

CITY OF WOODCREEK, TEXAS

RESOLUTION NO. 2021-05-25-1

A RESOLUTION OF THE CITY OF WOODCREEK, TEXAS
UPDATING THE PROCUREMENT POLICY

WHEREAS, the City Council has review the existing procurement policy and the newly proposed version on May 25, 2022; and

WHEREAS, the City Council finds the maintenance of the financial policy to be in the public interest, and necessary for the efficient and effective administration of City business.

NOW, THEREFORE, BE IT RESOLVED by the City of Woodcreek City Council:

1. The document entitled, "City of Woodcreek Procurement Policy" is hereby approved and adopted for purposes of conducting City business.
2. The City Council directs City Staff to implement the Procurement Policy to the extent reasonably possible.
3. The City Secretary is instructed to include a copy of this Resolution and the Procurement Policy enacted by this resolution in and among the records of the City.
4. The meeting at which this Resolution was passed was open to the public, and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings act, Texas Government Code, Chapter 551.

PASSED AND APPROVED this, the 25th day of May, 2022, by a vote of 5 ayes to 0 nays to 0 abstentions of the City Council of Woodcreek, Texas.

CITY OF WOODCREEK:

ATTEST:



Jeff Rasco, Mayor



Suzanne Mac Kenzie, City Secretary

CITY OF WOODCREEK

PROCUREMENT POLICY

I. Purpose

This Policy document establishes guidelines and procedures for the procurement of goods or services for the City of Woodcreek. In accordance with the public trust placed upon the City of Woodcreek, its governing body, staff, and City Manager, it is essential that all City Officials and Employees adhere to the procedures set forth by this Policy.

The intent is to purchase equipment, materials, supplies and services at the lowest possible cost to the City from the most responsible and reputable sources.

II. Procedure

A. All expenditures must be in accordance with the Comprehensive Fund Balance, also known as the annual City budget, as approved by the governing body. Any unbudgeted purchases must be approved in advance by the City Council by a formal motion and a majority vote. Unbudgeted purchases may be subject to the budget amendment process.

B. Contracting Services: verbal agreements will not be legally binding; a written contract or purchase agreement must be secured prior to the release of City funds.

1. Professional Service:

a. The City will pursue services from the most qualified provider. It is essential the City Manager, or any other authorized representative of the City, do their due diligence in researching providers for professional services such as, but not limited to, debt management, investment portfolio management, financial advising, legal representation and more.

b. Relevant qualifications to provide the needed service shall be the primary reason for their selection. Monetary concerns and limitations shall be secondary in this process unless there is a reasonable need to reduce costs and a similarly qualified service provider is available at a lower cost.

2. Contract Labor:

a. The City will solicit three proposals for all contract work over \$300.

b. A report to the governing body shall be required for all expenditures over \$1500 not pertaining to the regular function and daily maintenance involved in the basic operations of the City and previously allocated in the Comprehensive Fund Balance. Expenditures over \$1500 may be subject to approval by the governing body.

c. A W-9 is required from all contractors and will be furnished prior to the start of work.

d. All contractors are required to provide proof of liability insurance, have the necessary professional licenses should there be any required and show proof of such, and provide for the compensation of all workers under their supervision. Work shall not begin, and no payment will be processed without all proper documentation on file with the City.

e. The City will not be held liable for unpaid labor under a contractors' supervision during work or after final payment has been released to the contractor. It is the sole responsibility of the contractor to carry worker's compensation, adequate liability insurance, and full compensation for work provided by their staff. The City shall require a document stating these provisions be signed by the contractor thus waiving their rights to claim otherwise.

f. Initial payments to begin work shall not exceed two-thirds of the final total bill. The final payment will only be released upon completion of the work and will require an inspection from the supervising City Official with a satisfactory report.

g. The City Manager shall coordinate with all contract employees but may delegate this duty to a subordinate without relegating their ultimate responsibility of project management including securing proper documentation in advance, final inspections, and the processing of all payments.

h. If changes are necessary after a contract has been agreed upon, the City Manager must be the one to approve the change order, except when approval of the governing body is necessary. Every attempt shall be made to limit change orders and to establish a final expected cost prior to finalizing written agreements or providing payments.

i. When estimates are received from Hays County Transportation Services, found to be fair and reasonable, and are within budgeted amounts allocated in the Comprehensive Fund Balance, the City Manager may approve these expenditures so long as they do not exceed \$1500. All expenditures over \$1500 must be reported in advance to the governing body and may be subject to their approval.

C. Daily Operations and Regular Maintenance: it is recognized that some expenditures involved in regular city business should not be subject to constant reporting and approval as they are accounted for in the Comprehensive Fund Balance as approved by the governing body and are regular monthly expenses not subject to significant change.

1. Some such examples include personnel costs, janitorial services, pothole filling, cost of utilities, landscape maintenance, IT subscriptions, emergency services, and lease of normal business equipment such as the copier.

2. These items will be reported in the monthly check registers and regularly monitored by the City Manager and governing body.

3. The cost of these items may exceed spending limits set forth in this Policy document for other services and goods and are not subject to approval or reporting unless there is a significant change in cost or service expected.

D. Purchase of Goods: there shall be preference given to buy local to the extent that it is reasonably possible, fiscally prudent, and within the confines of State Law.

1. Purchase of goods is subject to the City Managers approval.

2. An invoice, charge slip, or receipt must be obtained and submitted to the City Manager.

3. Purchases for daily operations and janitorial supplies should be purchased in bulk and the City Manager is authorized to create an account at a provider with an annual subscription fee in order to secure these resources at discounted rates and in bulk quantities.

E. Purchase of Equipment: the purchase of all equipment over \$300 shall require a minimum of three quotes. Expenditures over \$1500 must be reported to the governing body and are subject to approval.

F. Spending Limits: the City shall have reasonable spending limits set for all goods, services, and authorized personnel in order to protect the City's assets and financial stability.

1. All spending must be in accordance with the Committed Fund Balance, also known as the annual City budget, as approved by the governing body.

2. Spending limits are outlined throughout this Policy document and are varied depending on the goods, type of services, frequency provided, and the authorized representative designated to approve such expenditures.

3. It is mandatory this policy document be followed regarding the use of City funds.

4. Any questions on this topic should be directed to the Mayor and/or City Council.

5. The governing body will set discretionary spending limits as they see fit and may from time to time authorize spending beyond the limits set forth in this document. However, authorization to exceed spending limits shall require a formal motion and a majority vote.

G. Use of Restricted Funds: there shall be no spending of restricted funds without prior notice given to the governing body.

1. Use of restricted funds is subject to the policies outlined in this document depending on the type of goods or services needed.

2. Spending of restricted funds is prohibited without a formal motion, review and approval by a majority of the governing body.

3. Spending of restricted funds can be dependent upon their revenue source and are subject to be designated for a specific purpose or project. This must be taken into account when authorizing their use and it is prohibited to authorize the use of restricted funds for any purpose outside of those designated by their revenue source if such designation exists.

H. Sales Tax: As a municipal corporation, the City is exempt from paying sales tax. Authorized personnel making purchases on behalf of the City are required to notify vendors, stores, and the like and make them aware of this exemption by providing the proper exemption documentation.

I. Means of Purchase: to the extent possible, purchases shall be made utilizing one of the preferred methods listed here and preference given in the order shown: (1) direct bill to the City, (2) City-issued credit card, and (3) Check drawn on the City's bank account

III. Compliance

A. Any authorized representative of The City of Woodcreek who spends funds on behalf of the City must follow the procedures outlined in this document.

B. Failure to follow these guidelines may be considered grounds for disciplinary action and/or may result in the termination of employment or contract without severance depending on the severity of the misconduct.

C. Certain actions are considered unlawful by State and Local code, while this document is a set of guidelines for City policy. Authorized representatives of the City of Woodcreek are expected to always follow State and Local law in the expenditure and management of City funds; failure to do so will result in immediate termination of employment and contract without severance and can result in legal action taken against the individual.

IV. State Law

Nothing in this Policy document shall be construed as waiving or altering the mandates of State Law.