

HOW TO DO BUSINESS WITH THE CITY OF ALLEN PURCHASING DIVISION

(A GUIDE FOR SUPPLIERS)

This guide is intended to give a brief insight into the City procurement process. The City's basic procurement philosophy is that competitive participation of the business community is vital to our mutual welfare. While this guide does not encompass every detail of all regulations, practices and statutes governing purchasing, it does provide the basic principles of our procurement practices.

The City Purchasing Division is responsible for the coordination of all of the supplies, materials and equipment necessary for the delivery of municipal services, as well as for contracting minor construction and professional or personal services. Consequently, purchasing is the only entity within the City government authorized to issue bid invitations over \$50,000, discuss price and delivery commitments and to release purchase orders and term contracts. The Division is located at:

City of Allen
Allen Civic Plaza, 305 Century Parkway, Second Floor
Allen, TX 75013

POLICY STATEMENT

Purchasing attempts at all times to maintain goodwill between the City government and the business community.

BID INFORMATION

To get on the Purchasing Division's vendor list to obtain bid solicitations please contact DemandStar.com or call 1-800-711-1712 for more information. The annual membership fee varies depending upon vendor needs. Many other governmental entities in Collin County are joining DemandStar.com.

You may also view our current bid notices at www.cityofallen.org/ Purchasing and click on the link to Current Bid List.

SUPPLIER PERFORMANCE

Purchasing will establish Vendor Performance files for all vendors doing business with the City. Suppliers should keep Purchasing advised of any changes to their remittance address.

Delivery Dates: Failure to meet a specified delivery date reflects on your performance and could be a factor in subsequent award determinations. It is the supplier's responsibility to notify the Purchasing Division when a delay in the delivery schedule is anticipated or occurs. At this time, the supplier should indicate the new anticipated delivery date and the reason for the delay. It should be noted that failure to deliver within a contractual delivery schedule may result in the supplier being declared in default. In that event, termination action will be taken by the City under the provisions of the Uniform Commercial Code and the State of Texas.

Quality and Service: Unsatisfactory product quality or service performance also reflects on a supplier, and could be a factor in subsequent award determinations. Such performance can increase the City's operating costs and must be taken into consideration when awards should be made to the "lowest responsible bidder."

PRESENTING YOUR PRODUCT

You will find the Purchasing Division ready and willing to help you compete for City business. If you have a product/service to sell, please feel free to stop by and talk. Our visiting hours are by appointment only. To set up an appointment please call 214-509-4633.

PROCUREMENT METHODS

The City of Allen employs the following methods to procure goods and services:

Purchases in amounts of \$1 - \$3000 may be made on the basis of one (1) quotation by the using departments of the City.

Purchases in amounts of \$3001 - \$50,000 may be made on the basis of a minimum of three (3) quotes, taking into consideration the State Law requiring Historically Underutilized Businesses (HUBS) involvement, by the using departments of the City.

Purchases in the amounts of \$50,000 or greater are subject to requirements of the competitive bid process unless specifically exempted by State Law.

Purchase Orders are issued by the City Purchasing Division to make all purchases.

Supply Contracts are established through a competitive bid process to purchase goods and services at a fixed price or a fixed term for a specified period. Inverted Purchase Orders (IPO's) are utilized by the Departments to acquire goods/service covered by a Supply Contract.

Service Agreements are contracts for service and repair of equipment generally established annually or at the acquisition of the equipment. The Purchasing Division will coordinate service agreements. Departments will contact authorized vendors when service/repair of equipment is needed.

Price Agreements are used to establish a qualified contractor listing for items/services that are purchased repetitively over a period of time, but can not be quantified. Purchase Order (PO's) are utilized by the Departments to acquire goods/service covered by a Price Agreement.

BIDDING METHODS

The City of Allen utilizes competitive bidding for the contracting of goods and services over \$50,000 unless exempted by State Law. Since competitive bidding is the foundation of all purchases, we make every effort to continually seek sources that have the capability to meet the needs of the City at competitive prices.

Public Advertising. Purchases and contracts involving the expenditure of more than \$15,000 requires public notice of the time and place where sealed bids or proposals will be received. All public notices will be advertised in the "official newspaper" for City notices as determined by the Allen City Council, as well as various other advertising methods. For the name of the current "official newspaper" and other advertising methods being utilized, contact the City Purchasing Division by telephoning 214-509-4633.

Public Accessibility to Bids and Proposals. Subject to the following conditions, copies of competitive bids are available to interested parties. Copies will be made so as not to disrupt the normal operation of the Purchasing Division. Copies of data and information submitted in competitive sealed proposals/bids are not available prior to the contract being considered for approval by City Council or awarded by the City Council. The cost of copies is subject to the City's standard charges of public records. Vendor proprietary information and data which is clearly marked as such by the vendor is not considered public information (Chapter 552, Government Code, V.T.C.A., the Open Records Act). The City will assume that vendor information is not proprietary unless it is clearly marked by the vendor.

Request for Proposal. The City utilizes the Request for Proposal (RFP) method in the procuring of goods, services or professional services. This method is used when the competitive bidding process is not suitable, as in certain professional

services under the State of Texas Statutes. The RFP provides to the potential vendor information such as work statement, time frame, specifications and specific criteria to be used in evaluating a proposal. We request the vendor provide information such as an understanding of the work to be done, the approach to be used, and pricing data, which may include a price breakdown or cost schedule, so the cost to the City can be adequately considered.

Request for Sealed Bids. Unless exempted by State Law, municipal purchases of goods or services exceeding \$50,000 must first submit such contract to the sealed bid process. This process shall include the advertisement for bids, receipt of sealed bids in accordance with plans and specifications, public opening of bids and award of contract by the City Council. In high technology acquisitions, bids are opened so as to avoid disclosure of contents to other vendors during review. Discussions may be conducted by an evaluation committee with responsible vendors who submit competitive sealed proposals determined to be reasonably suitable of being selected forward. The purpose is to clarify and assure full understanding of, and responsiveness to, the requirements. On occasion, these vendors are requested to submit the best and final offer.

BID SECURITY - BONDING

In order to protect the interests of Allen taxpayers, the City may require bonding security on bids and contracts, depending on the dollar amount involved.

Bid Security. Bid security, in the form of a cashier's check, certified check, or bid bond is mandatory for bid submission for all bids of \$25,000 or greater in value. Although usually five percent (5%) of the bid value, the amount of the security may vary depending on the specifics of the bid. Bids for the amount less than \$25,000 may require security, depending on the specifics of the bid.

Performance and Payment Bonds. (In connection with a contract for construction, alteration, or repair of any public building or completion of any public work) In accordance with State statutes covering governmental purchases, Performance Bonds and Payment Bonds are required on any contract exceeding \$25,000. The City may also elect to require performance and payment bonds for contracts other than Public Works contracts.

INSURANCE

The City requires that all contracts contain certain insurance coverage to be provided by the contractor, lessee, etc. The requirements set forth below should be considered minimal. Any exceptions to this coverage shall be reviewed and approved by the City prior to award of contract. Contractors who engage subcontractors shall be responsible to see that subcontractors procure and maintain the same insurance required by the contractor.

NOTE: The contract insurance requirements are subject to modifications as may be published in the bid documents.

CONTRACT INSURANCE REQUIREMENTS

Specific insurance requirements are incorporated into the bid documents and specifications of each bid. Insurance requirements for the City of Allen are constantly under review to determine the appropriateness of both coverage and values.

SUBMISSION OF BIDS

Sealed bids must be received in the Purchasing Division prior to the due date and time or they will be considered to be non-responsive. Bids received after the due date/time or faxed bids will not be accepted.

Sealed bids are opened Mondays through Fridays, as specified in the bid request. Bid openings are public except for high technology procurements where competitive sealed proposals are solicited. Your firm's representative is welcome to attend whether or not engaged in bidding.

Modification or Withdrawal of Bids. Bids may be modified by written notice or in person by the bidder or authorized representative, provided proper identification is provided. However, the modification may only be made prior to the hour and date set for the receipt of bids. To maintain the integrity of the bidding process, a bid that has been opened by the City is not subject to alteration for the purpose of correcting an error in the bid price, unless the mistake is clearly evident from examining

the bid document (e.g. extension of the unit prices or errors in addition.) This policy does not revoke the right of the bidder to withdraw a bid due to material mistakes prior to bid opening by the City. Bids for contracts over \$50,000 may only be withdrawn after bid opening with permission of the Purchasing Agent.

Bid Evaluation and Award

It is the policy of the City to purchase from suppliers who have adequate financial strength, management and service capabilities, high ethical standards and integrity, the ability to provide materials which consistently meet the City's requirements and are otherwise qualified and eligible to receive an award under applicable laws and regulations.

Texas Resident Bidders. Except for a contract involving federal funds, a contract may not be awarded to a non-resident bidder unless a non-resident bidder's bid is lower than the lowest bid submitted by a responsible Texas resident bidder by the same amount that the Texas resident bidder would be required to underbid a non-resident bidder to obtain a comparable contract in the state in which the non-resident's principle place of business is located. This does not apply in circumstances where a non-resident bidder is owned by a majority owner or a parent company with its principle place of business in Texas (Article 601G, V.A.C.S. An Act relating to bids by non-resident bidders.)

Identical Bids. When two or more responsible bidders submit the lowest responsible bids, and these bids are identical in both amount and nature, the City will enter into a contract with only one of the responsible bidders as selected in a legal manner. It should be noted that this does not prohibit multiple and progressive awards if specified in the bid request.

Specifications. By law, the City has to accept the "lowest responsible bid" in any given bid situation. To accomplish this the City uses a two step approach when evaluating bid responses. The first, and primary, step is to determine which responses "mirror" our specifications. It is incumbent upon the City to develop specifications that promote competition while at the same time ensure our operating needs are met. To promote fair competition, it is paramount vendors are competing on a level playing field. City policy, coupled with recent law interpretation, states that before a bid passes through to the next stage of the evaluation process, the vendor must "mirror" our specifications, that is it must take no exceptions. After we have established which bids were responsive to our specifications, then we go to the lowest bid and ask ourselves "Is this a responsible vendor?" (Have we ever had documented problems with failure to deliver promised, lost orders, receipt of equipment not adhering to spec, etc? Does the bidder have the necessary manpower, experience, equipment and economic stability to perform the contract?) If we determine that the lowest bid to meet spec was from a "responsible" vendor that is the bid we are required by law to accept.

BIDS THAT TAKE ANY EXCEPTIONS TO OUR SPECIFICATIONS WILL NOT BE FURTHER CONSIDERED.

Insurance/Bonding Requirements. Many bids the City of Allen is involved in have insurance and bonding requirements as part of the specifications, or sample contract, mailed with the bid. **THE BONDING AND INSURANCE REQUIREMENTS IN A BID CAN NOT BE WAIVED.** You are expected, if awarded the contract, to furnish us with an insurance certificate satisfying ALL requirements. Please consult your insurance agent prior to submitting a bid to determine whether or not you will be able to secure the necessary insurance. If you determine you will not be able to meet our requirements, please save yourself a considerable amount of time by no-bidding the project.

Partial awards. Unless the bid document specifies otherwise, Purchasing may award a contract for any item or group of items shown on the bid request.

Reservations. The City expressly reserves the right to.

- Waive any informality.
- Waive any defect, irregularity or informality in any offer of solicitation procedures.
- Reject any and all bids, or portions of bids.
- Reissue a bid request.
- Extend the bid opening date and time.
- Procure any item by other means.
- Increase or decrease the quantity specified in the bid invitation, unless the bid specifies otherwise.

Award Notification. Official notification of a purchase award can only be made by the Purchasing Division. Notice of award given by any other agency of the City may be premature and inaccurate. Award of an open market purchase is made by issuing a City of Allen Purchase Order. The successful bidder(s) of an annual contract is notified of award by letter from the City's Purchasing Division. Included will be a summary of prices and commitments made in the bid.

TAX EXEMPTION

The City is exempt from payment of federal excise and transportation taxes, as well as Texas State or local sales and use taxes. If it is determined that the price quoted and recorded on any order or invoice rendered include any such taxes, the amount of the taxes will be deducted from the total of the invoice.

INVOICING AND PAYMENT REQUIREMENTS

Invoicing for goods/services received by City.

Please submit all invoices to:

City of Allen
Attn: Finance Department
Allen Civic Plaza
305 Century Parkway
Allen, TX 75013

To avoid any delay in payment, always reference the Purchase Order Number on the invoice:

Payment Terms.

Normal City payment terms are Net 30 days. Any discount available to the City for prompt payment should be noted on invoice. Unless otherwise noted, discounts will be calculated from the date of delivery, or the date of the invoice, whichever is more recent.

Payment Inquiries.

Please direct any payment questions to the mailing address noted above or you may call 214-509-4639.

The City of Allen is a participating member of the Collin County Governmental Purchasers Forum for a list of member entities please visit www.co.collin.tx.us/purchasing/forumlist.pdf

Created by City of Allen Purchasing Division. Send your comments or suggestions to: City of Allen, Purchasing or call (214)509-4633. Last Updated on May 30, 2008