ECONOMIC DEVELOPMENT
CORPORATION BOARD OF DIRECTORS

**Location:**
City of Edinburg, Council Chambers
415 W. University Drive, Edinburg, Texas

**April 22nd, 2025**
**SPECIAL MEETING AGENDA**
**5:30 PM**

1. **CALL TO ORDER, ESTABLISH A QUORUM**
   A. Pledge of Allegiance.
2. **CERTIFICATION OF PUBLIC NOTICE**
3. **DISCLOSURE OF CONFLICT OF INTEREST**
4. **PUBLIC COMMENTS**

A specific portion of the meeting shall be dedicated to allowing Public Comments which will be limitedto three (3) minutes. Please note that this public comment period is not interactive. The Edinburg EDC Board may not respond to public comments.

If a resident desires to make a public comment in person, please complete the Public Comments Form which will be located outside of the City Council Chambers and submit the completed form to the Economic Development staff prior to the commencement of the Edinburg EDC Board meeting. We ask for everyone's cooperation in following this procedure.

All requests must be received beginning at 9am and end immediately before the start of the meeting. Your request should include your name, address, and telephone number. We ask for everyone's cooperation in following this procedure.

5. **AGENDA ITEMS**
   A. Consider approval of Minutes for the Special Board meeting held on April 07, 2025.
   B. Presentation of year-to-date financials ending on January 31, 2025, and February 28, 2025.
   C. Discussion and possible action on EEDC Meeting Calendar.
   D. Consider amendment to Travel Policy.

6. **STAFF REPORTS**
   1. Commercial Development Report
   2. Industrial Development Report
   3. Marketing Report
   4. Executive Director's Report

7. **EXECUTIVE SESSION**

*The EEDC will convene in Executive Session, in accordance with the Texas Open Meetings Act, Vernon's Texas Statutes and Codes Annotated, Government Code, Chapter 551, Subchapter D, Exceptions to Requirement that Meetings be Open. The EEDC May Elect To Go Into Executive Session On Any Item Whether Or Not Such Item Is Posted As An Executive Session Item At Any Time During TheMeeting When Authorized By The Provisions Of The Open Meetings Act.*

A. Deliberation regarding economic development projects and possible action related to projects (§551.087 Deliberation Regarding Economic Development Negotiations; §551.071 Consultation with Attorney; §551.072 Deliberation Regarding Real Property; Closed Meeting).

1. Hotel Study Review
2. Project 100
3. Project Cave
4. FLIP
5. Office Space
6. Food Truck Park

B. Personnel Matters. (§551.074 Personnel Matters and (§551.071 Consultation with Attorney; Closed Meeting.)

C. Consultation with Attorney (§551.071 Consultation with Attorney; Closed Meeting.)

## 8. OPEN SESSION

*The EEDC will convene in Open Session to take necessary action, if any, in accordance with Chapter551, Open meetings, Subchapter E, Procedures Relating to Closed Meeting, §551.102, Requirement to Vote or Take Final Action in Open Meetig.*

## 9. ADJOURNMENT

*I hereby certify this Notice of an EEDC Meeting was posted in accordance with the Open Meetings Act,at the City Offices of the City of Edinburg, located at the 415 West University entrance outside bulletin board visible and accessible to the general public during and after regular working hours.*

*This notice was posted on April 17, 2025 at 5:00 pm.*

*By: /s/ Raudel Garza*

*Signature:* Raudel Garza
*Name: Raudel Garza, Executive Director*
*Edinburg Economic Development Corporation*

**Edinburg Economic Development Corporation**
Meeting Date: April 22, 2025

Consider approval of Minutes for the

Regular Board meeting held on April 7, 2025.

1. **Agenda Item:**

Consider approval of Minutes for the Special Board Meeting held on April 7, 2025.

2. **Description/Scope:**

Board meeting minutes are reviewed by Executive Director, Raudel Garza, and approved by the EEDC Board on a monthly basis.

3. **Estimated Timeline:**

N/A

4. **Budget:**

N/A

5. **Procurement/Selection Process:**

N/A

6. **Staff's Recommendation:**

Staff recommends approval.

7. **Justification:**

N/A

/s/ Raudel Garza, EEDC
Executive Director

**ATTACHMENTS:**

Attachment A: April 7, 2025 Regular Board Minutes

**MINUTES OF THE**
**EDINBURG ECONOMIC DEVELOPMENT**
**CORPORATION BOARD OF DIRECTORS**

LOCATION:
City of Edinburg, City-Hall Council Chambers
415 W. University Drive. Edinburg, Texas

**April 07, 2025**
**REGULAR MEETING AGENDA**
**5:30 PM**

**PRESENT:** **Aaron Rivera, President**
**Raul Resendez, Vice President**
**Marc Moran, Secretary**
**Richard Gonzales, Treasurer**
**David Salazar, Director/ Councilmember**
**Veronica Gonzales, Director**
**Sandra Alaniz, Director**

**STAFF:** **Raudel Garza, Executive Director**
**Samantha Martinez, Business Operations Coordinator**
**Jaqueline Guerra, Marketing & Research Manager**
**Leticia Pantoja, Project Manager**
**Carlos Garza, Project Manager**
**Emmanuel Espinoza, EEDC Attorney**
**Aaron Daniel Rivera, EEDC Attorney**

## 1. CALL TO ORDER, ESTABLISH QUORUM

President, Aaron Rivera, called the meeting to order at 5:31 pm.

**A.** Pledge of Allegiance

Raudel Garza, Edinburg EDC Executive Director, proceeded with roll call and established quorum.

## 2. CERTIFICATION OF PUBLIC NOTICE

Mr. Garza confirmed the public notice was posted in accordance with the Texas Open Meetings Act, on April 4, 2025 at 5:00 PM.

President Aaron Rivera introduced the new EEDC legal counsel to the board and staff.

3. **<u>DISCLOSURE OF CONFLICT OF INTEREST</u>**

EEDC Attorney, Aaron Rivera, stated a conflict of interest exists if a board member or a member of that person's family has a qualifying financial interest in an agenda item. If there is a conflict of interest, the board director cannot participate in discussion or vote on the agenda item.

No conflicts of interest were declared by board members.

4. **<u>PUBLIC COMMENTS</u>**

*A specific portion of the meeting shall be dedicated to allowing Public Comments which will be limited to three (3) minutes. Please note that this public comment period is not interactive. The Edinburg EDC Board may not respond to public comments. If a resident desires to make a public comment in person, please complete the Public Comments Form, which will be located outside of the City Council Chambers and submit the completed form to the Economic Development staff prior to the commencement of the Edinburg EDC Board meeting. We ask for everyone's cooperation in following this procedure.*

There were no public comments.

5. **<u>SPECIAL AGENDA ITEMS</u>**

**A. Consider Approval of Minutes for the Board Meeting held on March 25, 2025.**

**MOTION TO APPROVE MINUTES WAS MADE BY DIRECTOR SANDRA ALANIZ AND SECONDED BY COUNCIL MEMBER DAVID SALAZAR. MOTION CARRIED UNANIMOUSLY.**

**B. Consider approval of Sponsorship for "Lucky Maverick Casino Night" by Altacair.**

Executive Director Raudel Garza reviewed the Lucky Maverick sponsorship. A discussion followed between the EDC Board and EDC Attorney Aaron Rivera regarding a disclosure made by Director Veronica Gonzales and Secretary Marc Moran, noting their positions as board members of the Altacair Foundation. As a result of this disclosure, both Director Gonzales and Secretary Moran will abstain from voting on Item 5B.

**MOTION TO APPROVE SPONSORSHIP FOR ALTACAIR FOUNDATION FOR $3,000.00 WAS MADE BY COUNCIL MEMBER DAVID SALAZAR AND SECONDED BY VICE-PRESIDENT RAUL**

**RESENDEZ. MOTION CARRIED 5-0 WITH 2 ABSTENTIONS.**

**C. Consider approval of Sponsorship for "Dinner & Auction Scholarship Gala" by IDEA Public Schools.**

Executive Director Raudel Garza provided an overview of the Dinner & Auction Scholarship Gala, including the details of the requested sponsorship level.

**MOTION TO APPROVE SPONSORSHIP FOR IDEA PUBLIC SCHOOL FOR $2,500.00 WAS MADE BY TREASURER RICHARD GONZALES AND SECONDED BY COUNCIL MEMBER DAVID SALAZAR. MOTION CARRIED UNANIMOUSLY.**

**D. Discussion and possible action on attending ICSC Las Vegas May 18-20, 2025.**

Executive Director Raudel Garza provided a brief update on ICSC Las Vegas and asked the board members about their attendance plans. President Aaron Rivera, Vice President Raul Resendez, Secretary Marc Moran, Director Sandra Alaniz, and Council Member David Salazar expressed interest in attending. Due to conflicts of time, Treasurer Richard Gonzales and Director Veronica Gonzales will not be attending this year.

**6. EXECUTIVE SESSION**

The board entered executive session at 5:41 p.m.

**MOTION TO ENTER EXECUTIVE SESSION WAS MADE BY COUNCIL MEMBER DAVID SALAZAR AND SECONDED BY TREASURER RICHARD GONZALES. MOTION CARRIED UNANIMOUSLY**.

The EEDC board convened in executive session, in accordance with the Texas Open Meetings Act, Vernon's Texas Civil Statutes annotated, government code, chapter 551, subchapter D, exceptions to requirements that meetings be open, to deliberate under the following section:

- **SECTION 551.071, CONSULTATION WITH ATTORNEY**
- **SECTION 551.072, DELIBERATION REGARDING REAL PROPERTY**
- **SECTION 551.087, DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS**

The EEDC board may elect to go into executive session on any item whether or not such item is posted as an executive session item at any time during the

meeting when authorized by the provisions of the Texas Open Meetings Act.
The board will deliberate the following item:

**A.** Deliberation and possible action regarding economic development negotiations (§551.087 Deliberation Regarding Economic Development Negotiations; §551.072. Deliberation Regarding Real Property; §551.071 Consultation with Attorney; Closed Meeting.)

1. Office Space
2. Project Expedition
3. Food Truck Park
4. Project 100
5. Project Cave

**7. <u>OPEN SESSION</u>**

The EEDC convened in Open Session to take necessary action, in accordance with Chapter 511, Open meetings, Subchapter E, Procedures Relating to Closed Meeting §551.102, Requirement to Vote or Take Final Action in Open Meeting.

The EDC board reconvened in open session at 6:22 pm.

**MOTION TO ENTER OPEN SESSION WAS MADE BY COUNCIL MEMBER DAVID SALAZAR AND SECONDED BY SECRETARY MARC MORAN. MOTION CARRIED UNANIMOUSLY**.

**MOTION TO PROCEED AS DISCUSSED IN EXECUTIVE SESSION ON PROJECT NUMBER "6A2. PROJECT EXPEDITION AND 6A3.FOOD TRUCK PARK" WAS MADE BY TREASURER RICHARD GONZALES AND SECONDED BY COUNCIL MEMBER DAVID SALAZAR. MOTION CARRIED UNANIMOUSLY.**

**8. <u>ADJOURNMENT</u>**

There being no further business to consider, the meeting adjourned at 6:24 p.m.

**MOTION TO ADJOURN MEETING WAS MADE BY COUNCIL MEMBER DAVID SALAZAR AND SECONDED BY DIRECTOR VERONICA GONZALES. MOTION CARRIED UNANIMOUSLY.**

______________________________
Minutes Transcribed by:
Samantha Martinez, Business Operations Coordinator, Edinburg Economic Development Corporation

The board of directors approved the meeting minutes on ________________________, 2025.

**EDINBURG ECONOMIC DEVELOPMENT CORPORATION:**

Marc Moran, EEDC Board Secretary

**Edinburg Economic Development Corporation**
Meeting Date: April 22, 2025

Presentation of year-to-date Financial Report ending on January 31, 2025 and February 28, 2025.

1. **Agenda Item:**

   Presentation of year-to-date Financial Report ending on January 31, 2025 and February 28, 2025.

2. **Description/Scope:**

   Executive Director, Raudel Garza, will give a presentation on the year-to-date EEDC Financial Report ending on January 31, 2025 and February 28, 2025.

3. **Estimated Timeline:**

   October 1, 2024 – February 28, 2025.

4. **Budget:**

   N/A

5. **Procurement/Selection Process:**

   N/A

6. **Staff's Recommendation:**

   N/A

7. **Justification:**

   N/A

**/s/ Raudel Garza, EEDC**
**Executive Director**

**ATTACHMENTS:**
Attachment A: EEDC Financial Report ending 02/28/2025

# Management Report

Edinburg Economic Development Corporation
For the period ended February 28, 2025

Prepared on
April 17, 2025

Unaudited financial statements.

# EDINBURG ECONOMIC DEVELOPMENT CORPORATION
## BALANCE SHEET (Unaudited)
## FEBRUARY 28, 2025

| | | |
|---|---|---|
| **Assets** | | |
| Cash and Cash Equivalents | $ | 10,701,016 |
| Sales Tax Receivable | | 1,415,881 |
| Receivables, Net | | 12,085,650 |
| Santana Receivables, Net | | 8,875,606 |
| Restricted Assets | | |
| Cash and Cash Equivalents | | 789,457 |
| Investments | | 9,459,168 |
| **TOTAL ASSETS** | **$** | **43,326,778** |
| | | |
| **Liabilities** | | |
| Current Liabilities | | |
| Accounts Payable | $ | 492,595 |
| Total Liabilities | $ | 492,595 |
| | | |
| **Fund Balance** | | |
| Restricted For: | | |
| Capital Projects | $ | 7,026,742 |
| Debt Service | | 2,350,260 |
| Other: Note Receivables | | 16,132,628 |
| Other: Property Acquisitions | | 8,297,752 |
| Unrestricted | | 9,026,800 |
| Total Fund Balance | $ | 42,834,183 |
| | | |
| **TOTAL LIABILITIES AND FUND BALANCE** | **$** | **43,326,778** |

## EDINBURG ECONOMIC DEVELOPMENT CORPORATION
## MONTHLY BUDGET ACTIVITY REPORT (Unaudited)
## As of February 28, 2025

| | Current Budget | YTD | Percent Used | Remaining Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| GEN SALES & USE TAX (.5%) | $ 9,866,485 | $ 4,119,132 | 42% | $ 5,747,353 |
| INTEREST EARNED | 60,000 | 45,963 | 77% | 14,037 |
| INTEREST EARNED SERIES 2019 | - | 95,167 | 0% | (95,167) |
| INTEREST EARNED SERIES 2021 | - | 52,893 | 0% | (52,893) |
| **Total Revenues** | **$ 9,926,485** | **$ 4,165,095** | **42%** | **$ 5,761,390** |
| **Other Financing Resources** | | | | |
| SALE OF PROPERTY | $ 1,200,000 | $ - | 0% | $ 1,200,000 |
| **Total Other Financing Resources** | **$ 1,200,000** | **$ -** | **0%** | **$ 1,200,000** |
| **Total Revenues and Other Financing Resources** | **$ 11,126,485** | **$ 4,165,095** | **37%** | **$ 6,961,390** |
| **Expenditures** | | | | |
| **Administrative Services** | | | | |
| ADMINISTRATION FEE | $ 500,000 | $ - | 0% | $ 500,000 |
| SALARIES & FRINGE BENEFITS | 890,542 | 238,664 | 27% | 651,878 |
| COMMUNICATIONS SERVICE AGREEMENT | 12,000 | 1,544 | 13% | 10,456 |
| PRINTING | 3,600 | - | 0% | 3,600 |
| RENTS & CONTRACTUAL | 16,800 | 10,083 | 60% | 6,717 |
| OFFICE SPACE LEASE | 69,600 | 17,100 | 25% | 52,500 |
| OFFICE MAINTENANCE & CONTRACTUAL - IT | 9,000 | 3,339 | 37% | 5,661 |
| BOARD EXPENSES | 6,000 | 3,222 | 54% | 2,778 |
| OFFICE SUPPLIES & OTHER MATERIALS | 12,000 | 2,141 | 18% | 9,859 |
| WEARING APPAREL | 3,600 | 190 | 5% | 3,410 |
| OFFICE EQUIP & FURNITURE | 45,000 | 10,642 | 24% | 34,358 |
| OTHER MATERIALS | 6,000 | 166 | 3% | 5,834 |
| AUDIT / ACCOUNTING | 66,000 | - | 0% | 66,000 |
| CONTINUING EDUCATION | 18,000 | - | 0% | 18,000 |
| MEMBERSHIP DUES, SUBSCR | 60,000 | 14,437 | 24% | 45,563 |
| PROFESSIONAL SERVICES | 216,000 | 41,580 | 19% | 174,420 |
| **Total Administrative Services** | **$ 1,934,142** | **$ 343,108** | **18%** | **$ 1,591,034** |
| **Programs** | | | | |
| CONFERENCES | $ 120,000 | $ 12,372 | 10% | $ 107,628 |
| JOB TRAINING PROGRAMS | 700,000 | 169,980 | 24% | 530,020 |
| MARKETING AND ADVERTISING SERVICES | 540,000 | 211,010 | 39% | 328,991 |
| RESEARCH, STUDIES, OTHER CONTRACTS | 300,000 | 6,750 | 2% | 293,250 |
| SPONSORSHIPS | 144,000 | 52,325 | 36% | 91,675 |
| TRAVEL,TRAINING,MEETINGS | 78,000 | 5,054 | 6% | 72,946 |
| **Total Programs** | **$ 1,882,000** | **$ 457,491** | **24%** | **$ 1,424,509** |
| **Properties** | | | | |
| GENERAL INSURANCE | $ 75,000 | $ 37,334 | 50% | $ 37,666 |
| LAND - PURCHASE OF PROPERTY | 8,297,752 | - | 0% | 8,297,752 |
| PROPERTY MAINTENANCE | 828,000 | - | 0% | 828,000 |
| PROPERTY TAXES | 40,000 | - | 0% | 40,000 |
| UTILITIES | 12,000 | - | 0% | 12,000 |
| **Total Properties** | **$ 9,252,752** | **$ 37,334** | **0%** | **$ 9,215,418** |
| **Incentive Agreements** | | | | |
| ECONOMIC DEVELOPMENT INCENTIVES | $ 1,200,000 | $ 299,118 | 25% | $ 900,882 |
| KAPAL SUPPLIER, LLC | 80,000 | - | 0% | 80,000 |
| **Total Incentive Agreements** | **$ 1,280,000** | **$ 299,118** | **23%** | **$ 980,882** |
| **Debt Service** | | | | |
| BOND PRINCIPAL PAYMENT | $ 1,665,000 | $ 1,070,000 | 64% | $ 595,000 |
| BOND INTEREST EXPENSE | 1,010,977 | 508,311 | 50% | 502,666 |
| BOND FEES | 6,000 | - | 0% | 6,000 |
| **Total Debt Service** | **$ 2,681,977** | **$ 1,578,311** | **59%** | **$ 1,103,666** |
| **Total Expenditures** | **$ 17,030,871** | **$ 2,715,362** | **16%** | **$ 14,315,509** |

# EDINBURG ECONOMIC DEVELOPMENT CORPORATION

## MONTHLY BUDGET ACTIVITY REPORT (Unaudited)

## As of February 28, 2025

| | Current Budget | YTD | Percent Used | Remaining Budget |
|---|---|---|---|---|
| **Sources Over/(Under) Uses** | **$ (5,904,386)** | **$ 1,449,733** | **25%** | **$ (7,354,119)** |
| **Bond Projects Expenses** | | | | |
| WORKFORCE/RESOURCE CENTER | $ 1,827,000 | $ - | 0% | $ 1,827,000 |
| PARKING GARAGE | 2,068,000 | - | 0% | 2,068,000 |
| **Total Bond Projects Expenses** | **$ 3,895,000** | **$ -** | **0%** | **$ 3,895,000** |
| **TOTAL SUMMARY** | | | | |
| Total Revenues | $ 11,126,485 | $ 4,313,155 | 39% | $ 6,813,330 |
| Total Expenses | (20,925,871) | (2,715,362) | 13% | (18,210,509) |
| **Change in Fund Balance** | **$ (9,799,386)** | **$ 1,597,793** | **-16%** | **$ (11,397,179)** |

# EDINBURG ECONOMIC DEVELOPMENT CORPORATION

## SUPPLEMENTARY INFORMATION (Unaudited)

## Cash Balances as of February 28, 2025

| | Beginning Balance | YTD Activity | Ending Balance |
|---|---|---|---|
| Cash - Unrestricted | | | |
| Operating - Interest Bearing | $ 1,938,159 | $ 844,132 | $ 2,782,291 |
| **Total Unrestricted Cash** | **$ 1,938,159** | **$ 844,132** | **$ 2,782,291** |
| Cash - Restricted | | | |
| Non Interest Bearing: | | | |
| Debt Service Funds | $ 2,367,713 | $ (1,578,257) | $ 789,457 |
| Total Non Interest Bearing Cash | $ 2,367,713 | $ (1,578,257) | $ 789,457 |
| Interest Bearing: | | | |
| Series 2019 Bonds - Project Fund | $ 4,188,190 | $ 16,929 | $ 4,205,118 |
| Series 2021 Bonds - Project Fund | 2,812,215 | 9,409 | 2,821,624 |
| Debt Service Reserves Fund | 1,555,599 | 5,205 | 1,560,804 |
| Reserved for Property Acquisitions | 8,297,752 | - | 8,297,752 |
| Total Interest Bearing Cash | $ 16,853,756 | $ 31,542 | $ 16,885,298 |
| **Total Restricted Cash** | **$ 19,221,469** | **$ (1,546,715)** | **$ 17,674,755** |
| **Total Unrestricted and Restricted Cash** | **$ 21,159,628** | **$ (702,583)** | **$ 20,457,045** |

**EDINBURG ECONOMIC DEVELOPMENT CORPORATION**

**SALES TAX REVENUES (0.5%) - GAAP BASIS**

| MONTH | FY 20/21 | FY 21/22 | FY 22/23 | FY 23/24 | FY 24/25 | Difference FY 24/25 - 23/24 | |
|---|---|---|---|---|---|---|---|
| OCT. | $ 548,456 | $ 620,368 | $ 676,247 | $ 690,643 | $ 834,084 | $ 143,442 | 23% |
| NOV. | 566,005 | 705,608 | 724,862 | 766,213 | 793,749 | 27,536 | 4% |
| DEC. | 754,719 | 816,042 | 891,115 | 943,716 | 1,075,418 | 131,701 | 16% |
| JAN. | 553,863 | 601,307 | 685,715 | 730,509 | 735,518 | 5,009 | 1% |
| FEB. | 501,873 | 622,505 | 689,061 | 737,543 | 680,362 | (57,181) | -9% |
| MAR. | 727,183 | 824,904 | 830,857 | 876,505 | | | |
| APR. | 641,177 | 728,140 | 728,887 | 769,242 | | | |
| MAY | 633,072 | 683,168 | 779,949 | 780,139 | | | |
| JUN. | 717,109 | 813,695 | 750,828 | 820,500 | | | |
| JUL. | 611,295 | 715,773 | 731,227 | 835,294 | | | |
| AUG. | 704,765 | 688,206 | 864,771 | 716,865 | | | |
| SEP. | 663,366 | 781,228 | 830,673 | 815,696 | | | |
| **TOTAL** | $ 7,622,882 | $ 8,600,943 | $ 9,184,192 | $ 9,482,866 | $ 4,119,132 | $ 250,507 | 7% |

**AVERAGE PER MONTH:** (October through February/5 months**)**

| | | | | | |
|---|---|---|---|---|---|
| **YTD Comparison** | $ 584,983 | $ 673,166 | $ 733,400 | $ 773,725 | $ 823,826 |

**YTD COMPARISON:** (October through February)

| | | | | |
|---|---|---|---|---|
| $ 2,924,915 | $ 3,365,829 | $ 3,667,000 | $ 3,868,624 | $ 4,119,132 |

**YTD COMPARISON:** (October thru February vs October thru February of prior year)

| | | | | |
|---|---|---|---|---|
| 263,893 | 440,914 | 301,170 | 201,625 | 250,507 |

**YTD COMPARISON:** (October thru February vs October thru February of prior year %)

| | | | | |
|---|---|---|---|---|
| 10% | 15% | 9% | 5% | 6% |

# Management Report

Edinburg Economic Development Corporation
For the period ended January 31, 2025

Prepared on
April 17, 2025

Unaudited financial statements.

# EDINBURG ECONOMIC DEVELOPMENT CORPORATION

## BALANCE SHEET (Unaudited)

## JANUARY 31, 2025

| | | |
|---|---|---|
| **Assets** | | |
| Cash and Cash Equivalents | $ | 9,810,787 |
| Sales Tax Receivable | | 1,810,936 |
| Receivables, Net | | 12,017,797 |
| Santana Receivable, Net | | 8,875,606 |
| Restricted Assets | | |
| Cash and Cash Equivalents | | 2,367,713 |
| Investments | | 9,427,626 |
| **TOTAL ASSETS** | **$** | **44,310,466** |
| | | |
| **Liabilities** | | |
| Current Liabilities | | |
| Accounts Payable | $ | 446,498 |
| Total Liabilities | $ | 446,498 |
| | | |
| **Fund Balance** | | |
| Restricted For: | | |
| Capital Projects | $ | 7,000,405 |
| Debt Service | | 3,923,312 |
| Other: Note Receivables | | 16,132,628 |
| Other: Property Acquisitions | | 8,297,752 |
| Unrestricted | | 8,509,871 |
| Total Fund Balance | $ | 43,863,968 |
| | | |
| **TOTAL LIABILITIES AND FUND BALANCE** | **$** | **44,310,466** |

**EDINBURG ECONOMIC DEVELOPMENT CORPORATION**

**MONTHLY BUDGET ACTIVITY REPORT (Unaudited)**

**As of January 31, 2025**

| | Current Budget | YTD | Percent Used | Remaining Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| GEN SALES & USE TAX (.5%) | $ 9,866,485 | $ 3,438,769 | 35% | $ 6,427,716 |
| INTEREST EARNED | 60,000 | 38,417 | 64% | 21,584 |
| INTEREST EARNED SERIES 2019 | - | 78,238 | 0% | (78,238) |
| INTEREST EARNED SERIES 2021 | - | 43,484 | 0% | (43,484) |
| **Total Revenues** | **$ 9,926,485** | **$ 3,477,186** | **35%** | **$ 6,449,299** |
| **Other Financing Resources** | | | | |
| SALE OF PROPERTY | $ 1,200,000 | $ - | 0% | $ 1,200,000 |
| **Total Other Financing Resources** | **$ 1,200,000** | **$ -** | **0%** | **$ 1,200,000** |
| **Total Revenues and Other Financing Resources** | **$ 11,126,485** | **$ 3,477,186** | **31%** | **$ 7,649,299** |
| **Expenditures** | | | | |
| **Administrative Services** | | | | |
| ADMINISTRATION FEE | $ 500,000 | $ - | 0% | $ 500,000 |
| SALARIES & FRINGE BENEFITS | 890,542 | 188,818 | 21% | 701,724 |
| COMMUNICATIONS SERVICE AGREEMENT | 12,000 | 1,233 | 10% | 10,767 |
| PRINTING | 3,600 | - | 0% | 3,600 |
| RENTS & CONTRACTUAL | 16,800 | 9,479 | 56% | 7,321 |
| OFFICE SPACE LEASE | 69,600 | 13,680 | 20% | 55,920 |
| OFFICE MAINTENANCE & CONTRACTUAL - IT | 9,000 | 2,226 | 25% | 6,774 |
| BOARD EXPENSES | 6,000 | 2,721 | 45% | 3,279 |
| OFFICE SUPPLIES & OTHER MATERIALS | 12,000 | 1,735 | 14% | 10,265 |
| WEARING APPAREL | 3,600 | 190 | 5% | 3,410 |
| OFFICE EQUIP & FURNITURE | 45,000 | 8,511 | 19% | 36,489 |
| OTHER MATERIALS | 6,000 | 166 | 3% | 5,834 |
| AUDIT / ACCOUNTING | 66,000 | - | 0% | 66,000 |
| CONTINUING EDUCATION | 18,000 | - | 0% | 18,000 |
| MEMBERSHIP DUES, SUBSCR | 60,000 | 13,232 | 22% | 46,768 |
| PROFESSIONAL SERVICES | 216,000 | 41,580 | 19% | 174,420 |
| **Total Administrative Services** | **$ 1,934,142** | **$ 283,570** | **15%** | **$ 1,650,572** |
| **Programs** | | | | |
| CONFERENCES | $ 120,000 | $ 9,048 | 8% | $ 110,952 |
| JOB TRAINING PROGRAMS | 700,000 | 120,055 | 17% | 579,945 |
| MARKETING AND ADVERTISING SERVICES | 540,000 | 150,056 | 28% | 389,944 |
| RESEARCH, STUDIES, OTHER CONTRACTS | 300,000 | - | 0% | 300,000 |
| SPONSORSHIPS | 144,000 | 31,325 | 22% | 112,675 |
| TRAVEL,TRAINING,MEETINGS | 78,000 | 3,483 | 4% | 74,517 |
| **Total Programs** | **$ 1,882,000** | **$ 313,967** | **17%** | **$ 1,568,033** |
| **Properties** | | | | |
| GENERAL INSURANCE | $ 75,000 | $ 37,334 | 50% | $ 37,666 |
| LAND - PURCHASE OF PROPERTY | 8,297,752 | - | 0% | 8,297,752 |
| PROPERTY MAINTENANCE | 828,000 | - | 0% | 828,000 |
| PROPERTY TAXES | 40,000 | - | 0% | 40,000 |
| UTILITIES | 12,000 | - | 0% | 12,000 |
| **Total Properties** | **$ 9,252,752** | **$ 37,334** | **0%** | **$ 9,215,418** |
| **Incentive Agreements** | | | | |
| ECONOMIC DEVELOPMENT INCENTIVES | $ 1,200,000 | $ 268,606 | 22% | $ 931,394 |
| KAPAL SUPPLIER, LLC | 80,000 | - | 0% | 80,000 |
| **Total Incentive Agreements** | **$ 1,280,000** | **$ 268,606** | **21%** | **$ 1,011,394** |
| **Debt Service** | | | | |
| BOND PRINCIPAL PAYMENT | $ 1,665,000 | $ - | 0% | $ 1,665,000 |
| BOND INTEREST EXPENSE | 1,010,977 | - | 0% | 1,010,977 |
| BOND FEES | 6,000 | - | 0% | 6,000 |
| **Total Debt Service** | **$ 2,681,977** | **$ -** | **0%** | **$ 2,681,977** |
| **Total Expenditures** | **$ 17,030,871** | **$ 903,477** | **5%** | **$ 16,127,394** |

**EDINBURG ECONOMIC DEVELOPMENT CORPORATION**

**MONTHLY BUDGET ACTIVITY REPORT (Unaudited)**

**As of January 31, 2025**

| | Current Budget | YTD | Percent Used | Remaining Budget |
|---|---|---|---|---|
| **Sources Over/(Under) Uses** | **$ (5,904,386)** | **$ 2,573,709** | **44%** | **$ (8,478,095)** |
| **Bond Projects Expenses** | | | | |
| WORKFORCE/RESOURCE CENTER | $ 1,827,000 | $ - | 0% | $ 1,827,000 |
| PARKING GARAGE | 2,068,000 | - | 0% | 2,068,000 |
| **Total Bond Projects Expenses** | **$ 3,895,000** | **$ -** | **0%** | **$ 3,895,000** |
| **TOTAL SUMMARY** | | | | |
| Total Revenues | $ 11,126,485 | $ 3,598,908 | 32% | $ 7,527,577 |
| Total Expenses | (20,925,871) | (903,477) | 4% | (20,022,394) |
| **Change in Fund Balance** | **$ (9,799,386)** | **$ 2,695,431** | **-28%** | **$ (12,494,817)** |

## EDINBURG ECONOMIC DEVELOPMENT CORPORATION

## SUPPLEMENTARY INFORMATION (Unaudited)

## Cash Balances as of January 31, 2025

| | Beginning Balance | YTD Activity | Ending Balance |
|---|---|---|---|
| Cash - Unrestricted | | | |
| Operating - Interest Bearing | $ 2,045,036 | $ (106,877) | $ 1,938,159 |
| **Total Unrestricted Cash** | **$ 2,045,036** | **$ (106,877)** | **$ 1,938,159** |
| Cash - Restricted | | | |
| Non Interest Bearing: | | | |
| Debt Service Funds | $ 787,672 | $ 1,580,041 | $ 2,367,713 |
| Total Non Interest Bearing Cash | $ 787,672 | $ 1,580,041 | $ 2,367,713 |
| Interest Bearing: | | | |
| Series 2019 Bonds - Project Fund | $ 4,169,398 | $ 18,791 | $ 4,188,190 |
| Series 2021 Bonds - Project Fund | 2,801,771 | 10,444 | 2,812,215 |
| Debt Service Reserves Fund | 1,549,822 | 5,777 | 1,555,599 |
| Reserved for Property Acquisitions | 8,297,752 | - | 8,297,752 |
| Total Interest Bearing Cash | $ 16,818,743 | $ 35,013 | $ 16,853,756 |
| **Total Restricted Cash** | **$ 17,606,416** | **$ 1,615,054** | **$ 19,221,469** |
| **Total Unrestricted and Restricted Cash** | **$ 19,651,451** | **$ 1,508,177** | **$ 21,159,628** |

**EDINBURG ECONOMIC DEVELOPMENT CORPORATION**

**SALES TAX REVENUES (0.5%) - GAAP BASIS**

| MONTH | FY 20/21 | FY 21/22 | FY 22/23 | FY 23/24 | FY 24/25 | Difference FY 24/25 - 23/24 | |
|---|---|---|---|---|---|---|---|
| OCT. | $ 548,456 | $ 620,368 | $ 676,247 | $ 690,643 | $ 834,084 | $ 143,442 | 23% |
| NOV. | 566,005 | 705,608 | 724,862 | 766,213 | 793,749 | 27,536 | 4% |
| DEC. | 754,719 | 816,042 | 891,115 | 943,716 | 1,075,418 | 131,701 | 16% |
| JAN. | 553,863 | 601,307 | 685,715 | 730,509 | 735,518 | 5,009 | 1% |
| FEB. | 501,873 | 622,505 | 689,061 | 737,543 | | | |
| MAR. | 727,183 | 824,904 | 830,857 | 876,505 | | | |
| APR. | 641,177 | 728,140 | 728,887 | 769,242 | | | |
| MAY | 633,072 | 683,168 | 779,949 | 780,139 | | | |
| JUN. | 717,109 | 813,695 | 750,828 | 820,500 | | | |
| JUL. | 611,295 | 715,773 | 731,227 | 835,294 | | | |
| AUG. | 704,765 | 688,206 | 864,771 | 716,865 | | | |
| SEP. | 663,366 | 781,228 | 830,673 | 815,696 | | | |
| **TOTAL** | $ 7,622,882 | $ 8,600,943 | $ 9,184,192 | $ 9,482,866 | $ 3,438,769 | $ 307,688 | 11% |

**AVERAGE PER MONTH:** (October through January/4 months**)**

| | | | | | |
|---|---|---|---|---|---|
| **YTD Comparison** | $ 605,761 | $ 685,831 | $ 744,485 | $ 782,770 | $ 859,692 |

**YTD COMPARISON:** (October through January)

| | | | | |
|---|---|---|---|---|
| $ 2,423,042 | $ 2,743,325 | $ 2,977,939 | $ 3,131,081 | $ 3,438,769 |

**YTD COMPARISON:** (October thru January vs October thru January of prior year)

| | | | | |
|---|---|---|---|---|
| 215,956 | 320,282 | 234,614 | 153,143 | 307,688 |

**YTD COMPARISON:** (October thru January vs October thru January of prior year %)

| | | | | |
|---|---|---|---|---|
| 10% | 13% | 9% | 5% | 10% |

**Edinburg Economic Development Corporation**
Meeting Date: April 22, 2025

Discussion and possible action on EEDC Meeting Calendar.

1. **Agenda Item:**
   Discussion and possible action on EEDC Meeting Calendar.

2. **Description/Scope:**
   Executive Director, Raudel Garza, will present the EEDC Meeting Calendar to Board Members and discuss any possible changes.

3. **Estimated Timeline:**
   May 5, 2025-September 30, 2025.

4. **Budget:**
   N/A

5. **Procurement/Selection Process:**
   N/A

6. **Staff's Recommendation:**
   N/A

7. **Justification:**
   N/A

**/s/ Raudel Garza, EEDC**
**Executive Director**

**ATTACHMENTS:**
Attachment A: EEDC Financial Report ending 09/30/2024

# EEDC Board Meeting Calendar

| Regular Scheduled | Proposed New Date | Reason |
|---|---|---|
| May 5, 2025 | | |
| May 19, 2025 | May 27, 2025 | ICSC |
| June 02, 2025 | June 9, 2025 | 2-week difference |
| June 16, 2025 | June 23, 2025 | 2-week difference |
| July 7, 2025 | | |
| July 21, 2025 | | |
| August 4, 2025 | | |
| August 18, 2025 | | |
| September 01, 2025 | September 8, 2025 | Labor Day Holiday |
| September 15, 2025 | September 22, 2025 | 2-week difference |

**Edinburg Economic Development Corporation**
Meeting Date: April 22, 2025
Consider amendment to Travel Policy.

1. **Agenda Item:**
   Consider amendment to Travel Policy.

2. **Description/Scope:**

   Executive Director, Raudel Garza, will give a presentation on the current travel policy adopted in July 2020 and including recommended changes to the current policy. Current policy has not kept up with changes in the economy and makes it difficult for employees traveling to high-cost areas. Changes clarify policy and also keep the best interest of the taxpayer in mind.

3. **Estimated Timeline:**
   October 1, 2024 – March 31, 2025.

4. **Budget:**
   N/A

5. **Procurement/Selection Process:**
   N/A

6. **Staff's Recommendation:**
   Approval of changes to Travel policy as presented.

7. **Justification:**
   N/A

**/s/ Raudel Garza, EEDC**
**Executive Director**

**ATTACHMENTS:**
Attachment A: City of Edinburg Travel Policy Current

Attachment B: Updated Travel Policy

THE CITY OF Edinburg

# PURCHASING POLICIES & PROCEDURES

# PROCUREMENT CARD POLICIES & PROCEDURES

*Prepared By: Finance Department*
*Revised: October 01, 2013*
*Revised: February 07, 2019*
*Revised: October 14, 2019*
*Revised: July 09, 2020*

# Table of Contents

**FOREWORD**

This manual contains the policies and procedures for purchasing related activities. Its purpose is to provide guidance and instruction for all employees new to the purchasing process as well as a reference for staff and management.

The primary function of the Purchasing Division is to provide cooperative assistance that is efficient and effective in obtaining the supplies and services needed. It is our intention to buy these items at the lowest economical cost consistent with quality and time.

Legal and organizational changes, as well as data processing improvements, will bring about policy and procedural changes. Revisions will be issued that reflect these changes in order to keep this manual current.

For any questions or comments concerning this manual, please feel free to contact the Purchasing Division at (956) 388-1895, Extension 8972.

# SECTION I - INTRODUCTION

**PURPOSE OF THE PURCHASING MANUAL**

The purpose of the Purchasing Manual is twofold. First, it serves as the official reference document on Purchasing questions and issues. Second, it serves as the approved source of instruction on Purchasing policies and procedures for procurement of commodities and services and disposing of property. The intended readers are anticipated to be, but not limited to, all Divisions, Departments, and employees under the City of Edinburg.

**SCOPE OF THE PURCHASING MANUAL**

The scope of this manual shall encompass all normal operating purchasing policies and procedures including purchasing transactions as well as the disposition of property. It has been developed within the guidelines of the Texas Statutes and customized for the efficiency and effectiveness of the City of Edinburg.

**DISTRIBUTION OF THE PURCHASING MANUAL**

This manual and all future amendments will be distributed to all City of Edinburg Divisions, Departments, and employees, operating under the City of Edinburg, who would be involved in the purchasing process. It is the responsibility of the Department or Division Head to keep an up-to-date copy available for all employees who use the City Purchasing System. It will be the responsibility of the Purchasing Department to distribute copies of this manual and all future amendments to the appropriate parties.

**RECOMMENDATIONS FOR THE PURCHASING MANUAL**

City employees are encouraged to make recommendations on sections of the manual, which due to changing conditions, may require revision. Also, they are encouraged to make recommendations on new subjects not presently included in the manual. Any such recommendations should be submitted through appropriate organizational changes to the Purchasing Agent for review and consideration. Any proposed changes to the Purchasing Manual shall be approved by the City Council.

**APPLICABLE LAWS, HIGHER AUTHORITY REGULATIONS OR RULES**

Compliance with the City of Edinburg Ordinances, State & Federal Statutes, and the Local Government Code when and where applicable, and complying with the strictest of the rules that pertain, is made a specific requirement of all procedures and/or methodologies covered in this manual (even though they may not be stated specifically).

## SECTION II - PURCHASING CODE OF ETHICS

The public must have confidence in the integrity of its government. The purpose of this Code of Ethics is to apply and give guidance to all employees so that they may conduct themselves in a manner which will be compatible with the best interest of themselves and of the City of Edinburg.

### STATEMENT OF PURCHASING POLICY

A. "Public employment is a public trust". It is the policy of the City of Edinburg to promote and balance the objective of protecting government integrity and the objective of facilitating the recruitment and retention of personnel needed by the City of Edinburg. Such policy is implemented by prescribing essential standards of ethical conduct without creating unnecessary obstacles to entering public service.

B. Public employees must discharge their duties impartially so as to assure fair competitive access to governmental procurement by responsible contractors. Moreover, they should conduct themselves in such a manner as to foster public confidence in the integrity of the City of Edinburg procurement organization.

C. To achieve the purpose of this Article, it is essential that those doing business with the City of Edinburg also observe the ethical standards prescribed herein.

### GENERAL ETHICAL STANDARDS

A. It shall be a breach of ethics to attempt to realize personal gain through public employment with the City of Edinburg by any conduct inconsistent with the proper discharge of the employee's duties.

B. It shall be a breach of ethics to attempt to influence any public employee of the City of Edinburg to breach the standards of ethical conduct set forth in this code.

C. It shall be a breach of ethics for any employee of the City of Edinburg to participate directly or indirectly in a procurement when the employee knows that:

   1. The employee or any member of the employee's immediate family has a financial interest pertaining to the procurement;

   2. A business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement; and

3. Any other person, business or organization, with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

**GIFTS & GRATUITIES**

A. The City of Edinburg strives to treat employees, citizens, and individuals conducting business with the City in a fair and equitable manner. An employee (and his/her relatives and significant others) may not receive any income or other material gain from anyone outside the City for services provided by the employee in the performance of his/her job with the City. Individual City employees and departments are prohibited from soliciting, accepting, or agreeing to accept any gift, gratuity, favor, benefit, or anything else of value from any person, organization, vendor, or other entity who has done business, is doing business, or seeks to do business, with the City. However, an employee who accepts the following will not be violation of this policy:

   1. An award publicly presented in recognition of public service;

   2. An occasional meal (from time to time, not regular) where public business is discussed;

   3. Tee-shirt, caps and other similar promotional material;

   4. Any gift which would have been offered or given to the employee even if the employee were not a City employee; and/or

   5. Any gift that has a value of less than $50 (US).

B. Routine food coupons, frequent flier awards, discounts, and other promotional items awarded to employees while carrying out City business may be accepted by employees and will not be considered a violation of this policy due to the administrative difficulty and cost involved in recapturing the discount or award for the City. If the item is non-routine, or of more than minimal value, the employee must check with his or her Supervisor to see if the item should be returned, or in the alternative, turned over to the Human Resources Department.

C. Employees may not give their Supervisor or anyone else in City management any gift or other item of more than $50 value. If offered, Supervisor may not accept such gifts or other items. Giving and accepting cards, food items (such as cakes and cookies), or token gifts for birthdays, Bosses' Day, holiday celebrations, bereavement, or similar events is not a violation of this policy.

**D. The City takes this policy very seriously and violations will result in disciplinary action, which may include termination of employment. Any questions regarding the prohibitions**

**imposed by this policy in general, or in connection with a specific situation, should be directed to the Director of Human Resources.**

**NON-DISCRIMINATION CLAUSE**

The City of Edinburg does not discriminate based on race, color, national origin, sex, religion, age, and handicapped status in employment or provision of service.

**CONFLICT OF INTEREST**

CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE

Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of the City of Edinburg not later than the 7th business day after the date the person becomes aware of facts that require the statement be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor. For Community Development/Grants Management Department (CD/GM) Conflict of Interest requirements see ATTACHMENT I – CONFLICT OF INTEREST MANAGEMENT PLAN. For more information or to obtain Questionnaire CIQ go to the Texas Ethics Commission web page at www.ethics.state.tx.us/forms/CIQ.pdf.

**CERTIFICATE OF INTERESTED PARTIES (Form 1295)**

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least $1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016. For more information go to the Texas Ethics Commission web page at www.ethics.state.tx.us/forms/CIQ.pdf.

**HB 89**

The 85th Texas Legislature approved new legislation, effective Sept. 1, 2019, which amends Texas Local Government Code Section 1. Subtitle F, Title 10, Government Code by adding Chapter 2270 which states that a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:

1) does not boycott Israel; and
2) will not boycott Israel during the term of the contract

# SECTION III - POLICIES

**AUTHORITY**

This manual has been approved and adopted by the City Council who has authorized the policies and procedures contained herein for official use of City business. This manual supersedes all previously existing purchasing manuals, policies, and procedures. Only the City Council shall have the authority to change the policies and procedures in this manual.

**REVISIONS**

This manual shall serve as a permanent, up-to-date guide to City purchasing policies and procedures. Therefore, as necessary, appropriate revisions may be made to this manual at the discretion of the City Manager. The Purchasing Division shall be responsible for the accurate maintenance of the manual and distribution of approved revisions. Each Department and Division Head shall be responsible for keeping an up-to-date copy of the Purchasing Manual in every office using the City Purchasing System.

**ROLE OF THE PURCHASING DIVISION**

The Purchasing Division is under the Department of Finance. The role of the Purchasing Division in the purchasing process is to assist all the City Departments on purchasing matters. The Purchasing Division shall assist the operating Departments and Divisions in reviewing the specifications for needed purchases. Purchasing procedures are guided by several established policies. These policies are as follows:

A. To conduct all purchasing in accordance with State of Texas law, including Article 2368 (a) Chapter 252 & 271 of the Local Government Code, and the City of Edinburg, City Charter, Article VII Section 9;

B. To foster an understanding and appreciation of sound purchasing policy and procedures throughout all City departments;

C. To prepare and approve purchase orders in a timely manner in response to requisitions;

D. To receive, evaluate, and process requests for bids, proposals, and qualifications on a routine basis;

E. To stimulate competitive bidding in order to obtain materials and services at the lowest possible cost and to provide all interested vendors with an opportunity to offer their products and services to the City;

F. To maintain a comprehensive, current list of vendors classified according to materials, equipment, supplies, and services, and to identify new vendors for inclusion on the list;

G. To promote good vendor relations;

H. To assist departments in establishing specifications which will encourage competition and accurately describe the equipment and materials needed;

I. To consolidate purchase requisitions when possible to take advantage of quantity discounts;

J. To maintain continuity of supply to support on-going service, operations, and construction schedules; and

K. To advise the user department of any unusual delay in delivery schedules.

**ROLE OF ALL OTHER DEPARTMENTS**

The role of operating Departments and Divisions in the purchasing process is to utilize the services of the Purchasing Division for those purchases that are in excess of the Department Head's purchase authority, and to work cooperatively to see that necessary goods and services are procured to most efficiently serve the citizens of the City of Edinburg.

A. Operating Departments and Divisions are responsible for:

   1. Identifying, as soon as possible, and sufficiently in advance, their needs for goods and services in their operations and activities;

   2. Notifying the Purchasing Division of all purchasing needs, utilizing the proper forms and procedures, as described in this manual;

   3. Accurately coding all financial codes, including fund, Department/Division, program, object, sub-fund, project and cost center;

   4. Preparing clear and precise specifications for each item or service being ordered;

   5. Determining that sufficient funds are available in their authorized budgets to pay for each item or service that they order; and

   6. Inspecting all items or services as delivered and notifying purchasing of the receipt in order to authorize payment to the vendor.

B. Operating Departments/Divisions are also responsible for the adherence to proper procedures and the proper authorization of all purchase transactions initiated by their personnel.

**GENERAL PURCHASING POLICIES**

A. The City gives local vendors, whose principal place of business is located within the City of Edinburg, preference (up to 5%) as allowed by Section 271.9051 of the Local Government Code.

B. All official requests for purchase, procurement, and acquisitions of materials, goods, equipment, and services shall be performed by the individual departments. All requests for prices for the purposes of initiating the purchase of goods and services shall be made by the user department unless otherwise authorized herein.

C. Each department shall ensure that the quality, quantity, and type of materials requested and delivered conform to the specifications.

D. The Purchasing Division strives to maintain strong and enduring relationships with vendors of proven ability. To accomplish this, purchasing activities will be conducted so that vendors will value City business and make an effort to meet our requirements on the basis of quality, service, and price.

E. All vendors who have asked to be on our vendors list, and/or who have continued their relationship with the City by responding to requests for pricing, shall be afforded equal opportunities to furnish price quotations and are entitled to compete on equal terms.

F. The Purchasing Division shall not knowingly issue a purchase order when there is evidence of a conflict of interest.

G. Employees must not become obligated to any supplier and shall not conclude any City transaction from which they may personally benefit directly or indirectly.

H. The Purchasing Agent shall act as the City representative on all matter pertaining to purchasing unless otherwise stated in this manual. The Purchasing Agent is authorized, in the case of formal bids and proposals, to: waive minor clerical errors; facilitate the correction of minor clerical errors; obtain clarification of questions on bids and proposals before a selection is made; and to withdraw bids and proposals that have not been awarded.

**PURCHASING CONTROLS**

A. Various purchasing controls are utilized by the Purchasing Division to oversee purchasing transactions. These controls are as follows:

1. Requisition Procedures
2. Informal and Formal Quotations, Bids, Proposals, and Qualifications
3. Vendor Selection Processes
4. Purchase Orders
5. Receiving Procedures
6. Payment Procedures
7. Merchandise and Return Procedures

# SECTION IV - PROCUREMENT PROCEDURES

**PROCUREMENT CATEGORIES**

A. Classification of procedures for the procurement of commodities and services are divided into three (3) categories as follows:

1. Purchases under $2,000.00 – Small Purchase Orders (SPO) or Procurement Card

2. Purchases of $2,000.01 to $29,999.99 – Three (3) Written Price Quotations on company letterhead.

3. Purchases $30,000 & Over – Formal Competitive Process

   a. Request for Bids (RFB)

   b. Request for Proposals (RFP)

   c. Request for Qualifications (RFQ)

**SMALL PURCHASE ORDERS (UNDER $2,000.00)**

**<u>Purpose:</u>** Purchases of commodities and services in this expenditure range do not require price quotations; however, they may be advantageous to get them. Orders may be placed by the individual departments directly with vendors by telephone, e-mail, facsimile, or by mailing a copy of the small purchase order. If the goods or services need to be purchased from outside of the Rio Grande Valley (RGV) area, regular purchase order procedures must be followed; however, additional price quotations do not need to be obtained if the purchase is under $2,000.00. The SPO allows individual departments to place minor purchase orders directly with approved vendors for certain supplies, materials, and/or services. The total order must not exceed $2,000.00, including minimum shipping and handling charges. It is designed to eliminate the processing time and expense of minor purchase orders and standing orders. An SPO may be used only in the Rio Grande Valley area. The splitting of SPO's is strictly prohibited.

A. For every SPO issued, each department or division is responsible for assuring that sufficient funds are available within the appropriate budget, and that the purchase meets criteria established especially for SPO's. SPO's **<u>must</u>** be signed by the Department Head or a designated alternate. Abuse or misuse of this system will result in the withdrawal of authorization to use the SPO. Authorization will be withdrawn after three (3) violations during any one period from October through September. Examples of misuse include:

1. Using the SPO for unauthorized items or services;

2. Exceeding the $2,000.00 maximum limit;

3. Using SPO's when sufficient funds are not available within the appropriate budget;

4. Using SPO's during the period when purchases are suspended at the end of each fiscal year; and

5. Using several SPO's to break up larger purchases into small purchases to avoid the competitive bidding requirements. (This could also result in dismissal from employment).

B. Authorized purchases by SPO are:

1. Goods and services up to a maximum of $2,000.00, including freight, delivery, and installation, which are not covered under contract or are not available from the Purchasing Supply or Building Maintenance Services; and

2. Memberships, subscriptions, and registration fees for conferences and seminars.

C. Unauthorized purchases by SPO are:

1. City inventory items carried in Building Maintenance Services or Purchasing Office Supply Inventory;

2. Capital equipment purchases;

3. Items covered by annual contracts;

4. Maintenance agreements;

5. Travel related expenses such as air fare, lodging, rentals, etc.;

6. Splitting, dividing, or separating requirements to avoid submitting a standard requisition, or to avoid the competitive bidding process in any way;

7. Prepaid items; and

8. Computer hardware or software common to other city departments.

**Procedure:** Purchasing issues pre-numbered SPO forms to authorized users upon request. A log book (listing department name, date, and the SPO numbers issued) is maintained by the Finance Department. Every SPO form shall be accounted for. When any form is VOID, it must be marked as such and all copies forwarded to Purchasing. User departments are responsible for obtaining verbal quotes, and requirements are to be consolidated when possible. To avoid charges of favoritism and collusion, purchases should be rotated among vendors offering comparable prices, quality, and service. Each department is responsible for notifying the Purchasing Division of any new vendors not on the City's approved vendor list.

**Preparation:** Accurate and complete preparation of the SPO form is essential. A sample of the form is provided with numbers referring to all the boxes and/or columns needed to complete the form (Exhibit A). Instructions on how to fill out the SPO are on the back of the form.

**Distribution**: The SPO is a three (3) part Purchase Order form. The department/division must attach all invoices, packaging slips, memos, etc., to the SPO form and submit it to the Purchasing Division. The copies are distributed as follows:

> **Vendor Copy (White Copy):** The white copy is the original and is hand carried or mailed to the vendor if a confirming purchase order is required.
>
> **Vendor File (Yellow Copy):** The yellow copy is filed and used to record the encumbrance. This copy is also the voucher check file copy that is retained by the Finance Accounts Payable Division and filed with the copy of the paid check.
>
> **Department Copy (Green Copy):** The green copy is retained by the department for file documentation.

**Changes or Cancellations:** The department head or designated alternate signing the SPO is authorized to make changes or cancel an SPO as long as the total price does not exceed $2,000.00. Changes may be made by telephone, memorandum, or letter. For audit purposes, any changes affecting quantity, description, or date of delivery must be annotated on the SPO receiving copy (green) and returned to the Purchasing Division with the receiving information.

**Expediting:** Each department is responsible for all follow-up pertaining to SPO purchases. Purchasing may be contacted for advice or assistance if a problem develops.

**Receiving**: See Receiving Orders.

**WRITTEN PRICE QUOTATIONS ($2,000.01 TO $29,999.99)**

**Purpose:** For purchases from $2,000.01 to $29,999.99.

**Procedure:** Purchases of commodities and services in this expenditure range must require three (3) informal vendor written price quotes. Faxed written quotes and e-mails may be received. The vendor written quotes must be submitted on company letterhead along with the Purchase Requisition Form. The Purchase Requisition must include sufficient description of the item(s) to enable solicitation of competitive quotes. These quotes are recorded in the Written Price Quote Form (Exhibit B) and submitted along with the Purchase Requisition Form (Exhibit C).

**FORMAL COMPETITIVE PROCESS (OVER $30,000)**

**Purpose:** The purpose of the following procedures is to ensure price performance through a competitive procurement process. All purchases for commodities and services made at this expenditure level must be made via one of three (3) formal processes. The only exceptions permitted are those authorized in other sections of this manual.

Purchases Over $30,000 – Request for Bids (RFB)

A. Purpose

1. For those cases where the requirement can be specified in detail.

B. Procedure

1. This procedure is a formal sealed bid process. Departments requiring this procedure shall submit to the Purchasing Division a complete set of specifications, if applicable, in an electronic file detailing the goods or services required plus pre-bid conference, and contracts, if appropriate.

2. The Bid Request Form (Exhibit D) shall be prepared and submitted to the Purchasing Division, along with the required documents indicated on the bottom of the bid form.

3. The Purchasing Division will review the contents of the Request for Bids (RFB) document submitted and complete the specifications by adding items such as the day, date, time and place for bid openings as well as the City of Edinburg insurance requirements and any other forms or notices required. The Purchasing Division will also prepare an advertisement to be published in a newspaper of general circulation once per week for two (2) consecutive weeks with a bid due date no less than 10 days from the second advertisement. The Purchasing Division will also select appropriate vendors from the bidder’s list and notify them of the bid solicitation.

4. When the bids are received at the specified time, date, and place, the bid opening will be held. The bids will be opened and read aloud by the Purchasing Division.

5. After the bid opening has been completed, the requesting Department Head shall review all bids for compliance with the specifications and select a vendor for recommendation. Vendor selection will be based on the lowest, compliant, qualified bid unless specified otherwise in the bid documents.

6. The requesting department will officially tabulate the bids. The department will also prepare an agenda item with the recommendation for City Council to award to the lowest responsible bidder meeting specifications. Vendors that do not meet the specification requirements will not be included in the bid recommendation form.

7. Once the bid has been awarded by the City Council, the requesting department will then prepare a purchase requisition and submit it to the Purchasing Division to facilitate the issuance of a Purchase Order, noting the bid number and vendor on the requisition. In addition, the agenda item and its accompanying documents must be submitted for all non-construction bids. The agenda item and all subsequent documents such as executed contracts, payment and performance bonds (if bid is over $25,000), and certificate of insurance must be submitted for all construction bids. In addition, the requesting department is responsible to mail out a letter of award to the vendor.

Purchases Over $30,000.00 – Request for Proposals (RFP)

A. Purpose

1. The purpose of this RFP is for the procurement of all products and services, not previously covered, where the requirement cannot be defined in sufficient detail for an Invitation to Bid. The request for proposals shall specify the relative importance of price and other evaluation factors, and the award of contract shall be made to the responsible offeror whose proposal is determined to be the most advantageous to the City taking into consideration the relative importance of price and other evaluation factors set forth in the request for proposals.

B. Procedure

1. This procedure is a formal sealed proposal process. Departments requiring this procedure shall submit to the Purchasing Division a complete set of specifications detailing the products or services required, pre-proposal conference, and contract, if appropriate.

2. The Request for Proposal Form (Exhibit E) shall be prepared and submitted to the Purchasing Division along with the required documents indicated on the bottom of the proposal form.

3. The Purchasing Division will review the contents of the Request for Proposal documents submitted and complete the specifications by adding items such as the day, date, time and place for RFP openings as well as the City of Edinburg insurance requirements and any other forms or notices required. The Purchasing Division will also prepare an RFP advertisement to be published in a newspaper of general circulation once per week for two (2) consecutive weeks with the RFP due date no less than 10 days from the second

advertisement. The Purchasing Division will also select appropriate vendors from the bidder's list and notify them of the RFP.

4. When the proposals are received at the specified time, date, and place, the RFP opening will be held. The RFP will be opened and read aloud by the Purchasing Division. Where provided in the request for proposals, proposals shall be opened so as to avoid disclosure of contents to competing offerors and kept secret during the process of negotiation; however, all proposals that have been submitted shall be opened for public inspection after contract award. Trade secrets and confidential information contained in the proposals shall not be opened for public inspections.

5. After the RFP opening has been completed, the requesting Department Head (plus any others at their discretion) shall convene an evaluation committee to rank the proposals and make a recommendation based on the predetermined criteria. Discussions in accordance with the terms of an RFP may be conducted with offerors who submit proposals and who are determined to be reasonably qualified for the award of contract. Offerors shall be treated fairly and equally with respect to any opportunity for discussion and revision of proposals. To obtain the best and final offer, revisions may be permitted after submission and before the award of contract.
6. The department will prepare an agenda item with the recommendation for City Council to award to the recommended vendor.

7. Once the RFP has been awarded by the City Council, the requesting department will then prepare a purchase requisition and submit it to the Purchasing Division to facilitate the issuance of a Purchase Order, noting the RFP number and vendor on the requisition. In addition, the agenda item and its accompanying documents must be submitted for all non-construction bids. The agenda item and all subsequent documents such as executed contracts, payment and performance bonds (if proposal is over $25,000), and certificate of insurance must be submitted for all construction proposals. In addition, the requesting department is responsible to mail out a letter of award to the vendor.

Purchases Over $30,000.00 – Request for Qualifications (RFQ)

A. Purpose

1. Because price differentials may only be a minor consideration compared to the quality of the professional's work, professional services are exempted from the City's competitive bidding policy. Unless approved by the City Manager, professional services will be acquired through competitive negotiations.

B. Definitions

1. Professional services means services:

a. within the scope of the practice, as defined by state law of:

   i. accounting;

   ii. architecture;

   iii. landscape architecture;

   iv. land surveying;

   v. medicine;

   vi. optometry;

   vii. professional engineering;

   viii. real estate appraising; or

   ix. professional nursing.

b. provided in connection with the professional employment or practice of a person who is licensed or registered as:

   i. a certified public accountant;

   ii. an architect;

   iii. a landscape architect;

   iv. a land surveyor;

   v. a physician, including a surgeon;

   vi. an optometrist;

   vii. a professional engineer;

   viii. a state certified or state licensed real estate appraiser; or

   ix. a registered nurse.

   x. an interior decorator.

C. <u>Procedure</u>

1. Departments requiring this process shall submit to the Purchasing Division general specifications describing the goods or services required, the duration of the expected requirement, the vendor qualification criteria, etc. The Purchasing Division will review the contents of the documents submitted and complete the specifications by adding items such as the day, date, time and place for qualification openings as well as the City of Edinburg insurance requirements and any other forms or notices required by the City of Edinburg.

2. The Request for Qualifications Form (Exhibit F) shall be prepared and submitted to the Purchasing Division along with the required documents indicated on the bottom of the qualification form.

3. The Purchasing Division will also prepare an RFQ advertisement to be published in a newspaper of general circulation once per week for two (2) consecutive weeks with the RFQ due date no less than 10 days from the second advertisement. The Purchasing Division will also select appropriate vendors from the bidder's list and notify them of the RFQ.

4. When the qualifications are received at the specified time, date, and place, the RFQ opening will be held. The RFQ will be opened and read aloud by the Purchasing Division.
5. After the RFQ opening has been completed, the requesting Department Head (plus any others at their discretion) shall convene an evaluation committee. The committee shall review and evaluate all qualification proposals to determine qualified vendors in accordance with the specifications.

    a. Selection and award of professional services contracts and engagement of such services will be:

        i. On the basis of demonstrated competence and qualifications to perform the services, and

        ii. For a fair and reasonable price.

    b. The professional fees under the contract:

        ii. Must be consistent with and not higher than the recommended practices and fees published by the applicable professional associations; and

        iii. May not exceed any maximum provided by law.

    c. In procuring architectural or engineering services the procedure is as follows:

i. First select the most highly qualified provider of those services on the basis of demonstrated competence and qualifications.

ii. Then attempt to negotiate with that provider a contract at a fair and reasonable price.

d. If a satisfactory contract cannot be negotiated with the most highly qualified provider of architectural or engineering services, the City shall:

i. Formally end negotiations with that provider;

ii. Select the next most highly qualified provider; and

iii. Attempt to negotiate a contract with that provider at a fair and reasonable price.

e. The City shall continue the process described in (Sub-Section "d") to select and negotiate with providers until a contract is entered into.

6. The RFQ will be officially tabulated by the requesting department. The department will also prepare an agenda item with the recommendation for City Council to award to the recommended vendor.
7. Once the RFQ has been awarded by the City Council, the requesting department will then prepare a purchase requisition and submit it to the Purchasing Department along with an executed agreement/contract to facilitate the issuance of a Purchase Order, noting the RFQ number and vendor on the requisition. In addition, the requesting department is responsible to mail out a letter of award to the vendor.

**BIDDER'S LIST (VENDOR DATABASE)**

**Purpose:** The Purchasing Department will maintain a Bidder's List (Vendor Database) to facilitate solicitation of competitive quotations, bids, and proposals.

**Procedure:** The database will be updated routinely and include qualified vendors that have requested the opportunity to bid on City purchases. It will consist of various categories of vendor and firms as necessary for a comprehensive source of vendors. Periodically, the Purchasing Division will purge the database. Vendors who fail to respond may be purged from the database. Only vendors in good standing will remain on the vendor database. If a vendor demonstrates poor performance, Department Heads may request the vendor be removed from the database by submitting a letter that includes sufficient substantiation to the Purchasing Division.

**SPECIFICATION ADDENDUM**

**Purpose:** The purpose of an addendum is to serve as the formal vehicle for notification to vendors of an addition or change to an RFB, RFP, or RFQ, which has been advertised but not closed.

**Procedure:** The addendum shall describe any and all additions or changes to the specifications. It shall be prepared by the requesting department with the assistance of the Purchasing Division. The Purchasing Division will be responsible for ensuring that all prospective bidders are notified of the addendum. Notification will be by delivery in person, certified mail, receipted fax, receipted e-mail, or any other method that provides proof of receipt.

**Comments:** The Purchasing Agent must review and approve all addendums prior to distribution.

**CHANGE ORDERS**

**Purpose:** Changes specifically related to types of materials used, methods of construction and/or designs, that will generate a project performance enhancement, cost advantage, or both, and were not detected prior to the implementation of the work.

A. After performance of a construction contract begins, the City Council may approve change orders if necessary to:

   1. Make changes in plans or specifications; or

   2. Decrease or increase the quantity of work to be performed or materials, equipment, or supplies to be furnished.

**Procedure:** Departments will be responsible for obtaining all required signatures on the Change Order Form (Exhibit G). Three (3) original forms are required.

**Comments:** The total price of a contract may not be increased by a change order unless a provision has been made for the payment of the added cost by the appropriation of current funds or bond funds for that purpose, by the authorization of the issuance of certificates, or by a combination of those procedures. The original contract price may not be increased by more than 25%. The original price may not be decreased by more than 25% without the consent of the contractor. If a change order involves a decrease or an increase of $15,000 or less, the City Manager is authorized to approve the change order. If a change order involves a decrease or an increase of $15,000 or more, the City Council must approve the change order.

**PURCHASE REQUISITIONS**

**Purpose**: The purchase requisition serves to inform the Purchasing Division of a request for goods or services. It provides a record of the request and an approval to encumber funds. The Department Head or a designated alternate must sign the requisition. The requisition is to be used to obtain materials, supplies, and equipment not available through the Purchasing Office Inventory Supply and Building Maintenance Janitorial Supply Inventory.

**Procedure**: Individual departments are required to prepare the purchase requisition and route the form through interoffice mail with required attachments (i.e., price quotes, contracts, approved recommendation forms, tabulation sheets, etc.). Submit copies of faxes not originals and staple all documents securely to the purchase requisition.

**Preparation:** A sample of the Purchase Requisition Form (Exhibit C) is provided with numbers referring to all the boxes and/or columns needed to complete the form. Instructions on how to fill out the purchase requisition are on the back of the form.

A. The purchase requisition is used to inform the Purchasing Division of the needs of individual departments. It is used to obtain items not available through Purchasing Office Supply Inventory or Building Maintenance Janitorial Supply Inventory. A purchase requisition is required for any purchase of $2,000.01 and over for the purchase of goods or services. A purchase requisition is also required for purchases under $2,000.00 from vendors that are not located within the Rio Grande Valley.

B. Supporting documentation in the form of a written price quote form and three (3) formal written price quotes on company letterhead must be submitted with the purchase requisition for any purchases between $2,000.01 through $29,999.99.

C. If the purchase is $30,000.00 and over, supporting documentation in the form of the agenda item and recommendation form with the approval from the City Council is required. In addition, all subsequent documents such as executed agreements/contracts, payment and performance bonds (if proposal is over $25,000), and certificate of insurance must be submitted for all construction projects and/or professional services.

D. It is the responsibility of each department to submit the required supporting documentation with each purchase requisition.

**PURCHASE ORDERS**

**Purpose:** The purpose of a Purchase Order is to officially and formally commit to a purchase from a vendor (business, firm, agency, supplier, etc.). The purchase order form will be prepared and generated by the Purchasing Division to ensure encumbrance of all purchasing transactions of the City's financial system.

**Procedure:** After receipt of the requisition form, the selection of the vendor, and the award of the purchase, the Purchasing Division will complete and distribute the final version of the purchase order.

**Preparation:** The Purchasing Division is responsible for preparation of the purchase orders.

**Distribution:** The purchase order is printed on a four (4) part Purchase Order form and is distributed as follows:

> **Vendor Copy (White Copy):** The white copy is mailed to the vendor as authority to ship to the City materials or services as indicated.
>
> **Encumbrance Copy (Yellow Copy):** The yellow copy is used to record the encumbrance. This copy is also the voucher check file copy which is retained by the Finance Accounts Payable Division and filed with the copy of the check.
>
> **Department Copy (Pink Copy):** The departmental copy is routed back to the department originating the requisition.
> **Receiving Copy (Goldenrod Copy):** The goldenrod copy is sent to the user department to be held in a pending file until all of the items or services are received. If "partial" shipment is received, a Release Order form must be completed.

**Comments:** In order to comply with House Bill 275 and avoid the interest penalty, invoices must be paid within thirty (30) days after delivery or invoice date. Attach all packing slips or delivery tickets to the goldenrod receiving form and submit them to the Purchasing Division by no later than the next working day.

**BLANKET PURCHASE ORDERS**

**Purpose:** Blanket purchase orders may be issued at the Purchasing Agent's discretion and can be for cases such as: services for repair, electrical, insect control, etc. that may be needed; or the expedient purchase of small quantity, low cost materials on an as needed basis from a local supplier, etc., throughout a time frame that may not exceed the fiscal year.

**EMERGENCY PURCHASE ORDERS**

**Purpose**: We realize that emergencies do occur. Emergency purchases are those needed to avoid interruption in City services and to preserve or protect public health and safety. In these instances, the bidding requirements shall not apply, but the following procedure shall be applicable. Purchases made in emergency situations are more costly than routine purchases; therefore, they must be kept to a minimum. Poor planning, overlooked requirements, or negligence may cause the need for expedited purchases, but are not true emergencies.

**Procedure**: When emergencies arise that are not covered by maintenance agreements or contract P.O.'s, notify the department head immediately. Emergency purchases require an emergency purchase request form to be signed by the department head, and be submitted to the City Manager who shall determine if an emergency situation exists and may authorize the requested procurement. Upon authorization from the City Manager, contact the Purchasing Division for a P.O. #. The confirming requisition shall include the emergency purchase form and the supporting documentation. Such emergency purchases require the City Council's review at the next regular meeting. The information needed to receive a P.O. number is the vendor arrangements, the complete description of the item or service required, and the specific costs involved. On emergency items, generally depending on circumstances (nights and weekends) three (3) quotes are required for all orders valued over $2,000.01. Written price quote forms are to be used when vendors are contacted for price and availability. Payment and performance bonds (if emergency bid is over $25,000) and certificate of insurance must be submitted for all construction bids.

**Preparation:** A sample of the Emergency Purchase Request Form is provided (Exhibit H) with numbers referring to all the boxes and/or columns needed to complete the form. Instructions on how to fill out the emergency purchase are on the back of the form.

**Distribution:** The Emergency Purchase Request Form is a two (2) part form and is distributed as follows:

> **Finance Copy (White Copy):** Attached to the confirming purchase order and kept with the vendor account payable file.
>
> **City Secretary Copy (Yellow Copy):** The Purchasing Division will route the Emergency Purchase Request Form to the City Secretary's office for Central File records.

**Comments:** The Finance Department will include all Emergency Purchase Request Forms when it submits its monthly reports for City Council review.

**PURCHASES MADE DURING A DECLARATION OF LOCAL DISASTER: The following Emergency Procurement policy shall apply only while the city is under declaration of local disaster and City Emergency Order is in effect. To ensure the efficient procurement of goods and services, documentation may be presented to City Council for approval as one budget of disaster expenditures prior to purchase or during a regular meeting within the same disaster declaration period. City Council approval of disaster expenditure budget shall serve as necessary approval for all associated purchases, contracts, procurement categories; including formal competitive process and state purchasing procurement process as the public exigency or emergency for the goods and services will not permit a delay. SEE APPENDIX P**

**STATE PURCHASING PROCUREMENT**

**Purpose**: The State Purchasing and General Services Commission has established a program by which the Commission performs purchasing services for local governments. The City of Edinburg is a member of the Houston Galveston Area Council (HGAC), Local Government Purchasing Cooperative (Buyboard), Texas Multiple Award Schedule (TXMAS), Department of Information Resources (DIR), Texas Interlocal Purchasing System (TIPS), National IPA an Omnia Partner (NIPA), U.S. General Services Administration (GSA) (some restrictions apply), and the Texas Facilities Commission (TFC), formerly the Building and Procurement Commission (TBPC). This program frequently saves time, money, and effort in local purchasing. In addition, a purchase of items under a State contract satisfies any State law requiring the local government to seek competitive bids for the purchase of the item. In many cases, the vendors are the same ones that are already doing business with the local governments.

**Procedure:** The Department Heads are responsible for reviewing the available contracts from the State. Once the department has determined what goods and/or services need to be purchased from a vendor that is on either of the state contracts mentioned above, a purchase requisition needs to be prepared. The purchase requisition needs to be submitted with documentation indicating that the goods and/or services being recommended for purchase have been awarded by the State to the vendor being recommended. This needs to be done for every purchase requisition regardless if a previous purchase for the same goods and/or services has been submitted. The Purchasing Division will review and approve the purchase requisition and prepare the purchase order.

**Comments:** Purchases exceeding $30,000.00 will need to be approved by City Council. Purchases utilizing the State Purchasing Procurement will require City Manager approval.

**SEMI-ANNUAL/ANNUAL CONTRACTS**

**Purpose:** Purchasing awards semi-annual and annual contracts to vendors for supplies, equipment, and services routinely required by one or more departments. Contracts protect pricing for a six (6) month or one-year periods, and allow user departments to telephone orders directly to the vendor. This eliminates requisition and processing time.

**Procedure:** All releases during the contract year will be placed directly by the user department under the same, original P.O. number each time. For all receipts, attach the packing slip or delivery ticket to a completed Release Order. Submit all receipts to the Purchasing Division by no later than the next working day.

**Comments:** Each user department is responsible for keeping a copy of the Contract Purchase Order on file and to know when their annual contracts will expire.

**MAINTENANCE AGREEMENTS**

**Purpose:** The City maintains service agreements with manufacturers and authorized service centers for most of its office machines such as copiers, printers, hardware, software, etc. It is the duty of each department to inform their respective vendors of any equipment dispositions that make it necessary to add or alter an existing maintenance agreement.

**Procedure:** Each user department is responsible for automatically renewing their maintenance agreements. Each user department is responsible for arranging repair service for equipment that is covered under a Maintenance Agreement. If equipment needs repair and a Maintenance Agreement does not exist, submit either a standard requisition or (if urgent) an emergency purchase order.

**CHECK REQUISITIONS**

**Purpose:** Check Requisitions are to be used for all payments which must be prepaid or when vendors do not accept the City's purchase orders. Check Requisitions apply to membership dues, subscriptions, utility billings, credit card charges, employee reimbursements, and seminar registrations. Check Requisitions may also be used for after-hour emergencies, but only in situations where SPO's are not accepted.

**Preparation:** Submit the Check Requisition Form with invoices or order forms to the Finance Department for processing. The individual departments are responsible for all copies that must be mailed or filed with the vendor files. Failure to attach copies will delay the processing of the check requisition. A sample of the Check Requisition Form is provided (Exhibit I) with numbers referring to all the boxes and/or columns needed to complete the form. Instructions on how to fill out the check requisition are on the back of the form.

**Comments:** Each department is responsible for ensuring the items are received as ordered.

All refunds are to be mailed to:

**City of Edinburg**
**Attn: Finance Department**
**P.O. Box 1079**
**Edinburg, Texas 78540**

**PETTY CASH**

**Purpose:** The Finance Department maintains a petty cash fund that can be used by City departments. Any item bought with Petty Cash cannot exceed $50. User departments make these purchases directly with the vendor and will be reimbursed by the Finance Department providing the proper Petty Cash Voucher is completed and a copy of the receipt is attached.

**Preparation:** A sample of the Petty Cash Voucher is provided (Exhibit J). An explanation of the boxes and/or columns is as follows:

| | |
|---|---|
| DATE: | Current date |
| DESCRIPTION: | Detail explanation for petty cash |
| AMOUNT: | Dollar amount requested |
| CHARGE TO ACCOUNT: | Account number to be charged |
| REQUESTED BY: | Person requesting petty cash |
| DEPARTMENT DIRECTOR: | Signature of Department Director |
| APPROVED BY: | Signature of Director of Finance and Date |

**Comments:** It is important to remember that the City is exempt from paying any local or state sales tax; therefore, you will need a signed Tax Exemption Certificate at the time of purchase to verify that you work for the City. Otherwise, you will be charged tax by the vendor and may not be reimbursed for that tax by the City. This will apply if the vendor does not accept the Tax Exemption Certificate or City of Edinburg Tax I.D. number 74-6000714.

**TAX EXEMPTION CERTIFICATES**

**Purpose:** The City is exempt from payment of all local and state sales tax and federal excise tax.

**Procedure:** When it is necessary to provide a vendor with a copy of an exemption certificate, contact the Accounts Payable Clerk where copies of the different tax exemption certificates are kept on file (Exhibit K).

**AFTER THE ORDER**

**Purpose**: The purchasing function is not accomplished by simply placing an order with a supplier. Sometimes satisfactory delivery requires expediting, cancellation, or changes. Follow-up or expediting delivery of the order is part of the purchase process, and can be most effectively handled by the Purchasing Division; therefore, any inquiries concerning late deliveries or long lead times should go through the Purchasing Division.

**Procedure:** A purchase order cannot be amended unless a Cancellation/Change memo is processed. To cancel or change a purchase order, the user department must inform the Purchasing Division by written memo as soon as possible. The user department will then notify the vendor. A copy of the memo will be attached to the encumbrance copy of the P.O. In addition, if it is a P.O. cancellation, the
P.O. receiving copy (goldenrod) must also be attached to the memo. It is the duty of the receiving department to inspect all items or services received. If the items delivered are not acceptable, notify the Purchasing Division immediately. The Purchasing Division will take immediate action to obtain replacement by the vendor, or otherwise supply the department with the correct materials.

**Comments:** If the user department experiences problems with a vendor pertaining to delinquent delivery, quality of product or service, invoicing problems, etc., please notify the Purchasing Division as soon as possible. Persistent problems should be documented in writing for future vendor evaluation.

**RECEIVING ORDERS**

**Purpose:** When any material, equipment, or supplies are received, the department which placed the requisition or order is responsible for inspecting the shipment and initiating the payment process. This should be done as promptly as possible to take advantage of early payment discounts and/or give the Finance Department the processing time it needs to avoid interest and/or penalties.

**Procedure:** All items must be inspected upon receipt, and whenever possible, in the presence of the vendor or shipper. Inspection should include verification of correct delivery site, verification of correct quantities, verification of correct P.O. number on the packing slip, and inspection for damaged or defective goods. When all items or services ordered on a purchase order are received complete (except for standing orders and contracts), attach invoice, packing slip, or delivery ticket to the P.O. receiving copy (goldenrod) signed by Department Director or designated alternate, and submit to the Purchasing Division by no later than the next working day.

**RELEASE ORDERS**

**Purpose:** The Release Order Form is the designated receiving form to be used when a shipment is received in two (2) or more (partial) deliveries. It is also the receiving form used for all semi-annual and annual contracts.

**Procedure:** After inspection of goods or services are received, attach the invoice, the packing slip or delivery ticket to a completed Release Order, and submit to the Purchasing Division for processing within one working day after receipt.

**Preparation:** A sample of the Release Order is provided (Exhibit L) with numbers referring to all the lines and/or columns needed to complete the form. Instructions on how to fill out the release order are on the back of the form.

**INVOICES**

**Purpose**: An invoice is an itemized statement of merchandise or service provided by the vendor. It contains the same information as the purchase order, and is the means for settlement of financial obligations incurred when the purchase order is issued.

**Procedure:** All invoices are generally mailed directly to the Finance Department where they are routed to the various departments. Departments will attach the invoice to the P.O. receiving copy (goldenrod) or release order form and return to the Finance Department for processing. If the shipping and receiving forms are in agreement, they will be processed for payment. If there is a discrepancy on the original P.O. and/or invoice that affects the quantity ordered or unit price, and results in the P.O. and invoice not matching, a cancellation/change memo must be processed to insure invoice payment.

**Comments:** If any invoices are sent to a user department by a vendor, forward immediately to the Finance Department, and notify the vendor that all future invoices should be sent directly to the Finance Department.

**PROMPT PAYMENT ACT**

**Purpose:** Texas House Bill 275, requires that all local governments must pay bills for goods and services within thirty (30) days of the delivery or invoice date, or interest of 1% per month shall be automatically imposed.

**Procedure:** In order to comply with HB 275, and avoid the interest penalty, all invoices must be sent directly to the Finance Department, and all receiving reports and partials must be submitted for processing no later than the next working day.

**FREIGHT**

**Purpose:** Most purchases require shipping materials to the City. The cost of shipping is either paid directly by invoice, or indirectly when shipping is included in the quoted price of the goods. Once shipping terms are established, they are specified on the purchase order.

**Definitions:** The following terms are designated shipping arrangements:

> **F.O.B. Destination:** The vendor is responsible for payment of all shipping and damage liability charges from the point of shipment to the final destination.
>
> **F.O.B. Shipping Point**: The City assumes responsibility for all shipping and damage liability charges, upon merchandise leaving the vendors dock.

**SHIPPING OR RETURNS**

**Purpose:** If it becomes necessary to return goods to a vendor or ship a package, it is the responsibility of each department to prepare the item for shipment. It is the responsibility of the departments to return all goods.

**<u>Procedure:</u>** In order to ship a package by freight carrier, the department must call freight carrier and get the shipping rate. Freight carrier requires the weight, the overall dimensions of the package and the zip code of the destination. When the shipping rate is determined, payment may be made by a Check Requisition or Petty Cash Voucher if it is $50 or less, and the money is taken with the package to the freight carrier station.

**CITY INVENTORY**

**<u>Purpose:</u>** Building Maintenance and Purchasing maintain an inventory of commonly used janitorial, office as a service to all City departments. The primary purpose is to take advantage of large quantity price breaks and for employee convenience by stocking janitorial materials and office supplies that are needed on a routine basis by all departments.

**<u>Procedure</u>**: Departments will use the Janitorial Supply Inventory Order Form (Exhibit M) to request all Building Maintenance supplies. Purchases will be charged to individual departments by the Finance Department. Requests for office supplies will be done on an Office Supply Inventory Form (Exhibit N).

**<u>Comments:</u>** Office supplies may be requisitioned every working day between 8:00 AM and 12:00 PM. A complete list of janitorial and office supplies will be regularly routed to all departments. For any inquiries concerning stock items, contact the Purchasing or Building Maintenance Departments.

**DISPOSAL OF SURPLUS PROPERTY**

**<u>Purpose:</u>** Finance will coordinate responsible departments for the final disposition of City-owned, surplus property, ranging from rolling stock (automobiles, trucks, tractors, backhoes, etc.) to scrap items (old batteries, used tires, scrap metal, antiquated replacement parts, etc.). It will also assist in disposing of all abandoned, stolen, or recovered property that has remained unclaimed with the Police Department for more than thirty (30) days. Disposal of this surplus property will be through public sale to the highest bidder.

**<u>Procedure:</u>** Prior to a scheduled auction, the Purchasing Agent will notify each department to prepare and submit a list of surplus properties. A comprehensive list will then be circulated to all departments to determine whether any items could be used in other areas of the City. Each department is responsible for moving surplus items to the warehouse or designated place where Finance Department personnel will identify and tag all properties scheduled for auction. The public sale will be conducted by selling items to the highest bidder. All proceeds derived from the auction will be deposited into the General Fund or TCSA Fund (forfeiture items).

**<u>Comments</u>**: City of Edinburg employees, directly or indirectly, cannot bid on, or purchase any article offered for sale at a City auction.

## SECTION V - EXEMPT PROCUREMENT

**Purpose:** The provisions of this section shall not apply and the requirements of competitive bids need not be taken regarding the procurement of the below listed materials, supplies, equipment, and services.

**Procedure:** Normal purchasing procedures will be followed such as a purchase requisition, SPO, or P.O. is still required. The only exception to the following "exempt" procurement is that no competitive bids need to be obtained.

A. Procurement made in case of public calamity that requires the immediate appropriation of money to relieve the necessity of the citizens or to preserve the property of the City;

B. Procurement necessary to preserve or protect the public health or safety of the City of Edinburg's citizens;

C. Procurement made necessary because of unforeseen damage to public machinery, equipment, or other property;

D. Procurement for personal, professional, or planning services (i.e., CPA, architect, physician, surgeon, optometrist, registered surveyor, engineer, or any group or association thereof);

E. Procurement for work that is performed and paid for by the day as the work progresses;

F. The purchase of land or a right-of-way;

G. Procurement of items that are 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, and other utility services;

   4. Captive replacement parts or components for equipment; or

   5. Books, papers, and other library materials for a public library that are available only from the persons 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. Purchase of rare books, papers, and other library materials for a public library;

8. Services performed by blind or severely disabled persons;

9. Goods purchased by a municipality for subsequent retail sale by the municipality;

10. Electricity; and

11. Advertising, other than legal notices.

**Comments:** The determination of whether the conditions exist allowing the use of the provisions of this section shall be made by the Purchasing Agent, Director of Finance, and City Manager or his designated representative.

## SECTION VI – TRAVEL POLICY

**Purpose:** This policy is intended to ensure clear and consistent understanding of policies and procedures regarding City travel and other business expenses, as well as the documentation required for substantiation.

**Preparation:** A sample of the Travel Request and Report Form is provided (Exhibit O) with numbers referring to all the boxes and/or columns needed to complete the form. Instructions on how to fill out the Travel Request and Report Form are on the back of the form.

A. Travel expenses shall be allowed only for City employees, City Council, and Advisory Board Members while on official business. The purpose of the trip must be for the City's benefit and/or be related to the department's primary business activities as follows:

   1. To obtain statutorily required continuing professional education;

   2. To obtain continuing education related to an employee's work or maintenance of a license or certification;

   3. To participate in professional organizations related to the employee or official's job assignment;

   4. To carry out other purposes determined by the City Council to be in the interest of the City.

B. Sufficient funds must be available in the adopted budget before expenditure is made.

C. Travel expenses must be reasonable and necessary. Any inappropriate or excessive costs will be at the expense of the traveler.

D. Preference should be given to local and in-state training, unless training is not available locally or in-state.

E. Method of Payment for Travel Expenses

   1. Direct Payment - The Finance Department may pay registration fees, hotel, and airline reservations directly to vendors. The request for payment must be received with sufficient time for the check to be processed by the Finance Department - Accounts Payable (at least two weeks prior to the date the check will be needed).

   2. Procurement Travel Card - If request for payment is not received within the time specified above, the Purchasing Division should be contacted in order to request that payment be made through the City's travel card.

3. Traveler's Personal Credit Cards and/or Cash – Unforeseen travel expenses incurred by employees and officials while conducting City business may be paid through personal credit cards and/or cash. The employee or official will be reimbursed by the City for reasonable and allowable expenses in accordance with this policy upon completion of the travel. The City will not reimburse interest and late charges incurred in a personal credit card by the traveler.

4. Travel Advance - The employee or City Official may also receive a travel advance.

F. Air Travel

1. The most economical airfare should be obtained (only coach fare will be allowed). If travel more expensive than coach fare is obtained, the fare must be paid with the traveler's funds and the difference between the coach fare and the fare obtained will not be reimbursed to the traveler. Refundable fares should be considered if the possibility of a trip cancellation exists. Commercial airlines are normally the most economical mode of transportation for out-of-state travel. Airline tickets should be reserved in advance, when possible, in order to obtain the most reasonable rates.

2. Airline tickets may be purchased with the City's travel card by obtaining a P-Card from the Purchasing Division.

3. The original passenger receipt issued by the commercial airline company or an original itinerary issued by the travel agency must be submitted as supporting documentation for a reimbursement. The original receipt or itinerary must include the name of the employee and airline, the ticket number, the class of transportation, the travel dates, the amount of the airfare, and the origin and destination of each flight.

G. City Vehicle

1. City vehicles will be used in lieu of personal vehicles when available. Traveler is required to have a current driver's license.

H. Personal Vehicle

1. If a City vehicle is not available, a City Official or employee may elect to travel by personal vehicle. The City will reimburse official business travel at the City adopted rate per highway mile. City Officials or employees currently receiving an approved car allowance will not be reimbursed, unless travel is outside of Hidalgo County.

2. Mileage reimbursements for a traveler who chooses to drive out-of-state rather than fly should not exceed the lowest round trip coach airfare available at the time travel was authorized. Traveler must supply documentation to support what the airfare would have been at that time.

I. Car Rentals

1. Car rentals will be reimbursed when it is the most economical means of transportation.

2. Car rental reservations should be made in advance to ensure availability of appropriate size and type of vehicle. Rental cars are to be restricted to size and type as follows:

   a. Compact, midsize, or full size car when used by one to four City employees.

   b. Midsize sport utility or minivan when used by four or more City employees.

   c. Rental of "luxury" and large "sport utility vehicles" such as a Chevy Suburban, Ford Expedition, or similar models are not allowed. However, rental of these types of models will be allowed if the car rental company honors the rate for the applicable size and type of vehicle allowed by policy.

3. Rental of cars is acceptable for one day before the meeting or conference begins whenever same day rental is not practical. Return of rental vehicle one day after the meeting or conference ends is acceptable if same day return is not practical.

4. The name of each employee that may drive the rental car must appear on the rental agreement to ensure proper coverage.

5. It is encouraged that car rentals be re-fueled prior to returning the vehicle to the car rental company in order to avoid high-priced gas charges. In addition, the original gas receipt must be submitted to the Accounts Payable Division.

6. The original car rental receipt/bill and car rental agreement must be submitted as supporting documentation for payment or reimbursement. The original car rental receipt/bill must indicate the starting and ending dates of rental, rental rates, specify the name of the car rental company, specify the name of the renter and additional drivers, if any, and itemize all other expenses incurred. The car rental company agreement must include the name and signature of the individual that picked up and returned the vehicle, the time and date the vehicle was picked up and returned, the location where the vehicle was picked up and returned, and the amount of miles that were traveled.

J. Taxis, Buses, and Other Ground Transportation

1. Taxis, buses, or other ground transportation to and from airports are allowable expenses only when necessary. The use of a hotel shuttle service is the preferred method of travel at out-of-town locations, if available.

2. Limousine service is not allowed.

3. Original receipts must be submitted in order to obtain reimbursement.

K. Lodging

1. Single room occupancy lodging costs will be reimbursed at actual cost supported by an itemized receipt, not to exceed the maximum daily allowance. Hotel reservations should be made in advance by utilizing the General Services Administration (GSA) Schedule in order to obtain the most economical rates (government, conference, and other available discount rates, etc.). The pretax GSA daily lodging costs shall be used to determine the maximum amount that may be reimbursed. GSA allowance rates may be obtained at www.gsa.gov.

2. Under special circumstances, an approving authority may determine that local conditions necessitate a higher lodging rate. The relevant circumstances supporting the determination must be documented and attached to the Travel Request and Report Form.

3. Established conference rates may be used in lieu of the GSA daily lodging rate with supporting documentation. If the traveler is staying at the hotel where the seminar/conference/meeting is held, the City will pay the applicable single occupancy room rate, conference rate, or government rate. Where conference rates are not available, traveler should choose the lowest price available for comparable lodging.

4. Employees shall request “government rates” when making travel arrangements.

5. Hotel reservations can be made with the City’s travel card by obtaining a P-Card from the Purchasing Division. The travel card cannot be utilized to book hotel reservations with rates higher than allowed by this policy. Hotel reservations at a rate above the allowable rate must be paid using the traveler's own personal credit card or funds. If a spouse and/or dependent(s) accompany the official or employee, the City will not reimburse the difference in hotel room rates above the single occupancy room rate.

6. Arrival one night before the day the meeting or conference begins is acceptable whenever same day travel is not practical. However, arrival the same day the meeting or conference begins is required if the meeting or conference is taking place within 100 miles from the traveler's normal place of work and the meeting or conference begins at or after 10:00 AM. Arrival the day that the meeting or conference begins is encouraged whenever the meeting or conference begins at or after 12:00 PM and the location of the meeting or conference is less than 300 miles away.

7. Return on the day after the meeting or conference ends is acceptable whenever same day travel is not practical. However, return the same day that the meeting or conference ends is required if the meeting or conference is taking place within 100 miles from the traveler's normal place of work and the meeting or conference ends at or

before 3:00 PM. Return the same day that the conference or meeting ends is encouraged whenever the meeting or conference ends before 12:00 PM and the location of the meeting or conference is less than 300 miles away.

8. Extra hotel nights for personal reasons will be at the City Official's or employee's own expense and will not be reimbursed. Extra hotel nights for personal reasons will not be paid using City funds or the City's travel card.

9. A traveler may not be reimbursed for a lodging expense incurred at a place that is not a commercial lodging establishment.

10. An original lodging receipt showing payment in full must be submitted as supporting documentation for payment or reimbursement. The receipt must include the name and address of the commercial lodging establishment, the name of the employee, the single occupancy room rate, and a daily itemization of the lodging charges.

11. For non-city employee travel advances, it will be the responsibility of the Department Director being charged the travel expenditure(s) to account for and ensure that all required supporting documentation is submitted within one (1) week.

L. Meal Allowance

1. The City shall pay actual necessary transportation and living expenses for an employee or City Official traveling on City business. Expenses for meals shall either be reimbursed at actual cost as supported by receipts or by per diem allowance. In lieu of itemized receipts for meals, a per diem allowance of $40 per day is authorized based on $10 for breakfast, $15 for lunch, and $15 for dinner. Even if supported by a receipt, reimbursement shall not exceed $25 for any one meal. In lieu of itemized receipts for meals for out-of-state travel, a per diem allowance of $50 per day is authorized, based on $15 for breakfast, $15 for lunch, and $20 for dinner.

**Commented [SM1]:** Policy will be changing in state travel to now reflect a combined total of $80
$20 for breakfast, $25 for lunch and $35 for dinner.

**Commented [SM2]:** Policy will be changing in state travel to now reflect a combined total of $80
$20 for breakfast, $28 for lunch and $40 for dinner.

2. Guidelines for departure/arrival times for meal reimbursements are as follows:

| DEPARTURE TIME FROM WORKPLACE | ARRIVAL TIME AT WORKPLACE (FROM OUT-OF-TOWN TRAVEL) |
|---|---|
| Before 7:30 a.m. (breakfast only) | 6:00 a.m. thru 7:00 a.m. (breakfast only) |
| Before 12:00 p.m. (lunch only) | 1:00 p.m. thru 6:59 p.m. (breakfast & lunch) |
| Before 6:00 p.m. (dinner only) | 7:00 p.m. thru 12:00 a.m. (breakfast, lunch, dinner) |

M. Non-Allowable Travel Expenses

1. Alcoholic beverages;

2. Valet parking (if self-parking is available);

3. Tips and gratuities in excess of 15% of the actual meal cost;

4. Personal long distance telephone calls;

5. Personal items, such as prescriptions, cosmetics, movies, golf, health club, spas, haircuts, shoe shines, newspapers, laundry/dry cleaning charges, etc.;

6. Loss of funds or personal belongings;

7. Extra day or days on the trip for personal reasons;

8. Luxury & large sports utility vehicle rental cars;

9. Additional charges for accommodations, meals, travel, etc., for individuals not on City business who accompany the traveler on an authorized City business trip;

10. Fines, court costs, and related expenses;

11. Meals for non-overnight travel;

12. Interest, over the limit, or late charges incurred in a personal credit card;

13. Expenses deemed unreasonable, excessive, unsupported or unexplained;

14. Expenses of a spouse; and

15. Other items of a personal nature.

**Commented [SM3]:** This will increase to 18% to reflect the minimum starting point for tipping.

**Commented [SM4]:** Include partner, and other individuals not authorized to travel

**Commented [SM5]:** 16. If a meal is provided or offered by the event or hosting entity, the per diem amount for the meal must be deducted or reimbursed by the staff member.

N. Travel Advances

1. Travel advances are to be given to the requesting employee and may not be given to or used by another employee. Likewise, the travel advance is issued for a specific trip and may not be used for a trip different than the one that was listed on the original request.

2. Travel advances are the sole responsibility of the traveler and such funds should be safeguarded from loss or misuse.

3. Travel advance requests must be received by the Accounts Payable Division with sufficient time for the check to be processed (at least two weeks prior to the date the check will be needed). If request is not received within the time specified, a travel advance check may not be processed and the traveler will have to use a personal credit card and/or cash.

4. If the official or employee elects to travel by personal vehicle, the employee may be

advanced mileage calculated on a point-to-point basis using the Texas Mileage Guide at the current City adopted rate per highway mile.

5. If attendance at the seminar/meeting/conference is cancelled, travel advances should be immediately returned to the Accounts Payable Division no later than 10 calendar days after the seminar/conference/ meeting date.

6. Individuals receiving a travel advance are required to account for the advance within 10 calendar days after the seminar/conference/meeting date. Original itemized receipts (except meal receipts) must be submitted in order to obtain reimbursement for allowable expenses paid by the traveler. Subsequent travel advances requested by the department on behalf of a traveler with an outstanding travel advance will not be made.

O. Travel Cancellations

1. If it becomes necessary to cancel a trip, the traveler is required to make all necessary cancellations, notify the Purchasing Division if City's travel card was used for reservations, and/or the Accounts Payable Division if payments were made in advance (seminar registration, hotel accommodations, airfare, and car rental, etc.).

## SECTION VII – FOOD PURCHASE POLICY

**Purpose:** This policy is intended to ensure clear and consistent understanding of policies and procedures regarding the purchase of food as well as the documentation required for substantiation.

A. Allowable food purchases are:

1. Departments may purchase food (snacks, beverages, sweet bread, etc.) if they will be hosting some type of employee training and the instructor, trainer, consultant, advisor, and/or presenter is not a City employee. Purchase must be pre-approved by the Department Director.

2. Departments may purchase food for employees working after scheduled hours due to an emergency. Emergencies such as hailstorms, severe thunderstorms, hurricanes, etc., must be declared by the City Manager. Day to day responses to Public Safety emergency calls do not constitute as emergencies for these criteria.

3. Departments can pay for meals during luncheon meetings only when City staff members are hosting individuals from an outside entity/agency and they are discussing City business. The City will not pay for meals when the luncheon meetings involve only City staff members. A list of attendees receiving meal must be attached to invoice(s) submitted for payment.

4. The Fire Chief and/or authorized individuals are allowed to use City funds to provide Volunteer Firefighters (only non-paid volunteers) meals after an incident response lasting a minimum of two (2) hours. Amount per meal provided must not exceed amount in the City's current travel policy. A list of volunteer firefighters receiving meal must be attached to invoice(s) submitted for payment.

5. Departments may purchase food (meals, snacks, beverages, sweet bread, etc.) if they will be hosting some type of meeting during the lunch hour relating to City business. These meetings must host City Councilmember, instructor, trainer, consultant, advisor, engineer, presenter, etc. that is not a City employee. A list of attendees receiving meal must be attached to invoice(s) submitted for payment.

6. Departments are allowed to purchase water, Gatorade, and Powerade only for employees working out in the field for fluid replenishment purposes due to weather conditions. Office employees must purchase their own water.

7. Departments are allowed to purchase soft drinks for use in meetings involving outside individuals (non-city employees). Drinks purchased with City funds are for guests only.

B. Departments are not allowed to use City funds to:

1. Purchase food such as tacos, sweet bread, snacks, etc. for their staff meetings; and

2. Purchase any type of food and/or supplies for birthday/holiday/retirement parties.

C. City employees shall not accept monetary donations and/or food from vendors for the purpose of Departmental employee gatherings (holiday party, birthday party, retirement party, etc.), with the exception of the City's Annual Employee Award Banquet.

# GLOSSARY

ADDENDUM – an addition or change in the already prepared specifications that an invitation to bid or quotation had already been mailed out for sealed bids and/or proposals.

ANNUAL BIDS – bids conducted once per year for goods and services to be purchased during the course of the year. Contracts protect pricing for a period of one year, and are awarded to vendors by purchase order for supplies, equipment, and services routinely required by one or more departments.

APPRAISAL SERVICES – real property appraisals.

ARCHITECTURAL SERVICES – (See Professional Services)

AUDIT SERVICES – (See Professional Services)

BID BOND – a bond obtained by a bidder to guarantee his/her bid.

BID OPENING – the formal process of opening sealed bids and proposals.

BIDDER'S LIST – the list of vendors to receive requests for quotes, ITBs, RFPs, etc.

BLANKET PURCHASE ORDER – a purchase order issued with a general description of goods or services which can be used for several purchase transactions over a period of time.

CHECK REQUISITION – a form used for all payments which must be prepaid, or when vendors do not accept the City's purchase orders. For example: subscriptions, membership dues, utility billings, credit card charges, seminar registrations, and after-hour emergencies where SPO's are not accepted.

COMMODITIES – any goods, materials, products, supplies, or equipment.

COMPETITIVE NEGOTIATIONS – negotiations with a Professional Services firm selected via the RFP process.

CONTRACT (for purchasing purposes) – a formal, written agreement between the City of Edinburg and a specific vendor for a particular purchase or service. The Purchase Order is also a type of contract.

EMERGENCY – Situations that could result in damage to persons or property or an economic loss if the purchase is not made immediately.

ENGINEERING SERVICES, PROFESSIONAL – (See Professional Services)

EXEMPTIONS – certain types of purchases or sources for purchases which are exempt from the normal competitive procurement process.

FORMAL COMPETITIVE PROCESS – the formal ITB or RFP process used to procure goods and services.

ITB – (See Invitation to Bid)

INTERNAL PURCHASES – purchases made between two departments.

INVITATION TO BID (ITB) – a formal invitation to submit a sealed bid for a specific item or service.

LANDSCAPE ARCHITECT SERVICES – (See Professional Services)

LEGAL SERVICES – (See Professional Services)

MAINTENANCE AGREEMENTS – agreements with manufacturers and authorized service centers the City has in place for most of its office machines. Each department is responsible for maintaining their own service agreements.

MEDICAL SERVICES – all medical related services such as physicians, hospital, wellness program, consulting, insurance admin., etc.

OUTSIDE PURCHASES – purchase made from outside vendors, agencies, etc.

PETTY CASH PURCHASE – a method used for the reimbursement of purchases by City of Edinburg staff of items or services whose cost is normally in the price range of $0.01 to $50.00.

PHYSICAL INVENTORY – the physical verification of inventory items.

PO – (See Purchase Order)

PRE-BID CONFERENCE – a meeting of all interested parties prior to the opening date of the formal "Sealed Bid" at which time all questions and abnormalities concerning the project are discussed.

PRE-PROPOSAL CONFERENCE – (See Pre-Bid Conference)

PRICE ESTIMATE – a price given by a vendor for an item or service which is not necessarily a firm quote.

PROFESSIONAL SERVICES – assistance obtained in support of City of Edinburg operations from an independent contractor in one of the following professional fields: (architectural, engineering, landscape architecture, and registered land surveying as defined by Texas Statutes; and legal services; and audit and accounting services).

PURCHASE ORDER – the formal document that officially and legally commits the City and encumbers funds to purchase an item or service.

PURCHASE REQUISITION – a request for the purchase of items or services, not an authorization to purchase.

PROCUREMENT CARD – a credit card, usually a Master Card.

REAL PROPERTY – real estate.

RECEIVING REPORT – the copy of the Purchase Order, or General Receiving Report used to officially acknowledge receipt of goods or services as a prerequisite to payment for the goods or services.

REQUEST FOR PROPOSAL – issued for the procurement of goods or services. This method can be used to: (a) obtain goods and services when the compilation of detail specifications is not appropriate; or (b) obtain Professional Services as defined herein.

REQUEST FOR QUALIFICATIONS – issued for the purpose of qualifying vendors in anticipation of procurement of professional services.

SEALED BID – a formal bid submitted in a sealed envelope to be opened at a date and time specified in the Invitation to Bid.

SMALL PURCHASE ORDER (SPO) – allows individual departments to place minor purchase orders directly with approved vendors for certain miscellaneous items and services. The total order must not exceed $749.99, including minimum shipping and handling charges. May be used anywhere in the Rio Grande Valley area.

SOLE SOURCE: Product or service that is only available for purchase through the specific identified vendor. These vendors are usually the manufacturer.

SPECIFICATIONS – minimum and/or maximum guidelines or limitations required for items or services to be purchased.

TABULATION – a complete list of all sealed responses received for a single RFB, RFP, or RFQ. (Includes all pertinent information such as vendor name, price, delivery time, options available, ranking and/or exceptions made to the specifications).

VENDOR – an individual, company, or agency that either is available to sell goods or services to the City of Edinburg or has sold goods or services to the City of Edinburg in the past.

VERBAL QUOTATION – a verbally stated quotation of price by a vendor.

WRITTEN QUOTATION – a quotation of price stated in writing by a vendor.

YEAR END CUT OFF – the point in time near the end of the fiscal year at which requisitions may no longer be submitted to the Purchasing Department.

## APPENDIX

| | |
|---|---|
| EXHIBIT A | Small Purchase Order Form |
| EXHIBIT B | Written Price Quote Form |
| EXHIBIT C | Purchase Requisition Form |
| EXHIBIT D | Bid Request Form |
| EXHIBIT E | Request for Proposal Form |
| EXHIBIT F | Request for Qualifications Form |
| EXHIBIT G | Change Order Form |
| EXHIBIT H | Emergency Purchase Request Form |
| EXHIBIT I | Check Requisition Form |
| EXHIBIT J | Petty Cash Form |
| EXHIBIT K | Tax Exemption Certificate Form |
| EXHIBIT L | Release Order Form |
| EXHIBIT M | Janitorial Supply Inventory Order Form |
| EXHIBIT N | Office Supply Inventory Order Form |
| EXHIBIT O | Travel Request and Report Form |
| EXHIBIT P | Purchase Made During a Declaration of Local Disaster |
| ATTACHMENT I | Community Development/Grants Management Department (CD/GM) CONFLICT OF INTEREST MANAGEMENT PLAN D/GM |

# EXHIBIT A

DATE{!)---------------------

SPO (9l

VENDOR NO. 12)

VENDOR (3)

ADDRESS {41

CITY{s) STATE (6) ZIP CODE (71

INVOICENO. (8)

MAIL
INVOICE
TO

SMALL PURCHASE ORDER
**CITY OF EDINBURG**
FINANCE DEPARTMENT
P.O. BOX 1079
EDINBURG, TEXAS 78540

| ITEM (10) | QUANT. (11) | DESCRIPTION (12) | UNIT PRICE (13) | DISC. (14) | NET TOTAL (15) | |
|---|---|---|---|---|---|---|
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| | | TAX EXEMPT | | | | |
| ACCOUNT NO. {16) | | IDEPARTMENT 117) | TOTAL (18) | (NOT TO EXCEED $2,000.0 | | |

Received by (19l________________________________ Dept. Director Approval 1201________________________________

WHITE - VENDOR YELLOW - VENDORFILE GREEN - ALPHABETICAL

# EXHIBIT B

## WRITTEN PRICE QUOTATION

| | | |
|---|---|---|
| VENDOR: | VENDOR: | VENDOR: |
| PERSON CONTACTED: | PERSON CONTACTED: | PERSON CONTACTED: |
| AMOUNT QUOTED: | AMOUNT QUOTED: | AMOUNT QUOTED: |
| PHONE 1#: | PHONE 1#: | PHONE 1#: |
| TIME/DATE: AM PM | !TIME/DATE: AM PM | TIME/DATE: AM PM |

REQUESTED BY: DATE:

| ITEM | QUANTITY | DESCRIPTION OF GOODS OR SERVICES |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |

| UNIT PRICE | TOTAL | UNIT PRICE | TOTAL | UNIT PRICE | TOTAL |
|---|---|---|---|---|---|
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| GRAND TOTALI | GRAND TOTALI | GRAND TOTALI |

COMMENTS,

# EXHIBIT C

## THIS IS NOT AN ORDER

### CITY OF EDINBURG - PURCHASE REQUISITION

(SEEREVERSE SIDE FOR PREPARATION INSTRUCTIONS)

| ITEM ii) | QUANTITY12) | UNIT(3) | DESCRIPTION (MAKE, MODEL, SIZE, ETC.) 14) | UNIT PRICE ts) | EXTENSION 16) |
|---|---|---|---|---|---|
| | | | | | |
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| | | | | TOTALm | |

| REQUISITION DATE (8) | DELIVERY DATE I9} | DELIVERY LOCATION (10) |
|---|---|---|
| | | |

| DESCRIPTION OF USE(II) | REMARKS - RECOMMENDATIONS (SUGGESTED VENDORS) 112) |
|---|---|
| | |
| | |
| | |

| FUND {BI | REQUESTEDBY (16) | APPROVED BY {17} |
|---|---|---|
| DEPT. {14} | | |
| OBJECT TITLE (1s} | | |

| ACCOUNT NUMBER (18} | AMOUNT 119) |
|---|---|
| | |
| | |
| | |
| TOTAL | |

(PURCHASING USE ONLY)

VENDOR:

CITY: STATE: ZIP:

P.O.NO.

| PROCESSED BY: | PURCHASING AGENT |
|---|---|
| | |

NO.

EXHIBIT D

## BID REQUEST **FORM**

DATE: ____________________

FUND: ....................................

DEPARTMENT: ____________________

OBJECT TITLE: ____________________

ACCOUNT NUMBER($): ____________________

BUDGET BALANCE: ____________________

INQUIRED BY: ____________________

DEPARTMENT DIRECTOR APPROVAL: - - - - - - - - - - -

CONTACT PERSON: _ _ _ _ _ _ _ _ _ _ _ _

TITLE: ____________________

PHONE:

BIDNO.: ____________________

BID TITLE: - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

DESCRIPTION OF GOODS OR SERVICES TO BE PURCHASED:

________________________________________

________________________________________

________________________________________

PUBLISHING DATES (THE MONITOR):

PUBLICATION DATE #1: ____________

PUBLICATION DATE #2: ____________

PRE-BID CONFERENCE (IF ANY):

DATE: _ _ _ _ _ _

TIME: ____________

BID OPENING:

DATE: ____________

TIME: ____________

### FOR FINANCE DEPARTMENT USE ONLY

PURCHASING AGENT APPROVAL: ____________________ DATE: ____________

DIRECTOR OF FINANCE APPROVAL: ____________________ DATE: ____________

Please attach vendor list and completed specifications to this form. Purchasing will mail out the specifications. Do not submit this form if funds are not available.

# EXHIBIT E

## REQUEST FOR PROPOSAL FORM

DATE: ______________________________

FUND: ______________________________

DEPARTMENT: ______________________________

OBJECT TITLE: ______________________________

ACCOUNT NUMBER(S): ______________________________

BUDGET BALANCE: ______________________________

INQUIRED BY: ______________________________

DEPARTMENT DIRECTOR APPROVAL: ______________________________

CONTACT PERSON: ______________________________

TITLE: ______________________________

PHONE: ______________________________

RFP NO.: ______________________________

RFPTITLE: ______________________________

DESCRIPTION OF GOODS OR SERVICES TO BE PURCHASED:

______________________________

______________________________

______________________________

PUBLISHING DATES (THE MONITOR):

PUBLICATION DATE #1: _____

PUBLICATION DATE #2: ______________

PRE-PROPOSAL CONFERENCE (IF ANY):

DATE:_________

TIME:

RFP OPENING:

DATE: ______________

TIME: ______________

### FOR FINANCE DEPARTMENT USE ONLY

PURCHASING AGENT APPROVAL: ______________________ DATE: ______________

DIRECTOR OF FINANCE APPROVAL: ______________________ DATE: ______________

Please attach vendor list and completed specifications to this form. Purchasing will mail out the specifications. Do not submit this form iffunds are not available.

## EXHIBIT F

## REQUEST FOR QUALIFICATIONS FORM

DATE: ______________________

FUND: ______________________

DEPARTMENT DIRECTOR APPROVAL: ______________________

DEPARTMENT: ______________________

CONTACT PERSON: ______________________

OBJECT TITLE: ______________________

TITLE: ______________________

ACCOUNT NUMBER(S): ______________________

PHONE: ______________________

BUDGET BALANCE: ______________________

INQUIRED BY: ______________________

RFQNO.: ______________________

RFQ TITLE: ______________________

DESCRIPTION OF GOODS OR SERVICES TO BE PURCHASED:

______________________

______________________

______________________

PUBLISHING DATES (THE MONITOR):

PUBLICATION DATE #1:

PUBLICATION DATE #2: ______________

RFQ OPENING:

DATE: ______

TIME: ______________

### FOR FINANCE DEPARTMENT USE ONLY

PURCHASING AGENT APPROVAL: ______________________ DATE: ______________

DIRECTOR OF FINANCE APPROVAL: ______________________ DATE: ______________

Please attach vendor list and completed specifications to this form. Purchasing will mail out the specifications. Do not submit this form if funds are not available.

## EXHIBIT G

## CITY OF EDINBURG
## CHANGE ORDER

Bid No.: ______________________________________________

Project: ......................................................................................................

______________________________________________

Change Order No.: ______________________________________________

Date: ______________________________________________

Contractor: Name
Address
City, State, Zip

You are directed to make the following changes to the Contract (include quantities, units, change in completion schedule, etc.) as outlined below:

**Description:**

| | |
|---|---|
| The Original Contract Sum was | $ |
| Net Changes by Previously Authorized Change Orders | $ |
| The Contract Sum Prior to this Change Order was | $ |
| The Contract Sum will be Increased/Decreased by this Amount | $ |
| The New Contract Sum Including this Change Order | $ |

The Contract Time will be increased by __________days

Date of Substantial Completion ____________________

Note: Total Change Orders shall not exceed 25% of Purchase Order/Contract Amount.

| **Agreed to:** | **Authorized by:** |
|---|---|
| ______________________ Contractor Signature | ______________________ Department Director |
| ______________________ Printed Name & Title | ______________________ Director of Finance |
| ______________________ Company Name | ______________________ Project Engineer |
| ______________________ Date | ______________________ City Manager |

# EXHIBIT H

## EMERGENCY PURCHASE REQUEST

**DATE:** <11 ______________________________

TO:m ______________________________

**FROM:** t3l ______________________________

**EMERGENCY PURCHASE OF:** (41

______________________________

**SUMMARY OF EMERGENCY SITUATION:** <sl

______________________________

______________________________

______________________________

**OPTIONS AVAILABLE:** (61

______________________________

**FINANCIAL CONSEQUENCES:** *m*

______________________________

______________________________

**POSSIBLE MONETARY LOSSES IF PURCHASE IS NOT MADE IMMEDIATELY:** cs1

______________________________

______________________________

**PRICE QUOTATIONS:** (9J

| VENDOR NO.1 | VENDOR NO. 2 | VENDOR NO. 3 |
|---|---|---|
| ____________ | ____________ | ____________ |
| ____________ | ____________ | ____________ |

**APPROVAL** 1101

| | | | |
|---|---|---|---|
| DEPARTMENT DIRECTOR | DIRECTOR OF FINANCE | | CITY MANAGER |
| DATE | DATE | P.O.# | DATE |



Finance will Forward Copy to the City Secretary Immediately After City Manager's Approval (Signature) of Request.

## EXHIBIT I

## CITY OF EDINBURG
## CHECK REQUISITION

VENDOR# ______________________

ISSUETO:ui _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ VENDOR

________________________________ MAILING

________________________________ ADDRESS c21

________________________________

________________________________ FUND C3l

**SPECIAL INSTRUCTIONS** ill

[0] MAIL FORM WITH CHECK

(PLEASEPROVIDE COPY TO BE MAILED)

[01 HOLD CHECK FOR PICK UP

FINANCE APPROVAL

[☐)OTHER ____________________

ACCOUNT NO. 1s1

INVOICE NO. I6l

**TOTAL(I)**

EXPLANATION: 1a1 ________________________________

**FOR DEPARTMENT USE:**

BUDGET BALANCE: {9J ________________________________

REQUESTED BY: 1101 ________________________________

DEPT. DIRECTOR:1111 _ _ _ _ _ _ _ _ _ _ _ _ ________ DATE 1121

**FOR FINANCE USE ONLY:**

APPROVED BY:!BJ ________________________________
FINANCE DEPARTMENT

**OTHER INSTRUCTIONS**

[ ] DEPOSIT TO CITY'S BANK ACCOUNT

_ _______________FUND IL4l

ACCT. # ______________ AMT._____

ACCT. # ______________ AMT._____

ACCT. # ______________ AMT._____

TOTAL________

# EXHIBIT J

# PETTY CASH

**DATE:** ________________

| DESCRIPTION OF ITEM/SERVICE PURCHASED | AMOUNT | |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| CHARGE TO ACCOUNT TOTAL | | |

REQUESTEDBY: ________________________________________

DEPARTMENT DIRECTOR: ________________________________

APPROVED BY: ........................................................................

fiM>,";:';.J.• 01-339 (Back)
',w'ro:.:(R"ev.7-1017)

EXHIBIT K

# Texas Sales and Use Tax Exemption Certification

*This cettificate does not require a number to be valid.*

| |
|---|
| Name or purchaser, firm or agency |
| Address *(Street & number, P.O. Bo"xor Route number)* — Phone *(Area code and number)* |
| City, State, ZIPcode |

I, the purchaser named above, claim an exemption from payment of sales and use taxes (for the purchase of taxable items described below or on the attached order or invoice) from:

Seller: ____________________

Street address: City, State, ZIP code: ____________

Description of items to be purchased or on the attached order or invoice:

Purchaser claims this exemption for the following reason:

I understand that I will be liable for payment of all state and local sales or use taxes which may become due for failure to comply with the provisions of the Tax Code and/or all applicable law.

*I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I !<now, at the time of purchase, will be used in a manner other than that expressed in this certificate, and depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.*

| sign here ▶ Purchaser | Title | Date |
|---|---|---|
| | | |

NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle.

***THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.***

Sales and Use Tax "Exemption Numbers" or "Tax Exempt" Numbers do not exist.



This certificate should be furnished to the supplier. Do not send the completed certificate to the Comptroller of Public Accounts.

# EXHIBIT L

## CITY OF EDINBURG
RELEASE ORDER

VENDOR# c1J ______________________

VENDORp1 ______________________

P.O. NO. l3l ______________________

ACCT. NO. C4J ______________________

UNLIQUIDATED BAL. cs> $ ____________ INVOICE NO. 1si ____________

THIS PAYMENT !GJ ____________ INVOICE DATE (9J ____________
CURRENT UNLIQ. BAL. 17J $ ____________

| ITEM c10J | QTY. 111J | DESCRIPTION I12J | PRICE <nJ |
|---|---|---|---|
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| | | TOTALc14J | |

**I CERTIFY THAT I HAVE RECEIVED THE ITEMS OR SERVICES AS INDICATED ABOVE.**

DEPARTMENT DIRECTOR c1sJ DATE 116J

EXHIBIT L

WHITECOPY - VENDORFILE YELLOW COPY- ENCUMBRANCES PINK COPY - DEPT. COPY

## EXHIBIT M

## CUSTODIAL SERVICES
## JANITORIAL SUPPLY INVENTORY ORDER FORM

DEPARTMENT: ______________________ ACCOUNT NO.: ______________________

DIVISION: ______________________ DEPT. APPROVAL: ______________________

ORDER DATE: ______________________ COMPLETION DATE: _ _ _ _ _ _ _ _ _ _ _ _ _ _

CREDIT ACCT. NO.: ______________________

| ITEM NO. | QUANTITY ORDERED | QUANTITY RECEIVED | DESCRIPTION | NET PRICE | TOTAL PRICE |
|---|---|---|---|---|---|
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ORDER FILLED BY: ______________________

## EXHIBIT N

## OFFICE SUPPLY INVENTORY ORDER FORM

DEPARTMENT: ______________________ ACCOUNT NO.: _ _ _ _ _ _ _ _ _ _ _ _ _

REQUESTED BY: ______________________ DATE ORDERED: ______________________

DEPT. APPROVAL: TOTAL: _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _

| NO. | QUANTITY | | DESCRIPTION | ITEM# | UNIT PRICE | AMOUNT |
|---|---|---|---|---|---|---|
| | ORDERED | RECEIVED | | | | |
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## EXHIBIT 0

## TRAVEL REQUEST AND REPORT

**Section A**

1. ________________________________________________

City OfficerorEmployee requesting check/Name & Title or Position held

2. Destination: ________________________________

3. Purpose: ________________________________

**4.** Date(s} and Time of Meeting: ________________________________

5. Travel Time: Going: Date _______________Time Leave _______________Time Arrive _______________

Returning: Date _______________Time Leave _______________Time Arrive _______________

6. Is this trip budgeted: Yes________No____ _
If no, substitute for what trip. ________________________________

7. Account number to be charged: ________________________________

8. Trip Advance: Requested by_N_a_m_e________________________ ________________
Date

Approved by ________________________ ________________
Approvin g Offi c ia l Date

9. Travel Advance Requested: $ ________________________

10. Breakdown:

| | A. ADVANCE REQUESTED | B.ACTUALEXPENSES |
|---|---|---|
| Transporation | $ ____________ | $ ____________ |
| Hotel Expense | $ ____________ | $ ____________ |
| Meeting Registration (Not Prepaid) | $ ____________ | $ ____________ |
| Meals | $ ____________ | $ ____________ |
| Other | $ ____________ | $ ____________ |
| TOTAL | $ ____________ | $ ____________ |
| Balance Refundable to the City | | $ ____________ |
| Balance Due to City Officer or Employee | | $ ____________ |

11. Actual Expense Report: Submitted by: ________________________ ________________
Name Date

Approved by: ________________________ ________________
Approving Officials Date

section B (To BE COMPLETED BY FINANCE DEPARTMENT)

12. Travel Advance: ______________ ______________ $______________
Date Issued Check No. Amount

13. Final Payment Made: ______________ ______________ $______________
Date Paid Receipt/Check No. Amount

14. Report Audited: ______________ ________________________
Date By

The form is to be completed in triplicate. The white and pink copies go the Accounting Division, and the yellowEt: y goes to the department.

**EXHIBIT P**
**ORDINANCE NO. 2020-4455**

**AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF EDINBURG, TITLE III. ADMINISTRATION, CHAPTER 33, FINANCE AND TAXATION, BY AMENDING SECTION 33.45. EMERGENCY PROCUREMENT, BY ADOPTING PROCEDURES FOR PURCHASES MADE DURING A DECLARATION OF LOCAL DISASTER; PROVIDING A REPEALER CLAUSE; PROVIDING A SAVINGS CLAUSE; AND PROVIDING FOR PUBLICATION AND EFFECTIVE DATE; PROVIDING FOR CODIFICATION; PROVIDING A WAIVER OF THE THREE (3) SEPARATE READINGS; AND ORDAINING OTHER PROVISIONS RELATED TO THE SUB,JECT MATTER HEREOF.**

**WHEREAS,** the City of Edinburg declared a local state of disaster due to the COVID-19 pandemic on March 17, 2020, and

**WHEREAS,** the City of Edinburg desires to establish a uniform procedure for emergency procurement while a local state of disaster is in effect; and

**WHEREAS,** the City of Edinburg has an interest in ensuring that the procedure for emergency procurement while a local state of disaster is in effect facilitates the protection of the safety and property of residents, public health, and City property, machinery and equipment;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EDINBURG, HIDALGO COUNTY, TEXAS THAT:**

**SECTION I. AUTHORITY OF LAW.** The City Council specifically finds that all requirements of law have been met in the passing of this Ordinance.

**SECTION II:** TITLE II, ADMINISTRATION, CHAPTER 33, FINANCE AND TAXATION, SECTION 33.45, of the Code of Ordinances of the City of Edinburg, Texas, is hereby amended by adding such sections as follows:

(F) The above requirements do not apply while a duly declared and authorized local state of disaster is in effect. Rather, the following emergency procurement procedures shall apply:

(1) To ensure the efficient procurement of goods and services, documentation may be presented to City Council for approval as one budget of disaster expenditures

prior to purchase or during a City Council meeting within the same disaster declaration period.

(2) City Council approval of a disaster expenditure budget shall serve as its approval for all associated purchases, contracts, procurement categories. The City Manager shall thereafter be authorized to approve all disaster expenditures related to the disaster expenditure budget.

(3) To the maximum extent possible, procurement procedure should include at least three (3) written price quotes, utilization of state purchasing procurement contracts, or cunent contractual agreements. However, City Council approval of a disaster expenditure budget shall serve as authorization for the City Manager to approve disaster expenditures.

**SECTION** III. **WAIVER CLAUSE.** The requirement of three separate readings of this Ordinance is hereby dispensed with by a vote of not less than a majority of all the members of the City Council.

**SECTION IV. REPEALER CLAUSE.** This Ordinance shall be cumulative of all other ordinances dealing with the same subject and any provision of any Ordinance in direct conflict with any provision of this Ordinance is hereby repealed and the provisions of this Ordinance shall supersede any provisions in conflict herewith; all provisions of any other Ordinance not in conflict herewith shall remain in full force and effect.

**SECTION V. SAVINGS CLAUSE.** If any section, part, or provision of this Ordinance is declared unconstitutional or invalid, by a comi of competent jurisdiction, then, in that event, it is expressly provided, and it is the intention of the City Council in passing this Ordinance that its palis shall be severable and all other paiis of this Ordinance shall not be affected thereby and they shall remain in full force and effect.

**SECTION VI. CODIFICATION CLAUSE.** The provisions of Section II of this Ordinance are to be published in the location indicated in the Code of Ordinances of the City of Edinburg, Texas, as soon as possible.

**SECTION VII. PUBLICATION AND EFFECTIVE DATE.** This Ordinance shall take effect immediately upon its passage and publication according to law.

**READ, CONSIDERED, PASSED AND APPROVED** at a regular meeting of the City Council of the City of Edinburg, Texas, at which a quorum was present, which was held in accordance with VTCA, Govemment Code, Section 551.041 on the 7th day of July, 2020.

CITY OF EDINBURG

BY:__________________________
Richard R. Molina, Mayor

ATTEST:

BY:__________________________
Myra L. Ayala, City Secretary

APPROVED AS TO FORM:
OMAR OCHOA LAW FIRM, P.C.

BY:__________________________
Omar Ochoa, City Attorney

ATTACHMENT I

**Community Development/Grants Management Department**

## Conflict of Interest Management Plan

I. **Purpose**

The general rule is that no employee, agent, consultant, officer, or elected or appointed official of a CDBG Grantee, or of any designated public agencies, or of subrecipients that are receiving funds under this part, who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

II. **Applicable Laws & Authorities**

2 CFR 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards - Subpart B General Provisions found in Section 200.112, Conflict of Interest and Subpart D Post Federal Award Requirements General Procurement Standards found in 2 CFR 200.318; CDBG Conflict of Interest Provision found in 24 CFR 570.611; Code of Ethics Policy for the City of Edinburg found in City ordinance §30.065.

III. **Conflict of Interest Training**

Employees, council members, board members, subrecipient officers and any pass-through entity staff, will be required to attend an annual training regarding regulatory Conflict of Interest provisions. The training will be administered by the Community Development/Grants Management Department. All applicable laws and authorities noted in Section II of this document, will be reviewed and explained. This training will provide more insight on all Conflict of Interest provisions that must be maintained and followed by the City. A record of attendance will be kept for each training provided. This record will serve as a certification of attendance for the officials, staff and partnering agencies participating in the training.

The CD/GM Department will not solely rely on the annual training to disseminate this important information. Staff will also incorporate a conflict of interest discussion, followed by the execution of disclosure documentation for both the Community Development Council and Housing Assistance Committee meetings, prior to final action for funding approvals. Additionally, all subrecipients will be required to submit executed conflict of interest disclosure documents when applying for CDBG funds.

**IV. Documenting a Conflict of Interest**

Full disclosure and transparency are of the highest importance to both the City and the CD/GM Department. As such, the procedures for identifying any potential conflict will include the reviewing and signing of "Conflict of Interest Affidavits" for both procurement and non-procurement undertal<ings. The affidavits will be presented and reviewed during the annual employee conflict of interest training. The affidavits will also be incorporated into the daily administration of procurement and non-procurement actions, involving any project that may be potentially funded by CDBG. The processes and types of affidavits for these activities are as follows:

a. Documenting Conflicts of Interest for a Procurement Action (Exhibit A)

1. All Bidding and Procurement packets for any CDBG funded project, will include the "Summary of Rules for CDBG Contractors" and the "Affidavit Regarding Conflict of Interest" in the Required Certifications section. A potential vendor or contractor must review, sign and submit both documents with their bid pacl<et, to ensure the understanding of the Conflict of Interest regulations and disclose any possible conflict.

2. All Pre-Bid and Pre-Construction meetings for any CDBG funded project, will include discussion and explanation of the documents listed in Section IV.a.1. to ensure that any potential contractors and vendors understand the Conflict of Interest regulations and disclose any possible conflict.

3. Any executed contract for a CDBG funded project will include, as an exhibit to the contract, the Federal Contract Provisions listing conflict of interest rules and requirements.

*b.* Documenting Conflicts of Interest for a Non-Procurement Action (Exhibit B)

1. Upon completion of the annual Conflict of Interest training, attendees will receive, acknowledge and sign the "Conflict of Interest" form. In addition to that form, City of Edinburg staff will also receive the "Outside Employment Agreement" to review and execute.

2. Staff will ensure that the "Conflict of Interest" form is provided during the Community Development Council and Housing Assistance Committee meetings. Staff will also include the affidavit in the application packets for any subrecipient submitting a request for CDBG funding.

3. Individuals applying for assistance through the Housing Rehabilitation/Reconstruction Program will be provided a "Conflict of Interest Affidavit". This affidavit requires that the applicant(s) disclose any relationship, familial or in any other capacity, with any city official or staff member. •

**V. Disclosure Process**

When a Conflict of Interest is disclosed in any manner as noted in Section IV of this document, staff will address the potential conflict by reviewing and evaluating the disclosure affidavit. CD/GM staff will ensure that all pertinent information has been obtained including names of all parties with a possible or perceived conflict, contact information and details of the nature of the conflict. Once all information is gathered, staff will discuss possible action to undertake. Depending on the nature of the conflict, staff may conclude that the conflict is a direct violation of federal regulations. If staff is unable to reach a determination, other actions may be taken in an effort to resolve the conflicts such as requesting an exception from HUD.

**VI. Requesting an Exception**

In compliance with 24 CFR Part 570.611(d), staff may request an exception to the potential conflict of interest. The US Department of Housing and Urban Development (HUD) may grant exceptions to potential conflicts of interest, on a case-by-case basis. Before requesting this exception however, staff must meet specific "threshold requirements" as noted in §570.611(d)(1)(i) and (ii) and taking into account the cumulative effects of §570.611(d)(2).

**VII. Management and Implementation of the Plan**

CD/GM staff will implement this management plan by conducting an annual conflict of interest training for City officials, staff and partners. A record of all attendees will be kept and a Certificate of Completion will be provided to participants. In addition to this annual training, potential CDBG vendors and contractors, as well as families applying for assistance through the program, will be provided with conflict of interest information. Once a thorough explanation of conflict of interest program requirements has been completed, signed disclosure affidavits, meeting sign-in sheets and meeting agendas will be kept as part of the project files.

In an effort to comply with federal regulations, the CD/GM staff will monitor and ensure that all actions set forth in this Plan are implemented.

# Exhibit A
# to Conflict of Interest Management Plan

# Procurement Action Documentation

## CONFLICT OF INTEREST

## SUMMARY OF RULES FOR CDBG CONTRACTORS

I. **Introduction**

Prospective CDBG contractors should carefully consider whether any of their activities may give rise to an improper conflict of interest situation. Conflict of interest situations that are not properly addressed can result in a loss of CDBG funding to the program and/or to the City, and in some cases can result in civil or criminal liability.

Organizations that are requesting CDBG funding should ask themselves the following questions;

* Are any of my employees or board members,
  - a City employee or consultant who exercises CDBG-related functions as part of their City position7
  - a member of the Community Development Board that will participate in the City's CDBG selection process?
  - a City Official?

* Are any immediate family members or business associates of my employees or board members,
  - a City employee or consultant who exercises CDBG-related functions as part of their City position?
  - a member of the Community Development Board will participate in the City's CDBG selection process?
  - a City Official?

* Will any of my employees or board members receive a financial interest or benefit from CDBG funds (other than employee salaries or personnel benefits)? Will any immediate family members or business associates of my employees or board members receive a financial interest or benefit from CDBG funds (other than employee salaries or personnel benefits)?

* To my knowledge, will my program or project have a financial effect on a City official or employee who exercises CDBG-related functions, or an immediate family member or business associate of such person? For example, will any of these persons be receiving rental payments, other business income, or program services from my program7

If you can answer "yes" to any of these questions, it is possible that there may be a conflict of Interest. You should review the rules below to determine whether an actual conflict situation is raised, and, if so, what action needs to be taken to avoid a violation of the law. You should contact City staff immediately if you suspect that there might be an issue.

Any contractor entering into an agreement with the City in which CDBG funding will be utilized, will be required to warrant and represent, to the best of his/her knowledge at the time the contract is executed, he/she is not aware of any improper conflict of interest as described below. Also, the contract will obligate contractors to exercise due diligence to ensure that no improper conflict situations occur during the contract.

The following Federal and State Conflict of Interest Laws govern activities funded with CDBG funds:

* HUD conflict of interest regulations (24 CFR Part 570.611 and 24 CFR Part 85.?,6)
* Texas Local Government Code Chapter 171.004
* City of Edinburg Policies & Procurement Manual - General Ethical Standards

II. City Officials, Their Family or Business Partners Benefiting from CDBG Projects.

HUD rule. The HUD conflict of interest rule prohibits any "covered person" associated with the City (as defined below) from obtaining a financial interest or benefit from a CDBG assisted activity or contract, or the proceeds under any such contract, during that covered person's tenure with the City and for one year thereafter. A "covered person" is defined by HUD as any employee, agent, consultant, officer, or elected or appointed official of the City who, with respect to CDBG- funded activities under the contract: (a) exercises or has exercised any functions or responsibilities; or, (b) is in a position to participate in a decision-making process; or, (c) is in a position to gain inside information. City staff members or consultants who exercise the above roles or function with respect to the CDBG activity are considered "covered persons." For purposes of the CDBG program, a "covered person" specifically includes any member of the Edinburg City Council, or any director of any Board associated with reviewing and making recommendations on the funding for the contract, whether or not that Councilmember or director actually participated in the review or recommendation. "Covered person" may also include members of other City boards and commissions, if that board or commission has exercised functions or decision-making with respect to the CDBG activity. The HUD rule further prohibits anyone with "family or business ties" to the covered public official from receiving a financial interest or benefit.

**State law.** State law requires a local public official with substantial interest in a business entity or in real property, to file, before a vote e>r decision on any matter involving the business entity or the real property, an affidavit stating the nature of and extent of the interest. The state law requires that any public official of the City, should publicly recuse him/herself from participating in any discussions relating to the CDBG grant-making process. Failure of the person to recuse him/herself ***before*** the discussions begin may disqualify the organization's application for funds.

III. Interests of Qersons associated with the contractor.

The HUD rule also addresses financial interests that are held by certain persons associated with a CDBG contractor. The HUD rule prohibits any "covered Qerson[11] associated with the contractor from obtaining a financial interest or benefit (with the exception of the use of CDBG funds to pay salaries and other related administrative and personnel costs) from a CDBG assisted activity or contract, or the proceeds under any such contract, during that covered person's tenure with the contractor and for one year thereafter. A "covered person" is defined by HUD as any employee, agent, consultant, officer, or elected or appointed official of the contractor who, with respect to CDBG-funded activities under the contract: (a) exercises or has exercised any functions or responsibilities; or, (b) is in a position to participate in a decision-making process; or, (c) is in a position to gain inside information. This rule extends to those with whom the covered person has "family or business ties" (as defined above). This rule would, for example, prohibit certain employees or directors of a CDBG contractor from using CDBG funds to pay for rent on property owned by that employee or director, as well as family and business associates of that person.

IV. **Remedies and Sanctions.**

The CDBG grant contract provides that if a CDBG contractor fails to make a good faith effort to avoid an improper conflict of interest situation or is responsible for the improper conflict situation, the City may (1) suspend CDBG payments, (2) terminate the contract, (3) require reimbursement by the contractor to the City or to HUD of any amounts already disbursed, and/or (4) bar future CDBG funding of the contractor by the City. In addition, the City may suspend payments or terminate the contract In the event HUD suspends or terminates its grant to the City for conflict of interest reasons, or in the event the City reasonably determines that an improper conflict of interest situation may arise from payments under the contract. This could happen whether or not the contractor is responsible for the conflict of interest situation.

**Certification:**

I, the undersigned, acknowledge and certify that I have read and understand the summary of Rules for CDBG Contractors.

| | |
|---|---|
| Date: | Company/Vendor Name: |
| ______________________ | ______________________ |
| Printed Name and Title: | Authorized Signatory: |
| ______________________ | ______________________ |

1ainDiJfg

**COMMUNITY DEVELOPMENT BLOCIC GRANT PROGRAM**
**AFFIDAVIT REGARDING CONFLICT OF INTEREST**

**Acknowledgement:**

I, the undersigned, certify that I have read and understand the conflict of interest regulations by the US Department of Housing and Urban Development, Community Development Block Grant Program, including 24 CFR Part 570.611:

> *24 CFR Part 570.611 {b} Conflicts prohibit.* No persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with CDBG funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.
>
> *24 CFR Part 570.611 (c) Persons covered.* The conflict of interest provisions of paragraph {b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official to the recipient, or of any designated public agencies, or of subrecipients that are receiving CDBG funds.

**Certification:**

I, the undersigned, certify and report that to the best of my knowledge,

D I have no conflict of interest to disclose

D I have the following conflict of interest to disclose:

________________________________________

________________________________________

________________________________________

Date: ____________________ Company/Vendor Name: ____________________

Printed Name and Title: ____________________ Authorized Signatory: ____________________

# Exhibit B
# to Conflict of Interest Management Plan

# Non-Procurement Action Documentation

# CONFLICT OF INTEREST

No employee, officer or agent of the City of Edinburg, sub-grantee or subrecipient shall participate in selection or in the award or administration of contract or conduct business with a vendor if a conflict of interest, real or apparent would be involved.

A. the employee, officer or any agent
B. a member of his/her immediate family
C. his or her partner
D. an organization which employs or is about to employ, any of the above, has financial or other interest in the firm selected for award.

The City of Edinburg's, sub-grantee or subrecipient, officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements, vendors or potential vendors. Depending on gravity, violation of this Conflict of Interest could result in dismissal, probation or suspension of officers, employees or agents involved or termination of contractual agreements with subrecipients.

**Non-disclosure Polley** No disclosure of verbal or written price quotations shall be made by any City of Edinburg employee, sub-grantee or subrecipient. Violation of the nondisclosure policy shall be subject to disciplinary action as provided by the City of Edinburg or termination of contractual agreements when a subrecipient/sub-grantee employee is involved.

**Personal Intere** No member of the City of Edinburg City Council or any officer or employee of the City of Edinburg, sub-grantee or subrecipient shall have a financial interest, direct or indirect or by reason of ownership of stock in any corporation, in any contract or in the sale to the City of Edinburg, sub-grantee or subrecipient or to a contractor supplying the City of Edinburg, sub-grantee or subrecipient of any land or rights or interest in any land, material, supplies, or services, or in any matter in which he acts for the City of Edinburg. Any willful violation of this section shall constitute malfeasance in office, and any officer or employee of the City of Edinburg, sub-grantee or subrecipient found guilty shall thereby forfeit his or her office. Any violation of this section with the knowledge, express or implied, of the person or corporation contracting with the City of Edinburg, sub-grantee or subrecipient shall render the contract void by the Community Development/Grants Management Director or the City Council Member.

**Certification:**

I, the undersigned, certify and report that to the best of my knowledge,

D I have no conflict of interest to disclose

☐ I have the following conflict of interest to disclose:

________________________________________________________
________________________________________________________
________________________________________________________

| | |
|---|---|
| Employee, Subrecipient or Agent Acl<nowledgment | Print or type Name and Position/Title |
| Entity/Organization Name | Date |

Edinourg | | |

## OUTSIDE EMPLOYMENT AGREEMENT

In accordance with the Administrative Code, Section §30.051, Outside Employment, I understand that this written agreement between me and the City of Edinburg, shall be completed and signed by me (the employee), and approved by my supervisor and shall be held on file in my personnel file. I further understand that if my outside employment status shall be changed, or I cease such outside employment, or later renew outside employment, that I shall notify my supervisor and complete another written agreement form.

I am aware of the Administrative Code, Section §30.051, as follows:

(A) City of Edinburg employees may engage in outside employment provided it does not interfere with their primary job with the City. *Employees must notify their Department Director.* Department Directors must notify the City Manager prior to engaging in outside employment.

(B) Employees may not accept outside employment that conflicts with the effective performance of the employee while on duty with the City of Edinburg, or conflict in any way with the best interests of the City. Other outside activities that might similarly distract from an employee's ability to perform his/her job with the City are also discouraged.

(C) An employee will not be covered by the City's workers' compensation insurance while working for another employer unless the employee is required to perform official City employment activities while engaged in such outside employment.

(D) For purposes of this policy, outside employment includes a job, activity, or enterprise (including self-employment) which constitutes a form of employment or business outside the responsibilities of employment with the City of Edinburg. This policy is not intended to cover volunteer work with a non-profit organization, such as United Way, Girl Scouts, American Heart Association, faith based activities, or similar activities where compensation is neither expected nor paid in the ordinary course of operations.

I request approval to pursue the following outside employment:

Type of work: _________________________ Location:___________________________

No. of hours: ______________ (per week) ________________(per month)

*I understand that I am not entitled to any form of leave, or other benefits (including Workers' Compensation) due to any condition related to another job (outside employment).*

____________________________________ ________________________________

Print or Type Name Employee's Signature

____________________________________ ________________

DepartmenUDivision Name Date

APPROVED BY: __________________________________ __ ________________

Department Director Date

# Conflict of Interest Affidavit

Please review the list below and disclose if you are related by blood, marriage or in any other capacity to any individual listed.

## City of Edinburg City Council

- ☐ Mayor Richard R. Molina
- ☐ Councihnember Gilbert Enriquez
- ☐ Councilmember Jorge Luis Salinas
- D Mayor Pro-Tern David Torres
- D Councilmember Homer Jasso, Jr.
- D City Manager, Juan G. Guerra

## Housing Assistance Committee

- ☐ Israel Silva, Chairman
- ☐ Martin Briseno
- ☐ Marco A. Garza
- ☐ Richard Peralez, Vice-Chairman
- D Fidel del Barrio

## CD/GM or other City staff

- ☐ Marissa, Garza, Director
- ☐ Dalia L. Villarreal, Administrative Asst.
- D Michelle L. Mendoza, Compliance Mngr.
- D Veronica Guerrero, Housing Coordinator
- D Claudia L. Farias, Grant Writer
- ☐ Other City Staff_______________ __

## Former Council, Committee or Staff **(up to 12 months after their tenure has ceased)**

- D Ruben Garcia, Housing Assistance Committee (tenure end date 2,rn,2019)
- ☐

---

Please check the appropriate box below. If you are related to any of the persons listed above, please state how the individual is related to you, if he /she is providing you with any assistance, and if he/she has any interest in your property.

☐ ***I am not*** related to any of the listed elected officials or staff members by blood, marriage or in any other capacity.

☐ *I am* related to one of the elected official or staff members of the City of Edinburg by blood, marriage or as so designated herein, ________________________________________ __

____________________________________________________________________________

| Print Name | Date | Signature | Date |
|---|---|---|---|

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**STATE OF TEXAS**
**COUNTY OF HIDALGO**

___________________________________, personally appeared before me and declared that he/she signed this affidavit in the capacity designated, if any, and further states that he/she has read the above document and the statements therein contained are true.

Subscribed and sworn before me on this the _ day of ___________,20__

___________________________________
Notary Public in and for the State of Tex ge 73

*Document Updated September 10, 2019*

## SECTION VIII - PROCUREMENT CARD POLICIES AND PROCEDURES

### INTRODUCTION

Welcome to the City of Edinburg's Procurement Card Program. This program is designed to reduce the flow of paperwork and at the same time provide better controls on all low-dollar purchases (purchases less than $2, 0000.00) made at the department level. The Procurement Card can and may be utilized for larger purchases if approved by the City Manager.

The City of Edinburg departments shall provide an opportunity for competitive bidding, on request(s) for written bids, proposals, and/or price quotations when the anticipated expense is expected to exceed $2,000.01. Informal bids, proposals, and/or price quotations may be delivered electronically, by e-mail, fax, phone, by person, and/or courier. Formal price quotes must be listed in the comments area of the written quotation form. In a case of "emergency" the requirement for solicitation for bid(s), proposal(s), and/or request for formal price quotation(s) may be waived by the City Manager and must be documented in accordance with the City's Purchasing Policies and Procedures (i.e., Insurance Requirements, Federal Funding Requirements, etc.).

The success of the Procurement Card Program and its continuing use depends on the participation and cooperation of all City employees that will be issued Procurement Cards. The primary responsibility for ensuring compliance with these Policies and Procedures belongs to the Department Directors. Department Directors shall ensure that Assistant Department Director, Supervisors, Liaisons, and Cardholders are in strict compliance with these Policies and Procedures.

### GENERAL INFORMATION

The Procurement Card is a credit tool that is issued by a bank. This credit tool offers an extremely efficient and effective method of purchasing and paying for small dollar items with a not to exceed total value of $2,000.00 per transaction.

In the rare instance that a vendor is not set-up to accept credit-cards, the department has the option of utilizing a small purchase order (SPO).

The Procurement Card shall enable employees of the City of Edinburg to purchase non-restrictive commodities, by telephone, on the Internet, or in person, direct from the vendors. The Procurement Cards shall be issued in the employee's name and the City of Edinburg's name shall be clearly indicated on each card.

All purchases made with the Procurement Card shall be paid by the bank that the City of Edinburg contracts with for the Procurement Card Service. The Bank on contract will then bill the City of Edinburg.

PROCUREMENT CARD PROGRAM DESIGNEE(S)

The City of Edinburg's Procurement Card Program shall be utilized and/or administered by City employees in one of the following designations:

***DEPARTMENT DIRECTOR***
Shall select responsible and trustworthy individuals to participate in the P-Card Program. Department Director shall select Assistant Department Director, Supervisor(s), Department Liaison(s), and Cardholder(s) to participate in the P-Card Program. In the absence of the Department Director, he/she may authorize his/her designee(s) to approve P-Card transactions online and on paper. Under normal circumstances, the Department Director shall approve all P-Card transactions on the P-Card Form. Department Director shall ensure that all transactions are supported with proper documentation and that this documentation reaches the Finance Department (Procurement Card Coordinator) in an organized and timely manner. Department Director shall be responsible to provide sufficient internal department controls with separation of duties to guard against misappropriation of products and/or services. Periodic reporting shall be reviewed monthly, quarterly, semi-annually, and annually for auditing, planning, and efficiency purposes.

***DEPARTMENT LIAISON***
Each Department Director shall assign one (1) or more Department Liaison. (Liaison(s) cannot be cardholder(s). Liaison shall be responsible for administering the Procurement Card Program at the department level. Liaison shall keep all documentation for the Procurement Card activities within their department. Liaison shall reconcile weekly statements between the Cardholder and the Finance Department and shall assign account numbers to each transaction on a P-Card Form (Appendix E). Liaison shall be completely knowledgeable of the procurement card policies and procedures and shall serve to assist the Procurement Card Coordinator in policing the program. Liaisons shall assist with transmitting information to the Procurement Card Holders regarding Procurement Card changes and/or updates. Liaisons, with Department Director approval, are responsible to request credit limit increases/decreases, access to account numbers, report lost cards and make new card requests to the Procurement Card Coordinator. Each Department Liaison shall be responsible to approve all Cardholder's transaction activity. If questions or problems should arise about the program, the Department Liaison(s) shall be the first person that Cardholders shall contact. The Department Liaison shall then answer the question(s), correct the problem or, if necessary, refer the question or potential problem to the Procurement Card Coordinator (Finance Department).

***CARDHOLDER***

Cardholders shall be selected by their respective Department Director. City employees selected to participate as a "Cardholder" shall utilize the Procurement Card as a primary resource for daily purchases of authorized goods and services in strict compliance with the City of Edinburg's Purchasing Policies and Procedures Manual. The Cardholder is responsible for resolving disputes and issues associated with his/her P-card transactions. The Cardholder is responsible to review periodic reporting for efficiency purposes.

***PROCUREMENT CARD COORDINATOR (FINANCE DEPARTMENT)***

The Finance Department shall designate one (1) or more persons as Procurement Card Coordinator. The Procurement Card Coordinator – Finance shall be the first point of contact for the Department Liaisons in respect to reconciliation, verification of purchase activities, and/or correct any potential problems in respect to account numbers, hierarchy of department account structure, disputes, etc. The Procurement Card Coordinator - Finance shall be completely knowledgeable in every aspect of the program and as such shall be responsible for the proper training of all Department Liaisons and Cardholders in understanding and utilizing the reports, statements, reconciliations, etc.

*SEGREGATION OF DUTIES*

To ensure proper internal controls, each department must maintain a separation of duties for the electronic review and approval of all transactions in the P-card program. Liaisons, Department Directors and Procurement Card Coordinator must approve transactions in the Bank's Procurement Card program software. Under no circumstances should the same individual be the reviewer and the approver.

*RENEWAL OF EXISTING PROCUREMENT CARD*

Renewed procurement cards are automatically sent to the Finance Department thirty (30) days prior to the expiration date. The Finance Department shall notify individuals when cards are available to be picked up.

ISSUANCE OF PROCUREMENT CARDS

Cards will be issued in the name of the individual employee and the City of Edinburg. Any Department may request a Procurement Card be issued to a full-time regular employee (who has successfully passed his/her probationary period) who has been selected by the Department Director to perform the duties of procuring goods and/or services for that department in strict compliance with the existing Purchasing Policies and Procedures Manual. We caution all Department Directors in their selection of responsible personnel for this program.

**Criteria to receive a Procurement Card shall be as follows:**

1) Applicant must be a full-time employee of the City of Edinburg, with no less than six (6) months of employment (Under special circumstances this requirement may be waived by the City Manager and/or Assistant City Manager, or their designated representative(s)).
2) Applicant's request for a Procurement Card must be approved by his/her Department Director. Request for Procurement Card shall be submitted in writing via the application process. ( Appendix B)
3) Applicant must be assigned to a department liaison selected by his/her Department Director.
4) Employee must read the Purchasing Policies and Procedures Manual.
5) Each individual cardholder must sign a Cardholder Agreement (Appendix A) in the presence of the Department Director, Assistant Department Director/Supervisor or Procurement Card Coordinator – Finance Department.

***DEPARTMENT DIRECTOR RESPONSIBILITIES***

1) Ensure that the Cardholder(s) and Department Liaison(s) comply with the Procurement Card Policies and Procedures as outlined in the Purchasing Policies and Procedures Manual.
2) Responsible to give the City of Edinburg assurances that the Cardholder(s) and Department Liaison(s) are in strict compliance with these Policies and Procedures.
3) Responsible for reviewing/approving transaction activity in hard-copy form, ensuring proper support documentation is maintained and turned in to the Finance Department in an organized and timely manner.
4) Responsible to be thoroughly familiar with the program guidelines.
5) Responsible for taking disciplinary action when necessary (action form – Appendix D). A copy of the action form shall be submitted to the City Manager and/or Assistant City Manager, as required.
6) Responsible for obtaining the Procurement Card from cardholder upon termination of employment (resignation or termination) and returning the card to the Finance Department.
7) Responsible for obtaining the Procurement Card from cardholder upon transfer to other City of Edinburg department, and returning the card to the Finance Department.
8) Responsible to review periodic reporting: monthly, quarterly, semi-annually, and annually for auditing, planning, and efficiency purposes (i.e., recommend item(s) or services for a supply or service contract).

***ASSISTANT DEPARTMENT DIRECTOR/SUPERVISOR RESPONSIBILITIES***

1) Ensure that the Cardholder(s) and Department Liaison(s) comply with the Procurement Card Policies and Procedures as outlined in the Purchasing Policies and Procedures Manual.
2) Responsible to be thoroughly familiar with the program guidelines.
3) Responsible for reviewing transaction activity and support documentation.
4) In the absence of the Department Director, is responsible for reviewing/approving transaction in hard-copy form, ensuring proper support documentation is maintained and turned in to the Finance Department in an organized and timely manner.

***CARDHOLDER RESPONSIBILITIES***

1) Responsible to ensure that products and/or services are procured in strict compliance with the Purchasing Policies and Procedures Manual.
2) Ensure the Procurement Card is used for legitimate City business purposes.

3) Ensure that Insurance Requirements are met before services are rendered.
4) Responsible to ensure that products and/or services being procured have been delivered and are accounted for.
5) Always Maintain the Procurement Card in a secure location.
6) Must not allow other individuals to use their Procurement Card.
7) Must use the Procurement Card within its purchase limits and restrictions.
8) Receive and inspect all ordered materials and/or services for discrepancies.
9) Must match receipts to transaction.
10) Submit reconciled weekly report to Department Liaison along with receipts, in an organized manner. If receipts are not submitted, justification memo must accompany weekly report.
11) Informal price quotes must be listed in the comments area of the verbal and/or written quotation form.
12) Must never accept cash, gift cards, or gift certificates in lieu of credit to the Procurement Card.
13) Ensure that Sales Taxes are not charged (cardholder is responsible for obtaining City reimbursement of sales tax)
14) Immediately notify Department Liaison and bank institution of a lost or stolen Procurement Card.
15) Attempt to resolve disputes or billing errors, if any, with the vendor. The Finance Department must be notified of all disputes. All documentation concerning the disputed items will be turned in to the Finance Department as soon as possible. Finance will follow dispute procedures.
16) Report any erroneous transactions to the Department Liaison.
17) Report/notify fraudulent activity to Finance Department.
18) Report lost or stolen cards to the Finance Department and Bank on record.
19) Must return Procurement Card to Department Liaison upon transfer to another department.
20) Must return Procurement Card to the Finance Department upon resignation/termination of employment.
21) Must request a "new card" and turn-in "existing" Procurement Card if legal name changes. (i.e.: marriage, divorce, etc.).
22) For each transaction made, indicate the account number on the P-Card Form that will be used to pay for the purchase.

23) Save all sale receipts.

24) If for some reason the cardholder does not have documentation of the transaction to send with the statement, the cardholder must try to obtain a copy and if this is not possible, details of the purchase must be attached via memorandum (with Department Director signature). The detail will include a description of each item, the number of items purchased, the unit cost, the date of purchase, the vendor name and why there is no supporting documentation. Continued incidents of missing documentation may result in disciplinary action.

25) The Cardholder is responsible for obtaining a credit memo from a supplier, when the merchandise that was purchased with the City P-Card is returned to the supplier. The credited amount will be applied to the cardholder's account. Cash refunds are prohibited.

***DEPARTMENT LIAISON RESPONSIBILITIES:***

1) Coordinate meeting with cardholders within the department for reconciling receipts against weekly reports.
2) Responsible for verifying and/or changing accounting numbers for all transactions, when necessary, on the weekly Department reports prior to the cut-off date established by the Procurement Card Coordinator (Finance)
3) Must notify Procurement Card Coordinator (Finance Department) of any purchase violations, lost or stolen cards.
4) Must advise Procurement Card Coordinator (Finance Department) to cancel a Cardholder's card (i.e., department transfer, loss of Procurement Card privileges due to misuse/violations, etc.) with the approval of the Department Director.
5) Responsible for collecting and turning in "canceled procurement cards" to the Procurement Card Coordinator (Finance Department).
6) Shall resolve any disputes not resolved by Cardholder.
7) Advise the Procurement Card Coordinator (Finance – Accounts Payable) of any unresolved disputes, noting the reason(s) for dispute(s).

***PROCUREMENT CARD COORDINATOR (FINANCE) RESPONSIBILITIES:***

1) Responsible for the training of all Department Liaisons in the proper way of reconciling and properly coding all transactions against weekly reports.
2) Understanding the electronic media that the City will use to communicate with the Bank on contract. Be familiar with all report formats to be used with the program.
3) Responsible for reconciling weekly transactions totals to Bank statement.

4) Responsible for advising Liaisons of cut-off date for approvals and/or changes to default account number changes.
5) Responsible for processing upload of transactions and/or bill to the accounting software (GEMS).
6) Notify the department when approved monthly department statements are not received.
7) Responsible for preparing bill for payment to the Bank on contract.
8) Responsible for reconciling the hard copy of the bank's bill against the bank's electronic file and to the transaction totals posted to the City's Financial Management system.
9) Responsible for establishing hierarchy of department account number structure.
10) Keep all necessary documentation in respect to all transactions for audits by the internal and external auditors.
11) Responsible for Policy interpretations and/or clarifications.
12) Review Procurement Card applications turned in by the Departments for completeness of required information.
13) Approve application(s), request new, renewal, or replacement Procurement Card(s), and disburse upon receipt.
14) Responsible for training, as to the proper use of the Procurement Card, Department Liaisons before releasing Procurement Cards.
15) Responsible for having all Cardholders sign the Cardholder Agreement(s) signifying agreement with the terms of the Procurement Card Program.
16) Responsible for securing all canceled Procurement Cards and advising Bank (electronically).
17) Responsible for updating Procurement Card system, assigning access and removing users as necessary.

PROHIBITED USES OF PROCUREMENT CARD

Resulting in Disciplinary Action (only City Manager can waive any of these prohibited uses).

1) The Procurement Card is used for personal or unauthorized purposes.
2) The Procurement Card is used to purchase alcoholic beverages or any substance, material, or service which violates the City's Purchasing Policies & Procedures, ordinances or regulations pertaining to the City of Edinburg.
3) The Cardholder receives cash, gift cards, or certificates in lieu of credit.

4) The Cardholder purchases gift cards without proper written approval unless approved, in writing, by the City Manager and/or Assistant City Manager.
5) The Cardholder purchases gifts for employee annual events, promotional events, and/or Retirement parties, luncheons, or dinner.
6) The Cardholder allows the card to be used by another individual for valid purchases.
7) The Cardholder splits a purchase to circumvent the card limits.
8) The Cardholder uses another Cardholder's card to circumvent the authorized purchase limits assigned to either the Cardholder or the limitations of the Card.
9) The Cardholder fails to ensure the receipt of products and/or services procured with their card.
10) The Cardholder refuses and/or fails to provide Department Liaison with required receipts.
11) The Cardholder refuses and/or fails to provide information about any specific purchase.
12) The Cardholder does not adhere to all the Procurement Card Program Policies and Procedures.
13) The Cardholder may not pay for meals for vendors, contractors, suppliers, business clients, instructors, etc. The P-card shall not be used for business meals. If the card is used for meals, must write on receipt who was present and purpose of the meal.
14) The purchase of computer software, hardware, peripherals, and/or accessories. The IT Department is the only department that is authorized to purchase computer software, hardware, peripherals, and/or accessories by use of the procurement card. All other departments are prohibited from purchasing these items with their procurement card. Departments may request the purchase of these items through the IT Department.
15) The purchase of products and/or services currently under contract, unless specifically approved and/or instructed by the Finance Director.
16) The purchase of small hand-held tools, automotive tools, and/or parts (ALL NON-CAPITALIZED – CAPITAL OUTLAY must be budgeted items).
17) Sponsorship(s)/donation(s) are prohibited.

DISCIPLINARY ACTION

The City of Edinburg has "ZERO TOLERANCE" to the improper use of the Procurement Card. Severe disciplinary action leading to termination of employment may be taken by the City when the Cardholder knowingly, willingly and intentionally misuses and/or abuses the use of a City of Edinburg Procurement Card.

A less than severe disciplinary action leading to verbal reprimand, written reprimand, or suspension without pay, may be taken by the City when the Cardholder uses a Procurement Card for purchases that are not in line with the City of Edinburg's Procurement Card Program Policies and Procedures.

The procurement card represents the City's trust in the employee and his/her empowerment as a responsible employee of the City of Edinburg to safeguard and protect its assets. As a cardholder, each employee assumes the responsibility for the protection and proper use of the procurement card including timely reconciliation and documentation of all transactions. Cardholders suspected of fraud, theft, or misuse will have their P-Card suspended or cancelled and appropriate disciplinary actions may be taken against the employee in accordance with City policies and procedures.

## P-CARD SAFEGUARDING PRACTICES

IT IS THE CARDHOLDER(S) RESPONSIBILITY TO SAFEGUARD THE P-CARD.

Tips to Safeguarding the P-Card:

- Keep a record of your account number, expiration date and phone number to report fraud in a secure place.
- Do not allow anyone to use the card on your behalf.
- Do not give your account number to anyone over the phone unless you've confirmed they are a reliable source. If you've never done business before with an entity, conduct an on-line research prior to making a transaction.
- During a transaction, keep your eye on the card and ensure you get it back before you walk away.
- Keep the P-card in a safe place and only carry it with you when you need it.
- Draw a line through any blank spaces on the receipt.
- Reconcile all receipts.

## GLOSSARY

LIASON – Employee responsible for administering the Procurement Card Program at the department level.

CARDHOLDER – Employee that will utilize the Procurement Card as a primary resource for daily purchases of authorized good and services in strict compliance with the City of Edinburg's Purchasing and Procurement Card Manuals.

PROCUREMENT CARD COORDINATOR (FINANCE DEPARTMENT) – Point of contact for the Department Liaisons in respect to reconciliation, verification of purchase activities, and/or correct any potential problems.

# APPENDIX

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**PROCUREMENT CARDHOLDER EMPLOYEE AGREEMENT (EXHIBIT "A")**
**(PLEASE TYPE OR PRINT CLEARLY)**

The City of Edinburg is allowing you the privilege of being presented with a Procurement Card. This privilege represents tnst in you as a responsible agent of the City capable of protecting the City's assets.

I, (type name)------ Employee #__ on this the _day of__, 20_, as a cardholder, agree to comply with the terms and conditions of this Agreement and the Procurement Card Policies and Procedures Manual. I understand that the Procurement Card limit per transaction shall be $750.00 or less. I also understand that I am not to split any transaction (s) in an attempt to circumvent the single transaction limit. I also understand that all transactions with a potential of exceeding $2,000.00 must be submitted to the Purchasing Department on a Purchase Requisition.

I acknowledge that I have received orientation in respect to the Procurement Card Policies and Procedures.

I acknowledge that I have received training in the proper use of the Procurement Card.

I acknowledge that the Procurement Card will not affect my personal credit rating.

I acknowledge that the City of Edinburg may terminate my right to use this card at any time for any reason.

I further acknowledge that I understand that improper use of this card may result in disciplinary action, up to and including termi nation of employment. Should I fail to use this card properly, I authorize the City of Edinburg to deduct from my salary an amount equal to the total of the discrepancy. I also allow the City of Edinburg to collect any amounts owed by me even if the City of Edinburg no longer employs me.

I agree to return thecard to the City of Edinburg immediately upon request or upontermination of employment.

I acknowledge receipt of said Agreement and confirm, by my original signature below, that I am in full understanding of all requirements, term and conditions, in respect to the Procurement Card Program.

Cardholder:
Signature: ______________________
Type Name: ______________________

Procurement Card Coordinator:
Signature: ______________________
Name: ______________________

Card number (last four (4) digits): ____
Date: ______________________
Department: ______________________

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**APPLICATION FORM FOR A PROCUREMENT CARD** (Exhibit "B")

THIS FORM REQUIRES A SIGNATURE BY A RESPECTIVE DEPARTMENT HEAD. THIS APPLICATION FORM MUST BE PROPERLY FILLED OUT TO ITS ENTIRETY. EACH APPLICATION FORM SHOULD REFLECT ONLY (1) ONE EMPLOYEE PER FORM (SELECTED BY THE DEPARTMENT HEAD). INCOMPLETE FORMS OR FORMS SUBMITTED WITHOUT DEPARTMENT HEAD SIGNATURE WILL BE **VOIDED AND SHALL** BE **DISCARDED**. SELECTED EMPLOYEE MUST BE A FULLTIME REGULAR EMPLOYEE (EMPLOYED FOR AT LEAST 6 MONTHS). (ALL FORMS ARE TO BE SUBMITTED ELECTRONICALLY).

DATE: ______________________

Name of Employee designated as Department Cardholder: ____________________________

Employee #:__________________ Employee's Position/Title: ____________________________

DepartmenUDivision: ____________________________________________________________

Employee's length of employment months/years: _______Phone#:_________________________

Employee Signature: ______________________________ Date:___________________________

---

Monthly
P-Card Limit: _$7,000 _$10_,000 _$15,000

Specify Other
Amount$____________________

Department Submitting Request: ______________________________________________

Department Telephone Number: __________________________Ext.______________________

Name of Department Head submitting application: _________________________________

Department Head's signature: ____________________Date: ____________________________

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Finance Department Use Only

Date Received: _________________ __ Entered Card Request: ___________________________

Card Number Assigned: (last 4 digits) _________________________________________________

Hierarchy Assigned: _____________________________________________________________

Date Card Received: _________________________ Processed By: _______________________

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Cardholder Signature: ______________________________Date card P/U: _______________

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**PROCUREMENT CARD PROGRAM DEPARTMENT LIAISONS AGREEMENT FORM**
**(Exhibit "C")**

I, ________________________________ , Employee# ___________on this the ___________day of __ ,

20__ , as a Department Liaison, acknowledge that I have received orientation and instructions in respect to the Purchasing Policies and Procedures as they relate to small purchases and the Procurement Card Policies and Procedures.

I acknowledge that I have received instructions as to how I am expected to carry out my duties and responsibilities as a Department Liaison.

I acknowledge that I have been provided with a copy of the Procurement Card Policies and Procedures Manual.

| | |
|---|---|
| Liaison:___________________________ __ | Procurement Card Coordinator: |
| Signature: ______________________ __ | Signature: ______________________ __ |
| Type Name: ____________________ __ | Name: ________________________ __ |
| Department: ______________________ __ | Date:_________________________ __ |

EXHIBIT D

-ainDUfg

***Procurement Card Purchase***

Department: ____________________

Date of Purchase: ________________

Vendor Name: ___________________________

Item Description: ____________________________

Purchase Amount: ________

G/L Account No: ____________________

Print Employee Name: _____________________

Employee Signature: ______________________________

Department Head Signature: ______________________

**(Attach original receipt)**
Please make sure <u>no sales tax</u> is charged to purchase.
**Return this form with receipt to your department liaison as soon as possible.**

# Project Manager Report – March/April 2025

## Commercial Development

**Commercial Permit Values:**

**New Commercial Permit Value**
March 2025: **$5,104,000**

**Commercial Additions/Repairs Permit Value**
March 2025: **$612,150**

**Multifamily New/Addition/Remodel Permit Value**
March 2025: **$5,231,900**

| **PERMIT VALUATIONS ($)** | **March 2025** | **March 2024** | **2025 YTD** | **2024 YTD** |
|---|---|---|---|---|
| New Homes | $8,444,295 | $13,102,859 | $31,007,923 | $40,051,465 |
| Residential Alterations | $827,869 | $912,487 | $2,259,035 | $2,795,533 |
| Multi-Family | $5,231,900 | $3,114,000 | $19,009,200 | $13,340,925 |
| Commercial: New | $5,104,000 | $4,406,000 | $6,356,010 | $9,247,000 |
| Commercial Alterations | $612,150 | $1,426,800 | $40,148,071 | $4,497,825 |
| **TOTAL** | **$ 20,220,214** | **$ 22,962,146** | **$98,780,239** | **$69,932,748** |

**City of Edinburg Building Permit Report Values*

**Current Subdivisions:**

- Subdivisions Under Construction: 37
  Number of Lots: 1,747

- Subdivisions Under Construction Review: 52
  Number of Lots: 1,372

- Subdivisions Under Preliminary Review: 66
  Number of Lots: 1,915

- Total Subdivisions: 166
- Total Rooftops: 10,041
- Total Lots: 5,849

**City of Edinburg Engineering Department, Subdivision Metrics (April 2025).*

## Commercial Real Estate Round Table

We are hosting a Commercial Real Estate Roundtable on Thursday, April 24, 2025, from 9:30 a.m. to 11:00 a.m. at the City Hall Council Chambers. This event will bring together landowners, developers, and real estate professionals to discuss retail growth opportunities in Edinburg. We currently have approximately 20 RSVPs, and interest continues to grow.

## Façade and Lot Improvement Program (FLIP) – First Round

**Business Facilities** is a media brand specializing in site selection, offering industry insights through magazines, email newsletters, a news portal, and more. The company is based in New Jersey.

We recently applied for their 2025 Economic Development Organization (EDO) Award, which recognizes innovative programs focused on attracting and retaining businesses.

We are excited to share that we were selected as the Mid-Sized EDO Award winner for our FLIP program!

Our recognition will be featured in the May/June 2025 editorial of Business Facilities, and we will also receive a certificate of achievement. Additional marketing and promotional content will be shared on our social media platforms in the coming weeks as part of Economic Development Week.

## Façade and Lot Improvement Program (FLIP) 2.0

- Staff launched the FLIP application on March 17, 2025, and the application period closed on April 18, 2025.

- As of April 18, we have received more than 50 FLIP applications. I am actively reviewing submissions and reaching out to applicants to request any missing or additional documentation as needed. We appreciate everyone's interest in the program and are committed to ensuring a thorough and fair review process.

## Workforce Development

**Bank on Int Program Update:** In partnership with UTRGV, the Economic Development 2040 Committee, and Edinburg EDC, this program bridges academic learning with real-world banking experience to build a skilled workforce for the Rio Grande Valley's banking sector.

- The application period has officially closed, and participating banks are currently reviewing applicants and preparing for interviews.

- We are working with five banks—Freedom Bank, Rio Bank, Texas National Bank, Lone Star National Bank, and Greater State Bank. This first round will support eight interns, each earning $20 per hour during their placement.

- The program is scheduled to launch during UTRGV's Summer III semester (June 9 – August 22).

- The MOU is currently under review and will be presented for Board approval at our next meeting.

- We will coordinate an MOU signing event that will include leadership from all participating banks. I will send calendar invites once the details are confirmed.

- The signing event will mark a key milestone in the program and serve as a great photo opportunity to highlight this unique partnership.

**Moving Forward College Signing Ceremony**
In partnership with Workforce Solutions, this event celebrates the academic achievements of students with disabilities across the RGV and supports their transition to higher education. The 2nd annual ceremony is scheduled for Thursday, May 1, 2025 from 9:00 a.m. to 2:00 p.m.

**Law Enforcement Job Fair**
We're partnering with Workforce Solutions for the 2nd Annual Law Enforcement Job Fair on May 7, 2025, from 9:00 a.m. to 12:00 p.m. at the Edinburg Activity Center. Last year's event hosted 43 employers and welcomed over 300 job seekers.

EDINBURG
Economic Development Corporation

# MEMORANDUM

**To:** Raudel Garza, Executive Director, Edinburg EDC
**From:** Carlos Garza, Project Manager, Edinburg EDC
**Date:** April 17, 2025
**Subject:** Industrial Status Report

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**<u>Projects</u>**

The Edinburg EDC Industrial Park active projects.

- RGV CDL (1) – Ribbon Cutting
- RGV CDL (2) – Building Permit
- Nicho Produce – Design (Compliance Due Date Soon)
- BPS Systems – Predevelopment Meeting (Compliance Due Date Soon)
- Kapal Cabinets, Granite & Quartz – 1st Year Submitted Agreement (Compliance Completed)
- CIL Logistics – Building Review
- Bagley Produce – Closed on Property

**<u>Other Projects</u>**

The Edinburg EDC is working other projects including:

- LRGVDC Transit Center 1st Floor:
    - Status: May 5th Begin Construction
- Food Truck Park
    - Agreement

**Workforce**
- EDC agreement is being reviewed before presented to the board.

**Deals**
- 34 companies are in various stages of growth, expansion, retention, or attraction in Edinburg, TX

Industries Include:
- Food Manufacturing
- Custom Product Manufacturing
- Fresh Fruit and Vegetable Logistics
- Other technical and trade schools
- Metal Manufacturing
- General Warehousing and Storage
- Building Material and Supplies Dealers
- General Freight Trucking, Local and Long Distance
- All Other Miscellaneous General Purpose Machinery Manufacturing
- Fresh Fruit Wholesale Battery Storage
- Fruit and Vegetable Research Lab
- Software and Technology
- Data Storage

- Plastics Manufacturer
- PVC Manufacturer
- Airport Hangar Construction
- General Logistics
- Advance Manufacturing

**Business Retention & Expansion**

- 27 companies are on our visit list to assess their growth needs and ensure retention in Edinburg, TX.
- Assist an Edinburg Manufacturing business with traffic control
- Met with CM Office to discuss Downtown Parking

Industries include:

- Manufacturing
- Produce
- Healthcare
- Accommodation and Food Service

**Properties**

- Replat of Lot 10 (Lots 1, 2, and 3) – 17.73 Acre Properties Along Republic Drive
- North Industrial Park, Lot 4 – 25 Acres Along Democracy Drive
- 221 N 6th Street
- 610 W Cano Street
- Cano Avenue – East Side of the 610 W Cano Street

**EEDC**

## What is a lead, prospect, deal in my report?

## 1. Prospect (Interest Shown, But Not Qualified) – Prospect - Tickets

- A manufacturing company from California **visited the EEDC website** and downloaded a report on doing business in Edinburg.
- A commercial real estate developer **liked a LinkedIn post** about available land but hasn't reached out directly.
- A local entrepreneur **attended an EEDC networking event** but hasn't discussed specific expansion plans.

## 2. Lead (Qualified as a Potential Investor) – Deals - Leads

- A logistics company **contacted EEDC** and expressed interest in relocating to Edinburg. They meet the criteria: they have a budget, need, and timeline.
- A retail chain **requested demographic data** and incentives for opening a store in Edinburg.
- A manufacturing firm **met with EEDC staff** and asked about workforce availability and tax incentives.

## 3. Deal (Active Negotiations & Nearing Agreement) – Leads – EconDev Projects

- A tech company **is negotiating incentives** with EEDC to set up an office in Edinburg.
- A major warehouse distributor **is finalizing permits** to break ground on a new facility.
- A restaurant chain **is reviewing a lease agreement** for a location in North Edinburg.

# Edinburg EDC Engagements

## Events:

- Siddons Martin Grand Opening
- Bank on Int Follow Up Meeting

## Other Engagements:

- UTRGV SBDC Meeting

## Marketing Campaigns:

- **International Billboard Border Campaigns:**
    - Two "Explore Edinburg" billboard border campaigns launched to attract visitors and businesses in Mexico.
        - Autopista Monterrey-Reynosa
        - Anzaldua's International Bridge

- **Mexico Campaign (Jeffrey Salcedo)**
    - Mexican Website in progress (pending design)
    - Conferences: Expo Agricola Jalisco, Info Agro Exhibition Mazatlan

- **Media Coverage:**
    - Spectrum Streaming TV
        - Raudel Garza promoting FLIP 2.0
        - Target Audience: Edinburg
    - KURGV Radio Interview
        - Interview with Raudel Garza
        - At Rio Plex Summit, Houston TX
- **Economic Development Week**
    - Filming short videos with Board members

- **Sponsorships:**
    - AltaCair "Lucky Maverick Casino Night"
    - IDEA Public School "Dinner & Auction Scholarship Gala"
    - Edinburg PD "National Night Out"

- **FLIP Photo Ops:**
    - Memory Lane Healthcare Services

- **Other Photo Ops:**
    - Siddons Martin Service Center for Fire & Emergency Vehicles

## Past Conferences:

- RioPlex “Texas Port to the Stars” FDI Summit
    - Houston, TX
    - April 9-10, 2025
    - Attended by: Raudel Garza

## Upcoming Conferences/Professional Development:

- ICSC Las Vegas
    - May 18-20, 2025
    - SWAG purchased
    - Apparel purchased
    - Registrations purchased
    - Hotel booked: Cosmopolitan
    - Receptions: First Hartford, Retail Strategies

- TEDC: Basic Economic Development Course
    - Bee Cave, TX
    - June 3-6, 2025

## Upcoming Events:

- Commercial Round Table for ICSC Las Vegas
    - April 24, 2025
    - 9:30-11am
- “Moving Forward College Signing Day”
    - May 1, 2025
    - For students with disabilities
- Economic Development Week: May 12-16, 2025
    - May 6, 2025 Proclamation at City Council meeting
- Law Enforcement Job Fair
    - May 7, 2025
    - Edinburg Activity Center
- Financial Management Internship Program (Summer 2025)
- TEDC Sales Tax Workshop (September 2025)
- Small Business Expo (TBD)

## Announcements:

- Jeffrey Salcedo has joined the EDC Team
    - International Liaison
- Business Facilities 2025 EDO Award
    - FLIP 2024

Economic Development Corporation

# Social Media Monthly Report

March 2025

## Edinburg Economic Development Corporation

| | | | |
|---|---|---|---|
| 2.7k Facebook Page Visits | 88.4k Facebook Page Reach | 146 New Page Likes | 14,123 Page Followers |

## @Edinburgtxedc

| | | | |
|---|---|---|---|
| 6 Profile Visits | 2k Impressions | 65 Total Followers | 0 New Followers |

## @edinburgedc

| | | | |
|---|---|---|---|
| 121 Accounts Engaged | 3,182 Accounts Reached | 1,955 Total Followers | 58 New Followers |

## Edinburg Economic Development Corporation (EEDC)

| | | | |
|---|---|---|---|
| 121 Page Views | 15,951 Post Impressions | 1,531 Total Followers | 82 New Followers |

**Edinburg Economic Development Corporation**
*raudel@edinburgedc.com*
*edinburgedc.com*
*956-388-8914*

*National Small Business Day, May 10th

*Economic Development Week, May 12-16th

# May

2025

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|---|---|---|---|---|---|---|
| | | | | 1 "Moving Forward" College Signing Day | 2 | 3 |
| 4 | 5 Regular Board Meeting | 6 Econ Dev Week Proclamation | 7 Law Enf. Job Fair; Expo Agricola Jalisco, Mx | 8 Expo Proveedor Mazatlan, Mx | 9 | 10 |
| 11 Happy Mother's Day; Team Texas: SELECT USA, Washington DC | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 ICSC Conference: Las Vegas, NV | 20 | 21 Expo Proveedores de Transporte y Logística 2025 Monterrey, Mx | 22 | 23 | 24 |
| 25 | 26 Memorial Day | 27 | 28 Expo Constructo 2025 Monterrey, Mx | 29 | 30 | 31 |

Professional Development | Conferences | EDC Events | Mexico Conferences

# 2025
# June

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|---|---|---|---|---|---|---|
| 1 | 2<br>**Regular Board Meeting** | 3<br>**TEDC: Basic Economic Development Course, Bee Cave TX** | 4<br>**Expo Parques Industriales Mexico City** | 5 | 6 | 7 |
| 8 | 9 | 10<br>**Smart City Expo LATAM, Puebla MX**<br>**Team Texas: Road Show, Chicago IL** | 11 | 12 | 13 | 14 |
| 15<br> | 16<br>**Regular Board Meeting** | 17 | 18<br>**89TH Legisilative Session Round Rock, TX** | 19<br>**TEDC Mid-Year Conference, Rockwall TX** | 20 | 21 |
| 22 | 23 | 24 | 25<br>**Expo Grastonomica Mexico City** | 26 | 27 | 28 |
| 29 | 30 | | | | | |

**Professional Development** **Conferences** **Mexico Conferences**

2025

# July

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 |  | 5 |
| 6 | 7 **Regular Board Meeting** | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 **Regular Board Meeting** | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | 31 | | |

**Professional Development** **Conferences**

*TBD* Team Texas: Texas Consultant Summit

# 2025 August

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|---|---|---|---|---|---|---|
| | | | | | 1 | 2 |
| 3 | 4 **Regular Board Meeting** | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 **Mexico's Industry Supply Chain, PuebLa MX** | 14 | 15 | 16 |
| 17 | 18 **Regular Board Meeting** | 19 | 20 **Expo Edificare Puebla Mexico** | 21 | 22 **Expo Franquicia Guadalajara MX** | 23 |
| 24 / 31 | 25 | 26 | 27 | 28 | 29 | 30 |

Professional Development

Conferences

Mexico Conferences

2025

# September

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|---|---|---|---|---|---|---|
| | 1 LABOR DAY | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 Team Texas: FABTECH, Chicago IL | 10 | 11 | 12 | 13 |
| 14 | 15 IEDC Annual Conference: Detroit | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 YTexas Summit Houston, TX | 25 | 26 TEDC Sales Tax Workshop; Expo Produccion Mexico City | 27 |
| 28 | 29 | 30 | | | | |

Professional Development | Conferences | EDC Events | Mexico Conferences

# Workforce Solutions
## February 2025 Labor Market Report

The Texas Workforce Commission (TWC) released the February Labor Market and Employment reports. The seasonally adjusted national unemployment rate increased by 0.1% to 4.1%. The Texas seasonally adjusted unemployment rate remained constant at 4.1%.

**Statewide Overview:** Texas had a gain of 20,100 non-agricultural jobs in February and a gain of 182,300 jobs in the past year (seasonally adjusted). This represents an annual employment increase rate of 1.3%.

Goods-Producing employment increased by 7,200 jobs in February, and a total of 26,600 jobs were gained in the past twelve months. The Goods-Producing sector has seen an increase of 1.3% over the past twelve months. The Construction sector had the most job growth for this month with 5,200 jobs added.

The Service-Providing sector increased by 12,900 jobs in February and had a total gain of 155,700 jobs in the past year. This sector increased at a 1.3% annual rate. The Trade, Transportation and Utilities sector had the most job growth with an additional 7,400 jobs increasing at a 1.0% annual rate. The Leisure and Hospitality sector, which had an annual increasing rate of 1.0%, had the second most job gains in February with an estimated 6,000 employees.

**Regional Unemployment Recap:** The February unemployment rates decreased in Hidalgo (0.1%) and Starr (0.4%) counties and increased in Willacy County (0.4%).

**Counties:**

- Hidalgo County decreased by 0.1% to 6.1%
- Cameron County increased by 0.2% to 5.6%
- Starr County decreased by 0.3% to 10.2%
- Willacy County increased by 0.4% to 5.9%
- Webb County increased by 0.3% to 4.6%

**Cities:**

- McAllen and Harlingen have the lowest unemployment rate in the Rio Grande Valley (RGV) at a rate of 4.8%
- Edinburg unemployment rate decreased 0.1% to 5.1%
- Mission unemployment rate increased 0.1% to 5.7%
- Laredo unemployment rate increased 0.3% to 4.6%
- Brownsville unemployment rate increased 0.2% to 5.8%

**WFS Local Labor Market Reports Contributors:** Brenda Martinez, Business Relations Representative - Paloma Castro-Romero, Business Relations Representative - Aaron Gonzalez, Performance Analyst and Daniel Vela, Project Specialist. Connect with us at BusinessRelations@wfsolutions.org

# Regional Employment Change Estimates
# Hidalgo, Cameron, and Webb Counties' Metropolitan Statistical Areas (MSA)

| Employment Sectors | MSA | | | |
|---|---|---|---|---|
| | McAllen | Brownsville | Laredo | Total Region |
| Mining, Logging & Construction | 0 | 0 | 0 | 0 |
| Manufacturing | 0 | 0 | 0 | 0 |
| **Trade, Transportation & Utilities** | **-300** | **100** | **-200** | **-400** |
| Information | 0 | 0 | 0 | 0 |
| Financial Activities | 100 | 0 | 0 | 100 |
| Professional & Business Services | 200 | 200 | 100 | 500 |
| Education (Private) & Health Services | 400 | -200 | 100 | 300 |
| **Leisure & Hospitality** | **600** | **400** | **300** | **1,300** |
| Other Services | 0 | 0 | 0 | 0 |
| Government (Public Ed, Law Enforcement) | 100 | -200 | 200 | 100 |
| **Total All Non-Agriculture Sectors:** | **1,100** | **300** | **500** | **1,900** |

The February 2025 Employment Change Estimates reflect an **increase in jobs added** for the border region from last month's employment estimates. The primary sector with the largest job growth in the border region is The Leisure and Hospitality sector with an estimated of 1,300 new jobs.

The Trade, Transportation and Utilities sector in the RGV region showed a loss of 300 in the McAllen MSA, a gain of 100 jobs in the Brownsville MSA, and a loss of 200 jobs in the Laredo MSA. The February total non-agricultural job gain for the border region is an estimated 1,900 jobs.

**RGV Economy:** During the month of February, the RGV's (McAllen & Brownsville MSA's) showed a gain of 1,400 jobs in the workforce. WFS partnered with businesses to address hiring needs by hosting 15 hiring events with 159 participating employers and 1,130 job seekers in attendance, which led to a total of 565 job offers being extended during those events. Additionally, WFS served a total of 1,185 employers, representing 635 job openings.

Furthermore, the report extracted on February from WorkInTexas highlights Workforce Solutions' significant impact on employment efforts, with 842 individuals successfully assisted in securing employment. Of these, 348 were direct hires and 494 were indirect hires.

## Business Engagement:

**Jumpstart Career Expo 2025 –** On February 18, in partnership with the McAllen Chamber of Commerce, Workforce Solutions Lower Rio hosted a dynamic and impactful job fair at the Bert Ogden Arena. The event exceeded expectations, bringing together job seekers and employers in a meaningful way. Workforce Solutions staff actively participated in the event, ensuring its success through strong engagement and coordination. With an impressive turnout, the event welcomed 110 employers and 690 job seekers, resulting in 412 potential job offers and 18 on-the-spot hires. A key focus of the event was fostering connections for individuals seeking second-chance opportunities and those looking for disability-friendly employers, reinforcing Workforce Solutions Lower Rio's commitment to inclusive hiring practices. South Texas College played a pivotal role in guiding job seekers to suitable positions, further amplifying the event's effectiveness. Additionally, Matt's Building Materials successfully hired two individuals on the spot, showcasing the direct impact of these connections.

Overall, the event was a resounding success, demonstrating the vital role Workforce Solutions Lower Rio plays in bridging the gap between job seekers and employers. The overwhelmingly positive feedback from both groups underscores the importance of such initiatives in strengthening the local workforce and economy.

**Media Inquiries: Connect with Julio Salinas at julio@wfsolutions.org. Texas Labor Market Review from TWC: https://texaslmi.com/api/GetHomeLinks/TLMR | Local Labor Market Reports: https://www.wfsolutions.org/workforce-intelligence.html**

**WFS Local Labor Market Reports Contributors:** Brenda Martinez, Business Relations Representative - Paloma Castro-Romero, Business Relations Representative - Aaron Gonzalez, Performance Analyst and Daniel Vela, Project Specialist. Connect with us at BusinessRelations@wfsolutions.org

# Labor Market Information for Rio Grande Valley & Laredo Areas

**NOT SEASONALLY ADJUSTED FIGURES**

| | Feb-25 | | | Jan-25 | Feb-24 | | |
|---|---|---|---|---|---|---|---|
| **Geographic Area** | **Civilian Labor Force** | **Unemployed** | **Rate** | **Rate** | **Civilian Labor Force** | **Unemployed** | **Rate** |
| | | | | | | | |
| **USA** | 170,116,000 | 7,572,000 | 4.5% | 4.4% | 167,285,000 | 6,970,000 | 4.2% |
| **Texas** | 15,840,511 | 676,715 | 4.3% | 4.1% | 15,473,132 | 655,374 | 4.2% |
| | | | | | | | |
| **Workforce Solutions** | 437,354 | 27,690 | 6.3% | 6.5% | 427,020 | 26,185 | 6.1% |
| Hidalgo County | 402,619 | 24,549 | 6.1% | 6.2% | 392,784 | 23,185 | 5.9% |
| Starr County | 25,279 | 2,586 | 10.2% | 10.5% | 25,194 | 2,454 | 9.7% |
| Willacy County | 9,456 | 555 | 5.9% | 5.5% | 9,042 | 546 | 6.0% |
| | | | | | | | |
| McAllen | 73,269 | 3,503 | 4.8% | 4.5% | 715,550 | 3,347 | 4.7% |
| Mission | 39,230 | 2,220 | 5.7% | 5.6% | 38,359 | 2,178 | 5.7% |
| Edinburg | 51,264 | 2,636 | 5.1% | 5.2% | 49,946 | 2,408 | 4.8% |
| Pharr | 36,910 | 2,145 | 5.8% | 6.2% | 36,130 | 2,144 | 5.9% |
| San Juan | 16,825 | 1,082 | 6.4% | 7.0% | 16,386 | 995 | 6.1% |
| Weslaco | 19,016 | 1,129 | 5.9% | 6.6% | 18,594 | 1,108 | 6.0% |
| | | | | | | | |
| **Workforce Solutions Cameron** | 193,065 | 10,805 | 5.6% | 5.4% | 187,812 | 10,218 | 5.4% |
| Harlingen | 32,407 | 1,555 | 4.8% | 4.7% | 31,627 | 1,565 | 4.9% |
| Brownsville | 87,600 | 5,123 | 5.8% | 5.6% | 85,147 | 4,782 | 5.6% |
| San Benito | 9,830 | 578 | 5.9% | 5.5% | 9,565 | 550 | 5.8% |
| | | | | | | | |
| **Workforce Solutions S. Texas** | 128,148 | 6,082 | 4.7% | 4.5% | 124,141 | 5,908 | 4.8% |
| Webb County | 121,441 | 5,613 | 4.6% | 4.3% | 117,687 | 5,463 | 4.6% |
| Laredo | 116,705 | 5,380 | 4.6% | 4.3% | 113,090 | 5,228 | 4.6% |

**SEASONALLY ADJUSTED FIGURES**

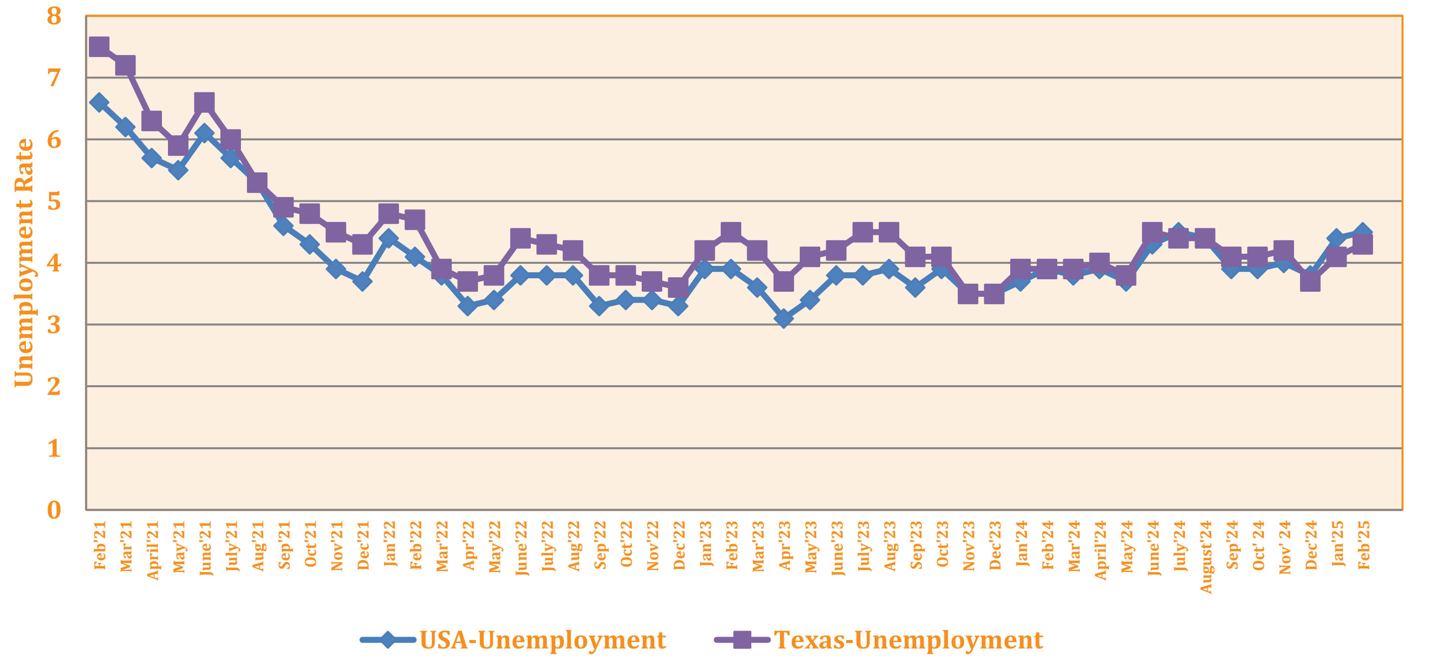
| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **USA** | 170,359,000 | 7,052,000 | 4.1% | 4.0% | 167,475,000 | 6,462,000 | 3.9% |
| **Texas** | 15,770,268 | 643,393 | 4.1% | 4.1% | 15,435,521 | 608,911 | 3.9% |

*Source: Texas Workforce Commission, Texas Labor Market Review, March 2025 issue.*

## 2021-2025 Unemployment Rates in USA & Texas

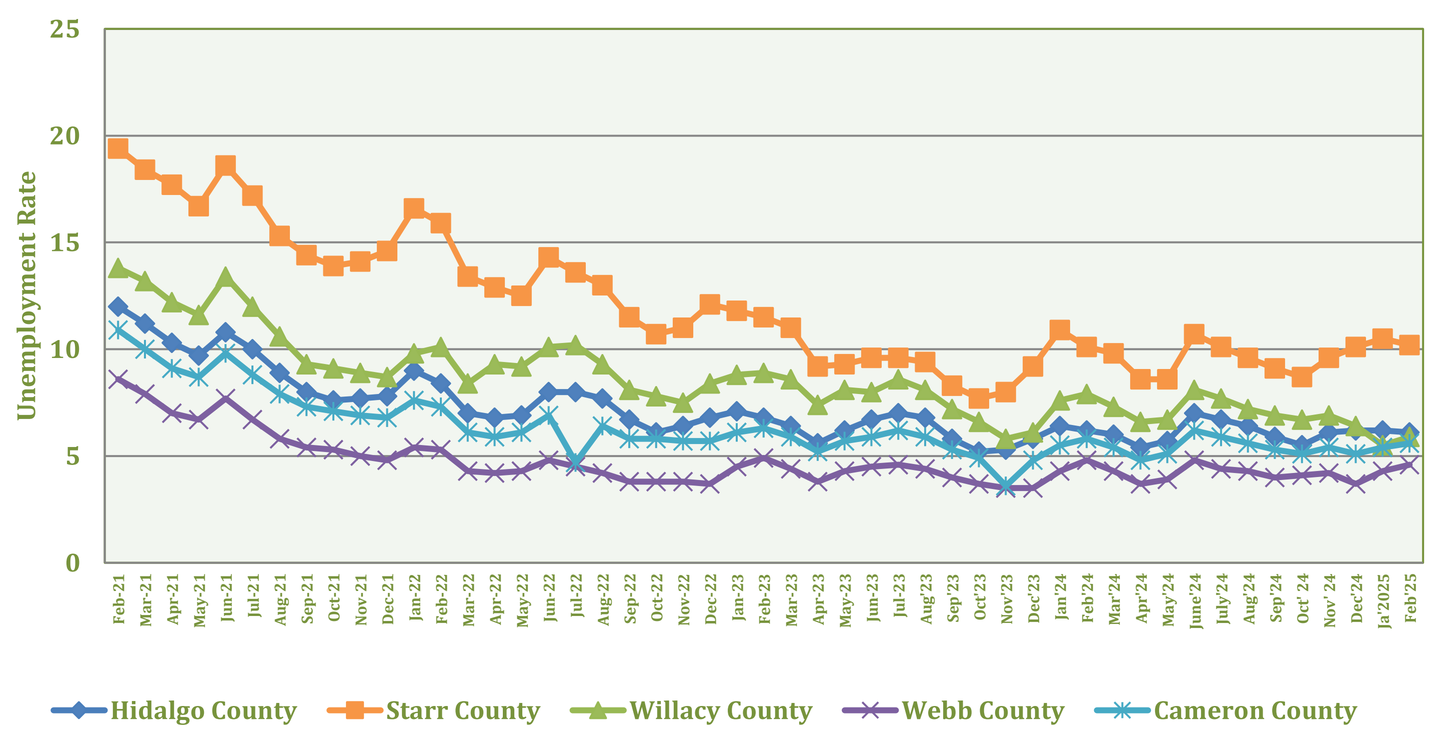
Source: Texas Workforce Commission, Texas Labor Market Review Issues February 2021 - February 2025

*Not seasonally Adjusted*




## 2021-2025 Unemployment Rates in Rio Grande Valley and Webb Co.

Source: Texas Workforce Commission, Texas Labor Market Review Issues February 2021 - February 2025



# Labor Market Report February 2025

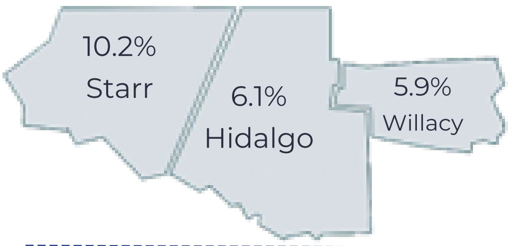
workforce SOLUTIONS

A proud partner of the AmericanJobCenter network

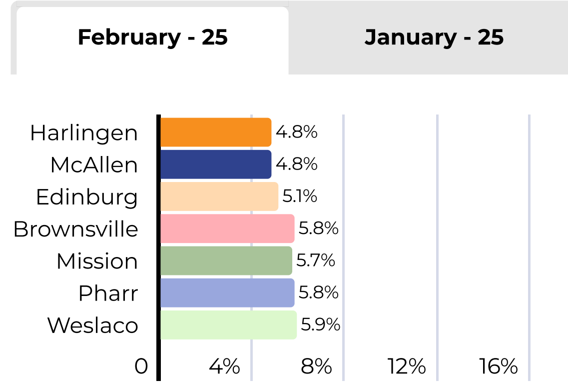
## Unemployment Rates

**Workforce Solutions WDA**

decreased to 6.3%.




**RGV 6.1%**




**National Rate**

The national unemployment rate increased to 4.1%.

**Statewide Rate**

The Texas unemployment rate remained constant at 4.1%.

Seasonally Adjusted

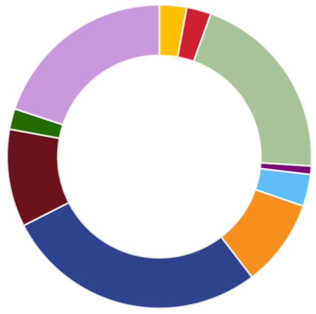
Indicates a decrease in Unemployment Rate

Indicates an increase in Unemployment Rate

## Employment Change

### Border Region Monthly Change

| | Mcallen MSA | Brownsville MSA | Laredo MSA | Total Monthly Change |
|---|---|---|---|---|
| Total All Non-Agriculture | 1,100 ▲ | 300 ▲ | 500 ▲ | 1,900 ▲ |



| Border Region Industry Composition | Industry | Total Employment |
|---|---|---|
| 2.9% | Mining, Logging and construction | 16,600 |
| 2.6% | Manufacturing | 15,100 |
| 20.5% | Trade, Transportation, and Utilities | 119,400 |
| 0.9% | Information | 5,300 |
| 3.4% | Financial Activities | 19,600 |
| 9.3% | Professional and Business Services | 54,300 |
| 27.9% | Education ( Private) & Health Services | 162,500 |
| 10.4% | Leisure and Hospitality | 60,600 |
| 2.2% | Other Services | 12,700 |
| 19.9% | Government | 116,100 |

### Highest Job Growth

Leisure and Hospitality

1,300

McAllen MSA 600
Brownsville MSA 400
Laredo MSA 300

### Highest Job Loss

Trade, Transportation and Utilities

-400

McAllen MSA -300
Brownsville MSA 100
Laredo MSA -200

# Labor Market Report February 2025

workforce SOLUTIONS
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## Statewide Overview

**Texas Non-Agricultural Jobs**

20,100

A total gain of 182,300 jobs in the past year, an annual employment increase rate of 1.3%

**Texas Not Seasonally Adjusted**

4.3%

The unemployment rate over the last month increased to 4.3%

**Service-Providing Industry**

12,900

A total gain of 155,700 jobs were gained in the past year, an annual increase rate of 1.3%

**Goods-Producing Sector**

7,200

A total of 26,600 jobs were gained in the past year, an annual increase of 1.3%

## Business Engagement

**RGV Economy:** During the month of February, the RGV's (McAllen & Brownsville MSA's) showed a gain of 1,400 jobs in the workforce. WFS partnered with businesses to address hiring needs by hosting 15 hiring events with 159 participating employers and 1,130 job seekers in attendance, which led to a total of 565 job offers being extended during those events. Additionally, WFS served a total of 1,185 employers, representing 635 job openings.

Furthermore, the report extracted on February from WorkInTexas highlights Workforce Solutions' significant impact on employment efforts, with 842 individuals successfully assisted in securing employment. Of these, 348 were direct hires and 494 were indirect hires.

## Industry Needs

**Jumpstart Career Expo 2025**

On February 18, in partnership with the McAllen Chamber of Commerce, Workforce Solutions Lower Rio hosted a dynamic and impactful job fair at the Bert Ogden Arena. The event exceeded expectations, bringing together job seekers and employers in a meaningful way. Workforce Solutions staff actively participated in the event, ensuring its success through strong engagement and coordination. With an impressive turnout, the event welcomed 110 employers and 690 job seekers, resulting in 412 potential job offers and 18 on-the-spot hires. A key focus of the event was fostering connections for individuals seeking second-chance opportunities and those looking for disability-friendly employers, reinforcing Workforce Solutions Lower Rio's commitment to inclusive hiring practices.

South Texas College played a pivotal role in guiding job seekers to suitable positions, further amplifying the event's effectiveness. Additionally, Matt's Building Materials, successfully hired two individuals on the spot, showcasing the direct impact of these connections.

Overall, the event was a resounding success, demonstrating the vital role Workforce Solutions Lower Rio plays in bridging the gap between job seekers and employers. The overwhelmingly positive feedback from both groups underscores the importance of such initiatives in strengthening the local workforce and economy.

## Business Needs

| Employers Served | Job Openings | Hiring Events | Hires |
|---|---|---|---|
| 1,185 | 635 | 15 | 842 |

**WFS Local Labor Market Report Contributors:**

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Texas Labor Market Review

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# TexSTAR

MONTHLY NEWSLETTER FEBRUARY 2025

## PERFORMANCE

**As of February 28, 2025**

| | |
|---|---|
| Current Invested Balance | $ 13,098,975,899.81 |
| Weighted Average Maturity (1) | 35 Days |
| Weighted Average Life (2) | 83 Days |
| Net Asset Value | 1.000090 |
| Total Number of Participants | 1083 |
| Management Fee on Invested Balance | 0.06%* |
| Interest Distributed | $ 43,792,832.77 |
| Management Fee Collected | $ 594,088.66 |
| % of Portfolio Invested Beyond 1 Year | 8.49% |
| Standard & Poor's Current Rating | AAAm |

Rates reflect historical information and are not an indication of future performance.

**February Averages**

| | |
|---|---|
| Average Invested Balance | $ 12,908,328,893.04 |
| Average Monthly Yield, on a simple basis | 4.3625% |
| Average Weighted Maturity (1) | 37 Days |
| Average Weighted Life (2) | 88 Days |

Definition of Weighted Average Maturity (1) & (2)

(1) This weighted average maturity calculation uses the SEC Rule 2a-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This Rule specifies that a variable rate instruction to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.
(2) This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.

The maximum management fee authorized for the TexSTAR Cash Reserve Fund is 12 basis points. This fee may be waved in full or in part in the discretion of the TexSTAR co-administrators at any time as provided for in the TexSTAR Information Statement.

## NEW PARTICIPANTS

We would like to welcome the following entities who joined the TexSTAR program in February:

* City of Berryville
* City of Pittsburg
* City of Redwater
* Fort Bend County Municipal Utility No. 250

## HOLIDAY REMINDER

In observance of Good Friday, **TexSTAR will be closed Friday, April 18, 2025.** All ACH transactions initiated on Thursday, April 17th will settle on Monday, April 21st. Notification of any early transaction deadlines on the business day preceding this holiday will be sent by email to the primary contact on file for all TexSTAR participants. Please plan accordingly for your liquidity needs.

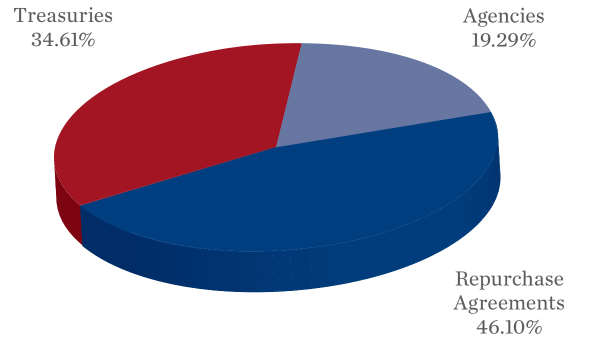
## ECONOMIC COMMENTARY

**Market review**

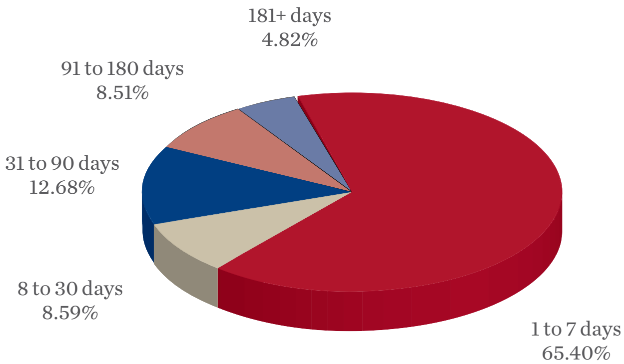
As February wrapped up, economic data presented a contrast to January's robust figures, amid an uncertain landscape shaped by evolving monetary and fiscal policies. This shift was marked by a dip in consumer confidence and persistent inflationary pressures, all set against a backdrop of evolving fiscal policies and trade dynamics. Meanwhile, the labor market showed its strength, offering a steady anchor. The month kicked off with the January Jobs report, which, despite its noise, highlighted a labor market with solid momentum. Nonfarm payrolls rose by a softer-than-expected 143,000, potentially impacted by adverse weather conditions. Revisions revealed weaker job growth in 2024 than initially reported, however, an additional 100,000 jobs were revised to November and December. This indicated stronger momentum toward the year's end. The services sector continued to dominate, while employment in goods-producing sectors remained unchanged. The unemployment rate dipped to 4.0%, and wage growth picked up to 0.5% month-over-month (m/m) and 4.1% year-over-year (y/y), supporting solid economic activity. The following week, the January CPI report highlighted stalled progress toward the Fed's 2% target. Headline CPI increased by 0.5% m/m (3.0% y/y), surpassing consensus by 20 basis points, while core CPI advanced 0.4% m/m and 3.3% y/y. Core inflation has maintained a 3.3% annual rate for five of the past six months. Unlike previous months, core goods were not a detractor, with used cars and prescription drugs primarily contributing to the increase. Over the month, energy prices continued to climb due to higher gas prices. Grocery prices also saw an uptick, particularly in meats, fish, and eggs. Within core services, auto insurance, hotels, and airfares came in firm. On the other hand, PCE inflation came in roughly in line with expectations, with the headline and core figures rising 0.3% m/m, bringing the y/y figures to 2.5% and 2.6%, respectively. *(continued page 4)*

## INFORMATION AT A GLANCE

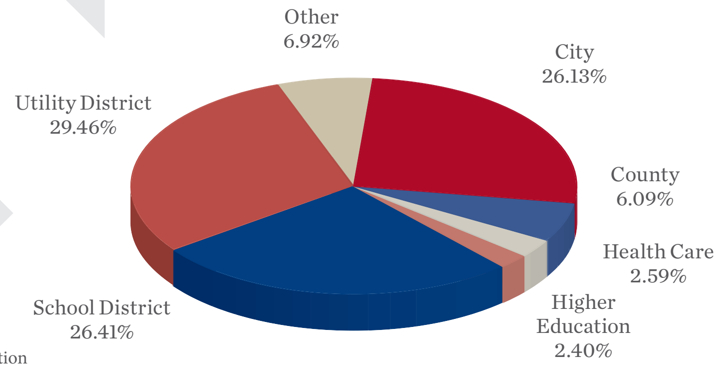
### PORTFOLIO BY TYPE OF INVESTMENT AS OF FEBRUARY 28, 2025




### PORTFOLIO BY MATURITY AS OF FEBRUARY 28, 2025 (1)




### DISTRIBUTION OF PARTICIPANTS BY TYPE AS OF FEBRUARY 28, 2025




(1) Portfolio by Maturity is calculated using WAM (1) definition for stated maturity. See page 1 for definition

## HISTORICAL PROGRAM INFORMATION

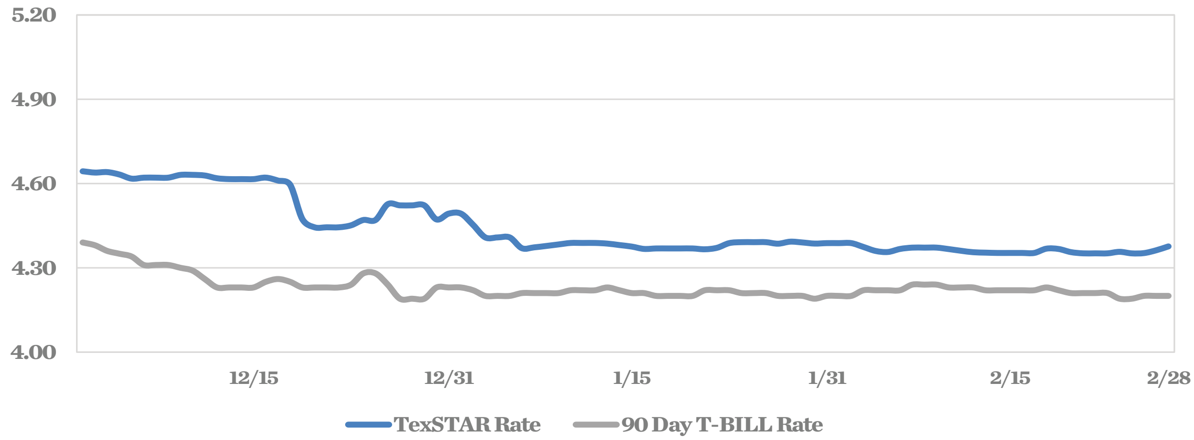
| MONTH | AVERAGE RATE | BOOK VALUE | MARKET VALUE | NET ASSET VALUE | WAM (1) | WAL (2) | NUMBER OF PARTICIPANTS |
|---|---|---|---|---|---|---|---|
| Feb 25 | 4.3625% | $13,098,975,899.81 | $13,101,204,943.33 | 1.000090 | 37 | 88 | 1083 |
| Jan 25 | 4.3896% | 12,490,576,395.79 | 12,493,366,838.19 | 1.000123 | 38 | 94 | 1079 |
| Dec 24 | 4.5642% | 11,011,396,681.51 | 11,014,513,690.84 | 1.000229 | 36 | 93 | 1075 |
| Nov 24 | 4.7112% | 10,166,178,873.71 | 10,168,700,798.41 | 1.000189 | 29 | 89 | 1071 |
| Oct 24 | 4.8722% | 10,685,059,311.14 | 10,687,382,798.75 | 1.000217 | 26 | 70 | 1063 |
| Sep 24 | 5.1324% | 10,713,994,849.49 | 10,717,808,636.16 | 1.000355 | 26 | 66 | 1056 |
| Aug 24 | 5.2939% | 10,960,587,143.65 | 10,963,170,866.05 | 1.000150 | 31 | 61 | 1048 |
| Jul 24 | 5.3131% | 11,614,008,231.39 | 11,614,697,399.72 | 1.000059 | 33 | 64 | 1043 |
| Jun 24 | 5.3126% | 10,696,510,063.51 | 10,695,858,054.79 | 0.999939 | 36 | 66 | 1040 |
| May 24 | 5.3078% | 10,946,135,253.27 | 10,946,064,280.53 | 0.999895 | 37 | 67 | 1037 |
| Apr 24 | 5.3057% | 11,388,285,240.44 | 11,386,977,182.36 | 0.999885 | 35 | 65 | 1031 |
| Mar 24 | 5.2986% | 11,373,415,394.49 | 11,372,687,872.41 | 0.999936 | 36 | 68 | 1025 |

## PORTFOLIO ASSET SUMMARY AS OF FEBRUARY 28, 2025

| | BOOK VALUE | MARKET VALUE |
|---|---|---|
| Uninvested Balance | $ 199.06 | $ 199.06 |
| Accrual of Interest Income | 15,097,008.95 | 15,097,008.95 |
| Interest and Management Fees Payable | (43,839,718.14) | (43,839,718.14) |
| Payable for Investment Purchased | 0.00 | 0.00 |
| Repurchase Agreement | 6,051,884,000.00 | 6,051,884,000.00 |
| Government Securities | 7,075,834,409.94 | 7,078,063,453.46 |
| **TOTAL** | **$ 13,098,975,899.81** | **$ 13,101,204,943.33** |

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by J.P. Morgan Chase & Co. and the assets are safekept in a separate custodial account at the Federal Reserve Bank in the name of TexSTAR. The only source of payment to the Participants are the assets of TexSTAR. There is no secondary source of payment for the pool such as insurance or guarantee. Should you require a copy of the portfolio, please contact TexSTAR Participant Services.

# TEXSTAR VERSUS 90-DAY TREASURY BILL

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## DAILY SUMMARY FOR FEBRUARY 2025

| DATE | MNY MKT FUND EQUIV. [SEC Std.] | DAILY ALLOCATION FACTOR | INVESTED BALANCE | MARKET VALUE PER SHARE | WAM DAYS (1) | WAL DAYS (2) |
|---|---|---|---|---|---|---|
| 2/1/2025 | 4.3882% | 0.000120225 | $12,490,576,395.79 | 1.000123 | 37 | 88 |
| 2/2/2025 | 4.3882% | 0.000120225 | $12,490,576,395.79 | 1.000123 | 37 | 88 |
| 2/3/2025 | 4.3745% | 0.000119848 | $12,626,066,402.13 | 1.000109 | 37 | 90 |
| 2/4/2025 | 4.3603% | 0.000119459 | $12,968,765,626.28 | 1.000118 | 37 | 88 |
| 2/5/2025 | 4.3566% | 0.000119360 | $13,104,287,124.34 | 1.000120 | 36 | 87 |
| 2/6/2025 | 4.3674% | 0.000119654 | $13,165,419,350.81 | 1.000109 | 36 | 87 |
| 2/7/2025 | 4.3722% | 0.000119786 | $13,150,688,076.34 | 1.000079 | 35 | 86 |
| 2/8/2025 | 4.3722% | 0.000119786 | $13,150,688,076.34 | 1.000079 | 35 | 86 |
| 2/9/2025 | 4.3722% | 0.000119786 | $13,150,688,076.34 | 1.000079 | 35 | 86 |
| 2/10/2025 | 4.3669% | 0.000119640 | $13,325,772,878.51 | 1.000096 | 34 | 85 |
| 2/11/2025 | 4.3609% | 0.000119476 | $13,002,611,238.23 | 1.000088 | 35 | 86 |
| 2/12/2025 | 4.3558% | 0.000119338 | $12,807,671,163.16 | 1.000084 | 36 | 88 |
| 2/13/2025 | 4.3543% | 0.000119296 | $12,452,148,093.82 | 1.000094 | 38 | 93 |
| 2/14/2025 | 4.3532% | 0.000119267 | $12,545,803,015.31 | 1.000079 | 39 | 91 |
| 2/15/2025 | 4.3532% | 0.000119267 | $12,545,803,015.31 | 1.000079 | 39 | 91 |
| 2/16/2025 | 4.3532% | 0.000119267 | $12,545,803,015.31 | 1.000079 | 39 | 91 |
| 2/17/2025 | 4.3532% | 0.000119267 | $12,545,803,015.31 | 1.000079 | 39 | 91 |
| 2/18/2025 | 4.3685% | 0.000119686 | $12,805,069,524.12 | 1.000075 | 39 | 90 |
| 2/19/2025 | 4.3673% | 0.000119651 | $12,894,551,072.12 | 1.000086 | 39 | 89 |
| 2/20/2025 | 4.3562% | 0.000119348 | $12,855,932,337.22 | 1.000082 | 39 | 89 |
| 2/21/2025 | 4.3518% | 0.000119227 | $13,088,030,989.33 | 1.000079 | 37 | 86 |
| 2/22/2025 | 4.3518% | 0.000119227 | $13,088,030,989.33 | 1.000079 | 37 | 86 |
| 2/23/2025 | 4.3518% | 0.000119227 | $13,088,030,989.33 | 1.000079 | 37 | 86 |
| 2/24/2025 | 4.3572% | 0.000119374 | $13,072,384,546.92 | 1.000079 | 37 | 86 |
| 2/25/2025 | 4.3517% | 0.000119225 | $13,096,823,348.81 | 1.000086 | 37 | 85 |
| 2/26/2025 | 4.3527% | 0.000119253 | $13,129,710,344.55 | 1.000085 | 36 | 85 |
| 2/27/2025 | 4.3627% | 0.000119527 | $13,146,498,004.58 | 1.000083 | 36 | 84 |
| 2/28/2025 | 4.3765% | 0.000119903 | $13,098,975,899.81 | 1.000090 | 35 | 83 |
| | | | | | | |
| Average | 4.3625% | 0.000119521 | $12,908,328,893.04 | | 37 | 88 |

*ECONOMIC COMMENTARY (cont.)*

Overall, these reports indicate that inflation still remains somewhat elevated, which could influence the Federal Reserve (Fed) to keep rates on pause for longer before implementing rate cuts.

The secondary estimate of Q4 GDP underscored the economy's resilience, maintaining a solid annualized growth rate of 2.3%, as strong services spending offset a downward adjustment in household goods expenditure, while consumer spending remained steady at 4.2%. However, February witnessed a notable decline in consumer sentiment to well below pre-COVID levels, with both the University of Michigan Consumer Sentiment Index and Conference Board's Consumer Confidence Index dropping 7 points to 64.7 and 98.3, respectively. This notable decline reflected growing concerns over the economic implications of President Trump's policies, particularly tariffs, which may elevate prices of household goods. Additionally, tariff policy and its retaliatory effects may negatively impact net exports by making it more difficult and costly for domestic producers to compete in the global market.

The minutes from the January Federal Open Market Committee (FOMC) meeting reiterated the cautious stance that Chair Powell had articulated in his post-meeting press conference and recent Congressional testimony. The Fed maintained its easing bias but noted that it is not in a hurry to cut rates further, given the persistent inflation and uncertainties surrounding trade policy. The minutes highlighted a "high degree of uncertainty," prompting a "careful approach" to policy decisions. Consistent with Powell's earlier remarks, the Fed is weighing the option of maintaining a restrictive policy stance if inflation remains high, against the possibility of easing if the economy or labor market weakens, or if inflation returns to the 2% target sooner than expected. This balanced approach reflects the Fed's commitment to navigating the complex economic landscape with prudence.

While Treasury bill yields remained rangebound, longer-term Treasury yields declined more significantly on the back of concerns over the economic impact of trade policies. Three-month Treasury yields rose 1 basis point (bp) to 4.30%, while six-month Treasury yields declined by 2 bps to 4.28%. Meanwhile, one-year Treasury yields declined by 7 bps to 4.09% and two-year Treasury yields declined by 21 bps to 3.99%.

**Outlook**

With In the final stretch toward achieving the Federal Reserve's 2% inflation target, the economic landscape of 2025 is becoming increasingly challenging, largely due to evolving fiscal policy dynamics. In particular, the recently announced tariffs by President Trump are expected to exert upward pressure on inflation while potentially dampening growth, thereby heightening economic uncertainty.

These tariffs are set to impact both inflation and growth in distinct ways. On the inflation front, while year-over-year headline inflation may moderate in the coming months due to favorable base effects, the tariffs could lead to a temporary uptick in prices. From a growth perspective, January's significant 11.9% month-over-month rise in U.S. goods imports, driven by anticipatory front-loading ahead of the tariffs, may weigh on first-quarter GDP. Additionally, the higher cost of goods could dampen aggregate demand, which may cause the economy to moderate from last year's robust levels.

Taking all of this into account, the Federal Reserve faces the challenge of distinguishing between durable trends and temporary fluctuations in the data, amidst the noise of fiscal policy decisions. Despite the inflationary setbacks due to tariffs, viewed as a one-time shock to prices, we expect the Fed to maintain its easing bias this year. While first-quarter GDP may be softened by the pre-tariff stocking of imported goods, we do not foresee a recession in 2025. Consequently, we anticipate the Fed will adopt a more gradual approach to cutting rates, carefully monitoring the evolving economic environment and potentially implementing up to two additional 25 basis point rate cuts in the latter half of the year.

This information is an excerpt from an economic report dated February 2025 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

TexSTAR



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