

RESOLUTION NO. R2022-22

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS AMENDING THE CITY OF BURNET PROCUREMENT POLICY BY CODIFYING THE CURRENT RETURN ON INVESTMENT RATE CALCULATION FOR THE ELECTRIC FUND AND ADOPTING PROCUREMENT PROCEDURES SPECIFICALLY FOR THE CITY'S ELECTRIC UTILITY.

Whereas, the City owns an electric utility, which pursuant to its Certificate of Convenience and Necessity, serves much of the land within its corporate limits; and

Whereas, City Council serves as the governing body of the electric utility; and

Whereas, City Council adopts this Resolution pursuant to Texas Local Government Code Tex. Loc. Gov't Code §252.022(c).

NOW, THEREFORE, BE IT RESOLVED BY CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:

Section one. Findings. The recitals to this Resolution are incorporated herein for all purposes.

Section two. Amendment. City Council hereby amends the City of Burnet Fiscal and Budgetary Policy Article III (entitled "*Revenue Management*") Division B (entitled "*Internal Costs Recovery Fees*") by amending Section 2 (entitled "*Payment for Return on Investment, Fee In-Lieu of Franchise, and Fee In-Lieu of Property Taxes*") subsection a) by adding the language that is underlined (underlined) and removing the language that is stricken (~~stricken~~) as follows:

a) Electric Fund

- 1) The Return On Investment (ROI), Fee In-Lieu of Franchise, and Fee In-Lieu of Property Taxes is a combined rate of ~~\$0.019~~ \$0.020 per kWh sold.

Section three. Amendment. City Council hereby amends the City of Burnet Fiscal and Budgetary Policy Article III (entitled "*Revenue Management*") Article IV (entitled "*Expenditure Policies*") Division C (entitled "Purchasing") by adding the language that is underlined (underlined) as follows:

Purchasing – All City purchases of goods or services, except as noted below in "D" for the Electric Utility, will be made in accordance with the City's current Purchasing Policy as established by the City Manager, and consistent with State Law. Formal bids are required for all purchases in excess of the bid law limit as established by State Law and amended from

time to time (currently \$50,000) unless such purchase is made through a purchasing cooperative (Coop) or previously approved contract. Purchases in excess of the state bid law limit shall require Council approval, regardless of whether such purchase is made through a purchasing cooperative or bid.

Section four. Amendment. City Council hereby amends the City of Burnet Fiscal and Budgetary Policy Article III (entitled "*Revenue Management*") Article IV (entitled "*Expenditure Policies*") by adding a new Section D (entitled "Purchasing for Electric Utility Distribution") to read as follows:

- A. **Purchasing for Electric Utility Distribution** – Purchases of inventory or materials used for the distribution of the electric utility shall be administered by the City Manager and/or his/her designee and awarded to the vendor or service provider who provides the best value. In determining the best value, the administrator may consider:
- i. the purchase price;
 - ii. product availability (delivery dates);
 - iii. the reputation of the vendor or service provider and of their respective goods or services;
 - iv. the quality of the goods or services;
 - v. the extent to which the goods or services meet the Electric Utility's needs;
 - vi. the vendor or service provider's past relationship with the City;
 - vii. the impact on the ability of the City to comply with laws and rules relating to contracting with historically underutilized businesses and nonprofit organizations employing persons with disabilities;
 - viii. the total long-term cost to the City to acquire the goods or services; and
 - ix. any relevant criteria specifically listed in the Purchasing Administrator's request for goods or services.

The administrator shall make a good faith effort to solicit quotes from at least three vendors or service providers prior to the purchase of any goods or services that shall be equal to or exceed \$25,000. The administrator shall review the quotes and select the one that provides Best Value. The administrator may reject all quotes. Purchases made for Electric Utility distribution in accordance with these procedures would be exempt from the State's municipal procurement laws which require formal bids for all purchases in excess of \$50,000.

Section five. Public Purpose. City Council finds and determines that these Electric Utility Procurement Policies promote the provision of electric services to the City's Electric Utility's customers in an economical and effective manner by assuring dependable electric service in a cost-efficient manner.

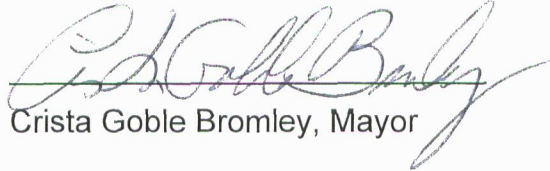
Section six. Open Meetings. It is hereby officially found and determined that the meeting at which this resolution was passed was open to the public and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act.

Section seven. Effective date. This resolution shall take effect immediately upon its passage, and approval as prescribed by law.


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PASSED AND APPROVED this the 8th day of March 2022.

CITY OF BURNET, TEXAS


Crista Goble Bromley, Mayor

ATTEST:


Kelly Dix, City Secretary

