



## **2024 PURCHASE POLICY**

**Ordinance 544-B-2024  
February 2024**

Approved:

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John Williams, Mayor

Attest:

Approved as to form:

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## **STATEMENT OF GENERAL POLICY**

It is the policy of the City of Universal City that all purchasing shall be conducted strictly based on economic merit and business quality. This policy is intended to promote the best interest of the citizens of the City of Universal City, Texas.

It is important to remember that City purchasing operates in full view of the public. In order to ensure an open purchasing process and economy in purchasing, the City Council has determined that competitive bidding and purchasing cooperatives will be used as much as possible in the purchase of goods and services for the City. To support the local economy, staff are encouraged to buy from local businesses when possible and feasible.

The City of Universal City intends to maintain a cost-effective purchasing system conforming to good management practices. To be successful, the system must be backed by proper attitudes and cooperation of not only every department head and official, but also every supervisor and employee of the City of Universal City. The establishment and maintenance of a good purchasing system is possible only through cooperative effort.

The purchasing process is not instantaneous. Time is required to complete the steps required by State law. To accomplish timely purchasing of products and services at the best value to the City of Universal City, all departments must cooperate fully. Prior planning and the timely submission of requisitions are essential to expedite the purchasing process and to assure that the process is orderly and lawful.

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## 1.0 GOVERNING AUTHORITY

The primary governing authority for the City of Universal City's Purchasing Policy shall be the Local Government Code Chapter 252, "*Purchasing and Contracting Authority of Municipalities*" and the City of Universal City Charter. All procurement activity shall be governed by this Purchasing Policy, in accordance with applicable State and local government codes.

All powers of the City vest in the City Council. Authority for purchasing of goods and services is delegated to the City Manager provided the purchase does not exceed \$100,000. Purchases exceeding \$100,000 will require City Council approval. The City Manager is authorized to acquire legal services within the Legal Contracts, up to the limits of budget allocations, or outside these contracts providing the services cost is \$10,000 or less.

## 2.0 PURPOSE AND SCOPE

This Purchasing Policy establishes internal controls that deter fraud, waste, abuse of public funds, and ensures that all expenditures justify a public purpose and are in accordance with established priorities as required by the City Charter and applicable State laws.

All procurement activities for the City shall be administered in accordance with the provisions of this policy and applicable State purchasing requirements with express intent to promote open and fair conduct in all aspects of the procurement process.

## 3.0 OBJECTIVES

The Finance Department is responsible for ensuring that City departments comply with federal, State, and local statutes regulating competitive sealed bids, as amended, and competitive sealed proposals, professional services, technology purchases, cooperative purchases, and emergency and sole-source purchases. The City Staff solicits all competitive procurements required by law and with the department head shall evaluate bids and proposals and makes recommendations to the City Council for awarding contracts.

The Finance Department is a functional support division and should be included in all phases of acquisition, through planning, ordering, and receiving. Finance Department staff ensures compliance with State of Texas purchasing statutes and the City's purchasing policies.

The Finance Department is committed to providing quality service through effective teamwork and communication with City departments and vendors alike, to fulfill the purchasing needs of the City in a professional, responsive, and timely manner in compliance with all City policies and applicable federal, State, county, and local purchasing laws. Public purchasing has the responsibility to obtain the highest quality and best value for the tax dollar in a fair, efficient, and equitable manner. To achieve this objective the Finance Department seeks to foster as much competition as possible. In doing so, we adopt the goal of fairness by ensuring all who wish to compete for the opportunity to sell to the City of Universal City can do so. Our policy is intended to:

1. Give all suppliers full, fair, prompt and courteous consideration;
2. Encourage open and fair competition;
3. Solicit supplier suggestions in the determination of clear and adequate specifications and standards;
4. Cooperate with suppliers and consider possible difficulties they may encounter; and
5. Observe strict truthfulness and highest ethics in all transactions and correspondence.

### 3.1 General Duties of the Finance Department

1. Observe and enforce policies;
2. Advise and assist in the formulation of policies and procedures connected with the purchasing activities of the City and keep the City Manager advised of such policies and procedures;
3. Investigate and analyze research done in the field of purchasing by other governmental agencies and by private industry, in an effort to keep abreast of current developments in the fields of purchasing, prices, market conditions and new products;
4. Coordinate, organize, and assist departments in the specification writing process to ensure that specifications are written concisely and are not written in an exclusive manner;
5. Join with other governmental agencies in cooperative purchasing plans when it is in the best interest of the City;
6. Evaluate competitive solicitations;
7. Act in an advisory role as a non-voting member on evaluation committees as needed;
8. Assist departments in preparing recommendations for competitive solicitations for City Council approval;
9. Combine purchases of similar items whenever possible and practical, for better pricing and to establish a more competitive atmosphere;
12. Dispose of surplus City property;
13. Conduct regular training sessions for employees involved in the purchasing process as needed.

## 4.0 CODE OF ETHICS

By participating in the procurement process, employees of the City of Universal City agree to:

- Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.
- Demonstrate loyalty to the City of Universal City by diligently following the lawful instructions of the employer, using reasonable care, and only authority granted.
- Refrain from any private business or professional activity that would create a conflict between personal interests and the interest of the City of Universal City.
- Refrain from soliciting or accepting money, loans, credits, or prejudicial discounts, and the acceptance of gifts, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence purchasing decisions.
- Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether as payment for services or not; and never accept for himself or herself or for family members, favors or benefits under circumstance which might be construed by reasonable persons as influencing the performance of Governmental duties.
- Engage in no business with the City of Universal City, directly or indirectly, which is inconsistent with the conscientious performance of Governmental duties.
- Handle confidential or proprietary information belonging to employer or suppliers with due care and

proper consideration of ethical and legal ramifications and governmental regulations.

- Never use any information gained confidentially in the performance of Governmental duties as a means of making private profit.
- Promote positive supplier relationships through courtesy and impartiality in all phases of the purchasing cycle.
- Know and obey the letter and spirit of laws governing the purchasing function and remain alert to the legal ramifications of purchasing decisions.
- Expose corruption and fraud wherever discovered.
- Uphold these principles, ever conscious that public office is a public trust.

## 5.0 COMPETITIVE PURCHASING REQUIREMENTS

Under no circumstances shall multiple requisitions be used to circumvent other applicable bidding requirements or City Council approval. All purchases will be made through a purchase order (PO) or requisitions process with the exception of utility bills, services, insurance, payroll related expenses, other non-competitive regularly occurring expenses, etc.

### 5.1 Procedures for Purchases Less than \$3,000

The ordering Department with the assistance of the Finance Department selects the vendor and enters a requisition. Once a purchase order is issued the ordering department places the order and/or picks up the materials.

- City Manager delegates supervisory personnel the authority to approve purchase of goods and services less than \$1,000.
- City Manager delegates department heads the authority to approve purchase of goods and services less than \$7,500.

### 5.2 Procedures for Purchases of \$3,000 to \$50,000

All purchases greater than \$3,000 but less than \$50,000 must be processed in accordance with the following procedure:

- Purchases totaling \$3,000 to \$50,000 will require three or more written quotes, when available. Two “no” quotes returned equal one quote.
- All quotations received must be provided in writing, by electronic mail or by facsimile from the vendor and attached electronically to the requisition.
- All requisitions \$7,500 and over will require approval by the City Manager prior to purchase order being issued.

### 5.3 Historically Underutilized Businesses (HUB)

Local Government Code Chapter 252.0215 Competitive bidding in relations to Historically Underutilized Business (HUB) vendors, states that a municipality, in making an expenditure of more than \$3,000 but less than \$50,000, shall contact at least two HUBs on a rotating basis. If the list fails to identify a HUB in the county in which the City is situated, the City is exempt from this section.

HUB – Certified businesses that are at least 51% owned, operated, and controlled by the qualifying groups which include Asian Pacific Americans, Black Americans, Hispanic Americans, Native Americans and American

Women.

## 5.4 Purchases more than \$50,000

1. Except as otherwise exempted by applicable State law, requisitions for item(s) whose aggregate total cost is more than \$50,000 must be processed as a competitive solicitation (**e.g. sealed bids, request for proposals, and request for offers.**) Texas Local Government Code, Subchapter B, Section 252.021 defines the requirements for competitive bids.

**Texas Local Government Code, Section 252.062, defines the Criminal Penalties as follows:**

- (a) *A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly makes or authorizes separate, sequential, or component purchases to avoid the competitive bidding requirements of Section 252.021. An offense under this subsection is a Class B Misdemeanor.*
- (b) *A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly violates Section 252.021, other than by conduct described in subsection (a). An offense under this subsection is a Class B Misdemeanor.*
- (c) *A municipal officer or employee commits an offense if the officer or employee intentionally or knowingly violates this chapter, other than by conduct described by subsection (a) or (b). An offense under this subsection is a Class C Misdemeanor.*

*Conviction for any of these offenses may result in immediate removal from office or employment. In the event the Texas Local Government Code is amended it shall prevail over this section of the purchasing policy.*

## 5.5 Reciprocity

The State of Texas Reciprocity Law provides that the State or political subdivision cannot award contracts or purchases to non-resident bidders having local preference laws in their resident states unless their bid is lower than the lowest bid submitted by a responsible Texas resident bidder by the amount that a Texas resident bidder would be required to underbid a nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located.

## 5.6 Award of Contract

The City of Universal City shall award contracts based on criteria deemed in the best interest of the City.

**Texas Local Government Code, Section 252.043, states, in part:**

- (a) *If the competitive sealed bidding requirement applies to the contract for goods or services, the contract must be awarded to the lowest responsible bidder or to the bidder who provides goods or services at the best quality and value for the municipality.*
- (b) *In determining the best value for the municipality, the municipality may consider:*
  - 1) *the purchase price;*
  - 2) *the reputation of the bidder and of the bidder's goods or services;*
  - 3) *the quality of the bidder's goods or services;*
  - 4) *the extent to which the goods or services meet the municipality's needs;*
  - 5) *the bidder's past relationship with the municipality;*

- 6) *the impact on the ability of the municipality to comply with laws and rules relating to contracting with historically underutilized businesses and nonprofit organizations employing persons with disabilities;*
  - 7) *the total long-term cost to the municipality to acquire the bidder's goods or services; and*
  - 8) *any relevant criteria specifically listed in the requirements for bids or proposals.*
- (c) *Before awarding a contract under this section, a municipality must indicate in the bid specifications and requirements that the contract may be awarded either to the lowest responsible bidder or to the bidder who provides goods or services at the best value for the municipality.*

## 5.7 Disclosure of Information

Access to bidder-declared trade secrets or confidential information shall be in accordance with the Texas Government Code Chapter 552, the Public Information Act, and applicable City policies implementing this chapter.

**Texas Local Government Code Chapter 252.049(b) states, in part:**

*If provided in a RFP, proposals shall be opened in a manner that avoids disclosure of the contents to competing offers and keeps the proposals secret during negotiations. All proposals are open for public inspection after the contract is awarded, but trade secrets and confidential information in the proposals are not open for public inspection.*

## 5.8 Professional Services

Personal and professional services are exempt from the competitive bidding process and may be procured using Request for Proposals (RFP) documents. The Finance Department is available to consult with departments regarding the preparation of information; however, the presentation of technical and qualifications aspects of personal and/or professional services included in any RFP documents is the sole responsibility of the requesting department.

1. Texas Government Code, Chapter 2254, Subchapter A, Professional Services, states that contracts for the procurement of defined professional services may not be awarded based on competitive bids. Instead, they must be awarded on the basis:
  - (a) *Of demonstrated competence and qualifications to perform the services;*
  - (b) *For a fair and reasonable price;*
2. Professional Services for the purposes of Government Code Chapter 2254 are defined as those "services within the scope of the practice, as defined by state law, of accounting, architecture, landscape architecture, land surveying, medicine, optometry, professional engineering, real estate appraising, or professional nursing, or provided in connection with the professional employment or practice of a person who is licensed or registered as a certified public accountant, an architect, a landscape architect, a land surveyor, a physician, including a surgeon, an optometrist, a professional engineer, a state certified or state licensed real estate appraiser, or a registered nurse.

## 5.9 Automated Information Systems

All requests for computer equipment, software, telecommunications and related services or supplies should be submitted to the City's IT Consultant for review and technical evaluation. The IT Consultant will review each request for compatibility with other hardware and software and will investigate alternatives if needed.



Recommendations and comments will include but not be limited to:

- Additional costs incurred because of the purchase;
- Compatibility considerations;
- Cost effectiveness of the request; and
- Alternatives that would effectively meet the users' needs.

No purchases for computer-related equipment or supplies are allowed without this review.

- (c) *Prior to obtaining City signatures on contracts, staff shall present the responsive bidder with Standard Government Contract and Purchase Rider for Contracts (The Rider) for its review and signature. The Rider should be attached to the final contract document for the City. The Rider is included in the Addendum of this Policy.*

## 5.10 Cooperative Purchases

Cooperative purchasing occurs when two or more governmental entities coordinate some or all purchasing efforts to reduce administrative costs, take advantage of quantity discounts, share specifications, and create a heightened awareness of legal requirements. Cooperative purchasing can occur through inter-local agreements, state contracts, piggybacking, and joint purchases and should be used when deemed in the City's best interest.

## 5.11 Emergency Purchases

Valid emergencies are those that occur because of the breakdown of equipment which must be kept in operation to maintain the public's safety or health, or whose breakdown would result in the disruption of City operations. When this situation occurs, the department heads may exercise the authority of the City Manager and supervisory personnel may exercise the authority of the department heads but must report the facts and circumstances to the City Manager as soon as possible.

The Legislature exempted certain items from sealed bidding in the Texas Local Government Code Section 252.022(a), including but not limited to:

1. *A procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents or to preserve the property of the municipality.*
2. *A procurement necessary to preserve or protect the public health or safety of the municipality's residents;*
3. *Procurement is necessary because of unforeseen damage to public machinery, equipment or other property.*

## 5.12 Sole Source Purchases

Sole-source purchases are items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies as defined by the Local Government Code.

When a department has identified a specific item with unique features or characteristics essential and necessary to the requesting department and no alternate products are available, a detailed written justification must be provided to the Finance Department in advance for review and approval.

# 6.0 LEGAL DEFINITION

The legislature exempted certain items from sealed bidding in the Vernon's Texas Codes Annotated- Local Government Code Section 252.022 (a) 7, in part: Procurement of items available from only one source, including:

1. Items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies;

2. Films, manuscripts, or books
3. Gas, water, garbage, and other utility services;
4. Captive replacement parts or components for equipment;
5. Books, papers, and other library materials for a public library that are available only from the person holding exclusive distribution rights to the materials; and
6. Management services provided by a nonprofit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits.

## 7.0 RECOMMENDATION TO CITY COUNCIL

The Manager, or designed staff member, will make a final recommendation to the City Council for awarding of contracts in accordance with Section 5.6.

## 8.0 ACCOUNTABILITY

- A. Directors and all supervisory personnel are accountable to the City Manager for their purchasing decisions. The person requesting the purchase order is held accountable for ensuring purchases are free from fraud, waste and abuse and are in support of established priorities.
- B. The City Manager is accountable to the City Council for all purchases.

## 9.0 ADDENDUMS

### 9.1 Purchase Card Policy



CITY OF UNIVERSAL CITY

# Purchasing Card Policy

## 1. AUTHORITY

Employees and elected officials of the City of Universal City who are issued a purchasing card are responsible for understanding all guidelines governing use of the City purchasing card. Department Heads are responsible for reviewing and approving all departmental charges including those made with a purchasing card. The Finance Director or her/his designee is the Purchasing Card Administrator for the City and is responsible for monitoring card usage and serves as the contact person with the Card Issuer.

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## 2. DEFINITIONS

**Card Issuer** – Any financial institution that issues purchasing cards on behalf of credit card networks. Typical services include providing electronic transaction authorization and billing the City for all purchases made on the cards.

**Cardholder** – an employee of the City who is approved by his/her Department Head and City Manager to use a purchasing card to execute purchasing transactions on behalf of the City.

**Department Head** – Organizational official who must approve employee's request for a purchasing card, designate default accounting codes for purchases on the purchasing card and submit paperwork to the Purchasing Card Administrator. Department Head approval delegates transaction authority to the Cardholder.

**Organization** – Arranges with the card issuer to have purchasing cards issued to approved employees and agrees to accept liability for the employee's use of the cards. For this policy, Organization shall be interchangeable with City.

**Purchasing Card Administrator** – the central administrator located in the City's Finance Department who coordinates the purchasing card program and acts as the intermediary in correspondence with the card issuer.

**Vendor** – The merchant from whom a cardholder is making a purchase.

### 3. POLICY

#### I. PURPOSE

The purpose of the Purchasing Card policy is to establish guidelines governing the use of the Purchasing Card for the City of Universal City.

The purchasing card program has been implemented to provide a more efficient method of making purchases less than \$2,500. Purchases made pursuant to this policy shall be from the current budget year. Purchases will be charged directly to the departmental account numbers and will show on each department's financial report. The City will issue one payment each month the Card Issuer for all Purchasing Card purchases.

The primary benefits of the purchasing card program are:

- More timely purchase and receipt of goods
- Reduction in costs associated with processing purchase orders
- Increased information about purchasing transactions
- Volume of activity associated with use of the card dramatically increases the efficiency of procuring low dollar items and eliminates the need for a requisition/purchase order processes

The Finance Department will administer the purchasing card program and will act as the liaison between the Cardholders, Vendors and Card Issuer.

#### Program Overview

- Purchasing Cards will be issued to City employees with the City Manager's approval.
- Cards may be subject to immediate revocation at the discretion of the City Manager.
- All transactions shall follow the Purchase Procedure Requirements as adopted under Ordinance 544-A-03 and hereto attached as Exhibit A.
- The name of the employee will be embossed on the card.
- Purchasing Cards will **not** be transferable between individuals or departments.
- The Employee's Department Head must approve the request for a card for the Cardholder.
- Cardholders make purchases and receive a monthly statement from the Card Issuer.
- Cardholder matches receipts to monthly statement and forwards with completed Activity Log to the Purchasing Card Administrator for review and filing.
- Monthly department reports of Cardholder transactions will be distributed to the Purchasing Card Administrator. Cardholders will have the responsibility for overriding the default accounting code for transactions, identify transactions subject to use tax, approving bills and adding cost share information if required. All monthly Activity Logs must have the Department Heads approval for transaction expenditures.
- The Card Issuer sends a consolidated invoice to the City at the end of each monthly billing cycle.
- A payment (bank account draft) is made to the Card Issuer within 25 days after the end of the billing cycle.
- Employees who are issued a City credit card (either for temporary or permanent use) will be required to sign a Universal City Purchasing Card Agreement.

#### A. Transaction Limits

Transaction limits are hereby established to ensure compliance with state purchasing laws, maintain proper budgetary controls, and to minimize excessive use of any individual credit line. Individual monthly card limits cannot exceed those established by the municipal governing authority. The established single transaction limit for each card must be less than \$2,500.00 The established

monthly card limit is based upon the city's budgetary constraints and is not to exceed \$50,000 per month. Any exceptions to the standardized limits must have express written approval by the municipal governing authority and must be added to this policy by amendment or addendum.

## II. LEGAL ISSUES

All procurement rules found in the City of Universal City Personnel and Procedures Manual apply to the use of the purchasing card. Cardholders, program users, or approving officials who knowingly, or through willful neglect, fail to comply with this mandate may be subject to suspension or termination of account privileges or other disciplinary action, up to and fully including termination of employment and criminal prosecution of the law.

The City Purchasing Card Administrator and the City Manager reserve the right to withdraw any authority or delegated approval due to non-compliance with applicable laws, rules, regulations, policies, and procedures, or the terms of any conditional approval.

### A. Personal Purchases Prohibited

Cardholders are prohibited from using the Purchasing Card for the purchase of any goods or services not directly or indirectly related to City business. Intentional use of the card for personal purchases will result in disciplinary action, up to and including termination and criminal prosecution.

### B. Split Purchase Personal Purchases Prohibited

Competitive bidding is required for all open-market purchases anticipated to be \$2,500 or more.

Cardholders are prohibited from splitting a transaction between two or more transactions on a single account, two or more transactions on multiple accounts, or two or more transactions using the P-Card to circumvent competitive solicitation requirements.

### C. Payment of Sales and Use Tax

State law exempts purchases made by state entities/local governments from State Sales and Use Tax when payment is made with appropriated funds. Cardholders must present the Sales and Use Tax Exemption, Form to suppliers upon request.

The requirement for out-of-state suppliers to charge Sales and Use Tax on shipments to purchasers in the State of Texas does not apply to tax-exempt state/local government entities. If the supplier refuses to remove taxes, the cardholder must make the purchase from a different supplier whenever possible.

Cardholders are responsible for ensuring that merchants do not charge tax or provide a credit for inadvertent charges.

1. If taxes are charged, the cardholder must contact the merchant to obtain a credit to the account. Sales tax cannot be disputed with the bank.
2. Credits cannot be obtained by any other method, including, but not limited to, cash, gift cards, or store credit.
3. Documentation of attempts to obtain credit for any state Sales and Use Tax charged in error must be maintained with the documentation for the transaction where the tax was charged.

## D. Records Retention Requirements

The City of Universal City maintains the official Records Retention Schedule.

1. Documents related to transactions (e.g.-receipts) are accounting records and must be maintained according to the requirements of Accounts Payable Files.
2. Documents related to the issuance of accounts to employees (e.g.-profile forms) are accounting records and must be maintained according to the requirements of Purchasing Card Administration Records.

## III. SPENDING LIMITS

All purchasing cards have default account numbers, embedded controls, and spending limits as well as restrictions on merchant category codes. Additional controls have been added to each purchasing card in order to assist in keeping charges within the City of Universal City monetary spending limits and budgeted year. These spending limits are embedded in each card via the magnetic strip and are imposed at the point of sale when the card is swiped.

### Cardholder Spending Limits

The available limits on a Purchasing Card include:

- \$ per transaction – Single Transaction Limit (STL)
- \$ per month – Credit Limit (CL) – this is a monthly limit

The established standard monthly credit card limit is based on the Cardholder's budgetary responsibility not to exceed **\$2,500.00** per month. If a cardholder requires a higher monthly limit, they may request, with appropriate justification, an exception from the Finance Director. Monthly limits will be reviewed on an annual basis to determine if there is still a need for the higher limit. Note that the monthly limit is refreshed at the beginning of the billing cycle.

## IV. CARDHOLDER/DEPARTMENT HEAD RESPONSIBILITIES

Issuance of a purchasing card is a relationship of trust between cardholders, departments, and the City. The Purchasing Division's responsibility is to provide quality service and information to Department Heads and Cardholders. Cardholders' responsibilities are outlined below.

All cardholders are *de facto* purchasing agents for the City. All card program personnel must have a minimum understanding of the City's procurements rules.

The Cardholder is responsible for ensuring the card is used within the guidelines stated in this Purchasing Card Policy relating to the expenditure of departmental funds. Failure to comply with program guidelines may result in permanent revocation of the card, notification of the situation to his/her immediate supervisor and Department Head, and further disciplinary measures up to and including possible termination and/or criminal prosecution.

## Card Usage

1. Ensure that no other persons have access to any card information (i.e.-card account number, expiration date, security code, etc.)
2. Ensure that all purchases comply with State/City internal policies.

## Approval Procedure

Always follow proper internal departmental procedures in obtaining approval for the purchase. If unsure as to whether an item to be purchased does or does not fall within City's purchasing card guidelines, contact the Purchasing Card Administrator before making the purchase.

## Maintain Transaction Log

As card transactions occur, the Cardholder must record all purchases and credits on a transaction log. Transaction logs help to keep a running tally of monthly charges and identify outstanding transactions not yet billed on the monthly bank statement. Maintaining these logs will assist the Cardholder in staying within the established purchasing limits of the card. The log may also be used to verify receipt of the correct quantity and product along with verification of billing in the correct price.

## Ensure Adequate Documentation

If receipts do not provide sufficient detail to identify what the purchase is and what the business reason is for the purchase, the Cardholder should include additional details documented on the receipt, transaction log or other supporting documentation. If adequate documentation is unavailable, a missing receipt affidavit form must be completed, signed, and kept on file with the monthly bank statement. A pattern of missing receipts, which is defined as more than three (3) times in one fiscal year, will result in suspension of purchasing card privileges for a minimum of three (3) months. A copy of each missing receipt form should be forwarded to the Purchasing Card Administrator for tracking purposes.

## Security

Cardholders are responsible for always safeguarding the purchasing card and account numbers. To prevent unauthorized use and limit the potential for fraud, the Cardholder should use basic security measures, as outlined below:

- Keep the purchasing card and account number in a secure location. Safeguard it as if it were your own personal credit card.
- Do not loan or share the purchasing card with others, including co-workers within the department.
- Review monthly bank statements immediately upon receipt, to detect unauthorized transactions.
- Before placing an order with an online merchant, make sure the site is secure before entering your account information. The URL, or website address, should begin with *https*. A graphic, such as a lock, should appear in the bottom right corner of your browser bar.

To aid in security, best practices to prevent fraud and misuse include NOT allowing an individual other than the cardholder to:

- Have physical possession of the purchasing card to make payments to point of sale vendors;
- Have access to the purchasing card number and expiration date to make payments via telephone, internet, or in person;
- Have access to receipts or invoices that display the complete purchasing card number and expiration date.

- Lost, stolen, or fraudulently used purchasing cards must be reported to the Card Issuer immediately. The Purchasing Card Administrator must be immediately notified in writing and given the card to be properly disposed. After reporting the compromised Card Issuer and the Purchasing Card Administrator, send the card to the Purchasing Card Administrator to be properly disposed.

## Dispute Resolution

The Cardholder is responsible for resolving disputes with the vendor. Such disputes may include incorrect pricing, delivery problems, incorrect items received, damaged items, etc. ***A fraudulent charge is not handled in the same manner as a dispute. Bank services will contact the Purchasing Card Administrator for any fraudulent charges.***

## Reconciliation of Billing Statements

A reconciliation of the monthly billing statement to receipts, invoices, and other supporting documentation must occur on a monthly basis. The following steps must be completed when performing the monthly reconciliation process:

1. Compile the monthly reconciliation package. This package consists of all **original** documentation, including receipts, credits, transaction logs, and other supporting documentation. The package must be reconciled and attached to the signed/dated transaction log and monthly bank statement.
2. The Cardholder must review the reconciliation package and sign/date the monthly bank statement to indicate that a review of the reconciliation package has been conducted. The reconciliation package should be submitted to the Department Head.
3. A review by the Department Head of each Cardholder's transactions must occur to ensure that the purchase was reasonable, appropriate, and necessary while also in compliance with purchasing card rules and regulations. This review must be conducted on a monthly basis and must be evidenced by a signature of the Department Head.
4. The reconciliation package is forwarded to the Purchasing Card Administrator for further review to assure that Steps 1-3 are performed on each Cardholder.

## Department Head

This role has sole authority for assignment of purchasing cards and roles. This responsibility to assign cards and roles may not be delegated (even to those individuals holding signature authority). The Department Head has overall budgetary responsibility for the department's purchasing card program and is responsible for following sound business practices. The Department Head recommends the issuance of new cards which includes recommending the single transaction and monthly credit limits. The Department Head must establish and maintain internal controls on usage of the card. Each Department Head is responsible for the prevention and detection of instances of fiscal irregularities and related misconduct. In addition, Department Heads are expected to recognize risks and exposures inherent in their area of responsibility and to be aware of indications of fraud and related misconduct.

## V. PURCHASING CARD ADMINISTRATOR RESPONSIBILITIES

The Purchasing Card Administrator serves as the main point-of-contact for all card program personnel and serves as a liaison between end-user and the bankcard Issuer. The Purchasing Card Administrators fulfill responsibilities in the following areas:



### Card Management:

1. Develops and maintains the City's Purchasing Card policy to address policy issues unique to the City.
2. Develops internal procedures for requesting new cards and/or changes to existing cards (e.g.-change in spending limits).
3. Works with management to determine appropriate cardholder spending limits based on budget restrictions, job requirements, historical spending patterns, and overall procurement practices.
4. Maintain the cardholder agreement for all cardholders.
5. Maintain account information and secure all cardholder information.
6. Keep cardholders up to date on new or changing information
7. Upon receipt of information indicating fraudulent use or lost/stolen cards immediately reports it to appropriate parties, including the Card Issuer.
8. Ensure all purchasing card accounts are being utilized properly as set forth by state law and this policy.
9. Define the City's policy and procedures for proper documentation and storage of receipts, logs, and approvals required under this policy.
10. Identifies any changes to named persons authorized to use a government purchasing card.
11. Any other duties assigned by the municipal governing authority.

### Reconciliation Procedures

The Purchasing Card Administrator is responsible for developing internal procedures for:

1. Reconciliation procedures that ensure timely payment and/or allocation of transactions to the General Ledger at least monthly.
2. Documentation for reconciliation of transactions.
3. Disputing a transaction with the Card Issuer.

## VI. INTERNAL CONTROLS

A strong system of internal controls is essential for detection and deterrence of fraud, misuse, or abuse of the purchasing card. Internal controls include policies, procedures, and training in addition to spending limits and restrictions.

### A. General Requirements

The Finance Department established an internal control structure that ensures compliance with state/local government procurement laws, sound accounting practices, and internal policy.

Minimum requirements include:

1. Separation of duties between ordering cards, making transactions, and review/approval of transactions for payment.
2. Limits on the number of cardholders assigned to a department in order to ensure adequate review of business need and documentation for each purchase.
3. Provision for annual independent audit or review of the purchasing card program by the Purchasing Card Administrator or other business unit assigned audit responsibilities.

### B. Cardholder Spending Limits and Utilization

Imposing spending limits enables management to provide cardholders with the purchasing power to accomplish the needs of the job without exposing the City to unnecessary risk. Spending limits should be based on job responsibilities. Cardholder spending limits must be reviewed at least annually to determine if actual usage is consistent with spending limits and increases or decreases made as needed.

## VII. UNAUTHORIZED PURCHASES

The Purchasing Card **SHALL NOT** be used to purchase the following items:

- Alcohol
- Cash Advances
- Entertainment (except for City sponsored events)
- Firearms/Explosives (except for law enforcement activities)
- Bonds and Capital Improvement Expenditures.
- Professional Services - Architectural/Engineering, Legal or other state-certified professionals.
- Personal Purchases
- Sales Tax from Vendors within the State of Texas using City Funds
- Travel/Training, Meals and Entertainment – The card may be used for travel/training and meals **only** for pre-approved city business in lieu of per diem.

## VIII. UNAUTHORIZED PRACTICES

### A. Purchase Card Sharing

**Only that person named on the purchasing card is the authorized user. Purchasing Card sharing is prohibited and will result in immediate termination of the purchasing card and all purchasing card privileges for one year.** Purchasing card sharing is the practice of allowing an individual other than the cardholder whose name appears on the front of the purchasing card to have access to the purchasing card or purchasing card number to initiate or complete a transaction. Purchasing card sharing increases the risk of fraud and cardholder liability.

### B. Personal Use

All personal use (intentional or unintentional) of the purchasing card must be handled by the Cardholder as follows:

- ***Immediately report the purchase to the Department Head.***
- ***Attach a memo or e-mail to the Purchasing Card Administrator explaining the circumstance of what happened (including a timeline of the incident) and include a copy of the receipt and/or other supporting documentation.***
- ***Funds shall be reimbursed by personal check made payable to City of Universal City.***  
Please be sure to reference the applicable purchasing card transaction #.
- ***The personal charge must be reported even if the vendor credits the charge.***
- ***Submit the entire package to Purchasing Card Administrator.***

***Three or more incidents of personal misuse in a three-month period may result in automatic suspension of purchasing card privileges for a minimum of 3 months.***

### **C. Violations**

The use of a government purchasing card may be suspended or revoked when it has been determined that the Cardholder has violated the approved policies or state law regarding the use of the government purchasing card. The purchasing card shall be revoked whenever a Cardholder is removed from employment with the City. The Cardholder may be held personally liable for the transactions (up to and including payroll deductions) for the total dollar amount of the unauthorized purchases, plus any administrative fee charged by the crediting agency in connection with the misuse.

**CITY OF UNIVERSAL CITY**  
**PURCHASING CARDHOLDER AGREEMENT**

I, \_\_\_\_\_, agree to the following regarding my use of the City of Universal City Purchasing Card:

1. I understand that under no circumstances will I use the purchasing card to make personal or non-work-related purchases, either for myself or for others. A personal or non-work-related purchase with the intent to reimburse the City is unacceptable and shall be considered a fraudulent purchase.
2. I understand that I am liable for the amount of unauthorized purchases or advances, plus any administrative fees charged by the bank in connection with the misuse and that I will be required to reimburse the City of Universal City for all costs associated with such improper use.
3. I understand that I will not request or receive cash from suppliers because of exchanges or returns.
4. I understand that I am the only individual authorized to use the purchasing card assigned to me. It is not transferable to any other individual.
5. I understand that the City of Universal City can terminate my right to use the purchasing card at any time for any reason. I agree to return the card to my Purchasing Card Administrator immediately upon request, upon my transfer to another department, or upon my termination of employment.
6. I will follow the established procedures for using the purchasing card. Failure to do so may result in either revocation of my user privileges or other possible disciplinary actions, up to and including termination of employment.
7. I have reviewed the Purchasing Card Policy and understand the procedures and requirements for using the purchasing card. I understand that I cannot use the purchasing card for those goods and services listed within the "Unauthorized Purchases" section of the Purchasing Card Policies and Procedures.
8. I agree that should I willfully violate the terms of this Agreement and use the purchasing card for personal use or gain that I will surrender my purchasing card and reimburse City of Universal City for all incurred charges and any fees related to the collection of those charges. I understand that I can be held personally liable to the City of Universal City for any unauthorized purchases or other misuse.

\_\_\_\_\_  
Cardholder Name (Print)

\_\_\_\_\_  
Purchasing Card Account Number

\_\_\_\_\_  
Cardholder Signature

\_\_\_\_\_  
Purchasing Card Administrator Signature

\_\_\_\_\_  
Social Security Number (last four)

\_\_\_\_\_  
Date

Department \_\_\_\_\_

**Form PURCHASE CARD POLICY-1**

## CITY OF UNIVERSAL CITY PURCHASING CARD ACTIVITY LOG

Card Account Number

Page\_\_\_\_\_of\_\_\_\_\_.

Cardholder's Name (Print)

(Print) \_\_\_\_\_ Department \_\_\_\_\_

Department

[illegible]

TOTAL

\$

Cardholder: \_\_\_\_\_ Date \_\_\_\_\_

Signature

Date \_\_\_\_\_

Dept. Liaison: \_\_\_\_\_

Signature

Director \_\_\_\_\_ Date \_\_\_\_\_

Signature

***CITY OF UNIVERSAL CITY***

**PURCHASING CARD MISSING RECEIPT FORM**

I, \_\_\_\_\_, have either not received or misplaced a Purchasing Card receipt totaling \$ \_\_\_\_\_. This expense was on behalf of the City of Universal City. This form is submitted in lieu of the original receipt.

Reference Number: \_\_\_\_\_ Date: \_\_\_\_\_

Supplier Name: \_\_\_\_\_ Amount: \$ \_\_\_\_\_

Supplier Address & Telephone number: \_\_\_\_\_

Items purchased: (1) \_\_\_\_\_  
(2) \_\_\_\_\_  
(3) \_\_\_\_\_  
(4) \_\_\_\_\_  
(5) \_\_\_\_\_  
(6) \_\_\_\_\_

I certify that the amounts shown above were expended for the City of Johns Creek business purposes.

Cardholder Signature \_\_\_\_\_ Date \_\_\_\_\_

P-Card Administrator Signature \_\_\_\_\_ Date \_\_\_\_\_

Director Signature \_\_\_\_\_ Date \_\_\_\_\_

**Form PURCHASE CARD POLICY-3**

**CITY OF UNIVERSAL CITY**  
**PURCHASING CARD DISPUTE FORM**

Name (Please Print) \_\_\_\_\_

Purchasing Card Account Number \_\_\_\_\_

Statement Date	Reference Number	Posting Date	Transaction Date	Amount	Supplier Name

*Please Check the Appropriate Box(s)*

- ☐ I certify that the charges listed above were not made by me nor were the goods or services represented by the above transaction received by me.
- ☐ I do not recognize the transaction as listed above. Please inform me of the supplier name and description of goods purchased.
- ☐ The credit was listed as a sale on my statement. Enclosed is a copy of my credit memorandum.
- ☐ The amount of the sales slips was increased from \$ \_\_\_\_\_ to \$ \_\_\_\_\_. Enclosed is my copy of the sales slip prior to alteration.
- ☐ I received a price adjustment (credit slip) on the above transaction, and it has not appeared on my statement. Enclosed is a copy of my cancellation notification to the supplier.
- ☐ Although I did participate in the above transaction, goods and/or services were to be provided on (date) \_\_\_\_\_, but as of this date are yet to be received. I have contacted the supplier to no avail. I am therefore disputing the entire charge, or a portion, in the amount of \$ \_\_\_\_\_.
- ☐ Although I did participate in the transaction, it has been canceled. Enclosed is a copy of my cancellation notification to the supplier.
- ☐ Although I did make the above transaction, the goods were received damaged/unsuitable for the purpose intended (explain below). I have attempted to return the goods. I am therefore disputing the entire charge, or a portion, in the amount of \$ \_\_\_\_.
- ☐ Although I did engage in the above transaction, my enclosed documentation does not conform to the characterization of the item (explain below). I have attempted to return the goods. I am therefore disputing the entire charge, or a portion, in the amount of \$ \_\_\_\_.
- ☐ I am disputing the charges because: *(Please explain completely)*.

\_\_\_\_\_  
*Date      Signature*

**Form PURCHASE CARD POLICY-4**



CITY OF UNIVERSAL CITY

# Fleet Fuel Card Policy

## 4. AUTHORITY

Employees of the City of Universal City who are issued a fleet fuel card are responsible for understanding all guidelines governing use of the City fleet fuel card. Department Heads are responsible for reviewing and approving all departmental charges including those made with a fleet fuel card. The Finance Director or her/his designee is the Fleet Fuel Card Administrator for the City and is responsible for monitoring card usage and serves as the contact person with the Card Issuer.

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## 5. DEFINITIONS

**Card Issuer** – Any financial institution that issues fleet fuel cards on behalf of credit card networks. Typical services include providing electronic transaction authorization and billing the City for all purchases made on the cards.

**Cardholder** – an employee of the City who is approved by his/her Department Head and City Manager to use a fleet fuel card to execute purchasing transactions on behalf of the City.

**Department Head** – Organizational official who must approve employee's request for a fleet fuel card, designate default accounting codes for purchases on the fleet fuel card and submit paperwork to the Fleet Fuel Card Administrator. Department Head approval delegates transaction authority to the Cardholder.

**Organization** – Arranges with the card issuer to have fleet fuel cards issued to approved employees and agrees to accept liability for the employee's use of the cards. For this policy, Organization shall be interchangeable with City.

**Fleet Fuel Card Administrator** – the central administrator who coordinates the fleet fuel card program and acts as the intermediary in correspondence with the card issuer.

**Vendor** – The merchant from whom a cardholder is making a purchase.

## 6. POLICY

### I. PURPOSE

The purpose of the Fleet Fuel Card Policy is to establish guidelines governing the use of the fleet fuel card for the City of Universal City.

The fleet fuel card program has been implemented to provide a more efficient method of making purchases for fuel and limited automotive/equipment parts and repairs. Purchases made pursuant to this policy shall be



from the current budget year. Purchases will be charged directly to the departmental account numbers and will show on each department's financial report. The City will issue one payment each month the Card Issuer for all fleet fuel card purchases.

The primary benefits of the fleet fuel card program are:

- a. More timely purchase and receipt of goods
- b. Reduction in costs associated with processing purchase orders
- c. Increased information about purchasing transactions
- d. Volume of activity associated with use of the card dramatically increases the efficiency of procuring low dollar items and eliminates the need for a requisition/purchase order processes

The Finance Department will administer the fleet fuel card program and will act as the liaison between the Cardholders, Vendors and Card Issuer.

#### Program Overview

- Fleet fuel cards will be issued to City employees with the City Manager's approval.
- Fleet fuel cards shall be used to purchase fuel, maintenance purchases, or roadside assistance services for Universal City-owned vehicles and is subject to immediate revocation at the discretion of the City Manager.
- The name of the vehicle will be embossed on the card; each employee will have a unique Personal Identification Number (PIN)
- Fleet fuel cards will **not** be transferable between individuals or departments.
- The Employee's Department Head must approve the request for a card for the Cardholder.
- Cardholders make purchases and receive a monthly statement from the Card Issuer.
- Cardholder matches receipts to monthly statement and forwards with completed Activity Log to the Fleet Fuel Card Administrator for review and filing.
- Monthly department reports of Cardholder transactions will be distributed to the Fleet Fuel Card Administrator. Cardholders will have the responsibility for overriding the default accounting code for transactions, identify transactions subject to use tax, approving bills and adding cost share information if required. All monthly Activity Logs must have the Department Heads approval for transaction expenditures.
- The Card Issuer sends a consolidated invoice to the City at the end of each monthly billing cycle.
- A payment (bank account draft) is made to the Card Issuer within 25 days after the end of the billing cycle.
- Employees who are issued a City credit card (either for temporary or permanent use) will be required to sign a Universal City Fleet Fuel Card Agreement.

#### A. Transaction Limits

Transaction limits are hereby established to ensure compliance with state purchasing laws, maintain proper budgetary controls, and to minimize excessive use of any individual credit line. Individual monthly card limits cannot exceed those established by the municipal governing authority. The established single transaction limit for each card must be less than \$1,000.00 The established monthly card limit is based upon the City's budgetary constraints and is not to exceed \$25,000 per month. Any exceptions to the standardized limits must have express written approval by the municipal governing authority and must be added to this policy by amendment or addendum.

## II. LEGAL ISSUES

In addition to any governing state law, the procurement rules found in the City of Universal City Personnel

and Procedures Manual shall apply to the use of the fleet fuel card. Cardholders, program users, or approving officials who knowingly, or through willful neglect, fail to comply with this mandate may be subject to suspension or termination of account privileges or other disciplinary action, up to and fully including termination of employment and criminal prosecution of the law.

The City Fleet Fuel Card Administrator and the City Manager reserve the right to withdraw any authority or delegated approval due to non-compliance with applicable laws, rules, regulations, policies, and procedures, or the terms of any conditional approval.

#### A. Personal Purchases Prohibited

Cardholders are prohibited from using the Fleet Fuel Card for the purchase of any goods or services not directly or indirectly related to City business. Intentional use of the card for personal purchases will result in disciplinary action, up to and including termination and criminal prosecution.

#### B. Split Purchases Prohibited

Cardholders are prohibited from splitting a transaction between two or more transactions on a single account, two or more transactions on multiple accounts, or two or more transactions using the fuel card to circumvent credit limits.

#### C. Payment of Sales and Use Tax on Fleet Supplies and Parts

State law exempts purchases made by state entities/local governments from State Sales and Use Tax when payment is made with appropriated funds. Cardholders must present the Sales and Use Tax Exemption, Form to suppliers upon request.

The requirement for out-of-state suppliers to charge Sales and Use Tax on shipments to purchasers in the State of Texas does not apply to tax-exempt state/local government entities. If the supplier refuses to remove taxes, the cardholder must make the purchase from a different supplier whenever possible.

Cardholders are responsible for ensuring that merchants do not charge tax or provide a credit for inadvertent charges.

1. If taxes are charged, the cardholder must contact the merchant to obtain a credit to the account. Sales tax cannot be disputed with the bank.
2. Credits cannot be obtained by any other method, including, but not limited to, cash, gift cards, or store credit.
3. Documentation of attempts to obtain credit for any state Sales and Use Tax charged in error must be maintained with the documentation for the transaction where the tax was charged.

#### D. Records Retention Requirements

The City of Universal City maintains the official Records Retention Schedule.

1. Documents related to transactions (e.g.-receipts) are accounting records and must be maintained according to the requirements of Accounts Payable Files.
2. Documents related to the issuance of accounts to employees (e.g.-profile forms) are accounting records and must be maintained according to the requirements of Fleet Fuel Card Administration Records.

### III. SPENDING LIMITS

All fleet fuel cards have default account numbers, embedded controls, and spending limits as well as restrictions on merchant category codes. Additional controls have been added to each fleet fuel card in order to assist in keeping charges within the City of Universal City monetary spending limits and budgeted year. These spending limits are embedded in each card via the magnetic strip and are imposed at the point of sale when the card is swiped.

#### Cardholder Spending Limits

The available limits on a Fleet Fuel Card include:

- a. \$ 1,000 per transaction – Single Transaction Limit (STL)
- b. \$ 4,000 per month – Credit Limit (CL) – this is a monthly limit

The established standard monthly credit card limit is based on the Cardholder's budgetary responsibility not to exceed \$4,000.00 per month. If a cardholder requires a higher monthly limit, they may request, with appropriate justification, an exception from the Fleet Fuel Card Administrator. Monthly limits will be reviewed on an annual basis to determine if there is still a need for the higher limit. Note that the monthly limit is refreshed at the beginning of the billing cycle.

### IV. CARDHOLDER/DEPARTMENT HEAD RESPONSIBILITIES

Issuance of a fleet fuel card is a relationship of trust between cardholders, departments, and the City. The Purchasing Division's responsibility is to provide quality service and information to Department Heads and Cardholders. Cardholders' responsibilities are outlined below.

All cardholders are *de facto* purchasing agents for the City. All card program personnel must have a minimum understanding of the City's procurements rules.

The Cardholder is responsible for ensuring the card is used within the guidelines stated in this Fleet Fuel Card Policy.. Failure to comply with program guidelines may result in permanent revocation of the card, notification of the situation to his/her immediate supervisor and Department Head, and further disciplinary measures up to and including possible termination and/or criminal prosecution.

#### Card Usage

1. Ensure that no other persons have access to any card information (i.e.-card account number, expiration date, security code, etc.)
2. Ensure that all purchases comply with State/City internal policies.

#### Approval Procedure

Cardholder shall always follow proper internal departmental procedures in obtaining approval for the purchase. If unsure as to whether an item to be purchased does or does not fall within City's Fleet Fuel Card Guidelines, Cardholder shall contact the Fleet Fuel Card Administrator before making the purchase.

#### Maintain Transaction Log

As card transactions occur, the Cardholder must record all purchases and credits on a transaction log. Transaction logs help to keep a running tally of monthly charges and identify outstanding transactions not yet billed on the monthly bank statement. Maintaining these logs will assist the Cardholder in staying within the established purchasing limits of the card. The log may also be used to verify receipt of the correct quantity and product along with verification of billing in the correct price.

## Ensure Adequate Documentation

If receipts do not provide sufficient detail to identify what the purchase is and what the business reason is for the purchase, the Cardholder shall include additional details documented on the receipt, transaction log or other supporting documentation. If adequate documentation is unavailable, a missing receipt affidavit form must be completed, signed, and kept on file with the monthly bank statement. A pattern of missing receipts, which is defined as more than three (3) times in one fiscal year, will result in suspension of fleet fuel card privileges for a minimum of three (3) months. A copy of each missing receipt form must be forwarded to the Fleet Fuel Card Administrator for tracking purposes.

## Security

Cardholders are responsible for always safeguarding the fleet fuel card and account numbers. To prevent unauthorized use and limit the potential for fraud, the Cardholder shall use basic security measures, as outlined below:

- Fleet fuel card and account number shall be kept in a secure location. Safeguard it as if it were your own personal credit card.
- Cardholder shall not loan or share the fleet fuel card PIN with others, including co-workers within the department.
- Cardholder shall review monthly statements immediately upon receipt, to detect unauthorized transactions.

To aid in security, best practices to prevent fraud and misuse include NOT allowing an individual other than the cardholder to:

- Have physical possession of the fleet fuel card to make payments to point of sale vendors;
- Have access to the fleet fuel card number and expiration date to make payments via telephone, internet, or in person;
- Have access to receipts or invoices that display the complete fleet fuel card number and expiration date.
- Lost, stolen, or fraudulently used fleet fuel cards must be reported to the Card Issuer immediately. The Fleet Fuel Card Administrator must be immediately notified in writing and given the card to be properly disposed. After reporting the compromised Card Issuer and the Fleet fuel card Administrator, send the card to the Fleet Fuel Card Administrator to be properly disposed.

## Dispute Resolution

The Cardholder is responsible for resolving disputes with the vendor. Such disputes may include incorrect pricing, delivery problems, incorrect items received, damaged items, etc. ***A fraudulent charge is not handled in the same manner as a dispute. Bank services will contact the Fleet Fuel Card Administrator for any fraudulent charges.***

## Reconciliation of Billing Statements

A reconciliation of the monthly billing statement to receipts, invoices, and other supporting documentation must occur on a monthly basis. The following steps must be completed when performing the monthly

reconciliation process:

1. Compile the monthly reconciliation package. This package consists of all **original** documentation, including receipts, credits, transaction logs, and other supporting documentation. The package must be reconciled and attached to the signed/dated transaction log and monthly bank statement.
2. The Cardholder must review the reconciliation package and sign/date the monthly bank statement to indicate that a review of the reconciliation package has been conducted. The reconciliation package must be submitted to the Department Head.
3. A review by the Department Head of each Cardholder's transactions must occur to ensure that the purchase was reasonable, appropriate, and necessary while also in compliance with fleet fuel card rules and regulations. This review must be conducted on a monthly basis and must be evidenced by a signature of the Department Head.
4. The reconciliation package is forwarded to the Fleet Fuel Card Administrator for further review to assure that Steps 1-3 are performed on each Cardholder.

## Department Head

This role has sole authority for assignment of fleet fuel cards and roles. This responsibility to assign cards and roles may not be delegated (even to those individuals holding signature authority). The Department Head has overall budgetary responsibility for the department's fleet fuel card program and is responsible for following sound business practices. The Department Head recommends the issuance of new cards which includes recommending the single transaction and monthly credit limits. The Department Head must establish and maintain internal controls on usage of the card. Each Department Head is responsible for the prevention and detection of instances of fiscal irregularities and related misconduct. In addition, Department Heads are expected to recognize risks and exposures inherent in their area of responsibility and to be aware of indications of fraud and related misconduct.

## V. FLEET FUEL CARD ADMINISTRATOR RESPONSIBILITIES

The Fleet Fuel Card Administrator serves as the main point-of-contact for all card program personnel and serves as a liaison between end-user and the bankcard Issuer. The Fleet Fuel Card Administrators fulfill responsibilities in the following areas:

### Card Management:

1. Develops and maintains the City's Fleet Fuel Card Policy to address policy issues unique to the City.
2. Develops internal procedures for requesting new cards and/or changes to existing cards (e.g.-change in spending limits).
3. Works with management to determine appropriate cardholder spending limits based on budget restrictions, job requirements, historical spending patterns, and overall procurement practices.
4. Maintain the cardholder agreement for all cardholders.
5. Maintain account information and secure all cardholder information.
6. Keep cardholders up to date on new or changing information.
7. Upon receipt of information indicating fraudulent use or lost/stolen cards immediately reports it to appropriate parties, including the Card Issuer.
8. Ensure all fleet fuel card accounts are being utilized properly as set forth by State law and this policy.
9. Define the City's policy and procedures for proper documentation and storage of receipts, logs, and approvals required under this policy.

10. Identifies any changes to named persons authorized to use a government fleet fuel card.
11. Any other duties assigned by the municipal governing authority.

#### Reconciliation Procedures

The Fleet Fuel Card Administrator is responsible for developing internal procedures for:

1. Reconciliation procedures that ensure timely payment and/or allocation of transactions to the General Ledger at least monthly.
2. Documentation for reconciliation of transactions.
3. Disputing a transaction with the Card Issuer.

## VI. INTERNAL CONTROLS

A strong system of internal controls is essential for detection and deterrence of fraud, misuse, or abuse of the fleet fuel card. Internal controls include policies, procedures, and training in addition to spending limits and restrictions.

### A. General Requirements

The Finance Department established an internal control structure that ensures compliance with state/local government procurement laws, sound accounting practices, and internal policy.

Minimum requirements include:

1. Separation of duties between ordering cards, making transactions, and review/approval of transactions for payment.
2. Limits on the number of cardholders assigned to a department in order to ensure adequate review of business need and documentation for each purchase.
3. Provision for annual independent audit or review of the fleet fuel card program by the Fleet Fuel Card Administrator or other business unit assigned audit responsibilities.

### B. Cardholder Spending Limits and Utilization

Imposing spending limits enables management to provide cardholders with the purchasing power to accomplish the needs of the job without exposing the City to unnecessary risk. Spending limits should be based on job responsibilities. Cardholder spending limits must be reviewed at least annually to determine if actual usage is consistent with spending limits and increases or decreases made as needed.

## VII. UNAUTHORIZED PURCHASES

The Fleet Fuel Card SHALL ONLY be used to purchase fuel, maintenance purchases, or roadside assistance services for Universal City-owned vehicles. Any other purchases are not authorized.

#### UNAUTHORIZED PRACTICES

### A. Fleet Fuel Card Sharing

**Only the named vehicle and the associated personal PIN on the fleet fuel card is the authorized user. Fleet Fuel Card sharing is prohibited and will result in immediate termination of the fleet**

**fuel card and all fleet fuel card privileges for one year.** Fleet fuel card sharing is the practice of allowing an individual other than the vehicle whose name appears on the front of the fleet fuel card to have access to the fleet fuel card or fleet fuel card number to initiate or complete a transaction. Fleet fuel card sharing increases the risk of fraud and cardholder liability.

## **B. Personal Use**

All personal use (intentional or unintentional) of the fleet fuel card is prohibited. Personal use of the fleet fuel card shall be handled by the Cardholder as follows:

- a. *Immediately report the purchase to the Department Head.***
- b. *Attach a memo or e-mail to the Fleet Fuel Card Administrator explaining the circumstance of what happened (including a timeline of the incident) and include a copy of the receipt and/or other supporting documentation.***
- c. *Funds shall be reimbursed by personal check made payable to City of Universal City.***  
Please be sure to reference the applicable fleet fuel card transaction #.
- d. *The personal charge must be reported even if the vendor credits the charge.***
- e. *Submit the entire package to Fleet Fuel Card Administrator.***

***Three or more incidents of personal misuse in a three month period may result in automatic suspension of fleet fuel card privileges for a minimum of 3 months.***

## **C. Violations**

The use of a government fleet fuel card may be suspended or revoked when it has been determined that the Cardholder has violated the approved policies or State law regarding the use of the government fleet fuel card. The fleet fuel card shall be revoked whenever a Cardholder is removed from employment with the City. The Cardholder may be held personally liable for the transactions (up to and including payroll deductions) for the total dollar amount of the unauthorized purchases, plus any administrative fee charged by the crediting agency in connection with the misuse.

**CITY OF UNIVERSAL CITY**  
**FLEET FUEL CARD AGREEMENT**

I, \_\_\_\_\_, agree to the following regarding my use of the City of Universal City Fleet Fuel Card:

9. I understand that under no circumstances will I use the fleet fuel card to make personal or non-work-related purchases, either for myself or for others. A personal or non-work-related purchase with the intent to reimburse the City is unacceptable and shall be considered a fraudulent purchase.
10. I understand that I am liable for the amount of unauthorized purchases or advances, plus any administrative fees charged by the bank in connection with the misuse and that I will be required to reimburse the City of Universal City for all costs associated with such improper use.
11. I understand that I will not request or receive cash from suppliers because of exchanges or returns.
12. I understand that I am the only individual authorized to use the Fleet Fuel Card and PIN assigned to me. It is not transferable to any other individual.
13. I understand that the City of Universal City can terminate my right to use the fleet fuel card at any time for any reason. I agree to return the card to my Fleet Fuel Card Administrator immediately upon request, upon my transfer to another department, or upon my termination of employment.
14. I will follow the established procedures for using the fleet fuel card. Failure to do so may result in either revocation of my user privileges or other possible disciplinary actions, up to and including termination of employment.
15. I have reviewed the Fleet fuel card Policy and understand the procedures and requirements for using the fleet fuel card. I understand that the Fleet Fuel Card shall only be used to purchase fuel, maintenance, or roadside assistance services for Universal City-owned vehicles.
16. I agree that should I violate the terms of this Agreement and use the fleet fuel card for personal use or gain that I will surrender my fleet fuel card and reimburse City of Universal City for all incurred charges and any fees related to the collection of those charges. I understand that I can be held personally liable to the City of Universal City for any unauthorized purchases or other misuse.

\_\_\_\_\_  
Cardholder Name (Print)

\_\_\_\_\_  
Fleet Fuel Card Account Number

\_\_\_\_\_  
Cardholder Signature

\_\_\_\_\_  
Fleet Fuel Card Administrator Signature

\_\_\_\_\_  
Social Security Number (last four)

\_\_\_\_\_  
Date

Department \_\_\_\_\_

**Form FLEET FUEL POLICY-1**



***CITY OF UNIVERSAL CITY***

**FLEET FUEL CARD MISSING RECEIPT FORM**

I, \_\_\_\_\_, have either not received or misplaced a Fleet Fuel Card receipt totaling \$ \_\_\_\_\_. This expense was on behalf of the City of Universal City. This form is submitted in lieu of the original receipt.

Reference Number: \_\_\_\_\_ Date: \_\_\_\_\_

Supplier Name: \_\_\_\_\_ Amount: \$ \_\_\_\_\_

Supplier Address & Telephone number: \_\_\_\_\_

Items purchased: (1) \_\_\_\_\_  
(2) \_\_\_\_\_  
(3) \_\_\_\_\_  
(4) \_\_\_\_\_  
(5) \_\_\_\_\_  
(6) \_\_\_\_\_

I certify that the amounts shown above were expended for the City of Universal City business purposes.

Cardholder Signature \_\_\_\_\_ Date \_\_\_\_\_

Fuel Card Administrator Signature \_\_\_\_\_ Date \_\_\_\_\_

Director Signature \_\_\_\_\_ Date \_\_\_\_\_

**Form FLEET FUEL CARD POLICY-2**

# CITY OF UNIVERSAL CITY FLEET FUEL CARD DISPUTE FORM

Name (Please Print) \_\_\_\_\_

Fleet Fuel Card Account Number \_\_\_\_\_

Statement Date	Reference Number	Posting Date	Transaction Date	Amount	Supplier Name

*Please Check the Appropriate Box(s)*

- ☐ I certify that the charges listed above were not made by me nor were the goods or services represented by the above transaction received by me.
- ☐ I do not recognize the transaction as listed above. Please inform me of the supplier name and description of goods purchased.
- ☐ The credit was listed as a sale on my statement. Enclosed is a copy of my credit memorandum.
- ☐ The amount of the sales slips was increased from \$ \_\_\_\_\_ to \$ \_\_\_\_\_. Enclosed is my copy of the sales slip prior to alteration.
- ☐ I received a price adjustment (credit slip) on the above transaction, and it has not appeared on my statement. Enclosed is a copy of my cancellation notification to the supplier.
- ☐ Although I did participate in the transaction, it has been canceled. Enclosed is a copy of my cancellation notification to the supplier.
- ☐ I am disputing the charges because: *(Please explain completely)*.

\_\_\_\_\_

\_\_\_\_\_

*Date*

*Signature*

**Form FLEET FUEL POLICY-3**

## 9.3 Contract and Purchasing Rider (The Rider)



CITY OF UNIVERSAL CITY, TEXAS

### STANDARD GOVERNMENTAL CONTRACT AND PURCHASING RIDER FOR CONTRACTS WITH THE CITY OF UNIVERSAL CITY, TEXAS

(Version August 2021)

By submitting a response to a solicitation or bid, or by entering into a contract for goods or services and/or by accepting a purchase order, the contracting party identified below agrees that the below terms and conditions shall govern all agreements with the City unless otherwise agreed to by a specifically executed provision within the contract and if permissible by law. Absent a specifically executed provision, the below terms are BINDING and SUPERSEDE any and all other terms and/or conditions whether oral or written.

**1. Application.** This Governmental Rider applies to, is part of, and takes precedence over any conflicting provision in or attachment to the Contract (Contract) (attached hereto) of \_\_\_\_\_ (Vendor). The Contract involved in this Rider is described as follows:

*Title of Contract:* \_\_\_\_\_

**2. Payment Provisions.** The City's payments under the Contract, including the time of payment and the payment of interest on overdue amounts, are subject to Chapter 2251, Texas Government Code. City reserves the right to modify any amount due to contractor presented by invoice to the city if necessary to conform the amount to the terms of the contract.

**3. Multiyear Contracts.** If the City's city council does not appropriate funds to make any payment for a fiscal year after the City's fiscal year in which the contract becomes effective and there are no proceeds available for payment from the sale of bonds or other debt instruments, then the Contract automatically terminates at the beginning of the first day of the successive fiscal year. (Section 5, Article XI, Texas Constitution). It is understood and agreed the City shall have the right to terminate the agreement at the end of any City fiscal year if the governing body of the City does not appropriate funds sufficient to continue the contract, as determined by the City's budget for the fiscal year in question. The City may execute such termination by giving contractor a written notice of termination at the end of its then current fiscal year.

**4. Best Value Determination.** All competitive bids or proposals received shall be evaluated based on the best value for the City. Best value shall be determined any relevant criteria specifically listed in the solicitation and by considering all or part of the criteria listed below:

- a. Bid price.
- b. Reputation of the bidder and of bidder's goods and services.
- c. The quality of the bidder's goods or services.

- d. The extent to which the goods or services meet the City's needs.
- e. Bidder's past relationship with the City. All vendors shall be evaluated on their past performance and prior dealings with the City to include, but not limited to, failure to meet specifications, poor quality, poor workmanship, and late delivery.

**5. Local Preference.** The City Council supports the local preference option for purchasing. In accordance with Chapter 271.9051 of the State of Texas Local Government Code, the City Council may choose to award a competitive bid to a bidder whose principal place of business is in the City limits, provided that this bid is within 5% of the lowest bid price received.

**6. No Ex-Parte Communications during Competitive Bidding Period.** To insure the proper and fair evaluation of a response, the City prohibits ex parte communication (e.g., unsolicited) initiated by the proposed contractor to a City official or employee evaluating or considering the responses prior to the time a formal decision has been made. Questions and other communication from vendors will be permissible until 5:00 pm on the day specified as the deadline for questions. Any communication between responder and the City after the deadline for questions will be initiated by the appropriate City official or employee in order to obtain information or clarification needed to develop a proper and accurate evaluation of the response. Ex parte communication may be grounds for disqualifying the offending responder from consideration or award of the solicitation then in evaluation, or any future solicitation.

**7. Abandonment or Default.** A vendor who abandons or defaults the work on the contract and causes the City to purchase the services elsewhere may be charged for any increased cost of goods, materials and/or services related thereto and shall not be considered disqualified in any re-advertisement of the service and may not be considered in future bids for the same type of work for a period of three years for the same scope of work, goods or services.

**8. Disclosure of Litigation.** Each vendor shall include in its proposal a complete disclosure of any civil or criminal litigation or investigation pending which involves the respondent or which has occurred in the past in which the respondent has been judged guilty or liable by a competent court regardless of whether the Court Order or Judgment is final or on appeal.

**9. Cancellation.** The City reserves the right to cancel the contract without penalty by providing 30 days prior written notice to the contracting party. Termination under this paragraph shall not relieve the vendor of any obligation or liability that has occurred prior to cancellation. **NOTE: This contract is subject to cancellation, without penalty, at any time the City deems the vendor to be non-compliant with contractual obligations.**

**10. Annual Vendor Performance Review.** The City reserves the right to review the vendor's performance at the end of each twelve month contract period and to cancel all or part of the agreement (without penalty) or continue the contract through the next period.

**11. Compliance with other laws and certification of eligibility to contract.** Any offer to contract with the City shall be considered an executed certification that the vendor will/shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, (as amended during the contracting period) and any orders and decrees of any court or administrative bodies or tribunals in any matter affecting the performance of the resulting agreement, including without limitation, immigration laws, workers' compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. ***Additionally, such offer shall indicate that the vendor has fully read and understood the terms and conditions for eligibility to contract***

*with the City pursuant to the City's Ordinances and certifies they are in compliance with those local requirements.* When requested, the vendor shall furnish the City with satisfactory proof of its compliance within 10 days or any contract with the City is void.

**12. Compliance with all Codes, Permitting and Licensing Requirements.** The successful vendor shall comply with all national, state and local standards, codes and ordinances as well as any other authorities that have jurisdiction pertaining to equipment and materials used and their application. None of the terms or provisions of the specification shall be construed as waiving any rules, regulations or requirements of these authorities. The successful vendor shall be responsible for obtaining all necessary permits, certificates and/or licenses to fulfill contractual obligations.

**13. Mandatory Contracting Provisions.** Where applicable, the City of Universal City may not enter into a contract with a vendor for goods and services unless the contract contains a written verification from the company that it; (i) does not boycott Israel; (ii) will not boycott Israel during the term of the contract; (iii) does not boycott energy companies; (iv) will not boycott energy companies during the term of the contract; (v) does not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and (vi) will not discriminate during the term of the contract against a firearm entity or firearm trade association (Texas Government Code, Chapter 2271.002; 2274.002).

Vendor hereby verifies that it does not boycott Israel, and agrees that, during the term of this agreement, will not boycott Israel as this term is defined in the Texas Government Code, Section 808.001, as amended. Vendor hereby verifies that it does not boycott energy companies, and agrees that, during the term of this agreement, will not boycott energy companies as this term is defined in Texas Government Code, Section 809.001, as amended. Vendor hereby verifies that it does not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association, and agrees that, during the term of this agreement, will not discriminate against a firearm entity or firearm trade association as those terms are defined in Texas Government Code, Section 2274.001, as amended.

Further, Vendor hereby certifies that it is not a company identified under Texas Government Code, Section 2252.152 as a company engaged in business with Iran, Sudan, or Foreign Terrorist Organizations.

**14. Liability and Indemnity of City.** Any provision of the Contract is void and unenforceable if it: (1) limits or releases either party from liability that would exist by law in the absence of the provision; (2) creates liability for either party that would not exist by law in the absence of the provision; or (3) waives or limits either party's rights, defenses, remedies, or immunities that would exist by law in the absence of the provision.. (Section 5, Article XI, Texas Constitution)

**15. Indemnity and Independent Contractor Status of Contractor.** Vendor shall indemnify, save harmless and defend the City, its officers, agents, and employees from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses, attorney's fees and any and all other costs or fees (whether grounded in Constitutional law, Tort, Contract, or Property Law, or raised pursuant to local, state or federal statutory provision), arising out of the performance of the resulting agreement and/or arising out of a willful or negligent act or omission of the contractor, its officers, agents, and employees. It is understood and agreed that the contractor and any employee or sub-contractor of contractor shall not be considered an employee of the City. The contractor shall not be within protection or coverage of the City's workers' compensation insurance, health insurance, liability insurance or any other insurance that the City from time to time may have in force and effect. City specifically reserves the right to reject any and all contractor's employees, representatives or sub-contractors and/or their employees for any cause, should the presence of any such person on City property

or their interaction with City employees be found not in the best interest of the City, harassing, or is found to interfere with the effective and efficient operation of the City's workplace.

**16. Liens.** Vendor agrees to and shall indemnify and save harmless the City against any and all liens and encumbrances for all labor, goods and services which may be provided under the resulting agreement. At the City's request the contractor or subcontractors shall provide a proper release of all liens, or satisfactory evidence of freedom from liens shall be delivered to the City.

**17. Confidentiality.** Any provision in the Contract that attempts to prevent the City's disclosure of information that is subject to public disclosure under federal or Texas law or regulation, or court or administrative decision or ruling, is invalid. (Chapter 552, Texas Government Code)

**18. Tax Exemption.** The City is not liable to Vendor for any federal, state, or local taxes for which the City is not liable by law, including state and local sales and use taxes (Section 151.309 and Title 3, Texas Tax Code) and federal excise tax (Subtitle D of the Internal Revenue Code). Accordingly, those taxes may not be added to any item. Texas limited sales tax exemption certificates will be furnished upon request. Vendors shall not charge for said taxes. If billed, the City will remit payment less sales tax.

**19. Contractual Limitations Period.** Any provision of the Contract that establishes a limitations period that does not run against the City by law or that is shorter than two years is void. (Sections 16.061 and 16.070, Texas Civil Practice and Remedies Code)

**20. Sovereign Immunity.** Any provision of the Contract that seeks to waive the City's immunity from suit and/or immunity from liability is void unless agreed to by specific acknowledgement of the provision within the contract.

**21. Governing Law and Venue.** Texas law governs this Contract and any lawsuit on this Contract must be filed in a court that has jurisdiction in Bexar County, Texas.

**22. Certificate of Interested Parties (TEC Form 1295).** For contracts needing City Council approval, the City may not accept or enter into a contract until it has received from the Contractor a completed, signed, and notarized TEC Form 1295 complete with a certificate number assigned by the Texas Ethics Commission ("TEC"), pursuant to Texas Government Code § 2252.908 and the rules promulgated thereunder by the TEC. The Contractor 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 notarized, 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 bidder with respect to the proper completion of the TEC Form 1295.

**CITY OF UNIVERSAL CITY, TEXAS**

**VENDOR NAME**\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: City Manager\_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_