties to the contract

# **Cooperative Purchasing**

A program for qualified entities to use the purchasing resources of other governmental entities

### **Cost Analysis**

Review and evaluation of a Contractor's cost data and of the judgmental factors applied in projecting from the data to the estimated costs in order to form an opinion of the degree to which a Contractor's proposed costs represent what performance of the contract should cost. The analysis should be in accordance with accepted accounting standards and Federal regulations

#### **Cure Notice**

Document outlining that a Contractor has not performed and must therefore submit a plan to return to the

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requirements of a contract within a certain timeframe

#### **Days**

When referring to the contract period of performance, days shall mean calendar days unless otherwise specified. In computing any timeframe prescribed by this Manual, the day of the event from which the designated timeframe begins to run shall not be included, but the last day shall be included. Saturday, Sunday, or federal or Texas holidays are included unless otherwise specified

# **Deficiency**

Any part of a proposal that fails to satisfy City's requirements

#### **Discount-From-List**

Requires insertion of net unit prices on contracts/price agreements, The manufacturer must submit a printed price list/catalog from which prices are to be figured.

## **Emergency Purchase**

A purchase of goods or services, as defined by State of Texas statute, such that an agency will suffer financial or operational damage unless they are secured immediately; An emergency is any condition that creates a threat to City employees, property or operations or to public health, welfare and safety arising from natural forces (fire, wind, flood, storm and other natural disasters) and/or hostile acts that requires immediate action to procure goods and services outside of the normal procurement process

#### **Escalation Clause**

A clause in a bid providing for a price increase under certain specified circumstances

## **Expedite**

An attempt to persuade suppliers to deliver an ordered item ahead of schedule, which may result in additional costs this also, includes follow-up activities to correct mistakes in pricing, late delivery, etc.

#### **Fixed-Price Contract**

A contract, which provides for a firm price, which cannot be increased for the full term of the contract

#### **Formal Bid**

A written bid submitted in a sealed envelope in accordance with a prescribed format.

#### Freight On Board/Free On Board (F.O.B.)

The legally defined point at which ownership of the goods passes from seller to buyer

1. F.O.B. Delivered (also called: F.O.B. Destination)

The City of Arlington assumes no liability for goods damaged while in transit and/or delivered in a damaged or unacceptable condition. The contractor shall be responsible for, and handle, all claims with carriers. In the case of damaged goods, the contractor shall ship replacement goods immediately upon notification of damage by the City.

NOTE: Prices bid and quoted shall always be Freight On Board (F.O.B.) Delivered, to the Municipal Facility, Arlington, Texas, and shall include all freight, delivery and packaging costs.

2. F.O.B. Origin or Shipping Point

The City is responsible for the shipping charges as well as filing any claims for damage to goods occurring during shipment. Title passes to the City upon acceptance of the goods by the shipper.

3. Other F.O.B. Points

Special F.O.B. points can be established by contractual agreement such as:

- (a) Transfer of ownership may occur after goods (or services) have been inspected and accepted.
- (b) For large or complicated capital equipment, ownership may transfer after the equipment is delivered, installed, and tested to ensure functional and/or performance specifications have been met.
- (c) Consignment inventory can remain the seller's property after receipt, until it is removed from

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storage for use. Ownership transfers when the goods are consumed by the City.

## **High Technology**

The procurement of equipment, goods, or services of a highly technical nature, including:

- 1. Data processing equipment, software, and firmware used in conjunction with data processing equipment;
- 2. Telecommunications equipment and radio microwave systems;
- 3. Electronic distributed control systems, including building energy management systems; and
- 4. Technical services related to those items.

# **Historically Underutilized Business (HUB)**

A corporation formed for the purpose of making a profit in which fifty-one percent (51%) or more of all classes of the shares of stock or other equitable securities are owned by one or more socially disadvantaged persons who have a proportionate interest and actively participate in the corporation's control, operation, and management. Groups include: Black Americans, Hispanic Americans, Women, Asian Pacific Americans, and Native Americans.

### **Informal Bid**

An unsealed, competitive bid submitted by letter, telephone, fax, email or other means, used for purchases less than \$50,000.

# Invitation for Bids (IFB)

A written request for submission of a sealed bid; also referred to as a bid invitation.

#### Late Bid

A bid that is received, at the place designated in the bid invitation, after the time set for bid opening

# **Lease of Equipment**

A contract granting use of equipment or other fixed assets for a specified time in exchange for payment. Title remains with the vendor.

#### Lease-Purchase

An installment sale which gives the lessee the right to purchase the equipment at an agreed upon price under certain conditions, Title passes from seller to purchaser if, and at the time, the option to purchase is exercised.

FTA requires that a 'lease vs. purchase' analysis be done to determine 'best value' when acquiring property. Before any recipient may purchase or lease an asset, FTA regulations require the recipient to make a written comparison of the cost of leasing the asset compared with the cost of purchasing or constructing the asset. Costs used in the comparison must be reasonable, based on realistic current market conditions, and based on the expected useful life of the asset

#### **Letter of Award**

Letter of notification announcing award of the contract to bidder, May be used in lieu of issuing a PO to awarded vendor

#### **Life-Cycle Costing**

A procurement technique that considers operating, maintenance, acquisition price, and other costs of ownership in the award of contracts to ensure that the item acquired will result in the lowest total ownership cost during the time the item's function is required.

# **Liquidated Damages**

An amount established prior to contract award and assessed when a Contractor fails to complete delivery, installation, services, or the work specified in a contract within the contract period of performance or schedule, which causes increased costs to the City. The amount is pre-established because the extent of actual damages would be difficult or impossible to assess. The assessment of liquidated damages shall be at a specific rate per

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day, for each day of overrun in contract time, and the contract identify these specifics. City shall credit any liquidated damages assessed to the department/grant account involved. 'The rate and measurement standards must be calculated to reasonably reflect the City's costs should the standard not be met, and must be specific in the solicitation and the contract'

#### **Local Government**

A county, municipality, school district, special district, community college district, or other legally constituted political subdivision of the state.

#### **Manufacturer's Price List**

A price list published in some form by the manufacturer, available to and recognized by the trade. The term does not include a price list prepared especially for a given bid.

## **Minor Technicality**

A requirement in a bid invitation which, if waived or modified by the Purchasing Agent when evaluating bids, would not give a bidder an unfair advantage over other bidders or result in a material change in the contract

# **Multiple Award Contract Procedure**

A purchasing procedure by which the City establishes one or more levels of quality and performance and makes more than one award at each level.

# **Negotiated Procurement**

A contract awarded using other than sealed bidding procedures

#### Non-Resident Bidder

A bidder whose principal place of business is not in Texas

#### Notice to Proceed

A written notice to the successful vendor to begin work on a specified date

# **Numerical Scoring**

A process used by an evaluation committee that quantifies rather than qualifies committee evaluations, wherein the maximum number of points is determined in advance for each criterion. Individually, every voting committee member assigns points to each criterion for the proposal or qualification evaluated

#### Offer

A bid or proposal submitted in accordance with solicitation instructions

#### Offeror

Legal entity that submits a response to a solicitation

#### OEM

Original equipment manufacturer

# **Personal Services**

Those services performed by an individual or firm possessing special expertise or knowledge of a particular subject or field in a capacity as a consultant, advisor or informer to the City in regard to the subject or field of the special expertise or knowledge

#### **Piggybacking**

The post-award use of an existing contract that allows an agency not contemplated in the original procurement to purchase the same supplies or equipment through that original document or process.

#### Pre-bid/Proposal Conference

A conference held by City personnel with potential vendors to discuss the requirements contained in the bid or proposal documents. Conferences are held at the option of the City and are usually set at a time shortly after

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the second advertisement.

## **Price Analysis**

Process of examining and evaluating the reasonableness of a Bidder/Proposer price, without evaluating the separate cost elements or proposed profit of the Bidder/proposer

#### **Procurement:**

Buying, purchasing, renting, leasing, or otherwise acquiring any equipment, supplies, services, or construction by contract. It also includes all functions that pertain to the obtaining of goods, services or construction, including description of requirements, solicitation and selection of sources, preparation and award of contract.

#### **Procurement Card Program**

Credit card program designed as a payment method to streamline small dollar purchases.

# **Proprietary**

Products or services manufactured, or offered under exclusive rights of ownership, including rights under patent, copyright or trade secret law. A product or service is proprietary if it has a distinctive feature or characteristic that is not shared or provided by competing or similar products or services.

#### **Protest Procedures**

Identified steps for solving vendor grievances relating to formal solicitations.

# **Public Bid Opening**

The opening of bids at the time and place advertised in the bid invitation, in the presence of anyone who wishes to attend. Bids will be read aloud.

# **Purchase Requisition**

The initial document, transmitted electronically or manually with the appropriate approvals authorizing the purchase of items required, and transferring the authority to expense funds from a budget.

# Purchase Order (PO)

A legally binding commitment for material, facilities, or services made between the City and the vendor.

### Request for Information or Interest (RFI)

A method by which the City extends requests for information to determine how many sources can provide a product/service, or determines what sources are interested in participating in a certain solicitation

# Request for Proposals (RFP)

A comprehensive document issued to request from interested and qualified responders submissions of proposals to perform specific project or service or provide a stated item. RFP proposals are negotiated procurements and are evaluated on price and other stated criteria

#### Request for Quotes (RFQ)

Requesting pricing on small purchases resulting in Purchase Orders

#### Responsible Bidder/Proposer

A Bidder/Proposer who has the financial resources, judgment, skill, integrity, performance record, and overall ability to fulfill contract requirement

#### Responsive Bidder/Proposer

A Bidder who submits a bid that conforms to all technical and legal requirements of the solicitation

#### Sealed Bid

A procurement method that keeps Bidders' pricing submissions secret from all parties until completion of bid openings at a pre-determined date and time

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# **Separate Purchases**

The procurement of items, made separately or sequentially, to avoid the competitive bidding limitations that in standard purchasing practices would be acquired in one transaction. This is considered a violation of state and local statutes.

#### Service

A description of professional, personal or non-personal services needed. The scope of service is the contractual document for expressing exactly what services are required

#### Single Bid

City may award a contract to a single Bidder if the User Department's Director or designee's can demonstrate that the price is fair and reasonable.

#### Sole-Source

Products or services manufactured or offered under exclusive rights of ownership, including rights under patent, copyright or trade secret law. A product or service is proprietary if it has a distinctive feature or characteristic, which is not shared or provided by competing or similar products or services.

# **Specification**

A concise, detailed description of an item(s) required by the City and the minimum requirements of the vendor and provides the basis for acceptance and award.

#### **Statement of Work**

A description of the requirements for personal and non-personal services and equipment described with less data than that contained in a specification. A statement of work outlines the nature of the work, the level of effort required and the anticipated results of the work

#### Subcontractor

A person, firm, or corporation that provides labor or material to fulfill an obligation to a contractor, or another subcontractor, for the performance and installation of any of the work required by a contract

#### Supplier

A business or individual that could potentially sell goods, services, or both in return for payment

#### **Terms & Conditions**

The legal provisions governing a contract

# **Texas Resident Bidder**

A bidder with its principal place of business in Texas

#### **Third-Party Contract**

A federally funded or partially federally funded contract between the City and a Contractor to furnish equipment, supplies, materials, construction, services, or combinations, typically, third-party contracts involve the FTA or FTA-funded contracts

#### Unit Price

The price of a selected unit of a good or service (e.g., price per ton, per labor hour, or per foot)

# Vendor

A business or individual that sells goods, services, or both in return for payment

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# (PART III: SECTION 14.1) VENDOR/SUPPLIER PERFORMANCE REPORT

NAME OF CONTRACTOR/VENDOR:
ADDRESS:
CITY/STATE/ZIP:
TYPE OF CONTRACT:   Contractor   Consultant   Vendor
WORK/SERVICE PERFORMED:
WORK PRODUCT:
WOULD YOU RE-HIRE?
COMMENTS:
Department:
Contact/phone:

Please return to Purchasing/MS 63-0810

# (PART III: SECTION 14.2) SOLE SOURCE JUSTIFICATION DOCUMENT

Click on the TAB key to begin using this form.

# SINGLE / SOLE SOURCE JUSTIFICATION

Preparation Instructions:

The appropriate department representative must complete the single source form below and forward to their Department Head, or his designee, for approval. Upon approval, forward the sole source justification to Purchasing with requisition for review and final approval. Use additional sheets if necessary.

What unique features or capabilities does the product or	service offer the City?
Why are these unique features or characteristics essent City's needs?	ial and necessary to meet the
<ol><li>What research has been performed to ensure that no fulfilling the requirement? For instance, list other products and indicate why they are not acceptable.</li></ol>	
4. What steps are being taken to foster competition in future service?	e purchases of this product or
Approved:	
Department Head or designee	Date
Purchasing Manager or designee	Date

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# (PART III: SECTION 14.3) **Emergency DPO (Departmental Purchase Order)**



#### DEPARTMENTAL PURCHASE ORDER

DPO -

LIMITED SALES TAX PERMIT # 1-75-60000450-3

Ě	NAME				DATE CALLED		
N	ADDRESS			PHONE NO.			
0							
R	CITY OF NEW VEN	DOR (Federal Tax )	STATE ZIP		PRICES QUOTES	D BY	
			FEDERAL TAX ID NO.				
Г	REQUIS	TIONED BY	DEPARTMENT	REQUISIT	ION DATE CHARGE TO ACCOUNT NO., PROJECT NO., ETC.		
F	QUANTITY	UNIT	DESCRIPT	ION	1000000	UNIT PRICE	AMOUNT
Г							
L							
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				22			
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_		L					
IN	STRUCTION	ONS:		DELIVERY	ADDRESS:		
		on-contract purchases					
Use for all contract purchases in any amount, provide contract information below.							
CONTRACT ITEM (Bid Number Required)			MAILSTOP				
			DATE ELL	even.			
(Formal Bid Items) BID#			DATE REC	EIVED:			
REVIEWED BY			RECEIVED	BY:			
PURCHASING AGENT			- COLIVED	PERSON	RECEIVING MATERIAL	/ DEPT. NO.	
			APPROVE	D BY:	MENT HEAD/SUPERVIS		
				1	DEPART	MENT HEADISUPERVIS	OR

THIS FORM IS TO BE USED AS A DEPARTMENTAL PURCHASE ORDER AND RECEIVING REPORT.

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# (PART III: SECTION 15.1) SPECIFICATION CHECK LIST

- A. **Is the specification clear and concise to both the vendor and the purchaser?** Specifications should be as simple as is possible to ensure exactness but written so that a loophole will not allow a bidder to evade any of the provisions, thereby taking advantage of competitors and the City. Misunderstandings are expensive and often result in re-bids.
- B. Is the specification identified with a specification or standard that is well known? Have required features or characteristics been identified? Are acceptable alternatives listed?
- C. Can the specification be verified? The specification should describe the method of verification that will govern acceptance or rejection. A specification that cannot be verified is of little value.
- D. **Does the specification have reasonable tolerances?** Extreme *precision is expensive*.
- E. Is the specification as fair as possible to all participating vendors?
- F. Is the specification written to allow open competition by several vendors?
- G. Has the end use of the item or service been described?
- H. Are all stated requirements necessary for the intent of the specification?
- 1. Has the user researched all possible sources of the item or service? If, after the search, only one item or service provider is deemed acceptable, has all required documentation, rationale and support been gathered and submitted for the bid file?
- J. Is the format of the specification simple and logical?
- K. Is the specification legible?

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# **PART IV: ATTACHMENT 2)**

(Post Award Documents FTA Transit Vehicle Award Report/Checklist)

- a. Upon Award of a contract the Transit Vehicle Award Report (TVM) must be submitted within 30 days of making an award (and exercising a contract renewal/option), the name of the successful transit vehicle manufacturer and the total dollar value of the contract (49 CFR 26.49).
- b. The FTA TVM report form, guidance and instructions are located at the following:
  - a. FTA guidance: <a href="https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/regulations-and-guidance/civil-rights-ada/4931/uniform-report-dbe-commitments-awards-and-payments\_0.xlsx">https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/regulations-and-guidance/civil-rights-ada/4931/uniform-report-dbe-commitments-awards-and-payments\_0.xlsx</a>
  - b. Report with instructions:

    <a href="https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FY2015\_Uniform\_Report\_Instructions.xl">https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FY2015\_Uniform\_Report\_Instructions.xl</a>
    <a href="mailto:sxt">sx</a>
    <a href="mailto:sxt"

  - d. FTA eligible TVM's: <a href="https://www.transit.dot.gov/regulations-and-guidance/civil-rights-ada/eligible-transit-vehicle-manufacturers">https://www.transit.dot.gov/regulations-and-guidance/civil-rights-ada/eligible-transit-vehicle-manufacturers</a>
- c. Subrecipients are to contact City of Arlington Procurement department for assistance with completion and submission of the Transit Vehicle Award Report form. Completed forms are to be kept in the procurement file.
- d. The included check list has been modified and added to our procurement manual and is used as a guide that will ensure that all requirements are met for a given contract. The list is used to monitor progress and ensure timely submission of required reporting throughout the bid process and award.

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Bid/RFP No. 18-	
Opening/ Time:	

Responsiveness Reviewed by:

Firms			2	3
Type of Service				
Type of Service				

This list of firms responding the RFP is for information only. The responses are under evaluation by the City of Arlington.

	Ariington.			
RFP Requirements				
	Cover sheet and signed	Y N NA	Y N NA	Y N NA
	Addendum Acknowledgement (s)1-3	Y N NA	Y N NA	Y N NA
	W-9	Y N NA	Y N NA	Y N NA
	Proof of Insurance	Y N NA	Y N NA	Y N NA
	Proposing Firms Questionnaire	Y N NA	Y N NA	Y N NA
	Certification of Independence/ No Conflict Of			
	Interest	Y N NA	Y N NA	Y N NA
	Experience / References	Y N NA	Y N NA	Y N NA
	Restrictions on Lobbying Certification	Y N NA	Y N NA	Y N NA
	Affidavit of Non-Collusion	Y N NA	Y N NA	Y N NA
	Certification Regarding Debarment, Suspension,			
	Ineligibility and Voluntary Exclusion	Y N NA	Y N NA	Y N NA
	Appropriate financial, equipment, facility, and			
	personnel	Y N NA	Y N NA	Y N NA
	Receipt of all necessary documents/forms per RFP	Y N NA	Y N NA	Y N NA
	In take data form	Y N NA	Y N NA	Y N NA
	DBE	Y N NA	Y N NA	Y N NA
	CIQ Form – Conflict of Interest Questionnaire	Y N NA	Y N NA	Y N NA
	Responsiveness or Non-Responsiveness	Y N NA	Y N NA	Y N NA
	Responsible - Review WWW.sam.gov	Y N NA	Y N NA	Y N NA
	Bus Purchases TVM Certification Print Copy of List	NI NIA		
	include in Bid File	Y N NA	Y N NA	YNNA
	Eligible Transit Vehicle Manufacturers	Y N NA	YNNA	YNNA
	Transit Vehicle Manufacturers (TVMs)	Y N NA	Y N NA	Y N NA
	* Transit Vehicle Award Reporting Form	Y N NA	Y N NA	Y N NA
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<sup>\*</sup>Submit within 30 days of making an award (and exercising a contract renewal/option), the name of the successful transit vehicle manufacturer and the total dollar value of the contract (49 CFR 26.49) using the Transit Vehicle Award Report form. Copies of all submitted reports are kept within each bid/contract file.

