

TOWN OF ANNETTA, TEXAS

RESOLUTION NO. 25-06

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF ANNETTA, TEXAS, AMENDING THE TOWN PURCHASING POLICY; PROVIDING AN EFFECTIVE DATE

WHEREAS, the Town Council of the Town of Annetta, Texas, (“Town”) has determined that certain personal property owned by the Town in the form of certain equipment is no longer needed; has been replaced by other equipment; and is no longer necessary for the Town’s current or foreseeable needs; and

WHEREAS, the Town previously adopted a Purchasing Policy as guidelines for Town procurement; and

WHEREAS, the Purchasing Policy establishes standard practices and procedures to create uniformity, economy, efficiency, and effectiveness in the Town’s purchasing program; and

WHEREAS, Texas Senate Bill 1173 became effective September 1, 2025, which increased the statutory competitive bidding threshold to \$100,000; and

WHEREAS, the City Council has reviewed the City’s Purchasing Policy and desires to adopt the policy attached hereto as Exhibit “A” to increase the purchasing categories to expenditures of \$500 or more but less than \$5,000; expenditures of \$5,000 more but less than \$75,000; and purchases of \$75,000 or more.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF ANNETTA, TEXAS, THAT:


SECTION 1. All of the above premises are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

SECTION 2. The Town Council repeals the prior Purchasing Policy and adopts the amended Purchasing Policy attached hereto as Exhibit “A.”

SECTION 3. This Resolution shall be in full force and effect from and after its passage.

PASSED AND APPROVED THIS THE 16TH DAY OF OCTOBER, 2025.

TOWN OF ANNETTA, TEXAS



Sandy Roberts, Mayor

ATTEST:



Jamee Long, City Secretary



Exhibit “A”
Purchasing Policy



PURCHASING POLICY MANUAL

Adopted: February 21, 2013

Amended: November 21, 2013

Amended: August 21, 2014

Amended: July 16, 2015

Amended July 20, 2017

Amended October 16, 2025

Table of Contents

<i>FORWARD</i>	3
<i>GLOSSARY OF TERMS</i>	4
<i>DUTIES, ROLES & RESPONSIBILITIES</i>	6
STAFF DUTIES, ROLES & RESPONSIBILITIES	6
<i>POLICY STATEMENTS</i>	7
I. GENERAL STATEMENT OF POLICY	7
II. ARCHITECT AND ENGINEERING PROCUREMENT POLICY	7
III. FUNDS AVAILABILITY POLICY	7
<i>PURCHASING PROCEDURES</i>	8
I. PURCHASES LESS THAN \$500.00	8
A. GENERAL INFORMATION.....	8
II. PURCHASES OF \$500.00 OR MORE, BUT LESS THAN \$5,000.00	8
A. GENERAL INFORMATION.....	8
B. PROCEDURES FOR PURCHASES OF \$500.00 OR MORE, BUT LESS THAN \$5,000.00.....	8
III. PURCHASES \$5,000.00 OR MORE, BUT LESS THAN \$75,000.00	9
A. GENERAL INFORMATION.....	9
B. PROCEDURES FOR PURCHASES \$5,000.00 OR MORE, BUT LESS THAN \$75,000.00	9
IV. PURCHASES \$75,000.00 OR MORE	10
V. EMERGENCY PURCHASES	10

FORWARD

This policy has been prepared to inform and instruct each department, division, and their staff members, of the many methods of procurement and duties and responsibilities of all those involved in the purchasing process.

The goals of the Purchasing Policy Manual include the following:

- purchasing quality goods and services;
- obtain the best possible value for goods and services;
- encourage and promote interlocal cooperation among area agencies;
- accept delivery of goods and services when and where needed;
- assure a continuing supply of needed goods and services;
- guard against misappropriation of any assets procured.

Additionally, we are committed to ensuring that:

- responsible bidders are given a fair opportunity to compete for the Town's business;
- public funds are safeguarded;
- the best value is received for the public's dollar.

This is done partially by the statutory requirements for competitive bids and proposals, and partially by the Town's own purchasing procedures.

In its simplest expression, every employee should ask himself or herself whether or not the following criteria are met before a purchase is made:

1. Does the purchase provide the best value for the public's dollar?
2. Is the purchase needed?
3. Is the procurement method legal, and does it meet the guidelines in this manual?

If all of these questions are answered in the affirmative, then the purchase should be made.

If any of these litmus tests are not answered in the affirmative, then the purchase should not be made.

This manual cannot address every situation; and, when an unusual situation occurs or a difficult legal problem arises, the *final* authority for Town purchasing procedures is the law itself.

GLOSSARY OF TERMS

The following definitions are intended to assist you in understanding the language used throughout this manual. When using this manual, if you find a word or words that you do not clearly understand and that is not defined in this section, please do not hesitate to contact Accounts Payable or his/her designee for clarification and/or interpretation.

Accounts Payable – Means the City Administrator or his designee. In the event the City Administrator position is vacant or the City Administrator is otherwise unable to serve, the term means the Mayor's designee.

City Council - The elected officials of the Town who are given the authority to exercise such powers and jurisdiction of all Town business as conferred by the State Constitution and Laws.

Emergency – Purchases that are made to meet a critical, unforeseen need of the Town, where the Town's ability to serve the public would be impaired if the purchase is not made immediately. Emergency purchases are exempt from standard purchasing procedures and must qualify for exemption as outlined in Texas Local Government Code § 252.022.

Encumbrance - The process wherein the Town reserves funds for the purchase of supplies, goods, services, and equipment.

Procurement Card – The credit card designated by the City Council for the purchase of goods or services.

Purchase - An act that includes the acquisition of goods or services, including the act of leasing personal or real property.

Purchase order - A formal, binding, legal agreement issued by the Town. A purchase order details the goods or services to be purchased. When accepted by a vendor without qualifications within a specified time period, the agreement becomes a contract. A purchase order grants the vendor the authority to deliver the goods or services and invoice for the same.

Town – Means the Town of Annetta, Texas.

Town Expense Approval Form - This form must be used for all expenditures greater than \$500.00. It is intended to provide the Mayor and Town Staff with enough information to make an informed decision regarding the approval of requested purchases. At a minimum this information must include: summary information of purchase request, background information, number of quotes or estimates received, funding source, budget vs. actual cost analysis, and a summary tabulation if necessary.

Vendor - A generic term applied to individuals and companies alike, who seek to provide goods or services to the Town.

DUTIES, ROLES & RESPONSIBILITIES

The Town is a small municipality with limited staff resources. While, we do not have a formal purchasing division, we do have employees assigned to critical purchasing tasks and activities. Additionally, every employee is responsible for ensuring that the public dollar is spent in accordance with the policies and procedures outlined in this manual and to seek advice from their department director or supervisor if they are in doubt about a policy or procedure before making a purchase.

STAFF DUTIES, ROLES & RESPONSIBILITIES

Individual Employees – All employees are required to choose the best value to the Town when making purchasing choices, to use good judgment and to comply with all policies and procedures contained within this manual.

City Administrator – The individual who ensures compliance with the Town's purchasing procedures and coordinates city-wide purchasing activities. The Mayor's designee will be responsible for ensuring compliance and coordinating such activities in the event the City Administrator position is vacant or the City Administrator is otherwise unable to serve.

For each of the purchasing procedures identified and explained in the remainder of this manual, further duties, roles and responsibilities are defined and identified for each of the staff members identified above.

POLICY STATEMENTS

I. GENERAL STATEMENT OF POLICY

It is the policy of The Town that all purchasing shall be conducted strictly on the basis of economic and business merit to best promote the interest of the citizens of the Town. The Town encourages free and unrestricted competition on all bid requests and purchases, ensuring the taxpayers the best possible return on each dollar. All contracts and purchases shall be handled so as to obtain the best value for the Town, with bids or quotations solicited whenever practical. These purchasing policies have been established to assist each department head, division manager and their staff to procure necessary goods and services at the best possible price within all federal, state and municipal purchasing laws. The Texas State Legislature has enacted Chapter 252 of the Local Government Code, and it shall be the policy of the Town to fully comply in all aspects with the rules, regulations, and procedures contained therein, as well as all other state purchasing laws.

II. ARCHITECT AND ENGINEERING PROCUREMENT POLICY

The Town shall follow the applicable purchasing laws and procedures in Chapter 2254 of Texas Government Code for all engineering and architectural services.

III. FUNDS AVAILABILITY POLICY

Before any purchase over \$500.00 may be made, an individual employee must verify that funds are available to make the required purchase by coordinating the purchase through Accounts Payable.

When state law requires the Town to use competitive bidding procedures, or when it is in the best interest of the Town to do so, a Certification of Available Funds Form (attached) shall be completed by Accounts Payable before a Notice to Bidders, Request for Proposals or Request for Qualifications is published. Those funds identified to procure the needed good or service, shall be encumbered before notice is published.

PURCHASING PROCEDURES

I. PURCHASES LESS THAN \$500.00

A. GENERAL INFORMATION

1. Purchase requisitions and purchase orders are not required for purchases less than \$500.00, provided they have been approved in the budget. The person initiating the purchase may choose the best method available and practical for the proposed purchase. Typical methods might include procurement cards, check requests or purchase orders.
2. The Mayor, City Administrator or other Town employee vested with the authority to initiate purchases on behalf of the Town may authorize purchases of goods or services in an amount less than \$500.00 without the approval of the City Council provided that no purchase of any amount may be authorized if such amount has not been accounted for in the Town's annual budget.
3. Purchases of less than \$500.00 do not need to be documented on a Town Expense Approval Form, however, the receipts for such purchases must be delivered to Accounts Payable after the purchase has been finalized.

II. PURCHASES OF \$500.00 OR MORE, BUT LESS THAN \$5,000.00

A. GENERAL INFORMATION

1. Purchase requisitions or purchase orders are not required for purchases of \$500.00 or more, but less than \$5,000.00. The person initiating the purchase may choose the best method available and practical for the proposed purchase. Typical methods might include procurement cards, check requests or purchase orders.
2. No purchase of any amount may be approved if such amount has not been accounted for in the Town's annual budget.

B. PROCEDURES FOR PURCHASES OF \$500.00 OR MORE, BUT LESS THAN \$5,000.00

1. Before initiating a purchase of \$500.00 or more, but less than \$5,000.00, the person initiating the purchase must first determine if sufficient funds are budgeted for the purchase in the appropriate account by communicating with Accounts Payable.

2. If funds are not available, funds must first be transferred by Accounts Payable from another account or otherwise made available or the purchase cannot be approved.
3. If funds are available for the purchase, the person initiating the purchase then formally submits the purchase request to Accounts Payable on the Town Expense Approval Form.
4. Accounts Payable then reviews the request and supporting documentation to determine compliance with this policy. Once Accounts Payable determines that the request complies with this policy, he or she shall process the payment.
5. The person requesting payment for the purchase shall ensure that the purchase was charged to the appropriate account when the person receives the applicable monthly expenditure report.

III. PURCHASES OF \$5,000.00 OR MORE, BUT LESS THAN \$75,000.00

A. GENERAL INFORMATION

1. Purchase requisitions and purchase orders are required for purchases of \$5,000.00 or more, but less than \$75,000.00.
2. A purchase of \$5,000.00 or more, but less than \$75,000.00 dollars must receive the written approval of the Mayor prior to the funds being processed by Accounts Payable.
3. No purchase of any amount may be approved if such amount has not been accounted for in the Town's annual budget.

B. PROCEDURES FOR PURCHASES \$5,000.00 OR MORE, BUT LESS THAN \$75,000.00

1. Before initiating a purchase of \$5,000.00 or more, but less than \$75,000.00, the person initiating the purchase must first determine if sufficient funds are budgeted for the purchase in the appropriate account by communicating with Accounts Payable.
2. If funds are not available, funds must first be transferred by Accounts Payable from another account or otherwise made available or the purchase cannot be approved.
3. If funds are available and have been budgeted for the expense, the person initiating the purchase shall attempt to obtain at least three

written quotes from three different vendors of the good or service. Quotes may be taken over the phone, provided that the Telephone Quote Sheet is completed.

4. After obtaining the quotes, the person initiating the purchase shall complete a Town Expense Approval Form and submit it along with the Telephone Quote Sheet to Accounts Payable.
5. Accounts Payable shall then review the Town Expense Approval Form and Telephone Quote Sheet to determine, with input from the Mayor, the vendor who offers the best value to the Town.
6. Accounts Payable shall then create a purchase order and encumber the required funds. The purchase order must be signed by the Mayor before being processed by Accounts Payable.

IV. PURCHASES \$75,000.00 OR MORE

Purchases of \$75,000 or more must be approved by the City Council and competitively bid in compliance with the procedures in Chapter 252 of the Texas Local Government Code, Chapter 2269 of the Texas Government Code, or other applicable provision of state law, unless an exception to state law requirements apply.

V. EMERGENCY PURCHASES

Notwithstanding anything in this policy to the contrary, in the event of an emergency, the Mayor, or any person authorized by the Mayor in writing, may expend funds without Council approval, provided that the Mayor and City Administrator agree in writing that the expenditure is an emergency affecting the health, safety or public welfare of the citizens of the Town and that failure to expend the funds immediately may result in loss of life or property or present other significant financial risk to the Town. The Mayor may not make an expenditure of \$75,000 or more if the expenditure could be posted on an agenda for City Council consideration under section 551.045 of the Texas Government Code, as amended, without jeopardizing the loss of life, property, or other significant financial risk to the City. The action shall be ratified by the City Council at the next regular or specially called meeting of the City Council.

-----END OF POLICY-----