

2.401 Purchasing Policies, Objectives and Ethics

The purpose of this policy is to establish standard practices and procedures to create an efficient and effective purchasing program for the City of Grapevine. Purchasing or procurement is that activity which obtains needed goods or services and replenishes supplies. Purchasing starts with some recognition of needs for goods and services. The policy and procedures governing the purchasing and accounting of the goods and services of a municipality can be numerous and often complex. That is the reason for this policy is to provide staff with a guide to what to do in all purchasing situations that they are most likely to encounter. It is then the responsibility of the Purchasing Agent to obtain the best value for goods and services in the proper quantity, at the most economical price.

This policy will point out what basic policies are best suited for the needs of the City of Grapevine. From time to time, there will be changes necessary and as they occur, they will be updated into this manual. This policy is intended to promote the best interest of the citizens of the City of Grapevine. It is important to remember that City purchasing operates in full view of the public. Its purpose to provide guidance and instruction for all employees new to the purchasing process, as well as a reference for staff and management.

The City of Grapevine intends to maintain a cost-effective purchasing system conforming to good management practices. To be successful, the system must be backed by proper attitudes and cooperation of not only every department head and official, but also every supervisor and employee of the City of Grapevine. The establishment and maintenance of a good purchasing system is possible only through cooperative effort.

The purchasing process is not instantaneous. Time is required to complete the steps required by Federal and State law and City policy. In order to accomplish the timely purchase of products and services at the least cost to the City of Grapevine, all departments must cooperate fully. Prior planning and the timely submission of requisitions is essential to expedite the purchasing process and to assure that the process is orderly and lawful.

.01 Policy

- A. Purchasing is under the Department of Fiscal Services.
- B. The Grapevine City Purchasing Policies are structured around the Texas Local Government Code, specifically Title 8, Chapters 252 and 271.
- C. Public employment is a public trust. It is the policy of the City of Grapevine to promote and balance the objective of protecting government integrity and the objective of facilitating the recruitment and retention of personnel needed by the City of Grapevine. Such policy is implemented by prescribing

essential standards of ethical conduct without creating unnecessary obstacles to entering public service.

- D. Public employees must discharge their duties impartially so as to ensure fair and competitive access to governmental procurement by responsible contractors. Moreover, they should conduct themselves in such a manner as to foster public confidence in the integrity of the City of Grapevine procurement organization.
- E. To achieve the purpose of this policy, it is essential that those doing business with the City also observe the ethical standards prescribed herein.

.02 Purchasing Objectives

The primary objective of the Purchasing Division of the City of Grapevine is to support the City's staff in accomplishing the goals and directives established by the City Council and the City Manager. The Purchasing Agent will comply with all legal and ethical standards in obtaining the specified quality and quantity of materials and services for the City. The Purchasing Agent will promote fair and open competition for the procurement of all goods and services in accordance with all State and local laws, policies, and regulations.

- A. To conduct all purchasing accordance with State of Texas law, including Chapters 252 and 271 of the Texas Local Government Code and be responsible for obtaining the lowest possible price and highest quality consistent with delivery terms and vendor service reputation.
- B. To approve and process purchase orders and contracts in a timely manner in response to requisitions and to prepare, receive, distribute and evaluate requests for bids on a routine basis. Purchasing also prepares bid tabulations, evaluates and prepares, or assists with preparing, the recommendation to the City Manager/City Council.
- C. Purchasing stimulates competitive bidding in order to obtain materials and services at the lowest possible cost, and to provide all interested vendors with an opportunity to offer their products to the City. Purchasing maintains a comprehensive, current list of vendors classified according to commodity codes. Purchasing will continue to identify new vendors for inclusion on the list.
- D. Purchasing promotes good vendor relations and assists to establish specifications which will encourage competition and accurately describe the equipment and materials needed. Purchasing also consolidates purchase requisitions when possible to take advantage of quantity discounts and maintains continuity of supply to support on-going services, operations, and construction schedules. Purchasing ensures the proper disposition of surplus City property and impounded Police property at public auction, internet auction or by sealed bids.

.03 Purchasing Ethics

All City Staff engaged in procurement for the City of Grapevine shall comply with the following ethical standards.

A. Personal Ethics

It shall be a breach of ethics to attempt to realize personal gain through public employment with the City by any conduct inconsistent with the proper discharge of the employee's duties.

B. Influence of a Public Employee

It shall be a breach of ethics to attempt to influence any public employee of the City to breach the standards of ethical conduct set forth in this code.

C. Conflict of Interest

It shall be a breach of ethics for any employee of the City to participate directly or indirectly in procurement when the employee knows that:

1. The employee or any member of the employee's immediate family has a financial interest pertaining to the procurement.
2. 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
3. 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 is involved in the procurement.

D. Gratuities

It shall be a breach of ethics to offer, give or agree to give any employee or former employee of the City, or for any employee or former employee of the City to solicit, demand, accept or agree to accept from another person, a gratuity. It is also a breach of ethics to accept an offer of employment in contingent with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or purchase request. Influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or a contract or subcontract or to any solicitation or proposal therefore pending before the local government is prohibited.

E. Kickbacks

It shall be a breach of ethics for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract for the City, or any person associated therewith, as an inducement for the award of a subcontract or order.

F. Contract Clause

The prohibition against gratuities and kickbacks prescribed above shall be conspicuously set forth in every contract and solicitation.

G. Confidential Information

It shall be a breach of ethics for any employee or former employee of the City to knowingly use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any person.

H. Purchase of Materials, Equipment, and Supplies for Personal Use

Unless specifically approved in writing by the Chief Financial Officer, no employee may purchase City property for their own personal use unless it is purchase through the City's public auction or through the sealed bid process of the City. This includes new and used equipment, materials or supplies.

I. Private Purchases Through City Facilities

No employee may use the purchasing power of the City of Grapevine to make private purchases. In addition, employees should not have private purchases sent to the City C.O.D. to be paid for by the employee.

.04 Federal and State Purchasing Requirements

A. Tax Exempt Status

The City of Grapevine is exempt from Federal, State and local taxes except in certain prescribed cases. An exemption certificate is available from the Purchasing Division and should be furnished to any of the City's suppliers upon request.

B. Certificate of Interested Parties

Section 2252.908 of the Government Code applies to all contracts entered into on or after January 1, 2016 and states that a governmental entity may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity at the time the business entity submits the signed contract to the governmental entity. The law applies to all contracts/purchases of a

governmental entity that require an action or vote by the governing body of the entity.

With regards to City of Grapevine's purchases, a vendor that is awarded a contract or purchase that is greater than \$15,000 is required to electronically create a Form 1295 through the Texas Ethics Commission website <https://www.ethics.state.tx.us/filinginfo/QuickFileAReport.php>) and submit a signed and notarized copy of the form to the City. A contract, including City-issued purchase orders, will not be enforceable or legally binding until the City receives and acknowledges receipt of the properly completed Form 1295 from the awarded vendor.

C. Conflict of Interest Questionnaire

Chapter 176 of the Texas Local Government Code requires any person doing business or seeking to do business with a government entity file a Conflict of Interest Questionnaire form if that person has an employment or business relationship with an employee or officer of the City. The form must be filed with the City Secretary within seven days of the person becoming aware of the conflict.

PROHIBITION OF BOYCOTT OF ENERGY COMPANIES: By accepting this contract or purchase order, Vendor verifies that is does not Boycott Energy Companies and agrees that during the term of this Agreement will not Boycott Energy Companies as that term is defined in Texas Government Code Section 809.001, as amended. This section does not apply if Professional (or Contractor) is a sole proprietor, a non-profit entity, or a governmental entity; and only applies if: (i) Professional (or Contractor) has ten (10) or more fulltime employees and (ii) this Agreement has a value of \$100,000.00 or more to be paid under the terms of this Agreement.

PROHIBITION OF DISCRIMINATION AGAINST FIREARM ENTITIES AND FIREARM TRADE ASSOCIATIONS: By accepting this contract or purchase order, Vendor verifies that is does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (ii) will not discriminate during the term of the contract against a firearm entity or firearm trade association. This section only applies if: (i) Professional (or Contractor) has ten (10) or more fulltime employees and (ii) this Agreement has a value of \$100,000.00 or more to be paid under the terms of this Agreement; and does not apply: (i) if Professional (or Contractor) is a sole proprietor, a non-profit entity, or a governmental entity; (ii) to a contract with a sole-source provider; or (iii) to a contract for which none of the bids from a company were able to provide the required certification.

PROHIBITION OF BOYCOTT OF ISRAEL AND OF DOING BUSINESS WITH CERTAIN ENTITIES: By accepting this contract or purchase order, Vendor verifies that his/her company, under the provisions of Subtitle F, Title 10, Government Code Chapter 2270 and Subchapter F, Government Code Chapter 2252:

1. Does not boycott Israel currently; and
2. Will not boycott Israel during the term of the contract the above-named Company, business or individual with the City of Grapevine, Texas; and
3. Does not do business with Iran, Sudan, or a Foreign Terrorist Organization.