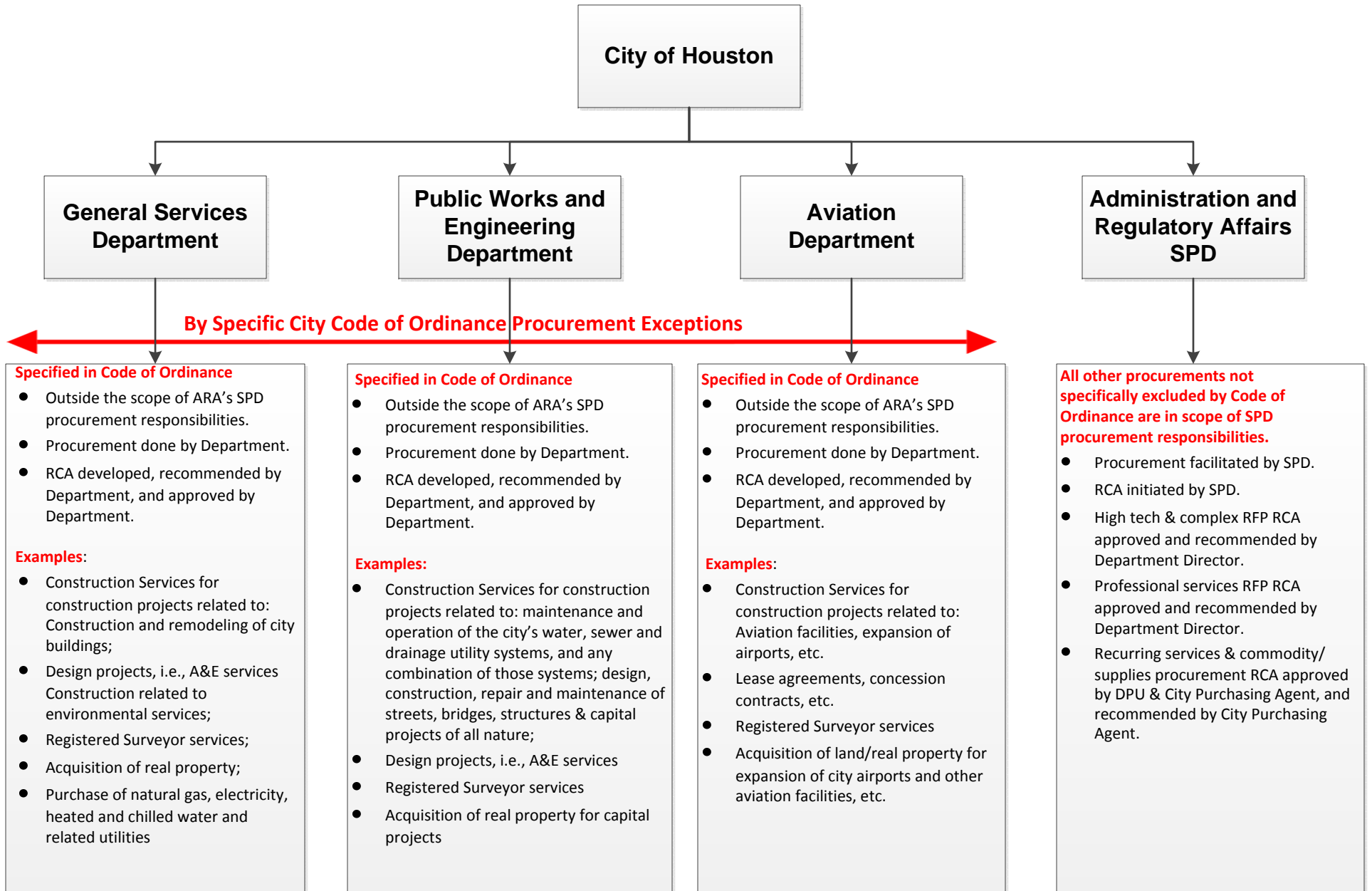




CITY OF HOUSTON PROCUREMENT

Overview of Procurement Code of Ordinance



City of Houston

General Services Department

Public Works and Engineering Department

Aviation Department

Administration and Regulatory Affairs SPD

By Specific City Code of Ordinance Procurement Exceptions

Specified in Code of Ordinance

- Outside the scope of ARA's SPD procurement responsibilities.
- Procurement done by Department.
- RCA developed, recommended by Department, and approved by Department.

Examples:

- Construction Services for construction projects related to: Construction and remodeling of city buildings;
- Design projects, i.e., A&E services Construction related to environmental services;
- Registered Surveyor services;
- Acquisition of real property;
- Purchase of natural gas, electricity, heated and chilled water and related utilities

Specified in Code of Ordinance

- Outside the scope of ARA's SPD procurement responsibilities.
- Procurement done by Department.
- RCA developed, recommended by Department, and approved by Department.

Examples:

- Construction Services for construction projects related to: maintenance and operation of the city's water, sewer and drainage utility systems, and any combination of those systems; design, construction, repair and maintenance of streets, bridges, structures & capital projects of all nature;
- Design projects, i.e., A&E services
- Registered Surveyor services
- Acquisition of real property for capital projects

Specified in Code of Ordinance

- Outside the scope of ARA's SPD procurement responsibilities.
- Procurement done by Department.
- RCA developed, recommended by Department, and approved by Department.

Examples:

- Construction Services for construction projects related to: Aviation facilities, expansion of airports, etc.
- Lease agreements, concession contracts, etc.
- Registered Surveyor services
- Acquisition of land/real property for expansion of city airports and other aviation facilities, etc.

All other procurements not specifically excluded by Code of Ordinance are in scope of SPD procurement responsibilities.

- Procurement facilitated by SPD.
- RCA initiated by SPD.
- High tech & complex RFP RCA approved and recommended by Department Director.
- Professional services RFP RCA approved and recommended by Department Director.
- Recurring services & commodity/ supplies procurement RCA approved by DPU & City Purchasing Agent, and recommended by City Purchasing Agent.



CITY OF HOUSTON PROCUREMENT

Procurement Roles and Responsibilities

Excerpts from Administrative Procedure AP 5-2

User Departments

- Develop a procurement management plan that demonstrates compliance with Executive Order 1-14.
- Perform purchasing, receiving, and payment functions in accordance with established policies and procedures, City ordinances, and State laws.
- Designate a Departmental Purchasing Unit (DPU) office.
- Determine what goods and/or services are needed, and allow adequate time for procurement.
- Initiate requisitions and obtain the required approvals.
- Develop specifications.
- Approve requisitions for goods and/or services charged to the department's budget.
- Segregate duties among personnel performing purchasing, receiving, and payment functions.
- Designate approval authorities and limits in writing and provide the designation to the City Purchasing Agent.
- Maintain all records documenting compliance with all governing regulations.
- Notify the Legal and Administration and Regulatory Affairs departments about violations by department employees and/or suppliers/contractors. Take appropriate disciplinary action against an employee who has committed a violation.
- Ensure that the department's employees do not receive goods and/or services until proper authorization has been obtained.
- Verify City personnel's description of the type and quantity of goods and/or services received.
- Immediately inspect goods and/or services received for overages, shortages, and damages, and verify that they meet specifications.

Department Purchasing Units

- Submit requisitions in excess of the department's spending authority or confirmations to the Strategic Purchasing Division (SPD) for processing.
- Work with personnel from SPD, technical support unit (if appropriate), and the ordering division or section to renew and develop contracts, and prepare the Request for Council Action (RCA).
- Coordinate and expedite the procurement process.
- Verify approvals.
- Process and approve requisitions.
- Solicit bids for departmental purchases and document results in accordance with A.P 5.2.
- Issue department purchase orders for authorized amounts and obtain the required approval.
- Monitor supplier/contractor performance and notify SPD about supplier/contractor problems.
- Determine and apply the proper type of procurement process for acquiring goods and/or services.
- Direct suppliers/contractors to send invoices to the City official designated to receive and process them.
- Maintain proper records and files for audit purposes.
- Disseminate procurement policies and procedures within the department.
- Be the primary communications point for supplier/contractor related questions and problems.

Strategic Purchasing

- Work with the departments to renew their contracts in a timely manner to ensure continuity of goods and/or services.
- Develop new contracts to maximize economies of scale including developing specifications, conducting specification workshops and pre-bid conferences, reviewing bids, and making award recommendation.
- Work with user departments and the technical support unit to prepare and issue high-technology Requests for Proposals (RFPs), evaluate responses, and to select a supplier/contractor.
- Monitor the department's purchasing activities to ensure compliance with established policies and procedures, City ordinances, and State laws.
- Process requisitions and issue POs for non-contract goods and/or services in excess of the department's spending authority.
- Process change orders and cancellations that exceed the department's spending authority.
- Prepare Requests for Council Action to approve procurement contracts and non-contract POs within the Council approval authority which is equal to or greater than the State bid law requirement.
- Review and approve departmental policies and procedures pertaining to purchasing, receiving, and payment.
- Approve changes in specific department's spending authority consistent with Executive Order 1-14.
- Be the systems administrator for the purchasing system.
- Report violations to the responsible department head and to the Administration and Regulatory Affairs Department Director. Recommend changes in specific department's purchasing authority as a result of policy violations.

Information Technology Department

- Assist departments in identifying and evaluating appropriate high-technology solutions.
- Assist the Strategic Purchasing Division (SPD) and the departments in developing high technology Requests for Proposal, evaluate responses, select and negotiate with the successful proposer, and prepare contract documents.

Legal Department

- Oversee the preparation of contract documents.
- Perform in an advisory and appeal processing role to certify suppliers/contractors.
- Prepare ordinances.
- Respond to, and advise SPD about purchasing issues.
- Review issues for appropriate legal action.

Finance Department

- Approve capital equipment purchases in accordance with Executive Order 1-14.
- Approve Requests for Council Action that requires appropriated funds.

Mayor's Office of Business Opportunity

- Assist departments with certified Minority/Women Business Enterprises (M/WBE's) participation levels for goal-oriented and regulated contracts.
- Certify M/WBE's as well as monitor, update, and distribute a list of these businesses.
- Compile a bi-monthly report of the department's progress toward attaining citywide certified M/WBE goals for City Council's information.

City Secretary

- Coordinate the submission of Requests for Council Action (RFCA) to City Council.
- Place bid advertisements in local newspapers.
- Receive, open, and read all formal bid responses from suppliers/contractors, and make available the copies of each bid to SPD.