



EXECUTIVE ORDER
**TECHNOLOGY RELATED PURCHASES FROM
COOPERATIVES**

EO No.

1-59

Effective Date:

Upon Approval

1. PURPOSE

To establish uniform and transparent procurement processes for technology related purchases made through Cooperative organizations.

2. OBJECTIVES

To promote fiscal responsibility and legal compliance for technology related purchases made through Cooperative organizations. To establish effective internal controls and processes for technology related purchases made through Cooperative organizations. To provide for greater transparency and accountability for the technology purchasing process.

3. SCOPE

This executive order applies to all City departments, divisions, and personnel and any procurement of technology related goods and/or services through a Cooperative organization.

4. DEFINITIONS

CPO: Chief Procurement Officer for the City of Houston, as set forth in Chapter 15 of the Houston Code of Ordinances, or designee.

CIO: Chief Information Officer for the City of Houston or designee.

Cooperative: has the meaning assigned to a local Cooperative organization in Section 271.101 of the Texas Local Government Code, as may be amended from time to time, and which is defined (as of the date of issuance of this executive order) to mean "organization of governments established to provide Local Governments access to contracts with vendors for the purchase of materials, supplies, services, or equipment." For purposes of this executive order, a Cooperative also includes the federal supply schedules of the United States General Services Administration and purchases from which are authorized under Section 271.103 of the Texas Local Government Code.

HITS: Houston Information Technology Services.

Local Government: has the meaning ascribed in in Section 271.101 of the Texas Local Government Code, as may be amended from time to time, and which is defined (as of the date of issuance of this executive order) to mean: a county, municipality, special district, school district, junior college district, regional planning commission, or other political subdivision of the state.

SPD: Strategic Procurement Division of the Finance Department.

CTO (Chief Technology Officer): a senior technology lead for a department and has been identified as such by the CIO. Departments with a CTO as of the date of issuance of this executive order include the Houston Police Department, Houston Public Works, Houston Airport System, Houston Public Library, and Houston

Approved:

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Date Approved:

10/03/2018

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Health Department.

Deputy CIO: reports directly to the CIO and provides technology support for his/her respective division and oversight for HITS supported departments.

Staff Augmentation: contract employees who support projects or regular operational needs; generally paid on a time and materials basis.

5. GENERAL PROVISIONS

5.1. All technology purchases through a Cooperative must be processed by SPD. No department other than SPD shall be permitted to issue a technology related purchase order through a Cooperative. Once the department requesting the purchase has submitted all documentation required by the CPO, to SPD, SPD shall process the purchase in five business days, provided, however, that at peak demand times of the year (such as end of the fiscal year), more time may be required.

5.2. All purchases from any Cooperative shall require the then current "Request to Purchase from Cooperative/ Interlocal" justification form attached to this executive order. The justification form shall contain sections to evidence the following verifications and reviews have occurred:

5.2.1. Best value verification: The requesting department purchasing unit (DPU) will provide evidence of market research of pricing to ensure the City is receiving the best value.

5.2.2. Review for compliance with standards and existing contracts: The department CTO or HITS Deputy CIO (or designee) shall review and approve the justification form prior to submission to CPO for approval. The purpose is to ensure that the goods and/or services are aligned with City technology standards to ensure compatibility and continuity of technology and are not duplicative of items already available through existing city contracts. The appropriate CTO or Deputy CIO shall have five business days to approve or reject the justification form, absent extenuating circumstances. The requesting department shall then forward the approved justification form to the CPO, who shall have the same number of days to review and approve or reject the justification form, beginning on the first business day of receipt.

5.3. Review of Staff Augmentation requests: Any department in need of Staff Augmentation should first seek to utilize existing department or citywide contracts (including the temporary services contract managed by the Human Resources Department). Staff Augmentation services may be obtained through a Cooperative when existing City contracts do not provide appropriate expertise for a specific project or scope of services.

5.3.1 Any department that proposes to purchase Staff Augmentation services using a Cooperative, where the proposed period of Staff Augmentation services is expected to exceed three (3) months, or where the proposed Staff Augmentation services are to be provided by a company different from the company providing the product to be or currently installed, shall request approval from the CPO or designee.

The department shall submit a package to the CPO for approval with the following information:

- (1) the hourly rate fee schedule;
- (2) description of the proposed project with appropriate milestones (including the product to be installed, worked, created, or implemented);
- (3) the proposed duration and estimated costs;
- (4) name of proposed individual(s) if known;

- (5) the skill set required;
- (6) an explanation justifying why existing personnel and/or contracts cannot perform such services;
- (7) a statement that the department is aware of no conflict of interest or if there may have been potentially a conflict an explanation that any potential conflicts have been eliminated; and
- (8) any other information requested by the CPO.

5.3.2 Any department that proposes to purchase Staff Augmentation services using a Cooperative, where the proposed period of Staff Augmentation services is expected to exceed eighteen (18) months, or when the proposed Staff Augmentation services estimated costs exceed three-hundred thousand dollars (\$300,000.00) in the first 365 days, starting from the first day Staff Augmentation services are to be provided to the City, shall also request legal review and seek the recommendations of the Legal Department.

5.3.3. Once all documentation with appropriate signatures has been attached to the purchase requisition and the SAP approval process is completed, the request to purchase shall be processed.

5.4. HITS shall prepare monthly reports on citywide technology related Cooperative purchases between \$50,000 and \$300,000 and post them on the City of Houston intranet no later than the last day of the month following the reporting period.

6. CONSEQUENCES OF NONCOMPLIANCE

All employees, personnel, and every department and division shall comply with this executive order. An employee who fails to comply with this executive order may be subject to disciplinary action up to and including termination/indefinite suspension. A supervisor who aids, abets or encourages violation of this executive order likewise may be subject to discipline up to and including indefinite suspension/termination.