

RESOLUTION NO. 2025-10-002

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PINE ISLAND, TEXAS, ADOPTING A PURCHASING POLICY TO PROVIDE GUIDELINES FOR THE EXPENDITURE OF PUBLIC FUNDS; PROVIDING FOR COMPLIANCE WITH STATE LAW; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Pine Island, Texas, recognizes the need for clear policies governing the purchase of goods and services to ensure accountability, transparency, and compliance with state law; and

WHEREAS, Chapter 252 of the Texas Local Government Code and other applicable statutes require municipalities to follow specific procedures for competitive bidding, requests for proposals, and professional services contracts; and

WHEREAS, the Town Council finds that it is in the best interest of the Town and its citizens to formally adopt a purchasing policy to guide town officials and employees in the procurement process;

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

1. **Adoption of Policy.** The Town of Pine Island Purchasing Policy, attached hereto as *Exhibit A*, is hereby adopted and shall be followed by all Town officials and employees involved in procurement.
2. **Purpose.** The purpose of this policy is to:
 - Ensure compliance with state law, including the Texas Local Government Code;
 - Promote transparency and fairness in purchasing;
 - Obtain the best value for the Town while safeguarding public funds;
 - Establish procedures for small purchases, formal bids, professional services, and emergency procurements.
3. **Authority.** The City Manager (if applicable) is authorized to administer this policy, approve purchases within budget limits, and ensure proper recordkeeping and reporting to the Town Council.
4. **Amendments.** Any amendments to this policy must be approved by resolution of the Town Council.
5. **Effective Date.** This resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this 6th day of October, 2025.

TOWN OF PINE ISLAND, TEXAS



Mayor

ATTEST:


City Secretary

Town of Pine Island – GASB-Compliant Purchasing Policy

1. Purpose

The purpose of this policy is to establish procedures for the procurement of goods, services, and equipment, ensuring compliance with state law and GASB standards for financial accountability, transparency, and internal control.

2. Scope

This policy applies to all City departments, personnel, and entities responsible for initiating, approving, and recording purchases. It covers purchases of all types, including goods, services, contracts, and professional services.

3. Principles

- **Public accountability:** Ensure public funds are used effectively and reported accurately.
 - **Transparency:** Document all purchasing decisions and make records available for audit and public review.
 - **Internal controls:** Maintain segregation of duties to prevent errors, fraud, or conflicts of interest.
 - **Compliance:** Follow state law, City ordinances, and GASB standards regarding financial reporting and fund accounting.
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4. Authorization and Responsibility

- **City Council:** Approves the overall purchasing policy and major expenditures above thresholds.
 - **City Manager:** Administers the policy and ensures departmental compliance.
 - **Finance Director:** Reviews and approves contracts, purchases, and related accounting entries.
 - **Department Heads:** Initiate purchase requests, ensure compliance with thresholds, and maintain supporting documentation.
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5. Purchasing Thresholds and Requirements

\$0 - \$2,500.00

City Manager, City Secretary; one quote. City manager is authorized to sign contract or purchase order.

\$2,500 - \$99,999.00

City Council approval required. Three written quotes. For expenditures of at least \$3,000 but less than \$100,000.00, the City shall contact at least two historically underutilized businesses on a rotating basis, based on information provided by the comptroller pursuant to Chapter 2161, Government Code. If the list fails to identify a historically underutilized business in the county in which the municipality is situated, the City is exempt from this section. Tex. Local Gov't Code 252.0215

>\$100,000.00

Competitive bidding or proposals required or purchasing through a cooperative required unless the purchase or expenditure is authorized by one of the exemptions in Tex. Local Gov't Code 252.022. Requires City Council approval.

6. Purchasing Methods

- **Small Purchases:** Direct purchase orders or petty cash with documented approvals.
- **Informal Quotes:** Verbal or written quotes; maintain records for audit.
- **Formal Bids/Proposals:** Publicly advertised; evaluate using objective criteria.
- **Cooperative Purchasing:** Utilize approved purchasing cooperatives when cost-effective.

7. Contract Management

- Contracts must include scope of work, deliverables, pricing, payment terms, and termination clauses, indemnity provisions, and any certifications or disclosures required by law. Vendors must sign the city's contract rider for all contracts and purchase orders over \$2,500.00 unless specifically exempted by the City Manager in writing.
 - Multi-year contracts must include annual appropriation clauses to ensure compliance with GASB accounting requirements.
 - All contracts must be reviewed for legal sufficiency and compliance with GASB reporting requirements.
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8. Ethics and Conflict of Interest

- Employees and officials may not accept gifts, favors, or personal benefits from vendors over \$~~50100~~.
- Conflicts of interest must be disclosed immediately in writing.
- Certificate of Interested Parties (TEC Form 1295). For contracts that require City Council approval or that is for services that would require a person to register as a lobbyist under Chapter 305 of the Government Code, the City may not accept or enter into a contract until it has received from the Vendor a completed and signed Texas Ethics Commission (TEC) Form 1295 complete with a certificate number assigned by the (TEC), pursuant to Texas Government Code § 2252.908 and the rules promulgated thereunder by the TEC. The Vendor understands that failure to provide said form complete with a certificate number assigned by the TEC may prohibit the City from entering the Contract.

Pursuant to the rules prescribed by the TEC, the TEC Form 1295 must be completed online through the TEC's website, assigned a certificate number, printed, signed and provided to the City. The TEC Form 1295 may accompany the bid or may be submitted separately but must be provided to the City prior to the award of the contract. Neither the City nor its consultants have the ability to verify the information included in a TEC Form 1295, and neither have an obligation nor undertake responsibility for advising any potential Vendor with respect to the proper completion of the TEC Form 1295.

- Violations may result in disciplinary action or legal consequences.

9. Recordkeeping and Reporting

- Maintain complete documentation for all purchases, including quotes, bids, contracts, and approvals.
- Records must support accurate fund accounting in compliance with GASB standards.
- Provide regular reports to the City Council, including expenditures by fund, vendor, and project.

10. Review and Update

- This policy shall be reviewed at least every **two years** or whenever GASB standards, state law, or City ordinances change.
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11. Effective Date

- This policy is effective immediately upon adoption by the City Council.