

EFFECTIVE DATE: January 4, 1982

REVISION DATES: March 1, 2001 October 23, 2001

SUBJECT: BASIC PROCEDURES REGULATING PURCHASES OF MATERIALS, OR SERVICES

I. Purpose

The purpose of this Administrative Directive is to provide City of San Antonio employees with rules and guidelines regarding City procurement practices.

II. Policy

Employees of the City of San Antonio shall conduct all procurement activity in compliance with federal, state, and local law as well as the rules and guidelines set forth by the Purchasing and General Services Department.

Further, all City procurement will be conducted in a manner that safeguards taxpayer funds, promotes business effectiveness and efficiency, and advances opportunity for disadvantaged businesses to participate in City contracting processes.

III. Responsibilities

A. **Director of Purchasing and General Services** (and persons designated by Director) - With the exception of construction projects costing in excess of \$50,000, will be responsible for the procurement of goods and non-Professional Services requiring expenditures in excess of \$3,000, and for the formal competitive bidding procedures set forth in Texas Local Government Code §252.021 et seq., for all goods and non-Professional Services that require expenditures in excess of \$25,000.

The Director of Purchasing and General Services, or his/her designee, may execute contracts for the purchase of goods and non-Professional Services, so long as funds for such contracts are provided for in the budget and comply with applicable law, without subsequent City Council approval.

Further, the Director of Purchasing and General Services will be responsible for the disposition of all City salvage including but not limited to scrap materials, used vehicles, machinery, or other equipment, and any other obsolete or used item necessitating discard, removal, sale, or any other disposition.

B. **Director of Public Works** (and persons designated by Director) – Responsible for all Public Works Contracts requiring expenditures in excess of \$50,000, and for the procurement of Professional Service contracts related to Architectural and Engineering services.

C. **Other Department Directors** (and persons designated by Directors) – The Director of each Department, or his/her designee, may execute contracts as follows:

1. the purchase of goods and non-professional services not related to Architecture or Engineering in the amount of \$3000 or less; and
2. the purchase of professional services in amounts of \$25,000 or less provided that funds for said contracts are provided for in the budget and comply with applicable law, without subsequent City Council approval.

IV. Policy Guidelines

A. Departmental Procurement Authority - Each Department Director may assume the authority and accompanying responsibility for the procurement of:

1. Professional Services, with the exception of Professional Services related to architecture and engineering,
2. Any good, or non-Professional Service, requiring an expenditure of no more than \$3,000, with the exception of the following:
 - a. Insurance or High Technology procurements,
 - b. Goods and services provided to the City through an existing City of San Antonio Annual Contract,
 - c. Public Works Contracts, as defined within this Administrative Directive.

B. Petty Cash Purchases - Petty Cash purchases may be accomplished by a Department Head, or designated employee, without utilizing a contractual instrument (such as purchase order) or obtaining competitive bids. Department Heads will ensure any purchase made from a petty cash account be conducted in accordance with applicable City policy.

C. Purchasing Card - Individual Purchasing Card transactions will be determined by the authority level of the employee using the card, the commodity type, and the particular vendor from whom the good is being purchased. A Purchasing Card shall be used only by the employee whose name appears on the card, and only for City of San Antonio business purposes.

Utilization of a City of San Antonio Purchasing Card will be in accordance with applicable City of San Antonio Administrative Directives, as well as policy, rules, and guidelines set forth and issued by the City of San Antonio Purchasing and General Services Department.

D. Procurements in Excess of \$25,000 – Any procurement requiring an expenditure greater than \$25,000 must be approved by the City Council.

- E. **Purchasing Guidelines** – The Purchasing and General Services Department's "Procurement Guidelines and Procedures Regulating Purchases of Materials, Supplies and Services" shall serve as the prevailing source of rules and information regarding City procurement processes and practices.

V. **Definitions**

- A. **Formal Competitive Bidding** – The process of acquiring a good or service, through an analysis and evaluation of bids or proposals received as a result of a publicly advertised bid or proposal solicitation, when the good or service requires an expenditure in excess of \$25,000, in accordance with the Texas Local Government Code, Chapters 252 and 271.
- B. **Insurance and High Technology Procurement** – The purchase of insurance or equipment, goods, or services of a highly technical nature, including data processing equipment and software and firmware used in conjunction with data processing equipment; telecommunications equipment, radio and microwave systems; electronic distributed control systems, including building energy management systems; and technical services related to those items. Awards may be based on best evaluated proposal in accordance with Chapter 252 and 271 of the Texas Local Government Code.
- C. **Petty Cash Purchase** - A purchase, that costs less than \$100 and is made from a petty cash account.
- D. **Professional Services** – Chapter 2254 of the Texas Local Government Code sets forth the procedures for the procurement of certain professional services and directs awards for professional services be made on the basis of demonstrated competence and qualifications, and not competitive bids. Services within the scope of the practice, as defined by Chapter 2254 of: accounting; architecture; landscape architecture; land surveying; medicine; optometry; professional engineering; real estate appraising; or professional nursing, or services provided in connection with the professional employment or practice of a person who is licensed or registered as: a certified public accountant; an architect; a landscape architect; a land surveyor; a physician, including a surgeon; an optometrist; a professional engineer; a state certified or state licensed real estate appraiser; or a registered nurse. Contracts for the procurement of Professional Services may not be awarded on the basis of competitive bids submitted for the contract or for the services. Instead, the contract must be awarded on the basis of demonstrated competence and qualifications to perform the services. Architects, land surveyors, and engineers must be selected on the basis of demonstrated competence and qualifications before negotiations commence on additional contract terms.

This definition also includes; services performed by an outside individual or entity or private business, and include such expenses that are exempt from the competitive bidding requirements of the Texas Local Government Code. Excluded from these

categories of Professional Services are janitorial, locksmith, and contractual labor services.

The Texas Local Government Code Chapter 2254 sets forth the procedures and guidelines for the acquisition of Professional Services and directs awards for Professional Services be made on the basis of demonstrated competence, not competitive bids.

- E. Public Works Contracts** – Contracts, developed and executed by the Purchasing and General Services Department and the Public Works Department, for the construction, repair, or renovation of a structure, road, highway, or other improvement or addition to real property on the basis of competitive bids, and if the contract requires the expenditure of more than \$25,000.
- F. Purchasing Card** - A “bank card” used by authorized City employees to acquire specific goods and services. The rules and guidelines that govern the use of a Purchasing Card are administered and communicated by the City of San Antonio Purchasing and General Services Department.

VI. Disciplinary Actions

Any employee in violation of this Administrative Directive will be subject to disciplinary action as mandated in the “Municipal Civil Service Rules of the City of San Antonio” (November 15, 1977).

VII. Applicable Federal, State, and Local Laws and Regulations

A. State Law

1. Local Government Code, Chapter 252, Purchasing and Contracting Authority of Municipalities.
2. Local Government Code, Chapter 271, Purchasing and Contracting Authority of Municipalities, Counties, and Certain Other Local Governments.
3. Local Government Code, Chapter 2254, Professional and Consulting Services.

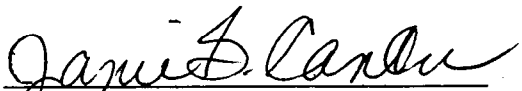
B. Local Ordinances

1. Ordinance No. 77758, April 8, 1993 (Revising the small and minority business advocacy program requirements.)
2. Ordinance No. 82743, August 31, 1995 (Authorizing the City Manager, Assistant City Manager or his designee to approve change orders to contracts.)

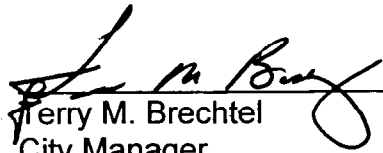
3. Ordinance No. 93519, March 1, 2001 (Authorizing the Purchasing Department to establish rules, procedures and guidelines for the Procurement of goods, services and Professional Services to conform to state law and current business practices.)
4. Ordinance No. 93760, April 12, 2001 (Delegates authority to Department Directors to execute certain contracts for the purchase of goods, services and professional services subject to certain criteria.)

This directive supersedes all previous directives on this subject. Subsequent changes to applicable federal, state, or local law and ordinances will supersede this Administrative Directive to the extent of any conflict between the procedures adopted herein and the federal, state, local laws or ordinances.

Information and/or clarification of this Administrative Directive may be obtained by contacting the Purchasing and General Services Department.



Janie B. Cantu, C.P.M.
Purchasing & General Services Director



Terry M. Brechtel
City Manager

10/23/01
Date

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Date