



Purchasing

Purchasing Policy & Procedures Proposed Changes

Council Policy & Valuation Committee

January 22, 2025

AGENDA

Topics to be discussed today:

01

Background

02

Internal Review
Committee

03

Governing Documents

04

Summary of Recommended
Changes

05

In-Depth Discussion

Background

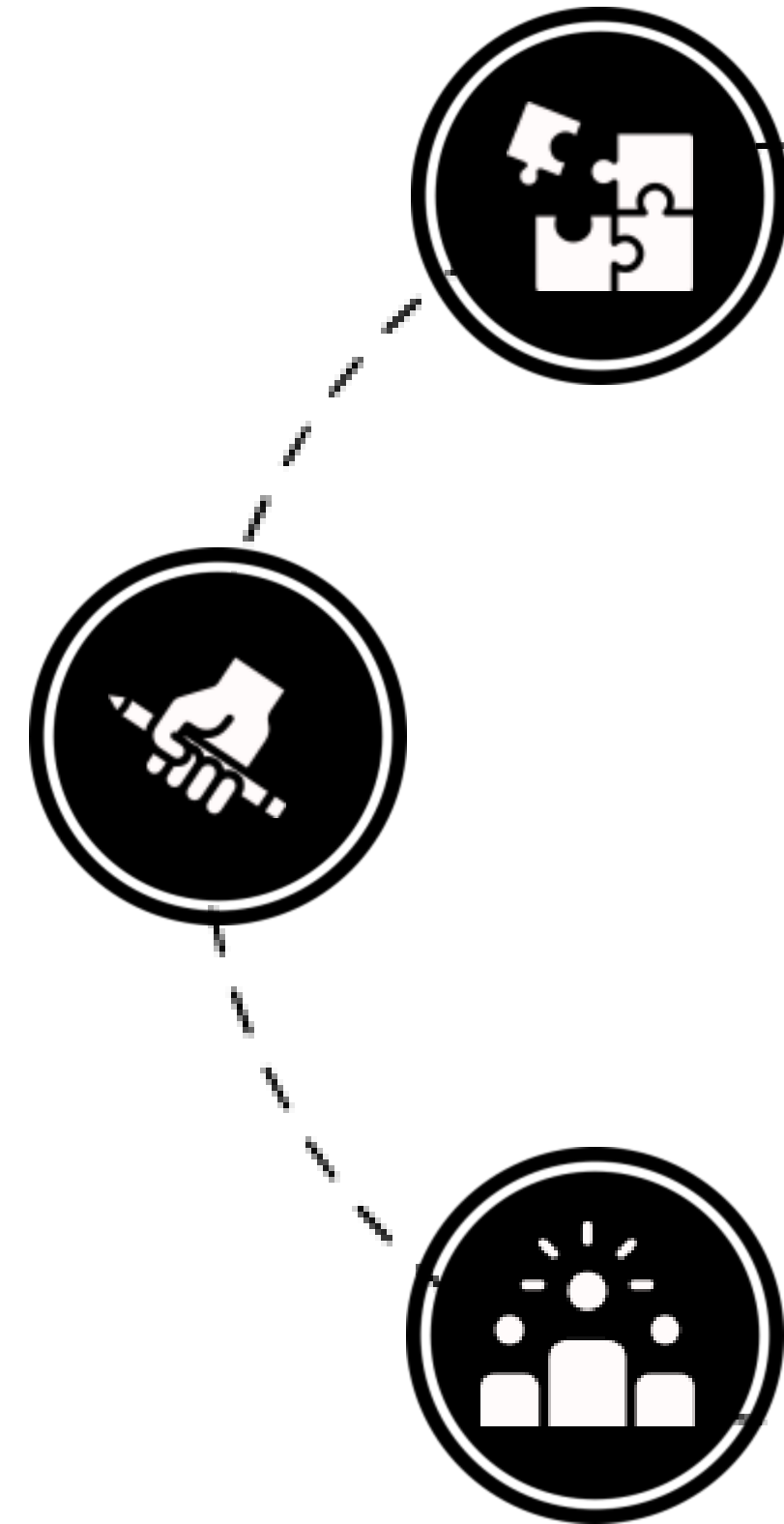
- **October 2023:**
 - City Council Policy 36 and Purchasing Procedures received updates to sections pertaining to signature authority and interlocal agreements.
 - Purchasing Division was moved to the new Administrative Services Department to allow the City to focus on best procurement practices and maximize purchasing power.
- **October 2023 - September 2024:** Administrative Services staff began reviewing the Purchasing Procedures and City Council Policy 36 to propose recommended updates based on City Council feedback and best practices.
- **October - November 2024:** Committee of representatives from multiple city departments was formed to review the purchasing procedures and City Council Policy 36, provide feedback, and to recommend changes.
- **December 2024:** Recommended changes were reviewed by Deputy City Managers.
- **January 2025:** City Manager reviewed changes and provided feedback and comments.

Purchasing Policy & Procedure Review Committee

The committee consisted of representatives from high-procurement departments and divisions across the organization to gather their feedback and incorporate their insights into the proposed updates.

The committee met three times, established clear goals, and developed a Charter to align efforts toward a common objective.

The committee thoroughly reviewed Council Policy 36 and the procurement procedures, gathering examples from other cities, researching best practices, and identifying opportunities for improvement to ensure transparency and efficiency.



Committee Members

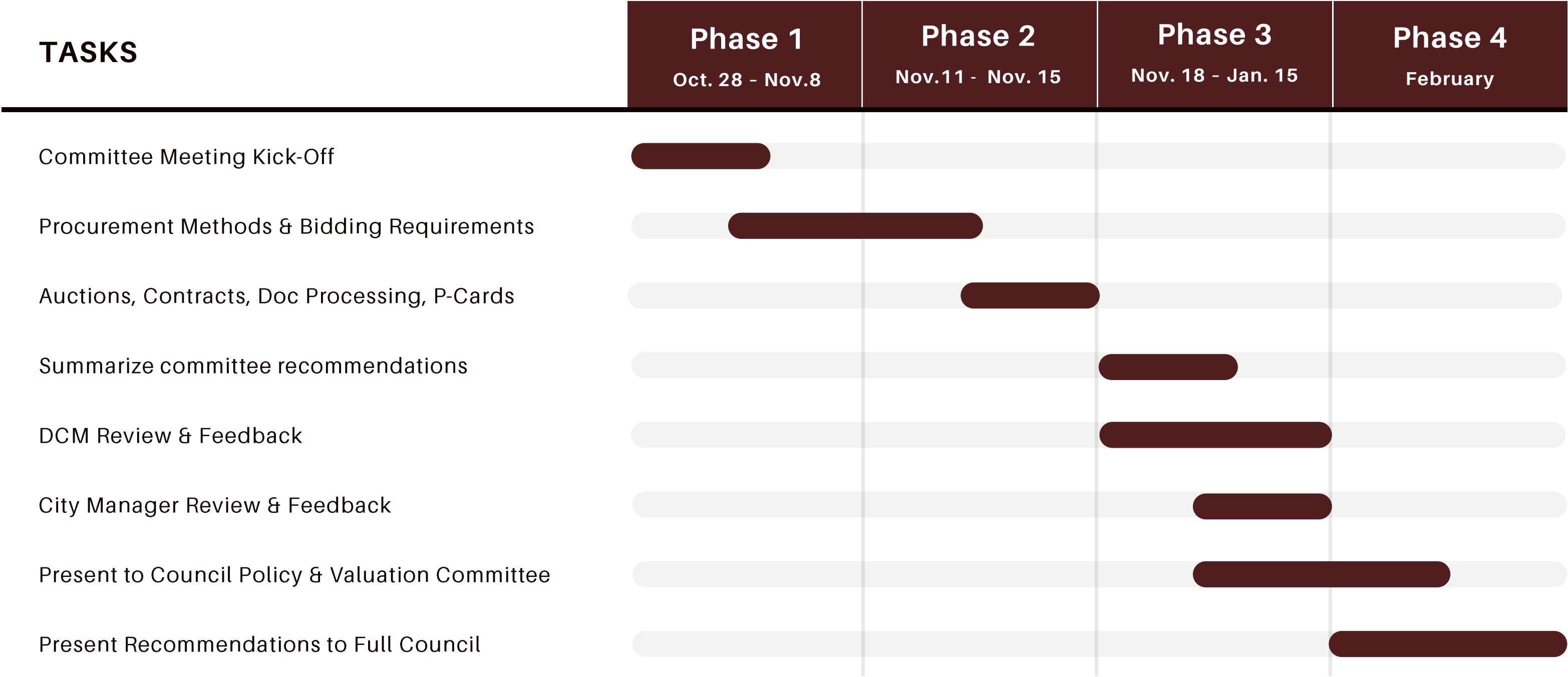
Andrea Anderson	Administrative Services, Purchasing
Richard Abernethy	Administrative Services
Jen Basham	Parks & Recreation
Janalea Hembree	City Manager's Office
Joe Laster	Fire, Emergency Management
Cheryl Marthiljohni	Human Resources
Gloria Platt	Finance
Matt Ribitzki	Legal
Justin Scharnhorst	Public Works
Lauren Seay	Administrative Services
Jennifer Swim	Administrative Services, Purchasing

Committee Goals & Objectives

01	Policy and Procedure Clarity: Define and distinguish the roles of policies versus procedures in purchasing documentation, creating a structured framework that is easy to follow and implement.
02	Efficiency and Transparency: Streamline and simplify purchasing processes to increase efficiency, remove redundancies, and maintain transparency at every stage, building trust with the public and city departments.
03	Competitiveness and Fairness: Update procedures to support competitive bidding, cooperative purchasing, and fair vendor selection to ensure best value and increase fairness.
04	Stakeholder Engagement: Collaborate with city departments to gather input during policy development, ensuring comprehensive, inclusive policies that meet the needs of all stakeholders.

Council Policy 36 & Purchasing Procedures Review

Target Council Date: February 27, 2025



Governing Procurement Documents

Each of these documents references purchasing regulations. Some are much more specific than others and several of them reference one another.



Local Government Code



City Charter



Council Policy 36



Purchasing Procedures

LOCAL GOVERNMENT CODE

THE CITY OF
BURLESON

Local Government Code

Chapter 252: Purchasing and Contracting Authority of Municipalities

Purpose: Governs municipal purchasing procedures, including competitive bidding and contract awards, with exemptions for certain purchases.

Chapter 271: Purchasing and Contracting Authority of Municipalities, Counties, and Certain Other Local Governments

Purpose: Provides a framework for the purchasing and contracting authority of various local governments, including municipalities, counties, and certain other local entities.

Chapter 2269: Contracting and Procurement for Construction Projects

Purpose: Governs the procurement of construction projects by municipalities, including competitive bidding requirements and alternative procurement methods such as design-build and construction manager at risk.

Chapter 2254: Professional Services Procurement

Purpose: Governs the procurement of professional services (e.g., architects, engineers, lawyers) by municipalities, requiring a qualifications-based selection process rather than competitive bidding.

CITY CHARTER

THE CITY OF
BURLESON

City Charter

Below is an excerpt of the City's charter as it relates to procurement. For purchases of \$50,000 or more, cities are required to use competitive bidding or proposals. The purchasing authority of a city manager is typically defined by local policies or ordinances and may vary between municipalities. In the City of Burleson, the current authorization limit for the City Manager is \$50,000, as outlined in Council Policy 36.

☐ § 74 Purchase and procurement procedures.

(El. of 8-13-1977; El. of 8-9-1980; El. of 5-2-1998; El. of 11-5-2013)

- (a) Approval by city manager. The city manager shall have the authority to approve purchases for goods, services and public improvements up to the maximum authorized by state law. The City Council may establish city purchasing authority for the city manager at an amount lower than authorized by state law.
- (b) Contracts. Contracts are required when state law requires compliance with state procurement laws. The city manager may sign contracts up to the maximum dollar amount allowed by state law or a lower maximum as directed by the city council.
- (c) Procurement. Before the city may enter into a contract for goods, services or public improvements or approve alterations in an existing contract, the city shall comply with the requirements of state law. The city manager shall adopt procedures to assure competition for contracts that do not require formal bidding under state law.
- (d) No bids received. If state law requires compliance with procurement laws, and after formally requesting bids or proposals on two separate occasions, if the city fails to receive any valid bids or proposals, the city council is authorized to make the purchase without the use of bids or proposals; provided, that it follows specifications used in the failed bid or proposal offerings.

**Please note that changes to the language in a City's Charter typically require voter approval through an election. No language changes are proposed as part of this review.*

COUNCIL POLICY 36

THE CITY OF
BURLESON

MAJOR PROPOSED CHANGES

01

Proposed increase to the City Manager's approval authority from \$50,000 to \$75,000

02

Proposed rework of Council Policy 36 to remove redundant information that necessitates duplicate revisions

03

Proposed revisions would delineate between Council Policy 36 as a governing policy and the Purchasing Procedures as operational process and procedures

1.0 (b) Governing Authority

In August 2024, this committee recommended evaluating the potential impact of increasing the City Manager's signature authority.

Current Language:

“All powers of the City vest in the City Council. Authority for purchasing goods and services is delegated to the City Manager provided the purchase does not exceed \$50,000. The City Manager's authority is delegated to the Purchasing Manager, subject to the requirements of this policy and adopted purchasing procedures.”

Proposed Revision:

*All powers of the City vest in the City Council. Authority for purchasing goods and services is delegated to the City Manager provided the purchase does not exceed **\$75,000**. The City Manager's authority may be delegated to a designee, in writing, subject to the requirements of this policy and adopted purchasing procedures.*

City Manager Approval Authority in Surrounding Areas

City Name	Population Estimate (2024)	City Manager Threshold
Allen	106,009	\$100,000
Arlington	411,167	\$50,000
Bedford	49,941	\$50,000
Cedar Hill	50,904	\$50,000
Coppell	43,193	\$50,000
Denton	154,189	\$100,000
Garland	250,099	\$100,000
Grapevine	52,283	\$50,000
Keller	47,476	\$50,000
Mansfield	86,323	\$50,000
North Richland Hills	73,602	\$50,000
Plano	294,152	\$100,000
Richardson	122,678	\$100,000
Wylie	62,171	\$50,000

Note: Population estimates are based on the North Central Texas Council of Governments (NCTCOG) 2024 data.

1.0 (c) Governing Authority

This suggested revision aligns with current practices.

Current Language:

“To ensure proper oversight, all purchases and requisitions in excess of \$25,000 will be reported to Council monthly. The report will include the vendor, purpose, amount, and source of funds for the expenditure.”

Proposed Revision:

To ensure proper oversight, all purchases and requisitions are monitored through established approval levels at all stages prior to vendor payments, ensuring compliance with purchasing procedures. For transparency, vendor payments are published on the City website, and budget-to-actual reporting is provided by the Finance Department to the Council on a monthly basis.

Propose to remove the following sections:

3.0 Objectives

Propose to remove this section entirely as it outlines the responsibilities of the Purchasing Division, which are already detailed comprehensively in the Purchasing Procedures document. Eliminating this redundancy ensures that operational changes to processes can be implemented more efficiently.

4.0 Code of Ethics

The Code of Ethics outlined here is specific to procurement activities and is already integrated into the Purchasing Procedures to ensure ethical practices throughout all procurement processes. Please note that a standalone Code of Ethics specific to procurement is required to meet the criteria for the NIGP's Achievement of Excellence in Procurement Award.

5.0-5.7 Competitive Purchasing Requirements, Procedures for Purchases < \$10,000, Procedures for Purchases of \$10,000 to \$50,000, Procedures for Purchases \$25,000 to \$50,000, Competitive Solicitations, HUB's, Purchases more than \$50,000, Reciprocity

All procedural information is covered in detail in the Purchasing Procedures document. Eliminating this redundancy ensures changes to processes can be implemented more efficiently.

5.8 Award of a Contract

This suggested revision references LGC and indicates staff will determine the best method of procurement.

Current Language:

“The City of Burleson shall award contracts based on criteria deemed in the best interest of the City.”

Proposed Revision:

The City of Burleson will award contracts based on the procurement method that staff determines to be in the best interest of the City. This determination will align with the processes and requirements outlined in Texas Local Government Code 252 or its successor statute.

Any resulting change orders or amendments to existing agreements will follow Texas Local Government Code 252.048 or its successor statute, ensuring compliance with state requirements for changes in scope, cost, or timeline.

Propose to remove subsection b, as it duplicates LGC regulation.

Propose to remove the following sections:

5.9 Disclosure of Information

5.10 Professional Services

5.11 Automated Information Systems

5.12 Cooperative Purchases

Each of these sections is thoroughly addressed in the Purchasing Procedures document, with much of the content referencing or mirroring statutes from the Local Government Code. Eliminating this redundancy ensures that operational changes to processes can be implemented more efficiently.

5.13 Emergency Purchases

Current Language:

(a) “Valid emergencies are those that occur as a result of the breakdown of equipment which must be kept in operation to maintain the public’s safety or health, or whose breakdown would result in the disruption of City operations. When this situation occurs, the department shall contact the Purchasing Division and conduct the procurement of supplies and services in accordance with the Purchasing Manual.”

(b) “The Legislature exempted certain items from sealed bidding in the Texas Local Government Code Section 252.022(a), 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; and*
- (3) A procurement necessary because of unforeseen damage to public machinery, equipment or other property.”*

5.13 Emergency Purchases (cont.)

This suggested revision was drafted by the City’s Emergency Operations Manager, with input from the internal review committee, which researched policies and procedures from surrounding cities.

Proposed Revision:

Definition and Purpose

Emergency purchases are authorized in situations where immediate procurement is necessary to protect public health, safety, or City assets. The City of Burleson adheres to Texas Local Government Code, Section 252.022(a), which permits the City to bypass standard competitive bidding in emergency circumstances. This process ensures the City can respond swiftly and effectively to unforeseen events that disrupt essential services. For the emergency procurement process, refer to the Purchasing Procedures.

Definition of a Valid Emergency Purchase

An emergency purchase is deemed valid if it meets one or more of the following criteria:

Public Calamity: An urgent need resulting from a disaster or event that requires the immediate allocation of funds to relieve a necessity for residents or protect City assets.

Health and Safety Threats: Situations requiring immediate action to protect the health or safety of the public.

Critical Asset Failure: Failures of critical City equipment or infrastructure that require swift intervention to prevent a lapse in essential services.

The City of Burleson emphasizes pre-planning to avoid “self-created emergencies” due to lack of foresight, which could unnecessarily escalate costs. In cases where unforeseen needs arise, these must be verified as emergencies by the City Manager and Purchasing Division.

Ratification by the City Council

All emergency purchases exceeding \$75,000 must be submitted for City Council ratification as soon as practicable under the Texas Open Meetings Act. The ratification process provides an opportunity to review the emergency actions taken and ensures compliance with municipal policies and transparency standards. City Council will receive a report detailing the nature of the emergency, the items procured, costs incurred, and justification for any expedited purchasing actions taken without competitive bidding.

5.14 Sole Source Purchases

Propose to remove this section – this topic is thoroughly addressed in the Purchasing Procedures document, with much of the content referencing or mirroring statutes from the Local Government Code. Eliminating this redundancy ensures that operational changes to processes can be implemented more efficiently.

5.15 Legal Review

Current Language:

“The City Attorney shall review all documents, contracts and legal instruments in which the City may have an interest, unless otherwise determined by the City Attorney. Equipment, materials, supplies, and service contracts bearing any special terms and conditions, other than administrative provisions, not previously approved by the City Attorney, shall be submitted for such approval and must receive approval prior to issuance. Review and approval by an attorney at TOASE or by the Deputy City Attorney shall constitute the review and approval by the City Attorney required under this Section.”

Proposed Revision:

City staff shall work with the City Attorney and the Legal Department to review and approve documents, contracts, and legal instruments in which the City may have an interest. Contracts bearing any special terms and conditions not previously approved by the City Attorney should be submitted for review and approval. Review and approval by an attorney at TOASE or by the Senior Deputy City Attorney shall constitute the review and approval by the City Attorney required under this Section.

5.16 (a)(1)(2) Signature Authority

Current Language:

(a) “Only the City Manager has signature authority to execute contracts of any nature. Such signature authority is detailed and delegated below:

(1) The City Manager has authority to execute contracts under \$50,000.”

(2) The City Manager has authority to execute contracts equal to or in excess of \$50,000 if approved by City Council in the annual budget or as a city council agenda item.

Proposed Revision:

(a) “Only the City Manager has signature authority to execute contracts of any nature. Such signature authority is detailed and delegated below:

*(1) The City Manager has authority to execute contracts under **\$75,000**.*

*(2) The City Manager has authority to execute contracts equal to or in excess of **\$75,000** if approved by City Council in the annual budget or as a city council agenda item.”*

All other thresholds remain the same.

6.0 Legal Definition

Propose to remove this section – this section only references Local Government Code and Deputy City Attorney has advised it is not necessary in this document.

7.0 Recommendation to City Council

Current Language:

“The Purchasing Division and the user department make final recommendations to City Council for awarding of contracts, in accordance with approved thresholds, for all solicitations in the stated areas of responsibility.”

Proposed Revision:

Adding the following: If the Purchasing Division and the user department decide not to proceed with a competitive solicitation, all submitted bids or proposals must be formally rejected by the City Council before the solicitation can be reissued.

8.0 Purchasing Manual

This proposed revision would streamline updates and ensure that operational changes to processes can be implemented without requiring Council authorization.

Current Language:

“The Purchasing Manual contains expanded explanation and process for accomplishing the procurement of goods and services in accordance with this policy. The Purchasing Manager maintains responsibility for updating the Purchasing Manual in accordance with the applicable state and local laws and the Purchasing Policy, as approved by City Council.”

Proposed Revision:

Rename section Purchasing Procedures

The Purchasing Procedures contain expanded explanation and processes for accomplishing the procurement of goods and services in accordance with this policy. The City Manager or designee maintains responsibility for updating the Purchasing Procedures in accordance with the applicable state and local laws and City Council Policy 36: City of Burleson Purchasing Policy.

PURCHASING PROCEDURES

THE CITY OF
BURLESON

Major Proposed Changes to Purchasing Procedures

Contract Change Order Language

Contract change order language updated to align with Local Government Code statutes.

Emergency Purchases

Authorization and document requirements clearly defined and outlined in conjunction with the updates proposed to Policy 36.

Historically Underutilized Businesses (HUB) Requirements

Updated to require a HUB search in the county where the work is being performed (Johnson or Tarrant).

Definitions Section

An extensive Definitions section has been added, providing helpful information such as alternative methods, procedural explanations, and key terminology to enhance clarity and understanding throughout the document.

Purchase Card (P-Card) Procedures

The Purchase Card Procedures will be removed from the Purchasing Procedures and established as a standalone policy in an effort to further develop operational processes and enhance procedural clarity.

Travel Policy

The Employee Travel Policy currently resides in the Employee Handbook. The Employee Travel Policy will be updated and relocated into the Purchasing Procedures document to centralize related policies and ensure ease of access.

Next Steps

Incorporate updates or revisions to the draft documents and presentation based on the guidance provided by the Council Policy & Valuation Committee

Present committee's recommendation to City Council & request a resolution updating City Council Policy 36

Publish updated documents on Legal & Purchasing SharePoint Pages

Send email communication and training sign-ups to internal staff