



**City of Freeport
Purchasing Policy**

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Section 1: Purchasing Policies, Objectives, and Ethics

A. Purchasing Policy

The procedures listed below provide an outline of the overall purchasing process.

It is the policy of the City to assure fair competitive access to governmental procurement by responsible vendors/contractors and to conduct business activities in such a manner as to foster public confidence in the integrity of the City.

Therefore, regardless of the expenditure, it is the policy of the City to garner competition that produces the highest quality goods at the lowest possible price, regardless of whether the item or service is subject to bid.

B. Purchasing Objectives

These policies are intended to:

- Ensure that the City acquires, stores, disburses, utilizes and disposes of goods and services uniformly and economically
- Provide the City with quality products and services at the best possible price
- Ensure that the City abides by the City's Charter and its adopted annual budget
- Ensure that the City abides by the Texas Local Government Code Chapters 252 and 271
- Help all departments understand and use established purchasing procedures and abide by applicable state and federal laws
- Help all departments in meeting the procurement needs of the City
- Encourage participation of small and minority businesses, women's business enterprises, and labor surplus area firms.

C. Legal Authority

The City has attempted to incorporate local, state and federal laws into this manual. The City, however, does not guarantee that these policies include all such laws. Local, state and federal laws will prevail over these rules where applicable.

Texas Local Government Code 252.002 (Municipal Charter controls in case of conflict)

Legal requirements which affect the acquisition of goods and services include the following:

- *Texas Local Government Code, Chapter 252* requires that before a municipality may enter into a contract, except for those items exempted under *Chapter 252.022* or other law, that requires an expenditure of more than **\$100,000.00** from one or more municipal funds, the municipality must comply with the procedure prescribed as appropriate therein for competitive sealed bidding or competitive sealed proposals.
- *Texas Local Government Code, Chapter 171* requires local government officials to disclose conflicts of interest and sets forth rules that require officials to abstain where they are in a

position to vote or decide on any matter involving a business entity or real property for which they have an interest in.

- *Texas Government Code Title 10, Chapter 2254*, also known as the Professional Services Act, governs the local government procurement of various professional services. *Chapter 2254* prohibits the procurement selection of architects or engineers based on bid price and requires government entities to first select the most qualified provider based on demonstrated competence and qualifications and then attempt to negotiate with that provider a contract at a fair and reasonable price.
- *The State of Texas Engineering Practice Act, Chapter 1001, Texas Occupations Code*, states that a registered professional engineer must be hired to prepare plans, specifications, and estimates for any public works activities in accordance with this Act. The engineer must directly supervise the project in order to ensure public health, safety, and welfare.

D. Disclosure of Certain Relationships

The Texas Local Government Code, Chapter 176 requires a vendor that wishes to conduct business or be considered for business with the City of Freeport, Texas to file a conflict-of-interest questionnaire. The Disclosure Act applies to all people or businesses who conduct business with the City, including those who submit bids on city contracts, make purchases of surplus city property, or participate in any other purchase or sales transactions with a city.

Vendors or respondents who meet the following criteria must fill out a conflict-of-interest questionnaire no later than the 7th day after the person begins contract discussions or negotiations with the City or submits to the City an application, response to a request for proposals or bids, correspondence, or another writing related to a potential agreement with the City:

A vendor or respondent that:

- contracts or seeks to contract for the sale or purchase of property, goods, or services with a local governmental entity; or
- Is an agent of a person described in Subdivision (1) in the person's business with a local governmental entity. Any person who meets the criteria, as for enforcement to ensure the veracity of the vendors, the statute makes it a Class C Misdemeanor to violate the vendor disclosure provisions.

E. Certificate of Interested Parties (Form 1295)

Section 2252.908 of the Texas Government Code states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million.

A business entity must enter the required information on Form 1295 online at <https://www.ethics.state.tx.us/File/> and print a copy of the completed form, which will include a certification of filing that will contain a unique certification number. An authorized agent of the business entity must sign the printed copy of the form and have the form notarized. The completed Form 1295 with the certification of filing must be filed with City.

F. Purchasing Ethics

The City wants to promote and protect its governmental integrity. The purpose of this section is to provide guidance to all City employees involved in the procurement process so that they may conduct themselves in a manner that is compatible with the best interest of the City. For more guidance regarding the City's Code of Ethics, please refer to the City's Ethics Policy found under Title IX of the Code of Ordinances, Chapter 100.

The employees of the City responsible for purchasing shall:

- Purchase the proper goods or services to address the City's needs
- Get the best possible price for goods or services
- Have goods or services available when and where the City needs it
- Assure a continuing supply of needed goods and services
- Guard against misappropriation of City funds
- Facilitate cooperation with other governmental units
- Maximize competition from responsible bidders
- Safeguard public funds and receive the best value for the public dollar
- Never use public spending to enrich elected officials or City employees
- Never make purchases for personal use in the City's name
- Ensure all procurement transactions will be conducted in a manner providing full and open competition:
 - No unreasonable requirements are placed on firms in order for them to qualify.
 - No unnecessary experience or excessive bonding required.
 - Noncompetitive pricing practices between firms or between affiliated companies is disallowed.
 - Noncompetitive contracts are disallowed except for when there is an approved exception.
 - No organizational conflicts of interest.
 - If a "brand name" product is specified, an equal or like product is acceptable.
 - A vendor that intends to respond to the Request for Proposals, Request for Qualifications and/or Invitation for Bid may not participate in the development or drafting of specifications, requirements, statements of work, or invitations for bids or requests for proposals, including, but not limited to, the development of the scoring criteria, the final selection of firms to be contacted, or the scoring of proposals.
- Ensure all procurement transactions shall incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured.
- Ensure all procurement transactions shall identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals
- If a prequalified list of acquiring goods or services is used, the City will ensure the list is updated regularly, providing enough qualified sources to ensure maximum open and free competition.
- Ensure all procurement transactions must conform to applicable local, state, and federal laws and regulations.

Perception is Everything. Even if a procurement decision is sound, the determination of the method should be documented and will be open to public inspection. If a decision is perceived to be less than fair

to all competitors, then perception becomes the reality to the unsuccessful bidders. And, if the opinion is that the City has “favorite companies we always do business with”, our job is to set the record straight with all who may have this complaint. It is important that awards are made based on competition and/or best value for the City, that the reason(s) for those awards are documented and defensible, and that a decision is based on fact and in the best interest of the City.

G. Participating in Procurements with Family or Friends

It shall be a breach of ethics for any employee of the City of Freeport to participate directly or indirectly in procurement for the City of Freeport when the employee knows that:

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

H. Gratuities

It shall be a violation of city employment to offer, give or agree to give any employee of the City of Freeport, or for any employee of the City of Freeport to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or a contract or sub-contract, or to any solicitation or proposal therefore pending before the City of Freeport.

I. Kickbacks

It shall be a breach of ethics for any payment, gratuity or offer of employment to be made by or on behalf of a vendor/subcontractor under a contract to the prime vendor/contractor or higher tier subcontractor for any contract for the City of Freeport, or any person associated therewith, as an inducement for the award of a sub-contract or order.

J. Confidential Information

It shall be a violation of City policy for any employee of the City of Freeport knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any person.

K. Purchase of Materials, Equipment, And Supplies for Personal Use

No employee may purchase City property for his/her own personal use unless it is purchased through the City’s public auction or through the sealed bid procedures of the City. This includes new and used equipment, materials or supplies.

L. Private Purchases Through City Facilities

No employee may use the purchasing power of the City of Freeport to make a private purchase. In addition, employees should not have private purchases sent to the City to be paid for by the employee.

M. Tax Exempt Status

The City of Freeport is exempt from Federal, State, and Local taxes except in certain prescribed cases. An exemption certificate is available from the Finance Department and will be furnished to any of the City's suppliers upon request. Employees making purchases for the City out of personal funds will not be reimbursed for sales tax paid.

N. Tax Exempt Status for Purchase of Personal Property

Employees may not use the City's tax-exempt status for purchases of personal property. Anyone avoiding payment of sales tax by using this exemption may be liable for prosecution under Texas Penal Code, Chapter 39.

O. Definitions

The following definitions are intended to assist you in understanding the language used throughout this manual. When using this manual, if you find a word or words that you may not clearly understand and if it is not defined in this section, please do not hesitate to contact someone in Finance for clarification and/or interpretation.

Appropriated – The City Council appropriates funds through the adoption of the annual budget and subsequent amendments. Appropriated funds are funds that are able to be used for the purchase of goods and services, another way of saying this would be to say funds are budgeted and authorized for the intended purchase.

Award - Approval by the City Council, City Manager, Finance Director or their designee, under whose authority a purchase order is issued.

Best Value - If the sealed competitive bidding requirement applies to the contract for goods or services, the contract may be awarded to the lowest, Responsible Bidder or to bidder who provides goods or services at the best value for the City. In determining the best value for the City, we may consider:

- the purchase price;
- the reputation of the bidder and of the bidder's goods or services;
- the quality of the bidder's goods or services;
- the extent to which the goods or services meet the City's needs;
- the bidder's past relationship with the City;
- the impact on the ability of the City to comply with laws and rules relating to contracting with;
- historically underutilized businesses and non-profit organizations employing persons with disabilities;
- the total long-term cost to the City to acquire the bidder's goods or services, and
- any relevant criteria specifically listed in the request for bids or proposals.

Bid advertisement - A public notice put in a newspaper of general circulation, containing information about an Invitation for Bid or a Request for Proposal.

Bid list - A list of vendors who have indicated in writing an interest in submitting bids for particular categories of goods and services. This list is a compilation of recommended vendors from the department, and a database of vendors maintained by Purchasing.

Blanket Purchase Order – A blanket purchase order is an open purchasing agreement between the City and a vendor to provide multiple purchases under a single Purchase Order number when the exact quantities are unknown.

Bonds:

- **Bid Bond** - A bond required of a contractor that ensures that the contractor will enter into the contract for which he has submitted a formal written bid and/or proposal.
- **Payment Bond** - A bond required of the contractor that ensures that all suppliers and subcontractors of the contractor will be paid for work and/or material supplied in the course of the contract.
- **Performance Bond** - A bond required of the contractor that guarantees vendor performance during the execution of the contract.

Capital equipment – Property with a useful life of at least three years and a purchase cost of at least \$5,000.

Check Request – Prescribed stamp for requesting payment to a vendor for purchases made.

Commodity code - A specific group of goods or services categorized into distinct classes that have been assigned a numerical reference number within the purchasing and inventory system.

Competitive bidding - The process wherein a vendor openly competes with other vendors, through a formal or informal process, for the City's business.

Component purchases – Purchases of component parts that in normal purchasing practices would be purchased in one purchase.

Consulting Services - The service of studying or advising the City under a contract that does not involve the traditional relationship between employer and employee.

Contract - An agreement between the City and a Supplier to furnish supplies and/or services over a designated period of time, during which purchases are made of the commodity specified.

Contractor - The successful vendor(s) awarded a contract by the City.

Delivery date – The date by which goods or services are needed.

Emergency – Purchases that are made to meet a critical, unforeseen need of the City, where the City's ability to serve the public would be impaired if purchase is not made immediately. Emergency purchases are exempt from standard purchasing procedures and must qualify for exemption as outlined in *Texas Local Government Code 252.022*.

Encumbrance - The process wherein the City reserves funds for the purchase of supplies, goods, services, and equipment in one budgetary-accounting period, and pays for the purchase in another budgetary-accounting period.

Expedite – When the purchasing process is accelerated through normal procedures in order to prevent work stoppage or loss of government's money.

FOB destination point – Free on Board (FOB); the vendor pays freight charges to the destination; title to goods passes to buyer at his receiving dock; freight claims must be filed and handled by the seller.

FOB shipping point – Free on Board (FOB); shipment becomes ‘collect’ from seller’s shipping dock; freight charges may be prepaid and added to the invoice; City pays freight charges; title to goods passes to buyer at the shipping dock of seller; freight claims must be filed and handled by buyer.

Goods - A generic term that includes all types of property to be purchased by the City: equipment, supplies, materials, components and repair parts.

Invitation to Bid – This is a formal written document that requests from bidders a firm price and delivery details for specified merchandise listed on a purchase requisition. An Invitation to Bid is always required when the anticipated level of expenditure will be greater than \$60,000, except in the case of an emergency.

Lowest Responsible Bidder – This is the vendor who offers the lowest bid which meets all the specifications, requirements, terms and conditions of the Invitation to Bid. It is expressly understood that the lowest responsible bid includes any related costs to the City, using a total cost concept. The term "responsible" refers to the financial and practical ability of the bidder to fulfill the contract. The term is also used to refer to the experience or safety record of the vendor.

Personal Services - Services provided to the City personally by a particular individual. Any contribution of machinery and equipment compared to total cost must be substantially less than the contribution of wages.

Planning Services - Services primarily intended to guide the City to ensure the orderly and coordinated development of land areas.

Professional Services – services as defined by state law: accounting; architecture; landscape architecture; land surveying; medicine; optometry; professional engineering; real estate appraising; professional nursing; or services 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.

Purchase - An act that includes the acquisition of goods or services, to include the act of leasing personal or real property. Separate, sequential, and component purchases shall be treated as a single purchase.

Purchasing - The act, function, and responsibility for the acquisition of goods and services.

Purchase order - A formal, binding, legal agreement issued by the City's Purchasing Coordinator. A purchase order is requested by a departmental requisition that details the merchandise or services required. When accepted by a vendor without qualifications within a specified time period, the agreement becomes a contract. A Purchase Order grants the vendor the authority to deliver the goods or services and invoice for the same. It is the City's commitment to accept the goods or services and pay for them at the agreed price.

Purchase Requisition Form – Prescribed form filled out by departments at the same time the purchase order is entered into the financial software for approval. This form must be signed by the Department Head and submitted to the Finance Department as backup for the purchase order.

Request for Proposal - A formal written document requesting that potential vendors make an offer for services to the City. The Request for Proposal method of procurement may be used for goods or services including high technology and insurance when it is determined that the proposal process provides the best value to the City. When the RFP is used for the selection of professional services as allowed in the Local Government Code 252.022(a)(4), the City shall comply with Local Government Code 2254.003 in the procurement of these services. The City shall not award a contract for these services based on

competitive bids but shall make the selection and award on the basis of demonstrated competence and qualifications for a fair and reasonable price. Fees must be consistent with and not higher than the recommended practices and fees published by the applicable professional associations and may not exceed any maximum(s) provided by law.

Request for Qualifications - a formal written document used when soliciting providers of architectural, engineering or land surveying services. The City shall comply with Local Government Code 2254.004 in the procurement of these services. The City must first select the most highly qualified provider of those services on the basis of demonstrated competence and qualifications. After a firm has been selected based on qualifications and experience, then a fair and reasonable fee shall be negotiated. If a satisfactory contract cannot be negotiated with the most highly qualified provider of architectural, engineering, or land surveying services, the City shall formally end negotiations with that firm and select the next most highly qualified firm and begin negotiations with that provider for a fair and reasonable price.

Reverse Auction - Single or multiple-item, open, descending-price auction. The initiator specifies the opening bid price and bid decrement. Each bidder submits a successively lower bid and at the end of the auction, bidders with the lowest bid win. Each winning bidder sells at a price equal to the bid he/she made.

Separate purchases – Purchases made separately of items that in normal purchasing practices would be purchased in one purchase.

Sequential purchases – Purchases made over a period of time of items that in normal purchasing practices would be purchased in one purchase.

Services - A generic term to include all work or labor performed for the City on an independent contractor basis, including maintenance, construction, manual, clerical or professional services.

Sole source – Purchases of goods or services that are available from only one supplier. There may be just one vendor because of patents or copyrights, or simply because the vendor is the only one that supplies the good or service. These purchases are exempt from the standard bidding requirement and must qualify as outlined in *Local Government Code 252.022*.

Specifications - Statements containing a detailed description of the terms of the contract, as well as specific details about the goods and/or services. The details or specifications should be descriptive, but not restrictive.

Surplus – Item(s) no longer needed by a department, regardless of its value or condition.

Vendor - A generic term applied to individuals and companies alike, who provide goods and services to the City.

Section 2: Purchasing Process

A. Delegation of Purchasing Authority

The City Manager, as authorized by the City Council of the City of Freeport, has delegated to Department Heads and their designees the authority to procure materials and services for the City that are within the guidelines set forth by this procurement policy.

A City Contract is always required when an on-site service is to be rendered to the City. Retroactive (after the fact) contracts are not acceptable. Only the City Council or the City Manager (within his/her purchasing limitations) are vested with the authority to contract for the City of Freeport, provided however, the City Attorney first approves in writing.

The Finance Director may approve the purchase of goods or services that have been budgeted and are valued up to \$20,000, without prior approval of the City Council or City Manager.

The City Manager may approve the purchase of goods or services that have been budgeted and are valued at less than \$60,000 without prior City Council approval, except in the case of an emergency.

No contract or purchase order will be binding upon the City unless authorized by the dollar threshold approval authority, as applicable, and unless the City Manager and/or Finance Director certifies that there is to the credit of the City office or department a sufficient appropriation and unencumbered balance to pay for the goods and/or services for which the contract or purchase order is to be issued.

In the event of City Manager absence, the Assistant City Manager shall have the same vested authority as the City Manager.

A contract becomes exempt from the aforementioned payment thresholds upon contract award authorized by the governing body.

The City's purchase of goods and services shall be made according to a requisition from the Department Head whose budget or other approved appropriation source will be charged for the purchase. Any City personnel who authorize or attempt to authorize a purchase order without proper approval will be subject to disciplinary action.

The Finance Department is designated as the Purchasing Office for the City within certain limitations. The primary responsibility of the Purchasing Office is to procure the best goods and services in a timely manner at the lowest possible cost to the City and to ensure that purchasing is conducted with strict adherence to applicable federal, state and local laws as well as this manual.

This purpose is accomplished through updating of purchasing data, training/education of personnel and responsiveness to new techniques. The Finance Department will coordinate purchasing activities with the user department. The Finance Director will conduct random internal audits of departmental purchasing.

B. Total Dollar Limits/Approval Requirements

The purchasing limits stated herein assume that prior to purchase or request to purchase, the Department Head and/or their designee have verified sufficient funds are available in the budget line item affected. This is verified through the purchase order (encumbrance) process approved by the Finance Department. Purchase orders must be issued before purchase of goods or services.

The following standard approval route applies to All City Departments.

Total Amount of Request*	Type of Form Required	Type of Bid/Quotes Required	Department Head or Designee Approval Required	Finance Director Approval Required	City Manager Approval Required	City Council Approval Required
< \$5,000	Invoice	Not Required	◆			
\$5,000 to \$19,999.99	Purchase* Order	3 Quotes	◆	◆	*If not low bid	
\$20,000 to \$59,999.99	Purchase* Order	3 Written Bids/Quotes	◆	◆	◆	*If not low bid
\$60,000 and above	Purchase* Order	Sealed Bids	◆	◆	◆	◆

* A Purchase Order is not required for recurring payments on annual contracts, that have already been procured in accordance with this policy, in which the quantities are unknown. Examples include but are not limited to utilities, phone, insurance premiums, fuel, etc. These payments should be paid following verification of quantity and contract compliance. If applicable, a Blanket Purchase Order may be set up for these vendors. A Purchase Order is required for recurring payments on annual contracts in which the exact amount is known (ex. janitorial services).

C. Purchases of Less Than \$5,000 (Department Head)

Purchases of less than \$5,000 do not require competitive bidding. Department Heads or their approved designees may, without prior approval of the Finance Director or City Manager make purchases of less than \$5,000.

Department Head shall authorize an invoice for payment after goods or services are received.

D. Purchases of \$5,000 to \$19,999.99 (Finance Director)

Purchases of \$5,000 to \$19,999.99 will require a purchase order form with at least three verbal quotes. The requesting department shall solicit at least one quotation from a competent vendor. Telephone, fax, and e-mail quotations are acceptable.

E. Purchases of \$20,000 to \$59,999.99 (City Manager)

Purchases of \$20,000 to \$59,999.99 will require a purchase order form with at least three quotes, unless an interlocal contract or cooperative purchasing is utilized. The Department Head must contact at least two (2) Historically Underutilized Businesses (HUB) on a rotating basis based on information provided by the comptroller pursuant to Chapter 2161, Government Code, unless the list fails to identify a HUB that provides similar goods or services in Brazoria County, as authorized by the *Texas Local Government Code, Chapter 252.0215*. If the Department Head proposes to award the contract to a person or entity other than the apparent lowest quote, the Department Head shall obtain the prior written approval of the City Manager.

F. Purchases of \$60,000 or More (City Council)

City Council shall approve in advance all expenditures for \$60,000 or more, except for services and services previously approved by City Council (i.e. utilities, grant expenditures, contract expenditures for previously awarded contracts, and all other exceptions as provided in the *General Exemptions Section 252.022 of the Texas Local Government Code*.)

Except as provided in the *General Exemptions Section 252.022 of the Texas Local Government Code*, the City must issue a competitive sealed bid or competitive sealed proposal as authorized by *Texas Local Government Code Chapter 252* and award the bid to the lowest responsible bidder.

The user department shall be responsible for the preparation of specifications for any formal bids for goods, services, or contractual needs. Formal bids shall include legal advertising, invitations to bids, pre-bid conferences (as necessary), documented bid openings and official bid tabulations.

Bid notices shall indicate when and where bids will be opened; be published in the official newspaper of the City once a week for two consecutive weeks beginning at least fourteen days before the bid opening; shall be published in a form approved by the City Secretary.

All bids must be awarded by City Council. The goods and/or services may be acquired by the issuance of a purchase order or execution of a contract.

G. Purchase Order Cancellation

At fiscal year-end or shortly before, the Finance Director and/or their designee will perform a review of any outstanding purchase orders. He/She will consult with the appropriate Department Head on the validity of the purchase order.

If the purchase order is still needed, it will remain open for the following year.

If the purchase order is no longer needed, the Finance Director holds the sole authority to close a purchase order. Any purchase order closure will be promptly communicated to the City Manager and the Department Head to ensure transparency in record-keeping.

At any other time throughout the year, if a purchase order is deemed to be no longer necessary, the Department Head may request a purchase order closure by communicating with the Finance Director.

H. General Purchasing Provisions

General Rules Applicable to All Contracts

- a. Each Department Head is responsible for:
 - Coordinating with the Finance Department to establish and maintain a list of vendors
 - Establishing clear, nonrestrictive bid specifications
 - Receiving and inspecting all deliveries to ensure that the goods and/or services comply with the bid or proposal specifications.
- b. The City Secretary is responsible for maintaining bids or proposals and related information according to the City's Records Management Program. Unless otherwise specified by state law, records related to bids or proposals (including purchase orders, invitations to bid, and bid tally sheets) are public records.
- c. The Department Head shall charge a purchase to the appropriate account number regardless of whether the account contains available budgeted funds. Overrun line items shall require a budget line-item transfer from another departmental line item. If no budget line-item contains the funding to cover the overrun needed, a formal budget amendment approved by City Council is required.

I. Prompt Payment Act

Texas Government Code, Chapter 2251, commonly known as the Texas Prompt Payment Act, generally requires that the City pay bills not later than thirty (30) days after the goods and services are received, or the date the invoice is received, whichever is later. Each Department Head shall submit to the Finance Department any bill or invoice within three (3) calendar days of receipt.

J. Consideration of The Location of a Bidder's Principal Place of Business

Texas Local Government Code 271.905

In purchasing under this title any real or personal property that is not affixed to real property, if a local government receives one or more bids from a bidder whose principal place of business is in the local government area and whose bid is within 3% of the lowest bid price received by the local government from a bidder who is not a resident of the local government area, the local government may enter into a contract with:

the lowest bidder; or the bidder whose principal place of business is in the local government area if the governing body of the local government determines, in writing, that the local bidder offers the local government the best combination of contract price and additional economic development opportunities for the local government area created by the contract award, including the employment of residents of the local government area and increased tax revenues to the local government. This does not prohibit the Council from rejecting all bids.

K. Preference for Recycled Products

The City encourages the use of recycled products and products that may be recycled or reused. The City will give preference to products made of recycled materials if the products meet applicable specifications as to quantity and quality. *Texas Health and Safety Code 361.426*

The Finance Director may review procurements for the purchase of goods, supplies, equipment, and materials to:

- Eliminate procedures and specifications that explicitly discriminate against products made of recycled materials
- Encourage the use of products made of recycled materials
- Ensure to the most economically feasible extent that the City purchases products that may be recycled when they have served their intended use

L. Municipal Contracts

Annual Contracts - The City may use an annual fixed price contract to obtain required goods or services from a chosen vendor for a specified time period. These contracts eliminate the necessity of bidding commodities each time they are needed. Annual contracts on which the quantities are pre-determined require a purchase order. *Texas Local Government Code Chapter 271*

Contracts Requiring Issuance of Debt, Certificates of Obligation or Lease-Purchase Agreements - If the City Manager, or a Department Head intends to finance a contract for goods or services through issuance of bonds, debt, certificates of obligation (CO), certificates of participation, tax anticipation notes, lease-purchase agreements, or any other means, then the City Manager or Department Head must, before soliciting bids, receive approval from the City Attorney and City Council for such financial arrangements. *Texas Local Government Code Chapter 271*

Change Orders – If a change order involves a decrease or an increase of \$50,000 or less, the governing body may grant general authority to an administrative official of the municipality to approve the change orders. *Texas Local Government Code Chapter 252.048*

M. Procedures for Federal Grants

The City of Freeport has adopted a *Grants Management Policy* to set forth all procedures for Federal and State grant compliance.

N. Construction Projects

If the contract is for the construction of public works, the following is required for bidding:

- a. Prepare plans and specifications in conjunction with bidding and contract documents:
 - The proposed specifications shall include workers' compensation requirements. *Texas Labor Code 406.096*
 - If the proposed project includes excavation work, then the proposed specifications shall include excavation requirements and pay items. *Texas Health and Safety Code 756.023*
 - The proposed specifications shall include bonding requirements. *Texas Local Government Code Chapter 252.044; also, Texas Government Code Chapter 2253*
 - The proposed specifications shall include prevailing wage rate schedules. *Texas Government Code Chapter 2258*
- b. Sealed plans and specifications.
- c. Line items with estimated quantities and price estimate.

Texas Local Government Code Chapter 252.044; also, Texas Government Code Chapter 2253

Section 3: Exemptions to Competitive Bidding

Chapter 252.022 of the State of Texas Local Government Code allows certain exemptions to the Competitive Bids process. **The following are the exemptions allowed:**

1. A procurement made because of a public calamity that requires the immediate appropriation of money to relieve the needs of the municipality's residents or to preserve the property of the municipality;
2. Procurement necessary to preserve or protect the public health or safety of the municipality's residents;
3. Procurement is necessary because of unforeseen damage to public machinery, equipment, or other property;
4. Procurement for personal, professional or planning services;
5. Procurement for work that is performed and paid for by the day as the work progresses;
6. Purchasing of land or a right-of-way;
7. A procurement of items that are available from only one source, including:
 - a. items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies;
 - b. films, manuscripts, or books;
 - c. gas, water, and other utility services;
 - d. captive replacement parts or components for equipment;
 - e. books, papers, and other library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials; and
 - f. management services provided by a non-profit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits;
8. A purchase of rare book, papers, and other library materials for a public library;
9. Paving drainage, street widening, and other public improvements, or related matters if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements;
10. A public improvement project, already in progress, authorized by the voters of the municipality, for which there is a deficiency of funds for completing the project in accordance with the plans and purposes authorized by the voters;
11. Payment under a contract by which a developer participates in the construction of a public improvement as provided by Subchapter C, Chapter 212;
12. Personal property sold:
 - a. at an auction by a state licensed auctioneer;

- b. at a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code;
 - c. by a political subdivision of this state, a state agency of this state, or an entity of the federal government;
 - d. under an interlocal contract for cooperative purchasing administered by a regional planning commission established under Chapter 391;
13. Services performed by blind or severely disable person;
14. Goods purchased by a municipality for subsequent retail sale by the municipality;
15. Electricity; or
16. Advertising, other than legal notices.

A. High Technology Procurement

High technology procurement means the procurement of equipment, goods, or services of a highly technical nature including:

- a. data processing equipment and software and firmware used in conjunction with data processing equipment;
- b. telecommunications equipment and radio and microwave systems;
- c. electronic distributed control systems, including building energy management systems; and
- d. technical services related to those items.

The City may utilize a request for proposals to procure high technology products and services. Requests for proposals are similar to competitive bids.

Prior to utilizing a request for proposal, the Departmental Director must receive approval from the City Manager. The Department shall write specifications using performance standards rather than a written description of the goods or service. The specifications shall also list the factors by which the City will judge the proposal, and the weight assigned to each factor.

1. Vendors must submit proposals of their own design for a system to satisfy the requirement set forth in the proposal. Proposals may incorporate entirely different hardware or services to accomplish the same performance.
2. After the City receives the proposals, the Department Head may enter into negotiations with as many vendors as have submitted feasible proposals to arrive at the best possible proposal.

Texas Local Government Code 252.001(4); 252.021(c)

B. Emergency Services

An emergency is an unforeseen situation that adversely and unduly affects the life, health, or convenience of the citizens of the City, or circumstances that would cause a loss to the City (such as an inordinate amount of down time).

Texas Local Government Code 252.022 (1), (2) & (3)

In an emergency, the Department Head may proceed with an emergency acquisition. If the cost is \$3,000 or more, the Department Head shall send a confirmation requisition (including a brief explanation of the purchase) and invoices to the Finance Department and City Manager as soon as

possible. The Finance Department will then assign a purchase order number and advise the user department to forward that number to the appropriate vendor.

C. Professional Services

Professional services mean services within the scope of the practice, as defined by state law, of accounting, architecture, land surveying, medicine, optometry, professional engineering, or real estate appraisers.

The City may not select a provider of professional services or a group or association of providers or award a contract for services based on competitive bids submitted for a contract or services, but shall make the selection and award:

- a. based on demonstrated competence and qualifications to perform the services; and
- b. a fair and reasonable price.

Professional contract fees:

- a. must be consistent with and not higher than the recommended practices and fees published by the applicable professional associations; and
- b. may not exceed any maximum provided by law.

Texas Government Code §2254.002, §2254.003

The City shall first select the most highly qualified provider of those services on the basis of demonstrated competence and qualifications and negotiate with that contract provider a fair and reasonable price.

If the City cannot negotiate a satisfactory contract with the most highly qualified provider, then the City shall formally end negotiations with that provider, select the next most highly qualified provider and negotiate a contract at a fair and reasonable price.

The City will continue contract selection and negotiations with providers until the City enters into a contract. The City Manager and/or the appropriate Department Head will execute contracts for the City.

D. Work That Is Performed and Paid for by the Day as The Work Progresses

If the City hires a contractor for a project on a daily basis and pays for work daily as the work progresses, the procurement of services is exempt from competitive bidding requirements.

E. Purchase of Rare Books, Papers, And Other Library Materials for A Public Library

Competitive bidding provisions do not apply to the purchase of rare books, however, books available from more than one source must be purchased using the regular purchasing process.

F. Developer Participation Contracts

The City Council must approve Developer Participation Contracts over \$5,000 in advance. *Texas Local Government Code 212.071*

G. Interlocal Contracts and Cooperative Purchasing

The City Council must approve interlocal contracts or agreements with other political subdivisions of this state, a state agency of this state or an entity of the federal government administered by a regional planning commission.

The Department Heads will prepare appropriate documentation for purchase orders as needed or required by a particular COOP. The department will receive related paperwork supporting the purchase. The authorization for payment shall include the appropriate signatures and include contract numbers.

The City of Freeport may satisfy the competitive bid requirement of state law by purchasing goods and services through any of the following, including but not limited to:

- a. The Texas Building and Procurement Commission
- b. The Houston-Galveston Area Council Cooperative Purchasing Program (H-GAC Buy)
- c. The Texas Local Government Purchasing Cooperative (BuyBoard)
- d. The National Intergovernmental Purchasing Alliance Company, a Delaware corporation d/b/a OMNIA Partners, Public Sector and/or Communities Program Management, LLC, a California limited liability company d/b/a U.S. Communities (collectively, "OMNIA Partners, Public Sector")
- e. An interlocal agreement with another governmental entity that has complied with state law purchasing requirements
- f. Texas Procurement Center
- g. Any other agency or entity that state law provides will satisfy the competitive bid requirements

Texas Local Government Code Chapter 271; also, Texas Government Code Chapter 791

H. Media Advertising

A purchase order or quotation form is not required for advertising in the City Official Public Newspaper. The invoice shall be authorized for payment by the Department Head and forwarded to the Finance Department. *Texas Government Code 2051.041*

Section 4: Credit Card/Procurement Card Purchases

The Procurement Card (hereinafter “P-Card”) is a purchasing tool which offers an alternative to the traditional purchase order process. Additionally, the timelines established by this policy allow the City to take full advantage of the cash rebate incentive offered by the issuing financial institution on P-Card purchases.

The City of Freeport established the P-Card Program as part of an effort to extend trust downward into the organization and to increase operational efficiency. As such, employees have a responsibility to adhere to this policy. Having a City of Freeport P-Card is a privilege, not a right.

The P-Card is issued to individual employees only. No other person is permitted to use another employee’s P-Card. As a Cardholder, the employee is responsible for the appropriate use of City funds and is responsible for all charges made with the card. Although the P-Card is issued to the employee, it remains City property and may be rescinded at any time.

Personal charges shall not be made on the card. Improper use of the card may be considered misappropriation of City funds, which may result in disciplinary action, up to and including termination and criminal prosecution.

Cardholders must comply with internal control procedures in order to protect the City’s assets. These procedures include, but are not limited to keeping itemized receipts, reconciling transactions, reviewing monthly statements and following proper security measures. A Cardholder must surrender his/her card upon termination of employment. All purchasing policies and procedures must be followed when using the P-Card.

It is the expectation of the City that departments seek information from multiple vendors to ensure that the best value and price are obtained for all P-Card purchases. The following procedures outline appropriate P-Card use.

A. Program Administration

The Finance Department is responsible for the day-to-day management of the P-Card program and deemed the Program Administrator.

The designated Program Administrator acts as the City’s point of control for the P-Card program, monitors all usage of the P-Card, and is the point of contact for any Cardholder questions or problems.

The Program Administrator has the authority, with the approval of the Finance Director, to cancel or suspend a P-Card for any employee at any time for reasons as stated in this policy.

B. P-Card Issuance & Transaction / Monthly Limits

When P-Cards are requested for new users, the Department Head will be able to designate an “Administrative Designee.” This employee is responsible for managing the reconciliation of the Cardholder’s P-Card (e.g. an Executive Assistant).

Cardholder standard expenditure limits are as follows:

Cardholder Class	Per/Single Transaction	Per Month
Individuals	\$999.99	\$10,000
City Manager	\$2,999.99	\$10,000
Finance Department	\$15,000*	\$100,000*

** To be used for payment of bills only per authorization by the City Manager*

Department Heads may request lower limits. Higher limits or a different Cardholder Class may be requested to accommodate the employee’s job function and may be considered with documentation to justify the request or change. The request must be approved by the Department Head, Finance Director and City Manager. (Note: Request for a one-time increase in single or monthly transaction limits may be made by the P-Card holder and approved by Finance. It is the Cardholder’s responsibility to inform their Department Head of the increase.)

C. Department P-Cards

Department P-Cards may be issued in the name of an individual department. These cards shall be the responsibility of the department head. The Department Cards must be requested in the same manner as a standard P-Card and released for use only after Purchasing receives notice from the City Manager allowing the use of the card.

D. Finance Department P-Card

A P-Card will be issued and signed out to an individual within Finance for payment of certain invoices that the city receives during the course of business with the sole purpose of receiving additional cash rebate incentives from the P-Card program.

The individual to which the P-Card is signed out will be the custodian of the P-Card and will have the sole responsibility within Finance for maintaining the P-Card and adhering to the requirements of this Policy during the custodial time period.

E. P-Card Usage Guidelines

1. P-Card Basics

- a. If the monthly limit is reached, Cardholders must utilize the traditional purchase order process, or the Cardholder may request (by email with a copy to the Cardholder's supervisor) a temporary increase in the monthly transaction limits from the Program Administrator. If Cardholder is at the place of business and needs to increase the single transaction limits on their P-Card, they must call the designated P-Card Administrator and make the request. Any requests granted will only be made if they fall within the standard allowable limits as set forth in this policy. An email will be sent to the Cardholder and appropriate Supervisor confirming the telephone conversation and the action taken.
- b. The Cardholder shall not use the P-Card to circumvent any other established City policy, (i.e. splitting a \$3,000.00 transaction to two transactions of \$1,500).
- c. The Cardholder is responsible for all charges made with the P-Card.
- d. Cardholders must comply with internal control procedures in order to protect the City's assets. These procedures include, but are not limited to keeping itemized receipts, reconciling transactions, reviewing monthly statements and following proper security measures.
- e. The employee is to use the P-Card only for the types of purchases described in this policy and failure to do so may result in disciplinary action up to and including termination and/or criminal prosecution.
- f. P-Card limits may also be raised in the event of an emergency at the sole discretion of the Program Administrator.

2. Acceptable Purchases on P-Card (Examples – but not limited to)

- a. Subscriptions and books
- b. Seminars, training, membership dues, registration
- c. Catering and delivery services
- d. Off-site Required maintenance/repairs for which no contract required
- e. On-site maintenance/repairs under \$500 total cost for which no contract required
- f. Over-the-counter retail purchases
- g. Travel related purchases (Note: When traveling, food is best paid by per diem.)
- h. Computer peripherals (through IT only)
- i. Software under \$500.00 (no license agreements) (through IT only)
- j. Business-related meals with documentation of meeting subject and attendees
- k. Fuel (for City vehicles only when traveling outside City or motorcycle officers)
- l. Rentals (on case-by-case basis and only with approval of Finance Director)

3. Prohibited P-Card Uses (Examples – but not limited to)

Purchases of restricted items listed below and purchases of \$3,000 or more must continue to be processed in accordance with established purchasing guidelines.

The procurement P-Card is NOT to be used for the following:

- a. Purchase of capital equipment
- b. Purchase utilizing Grant funds
- c. Capital projects
- d. Onsite contractual services over \$500 (contract / PO needed)
- e. Alcoholic beverages (except where otherwise permitted by policy)
- f. Cash advances/travelers checks/gift cards
- g. Separate, sequential, and component purchases or any transaction made with intent to circumvent City Purchasing Policy
- h. Spouse/Family expenses incurred while traveling
- i. Purchases made with vendors not located in the U.S. (except where previously approved)
- j. Items for personal use
- k. Fines of any kind
- l. Maintenance agreements

4. Proof of Purchase - Documentation

- a. Adequate documentation, including original itemized receipts, must be maintained to record the transaction and support the legitimate business purpose of all transactions made with the P-Card.
- b. Original documentation must be retained by Cardholder until attached to the Monthly Statement showing the Cardholder purchases.

5. Sales Tax

- a. The City is tax exempt. Cardholders are responsible for ensuring the merchant does not include sales tax in the transaction.
- b. *The Exception is tax paid to most restaurants, hotels, airlines, and other travel related merchants. Cities are not exempt from hotel tax and certain other federal and state taxes that are not the standard sales tax. (Note: When traveling, food is best paid with per diem and no receipt is needed.)***
- c. If tax is included, the Cardholder will immediately be responsible for ensuring that the merchant or the cardholder reimburses the tax amount to the City.
- d. Cardholders will be provided with a copy of the City's tax exemption certificate upon request.

F. Monthly Reconciliation Process

1. Purchasing will notify Cardholders and make available monthly account statements available.
2. Reconciled statements are due back to Purchasing within five (5) business days from the receipt of the statement notification email.
3. To complete the reconciliation process, the following steps must be completed:
 - a. Itemized receipts (generally including purchase date, vendor name, item description, quantity, unit price, and total charge), with the account number and purpose of the purchase written on the sheet to which they are attached, are to be attached in the same order as the listed transactions appear on the monthly statement.
 - b. For meals, per the IRS and the City's auditor, all meals between employees or with staff for any reason must document the names of all attendees. See specific requirements and examples below:
 - Business Meals between Staff – Required Information: Names of staff attending, purpose of meeting, where, when.
 - Training with Staff – Required Information: Names of all attending the training, purpose of the training, where and when the training was held.
 - Meetings and Business Meals – Required Information: Names of all staff attending, names of any other person(s) in attendance, purpose of meeting or business meal, where and when.

Exceptions:

- Meetings with Staff, Consultant and External Committee Members or any combination of this: Name of all staff present, name of any/all consultants, engineers, architects, etc., present, name of the committee only (if applicable, e.g. EDC Board, Planning & Zoning Committee, etc.), and the agenda stating the purpose of the meeting.
 - Meals Provided for "Events" require just the explanation of the "event", when and where and a brief description of who was present (e.g. food for Police promotional ceremony).
- c. For credits, a print screen will be accepted as backup documentation, but receipts are best, if available. Credits must be explained and charged back to original account.
 - d. For "In and Out" transactions (i.e. transactions made in error and credited back within the same day), print screens will be accepted as backup documentation but receipts are best, if available. Such transactions must be explained, charged and credited to the same account and approved electronically.
 - e. For sales tax, charges must be either refunded by credit to the P-Card or reimbursed to the City – proof of reimbursement to the City must be attached to the P-Card statement.
 - f. For tips in excess of 20%, charges must be refunded to the City and proof of reimbursement to the City must be attached to the P-Card statement.

- b. The Cardholder's first step in resolving an erroneous charge is to contact the vendor. (Note: By law, vendors are not permitted to bill a P-Card for purchases until the items have been shipped. Hotels may bill for first night.)

H. Cancellation & Renewal Of P-Cards

1. Lost or Stolen P-Cards

- a. It is the responsibility of the Cardholder to immediately report a lost or stolen P-Card.

2. Termination, Resignation or Re-assignment

- a. Upon notice of termination or resignation, it is the responsibility of the Supervisor and Human Resources to notify Finance immediately. In addition, the supervisor must retrieve the P-Card at such time and return to Finance.
 - i. The Cardholder is responsible for submitting all receipts to the Supervisor.
 - ii. The Cardholder's P-Card will be disabled on the date of resignation or notification of retirement, not the last day of employment.
 - iii. The Supervisor or designee is responsible for submitting the monthly statement with all receipts on time.
- b. Upon notice of staff re-assignment within the City, it is the responsibility of the Supervisor and Human Resources to notify Finance immediately. Finance will review specific P-Card requirements for that person and after discussion with the new supervisor, the P-Card may be cancelled, suspended, limits changed to reflect new responsibilities or MCC codes adjusted.

3. Renewal of Existing P-Cards

- a. Approximately 30 days prior to the expiration date of the card, the bank will automatically send a new card to Finance. Finance will notify Cardholders when the cards are ready to be picked up. Cardholders must turn in their old card to Purchasing in order to receive their new card. New cards must be picked up in person by the Cardholder.

I. Accountability

The cardholders and their appropriate supervisors are responsible for ensuring that this policy and procedure is adhered to. The Finance Department is responsible for monitoring and enforcement.

As a public entity, the City is expected to be able to demonstrate to the public that it has spent tax dollars wisely. All participants in the P-Card program are responsible for ensuring purchases made with the card will withstand the scrutiny of the press, public and internal audits. Therefore, Finance may conduct audits of all P-Card statements and review for the following:

1. Personal Misuse:

- a. Personal misuse includes the following:
 - i. Purchases of prohibited items
 - ii. Assignment, transfer, or "loaning" of an individual card to an unauthorized person,
 - iii. Use of a P-Card by a suspended or terminated employee, and
- b. When personal misuse is suspected, the Cardholder will immediately be notified by email their supervisor and Department Head will be copied.

- c. If Finance does not receive a response with one (1) business day, the card will be suspended and changed to reflect a zero-transaction limit and an email sent to the Cardholder, their supervisor, and Department Head.
- d. Based on the severity of the misuse, disciplinary measures – to be decided by the Department Head and City Manager – may include personnel action up to and including termination and legal action.

2. Administrative Infractions:

- a. Administrative infractions include the following violations related to the lack of proper and timely reconciliation of individual Cardholder accounts:
 - i. Transaction Missing Electronic Approval,
 - ii. Late Submittal of Monthly Reconciliation,
 - iii. Missing Itemized Receipt
 - iv. Missing Detailed Information
 - v. Transactions Including Sales Tax
 - vi. Transactions Including Tip Changes in Excess of 20% of the total bill.
- b. When administrative infractions occur, the Purchasing Office will email the Cardholder (and person designated as being responsible for compiling the Cardholder's monthly reconciliations), with a copy to their supervisor and Department Head in order to resolve the discrepancy prior to authorizing payment of the charge to the bank.
 - i. If the same infraction occurs three months in a row, the Finance Director will be notified and the Program Administrator will recommend and discuss with their Finance Director if any further action should be taken.
- c. Training will be provided to all P-Card users and administrative designees with the distribution of new P-Cards. Any administrative designee with an infraction within the first three months of use will be required to repeat the training.

3. Policy Violations:

- a. When violations are found, the Finance will email the Cardholder, with a copy to their supervisor and Department Head.
- b. The Purchasing Office will work with the Department Head to resolve the issue prior to payment of the transaction being authorized. In cases where policy exceptions are granted, a memo signed by the City Manager will be required.
- c. Personal charges shall not be made on the card. Improper use of the card may be consider misappropriation of City funds, which may result in disciplinary action, up to and including termination and criminal prosecution.

Section 5: Disposal of City Property

A. Property Disposal

Sometimes City property may outlive its usefulness and become unserviceable or obsolete. Before a department removes any property from service, the Department Head shall first determine if it can be transferred to another user department for continued service. If it is determined that a property item is no longer serviceable to the City, the Director shall request permission from the City Manager to dispose of the item.

Items may be disposed of by one of the following methods:

- Public auction
- Trade-in on new equipment
- Sealed bids
- Scrap material
- Destruction as unsalvageable
- Negotiated price by Council

In addition to the methods of disposal as listed above, the city may contract to convey property either to another governmental entity or a non-profit corporation in accordance with law providing that such entity or corporation agrees to use such equipment for public purposes.

The condition of the item to be salvaged or surpluses shall dictate the most advantageous method of disposal.

Section 6: Electronic Procurement

Chapter 252.0415(a) of the State of Texas Local Government Code allows for the receipt of bids or proposals through electronic transmission, provided the following rules ensure the identification, security, and confidentiality of the electronic bids or proposals. All electronic bids or proposals must remain effectively unopened until the proper time.

A. Identification

Invitations to Bid, Requests for Proposals, Request for Qualifications and Requests for Applications will be advertised and issued in the manner prescribed by law and the City's Purchasing Policy. A notification will be added to bid terms and conditions stating vendors should submit responses electronically through the City's website and/or third-party service provider's website at the appropriate electronic address listed. Such responses should be accessible only by a designated City employee with a password for such address and documentation of the time of access shall be maintained.

B. Security

At the specified bid closing time, a designated City employee will open all bids and the bid tabulation summary assembled from the City's website and/or by a third-party service provider's website.

By law a bid that is submitted non-electronically will be accepted and then entered electronically by a designated City employee after bid opening as stated in the bid or proposal document terms and conditions.

C. Confidentiality

A designated City employee will read aloud all bid responses received by closing time and date to any interested parties present at the bid opening.

After the tabulation of bids or proposals, City will post bid tabulations electronically on the City's website and/or a third-party service provider's website with a qualifying statement: "The tabulation listing of a bid should not be construed as a comment on its responsiveness or an indication that the City accepts such bid as responsive. After evaluating bids, proposals, applications, and statements of qualifications the City will post tabulations and award information, once available, online through the City's website and/or service provider's website."

RESOLUTION NUMBER 2025-2998

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, APPROVING AND ADOPTING AMENDMENTS TO THE PURCHASING POLICY FOR THE CITY OF FREEPORT; PROVIDING FOR INCORPORATION OF PREAMBLE AND AN EFFECTIVE DATE.

WHEREAS, the City Council adopted Resolution Number 2019-2588 on June 3, 2019, establishing a Purchasing Policy that clearly defines authority, responsibility, and established procurement guidelines for the organization; and

WHEREAS, the City Council adopted Resolution Number 2020-2660 on October 5, 2020 amending the Purchasing Policy; adopted Resolution Number 2022-2763 on November 9, 2022 amending the Purchasing Policy; adopted Resolution Number 2022-2773 on December 19, 2022 amending the Purchasing Policy; and adopted Resolution Number 2024-2843 on March 4, 2024 amending the Purchasing Policy;

WHEREAS such Purchasing Policy needs to be amended; a copy of which is attached hereto as Exhibit "A"; and

WHEREAS, the City Council hereby finds that the amended Purchasing Policy should be approved.

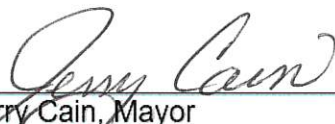
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, THAT:

Section 1. The facts and statements contained in the preamble are hereby found to be true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. The Purchasing Policy attached hereto as "Exhibit A" is hereby amended and adopted as the Purchasing Policy of the City of Freeport.

Section 3. This Resolution shall become effective immediately upon its passage.

DULY PASSED, APPROVED AND ADOPTED on this the 17th day of November 2025.




Jerry Cain, Mayor
City of Freeport, Texas

ATTEST:



Clarisa Fernandez, City Secretary
City of Freeport, Texas

APPROVED AS TO FORM AND CONTENT:



Duncan Law Firm, City Attorney
City of Freeport, Texas