



# **CITY OF SOCORRO**

## **PURCHASING POLICY MANUAL**

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## **DEFINITIONS**

**Best Value** - Means a procurement standard that considers factors other than price, including quality, reputation, experience, past performance, long-term costs, compliance with laws related to Historically Underutilized Businesses (HUBs), and the extent to which goods or services meet the City's needs, as authorized by Texas Local Government Code §252.043(b).

**Bid** - A formal written offer submitted in response to an Invitation for Bids (IFB) to provide goods or services at a stated price under defined specifications.

**Capital Expenditure** - An acquisition of equipment, facilities, or improvements with a useful life of one (1) year or more and a total cost of \$10,000 or more, including purchase price, freight, installation, and related costs.

**City** - Means the City of Socorro, Texas.

**Competitive Sealed Bid** - A procurement method in which bids are publicly solicited, sealed, and opened at a designated time and place, with award made to the lowest responsible bidder or the bidder providing the best value, as permitted by law.

**Competitive Sealed Proposal (RFP)** - A procurement method used when factors other than price are considered, allowing discussions and negotiations before final award to the proposer offering the best value to the City.

**Conflict of Interest** - A situation in which an employee, officer, agent, board member, commission member, or City Council member has a financial or personal interest that could compromise objectivity or fairness in a procurement, as defined by Texas law and 2 CFR §200.318(c).

**Emergency Purchase** - A purchase necessary to address an unforeseen condition arising suddenly and unexpectedly that requires immediate action to protect public health, safety, or property, and which is not caused by lack of planning.

**Equipment** - Means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds \$10,000.

**Fixed Asset** - tangible assets (such as land, building, machinery, computer equipment, furniture, fixtures, and other equipment) of a permanent or long-term nature, which is equivalent to a useful life of more than a year

**Historically Underutilized Business (HUB)** - A business certified by the Texas Comptroller of Public Accounts as eligible to participate in state and local government procurement programs under Texas Government Code Chapter 2161.

**Invoice** - A vendor's written request for payment for goods delivered or services rendered, supported by appropriate documentation and matched to an approved purchase order when required.

**Micro-Purchase Threshold** - Means the dollar amount at or below which the City may purchase property or services without soliciting competitive quotations, provided the price is reasonable. The City adopts the \$15,000 micro-purchase threshold established under federal regulations at 48 CFR Part 2 and 2 CFR §200.320(a)(1).

**Professional Services** - Services provided by individuals or firms licensed or certified under Texas law, including but not limited to attorneys, architects, engineers, land surveyors, auditors, and accountants, which must be procured in accordance with the Texas Professional Services Procurement Act.

**Purchase Order (PO)** - A written authorization issued by the Finance Department that commits City funds for the purchase of specified goods or services under approved terms and conditions.

Purchase Requisition - An internal electronic request submitted by a department seeking authorization to purchase goods or services, subject to approval and budget verification prior to issuance of a purchase order.

Receiving Report - Documentation verifying that goods or services have been received in acceptable condition and quantity, used to authorize payment to the vendor.

Sealed Bid Threshold - Means the dollar amount at which competitive sealed bidding is required for federally funded procurements.

Simplified Acquisition Threshold - Means the dollar amount below which the City may purchase property or services using simplified procurement methods and not requiring sealed bidding / competitive bidding procedures.

Sole Source Procurement - A procurement in which goods or services are available from only one responsible source and no other reasonable alternatives exist, as permitted under Texas law and 2 CFR §200.320(c), and supported by a completed Sole Source Affidavit.

Vendor - Any individual, business, nonprofit organization, or governmental entity providing goods or services to the City.

## **PURCHASING POLICIES AND PROCEDURES**

It is the City of Socorro's (the City) policy to institute controls on authorized spending for materials, supplies and services through the administration of the purchasing system and to describe the levels and limits of individual responsibility and authority and to conduct business activities in such a manner as to foster public confidence in the integrity of the City.

No obligation shall be incurred, nor shall any invoice be paid unless the procedures included in this document are adhered to completely. Purchases made in a manner not in accordance with these will be the financial responsibility of the person who made the purchase. Purchases shall be in accordance with each department's budgetary requirements, which means that each department will verify that sufficient unencumbered funds exist in the account code to be charged prior to obligating the City's funds.

In addition, the City of Socorro adheres to all State of Texas laws and regulations as set forth in the State of Texas Local Government Code ("LGC"). **Violation of this policy will be reviewed on a case-by-case basis and may result in disciplinary action up to and including termination.**

**This policy supersedes all previous policies and is effective upon approval of the Mayor and Council.**

## **GENERAL GUIDELINES FOR ACQUISITION OF GOODS AND SERVICES**

This policy imposes specific guidelines for purchases involving expenditure of less than \$100,000. These guidelines must be followed. Purchases with an aggregate value of **\$100,000 or more** shall follow the competitive procurement procedures outlined below.

Generally, the City is required to follow the bidding or proposal procedures outlined in Local Government Code Chapter 252 when it plans to make an expenditure with an aggregate value of \$100,000 or more, regardless of funding source. This requirement is equally applicable to purchases of insurance and high technology items.

The City may not avoid the application of competitive bidding or proposal laws by purposely dividing a single purchase into smaller components so that each component purchase is less than \$100,000. Chapter 252 of the Local Government Code prohibits the use of “separate, sequential, or component purchases” as a means of avoiding bidding requirements. The City may purchase items without competitive bidding if the total purchase amount will be below the \$100,000 threshold that requires bidding. However, if the city later wants to make additional purchases and these purchases would take the total purchase over the \$100,000 threshold, the city should follow competitive purchasing procedures as if the purchase exceeds \$100,000.

Caution should be exercised if individual City departments make separate purchases of office supplies, gasoline or other items without competitive bidding because each department’s purchase amount will be below the \$100,000 threshold that requires bidding. If a city’s total purchases for these items would be over the \$100,000 threshold, the City should use competitive purchasing procedures applicable for purchases over \$100,000.

The City shall apply a single sealed bid procurement threshold to all contracts, regardless of funding source. Competitive sealed bidding or competitive sealed proposal procedures shall be required for any procurement with an aggregate value of \$100,000 or more, in accordance with the Texas Local Government Code and applicable federal procurement standards under 2 CFR Part 200. The City shall not maintain separate sealed bid thresholds based on funding source.

To take bids or proposals on a purchase, the City must first publish notice of the time and place at which the bids or proposals will be publicly opened and read aloud. The City should prepare specifications detailing the requirements that must be met by the goods or services which the City intends to purchase. The published notice should include either a copy of these specifications or information on how a bidder may obtain a copy of the specifications. The City must publish a notice indicating the time and place at which the bids or proposals will be publicly opened and read aloud. The notice must be published at least once a week for two consecutive weeks. The first publication must appear before the 14th day before the date that the bids or proposals are publicly opened and read aloud. The notice must be placed in a newspaper that is published in the City. If there is no newspaper published in the City, the notice must be published in a newspaper of general circulation in the City and posted at City Hall and on the City’s website for 14 days before the date that the bids or proposals are publicly opened and read aloud.

If the City wishes to consider factors other than price in its selection, or other factors such as a bidder’s previous performance or safety record in its selection, the City’s bid specifications should clearly state that such factors will be considered. Also, the governing body of the City that is considering using a method other than competitive sealed bidding (e.g., competitive sealed proposals) must determine before notice is given the method of purchase that provides the best value for the City.

The City Council must then award the contract to the lowest responsible bidder or (if previously noticed) the bidder that provides the best value to the City. In the alternative, the City may reject all bids.

For procurements at or above the City’s adopted sealed bid threshold of \$100,000, including those funded in whole or in part with federal funds, the City shall perform and document a cost or price analysis prior to awarding the contract when required under 2 CFR §200.324.

The analysis must include:

1. An independent estimate of cost prior to receiving bids or proposals, and
2. Documentation of the method and basis for determining price reasonableness.

## **PURPOSE**

The purpose of this policy is to:

1. To establish a comprehensive purchasing system in order to obtain maximum economy and utilization of services, products, supplies, capital goods and related purchases;
2. To fix levels of responsibility and approvals for the expenditures of funds for such purchases;
3. To effect the greatest possible economy within the limits of acceptable specifications through competitive and quantity purchasing;
4. To afford an opportunity for consideration of the largest possible number of products within the limits of acceptable specification of an equitable basis; and
5. To provide a method of selecting services on a comparative basis.
6. To establish the procedures necessary to properly implement this purchasing policy.
7. To establish a method to match and reconcile actual purchase orders to actual invoices processed for disbursement.

## **PURCHASING ETHICS**

### **Conflict of Interest Requirements**

In accordance with 2 CFR §200.318(c), all employees, officers, agents, board members, commission members, or City Council members involved in procurement must comply with federal conflict-of-interest standards, including:

- a. Prohibition on participating in a procurement if the employee, agent, board member, commission member, or City Council member, or their immediate family, partner, or an organization they are connected to has a financial interest;
- b. Mandatory disclosure of potential conflicts; and
- c. Organizational conflicts of interest that might impair objectivity or create unfair competitive advantage.

All City staff engaged in procurement for the City shall comply with the following ethical standards:

1. **Personal Gain** – it shall be a breach of ethics to attempt to realize unauthorized personal gain through employment with the City or by any conduct inconsistent with the proper discharge of the employee’s duties.
2. **Influence of a Public Employee** – it shall be a breach of ethics to attempt to influence any public employee of the City to violate the standards of conduct set forth by the City.
3. **Participating in Procurement with Family or Friends** – it shall be a breach of ethics for any employee of the City to participate directly or indirectly in a procurement for the City when the employee knows that:
  - a. The employee or any member of the employee’s immediate family had a financial interest pertaining to the procurement;
  - b. 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
  - c. 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 involving the procurement.
  - d. On an annual basis, employees will disclose any relationships that exist with vendors that are family

members to the third degree of consanguinity that are engaged in financial dealings with the City. This will include, child, parent, grandchild, sister, brother, grandparent, great-grandchild, niece, nephew, aunt, uncle or great grand-parent.

4. **Gratuities / Kickbacks** – The following prohibition against gratuities and kickbacks shall be set forth in every contract and solicitation:

The City may at any time, without prior notice, terminate this Contract without any further responsibility to Contractor if any gratuities, whether in the form of entertainment, gifts, employment or otherwise, were offered or given by the Contractor or any agent or representative thereof to any employee, official, or representative of the City with a view toward securing favorable treatment with respect to the entry into or performance of this Contract.

5. **Confidential Information** – it shall be a violation for any employee of the City to knowingly use confidential information for actual or anticipated personal gain, or for actual or anticipated gain of any person.
6. **Private Purchases Through City Facilities** – no employee may use the purchasing power of the City to make private purchases.
7. **TIPS** – The following Texas Constitution Article states that using public funds for tipping is not allowed:

Texas Constitution Article III, section 52(a): This constitutional provision states that public funds cannot be used for any purpose other than a public purpose. Using public funds for tips would not be considered a public purpose, and would therefore be an unconstitutional expenditure of public funds.

### **TAX EXEMPT STATUS**

The City is exempt from Federal, State, and Local taxes except in certain prescribed cases. An exemption certificate is available from the Finance Department and shall be furnished to any of the City's suppliers upon request.

Tax exemptions in Texas, especially for municipal sales taxes, are governed primarily by the Texas Tax Code, Chapter 151, which outlines who and what is exempt from state and local sales and use taxes.

Governmental Entities (§ 151.309)

- U.S. Government
- State of Texas and its agencies
- Cities, counties, school districts, and other local government entities
- Purchases must be for official use to qualify.

Example: If a city purchases a fire truck, it's exempt from sales tax. Therefore, any employee purchasing items for the City via their City issued credit card and were charged sales tax, the employee is obligated to have the sales tax credited from place of purchase or the employee will be responsible for reimbursing the City for the sales tax amount via check, money order, or cash.

### **SIGNATURE AUTHORITY**

A Purchase Requisition or Purchase Order shall not be considered complete until signed by the proper authority. Generally, this will be the Department Head. Should the Department Head not be available the City Manager or his/her designee may sign the Purchase Order.

## **1. Purchase Requisitions:**

- A. **AUTHORIZE:** The Department Head of each department (electronically submitted).
- B. **APPROVAL:** The Finance Director. The Accounting Technician, not involved with the accounts payable function, will approve requisitions in the absence of the Finance Director.
- C. The same authority MAY NOT authorize AND approve Purchase Requisition.
- D. All supporting documentation such as quotes for items or services being requested must be attached to the electronic requisition.
- E. Quantity amount and actual description must be stated in the Purchase Requisition.

## **2. Purchase Orders:**

- A. **APPROVAL:** The City Manager or his/her designee.

## **3. Payment Checks:**

- A. **APPROVAL:** City Manager and Department Heads officially designated as signatories

## **PURCHASING PROCEDURES**

The following prescribed procedures shall be established to provide for the proper control for purchases and/or contracts. Approval of all purchase requisition for expenditures over \$15,000 will be done by an authorized individual as approved by council. The same person cannot authorize and approve the purchase requisition.

### **1. Purchase Requisitions**

Except as provided in Section 4, Further Exceptions to Purchase Requisition, purchases in excess of \$15,000 of goods and services require the completion of an electronic Purchase Requisition.

### **2. Responsibilities of the Department**

- A. Department heads or their designated employee must submit an electronic purchase requisition to the Finance Department for approval via email at [invoice@costx.us](mailto:invoice@costx.us). The Finance Director will generate the purchase order upon approval and confirmation that sufficient unencumbered funds are available for the stated category of purchase. Once the requisition is scrutinized for appropriateness and verified to be within budget parameters, a purchase order will be generated. The printed purchase order will serve as the approval of the electronic purchase requisition.
- B. Once the purchase order is verified and approved by the proper authority, copies of the signed purchase order will be emailed to the requestor.
- C. The Department Head or designated individual will be responsible for acknowledging the receipt of Purchase Order number before making any purchase of merchandise or service. The vendor's invoice or receiving receipt must reflect the Purchase Order Number for the purchased amount of goods or service received.
- D. The Department Head or designated individual will inspect the merchandise delivered or picked up and will prepare the appropriate receiving report to be emailed to the Finance Department with the copy of

purchase order and receipt to properly process payment to that vendor within 2 working days after merchandise or service is delivered or picked-up. The Department Head or designated individual will email the receiving receipt or invoice to the Finance Department within 2 working days of receipt.

- E. Department Heads or designated individuals shall be responsible for planning ahead and making sure a Purchase Order Number has been received before any purchase is made. Purchase requisitions must be submitted with enough time to be processed in the Finance Department.
- F. In accordance with 2 CFR §200.318(i), the City must maintain complete procurement history documentation for all purchases. This includes, but not limited to:
  - a. Rationale for the method of procurement
  - b. Selection of contract type
  - c. Contractor or vendor selection
  - d. Price or cost justification
  - e. Purchase orders, contracts, invoices, receipts and receiving reports
  - f. Any supporting documentation required for federal grant compliance

### **3. Levels of expenditure**

Purchases shall be made in accordance with the procedures established below, based on the level of expenditure and the thresholds set forth herein. This policy describes the procedures to be followed for four levels of expenditures:

- Purchases less than \$15,000,
- Purchases between \$15,000 and \$49,999,
- Purchases between \$50,000 and \$99,999, and
- Purchases over \$100,000

#### **PURCHASES LESS THAN \$15,000**

For purchases less than \$15,000, the City adopts the \$15,000 micro-purchase threshold established under federal regulations at 48 CFR Part 2 and 2 CFR §200.320(a)(1). Purchase Requisitions and Purchase Orders are not required for purchases less than \$15,000 and may be made by Department Heads or their representative designees, without further approval of the Finance Department, so long as these purchases are consistent with each Department's approved budget for the current fiscal year.

Micro-purchases are defined as:

- a. Purchases made that are less than  $\leq$  \$15,000

Micro-purchases may be awarded without soliciting competitive quotations if the price is determined to be reasonable and the purchase is distributed equitably among qualified suppliers when possible.

The Department Head will be responsible for ensuring that a sufficient unencumbered balance is available in their respective budget for all such purchases. On a monthly basis, the Finance Department will print and distribute a Budget to Actual Report with additional details of the underlying transactions to each Department Head.

A Purchasing Card will be made available to certain approved employees in order to facilitate the acquisition of goods and services. The Purchasing Card Procedures in Section 7 will be strictly enforced.

In cases where individual purchases will be for more than \$3,000 but less than \$100,000 the procedures in [Section 252.0125 of the Local Government Code](#) delineate the quotation process which must be followed regarding Historically Underutilized Businesses, as follows:

*A municipality, in making an expenditure of more than \$3,000 but less than \$100,000, shall contact at least two historically underutilized businesses on a rotating basis, based on information provided by the comptroller pursuant to Chapter [2161](#), Government Code. Please see [mycpa.cpa.state.tx.us/tpasscmblsearch/index.jsp](http://mycpa.cpa.state.tx.us/tpasscmblsearch/index.jsp) for HUB search.*

General Process:

- A. Each Department Head will identify purchases that will be included in these parameters and will exercise due diligence to ensure that the City is receiving the best value.
- B. The Department Head or his/her designee places the order using either the City's Purchasing Card or requesting an invoice for the supplies, material, equipment or contractual services involved.
- C. The Department Head will be responsible for and establish procedures to ensure proper receipt of these goods and will forward to the Accounts Payable technician any packing slips used to verify goods received.
- D. If a Purchasing Card was used, the department will attach the invoice, packing slip and/or itemized original receipt for submittal with the "Purchasing Card Processing Form" within 2 working days of receiving the goods or services. It is incumbent upon the department to generate or request receipts of sufficient detail to clearly indicate what was purchased. The form must be completed in its entirety which will include a section for the Department Head's signature and date, account number – Fund, General Ledger Code, City Department Code, Grant Program, and Function, and any special instructions required.
- E. If the department is to be invoiced, the invoice will be stamped using the "Accounts Payable Processing Stamp" that will need to be completed in its entirety by the department. This will include a section for the Department Head's signature and date, account number – Fund, General Ledger Code, City Department Code, Grant Program, and Function, and an indication of authorization to pay the invoice along with any special instructions required.

**PURCHASES BETWEEN \$15,000 AND \$49,999:**

Purchases of goods or services between \$15,000 and \$49,999 must follow this procurement process:

- A. Solicit three (3) competitive quotes for the goods or services AND complete the Bid Quote and Comparison Worksheet (Exhibit A). Section 252.0125 of the Local Government Code delineates the quotation process which must be followed regarding Historically Underutilized Businesses, as follows:

*A municipality, in making an expenditure of more than \$3,000 but less than \$100,000, shall contact at least two historically underutilized businesses on a rotating basis, based on information provided by the comptroller pursuant to Chapter [2161](#), Government Code. Please see [mycpa.cpa.state.tx.us/tpasscmblsearch/index.jsp](http://mycpa.cpa.state.tx.us/tpasscmblsearch/index.jsp) for HUB search.*

- B. Review each quote for the best overall value. Best overall value can be determined by:
  - i. the purchase price,
  - ii. the reputation of the bidder and the bidder's good or services,
  - iii. the quality of the bidder's goods or services,
  - iv. the extent to which the goods or services meet the City's needs,
  - v. the bidder's past relationship with the municipality,
  - vi. the impact on the ability of the City to comply with laws and rules relating to contracting with historically underutilized businesses and nonprofit organizations employing persons with disabilities,
  - vii. the total long-term cost to the City to acquire the bidder's goods or services, and (viii), any other relevant criteria specifically listed in the request for bids or proposals.

While best overall value is not solely determined by price, the lowest bid should be recommended, unless you can show that a higher bid provides the best overall value based on the foregoing factors, which must be listed in the bid specifications if they are to be considered. Note that you will need to retain all quotes for Fiscal Year End + 3 years. See also on page 22, Cooperative Purchasing.

- C. Prepare a brief recommendation for the record to support the purchase.
- D. Submit an electronic purchase requisition, including all necessary documentation to support the purchase, to the Finance Director via email at [invoice@costx.us](mailto:invoice@costx.us).
- E. Once a Purchase Order is approved, proceed to ordering goods and services.
- F. Once you receive your goods and/or services, sign off on packing slip and forward the packing slip/receipt to accounts payable.

**PURCHASES BETWEEN \$50,000 AND \$99,999:**

Purchases of goods or services between \$50,000 and \$99,999 must follow this process:

- A. Solicit three (3) competitive quotes for the goods or services AND complete the Bid Quote and Comparison Worksheet (Exhibit A). Section 252.0125 of the Local Government Code delineates the quotation process which must be followed regarding Historically Underutilized Businesses, as follows:

*A municipality, in making an expenditure of more than \$3,000 but less than \$100,000, shall contact at least two historically underutilized businesses on a rotating basis, based on information provided by the comptroller pursuant to Chapter [2161](#), Government Code. Please see [mycpa.cpa.state.tx.us/tpasscmblsearch/index.jsp](http://mycpa.cpa.state.tx.us/tpasscmblsearch/index.jsp) for HUB search.*

- B. Review each quote for best overall value and select top three (3) quotes and conduct basic comparative analysis. Best overall value can be determined by:
  - a. the purchase price,
  - b. the reputation of the bidder and the bidder's good or services,
  - c. the quality of the bidder's goods or services,
  - d. the extent to which the goods or services meet the City's needs,
  - e. the bidder's past relationship with the municipality,
  - f. the impact on the ability of the City to comply with laws and rules relating to contracting with historically underutilized businesses and nonprofit organizations employing persons with disabilities,
  - g. the total long-term cost to the City to acquire the bidder's goods or services, and (viii), any other relevant criteria specifically listed in the request for bids or proposals.

While best overall value is not solely determined by price, the lowest bid should be recommended, unless you can show that a higher bid provides the best overall value based on the foregoing factors, which must be listed in the bid specifications if they are to be considered. Note that you will need to retain all quotes for Fiscal Year End + 3 years. See also on page 22, Cooperative Purchasing.

- C. Forward your recommendation along with at least three (3) quotes to the City Manager for approval.
- D. The City Manager will make the recommendation to City Council.
- E. Once the recommendation has been approved by City Council, submit an electronic Purchase Requisition to Finance Director via email to [invoice@costx.us](mailto:invoice@costx.us). The Requisition must include the City Council meeting date and agenda item number where the purchase was approved on the notes.

### **PURCHASES OVER \$100,000:**

Provisions of the Texas Local Government Code Section 252.021 shall be the governing authority for purchases over \$100,000. Competitive bidding or competitive proposals are required.

The following process must be followed:

- A. Obtain approval from the City Manager to proceed with the sealed/competitive bid process.
- B. The specifications and bid notice shall be prepared, reviewed, and signed off by the City Manager. The specifications must detail the requirements for the goods and services which the City proposes to purchase. Whenever possible, the "Best Value" procurement method described in Chapter 252.043(b) of the Texas Local Government Code shall be used.
- C. The bid, bid notice, or RFP shall be advertised in a newspaper of general circulation a minimum of twice in a 14 day period. The bid notice published must include the time and place at which the bids or proposals for the specified goods and services will be publicly opened and read aloud. The originating department shall notify the City Clerk's Office of the advertisement, the type of bid or proposal, the closing date for responses and the name of a knowledgeable contact. A complete copy of the bid/RFP package must be filed with the City Clerk's Office.
- D. The closing date and time for the bid or RFP shall be clearly listed in the specifications and is final. Responses received after the closing date and time shall be returned to the proposer unopened.
- E. If an amendment to the specifications or an extension of the closing date and time for the bid or RFP is required, it shall be made prior to the second advertisement being printed and included in the second advertisement.
- F. The City may provide by Charter or Policy for a bidding threshold of less than \$100,000, but the City may not provide a higher threshold for bidding than is permitted under state law.
- G. If the City wishes to consider factors other than price in its selection, such as best overall value, the City's bid specification should clearly state that such factors will be considered. Best overall value can be determined by:
  - a. the purchase price,
  - b. the reputation of the bidder and the bidder's good or services,
  - c. the quality of the bidder's goods or services,
  - d. the extent to which the goods or services meet the City's needs,
  - e. the bidder's past relationship with the municipality,
  - f. the impact on the ability of the City to comply with laws and rules relating to contracting with historically underutilized businesses and nonprofit organizations employing persons with disabilities,
  - g. the total long-term cost to the City to acquire the bidder's goods or services, and (viii), any other relevant criteria specifically listed in the request for bids or proposals.

While best overall value is not solely determined by price, the lowest bid should be recommended, unless you can show that a higher bid provides the best overall value based on the foregoing factors, which must be listed in the bid specifications if they are to be considered. Also, if the City is considering using a method other than competitive sealed bidding (ie. competitive sealed proposals) the City Council must determine before notice is given the method of purchase that provides the best value for the City. See also on page 22, Cooperative Purchasing.

- H. Additional procedures and requirements may be required by state law for purchases involving more than \$100,000.00.

- I. Contracts for the services of architects, engineers, land surveyors, certified public accountants and other professions must be awarded using procedures provided in the [Texas Professional Services Procurement Act](#). Certain services are exempt from competitive bidding requirements under Texas law as “professional service.” If there is not adequate time to publish RFQ for “professional services” as defined by this statute, the City Council may elect not to follow competitive bidding requirements.
- J. Except in the case of emergencies, defined as an unforeseen condition arising suddenly and unexpectedly, not caused by any neglect or omission which calls for immediate action. In an actual emergency, bidders or proposers shall have a minimum of 21 calendar days except that in the event of extenuating circumstances this period may be reduced to 14 calendar days from the date of first publication to respond to the bid or RFP.
- K. All responses to bids or RFPs shall be received by the City Clerk’s Office where they will be date/time stamped and held un-opened. After the closing day and time for the receipt of proposals the City Clerk shall notify the originating department of the receipt of all bids or proposals, and it shall be the responsibility of the department head to place the appropriate item on the agenda to open / award the responses.
- L. All responses shall be opened in public at the date and time stated in the specifications. Submitted bids or proposals are final and may not be altered. Vendors may, however, submit sealed alternate bids or proposals before closing time.
- M. Final award of a bid will be made by City Council to the lowest responsive bidder unless Council wishes to consider the location of the bidder’s principal place of business as detailed in Section 271.905 of the Texas Local Government Code. In the event the City receives two or more bids that are identical in nature and amount, as the lowest and best bids, award shall be made pursuant to Section 271.901 of the Texas Local Government Code
- N. For an RFP, final award will be made to that response which best meets the stated selection criteria or, Council may direct that the City Manager conduct further negotiations with proposer(s).
- O. Council may table an award and direct staff to review and make recommendation to Council at another date.
- P. Council may reject all bids or proposals and direct that new specifications be prepared and advertised.

**SOLE SOURCE VENDOR**

Under [2 CFR §200.320\(c\)](#), a federally funded purchase may be treated as a sole source procurement only when one of the following four conditions is met:

- 1. The item is available only from a single source;
- 2. Public exigency or emergency will not permit a delay from competitive solicitation;
- 3. The federal awarding agency or pass-through entity expressly authorizes noncompetitive procurement in response to a written request; or
- 4. After solicitation, competition is determined to be inadequate.

All federal sole source determinations must be fully documented.

While Texas law provides the exemptions below to the procurement process, these exemptions cannot be claimed if the goods or services are paid for in part, or in whole, with federal funds.

Texas law provides for general exemptions to the procurement process. Please refer to Section 252.022 of the Texas Local Government Code. More specifically Section 252.022 (7-16) provides exemptions for sole source vendors as follows:

- 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 nonprofit 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 books, papers, and other library material 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) *a payment under a contract by which a developer participates in the construction of a public improvement as provided by Subchapter C, Chapter 212;*
- 12) *a personal property sold:*
  - 1. *at an auction by a state licensed auctioneer;*
  - 2. *at a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code;*
  - 3. *by a political subdivision of the state, a state agency of this state, or an entity of the federal government;*  
*or*
  - 4. *under an interlocal contract for cooperative purchasing administered by a regional planning commission established under Chapter 391;*
- 13) *services performed by blind or severely disabled persons;*
- 14) *goods purchased by a municipality for subsequent retail sale by the municipality;*
- 15) *electricity; or*
- 16) *advertising, other than legal notices.*

A Sole Source Affidavit, Exhibit B, must be completed and signed by the vendor seeking to enter into a business transaction with the City and wants to claim the sole source exemption.

The affidavit is required whether the sole source is claimed under Texas law or federal procurement standards and must document the basis for the sole source determination.

### **FURTHER EXEMPTIONS TO PURCHASE REQUISITION**

- A. Utility Payments - To be reviewed by Finance Department.
- B. Payroll taxes - To be reviewed by Finance Department.
- C. Debt Service Payments.
- D. Unencumbered payments, not to exceed 10% of the approved purchase order, for invoices that have exceeded the authorized purchase order amount. Grant-related payments exceeding the purchase order amount need to be addressed with the Grants Director for authorization of purchase and/or payment for the excess of 10% of the Purchase Order.
- E. Refunds of revenue.
- F. Payroll deduction remittances.
- G. Employee benefits remittances are authorized by the Human Resources Department Head.

### **COMPLETING THE PURCHASE REQUISITION FORM**

- A. Effective with the adoption of this policy, ALL departments shall utilize the electronic Requisition Form. The form needs to be scanned with all the supporting documents and emailed to [invoice@costx.us](mailto:invoice@costx.us).

B. Type of Requisition:

5. **Regular** - Purchase Order # will generally be issued within 48 hours.
6. **Emergency** - Purchase order # will generally be issued the same day.  
(An emergency is defined as an unforeseen condition arising suddenly and unexpectedly.)

C. Department Heads or their designees will review the Purchase Requisition form for completeness, accuracy and ensure that sufficient unencumbered funds are available.

### **OPEN PURCHASE ORDERS**

A. Departments may opt to request an open purchase order to cover a year's worth of planned expenditures which are routine expenditures such as fuel and office supplies. All procedures required for a regular purchase order must be followed for issuance of a blanket purchase order, and;

7. The blanket purchase order may not exceed **\$49,999, except for fuel and road materials**, without a current bid/RFP/RFQ award (except utilities). Road material purchases exceeding \$100,000 during any fiscal year must comply with competitive purchasing procedures requiring publication for bids.
8. Sufficient funds must be available to cover the entire purchase order amount.

### **RECORD KEEPING REQUIREMENTS**

In accordance with [2 CFR §200.318\(i\)](#), the City must maintain complete procurement history documentation for all federally funded purchases. Procurement history must include:

1. rationale for the method of procurement
2. selection of contract type
3. contractor/vendor selection or rejection
4. price or cost justification
5. purchase orders, invoices, receipts, receiving reports
6. documentation supporting compliance with federal procurement standards

This requirement applies in addition to the City's normal receiving and documentation procedures.

For grant-funded purchases, records must be retained in accordance with the Records Retention requirements stipulated in the official Grant Agreement.

### **CREDIT CARD PURCHASES**

#### **A. Purchase Card Procedures and Policies**

##### **General**

The Purchase Card is a purchasing tool that offers an alternative to the existing City's purchasing process. It is the intention of this policy to provide an extremely efficient and effective method of purchasing and paying for goods and services with a value of less than \$5,000. In most cases the Purchase Card will reduce the volume and nature of associated paperwork.

This policy describes the procedures for appropriate purchasing card use. Each cardholder will sign a Cardholder Agreement, and in doing so consents to comply with program rules and regulations. A Purchase Card will be issued

to an employee upon management approval and after the employee executes a signed agreement form. Upon receipt of the card, the employee should immediately sign the back of the card and keep it in a secure place.

The Purchase Card is issued to one employee only. It is prohibited for another person to use this card. As a cardholder, the employee is responsible for the appropriate use of City funds. Although the card is issued to the employee, it remains the property of the City and it may be rescinded at any time for any reason. The employee should use the card for the types of purchases described in the guidelines included below. Each employee should document any questions, suggestions or difficulties he/she or vendors have regarding the Purchasing Card program. Please notify the Program Administrator/Finance Director of any suggestions for changes and improvements.

As a cardholder, you will be asked to complete a cardholder agreement. By signing the agreement, you have agreed to adhere to the guidelines established in this manual. Most importantly, ***you are the only person entitled to use the card, and the card is not to be used for personal use.*** As each Commercial Card is linked to a specific area number and individual employee, the card cannot be transferred from one employee to another. If you are moving to another area, contact your Program Administrator for the necessary changes. You should be able to keep your card.

Upon receipt of your *WellsOne* Commercial Card, you will need to activate the account by calling the toll-free number printed on the card. For verification purposes, you will be asked to provide your unique ID, and other identification information. Although the card will be issued in your name, your personal credit history will not affect your ability to obtain a card. The company is responsible for payment of all purchases.

### **Limitations and Restrictions:**

Your manager has assigned limits to your card. There may be a single transaction limit placed on your card, which means your card will be declined if you attempt to purchase more than this set amount at one time. Do not split a purchase to avoid the single transaction limit. If you believe the single transaction limit will inhibit optimum usage of the Program, please discuss this with your manager.

In addition to the single transaction limit, every cardholder has a total monthly dollar limit assigned to his/her account. If you believe your monthly limit to be insufficient for your requirements, please discuss this with your manager, who should contact your Program Administrator. Your limit is replenished once per month on the Wells Fargo Commercial Card Expense Reporting (CCER) System.

The *WellsOne* Commercial Card Program also allows for Merchant Category blocking. If a particular Merchant Category is blocked (e.g., jewelry stores), and you attempt to use your card at such a merchant, your purchase will be declined. Management has made an effort to ensure that the vendors/suppliers used during the normal course of business are not restricted. If your card is refused at a merchant where you believe it should have been accepted, you should call Wells Fargo Business Purchasing Service Center at **1-800-932-0036** to determine the reason for refusal. Depending on the result of your inquiry, you may want to discuss the issue further with your manager. He/she is empowered to advise the Program Administrator to modify the restrictions on your use of the Commercial Card.

Customer service assistance is available 24 hours/day, 7 days/week at **1-800-932-0036**.

Option 1: Automated options - balance, available credit, and recent transaction information

Option 2: Cardholder options

Sub-option 1: Activate new card or customize pin

Sub-option 2: Fraud or request dispute form

Sub-option 3: Speak with the Client Service Officer

Sub-option 4: Merchants

**IMPORTANT:** All requests for changes in limitations and restrictions must be made through your Program Administrator. Wells Fargo Bank will change existing cardholder restrictions only after a written request is received

from the Program Administrator.

#### Lost or Stolen Cards:

You are responsible for the security of your card and any purchases made on your account. If you believe you have lost your card or that it has been stolen, **IMMEDIATELY** report this information to Wells Fargo Business Purchasing Service Center (BPSC). Immediately after reporting to the BPSC, you must inform your Program Administrator. **It is extremely important to act promptly in the event of a lost or stolen card to avoid company liability for fraudulent transactions.**

As with a personal charge card, you will no longer be able to use the account number after notifying the bank. A new card should be issued within 48 hours of notice to Wells Fargo Bank.

#### Account Maintenance:

If there's a need to change any information regarding your account, such as mailing address or expense accounting code, please contact your Program Administrator.

#### **Purchasing Guidelines**

The card program will not circumvent the City's purchasing rules and procedures. Instead, it is designed to streamline smaller purchases that are made on-site, via Internet, telephone, fax or mail.

Each employee is responsible for the security of the Purchase Card that he/she is issued and for the purchases made with it. Consequences for card misuse are severe, and penalties may include reimbursement of expenses, suspension of card privileges, or other disciplinary action up to and including termination.

In general, all legitimate business-related expenses are eligible for purchase using the Purchase Card, and all non-business related purchases are ineligible. Employees in doubt over whether or not a purchase is eligible should contact their supervisor, Department Head, Purchasing Card Program Administrator/Finance Director for assistance in determining purchase eligibility BEFORE they decide to make a purchase.

Each employee's Purchase Card has been assigned and individual credit limit on the Department Head's approval. If that limit needs to be adjusted the employee may request an adjustment through the Department Head or City Manager. Written authorization is required before the Program Administrator can make any changes.

#### **Conclusion**

The purchasing card should be used responsibly. Since the card is issued in the employee's name, all purchases are assumed to be made by the employee. Each employee should be aware that improper use might result in disciplinary action, up to and including termination and criminal prosecution. The Department is encouraged to maintain a purchasing log, but the original sales receipts need to be forwarded to the Finance Office. Cardholders will be subject to random audits to verify that purchases and record keeping are in compliance with this policy.

#### **CONTRACTS**

All written contracts, regardless of procurement methodology, require the approval of the City Manager and Finance Director. A copy of all contracts will be kept in the City Clerk's office. This includes but is not limited to agreements associated with office equipment and vehicles.

#### **Federal Contract Clauses Requirements**

For any contract funded in whole or in part with federal funds, the City must include all mandatory federal contract

provisions required under 2 CFR §200.327 and [Appendix II to Part 200](#). These provisions apply to:

1. Procurement contracts over the Simplified Acquisition Threshold;
2. Construction contracts
3. Facility improvement contracts
4. Contracts for materials, supplies, and services; and
5. Any federally supported agreement requiring specific contract language

Federal clauses may include, but are not limited to, requirements related to:

1. Termination for cause or convenience
2. Equal Employment Opportunity
3. Davis-Bacon Act (if applicable)
4. Contract work hours and safety standards
5. Clean Air Act and Clean Water Act compliance
6. Debarment and suspension verification
7. Byrd Anti-Lobbying Amendment certification
8. Record retention and federal access to records

Departments must consult with the Grant Administrator to ensure all federally required clauses are included before contract execution.

### **RECEIVING PURCHASES REQUIRING RECEIVING REPORTS**

The Department Head or designated individual will be responsible for acknowledging the receipt of merchandise and/or services purchased. The Department Head or designated individual will inspect the merchandise delivered or picked up.

- A. Originals of the receiving report or invoice will be kept within the originating department and should be scanned and emailed to the Finance Department and are to be used to signify actual receipt of the item(s). The Department Head or designated individual will save the original receiving receipt or invoice attached to the purchase order to the Finance Department. Emailed invoices and its supporting documentation need to be emailed within 2 working days after receipt.
- B. The Department Head of the department initiating the purchase shall be responsible for verifying its receipt, the condition of the goods received and for notifying the Finance Department of any discrepancies, damage or back-orders that would affect payment to the vendor.
- C. The Finance Department will match the receiving report, and invoice to the Purchase Order.
- D. All Equipment with a per-unit cost of \$10,000 or more and a useful life of more than 1 year must be tagged and inventoried.
- E. Upon receiving equipment (fixed asset over \$10,000.00 and useful life of more than 1 year) the Department Head shall complete a Fixed Asset Inventory Form and forward it to the Finance Department, who will issue inventory tags to all the departments. The Department Head will be responsible for affixing the inventory tag to the asset.
- F. The Asset Inventory shall be maintained by the Finance Department and include the following fields, as applicable, and in accordance with 2 CFR Part 200.313(d):
  - a. a description of the property,
  - b. a serial number or another identification number,
  - c. the source of funding for the property (including the Federal Assistance Identification Number [FAIN]),

- d. the title holder,
- e. the acquisition date,
- f. the cost of the property,
- g. the percentage of the Federal agency contribution towards the original purchase,
- h. the location, use, and condition of the property,
- i. and any disposition data, including the date of disposal and sale price of the property

### **PROCESSING OF INVOICES**

In accordance with 2 CFR §200.318(i), the City must maintain complete procurement history documentation for all federally funded purchases. Documentation must include:

1. Purchase requisition (if applicable)
2. Purchase order
3. Contract or agreement
4. Invoice
5. Receiving report
6. Proof of payment
7. All records necessary to fully document the procurement, selection and payment process

This documentation must be retained in accordance with federal and local record retention policies.

### **INVOICE SUBMISSIONS**

Invoices are to be submitted to Finance within 2 working days of purchases. Once the invoices have been reviewed by Department Heads and signed, they are to be scanned with all its supporting documentation and emailed to [invoice@costx.us](mailto:invoice@costx.us). Each department will be responsible in keeping the originals invoices and supporting documentation.

All invoices are to be scanned and emailed to the Finance Department.

- A. When the proper documentation is received it shall be matched with the original purchase order and the original purchase requisition if required.
- B. If the invoice amount is greater than the purchase order, the Finance Department will process payment up to 10% of the original purchase order amount without having to issue another purchase order (unencumbered) unless it is a grant-related purchase, then the department head or its designated employee will contact the Grants Director for authorization of the 10% unencumbrance. If the difference between the invoice and purchase order amount is greater than 10% each Department Head is responsible for submitting a written request to Council to increase the purchase order prior to the invoice being paid OR returning the merchandise to the vendor for proper invoicing.
- C. Accounts Payable will process invoice for payment when the stated procedures have been followed. When approved, special event invoices will be paid within 5 days after receipt of the signed invoice and receiving report; a purchase order must be provided, if applicable.
- D. If the invoice submitted for payment is for goods or services from a Council approved contract, BID/RFP/RFQ award or utilities the request for payment shall be processed and a check issued to the vendor. The payment will be listed on the accounts payable list presented to council as an informational item.

### **RATIFICATIONS**

Ratifications for the purchase of goods or services are prohibited unless a legitimate emergency or matter of public

necessity exists. An emergency is defined as an unforeseen condition arising suddenly and unexpectedly, not caused by any neglect or omission, and which calls for immediate action. Lack of planning or preparation does not constitute an emergency.

### **MANUAL CHECKS**

Manual checks shall be treated as an emergency expense. A purchase order will be issued along with the manual check. The purchase order must be attached to the invoice and must be submitted to the Finance Department the following workday.

### **PROFESSIONAL AGREEMENTS MUST BE APPROVED BY CITY COUNCIL**

A "Request for City Council Agenda Item Form" must be completed and approved by City Council before any type of agreement is made, either verbal or written, for professional services. Examples: Attorneys, Auditors, Land Surveyors, Architects, Interior Designers, etc.

When "Professional Services" are not required to be procured under the Professional Services Procurement Act procedures, the City Council may elect any procurement procedure authorized by Texas Law when time constraints make compliance with Request for Qualifications Process difficult or imprudent.

### **NEW VENDOR PROCESS**

Vendors requesting to engage in business transactions with the City will need to adhere to the processes included in this policy. A Conflict-of-Interest Questionnaire Form (CIQ) and a W9 must be completed by each vendor before any business transactions can take place. The City employee requesting an addition to the vendor file will forward the completed forms to the Finance Director for input. A Vendor Identification Number will be issued by the Finance Director once the documentation is verified. The Finance Director will forward the CIQ form to the City Clerk for filing. The Accounts Payable clerk will file a copy of the CIQ and W9 form in the vendor file. Under no circumstances will the Accounts Payable Clerk issue a Vendor ID for any vendor. In the absence of the Finance Director, the Accounting Technician, not involved with the accounts payable function, will issue Vendor ID's.

#### **Suspension & Debarment Verification**

In accordance with 2 CFR §200.214, the City must verify that all vendors receiving contracts or agreements valued at \$25,000 or more that are funded in part or in whole by federal funds are not suspended or debarred. This verification must be performed through:

1. SAM.gov
2. A written certification from the vendor
3. Inclusion of a clause requiring compliance and stating the vendor is not suspended or debarred.

Documentation of SAM.gov verification must be retained in the vendor file.

#### **Federal Conflicts of Interest Requirements**

In accordance with 2 CFR §200.318(c), employees involved in federally funded procurements must comply with federal conflict of interest rules. This includes:

1. Disclosure of any financial or personal conflicts
2. Prohibition on participating in procurements where a real or apparent conflicts exists
3. Documentation of conflict checks in the procurement file

These requirements apply in addition to the CIQ requirements under Texas law.

### **ACCOUNTS PAYABLE LIST**

A report of the accounts payable shall be submitted to Mayor and Council for **informational** purposes on a monthly basis.

### **CAPITAL EXPENDITURE REQUESTS**

A purchase requisition form must be completed for each acquisition of equipment where the total cost is in excess of \$10,000.00 and has a life expectancy of year (1) or more years. Also, a purchase requisition form must be prepared for each capital renovation project. Acquisition is defined as either outright purchase or a lease or rental of equipment. Total cost is defined as equipment cost, applicable taxes, freight, and projected installation and/or renovation costs. The various components of the total cost should be shown as indicated on the purchase requisition.

Annually, each department shall submit a budget request detailing equipment and/or projects exceeding \$10,000 (ten thousand dollars) in total cost and having a life expectancy of 1 (one) years or more. Each request must be supported by a needs assessment and a statement of benefits derived from the purchase of the equipment and/or completion of the project.

### **COOPERATIVE PURCHASING**

Cooperative purchasing was created by legislation in 1979 for the benefits of providing volume purchasing power to local governments and assistance organizations in Texas while meeting competitive bidding requirements. The City can purchase through Cooperative agreements as follows: TxSmartBuy, Term Contract, TXMAS Program, Local Government Assistance, Region 19, BuyBoard, HGACBuy, and TCPN.

### **TRAVEL, MILEAGE, AND RELATED EXPENSES**

#### **Approval Process for Travel**

Travel in excess of a 100-mile radius of the City of Socorro, Texas must be approved by Council in advance during the adoption of the fiscal year budget. Travel, which has not been identified and approved during the budgetary process will need approval by City Council before travel can take place; to exclude emergency travel. The City Manager has the authority to approve emergency travel. An emergency is defined as an unforeseen condition arising suddenly and unexpectedly, not caused by any neglect or omission, and which calls for immediate action.

The individual traveling is responsible for providing the Finance Department with a travel recap and all receipts. Reimbursement for expenditures in excess of those originally authorized by Council will require further Council approval before they may be paid.

#### **Cash Advance**

A cash advancement (per diem) for meals and incidental expenses, such as parking fees, will be forwarded to staff and elected officials traveling out of town. Receipts for per diem are not required. Receipts for all other travel expenses such as hotel, car rental, etc.. are required. Advanced funds not used during travel (other than per diem) will be reimbursed to the Finance Department immediately (no later than five (5) working days) upon return. Per diem and mileage amounts disbursed will follow the current U.S. General Services Administration rates ([www.gsa.gov](http://www.gsa.gov)).

#### **Auto Rental**

Auto rentals must be limited to small economical cars and passenger vans; depending on the number of people traveling together. Luxury car rentals are not allowed. Rentals are acceptable only when the area you are traveling to does not allow for a convenient and cost-effective shuttle or taxi service. Rentals are also limited to City

business and must be used only during the time allotted for the trip. A fuel and parking allowance will be issued for travel in the amount of \$100.00 per staff and council member. If the fuel allowance issued is not sufficient for the travel needs, the employee will be reimbursed for this expense upon completion of the travel reconciliation form. All receipts shall be attached to the request for reimbursement. If more than one person is traveling to the same destination, the allowance will be issued to the person renting the vehicle.

### **Airfare**

Airfare tickets may be purchased with the City credit card upon approval of the trip; however, at no time will airfare tickets be purchased for spouses or any individual who is not employed by the City of Socorro.

Where an air travel expense is to be reimbursed by a grant, a ticket reservation will be allowed prior to Council approval with an approved purchase requisition and purchase order. The corporate card, with the City Manager's or Mayor's (in the absence of the City Manager) written approval, may be used to make the reservations.

The purchase of first-class seats, upgrades, or in-flight perks with City funds is not allowable. Airfare costs in excess of the basic, least expensive unrestricted accommodations class (also known as standard or economy class) offered by commercial airlines are unallowable except when such accommodations would:

- i. Require circuitous routing;
- ii. Require travel during unreasonable hours;
- iii. Excessively prolong travel;
- iv. Result in additional costs that would offset the transportation savings; or
- v. Offer accommodations not reasonably adequate for the traveler's medical needs. The recipient or subrecipient must justify and document these conditions on a case-by-case basis for the use of first-class or business-class airfare to be allowable in such cases.

The City will cover the costs of one (1) checked bag per Council member or Employee. The costs of additional checked bags beyond the one (1) allotted bag are the personal responsibility of the traveler.

### **Personal Cars**

Use of personal cars for City business will be reimbursed as per the current U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) mileage reimbursement rates, in addition to tolls and reasonable documented parking fees. Mileage reimbursement will be issued only to the employee who furnishes the vehicle for transportation to the destination.

Car washing and other servicing are not reimbursable. Traffic/parking violations and all resulting fines are the employee's personal responsibility and are not reimbursable by the City. Insurance coverage is the employee's responsibility.

Whenever possible, pooling arrangements should be made when employees and/or Council members are visiting the same location.

Personal car expenses are not reimbursable without explanation and approval by the City Manager or Mayor in the absence of the City Manager.

The use of a personal automobile for trips exceeding 1,500 miles round-trip is not permissible without prior approval from the employee's Department Head. In all cases, the maximum amount of reimbursement shall be the total cost of the most economical airfare rate, plus parking fees, plus ground transportation costs.

Local mileage reimbursements for staff will be capped at not to exceed five hundred dollars (\$500.00) per month. A mileage log must accompany each and every mileage reimbursement request. Total mileage reimbursements shall not exceed the departmental annual budgeted amount. In the event the budget item for mileage

reimbursement is depleted before the fiscal year ends, requests for budget amendments must be submitted to the City Manager. Commuting mileage reimbursements will not be issued. Council members will be reimbursed for business-related mileage expenses in accordance with the travel policy.

### **Travel, Mileage, and Related Expense Form**

Travel Reconciliation and Mileage Forms are due in the Finance Department within five (5) working days upon arrival from the trip, including required receipts.

### **Travel Cancellations**

Travel cancellations are not reimbursable to the City. Credits issued by the airplane companies for cancellations must be utilized for the same person and expire if not utilized within a specific time frame. In addition, seminar fees are not usually reimbursed or credited to the City. Employees and Council members must be certain travel will take place before making travel arrangements. Emergency cancellations are expected; however, each cancellation will be reviewed by Finance and presented to Council for consideration.

### **CRIMINAL PENALTIES AND REMOVAL**

Section 252.062 of the Texas Local Government Code: CRIMINAL PENALTIES. (a) A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly makes or authorizes separate, sequential, or component purchases to avoid the competitive bidding requirements of Section 252.021. An offense under this subsection is a Class B misdemeanor. (b) A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly violates Section 252.021, other than by conduct described by Subsection (a). An offense under this subsection is a Class B misdemeanor. (c) A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly violates this chapter, other than by conduct described by Subsection (a) or (b). An offense under this subsection is a Class C misdemeanor.

Violation of the Purchasing Policy will lead to disciplinary action to include termination of employment.



**Exhibit A**

**CITY OF SOCORRO  
 BID AND QUOTE COMPARISON WORKSHEET**

**Date:**

**Department:**

**Employee Name:**

**Brief Description of Purchase:**

Step 1: Solicit a minimum of three (3) quotes or bids

	<b>Company</b>	<b>Phone Number</b>	<b>Website/Email</b>
<b>Vendor #1</b>			
<b>Vendor #2</b>			
<b>Vendor #3</b>			
<b>Vendor #4</b>			
<b>Vendor #5</b>			

Step 2: Review each quote or bid for best overall value

	<b>Price</b>	<b>Availability (Meet timeline)</b>	<b>Previous Experience</b>	<b>Rank</b>
<b>Vendor #1</b>				
<b>Vendor #2</b>				
<b>Vendor #3</b>				
<b>Vendor #4</b>				
<b>Vendor #5</b>				



**Exhibit B**

**SOLE SOURCE AFFIDAVIT**

**THIS IS AN OFFICIAL PURCHASING DOCUMENT – RETAIN WITH PURCHASE ORDER FILE**

Before me, the undersigned official, on this day, personally appeared \_\_\_\_\_, a person known to me to be the person whose signature appears below, whom after being duly sworn upon his/her oath deposed and said:

1. My name is \_\_\_\_\_. I am over the age of 18, have never been convicted of a crime and am competent to make this affidavit.
  
2. I am an authorized representative of the following company or firm: \_\_\_\_\_.
  
3. The above-named company or firm is the sole source for the following item(s), product(s) or service(s):  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_

4. Competition in providing the above named item(s) product(s), service(s) is precluded by the existence of a patent, copyright, secret process or monopoly as stated under Section 252.022, Subchapter A of the Local Governmental Code 7A or as provided for under 7B-F of the same section. Also, attached hereto is a sole source letter, which sets forth the reasons why this Vendor is a sole source provider (dated and signed).
  
5. There is/are no other like item(s) or product(s) available for purchase that would serve the same purpose or function.
  
6. **Note: This Vendor understands that by providing false information on this Sole Source Affidavit, it may be considered a non-responsible Vendor on this and future purchases and may result in discontinuation of any/all business with the City of Socorro.**

\_\_\_\_\_  
Signature

**SUBSCRIBED AND SWORN** to before me on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

\_\_\_\_\_  
PRINTED NAME

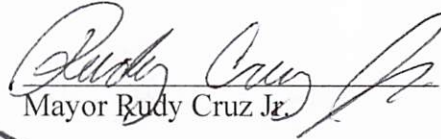
\_\_\_\_\_  
MY COMMISSION EXPIRES

COMPANY NAME: \_\_\_\_\_

ADDRESS, CITY, STATE & ZIP CODE: \_\_\_\_\_

PHONE: \_\_\_\_\_

REVISED AND APPROVED BY THE CITY COUNCIL OF SOCORRO, TEXAS ON THIS  
5<sup>th</sup> DAY OF March, 2026

  
Mayor Rudy Cruz Jr.

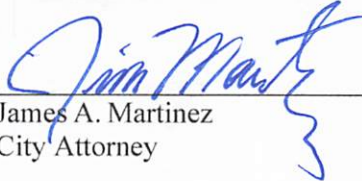
**ATTEST:**



Olivia Navarro  
City Clerk



**APPROVED AS TO FORM:**



James A. Martinez  
City Attorney