

Ordinance 1222-1

AN ORDINANCE TO ADOPT AND ESTABLISH A PURCHASING POLICY AND PROCEDURES FOR THE CITY OF LINDSAY

WHEREAS the City Council desires to establish guidelines for purchasing of goods and services for the City; **NOW, THEREFORE,**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LINDSAY, TEXAS

Section 1: THAT the following is hereby established as a policy of the City:

CITY OF LINDSAY PURCHASING POLICY AND PROCEDURES

Purpose:

The purpose of the Purchasing Policy and Procedures is to provide a means for the acquisition of supplies and services that are required for the operations of the City of Lindsay.

Duties of the City Secretary

- 1.0 To observe and enforce the procedures as outlines and any related regulations.
- 2.0 To encourage that the purchasing policies and procedures are followed whenever possible.
- 3.0 To review each account being charged for sufficient funds before authorizing a purchase or issuing a purchase order.
- 4.0 To process approved request to purchase and issue purchase orders.
- 5.0 To explore the possibility of quantity buying in order to take full advantage of discounts
- 6.0 To assist in disposal of surplus, obsolete, worn-out scrap material at city sales or other methods as directed by City Council.
- 7.0 To maintain a listing of vendors, classified according to material, equipment, supplies and services. To advise vendors of the proper procedure in which they may be placed on the vendors lists.

Duties of the Department Heads

- 1.0 Department should plan their work so that "rush orders" and emergencies will be held to an absolute minimum.
- 2.0 In the event of sufficient funds do not exist in a line item to cover the purchase request, the Department Head must complete and submit to the City Council line-item adjustment correcting insufficient accounts
- 3.0 Department Heads must sign and verify all invoices.
- 4.0 No city employee shall purchase supplies, material, or equipment of any kind through the city for personal use.

Purchase Order:

A purchase order number is required on all purchases over \$100.00, with the exception of those listed below. The Department Head, or an authorized employee, must present a requisition to the City Secretary and request a purchase order before proceeding to the vendor's place of business or placing an order.

If an emergency should arise after normal hours, the Department Head or designee will make the purchase that is needed, and the Department Head must notify the City Secretary immediately upon opening the next business day or turn in proper documentation.

The following payments and services do not require the issuance of a purchase order for payment authorization.

1. Tax Payments
2. Insurance Premium Payments
3. Retirement System Payments
4. Debt Services Payments
5. Investment Payment
6. Utility Services and Cell Phone
7. Operating Leases/Maintenance Agreements
8. Annual Contracts
9. Invoices for Professional Services (i.e. Attorney Fees and Engineering)
10. Payment made for Employee Payroll Deductions
11. Inter-local Agreements
12. Contract Services
13. Travel and lodging
14. Items specifically approved as part of the annual budget process.
15. Items/Services acquired through the competitive bid process
16. Customer Deposit Refunds
17. Purchases under \$100.01

Purchase Dollar Limits and Authorization Required:

The following dollar limit and authorization requirements are to be followed whenever possible. Any exceptions shall be noted and approved by the appropriate authorization on the invoice. Employees are encouraged to use City's purchase card based upon the limit that is assigned to each individual. See attached quick reference sheet.

Purchases \$.01 to \$100.00

1. May be purchased using the purchase card
2. Requires Written Department Head approval
3. No Purchase Order Required

Purchases of \$100.01 to \$1000.00

1. May be purchased using the purchase card
2. Required written Department Head approval
3. Requires Mayor approval
4. Purchase Order required

Purchases \$1000.01 to 49,999.00

1. May be purchased using the purchase card
2. Requires 3 telephone quotes or catalog quotes
3. Required written Department Head approval
4. Requires Mayor approval
5. Requires City Council approval
6. Purchase Order required

The Requisition Process:

Requisitioning is formally requesting that a purchase be made and the issuance of a purchase order. It is the first step after the need for a good or a service is recognized. It includes a system of authorization and safeguards so that improper or illegal purchasing is difficult both to initiate and to conceal.

The requisition form must be signed by the Department Head before it is forwarded to the City Secretary to receive the purchase order.

The requisition form originates in the using department. Preparation must be done far enough ahead of the date that the goods/services are needed to allow sufficient time for processing including;

- Obtaining bids or price quotes
- Processing bids, placing purchase orders, or concluding contracts
- Allowing delivery of goods or services

Attach quotes to the requisition and forward to the City Secretary.

Use of Cooperative Purchasing Agreements:

Whenever possible the City of Lindsay will utilize cooperative purchasing agreements. Cooperative purchasing agreements are normally agreements that will include a list of items that have already been through the bids process and the lowest and best qualified bidder has


been approved. Listed below are examples of authorized purchasing agreements. However, the City is not limited to only this list.

Single Source Purchases:

From time-to-time items and/or services may qualify as a "single source" item, meaning that the item being requested is available from only one source. In this case, any requirements for quotes will not apply.

PASSES AND ADOPTED by the City of Lindsay, Texas on 10 day of January, 2023.

CITY OF LINDSAY TEXAS

By: _____
Mayor

ATTEST:



City Secretary