

RESOLUTION #363

CITY OF HIGHLAND HAVEN

December 3, 2024

A resolution establishing the Board of Aldermen's policy for the purchase of materials, supplies and services for the City of Highland Haven.

Whereas, the State of Texas Government Code Chapter 2155 requires Local Government to adopt a purchasing policy.

Whereas, staff limitations demand adoption of practices and procedures which reduce administrative functions to only those necessary to prevent misuse of purchasing authority and to provide an audit trail for financial accounting.

Whereas, the City of Highland Haven wishes to assure that contractors are insured, or the city is held harmless

Whereas, the Board of Aldermen wish to assure there are at least four city officials that have signature authority on all checking, savings and investment accounts.

BE IT THEREFORE RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF HIGHLAND HAVEN, TEXAS THAT:

1. The following City Resolutions are revoked and replaced by this resolution:
 - A. Resolution #176- Revision 0, 1, & 2 – purchasing policy.
 - B. Resolution #176 Revision 3 provided for a fourth checking account signature authorization.
 - C. Resolution #176 Revision 4 provides for a fourth authorized signature for city checking accounts.
2. Purchasing authority will be distributed and delegated to the elected officials (Mayor and Aldermen) and/or city staff, who have been designated, by law or the Board, to have primary responsibility for purchasing (“authorized purchasers”) . Therefore, purchase approval authority will be:
 - A. \$0.01 to \$10,000.00 – for authorized purchasers,
 - B. \$10,000.01 to \$25,000.00 – the responsible elected official plus the Mayor or the Mayor Pro-tem in the absence of the Mayor.
 - C. \$25,000.01 and above – approval by the Board of Aldermen.

- D. In the event of an emergency, the Mayor is authorized to make any appropriate purchase necessary to address immediate emergency issues as permitted by state law.
3. Competitive bidding and price comparison:
- A. \$50,000.01 and above – competitive bids required except for negotiated inter-local service agreements and professional services agreements.
 - B. \$50,000.00 and below – competitive bids not required, but price comparisons expected. A minimum of two bids or comparisons is required except for sole source items or when only one bidder is available within the local area.
 - C. Acceptance of low bid and/or low price is not mandatory. Quantity, quality, availability and previous experience with the vendor may be considered.
 - D. Professional services agreements, including, but not limited to, architects, engineers, public accountants, land surveyors, and state certified real estate appraisers, are exempt for competitive bidding and must be selected based on the most highly qualified provider.
4. Use of charge accounts and credit cards. Limited staff make the use of charge accounts and credit cards attractive due to limiting check payments, reduction in financial accounting documents and making more products available by reducing travel time of staff and elected officials involved in purchasing of material and supplies.
- A. Charge accounts:
 - (1.) Will be utilized where deemed appropriate for the purchase of materials, supplies, equipment and services.
 - (2.) Will be paid, in full, on receipt of a monthly billing statement.
 - (3.) New charge accounts must be approved by the Mayor or City Administrator.
 - (4.) Listing of approved charge accounts will be maintained by the City Secretary.
 - B. Credit cards:
 - (1.) Only one (1) Visa, MasterCard, Discover, etc. account may be opened in the name of the City of Highland Haven.
 - (2.) No more than three (3) cards may be issued; one under the control of the Mayor, one under the control of the City Administrator and one under the control of the City Secretary.
 - (3.) Account credit limit will not exceed \$25,000.00.
 - (4.) Balance will be paid in full monthly.
5. Payments:
- A. Will be by check disbursements, or ACH Wire payments.
 - B. Signature authority on all checking, savings and investment accounts are granted to the Mayor, Mayor Pro-Tem, Treasurer and City Administrator. In the absence of one

of the authorized city officials, another Alderman may be granted signature authority on all checking, savings and investment accounts.

C. Checks to be signed by two officials – Mayor, Mayor Pro-Tem, Treasurer, City Administrator or authorized Alderman.

D. Computerized checks will be utilized at all times.

6. Documentation:

A. Pre-approval:

- (1.) Less than \$10,000 – no written pre-purchase approval required.
- (2.) \$10,000.01 - \$25,000.00 - Vendor proposal, bid or purchase order signed by two elected officials or one elected official and the City Secretary.
- (3.) Over \$25,000.01 – Board approval of vendor proposal, bid, inter-local agreement, or professional services agreement.

B. Verification – All purchases and billing invoices will be verified, by the signature or initials of the Mayor, City Administrator or Treasurer, as properly authorized, merchandise or services received, and within fiscal year budget allocation prior to dispatch of payments checks.

C. Evidence of contractor commercial liability insurance, workmen's compensation insurance, and any other applicable insurance as determined by the city and in such limits as determined by the city shall be obtained from contractors. In addition, all agreements with contractors must include an indemnification clause.

PASSED AND APPROVED on the 3rd day of December 2024, at a scheduled meeting by the Board of Aldermen of the City of Highland Haven, Texas.

Olan Kelley

Olan Kelley, Mayor

Attest:
Lezley Baum

Lezley Baum, City Secretary

