

# CITY OF LAREDO

## VENDOR AND PAYMENT GUIDE

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The Purchasing Division is responsible for the acquisitions of all supplies, materials, equipment, and /or services for all city departments.

### **PURCHASING POLICY**

Please be advised that City purchasing authority is delegated to the Purchasing Division. A purchase order is subsequently awarded when state, federal and local regulations are in contract compliance. We believe that an open, competitive atmosphere is most beneficial to both buyer and seller, and it is our policy to foster this environment. We buy on the basis of competitive bids, definitive specifications, quality of products and service, advantageous price, and delivery practices.

### **PURCHASING HOURS OF OPERATION:**

The Purchasing Department is located at the Public Works Service Center, 5512 Thomas Ave., Laredo, Texas. Our normal hours of operation are from 8:00 A.M. to 5:00 P.M., Monday through Friday. Vendor hours are from 9:00 A.M. to 12:00 noon, and 1:00 P.M. to 4:00 P.M.. Vendors are assured a prompt and courteous reception by our staff however, we ask that all visits be limited to ten minutes. If more time is needed, please arrange for an appointment.

All sales representative contacts with other departments can be arranged through the Purchasing Office. Contacts may be made through the initiative of the department or the sales representative, subject to the agreement of the department involved.

### **PURCHASE ORDERS**

No merchandise may be shipped nor any service performed without a purchase order supported by an approved requisition. In the case of telephone orders, a purchase order number must be given. Purchase order numbers must appear on all shipments, delivery slips, and invoices. Orders are understood to be shipped FOB, final destination and freight prepaid unless otherwise specified on the Purchase Order. We cannot accept retroactive price increases and expect vendors to honor all pricing, delivery, and service agreements.

### **TYPES OF PURCHASE CONTRACTS**

#### **Formal Bids:**

Formal bids are used to award contracts that exceed an established bid limit threshold established by procurement statutes and City Council policy. Bid notices are published and all formal bids are opened at the published time by the Office of the City Secretary. Formal bids notices are generally published in the local newspaper, Laredo Morning Times, and on the City's web page: [www.cityoflaredo.com](http://www.cityoflaredo.com)

#### **Informal Bids:**

General, the City must secure a minimum of three price quotes for all purchases not under formal contract.

#### **Actual Quantities Contract:**

Quantities specified are actual amounts and are based on the best available information. The purpose of this type of contract is to establish prices for the amounts and kind of commodities indicated. The quantity indicated is the quantity the City wants to purchase, but the actual amount purchased is subject to change orders which may increase or decrease the commodities purchased by 25%.

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### **Annual Supply Contracts:**

This type of contract does not commit the City to purchase the quantities indicated. The quantities are estimates and are based on the best available information. The purpose of this type of contract is to establish prices for the commodities or services needed, should the City need to purchase these commodities or services. Since the quantities are estimates, the City may purchase more than the estimated quantities, less than the estimated quantities, or not purchase any quantities at all. The needs of the City shall govern the amount that is purchased and change orders shall not be applicable.

### **Contractual Service Contracts**

Vendors who seek contractual services with the City are required to possess the applicable state permits and licenses. Contractual vendors must also possess commercial general liability and Worker Compensation Insurance with limits acceptable to the Risk Department.

### **Insurance Requirements**

When required and specified in the City of Laredo bid specifications, the successful bidder(s) shall furnish the City with original copies of valid insurance policies herein required upon execution of the contract and shall maintain said policies in full force and effect at all times during the term of this contract.

- (a) Commercial General Liability in the name of the contractor in minimum amount of \$1,000,000 per occurrence and \$2,000,000 general aggregate for bodily injury and property damage which coverage shall include products/completed operation (\$1,000,000 products completed/operations aggregate) written on an occurrence form. Contractual liability must be maintained covering the Contractors obligation contained in the contract.
- (b) Workers' Compensation Insurance, at statutory requirements limits, including Employers' Liability coverage in a minimum limits of \$1,000,000 each occurrence each accident and \$1,000,000 disease each-occurrence and \$1,000,000 each disease aggregate.
- (c) Commercial Auto Liability insurance at minimum combined single limit of \$1,000,000 per occurrence for bodily injury and property damage, including owned, non-owned and hired car coverage.
- (d) The City of Laredo shall be named as an additional insured with respect to General and Auto Liability. A waiver of subrogation in favor of the City of Laredo shall be contained in the workers' compensation and all liability policies. All insurance policies shall be endorsed to require the insurer to immediately notify the City of Laredo of any material change in the insurance coverage. All insurance policies shall be endorsed to the effect that the City of Laredo will receive at least sixty-(60) days notice prior to cancellation or non-renewal of insurance. All insurance policies, which name the City of Laredo as an additional insured must be endorsed to read as primary coverage regardless of the application of other insurance. Insurer must be rated A- or greater by AM Best Rating with an admitted carrier licensed by the Texas Department of Insurance. All liability policies shall contain no cross liability exclusion or insured versus insured restrictions.

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*In all cases outlined herein and those not mentioned, the City reserves the right to reject any oral bids or any part of a bid whenever it is deemed necessary.*

**DELIVERY TERMS AND TRANSPORTATION CHARGES:**

The place of delivery shall be that set forth on the purchase order. Most orders require inside delivery. All bid pricing shall be F.O.B. destination, freight prepaid unless delivery terms are specified in bid. Shipment under reservation is prohibited. The City has the right to inspect the goods before accepting them.

**AWARD OF CONTRACT(S)**

Submission and award of bid shall be based on the "Terms and Conditions of the Invitation for Bids", which is attached and is part of these specifications. This contract will be awarded to the lowest responsible bidder or the bidder who provides the best value for the city, and whose bid price and others factors have been considered in accordance to the provisions of Chapters 252 and 271 of the State of Texas – Local Government Code.

Contract(s) shall be awarded to the lowest responsible bidder or the vendor who provides the best value for the city, whose price and other factors have been considered in accordance to the provisions of the State of Texas - Local Government Code.

**TERMS AND CONDITIONS**

The City of Laredo's general terms and conditions are included with all formal bid notices. The information preprinted written and/or typed in the front of our purchase order is especially important to us. Should you take exception to this information, please clearly express any reservations to us in writing. If you do not, we will assume that you have agreed to the specified terms and that you will fulfill your obligations according to our purchase order. If necessary, we will change your invoice and pay your invoice according to our purchase order.

**GIFTS AND ENTERTAINMENT**

It is contrary to our city policy for vendors to offer gratuities, premiums, or other incentives to an employee under any circumstances. We prefer that incentives be expressed in terms of quality, service, and price quotations. Please assist us in this policy.

**CATALOGS AND PRICE LIST**

Your interest and assistance is solicited to keep our files of catalogs and other product literature up to date and accurate.

**VENDOR PERFORMANCE**

As a matter of good purchasing practice, we periodically evaluate all vendors on the basis of actual performance, as compared to promised delivery dates, ability to meet rush requirements, unauthorized split shipments, number of rejects due to poor quality, and adherence to purchase order prices. Subsequent buying decisions are strongly influenced by this evaluation. Unsatisfactory performance will result in removal from our authorized vendor list.

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**INVOICES**

Invoices are paid based on the purchase order following receipt of goods. No orders can be paid without a supporting invoice which must show the duly authorized purchase order number. The City's terms shall be net 30 days after receipt of invoice. Prompt payment discounts are taken from date of receipt of invoice or date of actual receipt of material whichever is latest.

Invoices are to be mailed to following address:

City of Laredo  
Accounts Payable Division  
PO Box 210  
Laredo, Texas 78042-0210.

**THANK YOU**

We are most appreciative of your assistance, and acknowledge the courtesies extended to us by your representatives. Just as you value our business, we value the service and cooperation from your organization.

*City of Laredo  
Purchasing Division  
5512 Thomas Ave.  
Laredo, Texas 78041*

*Phone: (956) 790-1800  
Fax: (956) 790-1805*

*City of Laredo  
Accounts Payable Division  
Phone: (956) 791-7325  
Fax: (956) 791-7374*

[www:cityoflaredo.com](http://www.cityoflaredo.com)