



DRIPPING SPRINGS
Texas

City of Dripping Springs

Purchasing Policy

Approved: October 21, 2025

[Proposed Update: February 3, 2026](#)

City of Dripping Springs

PURCHASING POLICY

I. PURPOSE

This policy establishes guidelines and procedures for procurement for the City of Dripping Springs, Texas (“City”). In accordance with the public trust placed upon the City, it is essential that all City officials and employees adhere to the procedures set forth by this policy. The City Administrator may establish policies and procedures and is authorized to maintain and enforce all purchasing policies to ensure they comply with all applicable laws, regulations, and ordinances that protect the Dripping Springs citizens. The City Council shall, from time to time, evaluate the effectiveness of such policies.

II. DEFINITIONS

Budgeted Expense: An expenditure for which sufficient appropriations exist in a specific budget line, project, or contract authority.

City Administrator: City Administrator or Deputy City Administrator.

Department Head: the Deputy Public Works Director, Public Works Director, Parks and Community Services Director, Planning Director, City Attorney, City Secretary, Building Official, People & Communications Director, Information Technology Director, Emergency Management Coordinator, Visitors Bureau Manager, Farmers Market Manager, and the Dripping Springs Ranch Park Manager.

HUB: Historically Underutilized Business, (1) Vendor must be (a) at least 51% owned by an Asian Pacific American, Black American, Hispanic American, Native American, American woman and/or Service-Disabled Veteran, (b) an entity with its principal place of business in Texas, and (c) has an owner residing in Texas with a proportionate interest that actively participates in the control, operations, and management of the entity's affairs.

Mayor: Mayor of the City of Dripping Springs or Mayor Pro Tem if Mayor is unavailable or delegates authority to Mayor Pro Tem.

Over-budgeted Expense: An expenditure in a budgeted project, contract, or line item that exceeds the available amount but can be covered by related appropriations (e.g., contingency or a related line item) without increasing the total adopted budget.

Oversight Council Member: A council member designated by the Mayor for a project or department to provide additional elected oversight under this policy. Oversight Council Member will work with City Staff on construction contract management and assist with any change orders pursuant to this policy. On Site Management will be handled by appointed City Staff, City Engineer, or consultants.

Purchase Order: the document created and approved by City Administration for use as a

purchase order as listed below.

Sole Source: items that are available from only one source, including:

- (1) items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies;
- (2) films, manuscripts, or books;
- (3) gas, water, and other utility services;
- (4) captive replacement parts or components for equipment;
- (5) 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
- (6) 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.

Unbudgeted Expense: An expenditure not contemplated in the adopted budget (line, project, position, or contract) and therefore requiring a budget amendment.

III. PROCEDURE

A. Roles and Responsibilities

- (1) **Finance Director:** First routing point for all expenses to clarify them, confirm funding source(s), ensure required documentation, and determine whether a budget amendment is required.
- (2) **City Administrator:** Manages day-to-day purchasing and approves within delegated limits; ensures staff compliance and recordkeeping.
- (3) **Mayor:** Approves within caps as set in this policy; designates Oversight Council Members; sponsors items to the Council when required.
- (4) **Oversight Council Member:** Reviews designated items, confers with staff and Mayor, and, when required, sponsors items to the City Council.
- (5) **City Council:** Adopts budgets/amendments; approves contracts/purchases at or above Council thresholds; receives periodic summaries of administrative and mayoral approvals under this policy.

B. Approval Procedures by Situation

(1) Budgeted Expenses

(i) Budgeted Local Purchases under \$2,000.00:

- (a) Can be made without written agreement.
- (b) No quotes are required, but best value should be sought.
- (c) Department Head may authorize expense, without further approval of the City Administrator.

(ii) Budgeted Expenses less than \$10,000:

- (a) No quotes are required, but best value should be sought.
- (b) Expenses between \$3,000.00 and \$50,000.00 are subject to HUB requirements as set out in Article VIII below.
- (c) Written agreements should be obtained but are not required.
- (d) Department-approved designees may authorize, without further approval of the City Administrator.

(iii) Budgeted Expenses greater than \$10,000 and less than \$25,000:

- (a) The applicable City staff, department, or other authorized purchaser shall attempt to obtain a minimum of three (3) proposals for all contract work.
- (b) Expenses between \$3,000.00 and \$50,000.00 are subject to HUB requirements as set out in Article VIII below.
- (c) Written Agreements are required.
- (d) Purchases must be approved by the City Administrator or Deputy City Administrator but may be placed on a City Council agenda for Council approval.

(iv) Budgeted Expenses greater than \$25,000 and less than \$50,000:

- (a) The applicable City staff, department, or other authorized purchaser shall obtain a minimum of three (3) proposals for all contract work.

- (b) Expenses between \$3,000.00 and \$50,000.00 are subject to HUB requirements as set out in Article VIII below.
- (c) Written Agreements are required.
- (d) The City Administrator may approve administratively or may place such purchases on a City Council agenda for Council approval.
- ~~(e)~~ Any budgeted expense related to a construction project shall have an Oversight Council Member appointed by the Mayor at the time of execution of agreement.

(e)

(v) **Budgeted Expenses over \$50,000 and less than \$100,000:**

- (a) The applicable City staff, department, or other authorized purchaser shall obtain a minimum of three (3) proposals for all contract work.
- (b) Written Agreements are required.
- (c) Purchases must be placed on the City Council agenda for Council approval.
- (d) Any budgeted expense related to a construction project shall have an Oversight Council Member appointed by the Mayor at the time the agreement goes to City Council.

(vi) **Budgeted Expenses over \$100,000:**

- (a) Purchases must be accomplished through a formal solicitation process unless there is a statutory basis confirmed by the City Attorney's office for a different form of vendor selection.
- (b) Approval for such a purchase shall be requested for the one response received that provides the best value for the City and meets any pre-determined criteria. The intent is to purchase equipment, materials, supplies and services at the lowest total cost to the City from the best responsible sources.
- (c) Considerations for "best value" include: the lowest and most responsible source-price, quoted delivery, vendor reliability and other factors and criteria explicitly outlined during the formal solicitation process.

- (d) Written Agreements are required.
 - (e) Purchases must be placed on the City Council agenda for Council approval.
 - (f) Any budgeted expense related to a construction project shall have an Oversight Council Member appointed by the Mayor at the time the agreement goes to City Council.
- (2) Unbudgeted Expenses (not in the adopted budget)
- (a) Require a budget amendment and City Council approval.
 - (b) Mayor and an Oversight Council Member work with staff to prepare and sponsor the item to Council.
- (3) **Over-Budgeted Expenses-Line Items and Contracts Other Than Construction Contracts (budget exists, but the requested amount exceeds a line or contract component)**
- (i) **Small variances (up to \$25,000 other than for construction contracts):** City Administrator may approve after Finance review and documentation.
 - (ii) **Moderate variances (between \$25,000 and \$50,000 other than for construction contracts):** Mayor may approve after Finance review and consultation with the City Administrator and Department Head.
 - (iii) **Over \$50,000 (other than construction contracts):** City Council approval required (sponsored by Mayor or other Council Member). Mayor or other Council Member, City Administrator, and Department Head take to Council.
- (4) **Over Budgeted Expenses-Construction Contracts (budget exists, but the requested amount exceeds a contract component)**
- (i) Small variances (up to \$25,000): City Administrator may approve after Finance review and documentation. If an Oversight Council Member has been appointed, the Oversight Council Member will be consulted as time allows. If a time sensitive change order is needed, then the Oversight Council Member will be promptly informed.

- (ii) Moderate variances (between \$25,000 and \$50,000): City Administrator will work with the Mayor and Oversight Council Member to determine approval of the change order. If the Oversight Council Member is not available, then the Mayor may approve in consultation with the City Administrator and appropriate staff.
- (iii) Over \$50,000: City Council approval required (sponsored by Mayor or Oversight Council Member). Mayor or Oversight Council Member, City Administrator, and Department Head take to Council.

(5) **Unbudgeted Expenses**

Unbudgeted purchases for line items or contracts which were not in the approved budget in any amount, must be submitted to the Mayor and reviewed by an Oversight Council Member designated by the Mayor, if any. That Oversight Council Member and/or Mayor shall be responsible for bringing the item as a budget amendment to the full Council. If an Oversight Council Member is not available, then the Mayor may bring the budget amendment to City Council.

Note: Finance confirms the existence and eligibility of contingency or related appropriations for over-budgeted items before any approval.

C. Purchasing Process Requirements

- (1) All expenditures must be in accordance with the annual budget approved by the City Council. Unbudgeted purchases must be approved in advance by the City Council. For budgeted purchases, the City Council delegates to the City Administrator the authority to approve and execute budgeted contracts and purchases under \$50,000.00.
- (2) All departments must route any expenses through the Finance Director for processing, classification, and compliance review to determine whether the item can be covered by current budgeted appropriations or must be sent as a proposed budget amendment to the City Council. No purchases shall be made without this step.
- (3) The City will not be legally bound by verbal agreements for materials, parts, equipment, supplies, or services. All purchases, unless otherwise excepted in this Policy, must be made by written agreement or purchase order signed by the City Administrator, Deputy City Administrator, a Department Head, Mayor, or Mayor Pro Tem.

- (4) The Dripping Springs Ranch Park Board may approve expenditures in accordance with the approved budget and shall submit such expenditures to the Dripping Springs Ranch Park Manager or the Parks & Community Services Director, as appropriate, for completion of a purchase order or agreement as required by the City of Dripping Springs Purchasing Policy.
- (5) No matter the expenditure amount, multi-year purchasing commitments require written City Administrator approval.

IV. PROCUREMENT

FORMAL SOLICITATION PROCEDURE: To initiate a ~~bid~~competitive procurement process, contact the Finance Department or City Attorney's office, one or both of which ~~– The Finance Department~~ will ~~arrange a time to~~ collaborate and develop a detailed specification or statement of work with the requesting department to assure the exact requirements are being communicated to the responding vendors.

A. Request for Proposals, Bidding, and Request for Qualifications

- (1) Specification and Announcement Procedures—Determination of Solicitation Type. Prior to the publication of any competitive procurement solicitation, the City Attorney shall review the Requesting Department's purchasing requirements and advise on the recommended method of procurement solicitation (e.g., tender/bid, request for expressions of interest (RFEI), request for proposals, (RFP), request for qualifications (RFQ), etc.).
- (2) Preparation of Solicitation Package: Once the form of solicitation has been determined, the City Attorney shall review or prepare a solicitation package consistent with this Policy.
- (3) ~~The Finance Department will issue the correct type of solicitation (Invitation for Bid-IFB, Request for Proposal-RFP, or Request for Qualifications-RFQ)~~
- (4) Approval before Publication. All solicitation documents must be approved in writing by the City Administrator or their designate before being published. The City Administrator may, at their discretion, present the proposed procurement strategy and solicitation documents to the City Council for approval prior to publication.
- ~~(1)(5)~~ Publication. Once approved, the solicitation must be published on the City website, in the official newspaper, and in any competitive procurement directories determined by the City Administrator. ~~place an advertisement in the official newspaper and any other media appropriate for the type of solicitation.~~ The requesting department will coordinate with the Finance Department to send the package to the vendors on available distribution lists and vendors recommended by the requesting department. ~~–~~

(2)(6) Restricted Communications - While the solicitation is in ~~the~~a vendor's hands, there is no communication between any responding vendor and any City staff or City Council Member, except as listed in the solicitation. -The person listed in the solicitation will be the primary contact for all solicitations. Any contact concerning the solicitation with staff or city council may be grounds for disqualification of a vendor's response. Communication for business not concerning the solicitation is acceptable.

B. Publication of Responses to Requests for Clarification –

(1) Answers to questions received or changes to the specification will be addressed in an addendum posted to the city's website, and, to the extent reasonably possible, in each competitive procurement directory in which the initial solicitation was published. -Notice of the addendum shall be provided by e-mail to each vendor known to be intending to respond to the solicitation or by whom a request to be notified of solicitation addenda has been made.

C. Bid Opening, Evaluation and Award – The ~~Finance Department~~Requesting Department, in ~~coordination~~consultation with the City Attorney and Finance Department~~requesting department~~, will execute the bid opening. -A tabulation of the responses will be created, and the requesting department will meet with ~~the Finance Department~~an evaluation committee selected by the Requesting Department in consultation with the City Administrator to jointly determine the response ~~containing that best satisfies the evaluation criteria described in the solicitation documents.~~best value for the City. An electronic copy of each response to the solicitation shall be saved in a location designated for this purpose and shall be accessible by each member of the evaluation committee.

D. Criteria for Award - The contract, ~~after review and approval by the City Attorney, if necessary,~~ must be awarded to the lowest responsible bidder or to the bidder who provides goods and services at the best value for the city unless the solicitation is cancelled by the City. If the solicitation instructions indicate an alternative process for awarding a contract (e.g., by inviting the most qualified respondent to submit a pricing proposal and negotiate contract terms), the contract must be awarded in accordance with the solicitation instructions unless the solicitation is cancelled. The terms and conditions of the solicitation must indicate the criteria and corresponding weight for each criterion that will be used in the evaluation.-

E. Approval of Negotiated Contract - After final negotiation, if necessary, has been completed, the purchase and contract must be approved by the City Council or person authorized by Council to finalize the contract. The Requesting Department shall prepare the Staff Report to present to the City Council.

F. Exceptions -An exception for procurement processes can be made by the City Administrator or Mayor, in consultation with the City Attorney’s office, depending on whether the City Administrator has authority to approve the expenditure, on a case-by-case basis, dictated by Local Government Code Section 252.022, by allowing:

- (i) A minimum of **two** accepted bids rather than three, or
- (ii) Approval of a purchase where services or goods are only available from a single source.- “Sole Source Purchases” are defined in Local Government Code Section 252.022(a)(7).
- (iii) No bidding process for exempt purchases listed in Local Government Code Section 252.022.
- (iv) Non-compliance with this policy in the event of emergency with written City Administrator approval.

V. OTHER REQUIREMENTS

- (1) All written quotes should be attached to the purchase order or agreement. Emails or written quotes are acceptable.
- (2) A W-9 is required from all contractors and must be on file before payment can be processed for purchases over \$600.
- (3) All conflicts disclosures required by State law or City ordinance shall be on file before payment can be processed.
- (4) All purchases related to services of any amount, and all purchases of goods that require maintenance, training, or delivery, shall be finalized by written agreement as described above.
- (5) All written agreements shall be sent to the City Attorney for review and approval prior to submission to the appropriate city official for execution.
- (6) All executed agreements shall be sent to the City Secretary for proper filing and retention.

VI. CHANGE ORDERS

- (1) After the award of the contract, if circumstances change which will alter the scope of work, a change order may be issued to the contract that involves and increase or decrease to the scope of work or amount.
- (2) A change order is required if, after the contract has been executed, one or more of the following events occur:

- (i) Changes in plans or specifications are necessary;
 - (ii) It becomes necessary to increase or decrease the quantity of work, materials, equipment or supplies to be furnished.
- (3) Material changes (defined as substantial revisions) in the scope, quantities, or related work may not be made without review by the City Administrator and the Oversight Council Member or Mayor, where applicable.
- (4) The City Administrator may approve written change orders to all contract change orders as listed above depending on whether the change order is overbudgeted or unbudgeted.
- (5) Written change orders over \$50,000 must be approved by City Council. The change order must be sponsored by the Mayor or Oversight Council Member, where applicable. The Mayor or Oversight Council Member, City Administrator, and Department Head will take to Council.
- (6) All submissions governed by this resolution must include a completed Contract Cover Page with documentation sufficient to verify the purpose, cost, and justification of the expenditure. This includes receipts, contracts, council action minutes, and GL coding.
- (7) No purchase shall move forward until the Finance Director has received and verified all necessary documentation.
- (8) The sum of all approved change orders per contract may not exceed 25% of the original total contract amount. Any change greater than 25% requires a new solicitation where the initial agreement was for \$100,000 or more or where the 25% increases a contract above \$100,000. *See* Local Government Code § 252.048(d).

VII. LOCAL PURCHASES

- (1) There shall be a preference in the City's procurement activities to *buy local*, to the extent reasonably possible and fiscally prudent, and within the confines of state law.
- (2) With the authorization of the City Administrator or Deputy City Administrator, authorized employees may make local purchases, not exceeding \$2,000.00 without the use of a purchase order or written agreement. For the purposes of this Policy, "local purchases" are those made in the city limits.
- (3) If on any contract, the City receives multiple identical bids, and one is a resident of the City and the other is not, the City will select the local bidder, pursuant to Local Government Code Section 271.901(b).

VIII. HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PROCEDURES

A. Requirements

- (1) State law requires a City to attempt to contact at least two (2) historically underutilized businesses if the City makes an expenditure between \$3,000.00 and \$50,000.00. The requirements are found in [Local Government Code Section 252.0215](#).
- (2) When making an expenditure of more than \$3,000.00 but less than \$50,000.00, the City must contact at least two (2) HUBs on a rotating basis, based on information provided by the comptroller. If the comptroller list fails to identify a HUB in Hays County, the City is exempt.
- (3) If the expenditure is for less than \$3,000.00 or for more than \$50,000.00, this special notification requirement does not apply.

B. Procedure

- (1) To determine what businesses within the county are classified as HUBs, departments can access the comptroller's website: <https://mycpa.cpa.state.tx.us/tpasscmbsearch/index.jsp>, select "HUBs Only" and enter the appropriate search criteria.
- (2) Documentation must be kept certifying that the requesting department either made contact with available Hays County HUB vendors, or that no applicable HUB vendors were identified in Hays County for the particular commodity being ordered.

IX. EQUIPMENT AND COMPUTER PURCHASES

- (1) Equipment procurement requires staff to seek a minimum of three quotes for all purchases over \$5,000.00 unless the item is a single source item as defined by Local Government Code Section 252.022(a)(7).
- (2) All requests for computer equipment, software, telecommunications, and/or related services or supplies must be submitted to the Information Technology (IT) Director for review or technical evaluation. The IT Director will determine compatibility, best source, or investigate alternatives and will recommend purchase to City Administrator for approval.

X. PURCHASE ORDERS

- (1) No Purchase orders will be processed without appropriate approvals. The Finance Department is responsible for verifying that all quotes accurately describe the materials, equipment, supplies or services to be purchased.

- (2) Purchase orders are numbered. The records should indicate the reason for any voided purchase order.
- (3) All invoices for contract work should be turned in with the purchase order for approval. Record purchase order numbers at the top of approved original invoices. After final approval of Administrator, Deputy City Administrator, Department Head, or City Council, the signed original with approved estimate and two copies should be distributed as follows:
 - (i) The Original copy and original invoice should be maintained until work is completed and then final invoice attached and turned into the Finance Department for payment.
 - (ii) The second copy of purchase order with attached copy of approved estimate is for the vendor.
 - (iii) The third copy is to be kept in the Department records, those being City Administration, Building, Planning, Public Works, Visitors Bureau, Dripping Springs Ranch Park, or Parks & Community Services.

XI. SALES TAXES

- (1) As a municipal corporation, the City is exempt from paying sales taxes. Those persons making purchases on behalf of the City are obligated to make stores and vendors aware of this exemption.
- (2) **Means of Purchase:** To the extent possible, purchases shall be made utilizing the following hierarchy, with the preferred means listed first below:
 - (i) Direct bill to the City.
 - (ii) City-issued credit card.
 - (iii) Check drawn on City's bank account.
 - (iv) Petty Cash.

XII. GUIDANCE DOCUMENT

- (1) This Policy shall be utilized as a guidance document, only. Failure to comply with the mandates of this Policy shall not be considered illegal, per se, or the violation of law. However, the City Council reserves the right to consider disregard of this Policy grounds for disciplinary action in employment situations.

- (2) This policy cannot address every situation. When an unusual situation occurs or a difficult legal problem arises, the Mayor or City Administrator may approve exceptions to this policy based on whose authority could approve the purchase, when in the best interests of the City, so long as the proposed exceptions are consistent with the local, state and federal law.

XIII. STATE LAW

Nothing in this Policy shall be construed as waiving or altering the mandates of state law.