Lower Rio Grande Valley Development Council

Procurement Policies and Procedures Manual

Version 3 - Oct. 2025

301 W Railroad St Weslaco, TX 78596

LRGVDC Official Revision Date List:

Version 1

August 19, 1993
October 7, 1994
December 1, 1995
August 26, 1999
August 24, 2000
May 19, 2004
August 27, 2004
October 25, 2007
January 2014

Version 2

February 22, 2017
April 28, 2021
January 26, 2022
December 2, 2022

Version 3

October 16, 2025 - Current

INTRODUCTION TO PROCUREMENT POLICY

This Procurement Policy is meant to provide the LRGVDC and its Administered Programs with a flexible procurement policy that complies with Federal, State and grantor agency policies and procedures. The flexibility lies in the organization, the procurement documentation, the decision to procure and procedures for procurements that do not fall within the parameters of statutorily mandated competitive bidding requirements. The competitive bidding requirements track statutory authority and are less flexible. As a matter of policy, you should err on the side of full and open competition at any fiscal level and avoid even the appearance of impropriety in any procurement procedure.

Regional Planning Commissions (RPCs) and Councils of Governments (COGs) are political subdivisions of the State of Texas. However, there are no specific state competitive bidding requirements established for RPCs and COGs. The only statutorily mandated competitive bidding requirements pertain to public works contracts, counties, municipalities and cooperative purchases. Nevertheless, despite the lack of such regulations, the prudent and recommended course of action is to comply with the applicable statutory requirements when purchasing for a county, municipality or similar governmental entity. The provisions of the Procurement Policy mirror these state law requirements and any differences with federal requirements are so noted.

In using this Procurement Policy, you should:

1) Insert the individual **COG** name, abbreviation, local procurement provision, or other referenced information in those places where a bracket and underline are used.
2) Delete the legal references, notes and other commentary that are contained within shaded blocks as such are provided for information only
3) Insert the provisions which are set forth in **bold** typeface as such provisions are mandatory;
4) Insert the provisions, which are set forth in ***bold italics*** typeface as such provisions are mandatory for all JTPA programs,
5) Review the provisions set forth in italics and determine whether they are applicable to you as such provisions are optional and may be included in the Policy; and
6) Have the individual policies reviewed carefully and approved by your legal counsel and governing body before implementation.

You are encouraged to use this Procurement Policy and the attendant procedures, as they have been reviewed, commented upon and/or approved by various grantor agencies including, but not limited to, the Texas Department of Housing and Community Affairs, Texas Department of Commerce (TxDOC), Texas Board on Aging, Texas Department of Transportation (TxDOT) and the Texas Education Agency. Please be advised that once you self-certify your policy, the procedures cannot be changed without notice to your grantor agency. The non-federal entity or applicant for a federal award must disclose, in a timely manner, in writing to the federal awarding agency or pass-through entity all violations of federal criminal law as applicable in 2 CFR 200.113

ARTICLE I
GENERAL PROVISIONS

PART A: PURPOSES, CONSTRUCTION AND APPLICATION

1-101 Purpose:

The purpose of the Procurement Policy is to provide the Lower Rio Grande Valley Development Council (LRGVDC) with the requisite parameters for procuring goods and services under applicable state and federal guidelines. The policies and procedures outlined herein are intended to comply with the general requirements of OMB Circulars A-102 and A-87, the Texas Grant Management Standards (TxGMS), the State of Texas Procurement and Contract Management Guide, Texas Government Code 2155 and Texas Local Government Code 252 as per LGC 391, 2 CFR 200 and FTA Circular 4220.1F as applicable. More specifically, the underlying purposes and policies of this Procurement Policy are:

1) To simplify and clarify the law governing procurement by the LRGVDC;
2) To permit the continued development of procurement policies and practices;
3) To provide consistency in the procurement practices of the LRGVDC with regard to pertinent procurement laws;
4) To increase public confidence in public procurement;
5) To ensure the fair and equitable treatment of all persons who participate in the procurement process;
6) To provide increased economy and efficiency in procurement activities by avoiding unnecessary, unwarranted and duplicative procurements;
7) To foster free and open competition;
8) To provide safeguards for the maintenance of a procurement system of quality and integrity; and
9) To ensure that full accounting is available and given for all procurements.
10) It is essential to get written confirmation from the grantor before any money is spent on items different from what was approved in the original budget as it applies in 2 CFR 200.308

1-102 Interpretation:

This Procurement Policy shall be construed and applied to promote its underlying purposes and policies. The guidelines set forth herein are intended to comply with all applicable state, local, federal and grantor agency rules, regulations, policies and procedures. Furthermore, the interpretation shall be on the basis that of which provides the least amount of risk for the LRGVDC.

1-103 Grantor Agency Policies and Procedures:

While it is not the intension of the LRGVDC to be more stringent than required by the grantor agency from which the LRGVDC receives specific funds. The written procurement procedures prepared by the source-granting agency shall be considered when funds are spent for the operation of a specific program. The entity will certify to the federal awarding agency or pass-through entity at the end of the federal award that the project or activity was completed, or the level of effort was expended as referenced in 2 CFR 200.201. However, the LRGVDC will take into account any potential risk factors a program may be facing when determining the appropriate level of enforcement so long they compliant.

1-104 Singular-Plural:
Words in the singular include the plural and vice versa.

1-105 Headings:
The headings contained in this Procurement Policy are for reference purposes only and shall not in any way affect the meaning or interpretation of this Policy.

1-106 Conflicts:
In the event of a conflict between the terms of this Procurement Policy and any applicable state, local or federal statute, code or regulation, or the procurement procedures of the applicable grantor agency, the applicable statute, code, regulation or grantor procurement policy shall control.

1-107 Severability:
Invalidation of any one of these provisions by judgment, court order, statute, regulation or code shall in no way affect any other provision, which shall continue to remain in full force and effect.

1-108 Free and Open Competition:
All procurement transactions, regardless of dollar value, whether advertised or negotiated, shall be conducted in a manner so as to provide maximum free and open competition. Lower Rio Grande Valley Development Council (LRGVDC) should be alert to organizational conflicts of interest or noncompetitive practices among contractors, which may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors who develop or draft specifications and other requirements for solicitation instruments (RFPs, IFBs, etc.) should be excluded from competing for such procurements.

1-109 Supplementary General Principles of Law:
Unless in conflict with particular provisions of the Procurement Policy, principles of law and equity, including the Uniform Commercial Code, contracts, agency, fraud, misrepresentation, duress, coercion and mistake shall supplement this Policy.

1-110 Good Faith:
The Procurement Policy requires that all parties involved in the negotiation, performance and administration of contracts act in good faith.

1-111 Effective Date:
The Procurement Policy applies only to contracts solicited or entered into after the effective date of this Policy, **October 29th, 2025**.

1-112 Adoption by COG:
The Procurement Policy may be adopted in whole or in part by the Lower Rio Grande Valley Development Council.

1-113 Public Access to Procurement Information:
Procurement information shall be a public record to the extent provided by the Texas Open Records Act and the Freedom of Information Act and shall be available to the public as provided therein.

1-114 Internal Controls:

The non-federal entity will establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with 2 CFR 200.303 (as applicable).

1-115 Methods for collection, transmission, and storage of information:

The nonfederal entity should, whenever practicable, collect, transmit, and store federal award-related information in open and machine-readable formats in accordance with applicable legislative requirements as applicable in 2 CFR 200.336.

1-116 Conferences:

A conference is defined as a meeting, retreat, seminar, symposium, workshop, or event whose primary purpose is the dissemination of technical information beyond the non-federal entity and is necessary and reasonable for successful performance under the federal award. (as applicable in 2 CFR 200.432)

1-117 Never Contract with the enemy:

Federal award agencies and recipients are subject to the regulations implementing never contract with the enemy (as applicable in 2 CFR 200.215)

1-118 Prohibition on certain telecommunications & video surveillance services or equipment:

For the purposes of public safety, security of government equipment and facilities, physical security surveillance of critical infrastructure, and other security purposes as stated in 2 CFR 200.216.

1-119 Build/Buy America Compliance:

The Lower Rio Grande Valley Development Council (LRGVDC) shall comply with the Buy America requirements codified at 49 U.S.C. § 5323(j)(1) (commonly referred to as "Buy American") and the implementing regulations in 49 C.F.R. Part 661. Accordingly, for every procurement that uses Federal Transit Administration (FTA) or other U.S. Department of Transportation financial assistance, LRGVDC will:

1) **Require Domestic Production**
   Ensure that all steel, iron, and manufactured products incorporated into the project are produced in the United States, unless the FTA Administrator has granted a written waiver under 49 U.S.C. § 5323(j)(2) and 49 C.F.R. § 661.7.

2) **Include Buy America Certifications**
   Incorporate the certification language prescribed in 49 C.F.R. § 661.12 in every solicitation and contract and make award only to bidders or offerors that submit a properly executed Buy America certification.

3) **Verify and Document Compliance**
   Verify domestic content before contract award and maintain records demonstrating compliance for at least five (5) years after project close out, in accordance with federal record retention requirements.

4) **Process Waiver Requests When Necessary**
   Submit a waiver request to FTA only when compliance is impracticable, supported by factual findings that satisfy the criteria in 49 U.S.C. § 5323(j)(2).

5) **Flow Down Requirements to All Tiers**
Ensure that Buy America obligations are passed down to every contractor and subcontractor involved in the procurement.

Failure to comply with this policy may result in suspension or termination of contracts, disallowance of costs, or other remedies available under federal law and LRGVDC regulations.

1-120 Domestic Preference Compliance:
The Lower Rio Grande Valley Development Council (LRGVDC) shall comply with the domestic preference requirements set forth in 2 CFR § 200.322 when expending federal financial assistance. To the greatest extent practicable and consistent with law, the LRGVDC will provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States, including but not limited to iron, aluminum, steel, cement, and other manufactured products. This requirement applies to all federally funded procurements and contracts for construction or related services. Accordingly, all solicitations and resulting contracts using federal funds shall include appropriate provisions to ensure compliance with this domestic preference, and procurement staff will evaluate offers accordingly. LRGVDC will maintain documentation of its efforts to maximize use of U.S.-produced materials in all applicable purchases and will ensure that contractors and subrecipients are informed of and adhere to this requirement as required by federal law.

Additionally, er FTA Circular 4220.1E, Paragraph 8, the LRGVDC shall not apply in-state or local geographic preferences in procurement evaluations unless federally allowed. This restriction does not preempt state licensing laws. In architectural and engineering (A&E) procurements, geographic location may be used as a selection factor, provided that:

1) It is clearly stated in the solicitation, and
2) It does not unduly restrict competition by eliminating a reasonable number of qualified firms.

1-121 Restrictive Competition Practices Prohibited:
The Lower Rio Grande Valley Development Council (LRGVDC) shall conduct all procurements in a manner that promotes full and open competition, in compliance with FTA Circular 4220.1E, 2 CFR § 200.319, and applicable state and local procurement laws. Restrictive procurement practices are strictly prohibited. The following actions are examples of practices that unduly limit competition and are not allowed:

1) Requiring unnecessary experience or excessive bonding requirements that are not essential to the scope of the procurement.
2) Imposing unreasonable requirements on firms in order to qualify to do business.
3) Creating or failing to mitigate organizational conflicts of interest that give unfair advantage to a particular firm.
4) Permitting or encouraging non-competitive pricing practices between firms, such as price-fixing or bid rigging.
5) Issuing non-competitive awards to consultants on retainer contracts, unless a valid exception (e.g., sole source) is justified and approved.

6) Using “brand name” specifications without allowing for an “or approved equal” clause, unless fully justified.

7) Drafting overly restrictive specifications that unnecessarily limit qualified bidders or proposals.

8) Taking arbitrary actions in the procurement process, including biased evaluation, selective disqualification, or inconsistent application of rules.

9) Imposing geographic preferences in the evaluation of bids or proposals, unless expressly mandated or encouraged by Federal statute.

PART B: DEFINITION OF TERMS

1-201 Best Value

Shall be the LRGVDC’s procurement principle which means awarding a contract not necessarily based on the lowest price, but on a combination of factors that provide the greatest overall benefit and value. This principle considers price, as well as quality, performance, and other non-cost factors.

1-202 Bid

A bid is an offer made by an individual or entity to purchase goods, services, or contracts at a specified price. Bids are commonly associated with competitive environments where multiple parties vie for the same opportunity.

1-203 Bidder

A bidder is an individual, business, or organization that submits a formal offer (bid) in response to a solicitation issued by the organization, typically under a competitive sealed bidding process (e.g., Invitation for Bids - IFB). The bidder agrees to provide specified goods, services, or construction at a stated price and under stated terms, if awarded the contract.

1-204 Bidders' List

The pre-qualified list of persons which is used in acquiring goods and services. The Bidders' List must be kept current and include sufficient qualified sources to ensure maximum free and open competition.

1-205 Capital Asset

A capital asset is any tangible or intangible asset that is used in operations and has a useful life of more than one year and a per-unit acquisition cost that meets or exceeds the capitalization threshold established by the organization or funding agency. This includes:

1) Land and improvements

2) Buildings and building improvements

3) Machinery, Vehicles, and Equipment

4) Infrastructure (e.g., roads, bridges, transit systems)

5) Intangible assets (e.g., software, easements, patents)

6) The standard federal capitalization threshold is $5,000 per unit, per 2 CFR § 200.1, but an organization may adopt a more conservative threshold.

1-206 Change Order

A formal, written modification to an existing contract that authorizes an adjustment to the scope of work, price, schedule, or other contract terms. Change orders are typically issued when unforeseen conditions, regulatory changes, design modifications, or other valid reasons require alterations to the original agreement. A change order must be authorized in accordance with applicable procurement laws, LRGVDC policies, and contract terms, and may require approvals from designated personnel or funding agencies. Proper documentation is essential to ensure transparency, accountability, and audit readiness.

1-207 Council of Governments

("**COG**") means the **Lower Rio Grande Valley Development Council** created under Chapter 391 of the Texas Local Government Code as a political subdivision of the State of Texas.

1-208 Commodity

A standardized, tangible good that is typically purchased in bulk and is interchangeable with other goods of the same type, regardless of the supplier. Commodities are usually widely available in the market, have consistent quality and specifications, and are often procured based on lowest price. Examples include office supplies, fuel, paper, building materials, and IT hardware.

1-209 Competitive Sealed Bidding or Formal Competitive Bidding

The procurement method whereby the Lower Rio Grande Valley Development Council drafts the specifications, schedule and other conditions for award and sends the bid package to interested bidders and/or publishes an announcement in local periodicals. To be considered, bids must conform to the IFB. Bid opening is a formal, public procedure where the award is made to the lowest responsible, responsive bidder. Award is not generally made at bid opening; rather the prices are read publicly and, after evaluation, the award is made.

1-210 Conflict of Interest

A situation in which a person involved in the procurement process—such as an employee, official, evaluator, or contractor—has a personal, financial, or other interest that could improperly influence their duties or decisions. This includes any relationship or activity that could compromise, or appear to compromise, the individual's objectivity, impartiality, or ability to act in the best interest of the public entity. Conflicts may be actual, perceived, or potential, and must be disclosed, mitigated, or avoided to maintain transparency, fairness, and public trust in the procurement process.

1-211 Construction

The process of building, altering, repairing, improving or demolishing any public structure or building, or other public improvements of any kind to any public real property. It does not include the routine operation, routine repair or routine maintenance of existing structures, buildings or real property.

1-212 Consulting Services

Advisory or strategic services provided by external individuals or firms with specialized expertise, aimed at helping an organization analyze problems, improve performance, implement solutions, or support decision-making. Unlike professional services (which may require licensure), consulting services focus on delivering recommendations, assessments, plans, or facilitation rather than direct operational execution. These services may include management consulting, organizational development, policy analysis, strategic planning, and business process improvement. Consulting services are typically procured through a Request for Proposals (RFP) and evaluated based on qualifications, approach, and cost.

1-213 Contract

(Except as used in the definitions of "grant" and "subgrant") A procurement contract under a grant or subgrant and means a procurement subcontract under a contract. A contract is an enforceable and legally binding agreement between two or more parties outlining obligations and rights.

1-214 Contractor

An individual, company, or other legal entity that enters into a binding agreement with the LRGVDC to provide goods, services, or construction in exchange for payment. A contractor is legally responsible for fulfilling the terms, conditions, and deliverables specified in the contract. Contractors may operate as prime contractors (holding a direct contract with the agency) or as subcontractors (hired by the prime contractor to perform a portion of the work). Contractors are not employees and are subject to oversight based on contract terms rather than employer-employee relationships. May also be referred to as Vendor or Supplier depending on the stage of the procurement.

1-215 Cooperative Purchasing

A Procurement conducted by, or on behalf of, more than one public procurement entity, including but not limited to any county, city, town and any other political subdivision of the state or public agency of any such subdivision, public authority, educational, health, or other institutions, such as the Texas Comptrollers Multiple Award Schedule Program (TxMAS), Texas Department of Information Resources (TxDIR), General Services Commission (GSA), BuyBoard, Omnia Partners or the Houston-Galveston Area Council (HGAC), Cooperative Purchasing Programs.

1-216 Debarment

The formal action by the LRGVDC to exclude a vendor, contractor, or individual from participating in future procurements or contracts for a specified period of time, due to serious misconduct, poor performance, fraud, violation of laws, or other integrity-related issues. Debarment is intended to protect the public interest by preventing entities that have demonstrated a lack of responsibility or ethics from receiving public funds. A debarred party is ineligible to submit bids or proposals, receive awards, or act as a subcontractor on government contracts during the debarment period. The LRGVDC uses SAM.gov and the Texas Comptrollers Debarred Vendors List to verify vendor debarment.

1-217 Designated Authorizing Party

Means the **Lower Rio Grande Valley Development Council** representative designated by the Lower Rio Grande Valley Development Council to authorize and approve purchases based upon dollar amount and internal organizational structure, i.e., Purchasing Agent or Procurement Officer.

1-218 Disadvantaged Business Enterprise (DBE)

A small for-profit business that is at least 51% owned, controlled, and operated by one or more socially and economically disadvantaged individuals. The business must be certified through an authorized DBE program, typically governed by the U.S. Department of Transportation (DOT) under 49 CFR Part 26. DBE programs are designed to ensure nondiscrimination and promote equal opportunity in federally funded transportation projects.

1-219 Emergency Procurement

A non-standard purchasing method used when urgent, unforeseen circumstances require the immediate acquisition of goods, services, or construction to protect public health, safety, welfare, property, or to prevent disruption of essential operations. Emergency procurements are typically exempt from normal competitive bidding procedures but must still follow documented justification, approval, and transparency requirements. This method is governed by agency-specific rules and, when federal funds are used, must also comply with 2 CFR § 200.320(c), which permits noncompetitive procurement in emergency situations. Poor planning does not constitute an emergency.

1-220 Equipment

Tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of $5,000.00 or more per unit. This definition is consistent with 2 CFR § 200.1 and applies to purchases made with federal, state, or local funds.

1-221 Evaluation Criteria

The predefined standards or factors used by the LRGVDC to assess, score, and compare bids or proposals submitted in response to a solicitation (such as an RFP, RFQ, or IFB). Evaluation criteria provide a structured framework for determining which offeror provides the best value or lowest responsive bid, depending on the procurement method. Criteria may include both quantitative factors (e.g., cost, delivery time) and qualitative factors (e.g., experience, technical approach, past performance). Evaluation criteria shall be clearly stated in the solicitation to ensure fairness, objectivity, and transparency in the selection process.

1-222 Federal financial assistance

Assistance provided by a federal agency in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations, but does not include direct federal cash assistance to individuals. It includes awards received directly from federal agencies, or indirectly through other units of state and local governments.

1-223 Formal Procurement

A structured purchasing process required when the estimated value of a contract exceeds small purchase / simplified acquisition threshold. Formal procurement requires the use of sealed bids (IFB) or competitive proposals (RFP), public advertisement, strict compliance with procurement regulations, and thorough documentation. The process ensures fairness, transparency, and full competition, and includes detailed evaluation, public openings, and formal award procedures.

1-224 Goods

Tangible, physical items that are purchased, rented, or leased by the LRGVDC support its operations, programs, or projects. Goods may include equipment, supplies, materials, products, or consumables, and can range from office furniture and IT hardware to construction materials and vehicles.

1-225 Grant" or "Grant-in-aid

An award of financial assistance, including cooperative agreements, in the form of money, property in lieu of money, or other financial assistance, paid or furnished by the state or federal government to any LRGVDC, person or other eligible grantee to support a program authorized by law that provides financial assistance through grant or contractual arrangements. It does not include an award whose primary purpose is to procure an end product, whether in the form of supplies, services or construction; a contract resulting from such an award is not a grant but a procurement contract. The term does not include technical assistance programs which provide services instead of money or other assistance in the form of general revenue sharing, loans, loan guarantees, insurance or contracts which are entered into and administered under procurement laws and regulations.

1-226 Historically Underutilized Business" ("HUB")

A for-profit business that is at least 51% owned, controlled, and actively managed by one or more individuals who are economically disadvantaged and who belong to one or more of the following groups: Black Americans, Hispanic Americans, Asian Pacific Americans, Native Americans, American Women, or Service-Disabled Veterans. The business must be headquartered in Texas and have a principal office located in the state, with the owner residing in Texas. HUBs are certified by the Texas Comptroller of Public Accounts to promote equitable participation in state procurement.

1-227 Informal Procurement

A simplified purchasing method used when the estimated value of a procurement falls below the formal procurement threshold, but above the micro-purchase threshold. Informal procurements require the solicitation of quotes from a minimum of 3 vendors but do not require sealed bids or public advertisement. This process is designed to promote efficiency while ensuring competition and cost reasonableness. It is commonly used for routine goods, services, or small projects, and must follow LRGVDC guidelines regarding documentation and vendor outreach. This method may also be known as a Small or Simplified Acquisition purchase.

1-228 Invitation for Bid (IFB)

A formal, competitive procurement method used when specifications for goods, services, or construction are clearly defined, and price is the primary determining factor in award. Bidders submit sealed bids, which are publicly opened at a specified time. The contract is awarded to the lowest responsive and responsible bidder who meets all the mandatory requirements. IFBs are commonly used for construction projects, commodities, and non-professional services, where negotiation is not permitted, and objective comparison is possible. This method ensures fairness, transparency, and price competitiveness.

1-229 Invitation to Bid (ITB)

Is often used interchangeably with **"Invitation for Bid (IFB)"**, though the exact term may vary depending on the agency or jurisdiction. Whether it's called an ITB or IFB, the structure and intent are the same: to procure based on a clearly defined scope and lowest cost that meets all mandatory requirements.

1-230 Micro Purchase

A procurement method for acquiring goods or services when the total value of the purchase is equal to or less than $1,000. Micro-purchases are exempt from competitive quotation requirements, but the price must be determined to be fair and reasonable, and purchases should be equitably distributed among qualified suppliers to the extent practicable. This method is intended to streamline the acquisition of low-dollar, routine items while maintaining basic accountability. All micro-purchases must still comply with internal controls, ethical standards, and applicable funding source restrictions.

1-231 Minority Business Enterprise (MBE)

A small business concern wherein at least 51% is owned or controlled in management and daily operations by women or minorities, including but not limited to, "blacks, Hispanics, Asian-Americans, American Indians and Alaska natives."

1-232 Modification

Refers to any written alteration in specifications, scope, delivery location, rate or period of delivery, performance period, quantities, or other substantive provisions of the contract, including associated price adjustments accomplished by mutual action of the parties to the contract.

1-233 Negotiated Procurement (a/k/a competitive proposal procurements)

A process similar to the competitive sealed bidding procurements except that offerors and the LRGVDC discuss or negotiate aspects of the proposal, such as price. Negotiations are held with all offerors in the competitive range based upon the evaluation factors set out in the RFP.

1-234 Offer

Is a formal proposal or commitment made by a vendor, bidder, proposer, or contractor in response to a solicitation (such as an Invitation for Bid [IFB], Request for Proposal [RFP], Request for Quote [RFQ]) or informal quote. An offer expresses the intent to enter into a binding contract with the procuring entity, under specified terms, pricing, and conditions, if accepted.

1-235 Offeror

Is a person, firm, or organization that submits a formal offer or proposal in response to a Request for Proposals (RFP), Request for Qualifications (RFQ), or other negotiated procurement method. The offeror presents terms, pricing, qualifications, and other requested information for consideration in the competitive evaluation and award process.

1-236 Open Purchase Order (PO)

The LRGVDC defines an Open PO as applicable only to on internal repair which is described as a repair to organization owned equipment where the extent of the work cannot be determined until the equipment is diagnosed or disassembled. Internal repairs are usually the result of an unexpected, basic service outage.

1-237 Person

Any business, individual, group of individuals, union, committee, club, organization, vendor, contractor or entity.

1-238 Procurement

The end-to-end process of buying, purchasing, renting, leasing or otherwise acquiring of any supplies, equipment or services. It also includes all activities that relate to obtaining any supplies, equipment or services, including but not limited to the description of requirements, selection and solicitation of sources, preparation and award of contracts, and all phases of contract administration.

1-239 Procurement Department

The organizational unit within an agency, entity, or business responsible for overseeing all purchasing activities, ensuring that goods, services, and construction are acquired legally, ethically, efficiently, and in accordance with applicable policies, laws, and regulations. This department manages solicitations, vendor relations, contract development, compliance monitoring, and records retention related to procurement. (Under the LRGVDC Business Operations Department)

1-240 Proposal

Is a formal, written offer from a vendor or supplier to the LRGVDC, outlining how they propose to meet the buyer's specific needs for goods or services.

1-241 Professional Services

Services that require specialized knowledge, expertise, certification, or licensing and are typically performed by individuals or firms in recognized professions. These services are often governed by state law and involve tasks that rely heavily on intellectual judgment, training, or discretion, rather than standardized, manual, or routine work. Common examples include legal, accounting, architectural, engineering, medical, financial advisory, and consulting services. Professional services must be procured using a qualifications-based selection (QBS) process rather than through competitive bidding. Pertinent to Texas Government Code § 2254 and 2 CFR 200.320(b)(2)(iv).

1-242 Protest

A formal written objection raised by a bidder, proposer, or other interested party challenging some aspect of the procurement process, such as the solicitation terms, bid evaluation, or contract award decision. A protest must typically be filed within a specified time frame and in accordance with the procedures outlined in the LRGVDCs Procurement Dispute Resolution Policy. Protests aim to ensure fairness, transparency, and compliance with applicable laws and policies.

1-243 Purchase Instrument

Any official, authorized document used to initiate, commit, or obligate funds for the acquisition of goods, services, or construction on behalf of the organization. A purchase instrument serves as a binding agreement between the organization and a vendor and may include, but is not limited to, a purchase order (PO), contract, agreement, task order, blanket order, or cooperative contract reference. Purchase instruments must comply with applicable procurement procedures, funding restrictions, and approval requirements before execution.

1-244 Purchase Order

A document issued by the LRGVDC committing to purchase specific goods or services at agreed prices and terms. It becomes a binding contract upon acceptance.

1-245 Qualifications Based Selection (QBS)

A procurement method used to select professional service providers—particularly for architectural and engineering (A/E) services—based solely on qualifications, experience, and technical expertise. Under QBS, price is not considered during the evaluation or selection phase. Once the most qualified firm is identified, the contracting agency negotiates a fair and reasonable fee. QBS is mandated by the federal Brooks Act (40 U.S.C. § 1101–1104) and incorporated into 2 CFR § 200.320(b)(2)(iv) for federally funded projects. Texas, also require QBS for professional services under laws such as Texas Government Code § 2254.004.

1-246 Quote

A supplier's or vendor's formal offer to provide specified goods or services at a stated price and under defined terms and conditions. A quote is typically submitted in response to an informal solicitation, such as a Request for Quote (RFQ), and is used in micro-purchases or informal procurement processes where sealed bidding is not required. Quotes are obtained in writing or electronically and are usually non-binding until accepted by the purchasing entity through a purchase order or contract. Quotes must be clear, complete, and include pricing, delivery, and other key terms.

1-247 Request for Information (RFI)

A pre-solicitation tool used by a procuring agency to gather market research, industry input, or vendor capabilities before issuing a formal solicitation such as a Request for Proposal (RFP) or Invitation for Bid (IFB). An RFI is non-binding and does not result in a contract. Its purpose is to help the agency better understand available solutions, refine specifications, explore industry trends, or assess vendor interest. Responses to an RFI may inform the development of future procurement strategies but cannot be used to award a contract.

1-248 Request for Proposal (RFP)

A formal solicitation method used to obtain competitive proposals for goods, services, or solutions—especially when factors beyond price, such as technical approach, qualifications, and value-added benefits, must be considered. The RFP process allows for evaluation based on best value rather than lowest cost alone. Proposals are typically evaluated using a weighted scoring system that may include price, experience, methodology, timeline, and other criteria. RFPs are used when the scope is complex, outcomes are not fully defined, or the agency seeks innovative approaches to meet its needs.

1-249 Request for Qualifications (RFQ)

A procurement method used to identify and prequalify firms or individuals based on their qualifications, experience, and technical competence before inviting proposals or bids. An RFQ does not request pricing but rather focuses on the expertise and capacity of respondents. It is commonly used for professional services (e.g., architecture, engineering) where selection is based on qualifications in accordance with statutes like Texas Government Code § 2254. After qualifications, shortlisted firms may be invited to submit full proposals or negotiate pricing. (Not to be confused with Request for Quotes.)

1-250 Request for Quotes (also known as RFQ)

A procurement method used to solicit price quotations for clearly defined goods or services. RFQs are typically used for informal or simplified purchases where the scope, specifications, and terms are well known and consistent among vendors. The RFQ process emphasizes cost comparison and may be conducted via phone, email, or electronic procurement systems. Selection is generally based on the lowest responsive quote that meets all required specifications. Unlike RFPs or RFQs (qualifications-based), RFQs focus on pricing rather than qualifications or methodology.

1-251 Responsibility

Means that the bidder or offeror has the capability, in all respects, including financial, to fully perform the contract requirements, as well as integrity and reliability, which will assure good faith performance. May also be referred to as Responsible Bidder.

1-252 Responsiveness

A measure of whether a bidder's or offeror’s submission complies with all material requirements of a solicitation. A responsive bid or proposal is one that meets the mandatory specifications, terms, conditions, and submission deadlines outlined in the solicitation document. Responsiveness is evaluated objectively and procedurally, without considering the bidder’s capability (which relates to responsibility). A bid that fails to include required forms, omits pricing, or proposes deviations from required technical specifications is considered non-responsive and must be rejected from further consideration.

1-253 Regional Planning Commission (RPC)

Means the LRGVDC created under Chapter 391 of the Texas Local Government Code as a political subdivision of the State of Texas.

1-254 Services

The furnishing of labor, time or effort by a contractor, not involving the delivery of a specific, tangible end product other than reports which are merely incidental to the required performance. The term shall not include employment agreements or collective bargaining agreements.

1-255 Small Business Enterprise

A business concern, including affiliates, which is independently owned and operated and which is not dominant in its field of operation, and meets the size standard requirements of 13 CFR Part 121.

1-256 Small Purchase

A procurement method used for acquiring goods, services, or construction when the total value of the contract is greater than the micro-purchase threshold but does not exceed $50,000. Small purchases fall under the category of informal procurement and require competitive quotes from a minimum of 3 qualified vendors—typically at least three, including outreach to certified HUBs or DBEs when applicable. This method allows for a simplified process that still ensures competition, fairness, and price reasonableness. Documentation of the solicitation, vendor selection, and price comparisons is required.

1-257 Specifications

Any description of the physical or functional characteristics, or the nature of a supply, service or construction item. It must include a description of any requirement for inspecting, testing or preparing a supply, service or construction item for delivery and constitutes the total description of the purchase.

1-258 Sole Source

A noncompetitive procurement method used when only one vendor or provider is capable of supplying the required goods, services, or construction due to unique qualifications, proprietary technology, exclusive rights, or market conditions. In a sole source situation, competition is not feasible, and the contract is awarded without a competitive bidding process. Sole source procurements require written justification, approval, and documentation, and are generally reserved for exceptional circumstances. When federal funds are used, sole source purchases must meet the criteria under 2 CFR § 200.320(c).

1-259 Solicitation

A formal process used by a purchasing entity to request bids, proposals, or quotations from vendors or service providers generally via a publicly posted notice.

1-260 Sub-grant

An award of financial assistance in the form of money, or property in lieu of money, made under a grant by a grantee to an eligible sub- grantee. The term includes financial assistance when provided by contract, but does not include procurements or any form of assistance, which is excluded from the definition of "grant" in this section.

1-261 Sub-recipient

Any entity that receives federal assistance passed through from a prime recipient or another sub-recipient to carry out or administer a program.

1-262 Supplier

A business or individual that provides goods, materials, equipment, or inventory to the LRGVDC, either through direct sale or under a procurement contract or agreement. Suppliers are a type of vendor, but the term is typically used to refer more specifically to entities that manufacture, distribute, or deliver physical products rather than services. A supplier may be contracted directly or serve as a subcontractor to a prime vendor. Suppliers must meet quality, delivery, and compliance standards and may be required to register in approved vendor or supply systems.

1-263 Supplies

Supplies are all tangible personal property other than equipment. Under federal guidelines (2 CFR § 200.1), an item is classified as a supply if it Has a per-unit acquisition cost of less than \$5,000, or Falls below the organization's established equipment capitalization threshold, if lower than \$5,000. Supplies may include consumables, minor tools, office products, and other expendable items used in daily operations or program delivery.

1-264 Total Contract Value

The total financial commitment of a contract. This is the sum of all costs, fees, and other considerations to be paid or received over the life of a contract. This includes:

1) Base Contract Amount
2) All Option Years
3) Renewals / Extensions
4) One-Time Fees
5) Recurring Charges (monthly, annually)
6) Any Amendments or Add-ons
7) Contingent costs, if they're reasonably expected (e.g., performance bonuses, usage-based charges)

1-265 Vendor

A business, individual, or organization that offers to sell or provide goods, services, or construction to the LRGVDC. A vendor may become a contractor if awarded a procurement contract or agreement. Vendors may be involved at various stages of procurement, including quoting, bidding, or responding to solicitations such as RFQs, IFBs, or RFPs. The term "vendor" is often used broadly to refer to all potential or actual suppliers participating in a procurement process, regardless of whether a formal contract has been awarded.

1-266 Women-Owned Business

A small business concern wherein at least 51 percent of the small business concern is owned by one or more women, or in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women and the management and daily business operations of the small business concern are controlled by one or more women.

1-267 Written Procurement History

A comprehensive, documented record of all key steps, decisions, and actions taken during the procurement process for a specific purchase, contract, or project. This history serves as the official audit trail demonstrating compliance with applicable procurement laws, funding source requirements (such as 2 CFR § 200.318(i)), and internal policies. It supports transparency, accountability, and risk management throughout the procurement lifecycle.

ARTICLE II
ORGANIZATIONAL AUTHORITY AND RESPONSIBILITES

PART A: ORGANIZATION

2-101 Executive Committee or Board of Directors

1) All purchases exceeding $25,000 must be approved by the Board of Directors or Executive Committee.
    a) An award recommendation must be presented to the Board of Director to be able to provide an approval.
    b) The action item recommendation must include the following:
        i) The Procurement Process used.
        ii) The vendor to be awarded.
        iii) The award amount.
        iv) Indicate if it is a contract, agreement, interlocal or single purchase.
2) **Rio Grande Valley Communications District 911 Board of Managers Approval** Any purchases in the amount of $100,000 and higher will require approval from the RGVCD 911 District Board of Managers.

2-102 Executive Director or Chief Financial Officer

1) Shall be responsible for the implementation and oversight of these procurement policies, ensuring compliance with applicable federal, state, and local laws, including but not limited to 2 CFR §§ 200.318–200.327 and the Texas Government Code.
2) Shall review and approve proposed procurement actions to ensure purchases are necessary, non-duplicative, and aligned with the organization's objectives and budget.
3) Shall evaluate lease versus purchase alternatives and assess other procurement options to ensure selection of the best value approach, consistent with 2 CFR § 200.318(d).
4) Shall have delegated authority to approve individual purchases or contract commitments in amounts greater than $2,500 and less than $24,999, provided that such purchases follow required procurement procedures and documentation standards.
5) Shall ensure internal controls are in place and functioning effectively to support procurement integrity and reduce risk, in accordance with 2 CFR § 200.303.
6) Shall work in coordination with the Procurement Officer to monitor organizational compliance and implement any corrective actions, training, or procedural updates as needed.

2-103 Procurement Officer or Purchasing Agent

1) The Purchasing Agent or Procurement Officer shall be responsible for overseeing and administering the organization's procurement activities in accordance with applicable local, state, and federal regulations. Additionally ensures that all purchases are made legally, ethically, efficiently, and in support of the organization's operational and programmatic needs.

2) Shall be responsible for:
    a) Processing procurement requests submitted by departments and programs in a timely manner.
    b) Classification of purchases based on type (goods, services, professional services, capital items).
    c) Identification, solicitation and selection of vendors or contractors in accordance with approved procurement procedures and applicable thresholds.
    d) Maintaining and updating the Bidders' List including outreach to HUBs, DBEs, and other qualified suppliers to ensure competition and inclusivity.
    e) Negotiating and executing purchase orders and contracts, ensuring accuracy, clarity of scope, and compliance with legal and policy requirements.
    f) Monitoring the terms and conditions of the purchase orders and contracts.
    g) Ensuring the complete and accurate documentation of each procurement transaction in compliance with 2 CFR § 200.318(i), Texas Government Code, and audit standards.
    h) Maintaining all procurement files and records in accordance with organizational policies and applicable state and federal retention schedules (e.g., 2 CFR § 200.334).
    i) Ensuring that all procurement actions are conducted in accordance with applicable federal, state, and local laws, including but not limited to 2 CFR Part 200, Texas Government Code, and the organization's procurement policies;
    j) Identifying and avoiding potential conflicts of interest, and ensuring compliance with ethical standards and procurement integrity;
    k) Performing any and all other procurement-related responsibilities or duties as may be assigned by the Executive Director or Executive Committee, in alignment with the organization’s mission, compliance obligations, and operational needs.
3) Shall have delegated authority to approve individual purchases or contract commitments in amounts totaling less than $2,500, provided that such purchases follow required procurement procedures and documentation standards.
4) For purchases exceeding $2,499.99, the Purchasing Agent shall ensure appropriate approvals are obtained in accordance with the organization’s delegation of authority and procurement thresholds.
5) Providing procurement guidance, training, and technical assistance to internal staff to ensure proper requisitioning and compliance with procurement procedures.
6) Shall monitor departments and programs for procurement-related risks, including noncompliance with procurement policies, contract mismanagement, or improper purchasing practices; and providing guidance or corrective action recommendations as necessary to ensure fiscal integrity and regulatory compliance.

2-104 Department/Program Responsibilities

1) Each Department or Program shall be responsible for initiating procurement requests in support of operational and programmatic needs, ensuring that such requests are consistent with the approved budget, funding source requirements, and organizational priorities.

2) Departments or Programs shall:
   a) Prepare and submit requisitions to the Procurement Officer in a timely and complete manner, including a clearly defined scope of work, technical specifications, and any supporting justification.

   b) Verify the availability of budgeted funds for all requested purchases and coordinate with the Finance Department to confirm funding eligibility, particularly for grant-funded expenditures.

   c) Avoid duplicative or unnecessary purchases, consistent with 2 CFR § 200.318(d), by assessing existing resources and coordinating with other departments when appropriate.

   d) Provide accurate and complete supporting documentation to the Procurement Officer, including any required approvals, cost estimates, or vendor information, in compliance with Texas Government Code Chapter 2155 and Local Government Code Chapter 252.

   e) Ensure timely review and participation in the development of procurement documents, including specifications, scopes of work, and evaluation criteria, as requested by the Procurement Officer.

   f) Monitor the performance of contractors, vendors, and service providers in coordination with the Procurement Officer to ensure delivery of goods and services meets the requirements of the contract or purchase order.

   g) Notify the Procurement Officer promptly of any deficiencies, disputes, or performance issues with vendors to allow timely resolution and documentation.

3) Departments or Programs shall not obligate the organization to any purchase or contractual commitment without proper approval and delegation of authority.

   a) Unauthorized commitments shall be subject to corrective action and may require ratification by the Executive Director, Chief Financial Officer, or Board of Directors/Executive Committee.

   b) Employees who engage in unauthorized procurements may be subject to disciplinary action in accordance with organizational policies.

   c) Any violations of procurement authority or unauthorized commitments shall be reported and documented in the LRGVDC Risk Assessment Report to support organizational accountability and oversight.

4) Departments or Programs shall retain responsibility for maintaining copies of all procurement-related communications, justifications, and approvals within their internal records, while ensuring that the official procurement file is maintained by the Procurement Officer.

5) Departments or Programs shall participate in procurement-related training and comply with organizational procedures, internal controls, and ethical standards, including avoiding conflicts of interest as required under 2 CFR § 200.318(c)(1).

6) Departments or Programs shall provide periodic reports to the Procurement Officer to support accountability, transparency, and organizational planning.

    a) At a minimum, Departments or Programs shall submit quarterly reports summarizing planned procurements, contract monitoring activities, and any issues or risks related to vendor performance.

    b) Reports shall be used by the Procurement Officer to assess compliance, identify potential risks, and recommend corrective or preventive actions as needed.

    c) Failure to provide timely and accurate reports may result in corrective action, escalation to the Executive Director or Chief Financial Officer, and documentation of the issue in the LRGVDC Risk Assessment Report.

2-105 Finance Department Responsibilities

1) The Finance Department shall be responsible for ensuring that all procurement activities are financially sound, properly funded, and compliant with applicable state, federal, and local regulations. The Finance Department shall provide fiscal oversight to support the integrity and accountability of the procurement process.

2) The Finance Department shall:

    a) Verify the availability of budgeted funds for all requested purchases prior to approval.

    b) Confirm that purchases are allowable, allocable, and reasonable in accordance with federal cost principles under 2 CFR Part 200, Subpart E, and any specific grant or funding source restrictions.

    c) Ensure that financial coding, account numbers, and cost allocations are accurately applied to each procurement transaction.

    d) Review and certify compliance with applicable match, cost-sharing, or funding restrictions required under grants or contracts.

    e) Coordinate with Departments, Programs, and the Procurement Officer to resolve funding eligibility issues prior to initiating or approving a procurement action.

    f) Maintain accurate financial records related to procurements, ensuring that expenditures are properly documented, reconciled, and available for audit.

    g) Monitor contract expenditures against budget authority and notify Departments, Programs, and the Procurement Officer if expenditures are projected to exceed authorized limits.

    h) Provide periodic financial reports on procurement activity, including expenditure tracking, budget variances, and funding compliance, to the Executive Director and Board of Directors/Executive Committee as required.

3) The Finance Department shall not authorize or process payment for any purchase or contract that lacks required approvals, adequate documentation, or available funding.
    a) Payments processed without proper documentation or authorization shall be considered violations of procurement and financial control requirements.
    b) Any such violations shall be reported and documented in the LRGVDC Risk Assessment Report.
4) The Finance Department shall support organizational training and technical assistance related to fiscal compliance, cost allowability, and financial management of procurement activities.
5) The Finance Department shall coordinate with the Procurement Officer and Executive Director to develop, monitor, and update financial controls, ensuring compliance with 2 CFR § 200.303, Texas Government Code Chapter 2256 (Public Funds Investment Act), and applicable state and federal fiscal requirements.

ARTICLE III
GENERAL PROCURMENT POLICIES

The purpose of this Article is to establish the general procurement policies of the Lower Rio Grande Valley Development Council (LRGVDC). These policies provide direction for recurring or specialized transactions not otherwise addressed in other Articles, ensuring that all procurement activities are conducted in compliance with applicable federal and state requirements, including 2 CFR Part 200, the Texas Grant Management Standards (TxGMS), the State of Texas Procurement and Contract Management Guide, and Texas Government Code Chapters 2155, 2157, and 2254, as applicable. These provisions are designed to promote consistency, accountability, and transparency in the daily procurement practices of LRGVDC.

PART A: SPECIALISED PURCHASE TYPES

3-101 Registration Fees for Events and Trainings

The purchase of registration fees for conferences, workshops, seminars, or trainings may be processed as a sole source transaction when it is determined that the registration is available only from the sponsoring entity. Because such registrations are unique to the event and not subject to competition, they are classified as proprietary purchases under Tex. Gov't Code § 2155.067.

1) **Authorization and Self-Certification**
   Department staff must be authorized in advance to attend such events. For this type of procurements, staff may self-certify these purchases as sole source transactions, provided that sufficient justification is submitted demonstrating both the necessity of attendance and the benefit to the agency. Requests that lack adequate justification may be subject to cancellation.

2) **Procurement Department Verification**
   The Procurement Department shall verify the accuracy of justifications submitted request additional documentation if necessary, as required by Tex. Gov't Code § 2155.067 and 2 CFR § 200.303. Staff submitting inaccurate or misleading justifications may be held accountable through corrective or disciplinary action.

3) **Compliance and Accountability**
   Registration fees must also be consistent with applicable funding source requirements and allowable cost principles under 2 CFR § 200.423 (Conferences). If funded by a grant, prior approval may be required by the awarding agency.

3-102 Registrations for Vehicles, Buildings, and Certifications

The purchase of registrations, licenses, or certifications required for vehicles, buildings, equipment, or other assets necessary for the operation of LRGVDC shall be considered mandatory regulatory expenditures. These transactions are not competitively procured, as they are required by law or regulation and are only available from designated governmental authorities or certifying entities.

1) **Self-Certification by Departments**
For these types of procurements, departments may self-certify such purchases as sole source transactions by documenting the legal or regulatory requirement and the benefit to LRGVDC. Departments submitting incomplete or misleading certifications may be held accountable through corrective or disciplinary action.

2) **Procurement Department Verification**
Procurement shall verify the accuracy of such justifications, and any request lacking sufficient documentation may be delayed or denied, as required by Tex. Gov't Code § 2155.067 and 2 CFR § 200.303.

3) **Compliance and Accountability**
These purchases are exempt from competitive bidding under Tex. Gov't Code § 2155.063, which requires competition whenever possible but recognizes that certain purchases mandated by statute or regulation are exempt. Costs must remain allowable, allocable, and reasonable under federal requirements, including 2 CFR § 200.403.

3-103 Memberships and Subscriptions

The purchase of professional memberships, subscriptions, or dues may be permitted when the expense provides a direct benefit to LRGVDC and supports the mission of the agency. Memberships must be held in the name of LRGVDC whenever possible, rather than in the name of an individual employee, unless the membership is non-transferable and directly related to the employee's official duties.

1) **Authorization**
Such purchases require prior approval by department management and verification by the Procurement Department that the expenditure is allowable under the funding source. Memberships and subscriptions are allowable only when they serve a public purpose and are consistent with Tex. Gov't Code § 2113.104, which permits state agencies to expend funds for professional associations when such participation furthers the statutory duties of the agency.

2) **Self-Certification by Departments**
For these types of procurements, departments may self-certify such purchases as sole source transactions by documenting the legal or regulatory requirement and the benefit to LRGVDC. Departments submitting incomplete or misleading certifications may be held accountable through corrective or disciplinary action.

3) **Procurement Verification**
Procurement shall verify the accuracy of such justifications, and any request lacking sufficient documentation may be delayed or denied, as required by Tex. Gov't Code § 2155.067 and 2 CFR § 200.303.

4) **Compliance and Accountability**
For federal funding sources, the cost of memberships in business, technical, or professional organizations is allowable under 2 CFR § 200.454, provided the expense is necessary to carry out a grant program. All justifications and approvals shall be documented in the procurement file.

3-104 Direct Purchase of Publications and Reference Materials

The direct purchase of publications, periodicals, journals, books, software manuals, and other reference materials may be processed when such items are only available from the publisher or authorized distributor. These purchases are generally proprietary in nature and may be classified as sole source under Tex. Gov't Code § 2155.067.

1) **Self-Certification by Departments**
   Departments may self-certify these purchases as sole source transactions, provided they document the necessity of the publication or material for agency operations, research, or compliance. Renewals, such as journal or periodical subscriptions, must follow the same process as the original purchase and include justification of the continued benefit to LRGVDC. Departments or staff submitting inaccurate or misleading certifications may be held accountable through corrective or disciplinary action.

2) **Procurement Verification**
   The Procurement Office shall verify the accuracy of justifications and request additional documentation if necessary as required by Tex. Gov't Code § 2155.067 and 2 CFR § 200.303. Any requests lacking sufficient justification may be subject to cancellation.

3) **Compliance and Accountability**
   Costs for publications and reference materials must be allowable under funding source requirements, including 2 CFR § 200.454(c) (cost of books and periodicals). Documentation of justification and approval must be maintained in the procurement file.

3-105 Purchases Involving Core Charges and Exchange

Certain purchases, such as automotive or equipment parts, may involve a core charge where the vendor requires the return of an old component in exchange for credit toward the purchase of a new part. Departments must indicate on the **Purchase Requisition Form** whether the purchase involves a core charge, regardless of whether the charge is waived or applied. This ensures the Procurement Department and Finance are aware of potential vendor requirements from the outset.

1) **LRGVDC Core Charge Return and Finalization Form**
   For all purchases involving a core, the department must complete and submit the LRGVDC Core Charge Return and Finalization Form once a purchase order (PO) number has been issued. This requirement applies whether the vendor charges the core upfront or waives it initially but reserves the right to bill if the core is not returned within the specified timeframe. The department is accountable for ensuring that the entire process is carried through to completion.

2) **The process shall follow these steps:**
   a) **Requisition Stage** – Department identifies on the Purchase Requisition if the purchase has a core requirement, whether charged or waived.
   b) **Form Submission** – After the PO number is issued, the department completes and signs the Core Charge Return and Finalization Form and submits it to both Procurement and Finance.
   c) **Procurement Verification** – Procurement reviews the form, verifies the information, signs it, and forwards the form to Finance, with the originating department copied on the communication.

d) **Coordination with Finance** – The department coordinates directly with Finance regarding the payment or credit recovery of the core charge, ensuring Procurement is copied on all communications.

e) **Finalization** – Once the core item is returned to the vendor, Finance verifies that credit has been issued or is pending, signs the form, updates financial records, and finalizes the purchase file.

3) **Compliance**

Failure by a department to complete and submit the required form, return the core within the vendor's timeframe, or coordinate finalization with Finance may result in loss of credit and accountability measures for the responsible staff.

3-106 Brand Name or Proprietary Purchases

LRGVDC recognizes that certain procurements may require the purchase of a specific brand name, model, or proprietary product when no other product or service is reasonably interchangeable. Such purchases are considered proprietary under Tex. Gov't Code § 2155.067 and must be supported by written justification approved through the Procurement Department.

1) **Restrictions on Departmental Requests**

Departments may not requisition items solely on the basis of brand preference, nor may they draft specifications intended to restrict competition to a single brand. Brand name or proprietary purchases shall only be permitted when a specific product is required to meet programmatic or operational needs and no equivalent alternatives are available.

2) **Justification and Approval Process**

Proprietary purchases shall not be self-certified by departments. Instead, the requesting department must submit justification directly to the Procurement Officer. Upon review and validation, the Procurement Department will issue an Official LRGVDC Sole Source Form to serve as the written justification. Vendor-provided sole source letters or assertions shall not, by themselves, be accepted as justification.

3) **Procurement Department Validation**

The Procurement Department is responsible for validating that no reasonable alternatives exist, and for ensuring that the justification meets the requirements of Tex. Gov't Code § 2155.067 and 2 CFR § 200.320(c) (noncompetitive procurement). Proprietary purchase files must include the validated Sole Source Form and any supporting documentation.

4) **Noncompliance and Accountability**

Any attempt to requisition products based solely on preference, or to submit unsupported sole source claims, may result in cancellation of the request and accountability measures for the responsible staff.

3-107 Event Meals and Catering

The purchase of meals and catering services is permitted when directly related to the conduct of official LRGVDC programs, events, or training activities, and when such expenditures are allowable under the applicable funding source.

1) **Procurement Method**
Event meals and catering services shall be procured in accordance with applicable procurement thresholds. Informal quotations may be used when within delegated authority; however, competitive solicitation shall be required when thresholds are exceeded.

2) **Justification and Documentation**
Departments must provide justification demonstrating that the purchase of meals or catering is necessary to achieve programmatic or operational objectives. Documentation shall include, at a minimum: the purpose of the event, an agenda, a list of attendees, and confirmation that the expenditure is allowable under the funding source.

3) **Procurement Department Verification**
The Procurement Department shall review the justification to ensure compliance with state and federal requirements. Costs not supported by sufficient documentation may be denied.

4) **Allowable and Unallowable Costs**
Event meals and catering are allowable only when consistent with Tex. Gov't Code § 2113.101 and 2 CFR § 200.432. Allowable costs may include:

   a) Meals served at official conferences or training events where the primary purpose is the dissemination of technical information.
   b) Catering services necessary to support official LRGVDC program activities or events.

Unallowable costs include, but are not limited to:

   a) Alcoholic beverages (2 CFR § 200.423).
   b) Entertainment or social activities not directly tied to programmatic objectives (2 CFR § 200.438).
   c) Meals purchased solely for the convenience of staff or participants
   d) The absent of documented programmatic purpose.

5) **Compliance and Accountability**
Event meals and catering requests must demonstrate compliance with all federal and state requirements. Departments or staff who submit unsupported or unallowable requests may be subject to corrective or disciplinary action.

3-108 Repair and Replacement (OEM) Parts

LRGVDC may from time to time require the purchase of parts and components to maintain vehicles, equipment, or other assets.

1) **Procurement Method**
Departments must seek competition whenever possible and are required to consider multiple vendors offering parts that meet or exceed original equipment manufacturer (OEM) specifications. The use of OEM-branded parts shall not be treated as proprietary unless the warranty or service agreement for the equipment explicitly requires OEM parts.

2) **Department Responsibilities**
Departments must provide justification when requesting OEM-branded parts, including documentation showing that the use of non-OEM parts would void warranty coverage or otherwise impair the performance or safety of the equipment.

3) **Procurement and Finance Verification**
The Procurement Department will verify that appropriate competition was sought and that any OEM-only requests are adequately supported. Finance will confirm that the purchase is allowable under the applicable funding source.

4) **Compliance Requirements**
Purchases of repair and replacement parts must reflect best value under Tex. Gov't Code § 2155.074 and meet the federal cost allowability standards of 2 CFR § 200.403. When applicable, all purchases must also comply with the requirements of the Texas Department of Transportation (TxDOT) and the Federal Transit Administration (FTA), including documentation of competitive procurement and warranty conditions under FTA Circular 4220.1F.

For vehicle and equipment parts, the LRGVDC shall have the view that:

a) TxDOT expects grantees to consider multiple vendors unless the warranty or service agreement requires OEM parts.

b) The FTA Best Practices Procurement Manual (BPPM) advises agencies to seek competitive sources for aftermarket parts unless OEM-only parts are needed to maintain warranties, safety, or system compatibility.

5) **Accountability**
Departments that requisition OEM parts without justification or that fail to consider competitive alternatives may have requests denied, and staff may be subject to corrective or disciplinary action.

3-109 Fuel, Oil, and Grease Products

LRGVDC routinely requires the purchase of fuel, oil, lubricants, and related consumables necessary for the operation of its vehicles and equipment.

1) **Procurement Method**
These purchases shall be conducted in accordance with applicable procurement thresholds. Where available, statewide cooperative contracts, government fuel programs, or interlocal agreements should be used to ensure competitive pricing and efficiency. For open-market purchases, departments must obtain informal quotes or follow competitive bidding requirements consistent with applicable dollar thresholds.

a) **Bulk Fuel / Indexed Pricing**
Bulk fuel purchases and fuel supply contracts may be competitively procured using indexed pricing agreements tied to published market indicators (e.g., Oil Price Information Service or equivalent benchmarks). Such agreements must establish clear terms for delivery, pricing adjustments, and invoicing to ensure transparency and compliance with grantor requirements.

2) **Department Responsibilities**
Departments are responsible for ensuring that fuel and lubricant purchases are operationally necessary and appropriately documented. Usage must be tracked to specific vehicles or equipment, and consumption records must be maintained for review. Departments must monitor vendor performance under bulk fuel contracts to ensure deliveries and invoicing are consistent with contract terms.

3) **Procurement and Finance Verification**
The Procurement Department will review requisitions and bulk fuel contracts to confirm compliance with procurement requirements, while Finance will verify allowability under the applicable funding source. For indexed pricing contracts, Procurement and Finance must jointly confirm that invoices are consistent with the agreed index and formula.

4) **Compliance Requirements**
Fuel, oil, and lubricant purchases must reflect best value consistent with Tex. Gov't Code § 2155.074, be reasonable and allocable under 2 CFR § 200.403, and comply with all funding source requirements. For TxDOT- or FTA-funded vehicles, fuel and lubricant purchases must also comply with federal and state grant terms, including the requirements of FTA Circular 4220.1F and applicable TxDOT guidance on fuel procurement.

For Oils and lubricants, the LRGVDC shall have the view that:

a) The Texas Department of Transpiration (TxDOT) expects grantees to consider multiple vendors unless the warranty or service agreement requires OEM parts.
b) The FTA Best Practices Procurement Manual (BPPM) advises agencies to seek competitive sources for aftermarket parts unless OEM-only parts are needed to maintain warranties, safety, or system compatibility.

Accordingly, LRGVDC will not treat OEM-recommended oils and lubricants as proprietary unless required by warranty or safety considerations, and any such purchases shall be supported by written justification and approved through the Procurement Department.

5) **Accountability**
Departments failing to document, track, or reconcile fuel and lubricant purchases appropriately may have requests denied, and staff may be subject to corrective or disciplinary action.

3-110 Technology and Automated Information Systems (AIS/DIR Contracts)
The procurement of technology, automated information systems (AIS), and related services by LRGVDC must comply with applicable state and federal requirements to ensure transparency, competition, and accountability.

1) **Procurement Method**
When procuring technology-related goods or services, LRGVDC shall utilize contracts available through the Texas Department of Information Resources (DIR) whenever feasible, in accordance with Tex. Gov't Code § 2157.006. DIR contracts may be used to acquire hardware, software, cloud services, IT security, telecommunications, and other technology services.

a) If a required technology product or service is not available through a DIR contract, LRGVDC may procure the item using competitive procurement methods consistent with established thresholds and federal grant requirements. Documentation must be maintained showing that DIR contracts were reviewed and deemed unavailable or unsuitable before alternative procurement methods were used.

2) **Cybersecurity Training Certification**
In accordance with Tex. Gov't Code § 2054.5191, all contractors, subcontractors, or vendors who require access to LRGVDC information systems, networks, or data must complete a cybersecurity training program certified by the Texas Department of Information Resources (DIR).

a) Departments must identify, at the requisition stage, and inform the Procurement Department whether a vendor will require system or data access. When applicable, Procurement shall insure that the solicitation and resulting contract shall include a cybersecurity training requirement. Vendors must provide proof of completion of DIR-certified training prior to being granted access or receiving payment.

3) **Responsibilities**
Departments must coordinate with the Procurement Department before initiating technology purchases to confirm compatibility, security, and compliance. Procurement shall be responsible for ensuring vendor-provided proof of cybersecurity training is obtained and submitted as part of the procurement record. The Procurement Department will verify that solicitations, requisitions, and contracts include DIR contract review and cybersecurity requirements. Finance will ensure that no payments are made to vendors lacking required cybersecurity training documentation.

4) **Compliance Requirements**
Technology and AIS purchases must:

a) Follow Tex. Gov't Code § 2157.006 regarding use of DIR contracts.

b) Comply with Tex. Gov't Code § 2054.5191 on cybersecurity training requirements.

c) Follow federal procurement standards in 2 CFR §§ 200.318–200.320 and cost allowability under 2 CFR § 200.404.

d) For federally funded technology purchases, adhere to FTA Circular 4220.1F and grantor-specific guidelines.

3-111 Travel Services and Lodging

The procurement of travel services and lodging by LRGVDC shall be conducted in a manner that ensures fiscal responsibility, compliance with funding source requirements, and adherence to applicable state and federal travel regulations.

1) **Procurement Method**
   Travel services, including air transportation, lodging, and related accommodations, must be obtained in accordance with LRGVDC's approved travel policy and applicable procurement thresholds. When practicable, travel arrangements shall utilize state-contracted rates or cooperative purchasing programs available through the State Travel Management Program (STMP) administered by the Texas Comptroller of Public Accounts, in accordance with Tex. Gov't Code Chapter 2171.

   If the most economical arrangements cannot be obtained through the STMP program currently enrolled by LRGVDC, travelers may use informal procurement methods. In such cases, the traveler must obtain and document at least three (3) competitive quotes from other reputable travel or lodging sources demonstrating that the chosen option provides the best value to the agency.

   Departments must document the business purpose of each travel activity and ensure that travel costs are limited to the most economical and reasonable options available. Direct reimbursement to employees shall be consistent with LRGVDC's travel reimbursement policies.

2) **Department Responsibilities**
   Departments are responsible for confirming that all travel and lodging expenditures are necessary, reasonable, and directly related to official LRGVDC business or programmatic activities. Proper authorization, in accordance with the LRGVDC Travel Policy, must be granted before a traveler may request or submit a travel requisition. For grant-funded travel, departments must ensure that travel costs are allowable under the terms of the funding agreement and consistent with 2 CFR § 200.475 (Travel Costs).

3) **Procurement and Finance Verification**
   The Procurement Department will review travel-related requisitions and purchase requests to ensure compliance with procurement thresholds, quote documentation, and competitive practices. Finance shall verify allowability under the applicable funding source and confirm that per diem rates, lodging costs, and other reimbursements comply with LRGVDC policy and funding source restrictions.

4) **Compliance Requirements**
   Travel and lodging purchases must comply with:

   a) Tex. Gov't Code Chapter 2171 (State Travel Management Program);

   b) CFR § 200.475 (Travel Costs) and related Uniform Guidance cost principles;

   c) Applicable grant or contract requirements that establish travel limitations or prior approval conditions; and

   d) LRGVDC's internal Travel Policy, as amended.

   Alcoholic beverages and entertainment costs are strictly unallowable under 2 CFR § 200.423 and § 200.438.

5) **Accountability**
Departments or staff that authorize, incur, or reimburse unallowable travel costs, fail to comply with established travel approval procedures, or violate funding source travel restrictions may be subject to corrective or disciplinary action

3-112 Environmentally Preferable and Recycled Products Procurement
LRGVDC supports environmentally responsible purchasing practices and shall, whenever feasible, procure products that are energy-efficient, recycled, or environmentally preferable, consistent with Tex. Gov't Code § 2155.445 and 2 CFR § 200.323.

Departments should consider recycled or sustainable materials when such products meet operational needs, are available at a competitive price, and can be delivered within a reasonable timeframe. The Procurement Department will encourage and document the consideration of these products during solicitations and purchases, ensuring compliance with applicable state and federal sustainability requirements.

PART B: VENDOR AND ACCOUNT MANAGEMENT

3-201 Opening of Accounts with Vendors
To maintain fiscal integrity and centralized financial oversight, departments are not authorized to independently open accounts, establish credit, or enter into any financial agreement with a vendor on behalf of LRGVDC.

1) **Account Authorization Process**
Any request to open a new vendor account must be initiated through the Procurement Department. The requesting program or department shall submit a written justification explaining the operational need and provide any vendor forms or supporting documentation required. Procurement will review the request for compliance with LRGVDC policies and forward it to Finance for verification and account setup, if approved.

   a) The Procurement Officer may establish vendor accounts only when such accounts do not involve lines of credit or financial obligations to the vendor. These accounts are limited to facilitating the ordering and payment of goods or services under approved purchase orders.

   b) Only the Finance Department, acting under the direction of the Director of Finance, is authorized to open any vendor accounts involving credit terms, revolving charge privileges, or fiscal agreements. All such arrangements must be reviewed and approved by the Director of Finance prior to execution. Unauthorized attempts by department staff to open vendor accounts, credit lines, or similar financial commitments are strictly prohibited and may result in corrective or disciplinary action.

2) **Procurement and Finance Responsibilities**
   a) The Procurement Department, through the Procurement Officer, shall establish non-credit vendor accounts as necessary to support approved procurements, ensuring compliance with LRGVDC policies and vendor eligibility requirements, including conflict-of-interest and debarment checks.

b) The Finance Department, under the Director of Finance, shall review, approve, and manage all vendor accounts involving credit, maintain financial records, and ensure compliance with accounting and reporting standards.

3) **Compliance Requirements**
This section is consistent with the internal control and fiscal accountability principles established under 2 CFR § 200.303, 2 CFR § 200.302, and the Texas Grant Management Standards (TxGMS).

3-202 Credit Applications and Financial Commitments

The establishment of credit or financing arrangements on behalf of LRGVDC is restricted to ensure fiscal accountability and prevent unauthorized obligations.

Only the Finance Department, under the direction of the Director of Finance, may authorize, complete, or execute any credit application, financing agreement, or fiscal commitment with a vendor or lender. All such actions must comply with the account authorization procedures outlined in Section 4-201.

Requests for credit or financing must include written justification demonstrating operational necessity and must be reviewed by the Procurement Department for consistency with procurement policy prior to Finance approval.

Unauthorized execution or negotiation of any credit application, purchase agreement, or fiscal obligation by LRGVDC staff outside the approved process is strictly prohibited and may result in corrective or disciplinary action.

3-203 Management of Vendor Credit and Online Purchasing Accounts

LRGVDC maintains vendor accounts that include pre-approved or limited credit lines and online ordering capabilities to facilitate efficient purchasing while maintaining centralized control and fiscal accountability.

1) **Monitoring and Credit Control**
Vendor accounts that include established or limited lines of credit shall be actively monitored by the Procurement Department. Programs and departments must consult with Procurement prior to submitting a requisition to determine whether available credit exists for the intended purchase. Procurement will ensure that purchases remain within approved credit limits and are properly reconciled with issued purchase orders.

2) **Online Ordering Accounts**
Vendor accounts that provide online purchasing or catalog access shall be established and administered exclusively by the Procurement Department. Departments or programs may request user access to these accounts as "buyer" or "requestor" roles only. These roles are limited to creating and submitting shopping carts, draft orders, or quote requests that require Procurement review and approval before completion.

   Under no circumstances may any department or program designate itself or any staff member as an account "administrator" or establish new online vendor accounts without written authorization from the Procurement Officer. Procurement will serve as the sole administrator for all vendor online accounts and will manage account permissions, purchase approvals, and periodic access reviews.

3) **Procurement and Finance Responsibilities**
    a) The Procurement Department shall manage all vendor credit and online ordering accounts, ensure compliance with credit limits, and oversee user access controls.
    b) The Finance Department shall monitor vendor account activity for reconciliation, payment authorization, and financial reporting purposes.
4) **Accountability**
Departments or staff that exceed authorized credit limits, establish unapproved online accounts, or modify account permissions without authorization may be subject to corrective or disciplinary action. Procurement may suspend or revoke user access to any vendor account as necessary to maintain internal control and compliance.

3-204 Open Market and Online Marketplace Vendors
LRGVDC may utilize open-market or online marketplace vendors, such as Amazon, Walmart Business, Staples Advantage, or similar suppliers, when such sources provide competitive pricing and availability consistent with LRGVDC's procurement thresholds and requirements.

1) **Procurement Method**
Purchases from open-market or online vendors shall comply with applicable procurement thresholds. When total purchase value exceeds the micro-purchase limit, quotes or price comparisons shall be documented to demonstrate reasonableness of price. Orders must be processed through the Procurement Department using approved vendor accounts; personal or department-created retail accounts are strictly prohibited.
2) **Vendor and Product Restrictions**
All purchases made through open-market or online vendors must be sourced from U.S.-based vendors that ship from domestic locations within the United States. Purchases shall not be made from foreign vendors or third-party sellers shipping items from outside the U.S., including countries such as China, Russia, or any nation subject to U.S. trade restrictions, embargoes, or sanctions. LRGVDC shall comply with all federal and state restrictions related to trade, security, and the Buy America and Trade Agreements Act (TAA) requirements as applicable to federally funded procurements.
3) **Vendor Account Management**
Open-market vendor accounts shall be established and administered exclusively by the Procurement Department. Departments or programs may request buyer access for approved purchasing but may not create or manage separate accounts. Procurement will maintain administrative control, establish approval workflows, and monitor usage.
4) **Purchasing Controls**
    a) All purchases through open-market vendors must have a valid purchase order issued before checkout or payment.
    b) Procurement shall verify that the purchase is allowable under applicable funding sources and thresholds.
    c) Purchases that bypass the established procurement process or use unapproved vendor accounts will be treated as unauthorized purchases under LRGVDC policy.

5) **Procurement and Finance Responsibilities**
   a) **Procurement Department:** Manages account permissions, ensures competitive pricing documentation, verifies vendor eligibility (domestic sourcing, non-debarment, and Buy America compliance), and confirms compliance with purchasing thresholds.
   b) **Finance Department:** Confirms allowability of purchases, reconciles invoices, and ensures payments align with approved purchase orders.

6) **Compliance Requirements**
   This policy shall ensures compliance with:
   a) 2 CFR §§ 200.318–200.320 (procurement standards);
   b) 2 CFR § 200.322 (Domestic Preferences for Procurements);
   c) FTA Circular 4220.1F (Third-Party Contracting Requirements);
   d) TxGMS; and
   e) Applicable provisions of the Texas Government Code governing open-market purchasing.

3-205 Employee Reimbursements and Unauthorized Purchases

LRGVDC is committed to maintaining sound fiscal controls and ensuring that all purchases are made through established procurement channels. Employee reimbursements are permitted only in limited circumstances and shall not be used as a substitute for standard procurement procedures.

1) **Employee Reimbursements**
   Reimbursements to employees may only be approved by the Executive Director or designee and shall be allowable only when the purchase was necessary for official LRGVDC business which could not reasonably be obtained through normal procurement channels or occurred under legitimate emergency circumstances.
   a) Reimbursements for unallowable costs, such as alcohol, personal expenses, or purchases made for personal convenience, will not be approved.
   b) Poor planning or failure to follow established procurement procedures shall not constitute an allowable emergency.

   All reimbursement requests must include original itemized receipts, proof of payment, and a written justification describing the nature of the emergency or special circumstance. Each request is subject to review and approval by both the Procurement Department and Finance Department to confirm allowability, reasonableness, and compliance with funding source requirements.

2) **Unauthorized Purchases**
   An unauthorized purchase occurs when any employee obligates LRGVDC for goods or services without an approved purchase order, contract, or delegated purchasing authority. Unauthorized purchases are a violation of this policy and may result in the individual being personally responsible for payment.

   Upon discovery of an unauthorized purchase, the Procurement Department will review the circumstances and may either ratify the purchase—if deemed necessary and compliant with applicable laws—or reject it. Employees responsible for unauthorized purchases may be subject to corrective or disciplinary action.

3) **Procurement and Finance Responsibilities**
    a) The **Procurement Department** shall evaluate reimbursement and unauthorized purchase requests for compliance with policy and procurement thresholds.
    b) The **Finance Department** shall review supporting documentation for accuracy, proper account coding, and allowability under funding source rules.

4) **Compliance Requirements**
This section is consistent with fiscal control and internal accountability requirements established under **2 CFR §§ 200.302–200.303** and the **Texas Grant Management Standards (TxGMS)**.

5) **Reimbursement Request Submission Steps**
    a) Employee Prepares Request
        i) Complete the LRGVDC Employee Reimbursement Request Form in full.
        ii) Attach itemized receipts and proof of payment
    b) Department Review
        i) Department management reviews and signs the form to confirm the expense was necessary for official business and occurred under allowable emergency conditions.
    c) Procurement Review
        i) The Procurement Department verifies compliance with procurement policy and confirms justification, then signs the form.
    d) Finance Review
        i) The Finance Department reviews for accuracy, funding source requirements, account coding, and funding allowability.
    e) Executive Director Approval
        i) The Executive Director provides final approval before reimbursement is processed.

Once approved, Finance will issue reimbursement through standard payroll or accounts payable procedures.

3-206 **Invoices Received Without a Purchase Order**
All purchases of goods or services must be supported by an approved purchase order prior to committing LRGVDC funds. Vendors must not provide goods or services without a valid PO, except in limited emergency situations as defined by this policy.

1) **Policy and Control Requirements**
Invoices received without an authorized purchase order are considered unauthorized transactions and will not be processed for payment until properly reviewed and approved. The existence of an invoice alone does not constitute a valid financial obligation of LRGVDC.

This requirement <u>does not</u> apply to invoices for purchases or services already covered under a current contract or agreement that has been properly executed and approved. In such cases, departments must follow the respective payment process established in the contract, such as renewals, scheduled payments, or monthly invoicing, in accordance with this policy and Finance Department procedures.

All renewals, including those covered under existing contracts or agreements, must still comply with applicable procurement and approval procedures set forth in this policy. Departments are responsible for initiating renewal requests timely and obtaining proper approvals prior to the renewal effective date.

2) **Exception Handling and Reporting Process**

When an invoice is received without an approved purchase order, the following process shall be followed:

a) **Department/Program Notification and Documentation**

i) The department must immediately notify the Procurement Department and submit the invoice with a completed Procurement Exception Justification Form explaining the circumstances.

b) **Assignment of Exception Number**

i) Procurement will assign the incident a unique tracking number in the format **UPEXXXXX**, using a continuous numbering sequence maintained in the Unauthorized Purchase Exception Log.

c) **Procurement Review**

i) Procurement will evaluate the exception to determine whether it meets the criteria for ratification and compliance with applicable procurement laws and policies.

d) **Finance Verification and Payment**

i) Finance will verify the validity of the assigned UPE number in the log before processing payment. Only invoices with an approved and recorded UPE number will be eligible for payment.

e) **Executive Director Review**

i) If Procurement recommends ratification, the exception will be routed to the Executive Director for approval.

f) **Risk Management Reporting**

i) All unauthorized purchase exceptions, including those approved and denied, shall be summarized and reported in the LRGVDC Risk Management Report to monitor compliance trends and identify areas for staff training or procedural improvement.

3) **Administrative Responsibilities**

a) Procurement Department: Maintains the Unauthorized Purchase Exception Log (UPE Log), assigns incident numbers, and ensures documentation is filed.

b) Finance Department: Verifies exception numbers before payment and ensures financial records correspond with the log.

c) Executive Director: Approves or denies ratification requests for unauthorized invoices. Determines any corrective or disciplinary action.

4) **Accountability**

All unauthorized purchase exceptions shall be recorded in the LRGVDC Risk Management Report. Departments or staff responsible for repeated or intentional submission of invoices without approved purchase orders may be subject to corrective or disciplinary action.

5) **Legal and Audit Implications**
Invoices or purchases made without proper authorization may expose LRGVDC and the responsible employee to legal, financial, and administrative consequences. In accordance with Tex. Local Gov't Code § 391.005 and Tex. Gov't Code § 2251.002, only authorized personnel may obligate LRGVDC funds. Unauthorized purchases may not constitute a binding financial obligation of the Council, and the individual responsible may be held personally liable for payment.

Under federal grant requirements, including 2 CFR §§ 200.403–200.405 and Subpart F, costs arising from unauthorized purchases may be deemed unallowable and subject to repayment from non-grant funds. Such incidents may result in audit findings, questioned costs, or corrective actions under 2 CFR § 200.511. Repeated or intentional violations may lead to disciplinary action, loss of delegated purchasing authority, or other administrative measures as determined by the Executive Director.

All unauthorized purchase incidents shall continue to be recorded in the Unauthorized Purchase Exception Log and reported in the LRGVDC Risk Management Report for oversight, trend analysis, and compliance monitoring.

3-207 Prohibition on Splitting Purchases

To ensure compliance with procurement thresholds, competition requirements, and fiscal accountability, the intentional or negligent division of purchases into smaller transactions to avoid applicable procurement procedures is strictly prohibited.

1) **Policy and Control Requirements**
All purchases of goods and services must be made in accordance with established LRGVDC procurement thresholds and competitive requirements. Splitting or separating a single purchase, order, or project into multiple smaller transactions for the purpose of avoiding competition, approval levels, or procurement thresholds violates this policy and applicable state and federal regulations.

Departments must consolidate similar needs or purchases occurring within the same timeframe or program activity into a single requisition or solicitation whenever practicable. The determination of whether a purchase has been improperly divided shall be made by the Procurement Department, based on the total value of goods or services procured from the same or related vendors for substantially similar items or purposes.

2) **Department Responsibilities**
Departments are responsible for planning and forecasting purchases to ensure that requisitions are made timely and in compliance with procurement thresholds. Departments must notify Procurement when repeated or recurring purchases may be required, allowing for proper aggregation and competitive solicitation where necessary.

3) **Compliance Requirements**
This policy shall ensure compliance with:
    a) **Tex. Gov't Code § 2155.132(g)** — prohibiting agencies from dividing or arranging procurements to avoid competitive requirements;
    b) **2 CFR § 200.319(a)** — requiring full and open competition for federally funded purchases; and

c) **Texas Grant Management Standards (TxGMS)** — requiring transparent and competitive procurement practices for all purchases.

4) **Accountability**
Splitting purchases to evade competition or approval requirements constitutes policy violation. Employees or departments found to have authorized, directed, or participated in such activity may be subject to corrective or disciplinary action, up to and including revocation of procurement authority or termination. Such instances shall be reported in the LRGVDC Risk Management Report and retained as part of the official procurement record.

3-208 Return of Goods, Credits, and Credit Memos

The Lower Rio Grande Valley Development Council (LRGVDC) shall ensure that all returned items, vendor credits, and credit memos are processed in accordance with established procurement and finance procedures, as part of responsible vendor and account management. Departments shall not initiate or execute returns, replacements, or reorders independently without the involvement of the Procurement Department.

Any return of goods or materials purchased by the LRGVDC shall be coordinated through the Procurement Department to ensure proper documentation, vendor notification, and financial reconciliation. Departments are prohibited from making direct arrangements with vendors for returns or replacements without Procurement's authorization. This policy ensures compliance with federal and state procurement standards, proper accountability, and accurate financial reporting in accordance with Texas Government Code §§ 2155 and 2261, and the procurement cycle principles established by the Texas Comptroller of Public Accounts.

Procedures:

1) **Initiation of Returns:**
The requesting department must notify the Procurement Department immediately upon identifying the need to return an item or request a vendor credit.

2) **Procurement Department Responsibilities:**
Procurement shall verify the item's eligibility for return, coordinate vendor communication, and ensure that any return material authorization (RMA), tracking, or proof of shipment is obtained. Procurement will confirm receipt or acceptance by the vendor before any reorder or replacement is initiated.

3) **Department Responsibilities:**
The initiating department shall assist in providing documentation such as purchase order numbers, invoices, and reason for return. Departments are responsible for maintaining custody of the items until Procurement finalizes the vendor's return instructions.

4) **Finance Department Coordination:**
All vendor credits, refunds, or credit memos issued as a result of returns must be reported to the Finance Department. Finance shall ensure that such credits are properly recorded, applied to the appropriate purchase order or account, and reconciled with the vendor statement. Finance must also verify and finalize that all pending credits have been received and posted before a procurement file can be closed.

5) **Documentation Requirements:**
All return documentation, including correspondence with the vendor, proof of return, and verification of credit received, shall be filed in the official procurement record.

6) **Restrictions on Reorders:**
Departments shall not reorder any item that has been returned until Procurement verifies vendor acceptance and Finance confirms the appropriate credit or refund has been applied.

PART C: FISCAL CONTROLS AND DOCUMENTATION

3-301 Purchase Order Discrepancies

To maintain fiscal integrity and consistency between procurement and payment records, all invoices must match the pricing, quantities, and terms specified on the corresponding purchase order.

1) **Policy and Control Requirements**
Minor discrepancies between a purchase order (PO) and an invoice may occur due to rounding, shipping adjustments, or product pricing variations due to stock issues at the time of purchase. The LRGVDC allows for a price variance of up to ten percent (10%) of the total PO amount. Any variance exceeding this threshold requires the requesting department or program to submit a signed Purchase Order Discrepancy Form to both the Procurement Department and the Finance Department, explaining the cause of the discrepancy.

   The form must include the department's justification for the variance, verification by Procurement and Finance, and, when necessary, the Executive Director's approval before payment can be processed. Procurement and Finance shall ensure that discrepancies do not circumvent established procurement thresholds, contract limits, or funding source requirements.

2) **Department Responsibilities**
Departments or programs are responsible for ensuring that all purchase orders are issued accurately and reflect the correct pricing, quantities, and terms prior to procurement. Departments must confirm with vendors that invoiced amounts align with approved purchase orders.

   If the Finance Department identifies or notifies a department of a price or quantity discrepancy, the department must promptly investigate the variance and submit a signed Purchase Order Discrepancy Form to both Procurement and Finance, explaining the cause and corrective action.

   Departments remain accountable for verifying that their purchase requisitions and purchase orders are accurate and for preventing avoidable discrepancies.

3) **Procurement and Finance Verification**
   a) The Procurement Department shall review each discrepancy form to verify that the variance is properly justified, confirm that the pricing is consistent with the terms of the purchase, and determine whether a contract modification or new PO is required.
   b) The Finance Department shall ensure that payments are aligned with approved POs and verify that all discrepancies are approved and documented prior to payment.

4) **Compliance Requirements**
This policy ensures compliance with 2 CFR § 200.302 (Financial Management) and § 200.303 (Internal Controls), the Texas Grant Management Standards (TxGMS), and LRGVDC's fiscal accountability procedures. Documentation of discrepancies shall be retained in the official procurement record to ensure transparency and audit readiness.

5) **Accountability**
Failure to report, justify, or properly document price or quantity discrepancies beyond allowable limits may result in corrective or disciplinary action. Repeated or unapproved variances may be reviewed as potential internal control deficiencies and reported in the LRGVDC Risk Management Report.

3-302 Internal Controls and Approval Requirements

LRGVDC shall maintain strong internal controls and an approval structure to ensure that all procurement, contracting, and payment activities are authorized, documented, and executed in compliance with federal, state, and local requirements.

1) **Policy and Control Requirements**
All procurement and payment actions must be supported by appropriate documentation and authorized only by individuals acting within their delegated authority. The approval process shall ensure that no single employee controls multiple stages of a transaction (request, authorization, and payment). This segregation of duties shall serve as a preventive and detective control to mitigate fraud, waste, and misuse of public funds.

No purchase order, contract, or payment may be issued without documented review and approval by the designated approvers in accordance with established thresholds and funding requirements. Approval signatures or electronic approvals must be retained in the official procurement file as evidence of authorization.

2) **Approval Hierarchy**
   a) **Department/Program Level:** Departments initiate requisitions and verify that goods or services are necessary, allowable, and within budget. A supervisor may approve requisitions at this level before submission to Procurement.

   b) **Procurement Department:** Reviews each requisition for compliance with procurement thresholds, competition requirements, and funding source regulations. Procurement issues purchase orders and ensures supporting documentation is maintained.

   As part of its review, the Procurement Department shall:
      i) Verify that vendors are not listed on any federal or state suspension or debarment lists in accordance with 2 CFR Part 180 and applicable state rules;

      ii) Check for available Disadvantaged Business Enterprise (DBE) vendors through the TxDOT or other applicable DBE directories; and

      iii) When a qualified DBE vendor is identified, make a formal recommendation to the requesting department or program to consider that vendor for participation or quotation consistent with FTA Circular 4716.1A and TxDOT DBE Program requirements.

c) **Finance Department:** Reviews and verifies all purchase orders and invoices for fiscal accuracy, coding, and available funding. Finance confirms that approvals are in place prior to payment and maintains all fiscal records.

d) **Program or Department Director:** All purchases exceeding $2,500 require review and approval by the applicable Program or Department Director prior to Executive Director consideration. Directors ensure that the expenditure is necessary, properly justified, and consistent with program and funding requirements.

e) **Executive Director:** Provides final approval for all purchases, contracts, or payments exceeding $2,500, exceptions, or other circumstances requiring executive authorization. The Executive Director delegates authority for purchases below $2,500 to the Procurement Department for final approval in accordance with established thresholds and LRGVDC procedures.

3) **Segregation of Duties**
The initiator of a requisition, the approver, and the payment processor must be separate individuals.

3-303 Documentation of Procurement Records and Justifications
LRGVDC shall maintain complete and accurate procurement documentation sufficient to detail the full history of each procurement transaction, demonstrate compliance with applicable regulations, and provide an auditable record of decision-making.

1) **Policy and Control Requirements**
All procurements, regardless of value or method, must include documentation supporting the rationale for the procurement approach, selection of the vendor, price reasonableness, and compliance with applicable thresholds and funding requirements. Documentation must be sufficient to stand alone as a complete and transparent record of the procurement process from initiation through closeout.

Procurement files shall be organized in accordance with the LRGVDC Procurement File Checklist and must include all relevant approvals, justifications, and correspondence. Records shall be maintained in electronic or hard copy format consistent with LRGVDC's record retention policy.

2) **Required Justifications**

a) **Method of Procurement:** Documentation describing whether the procurement was conducted as a micro-purchase, small purchase, competitive bid, competitive proposal, or noncompetitive (sole source) procurement.

b) **Selection of Vendor:** Written evaluation or scoring summaries, bid tabulations, or procurement memos demonstrating how the selected vendor was determined to provide the best value.

c) **Price Reasonableness:** Evidence supporting cost or price reasonableness, such as quotes, market research, prior purchase history, or price analysis.

d) **Sole Source or Proprietary Purchases**: Written justification approved by the Procurement Department and, when required, the Executive Director in accordance with Tex. Gov't Code § 2155.067 and 2 CFR § 200.320(c).

e) **Federal and State Compliance:** Verification of vendor eligibility, suspension / debarment status, and DBE consideration consistent with 2 CFR Part 180, FTA Circular 4716.1A, and TxDOT DBE guidelines.

3) **Documentation Requirements**
Each procurement file shall include, at minimum:

a) The approved requisition and purchase order;

b) All quotes, bids, or solicitation documents;

c) Vendor suspension/debarment verification and DBE review results;

d) Applicable approvals and funding source documentation;

e) Any related correspondence, exception forms, or discrepancy reports.

f) All formal procurements must include every required document outlined in the LRGVDC Procurement File Checklis**t**, which serves as the standard recordkeeping guide for verifying file completeness and audit compliance.

Procurement and Finance shall jointly maintain systems that allow for audit tracing of all procurement actions from requisition to payment.

4) **Retention and Accessibility**
Procurement and Finance shall ensure that all procurement files are stored securely and retained in accordance with the Texas Local Government Records Act (Tex. Loc. Gov't Code Chapter 201), 2 CFR § 200.334 (Retention Requirements for Records), and TxGMS. Files must remain accessible for internal review, external audit, or funding agency monitoring for the duration of the retention period.

5) **Procurement and Finance Responsibilities**

a) The **Procurement Department** shall maintain the official procurement files and ensure that all required documentation and justifications are included and complete prior to closeout.

b) The **Finance Department** shall retain payment documentation, link it to the corresponding procurement file, and ensure consistency between financial and procurement records.

c) Both departments shall coordinate to ensure that documentation is available for all audits, monitoring visits, or information requests from funding agencies.

3-304 General Compliance
The general procurement policies contained in this Article establish the foundational standards and procedures by which the Lower Rio Grande Valley Development Council (LRGVDC) conducts all purchasing and contract-related activities. These policies are intended to ensure consistency, transparency, and accountability in every procurement transaction—from planning and requisition through approval, documentation, and payment.

By implementing the controls and practices set forth in Parts A through C, LRGVDC affirms its commitment to full compliance with federal regulations under 2 CFR Part 200, the Texas Grant Management Standards (TxGMS), the Texas Government Code, and applicable guidance from state and federal funding agencies, including the Texas Department of Transportation (TxDOT) and the Federal Transit Administration (FTA).

All staff, departments, and programs are responsible for adhering to these policies and for maintaining the integrity of the procurement process. Violations, omissions, or deviations from these standards shall be subject to corrective action, reporting under the LRGVDC Risk Management Program, and review by the Executive Director to ensure continued compliance and stewardship of public funds.

PART D: ROLLING STOCK

This section defines "rolling stock" and establishes the policy framework governing the acquisition, acceptance, and disposal of revenue and non-revenue vehicles. All rolling stock procurements shall ensure full and open competition, maintain transparency, and demonstrate best value to LRGVDC and its funding partners.

3-401 General Policy and Applicability

The LRGVDC shall procure all rolling stock—defined as transit vehicles, buses, vans, support vehicles, or other motorized equipment used in providing public transportation or related services—in compliance with applicable federal, state, and local procurement regulations, including FTA Circular 4220.1F, 49 CFR Parts 661, 663, and 665, the Texas Grant Management Standards (TxGMS), and any additional guidance issued by the Texas Department of Transportation – Public Transportation Division (TxDOT PTN).

7) **Applicability**
This policy applies to all rolling stock purchases funded in whole or in part by federal, state, or local sources, including:
    a) Revenue vehicles such as buses, vans, and paratransit vehicles;
    b) Non-revenue vehicles used for maintenance, service, or administrative purposes;
    c) Vehicle refurbishment or overhaul projects when the total cost exceeds 25% of the vehicle's current value; and
    d) Rolling stock components procured separately but used for federally funded vehicles.

8) **Procurement Oversight and Authorization**
No rolling stock procurement shall be initiated without also initiating a Written Procurement History (WPH) report, independent cost estimate and verification of an available and eligible funding source (to be noted on the WPH). The Planning portion of the WPH shall be the responsibility of the department/program, see section 7-105 for more information. No solicitation, request for quote, or contract action may be initiated until the Procurement Department has received and reviewed the department's Planning information and Independent Cost Estimate. Each acquisition shall be reviewed by the Procurement Department for compliance with procurement thresholds and regulatory requirements prior to issuance of any solicitation or purchase order.

9) **Coordination with Funding Agencies**
All rolling stock procurements utilizing federal or state funds shall be coordinated with the Texas Department of Transportation (TxDOT) Public Transportation Division (PTN) and the Federal Transit Administration (FTA) as applicable. Procurement shall obtain any pre-award approvals, certifications, or concurrences required by grant conditions before solicitation or contract execution.

10) **Compliance and Documentation**
All rolling stock procurements shall be documented in a manner that provides a complete record of compliance, including:

1) Method of procurement and solicitation documentation;
2) Certification of funding eligibility;
3) Buy America and Pre-Award/Post-Delivery Audit certifications under 49 CFR Part 663;
4) Inspection and acceptance records; and
5) Asset registration, title documentation, and vehicle disposition records.

All related procurement and asset files shall be maintained in accordance with 2 CFR § 200.334, TxGMS, and the Texas Local Government Records Act (Tex. Loc. Gov't Code Chapter 201).

5) **Accountability**
The Procurement Department shall ensure all rolling stock procurements comply with applicable regulations, required certifications, and competitive standards. The Finance Department shall confirm fiscal allowability and proper grant accounting. The Program Director shall oversee operational integration, inspection, and delivery acceptance.

3-402 Procurement Methods and Competition
All rolling stock procurements conducted by the Lower Rio Grande Valley Development Council (LRGVDC) shall employ procurement methods that promote full and open competition, ensure integrity of the solicitation process, and achieve the best overall value for public funds. All methods must comply with the requirements of FTA Circular 4220.1F, 2 CFR §§ 200.317–200.320, the Texas Grant Management Standards (TxGMS), and applicable provisions of the Texas Government Code.

1) Authorized Methods:

a) Formal Sealed Bidding – for vehicle procurements exceeding the small purchase threshold.
b) Competitive Proposal (RFP) – when evaluation is based on technical and price factors.
c) State or Cooperative Contracts – including TxDOT Statewide Vehicle Contracts, DIR, or FTA-approved multi-year rolling stock contracts, provided all FTA and Buy America certifications are current.

3-403 Pre-Award and Post-Delivery Requirements (49 CFR Part 663)
The LRGVDC shall comply with all Pre-Award and Post-Delivery Review requirements for rolling stock procurements.

1) **Pre-Award Requirements:**
Before contract execution, LRGVDC must complete and retain:
   a) Buy America Pre-Award Certification (49 CFR § 663.13);
   b) Purchaser's Requirements Certification (49 CFR § 663.27); and
   c) Pre-Award Audit verifying assembly location and component content.
   d) Form PTN 130
   e) Altoona Testing Report
   f) Warranty Certifications
   g) Federal Motor Vehicle Safety Standards (FMVSS) report.

2) **Post-Delivery Requirements:**
Before accepting or paying for vehicles, LRGVDC must complete:
   a) Buy America Post-Delivery Certification (49 CFR § 663.37);
   b) Post-Delivery Audit Report confirming final assembly compliance; and
   c) Visual Inspection Report verifying that vehicles meet all specifications and safety standards.

Procurement shall maintain all certifications and reports in the official procurement file and ensure copies are provided to Finance for retention and audit purposes.

3-404 Buy America and Domestic Content Requirements (49 CFR Part 661)
It shall be the policy of the Lower Rio Grande Valley Development Council (LRGVDC) that all rolling stock procurements comply with the Buy America Act, as implemented in 49 CFR Part 661, which mandates that federally funded vehicles be produced with a minimum level of domestic content and that final assembly occur within the United States. LRGVDC shall not award any rolling stock contract unless the vendor has submitted a valid Buy America certification and supporting documentation verifying compliance with all domestic content and assembly requirements.

1) **Compliance:**
All rolling stock procurements shall comply with Buy America provisions under 49 CFR Part 661, requiring:
   a) At least 70% of the cost of all components to be produced in the United States;
   b) Final assembly to occur within the United States.

2) **Documentation:**
Vendors must submit Buy America certification forms with all bids or proposals. The Procurement Department shall verify compliance before award. Buy America waivers are only permissible when issued by the FTA and must be documented in the procurement file.

No purchase shall be made from vendors that fail to provide complete and valid certifications.

3-405 Bus Testing and Safety Standards (49 CFR Part 665)
All buses or transit vehicles procured using federal or state funds must be tested at an FTA-approved Altoona Bus Testing Center prior to acceptance. LRGVDC shall obtain documentation verifying that the model has successfully completed required testing and meets Federal Motor Vehicle Safety Standards (FMVSS).

1) Procurement must retain:
   a) Copy of the Altoona test report summary;
   b) FMVSS compliance certification;
   c) Vehicle inspection checklist verifying post-delivery conformance.

3-406 Pre-Award Authority, Cooperative Contracts

1) LRGVDC may utilize cooperative or shared contracts under the following conditions:
   a) The original solicitation and contract were conducted in compliance with FTA Circular 4220.1F and Buy America;
   b) The contract contains assignable options and an explicit clause permitting other agencies to purchase vehicles under the same terms;
2) **Pre-Award Authority:**
   LRGVDC may incur pre-award costs for planning, solicitation, or contract execution only when authorized in writing under the applicable grant agreement and consistent with FTA Circular 5010.1E.

3-407 Required Contract Provisions and Clauses

Rolling stock contracts must include all required federal clauses outlined in FTA Circular 4220.1F Appendix D, including but not limited to:

1) Buy America;
2) Clean Air and Clean Water;
3) Cargo Preference;
4) Energy Conservation;
5) Debarment and Suspension;
6) Federal Changes;
7) Termination;
8) Access to Records;
9) Recycled Products;
10) Warranty Provisions.

Procurement shall ensure inclusion of all mandatory clauses before contract execution and maintain verification within the procurement file.

3-408 Title, Delivery, and Acceptance Procedures

Procurement and Finance shall jointly verify vendor certifications, vehicle title and registration, inspections, and acceptance checklist documentation prior to payment.

1) Title Transfer: Must list LRGVDC as owner or co-owner, with TxDOT or FTA as lienholder, as applicable.
2) Vehicle Inspection: LRGVDC staff or designee shall perform inspection upon delivery to verify compliance with specifications.
3) Acceptance Documentation: Includes signed acceptance report, title documents, odometer statement, and post-delivery audit results.

Payment shall not be issued until all post-delivery certifications are completed and verified by Procurement and Finance.

3-409 Recordkeeping and Reporting

All records related to rolling stock procurements—including certifications, contracts, inspection reports, and title documents—must be retained for the life of the asset plus three years after disposition, consistent with 2 CFR § 200.334 and FTA Circular 5010.1E.

LRGVDC shall maintain an Asset Management Record listing vehicle identification numbers, grant numbers, purchase price, funding ratios, and useful life expiration. Procurement shall provide Finance and Program staff with updates after each vehicle acquisition or disposal.

3-410 Disposal and Replacement of Rolling Stock

Disposal or replacement of vehicles shall comply with FTA Circular 5010.1E and TxDOT PTN procedures.

1) Vehicles must meet or exceed useful life criteria prior to disposition.
2) Disposal requires written approval from TxDOT PTN or FTA before title transfer.
3) Proceeds from sale or trade-in must be used for transit-related purposes and recorded in accordance with 2 CFR § 200.313(f).

Procurement and Finance shall jointly document disposal method, valuation, and proceeds and retain records in the official asset file.

3-411 Procurement of Ten (10) or More Rolling Stock Units

When any procurement involves the purchase or lease of ten (10) or more rolling stock units under a single solicitation, contract, or purchase order shall include enhanced quality assurance, production oversight, and inspection procedures as required by 49 CFR Part 663, FTA Circular 4220.1F, and the FTA Best Practices Procurement Manual (BPPM). The purpose of these additional requirements is to ensure that all vehicles produced conform to contract specifications, maintain quality standards during manufacturing, and meet all federal compliance obligations before acceptance or payment.

1) The vendor must maintain a Quality Assurance (QA) Program approved by LRGVDC prior to production.
2) An independent third-party or resident inspector shall be assigned to perform on-site production inspections to verify compliance with contract specifications, Buy America, and ADA requirements.
3) Inspection results and corrective actions shall be documented in Production Quality Assurance Reports and retained in the procurement file.
4) Acceptance and Payment - Vehicles shall not be accepted or paid for until all inspections are completed, deficiencies corrected, and Procurement verifies full compliance. Conditional acceptance is prohibited unless approved by the Executive Director.

ARTICLE IV
PROCUREMENT PROCESS

PART A: PROCUREMENT THRESHOLDS

The Lower Rio Grande Valley Development Council (LRGVDC) establishes the following procurement thresholds and methods to ensure that all purchases are made in a transparent, cost-effective, and compliant manner. These thresholds are guided by federal procurement regulations (2 CFR Part 200), Texas State laws, and internal policies, and apply to all procurements regardless of funding source unless otherwise exempted.

4-101 **Micro-Purchase (≤ $1,000)**
Only one written is required, however the price needs to be deemed reasonable. Verbal quotes may not be approved or accepted. Departments must distribute purchases equitably among qualified vendors when practicable. Reference: 2 CFR § 200.320(a).

4-102 **Small Purchase / Informal Procurement ($1,000.01 – $49,999.99)**
Requires informal competition with at least three (3) written quotes, including from HUB or DBE vendors when applicable. Quotes, vendor comparison, and justification of award must be provided. Reference: 2 CFR § 200.320(b); Texas Government Code § 2155.063.

4-103 **Formal Procurement (>$50,000)**
Requires a sealed bidding process or competitive proposal process (RFP/RFQ/IFB). Must be publicly advertised and competitively awarded based on best value criteria. Solicitations must have a procurement checklist, scoring matrix, evaluation records, approvals, and award letters/notifications. Reference: 2 CFR § 200.320(b)(2); Texas Government Code Chapter 2269.

4-104 **Sole Source Procurement (Above Micro Purchase)**
Permitted when there is only one available vendor, and competitive procurement is not feasible. Requires written justification, certification of uniqueness, and approval. Vendors Sole Source letters will not be exclusively considered. The Procurement Officer must certify the sole source justification with the issuance of the LRGVDC Sole Source Form. Procurements must include the LRGVDC Sole Source Justification Form, vendors quote, and supporting rationale. Reference: 2 CFR § 200.320(c); Texas Government Code § 2155.067.

11) **Approval of Grantor Agency Required if:**

c) The LRGVDC must receive prior written concurrence from grantor agency for any sole source procurement expected to exceed $25,000.00.

d) If specifications and conditions of a solicitation have been drawn to describe a product which is proprietary to one vendor, without language which permits an equivalent product to be supplied, written justification of the requested specifications or conditions must be submitted.

4-105 **Emergency Procurement (Above Micro Purchase)**
Used when a delay would cause immediate harm to health, safety, property, or essential operations. Requires written explanation of the emergency and procurement method used. Requires emergency procurement justification, vendor quote, and proper authorizations. Reference: 2 CFR § 200.320(c); Texas Government Code § 2155.137.

4-106 **Cooperative Purchasing (Any Amount)**

May be used when procuring from a contract awarded by a recognized purchasing cooperative or interlocal agreement (e.g., TXMAS, BuyBoard, HGACBuy, Omnia Parters, TIPS-USA, etc.). The original solicitation must have been conducted competitively and in compliance with applicable laws. Procurement must verify that pricing and scope meet organizational needs and that the contract is still valid. The cooperative contract must be referenced and noted by the vendor not the staff and be in with Texas Government Code Chapter 791 and/or 2 CFR § 200.318(e). The Procurement Department is responsible for obtaining, verifying, and filing a copy of the cooperative contract documents (including the solicitation, contract award, and pricing terms) in the official procurement file. Use of cooperative purchasing does not exempt the procurement from internal approval thresholds or required documentation.

4-107 **Open Purchase Orders (Open POs)**

Shall be permitted only in limited circumstances where a determination of price cannot reasonably be established at the time of requisition. Examples include diagnostic services for vehicles, building HVAC systems, or similar situations where the full scope and cost of work cannot be determined until after an initial assessment.

Departments must consult with the Procurement Department prior to requesting the use of an Open PO to verify that the request meets the criteria for such authorization. Open POs may also be issued in justifiable emergencies where immediate action is required and a fixed price cannot be determined in advance.

In all cases, the requesting department shall be responsible for making a fair and reasonable price determination once costs become known to ensure that expenditures remain within acceptable limits and do not escalate without proper justification. All Open POs must follow the applicable small purchase authorization procedures as established in this policy and under state and federal procurement rules.

The Procurement Department or Executive Director reserves the right to deny the use of Open POs if sufficient justification is not provided or if the request does not comply with LRGVDC procurement standards.

PART B: AUTHORIZATION OF PURCHASE ORDERS

LRGVDC Procurement Requisition Form: The official and approved document used by departments and programs of the Lower Rio Grande Valley Development Council (LRGVDC) to formally request the purchase of supplies, equipment, or services. This form initiates the procurement process and ensures that all required information, approvals, and justifications are submitted in accordance with LRGVDC procurement policies and applicable regulations. The current version is Revision 07-2025, last updated July 2025.

4-201 General

The LRGVDC procurement form is used to inform the Finance and Procurement departments of the needs of a particular department and to correctly identify the supplies, equipment or services requested. This procedure establishes a system of authorization and safeguards to ensure that all purchases are initiated through transparent and documented procedures, preventing misappropriation, improper, illegal, unnecessary, duplicative or splitting purchases. The entity will, if applicable, report any unused supplies exceeding $5,000 and follow any guidance retaining the supplies as applicable in 2 CFR 200.314. Also, (if applicable) the non-Federal entity will to the greatest extent practicable provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the U.S.

4-202 Commodity Classification

To ensure consistency, accuracy, and compliance with applicable state and federal procurement requirements, all requisitions must classify the requested item or service under one of the following categories. Proper classification assists in the selection of the appropriate procurement method, tracking of expenditures, and accurate reporting for audit and grant compliance purposes.

1) **Goods (tangible items)**: Includes office supplies and equipment, furniture, technology hardware, vehicles, and other capital equipment.
2) **Services:** Includes professional services such as legal, accounting, engineering, and consulting, as well as maintenance, repair, training, facility support, and information technology services.
3) **Consumables:** Includes expendable items such as fuel, cleaning supplies, catering, food, and small tools or materials that are intended for regular use and depletion.
4) **Digital and Software Deliverables:** Includes software licenses (perpetual or subscription-based), cloud or SaaS services, digital publications, and electronic data sets.
5) **Construction and Public Works:** Includes construction, renovation, infrastructure improvements, Job Order Contracting (JOC).
6) **Travel and Related Expenses:** Includes transportation, lodging, conference registration fees, and approved per diem or mileage reimbursements.
7) **Subrecipient or Pass-Through Funds:** Includes grant funds or allocations awarded to partner entities or subrecipients under federal, state, or local programs, including cooperative or interlocal transfers.
8) **Miscellaneous/Other:** Includes any items or services not otherwise classified. Justification must be provided in the requisition to ensure appropriate categorization.

4-203 Purchase Order Procedures

The form is also used to inform the procurement departmenet of the logistics of the procurement: what to buy, when it is required and the delivery destination. It shall be the responsibility of the submitting employee to ensure the timely execution of the purchase order by providing complete and accurate information at the time of submission. Any delay resulting from incomplete or inaccurate information will be the responsibility of the submitting department and may impact the timely processing of the procurement. The requisition should contain the following information:

1) **<u>Date of requisition:</u>**
Each procurement requisition shall clearly state the date on which the requisition is submitted. The date of requisition must reflect the actual submission date and shall not be post-dated or pre-dated. Any alteration of the actual date compromises procurement integrity and violates audit compliance requirements.

   a) If no prior communication has been established regarding the requested goods or services, the date of requisition shall constitute the official notice to Procurement of the department's need and intent to procure.

   b) The requisition date must match or fall within 72 hours of the issued Purchase Order (PO) to ensure traceability, compliance, and proper fiscal documentation.

2) **<u>Department, Submitter & Deliver To:</u>**
Each requisition shall clearly identify the department initiating the request, the employee submitting the requisition, and the facility or location where the purchased commodities or services are to be delivered. This information ensures proper routing, accountability, and accurate fulfillment of the request.

3) **<u>Quantity, Estimated total cost, and Items Needed:</u>**
Each requisition shall specify the quantity of items requested, the estimated total cost, and the commodity classification. The description must identify the type of procurement, including whether it is a service, good, consumable, digital delivery, travel, or other applicable category (see section 3-202). This information is necessary to properly classify the purchase, determine funding availability, and ensure that the request is reviewed under the appropriate procurement method.

   a) If the procurement is for a service agreement, the requisition must include the total cost of the full term of the agreement, including any allowable extensions or renewals.

4) **<u>Source of Fund Code:</u>**
Each requisition must identify the appropriate source of fund code to which the purchase will be applied. All expenditures shall properly align with their designated funding and must comply with the Texas Grant Management Standards (TxGMS), applicable federal regulations under 2 CFR 200, and any program-specific grant or contract provisions.

   a) The fund code entered on the requisition must be the code specifically assigned to the funding source supporting the purchase.

   b) The submitting employee shall verify the accuracy of the code with both the Department Grant Manager and the Finance Department prior to submission.

   c) If the requested purchase requires funding to be allocated across multiple sources or accounts, the submitter must coordinate with the Department Grant Manager and Finance Department to obtain the proper breakdown of funds and codes before the requisition is submitted.

Any requisition submitted without an accurate source of fund code will be returned for correction and will not proceed in the procurement process. Misclassification of funding sources may result in disallowed costs, audit findings, or other financial penalties, and departments will be held accountable for ensuring the accuracy of this information.

5) **Cost Applied per Code:**
Each requisition must indicate how the total purchase cost will be applied to the identified funding source codes.

   a) If multiple funding codes are required to support the purchase, the submitter must clearly note the applicable cost assigned to each code.
   b) The distribution must be reviewed and verified with the Department Grant Manager and the Finance Department to ensure that the allocation is accurate, allowable, and properly documented for audit and reporting purposes.
   c) The sum of the costs applied per code must equal the total estimated cost stated in the requisition to maintain accuracy and fiscal accountability.

Incomplete or inaccurate cost allocations, including discrepancies between allocated costs and the estimated total cost, will result in the requisition being returned for correction and may delay the processing of the purchase order.

6) **Purpose of purchase:**
The purpose of the purchase must be clearly and comprehensively documented in order to support the procurement request. Each requisition shall include:

   a) A detailed description of the item(s) or service(s) being procured.
   b) Relevant technical specifications or functional requirements.
   c) A defined Scope of Work (SOW), if applicable.
   d) The intended use or objective of the purchase and how it supports the program or operational needs.

The submitter may attach additional documents such as specifications, drawings, proposals, quotes, or justifications to support the requisition. Clear documentation is required to ensure transparency, facilitate proper evaluation, and maintain compliance with audit and funding requirements.

Failure to provide sufficient detail to justify the procurement may result in the requisition being delayed, denied, or canceled. Incomplete submissions hinder proper evaluation, compliance verification, and approval processing. All requisitions must include adequate documentation to demonstrate the necessity, scope, and appropriateness of the purchase in alignment with applicable procurement policies and funding requirements.

7) **Procurement Method Selection:**
The submitter must indicate the procurement method selected for the requested purchase. The chosen method must be appropriate based on the estimated total value of the procurement and must comply with the organizational thresholds and requirements established by LRGVDC procurement policies (see Article III, Part A: Thresholds) and applicable federal and state laws, including 2 CFR 200, Texas Local Government Code Chapter 252, and Texas Government Code Chapter 2155.

a) The submitter is responsible for ensuring that the method is correctly identified and justified.

b) Where competitive quotes are required, at least three vendor quotes must be obtained, unless otherwise exempt by law or regulation. If three quotes are not available or cannot reasonably be obtained, the submitter must provide written comments or justification explaining the circumstances.

c) When the selected procurement method is through a purchasing cooperative, the requisition must identify the cooperative name and the competitively bid contract number. This information must also be included on the vendor's quote. Departments are expressly prohibited from retroactively adding cooperative details to a quote. The cooperative information must be noted by the vendor at the time the quote is issued. Any submitter who falsifies or improperly alters vendor documentation, including adding cooperative details that were not provided by the vendor, may be subject to disciplinary action in accordance with LRGVDC personnel policies.

This requirement ensures that all procurement requests are processed in a fair, transparent, and competitive manner, safeguarding compliance with state and federal procurement standards and promoting best value for the organization.

8) **DBE and Debarment Checks:**

All requisitions involving federal or state funding are subject to mandatory debarment checks. Procurement personnel shall verify vendor eligibility in accordance with 2 CFR § 180.300 and applicable provisions of Texas law to ensure that no contracts are awarded to parties suspended, debarred, or otherwise excluded from participation in federally or state-funded programs. Documentation of these checks shall be maintained with the procurement file to demonstrate compliance with audit and funding requirements.

In addition, Procurement staff shall review each requisition to determine whether qualified Disadvantaged Business Enterprise (DBE) or Historically Underutilized Business (HUB) vendors are available for the requested goods or services. When such vendors are identified, Procurement will notify the submitting department of their availability for consideration. Departments are encouraged to include DBE and HUB vendors in the competitive solicitation or award process to promote inclusivity and compliance with applicable federal and state participation goals.

9) **Asset Management:**

Procurement staff shall review and monitor all requisitions to identify purchased items that qualify as capital assets, sensitive property, or trackable inventory. Such items may include, but are not limited to, equipment, furniture, electronics, vehicles, tools, and information technology hardware.

When a purchase is identified as requiring asset tracking, Procurement staff shall designate whether an asset tag is required on the form. The Asset Management Personnel shall then follow up with the requesting department to ensure that the items are received and properly entered into the inventory system and physically tagged.

The Asset Management Personnel shall finalize the process by completing the purchase order file with a signature and date confirming when the item was entered into the inventory system and tagged. This process ensures compliance with internal control policies, state inventory requirements, and federal grant tracking obligations under 2 CFR § 200.313.

10) **<u>Vendor Information:</u>**
All procurement requisition requests must include complete vendor information to support evaluation, compliance, and recordkeeping. Required information shall include:

a) The vendors' name.
b) Vendors' contact name, sales representative or account manager.
c) Vendor location (City and State)
d) Vendors' contact phone number.
e) Whether a vendor is selected for award.
f) Comments.

For every vendor considered during the procurement process, the submitter must provide a clear justification for the award or non-award decision in the comments section of the Vendor Information portion of the requisition form. Justifications must demonstrate how the award decision represents best value, complies with procurement standards, and meets the operational or programmatic needs of the LRGVDC.

Failure to provide adequate justification, or submission of documentation where the selected vendor does not represent the best value, may result in a request for additional clarification or supporting documentation. Such deficiencies may delay approval of the requisition or result in denial of the request.

11) **<u>Authorization signatures:</u>**
All requisitions must include the appropriate authorization signatures based on established policy procurement thresholds (see Article III – Part A). These authorization levels are to ensure accountability, budget control, and compliance with internal controls as recommended under 2 CFR § 200.303 and applicable state fiscal regulations. Authorization levels also serve to verify programmatic need, funding availability, compliance with procurement standards, and adherence to funding restrictions.

a) Purchases less than $2,499.99 require the first 3 levels of authorization as detailed below:
   i) <u>1st Level Program Supervisor</u>
   Confirms programmatic need, accuracy of requisition, and budget alignment.

   ii) <u>2nd Level Finance Dept. (assigned Accountant)</u>
   Verifies funding availability, grant coding, and budget compliance.

   iii) <u>3rd Procurement Department (procurement@lrgvdc.org)</u>
   Reviews procurement method, vendor compliance, and documentation before issuing a Purchase Order (PO).

b) Purchases $2,500.00 and above require the elevated authorizations.

i) 4th Level Program Director

Provides departmental approval for larger expenditures and confirms alignment with operational goals.

ii) 5th Level Executive Director

Provides final authorization for purchases, ensuring compliance with the organization's delegated approval authority and all applicable funding source restrictions and requirements.

No purchase order shall be issued without the proper sequence of approvals, and requisitions submitted without complete signatures will be canceled for originating department correction.

4-204 Procurement Purchase Order (PO) Requisition Turnaround Time

The standard processing time for procurement requisitions shall be three (3) business days from the date of receipt by the Procurement Department, provided that all required documentation and approvals are submitted accurately and completely. Programs and departments are responsible for planning procurement needs accordingly. Failure to allow adequate lead time may result in delays and may cause the department to be designated as "at risk" for noncompliance with procurement timelines or operational disruptions. Urgent or expedited requests may be considered on a case-by-case basis but are not guaranteed and must be accompanied by appropriate justification and leadership approval.

4-205 Purchase Certification and Payment Verification

Each purchase instrument (e.g., purchase order, contract, or agreement) must contain the signature of the Executive Director, Chief Financial Officer (CFO) or Assigned Accountant, and the Procurement Officer or Purchasing Agent depending on threshold and type of procurement. These signatures serve as formal certification that:

1) The procurement has followed the appropriate bid procedures or solicitation method based on the applicable threshold;
2) The purchase complies with all relevant grant or funding source requirements, restrictions, and internal policies;
3) Sufficient funds have been authorized, allocated, and verified prior to execution; and
4) The purchase has been reviewed for compliance with applicable federal and state procurement standards.

In accordance with 2 CFR §§ 200.441–200.475, if the purchase is made using federal funds or involves a subrecipient, the organization is responsible for ensuring that all expenditures are:

1) Necessary for the program or project,
2) Reasonable in cost and market context,
3) Allowable under the grant or funding agreement, and
4) Appropriately allocated to the correct funding source or cost objective.

If the purchase involves federal funds or a subrecipient, LRGVDC remains responsible for ensuring that all associated expenditures meet programmatic, financial, and compliance standards, and are supported by complete documentation in the procurement record.

PART C: FORMAL COMPETATIVE PROCUREMENTS

4-301 General

The Lower Rio Grande Valley Development Council (LRGVDC) shall conduct all formal procurements for goods and services in accordance with applicable federal and state procurement regulations, including but not limited to 2 CFR 200, FTA Circular 4220.1F, and Texas Government Code Chapter 2155. The method of solicitation shall be determined by the nature of the procurement, the estimated value, and the regulatory requirements governing the funding source.

Formal solicitations, including Requests for Proposals (RFP), Invitations for Bids (IFB), and Requests for Qualifications (RFQ), shall be utilized when required by law or when determined to be in the best interest of the LRGVDC to ensure full and open competition. Each solicitation must be clearly written, publicly advertised, and conducted in a manner that provides vendors with a fair and equal opportunity to compete. The solicitation shall outline the scope of work, technical specifications, evaluation criteria, and all compliance requirements relevant to the funding source.

All solicitations must comply with requirements for public notice, competitive bidding, evaluation, award, and contract execution. Procurement records shall be maintained to document the history of each solicitation, including the rationale for the chosen method, selection of contract type, contractor selection or rejection, and the basis for the contract price.

4-302 Invitation for Bid (IFB)

An Invitation for Bids shall be used when the needs can be clearly defined, specifications can be precisely written, and award can be made to the lowest responsive and responsible bidder. The process begins with the development of bid specifications and preparation of the solicitation package. Public advertisement shall occur for the minimum time required under Texas Local Government Code Chapter 2156 and any applicable federal guidance.

1) All bids must be received by the deadline, sealed, and publicly opened at the designated date and time.

2) Following the opening, staff shall review submissions for responsiveness to the stated requirements and responsibility of the bidder, which includes capacity, financial stability, and prior performance.

3) A recommendation for award shall be prepared and submitted to the Executive Director and/or Board of Directors, as applicable, for approval.

4) The contract award shall then be documented in the official records, and all unsuccessful bidders shall be notified.

4-303 Request for Proposals (RFP)

A Request for Proposals shall be issued when factors other than price must be considered, such as qualifications, technical approach, or management capability.

1) The process begins with drafting a clear scope of work, identifying evaluation criteria, and publishing notice of the solicitation.

2) Proposals must be submitted by the published deadline and may not be opened publicly but rather logged for review by an evaluation committee.

3) The committee shall evaluate proposals based on the published criteria, which may include technical merit, experience, past performance, and cost.
4) Negotiations may be conducted with the highest-ranked proposers to clarify details or request best and final offers.
5) The evaluation results and recommendation for award shall be documented in writing, demonstrating how the selected proposal represents the best value to the LRGVDC.
6) Award approval shall be secured from the Executive Director and/or Board of Directors, and notice of award shall be provided to all proposers.

4-304 Request for Qualifications (RFQ)

A Request for Qualifications shall be used in the procurement of professional services as required by Texas Government Code Chapter 2254, where selection must be based on demonstrated competence and qualifications rather than price.

1) The process begins with publication of the solicitation notice, describing the services sought and the criteria for evaluation.
2) Submissions are received and reviewed by an evaluation committee that ranks firms based on experience, technical competence, and capacity to perform the required services.
3) The most qualified firm shall then be invited to negotiate a contract.
4) If negotiations for compensation are unsuccessful, they shall be formally terminated and the next most qualified firm shall be approached.
5) All steps in the evaluation, ranking, and negotiation process must be fully documented, and the final contract must be approved by the Executive Director and Board of Directors.

4-305 Request for Information (RFI)

A Request for Information may be used as a market research tool to gather information about potential solutions, capabilities, or availability of goods and services prior to issuing a formal procurement. The RFI is not an offer or commitment to award a contract but provides the LRGVDC with insight into the marketplace. Responses to an RFI shall be documented and may be used to refine specifications, determine whether competition exists, or inform the choice of solicitation method.

4-306 Cooperative Purchasing Solicitations

The Council may participate in cooperative or group purchasing agreements, provided that the cooperative solicitation was conducted in compliance with state and federal procurement standards. Use of such agreements must be justified in writing and approved by the Executive Director or designee. The procurement record shall include evidence of compliance and documentation of how the cooperative contract meets the Council's needs. (See section 1-215).

4-307 Joint Procurements

The Lower Rio Grande Valley Development Council (LRGVDC) may participate in joint procurements with other governmental entities when such arrangements are determined to be in the best interest of the LRGVDC and are consistent with federal and state procurement requirements. A joint procurement is defined as a coordinated solicitation conducted by two or more governmental entities for the purpose of obtaining goods or services through a single competitive process.

Responsibilities

1) When the LRGVDC participates in a joint procurement, the lead entity shall be responsible for issuing the solicitation, receiving and evaluating responses, and making a recommendation for award. LRGVDC shall ensure that the procurement process conducted by the lead entity complies with the standards established under 2 CFR 200, FTA Circular 4220.1F, Texas Government Code Chapter 2155, and Texas Local Government Code Chapter 252. The procurement record maintained by LRGVDC must include a copy of the solicitation, evidence of compliance with all applicable requirements, documentation of LRGVDC's participation in the process, and the executed contract or agreement.

2) The initiating department within the LRGVDC shall be responsible for verifying that the goods or services obtained through a joint procurement meet the LRGVDC's requirements and that pricing and terms are consistent with the results of the competitive process. Any exceptions to competitive solicitation through joint procurement shall be documented in writing and approved by the Executive Director.

Joint procurements shall not be used to avoid competition or to circumvent the thresholds established for formal procurement. Instead, they are to be utilized as a means of leveraging combined purchasing power, reducing administrative burden, and achieving cost efficiencies.

4-308 Job Order Contracting (JOC)

The Lower Rio Grande Valley Development Council (LRGVDC) may utilize Job Order Contracting (JOC) as an alternative project delivery method for repair, rehabilitation, alteration, minor construction, and maintenance projects when it is determined to be the most efficient and cost-effective approach. Job Order Contracting allows the Council to establish a competitively procured contract with a vendor for a range of construction-related services, with individual work orders issued as specific needs arise.

1) **Compliance**

   The use of JOC shall comply with the requirements of Texas Government Code Chapter 2269, Subchapter I, and applicable federal procurement regulations, including 2 CFR 200. Each JOC solicitation must be conducted through a competitive process, ensuring fair and open competition. The solicitation shall clearly define the scope of work to be covered under the contract, the basis for pricing (such as unit price books or coefficients), and the process for issuing job orders.

2) **Responsibility**
The initiating department is responsible for preparing the request for a job order, including specifications and required timelines. The contractor shall provide a detailed proposal in response, which shall be reviewed for accuracy, fairness, and compliance with the contract terms. The proposal must be evaluated and approved prior to issuance of the formal job order.

3) **Award**
Once a JOC contract has been awarded, individual job orders may be issued without the need for a separate competitive solicitation, provided that each order falls within the scope and terms of the contract. Each job order must be in writing, must describe the work to be performed, and must include an agreed-upon price consistent with the contract pricing methodology.

LRGVDC shall maintain a complete record of all job orders issued under a JOC contract, including the request, contractor proposal, approval documentation, and final work completion.

Job orders shall not be used to avoid competitive procurement requirements or to exceed statutory limitations. Contracts established through JOC shall be subject to term limits and renewal provisions as outlined in Texas Government Code Chapter 2269 and in federal funding requirements, with extensions requiring proper justification and approval.

PART D: COMPETITIVE PROCEDURES

4-401 Threshold for Formal Solicitations
Formal procurement procedures shall be required for any purchase of goods or services with an anticipated value exceeding fifty thousand dollars ($50,000). This threshold is established in accordance with Texas Local Government Code §252.021 and Texas Government Code §2155, and shall apply to all procurements unless superseded by a more restrictive federal requirement under 2 CFR 200. When federal funding is utilized, the stricter threshold shall govern.

4-402 Scope of work and technical specifications
All formal solicitations issued by the Lower Rio Grande Valley Development Council (LRGVDC) shall include a clearly written scope of work and technical specifications. It is the responsibility of the initiating department to prepare the scope of work in sufficient detail to accurately describe the goods or services required. The scope must be comprehensive, free from ambiguity, and written in a manner that promotes full and open competition.

1) **Specifications**
Technical specifications shall be developed to define performance requirements, quality standards, and any special conditions necessary to ensure successful completion of the contract. Specifications shall not be written in a manner that restricts competition, such as requiring brand-name products without allowing “or equal” alternatives, unless a documented justification has been approved in accordance with federal and state regulations.

2) **Compliance**
Departments preparing scopes of work and technical specifications shall coordinate with the Procurement Office to ensure compliance with 2 CFR 200, FTA Circular 4220.1F, Texas Government Code Chapter 2155, and Texas Local Government Code Chapter 252. The Procurement Office shall review all specifications for clarity, fairness, and compliance prior to issuance of the solicitation.

3) **Revisions**
Any subsequent revisions to the scope of work or technical specifications after solicitation release shall be issued as a formal addendum and communicated to all potential respondents in accordance with applicable notice requirements.

4-403 Public Notices

All formal solicitations issued by the Lower Rio Grande Valley Development Council (LRGVDC) shall be publicly advertised to ensure transparency and to promote full and open competition. Public notice requirements shall comply with Texas Local Government Code Chapter 252, Texas Government Code Chapter 2155, and any applicable federal procurement standards under 2 CFR 200.

1) **Duration**
Each notice shall be published for a minimum of fourteen (14) calendar days prior to the deadline for submission, unless a longer period is required by federal regulations or funding source requirements.

2) **Publishers**
The notice shall be placed in a newspaper of general circulation within the Council's service area and, when required, in the Electronic State Business Daily (ESBD) or other platforms necessary to ensure broad accessibility.

    a) In the event that no local newspaper of general circulation is available within the service area, the notice must instead be posted in one or more prominent public locations, such as city halls, county courthouses, or other designated public posting sites within the region. Such postings must remain publicly accessible for the full notice period.

3) **Publication**
The notice must include a short summary of the solicitation detailing the type with a general description of the goods or services being sought, instructions for obtaining solicitation documents, the deadline for submission, and the date, time, and place of any public opening.

4) **Responsibility**
The Procurement Department shall be responsible for ensuring that publication or posting requirements are satisfied, and proof of publication or certification of posting must be retained in the procurement record. Any amendments that materially change the solicitation shall be advertised or posted in the same manner as the original notice.

4-404 Bidders List

The Procurement Office shall maintain and periodically update a Bidders List consisting of vendors, contractors, and service providers that have expressed interest in doing business with the Council. The Bidders List shall serve as an internal tool to promote competition, track vendor participation, and ensure inclusivity in the procurement process. At the time a solicitation is released, the Bidders List shall be reviewed to identify all qualified vendors relevant to the procurement. Moreover, the Procurement Department may search via the web for additional possible vendors.

1) **DBE/HUB Vendors**
   Particular emphasis shall be placed on ensuring that Disadvantaged Business Enterprises (DBEs) and Historically Underutilized Businesses (HUBs) are identified and provided direct notification of the solicitation. The official sources for identifying DBE and HUB vendors shall be the Texas Unified Certification Program (TUCP) directory and the Texas Centralized Master Bidders List (CMBL). These sources shall be consulted to ensure that outreach is conducted in accordance with federal and state requirements.

2) **Notifications**
   Such notifications shall be sent concurrently with the issuance of the public notice to ensure equal access to bidding opportunities. Documentation of outreach efforts, including records of notifications sent to DBE and HUB vendors, shall be maintained in the procurement record as evidence of compliance with inclusivity requirements. The Bidders List shall not be used to restrict competition but rather to broaden participation and ensure that solicitations reach a diverse pool of qualified vendors.

4-405 Competitive Bidding and Sealed Bids

The Lower Rio Grande Valley Development Council (LRGVDC) shall conduct all formal solicitations using competitive bidding procedures when required by Texas Local Government Code Chapter 252, Texas Government Code Chapter 2155, and applicable federal procurement regulations under 2 CFR 200. Competitive bidding ensures that all qualified vendors have an equal opportunity to compete and that contracts are awarded in a fair, transparent, and cost-effective manner.

1) **Sealed Bids**
   All bids must be submitted in sealed form, whether in physical or electronic format, and must remain unopened until the designated public opening. Sealed bids shall be received by the deadline specified in the solicitation documents, and no late submissions shall be considered. Each bid shall remain sealed and secure to preserve the integrity of the competitive process.

2) **Time Stamp**
   All bids received at LRGVDC offices shall be time-stamped immediately upon delivery, reflecting the exact date and time of receipt. This time stamp shall serve as the official record for determining whether the bid was received in compliance with the deadline requirements. Any bid received after the stated deadline, regardless of the method of delivery, shall be considered non-responsive and shall not be opened or evaluated.

3) **Responsibility**
The Procurement Department is responsible for ensuring that solicitation documents clearly identify the requirements for sealed submissions, including the address, electronic portal, or delivery location; the deadline date and time; and any specific labeling or submission instructions. Failure to comply with these requirements may render a bid non-responsive.

The integrity of the sealed bid process shall be maintained at all times. No member of staff, evaluation committee, or other party may open, review, or disclose the contents of a bid prior to the official opening. Any breach of this requirement shall be reported immediately to the Executive Director, documented in the procurement record, and addressed as a potential violation of procurement standards.

4-406 Bid Openings and Bid Abstracts

All sealed bids received by the Lower Rio Grande Valley Development Council (LRGVDC) shall be opened publicly at the date, time, and location specified in the solicitation. Bid opening shall be open to the public, ensure transparency and provide vendors and the public an opportunity to observe the receipt and acknowledgment of submissions.

1) **Opening Attendance**
During the opening, bids shall be unsealed in the presence of at least two LRGVDC staff members, one of whom must be from the Procurement Department. The names of all bidders, along with the total bid amounts, shall be read aloud and recorded in the official record.

2) **Bid Abstract**
Following the public opening, the Procurement Department shall prepare a bid abstract summarizing the bids received. The abstract shall include the names of all bidders, the date and time of receipt, and the total amounts submitted. This abstract shall become part of the procurement record and shall be made available for public inspection, consistent with the Texas Public Information Act and applicable confidentiality provisions.

3) **Compliance and Responsiveness**
The Procurement Department shall then review all bids for compliance with submission requirements, responsiveness to specifications, and bidder responsibility. Any bids deemed non-responsive or from non-responsible bidders shall be documented with justification in the procurement record. Only bids determined responsive and responsible shall proceed to further evaluation or recommendation for award.

4-407 Bid Tabulations

A bid tabulation shall be prepared following the receipt and opening of responses to any formal solicitation. The tabulation serves as a preliminary public record of the vendors that submitted responses and the amounts or other summary data disclosed at the opening, depending on the solicitation type.

1) **Disclosures**

a) For Invitations for Bids (IFBs), the tabulation shall list the names of all bidders, the date and time of receipt, and the total bid amounts as read aloud during the public opening.

b) For Requests for Qualifications (RFQs), the tabulation shall list the names of respondents and confirmation of timely submission but shall not disclose pricing or evaluation details until the evaluation process has been completed.

c) For Requests for Proposals (RFPs), the tabulation shall list the names of respondents and confirmation of timely submission and shall include a total or fixed price summary. No other individual bidder information shall be provided.

2) **Certification and Retention**

The Procurement Office shall prepare and certify the bid tabulation immediately after the public opening or deadline for receipt. The document shall serve as the official preliminary record of responses and shall be retained in the procurement file. The certified tabulation shall be included in the procurement record and made available for public inspection in accordance with the Texas Public Information Act, except for information deemed confidential or exempt by law.

3) **Public Posting**

Bid tabulations shall be made available for public inspection in accordance with the Texas Public Information Act, except for information deemed confidential or exempt by law. The certified tabulation shall provide transparency to vendors and the public while preserving the integrity of the evaluation process. The tabulation shall be posted to the LRGVDCs website Procurement page.

4) **Notice Provision**

The following shall be included with the bit tabulation that is publicly posted.

"The tabulation of bids provided herein is for informational and evaluation purposes only. It does not constitute a notice of intent to award, a determination of responsiveness or responsibility, nor a guarantee of contract award to any bidder. Inclusion of a vendor's bid in the tabulation does not imply acceptance or approval by LRGVDC. All bids remain subject to further review, analysis, and formal approval in accordance with applicable procurement regulations, including but not limited to those of the Federal Transit Administration (FTA), the Texas Department of Transportation (TxDOT), and the LRGVDC's internal procurement policies and procedures. LRGVDC reserves the right to reject any or all bids, waive informalities or minor irregularities, and make an award in the best interest of the agency."

4-408 Bids

Bidders submitting offers to the Lower Rio Grande Valley Development Council (LRGVDC) must prepare their bids independently and competitively, without reliance on any guidance or suggestion regarding what may constitute an acceptable price. With the exception of RFQs, bidders are responsible for submitting their best and most competitive price consistent with the specifications and requirements outlined in the solicitation. All bids must be properly marked and identified with the solicitation number and in accordance with the instructions provided in the solicitation documents.

1) **Unmarked Bids**
In the event that an unmarked envelope or package is received, the Procurement Officer may open the package solely to determine whether it contains a bid submission. If confirmed, the bid shall be immediately resealed and treated as received.

a) **Determination**
An unmarked bid shall not automatically be eliminated from consideration; however, such submissions undermine the integrity of the sealed bid process and may be documented as an irregularity. The Procurement Department shall review each instance on a case-by-case basis to determine whether the integrity of the process has been materially affected. Any decision regarding the acceptance or rejection of an unmarked bid shall be recorded in the procurement file.

4-409 Disqualification of Bids

1) **Late Bids**
The Lower Rio Grande Valley Development Council (LRGVDC) shall not accept bids that are received after the official submission deadline. Any bid delivered after the specified date and time, regardless of cause, shall be deemed late and shall not be opened or considered for award. Late submissions shall be documented in the procurement record, along with the date and time of attempted delivery.

2) **Incomplete Bids**
Bids or proposals that fail to include required forms, certifications, bonds, insurance documentation, or signatures may be considered non-responsive. LRGVDC requires complete submissions so that all vendors are evaluated on an equal basis.

3) **Non-Responsive Bids**
A bid or proposal that fails to conform to the specifications, scope of work, or mandatory requirements stated in the solicitation shall be disqualified. This includes deviations, omissions, or substitutions that materially alter the intent of the solicitation.

4) **Conditional or Escalating Pricing**
Bids or proposals that condition their pricing on the award of another contract, or that include unlimited escalation clauses or open-ended terms, shall be deemed non-responsive. Pricing must be firm, fair, and independently submitted without contingency upon outside factors.

5) **Unauthorized Discussions**
In order to achieve fair and equitable competition, all vendor communications regarding a solicitation must be directed exclusively through the Procurement Department. Vendor discussions with LRGVDC personnel outside of Procurement, or with consultants or contractors working on behalf of the Council, are strictly prohibited. A vendor's failure to coordinate discussions through the LRGVDCs Procurement department may, at the sole discretion of LRGVDC, result in disqualification.

6) **Conflict of Interest**
Any submission that presents an actual, potential, or perceived conflict of interest shall be disqualified. This includes undisclosed financial or personal relationships between the vendor and LRGVDC employees, evaluation committee members, or governing officials.

7) **Collusion or Anti-Competitive Practices**
Evidence of collusion, bid-rigging, price-fixing, or other anti-competitive behavior among vendors shall result in disqualification and may be reported to the Texas Attorney General, U.S. Department of Justice, or other enforcement agencies as required by law.

8) **Failure to Meet Mandatory Requirements**
Vendors shall be disqualified if they fail to attend mandatory pre-bid conferences, site visits, or other required events specified in the solicitation. These requirements are designed to ensure that all bidders have equal access to essential information.

9) **Debarment or Suspension**
Vendors that are debarred, suspended, or otherwise ineligible to participate in federal or state procurements shall not be considered. LRGVDC shall verify vendor eligibility through the Texas Comptroller's Debarred Vendor List, the Federal System for Award Management (SAM.gov), and any other applicable databases.

10) **Failure to Honor Firm Offer**
Bids or proposals must be firm offers valid for the minimum period specified in the solicitation. Vendors that withdraw or materially alter their submissions before the expiration of the validity period may be disqualified and barred from future solicitations.

4-410 Bid Acceptance

The Lower Rio Grande Valley Development Council (LRGVDC) shall accept bids only when they are submitted in accordance with the terms, conditions, and instructions outlined in the solicitation documents. A bid shall be considered accepted when it has been timely received, properly marked, sealed, complete, and responsive to the solicitation requirements.

1) **Non-Constitution of Award**
Bid acceptance by LRGVDC does not constitute an award of contract but only acknowledges that the submission meets the minimum conditions for further evaluation. All accepted bids shall be reviewed for responsiveness to specifications and responsibility of the bidder, including consideration of financial capacity, experience, and past performance.

2) **Right to Waive Informalities**
LRGVDC reserves the right to waive minor informalities or irregularities in bids when it is in the best interest of the Council to do so, provided that such waiver does not give any bidder a material advantage over others or compromise the fairness and integrity of the procurement process. An informality is defined as a matter of form rather than substance that can be corrected or clarified without prejudice to other bidders. Any waiver of informalities shall be documented in the procurement record.

All decisions regarding bid acceptance or rejection shall be documented in the procurement record with supporting justification.

4-411 Formation of Evaluation Committees

The Lower Rio Grande Valley Development Council (LRGVDC) shall establish evaluation committees for formal procurements that require qualitative assessments, such as Requests for Proposals (RFPs) or Requests for Qualifications (RFQs). The formation of evaluation committees shall be conducted in accordance with 2 CFR 200, the Texas Procurement and Contract Management Guide, Texas Government Code Chapter 2155, and applicable federal or state funding requirements.

1) **Composition**
   The Procurement Department shall be responsible for recommending the composition of each evaluation committee. Committees shall consist of individuals with the technical expertise, program knowledge, and financial or operational background necessary to fairly and effectively evaluate the submissions. The number of committee members shall be appropriate to the complexity of the procurement, but must include a sufficient balance to ensure impartiality and avoid conflicts of interest.

2) **Appointment**
   Prior to receiving any vendor responses, each committee member shall be formally appointed by the Procurement Officer. The Executive Director shall have the authority to override or appoint as needed.

3) **Confidentiality Certification**
   Each member shall be required to sign a Confidentiality and Non-Disclosure Certification, as well as a Conflict of Interest Disclosure, affirming their obligation to maintain confidentiality, avoid bias, and report any personal or financial interests that may impair their objectivity.

4) **Nepotism Disclosure Statement**
   For contracts valued at one million dollars ($1,000,000) or more, committee members and procurement personnel shall also complete the State Auditor's Office Nepotism Disclosure Statement, as required by the Texas Procurement and Contract Management Guide. For contracts valued at twenty million dollars ($20,000,000) or more, the procurement record must document the qualifications of each committee member and the rationale for their selection.

The Procurement Office shall provide training or orientation to all committee members regarding evaluation procedures, scoring methods, and ethical standards before the evaluation process begins. All actions taken by the committee, including deliberations, scoring, and recommendations, shall be documented and retained in the official procurement record.

4-412 Establishing Evaluation Criteria

The Lower Rio Grande Valley Development Council (LRGVDC) shall ensure that all evaluation criteria used in the review of bids, proposals, or qualifications are determined prior to the release of the solicitation and are fully disclosed within the solicitation documents. The establishment of criteria shall be the joint responsibility of the initiating department and the Procurement Office, subject to review and approval by the Executive Director.

1) **Selection**
Criteria shall be selected based on the nature of the procurement, the type of solicitation method, and the requirements of applicable state and federal regulations. The solicitation shall clearly describe each evaluation criterion, the relative importance or weighting assigned, and the method of scoring or ranking. No criteria may be considered during the evaluation that is not explicitly stated in the solicitation.

a) **Invitation for Bids (IFB) Criteria**
For procurements conducted under an Invitation for Bids (IFB), evaluation criteria shall be limited primarily to price and responsiveness to technical specifications.

b) **Request for Proposals (RFP) Criteria**
For Requests for Proposals (RFPs), evaluation criteria may include technical merit, qualifications, prior performance, and price, with weights assigned to each factor in advance.

c) **Request for Qualifications (RFQ) Criteria**
For Requests for Qualifications (RFQs), criteria shall be limited to demonstrated competence and qualifications in accordance with Texas Government Code Chapter 2254.

The Procurement Officer shall ensure that evaluation criteria are written in a clear, measurable, and non-restrictive manner that promotes full and open competition. Draft evaluation criteria shall be reviewed for compliance with 2 CFR 200, FTA Circular 4220.1F, and applicable Texas statutes prior to the issuance of the solicitation. Any revisions to criteria after the solicitation has been published shall require issuance of a formal addendum to all prospective vendors.

4-413 Bid Evaluations
All bids, proposals, or qualifications received by the Lower Rio Grande Valley Development Council (LRGVDC) that have been accepted for consideration shall undergo an evaluation to determine responsiveness to the solicitation requirements and responsibility of the vendor. The evaluation process shall be conducted in a fair, impartial, and transparent manner consistent with 2 CFR 200, Texas Local Government Code Chapter 252, and Texas Government Code Chapter 2155.

1) **Criteria**
Evaluations shall be based solely on the criteria published in the solicitation documents. No criteria may be considered in the evaluation unless it was disclosed to vendors in advance. The Procurement Department shall ensure that all evaluation committees are properly constituted, free of conflicts of interest, and knowledgeable of the evaluation procedures and in accordance with this policy. Each evaluator shall review the submissions independently before participating in group deliberations. Discussions or clarifications with vendors may only occur if permitted under the solicitation method and shall be documented in the procurement record.

2) **Review**
Each evaluator shall review the submissions independently before participating in any group discussion or scoring session. Clarifications with vendors may be permitted only if consistent with the solicitation method and shall be fully documented in the procurement record.

3) **Outcome**
The outcome of the evaluation process, including responsiveness findings, determinations of responsibility, and recommendations for further consideration, shall be documented in writing and retained as part of the official procurement record.

4-414 Scoring

When a solicitation requires qualitative evaluation beyond simple price comparison, the Lower Rio Grande Valley Development Council (LRGVDC) shall use a structured scoring process to rank and compare vendor submissions. Scoring must be consistent with the evaluation criteria and weightings published in the solicitation and may not introduce any new or undisclosed factors.

1) **Scoring Sheets**
Each evaluation committee member shall score submissions independently using standardized score sheets provided by the Procurement Department. Scores must reflect the evaluator's judgment based on the published criteria, such as technical merit, experience, qualifications, past performance, and cost considerations, as applicable. Evaluators must provide written comments to support their scoring decisions, particularly where significant strengths or weaknesses influence the rating. The scoring members scoring sheet must be signed and certified that have provided the score to the best of their ability. Upon completion of individual scoring, the Procurement Department shall collect all scoring sheets and compile results to create a composite score for each submission and entered into a tally sheet.

2) **Tally Sheets**
Following the submission of individual scoring sheets, the Procurement Department shall prepare a tally sheet to aggregate the scores from all evaluators. The tally sheet shall summarize the results by vendor, showing total points awarded, rankings, and overall composite scores.

   a) The tally sheet serves as the official summary of the evaluation results and provides a consolidated record of how the committee's recommendations were derived. It must accurately reflect the individual scoring sheets and may not introduce or alter evaluator judgments.

   b) The tally sheet must be signed and certified by both the Procurement Officer and the department Director initiating the solicitation.

3) **Recommendation**
Once the tally sheet is finalized, the vendor receiving the highest overall ranking shall be identified as the vendor selected for possible award. This designation authorizes the Procurement Department to issue a Selection for Award Notice to that vendor and, if applicable, begin negotiations.

4) **Sheet Retention**
All scoring sheets, notes, and supporting documentation shall be retained in the procurement record. The scoring record must provide a clear and traceable rationale for how rankings were determined and must demonstrate compliance with the criteria and weights published in the solicitation.

5) **Compliance**
The Procurement Officer shall oversee the scoring process to ensure fairness, uniform application of criteria, and compliance with 2 CFR 200, Texas Government Code Chapter 2155, Texas Local Government Code Chapter 252, and the Texas Procurement and Contract Management Guide.

4-415 Selection for Award Notice

The Procurement Department shall issue a Selection for Award Notice to the vendor that has been recommended for award by the evaluation committee. This notice does not constitute an official contract award but rather serves as notification that the vendor has been selected for further consideration, including negotiations where permitted.

1) **Selected Vendor**
The Selection for Award Notice shall specify that the vendor's proposal or bid has been ranked highest under the published evaluation criteria and that the Council intends to enter into negotiations or clarifications to finalize terms. The notice shall also make clear that the award is contingent upon successful negotiations, Board approval, and execution of a contract by the Executive Director.

2) **Non-Selected Vendors**
At this stage, no notices shall be sent to the other vendors that participated in the solicitation. If negotiations with the selected vendor fail, the Council may formally terminate discussions and issue a Selection for Award Notice to the next highest-ranked vendor as identified by the evaluation committee.

The Procurement Office shall retain a copy of each Selection for Award Notice in the procurement record, along with documentation of negotiations and subsequent actions.

4-416 Negotiations

Negotiations when permitted under the selected solicitation method and when such negotiations are in the best interest of the LRGVDC. Negotiations are most commonly associated with Requests for Proposals (RFPs) and Requests for Qualifications (RFQs), and are not permitted in the Invitation for Bids (IFB) process where award must be based on the lowest responsive and responsible bid.

1) **Recommended Vendor**
Negotiations shall be conducted with the vendor that has been recommended by the evaluation committee based on the results of the scoring process. The purpose of negotiations is to confirm understanding of the scope of work, ensure cost reasonableness, clarify terms and conditions, and make any adjustments necessary to secure the best value for the LRGVDC.

2) **Documentation of Activities**
The scope of negotiations may include clarification of technical proposals, discussion of alternative approaches, and confirmation of cost reasonableness, pricing and/or terms. The Procurement Department shall coordinate and document all negotiation activities. Outcomes shall be retained in the procurement file as part of the official record.

3) **Compliance**
All negotiations shall be conducted in a fair, transparent, and competitive manner, consistent with 2 CFR 200, Texas Government Code Chapter 2155, Texas Local Government Code Chapter 252, and applicable funding agency requirements.

4) **Best and Final Offers**
The Procurement Department may request a Best and Final Offer (BAFO) at the request of the department initiation the solicitation. A BAFO shall represent the vendor's final opportunity to refine pricing, adjust technical proposals, or confirm terms in response to issues raised during negotiations. The request for a BAFO must be issued in writing, establish a specific deadline for submission, and clearly identify the areas where revisions are sought.

    a) The evaluation committee shall review the BAFO in the same manner as the original submission to ensure consistency and fairness. If the BAFO results in substantive changes, the committee may update scoring or rankings accordingly, with the final results documented in the procurement record.

5) **Termination of Negotiations**
If an acceptable agreement cannot be reached with the top-ranked vendor even after BAFO submission, the Council may formally terminate negotiations and proceed with the next highest-ranked vendor. All decisions, correspondence, and BAFO documentation shall be retained in the procurement record as part of the official history of the procurement. The vendors must be formally noticed if negotiations are being terminated.

4-417 Cancellation of Solicitations

The Lower Rio Grande Valley Development Council (LRGVDC) reserves the right to cancel a solicitation as a whole or in part when it is determined to be in the best interest of the Council, its funding partners, or the public. Cancellation may occur at any stage of the procurement process, provided that the reasons are documented in the procurement record. Solicitations may be cancelled under, but not limited to, the following circumstances:

1) **No Responses Received**
When no bids, proposals, or qualifications are submitted by the deadline.

2) **Non-Acceptance of Submissions**
When all bids or proposals are determined to be non-responsive, non-responsible, or otherwise unacceptable.

3) **Failed Negotiations**
When negotiations with the recommended vendor fail to result in a fair and reasonable agreement, and subsequent attempts with other qualified vendors also fail.

4) **Widespread Disqualification**
When a majority of submissions must be disqualified for reasons such as conditional pricing, conflicts of interest, or non-compliance with mandatory requirements.

5) **Changes in Need or Funding**
When the LRGVDC's requirements change materially, when funding is withdrawn or reduced, or when continuation of the solicitation would no longer serve programmatic or operational goals.

6) **Legal or Regulatory Concerns**
When errors, omissions, or changes in applicable law or regulation prevent continuation of the solicitation in compliance with federal, state, or Council policies.

In the event of cancellation, all vendors that submitted responses shall be notified in writing of the decision, along with the general reason for cancellation. If the solicitation is reissued at a later date, all previously participating vendors shall be notified of the new opportunity.

All documentation related to a cancellation, including justification, approvals, and vendor notices, shall be retained in the procurement record. Cancellation of a solicitation shall not constitute liability to LRGVDC for costs incurred by vendors in the preparation of their responses.

4-418 Contract or Agreement Formulation

The Lower Rio Grande Valley Development Council (LRGVDC) shall ensure that a written contract or agreement is properly formulated to reflect the scope, terms, and conditions of the procurement. The initiating department, with the assistance of the Procurement Department, shall be responsible for drafting and assembling the contract or agreement that incorporates all applicable specifications, deliverables, pricing, and compliance requirements.

1) **Compliance**
The Procurement Officer shall review the draft contract or agreement to confirm compliance with federal, state, and Council procurement regulations, including 2 CFR 200, FTA Circular 4220.1F, Texas Government Code Chapter 2155, Texas Local Government Code Chapter 252, and other requirements imposed by the funding source. The Procurement Officer shall also ensure that all required and necessary clauses, certifications, and provisions are included, such as those mandated by federal grant regulations, state statutes, or specific program requirements.

2) **Formation**
The contract or agreement must clearly identify the contracting parties, the scope of services or goods, the period of performance, compensation terms, and all mandatory provisions, certifications, and clauses. Any negotiated terms must be incorporated into the final draft, and all modifications must be documented in the procurement record.

3) **Legal Review**
Contracts or agreements that involve complex legal requirements, unusual terms, significant liability exposure, or a total contract value above established thresholds shall be referred to LRGVDC's legal counsel for review prior to award. Legal review shall focus on ensuring enforceability, clarity of rights and obligations, risk allocation, and compliance with applicable laws and regulations. Documentation of legal counsel's review and recommendations shall be included in the procurement record.

This process shall be completed in advance of the award recommendation being presented to the Board of Directors for approval. For further detail regarding the types of contracts and the requirements for contract formation, reference shall be made to **Article IV – Contract Methods, Types, and Formation** of this policy manual.

4-419 Award

The Lower Rio Grande Valley Development Council (LRGVDC) shall make awards only after completion of the evaluation and, negotiations, if applicable, and in full compliance with 2 CFR 200, the Texas Procurement and Contract Management Guide, Texas Local Government Code Chapter 252, and Texas Government Code Chapter 2155.

1) **Award Determination**
   a) For Invitation for Bids (IFBs), award shall be made to the lowest responsive and responsible bidder.
   b) For Requests for Proposals (RFPs), award shall be made to the proposer whose submission represents the best value to the Council, considering all evaluation criteria published in the solicitation.
   c) For Requests for Qualifications (RFQs), award shall be made in accordance with Texas Government Code Chapter 2254, based on demonstrated competence and qualifications, followed by the negotiation of a fair and reasonable fee.
2) **Award Recommendation**
   The Procurement Office shall prepare a written recommendation for award that documents the evaluation results, the rationale for selection, and the determination of price reasonableness. The department that initiated the solicitation shall present this recommendation to the LRGVDC Board of Directors for review and approval. Once approval is granted by the Board, the Executive Director shall execute any resulting contract or agreement on behalf of the Council.

No award shall be binding on LRGVDC until it has been formally approved by the Board of Directors and executed by the Executive Director or their designee. All awards remain contingent upon the availability of funding and compliance with all applicable state and federal regulations.

4-420 Vendor Notices of Award, Notice to Proceed and Non-Award

Written notice shall be provided to all vendors that submitted responses to a formal solicitation regarding the final outcome of the procurement. These notices shall only be issued after:

a) The evaluation and scoring process has been completed,
b) A Selection for Award Notice has been issued to the highest-ranked vendor,
c) Any required negotiations have concluded,
d) A contract or agreement has been formulated and reviewed, and
e) The Board of Directors has approved the recommendation and the Executive Director has executed the resulting contract.

1) **Notice of Award / Notice to Proceed**
The successful vendor shall receive a Notice of Award, confirming that the contract or agreement has been formally approved and executed. This notice shall identify the solicitation reference, describe the goods or services awarded, and provide instructions regarding post-award requirements such as submission of performance bonds, insurance, reporting, or other compliance documentation.

2) **Notice of Non-Award**
All other vendors that submitted responses shall then receive a Notice of Non-Award. This notice shall identify the solicitation number and title, confirm that their submission was reviewed, and state that another vendor was selected and awarded the contract. The notice shall also provide information on how vendors may request a debriefing or pursue a protest in accordance with LRGVDC's protest and appeals procedures.

3) **Transmittance**
All notices shall be prepared and issued by the Procurement Officer and transmitted in a timely and verifiable manner, such as certified mail, electronic delivery, or another reliable method. Copies of all notices shall be retained in the procurement record.

4) **Post Award**
Issuance of Notices of Award and Non-Award shall conclude the formal solicitation process. The Department or Program that initiated the solicitation shall assume responsibility for the ongoing contract management of the agreement or contract in coordination with the Procurement and Finance Departments.

4-421 Contract/Agreement Execution

A contract or agreement resulting from a formal solicitation shall not be considered binding until it has been fully executed by the authorized representatives of both the Lower Rio Grande Valley Development Council (LRGVDC) and the selected vendor. Execution shall occur only after the Board of Directors has approved the award recommendation, the Executive Director has been authorized to act on behalf of the Council, and all required post-award documentation has been received.

1) **Signature Authorizations**
The initiating department or program shall be responsible for coordinating the execution process. The Executive Director shall sign the contract or agreement first on behalf of LRGVDC. The document shall then be forwarded to the vendor for signature by its authorized representative. No work may begin until both parties have executed the agreement.

2) **Copy Distribution**
Once fully executed, copies of the contract or agreement shall be distributed to the Procurement Department, the Finance Department, and the Executive Director for recordkeeping and administration. Executed contracts shall also be retained in accordance with applicable state and federal records retention requirements.

3) **Contract / Agreement Management**
The initiating department or program shall serve as the contract manager, responsible for overseeing performance, monitoring compliance, and coordinating with Procurement and Finance throughout the life of the agreement.

4-422 Debriefing

Vendors that are not selected for award may request a debriefing from the Lower Rio Grande Valley Development Council (LRGVDC) to better understand the basis for the procurement decision. Debriefings shall be conducted in accordance with applicable federal and state procurement standards, including 2 CFR 200 and the Texas Procurement and Contract Management Guide, and shall be designed to promote transparency while preserving the integrity of the competitive process.

1) **Time Frame**
   A debriefing may be requested in writing within ten (10) business days of the vendor's receipt of the Notice of Non-Award. The request shall be submitted to the Procurement Office, which will coordinate the scheduling of the debriefing with the initiating department. Debriefings may be conducted in person, by teleconference, or in writing, at the discretion of the Procurement Office.

2) **Purpose**
   The purpose of a debriefing is to provide general feedback on the evaluation process, including how the vendor's proposal was scored relative to the published evaluation criteria, the strengths and weaknesses identified, and areas for improvement in future submissions. Proprietary, confidential, or privileged information about other vendors shall not be disclosed.

3) **Documentation**
   All debriefings shall be documented, and a copy of the summary shall be placed in the procurement record. Participation in a debriefing does not limit or extend a vendor's right to file a protest in accordance with LRGVDC's protest and appeals procedures.

4-423 Procurement File Documentation and Closeout

To ensure compliance with federal, state, and Council procurement requirements, each formal solicitation conducted by the Lower Rio Grande Valley Development Council (LRGVDC) shall be documented in a complete and auditable procurement file. The procurement file serves as the official record of all actions taken throughout the solicitation, evaluation, and award process and provides evidence of compliance with 2 CFR 200, FTA Circular 4220.1F, the Texas Government Code, and LRGVDC's internal procurement policies.

Procurement Department, shall be responsible for maintaining all required documentation throughout the procurement process. The Procurement Department shall review the file upon completion of the procurement to ensure that all items required by the LRGVDC Procurement File Checklist are included prior to final closeout.

Each formal solicitation file must contain, at a minimum, the following documentation as applicable to the procurement method used:

1) **Independent Cost Estimate (ICE):** Documentation establishing the estimated cost prior to solicitation release.
2) **Required Federal and State Clauses:** Verification that all applicable clauses were identified and incorporated into the solicitation and resulting contract.
3) **Requisition:** Approved request authorizing the procurement and funding source.

4) **Advertisement:** Copies of public notices, publication affidavits, and posting confirmations.
5) **Vendor Distribution Record:** Documentation of vendor outreach, including DBE and HUB notifications.
6) **Bid Abstract:** Record of bid opening and summary of responses received.
7) **Cost/Price Analysis:** Documentation of the reasonableness of price, cost comparison, or negotiation summary.
8) **Debarment/Suspension Verification:** Proof of vendor eligibility through SAM.gov or other applicable systems.
9) **DBE/HUB Subcontracting Documentation:** Evidence of outreach or participation as required by federal or state regulations.
10) **Conflict of Interest/Non-Collusion Statements:** Signed certifications from evaluators and vendors.
11) **Proposal and Addenda Acknowledgements:** Signed forms verifying receipt and consideration of all solicitation amendments.
12) **Evaluation and Tabulation Documents:** Complete scoring sheets, tally sheets, and evaluation summaries.
13) **Award Notification:** Copies of award and non-award notices issued to vendors.
14) **Cost Proposal (for RFQs):** Negotiated fee proposal demonstrating fair and reasonable pricing.
15) **Negotiation Documentation:** Records of all negotiation communications and outcomes.
16) **Board or Program Approval:** Evidence of formal approval by the LRGVDC Board of Directors or appropriate governing body.
17) **Signed Contract or Agreement:** Fully executed agreement signed by both the Executive Director and vendor.
18) **Contract Execution Date:** Recorded date of final execution.
19) **Procurement Business Operations Signoff:** Certification by the Business Operations Department verifying that all required documentation is complete and accurate.

Upon completion of the review, the Procurement Officer shall certify the file as complete and file in accordance with the record retention requirements set forth in Article XII – Record Retention Policy. The procurement file closeout process shall not be considered complete until all documentation listed above has been verified and signed off by Procurement and Business Operations.

ARTICLE V
PROFESSIONAL AND CONSULTING SERVICES PROCUREMENTS

PART A: GENERAL

The procurement of professional services, including but not limited to architects, engineers, land surveyors, and other consulting services, shall be conducted through the Request for Qualifications (RFQ) method in accordance with the Texas Professional Services Procurement Act, Texas Government Code Chapter 2254, and applicable federal regulations.

Under this method, selection is based solely on demonstrated competence and qualifications, and not on cost. Vendors shall be evaluated and ranked according to their experience, technical expertise, capacity to perform the required services, and past performance on similar projects.

5-101 Definitions

For purposes of this policy, "Professional Services" are services performed within the scope of practice (or provided in connection with the employment of a licensed person in the areas of practice) of accounting, architecture, land survey, medicine, optometry, or professional engineering, as recognized by Texas Government Code Chapter 2254. "Consulting Service" means the service of studying or advising a state agency under a non-employee/employer type contract as described in Chapter 2254, Subchapter B, when applicable to LRGVDC by statute, funding requirements, or grant conditions.

5-102 Method and Prohibitions

Selection of professional services on the basis of competitive bids is prohibited. A professional services contract awarded on a price-bid basis is contrary to public policy and void. Professional services must be selected and awarded on demonstrated competence and qualifications to perform the services for a fair and reasonable price, consistent with Texas Government Code Chapter 2254 and, when federal funds are involved, applicable federal requirements.

5-103 RFQ/RFP Format for Professional Services

Qualifications-based selection is generally conducted using a Request for Qualifications (RFQ). If an RFP format is used for professional services, price shall be excluded from evaluation until after the most qualified firm is selected. The solicitation shall track the qualifications-based process and include a statement of qualifications requirements, public notice, and a clear description of the services and the information needed from offerors. Award is made to the best-qualified offeror as determined in writing under the stated evaluation factors; compensation is then negotiated and must be determined fair and reasonable.

PART B: CONSULTING SERVICES

The Lower Rio Grande Valley Development Council (LRGVDC) may procure consulting services to provide expertise, analysis, or advisory support for its programs and operations. Consulting services are distinct from professional services governed by Texas Government Code Chapter 2254 and shall be selected in a manner that ensures fairness, transparency, and the best interests of the Council.

5-201 Assurances

The procurement of Consulting Services shall be interpreted and applied by the Lower Rio Grande Valley Development Council (LRGVDC) to ensure:

1) The greatest and fairest competition in the selection of consultants; and
2) The giving of adequate notice to all potential consultants regarding the need for and opportunity to provide consulting services.

This policy section does not:

1) Discourage the use of consultants when LRGVDC reasonably determines that their use will produce a more efficient and less costly operation or project;
2) Prohibit the award of a sole-source contract for consulting services if, after reasonable efforts to solicit responses, no proposal is received from a competent, knowledgeable, and qualified consultant at a reasonable fee; or
3) Require or prohibit the use of competitive bidding procedures to purchase consulting services, but instead requires that any selection process be fair, transparent, and based on competence, qualifications, and the reasonableness of proposed fees.

5-202 Selection of Providers

Competitive bidding is not required for consulting services; however, selection must always be based on demonstrated competence, knowledge, and qualifications of the consultant, along with the reasonableness of the proposed fee. A governmental entity may not select a provider of professional services, or a group or association of providers, or award a contract for such services on the basis of competitive bids submitted for the contract. Instead, selection and award shall be made:

1) On the basis of demonstrated competence and qualifications to perform the services;
2) For a fair and reasonable price.
3) The professional fees under the contract may not exceed any maximum provided by law.

5-203 Contractor Indemnification

The LRGVDC entity may require a contractor selected under this subchapter to indemnify or hold harmless the state from claims and liabilities resulting from the negligent acts or omissions of the contractor or persons employed by the contractor. A state governmental entity may not require a contractor to indemnify, hold harmless, or defend the state for claims or liabilities resulting from the negligent acts or omissions of the state governmental entity or its employees.

5-204 Consulting Services Threshold

For consulting service procurements with an anticipated value exceeding fifty thousand dollars ($50,000), a formal solicitation (RFQ) shall be conducted. This process shall include a clearly defined scope of work, public notice through local newspapers of general circulation, posting on the LRGVDC website, and targeted notification to firms listed on the Bidders List. Outreach efforts shall include identification of and notification to Disadvantaged Business Enterprises (DBEs) and Historically Underutilized Businesses (HUBs) using the Texas Unified Certification Program (TUCP) and Centralized Master Bidders List (CMBL).

PART C: ARCHITECTURAL AND ENGINEERING (A&E) SERVICES

Procurement of A&E services shall comply with the Texas Professional Services Procurement Act (Texas Government Code Chapter 2254) and, when federal funds are involved, the Brooks Act (40 U.S.C. §§ 1101–1104) and applicable federal agency rules (e.g., FTA Circular 4220.1F; 23 CFR Part 172 for engineering and design-related services). Under these authorities, A&E services are procured strictly on qualifications; price is excluded as an evaluation factor. LRGVDC shall negotiate with the highest-qualified firm for fair and reasonable compensation. If a satisfactory agreement cannot be reached, negotiations shall be formally terminated and initiated with the next most qualified firm, continuing in order of qualification until agreement or cancellation.

5-301 A&E Services Defined

Architectural and engineering services include services defined by state law that must be performed or approved by licensed professionals, services associated with research, planning, development, design, construction, alteration, or repair of real property, and other related professional services reasonably performed by A&E professions (e.g., studies, investigations, surveying and mapping, testing, value engineering, construction-phase services, and related work)

5-302 Federal Compliance

1) Qualifications-based procedures must include: evaluation of qualifications; exclusion of price as an evaluation factor; negotiation only with the most qualified firm; and, if no agreement on price is reached, sequential negotiations with the next most qualified firm until award can be made at a fair and reasonable price to the most qualified firm.
2) The solicitation and resulting contract must include all federally required provisions, certifications, and clauses, including but not limited to compliance with the Brooks Act, applicable U.S. Department of Transportation regulations, and any specific requirements of the Federal Transit Administration (FTA) or Texas Department of Transportation (TxDOT).
3) The procurement record for A&E services shall document the evaluation and ranking process, the rationale for selection, the negotiation of fair and reasonable compensation, and any required federal or state certifications. This record shall be maintained in accordance with state and federal retention requirements and shall be available for audit or review by oversight agencies.

5-303 Federal Highway Administration (FHWA) Engineering & Design Standards (23 CFR Part 172.5(c))

When FHWA-funded engineering and design related consultant services applies (e.g., 23 CFR Part 172), LRGVDC's procedures and the subrecipient's written procedures shall approve the written policies and procedures, including all revisions to such policies and procedures, of a subrecipient to assess compliance with applicable requirements. These policies and procedures shall address, as appropriate for each method of procurement a contracting agency proposes to use, the following items to ensure compliance with Federal and State laws, regulations, and the requirements of this part.

1) Preparing a scope of work and evaluation factors for the ranking/selection of a consultant.

2) Soliciting interests, qualifications, or proposals from prospective consultants.
3) Preventing, identifying, and mitigating conflicts of interests for employees of both the contracting agency and consultants and promptly disclosing in writing any potential conflict to the STA and FHWA, as specified in 2 CFR 200.112 and 23 CFR 1.33, and the requirements of this part.
4) Verifying suspension and debarment actions and eligibility of consultants, as specified in 2 CFR part 1200 and 2 CFR part 180;
5) Evaluating interests, qualifications, or proposals and the ranking/selection of a consultant;
6) Determining, based upon State procedures and the size and complexity of a project, the need for additional discussions following RFP submission and evaluation;
7) Preparing an independent agency estimate for use in negotiation with the selected consultant;
8) Selecting appropriate contract type, payment method, and terms and incorporating required contract provisions, assurances, and certifications in accordance with §172.9;
9) Negotiating a contract with the selected consultant including instructions for proper disposal of concealed cost proposals of unsuccessful bidders;
10) Establishing elements of contract costs, accepting indirect cost rate(s) for application to contracts, and assuring consultant compliance with the Federal cost principles in accordance with §172.11;
11) Ensuring consultant costs billed are allowable in accordance with the Federal cost principles and consistent with the contract terms as well as the acceptability and progress of the consultant's work;
12) Monitoring the consultant's work and compliance with the terms, conditions, and specifications of the contract;
13) Preparing a consultant's performance evaluation when services are completed and using such performance data in future evaluation and ranking of consultant to provide similar services;
14) Closing-out a contract;
15) Retaining supporting programmatic and contract records, as specified in 2 CFR 200.333 and the requirements of this part;
16) Determining the extent to which the consultant, which is responsible for the professional quality, technical accuracy, and coordination of services, may be reasonably liable for costs resulting from errors and omissions in the work furnished under its contract;
17) Assessing administrative, contractual or legal remedies in instances where consultants violate or breach contract terms and conditions, and providing for such sanctions and penalties as may be appropriate; and
18) Resolving disputes in the procurement, management, and administration of engineering and design related consultant services.

PART D: RFQ PROCESS FOR PROFESSIONAL AND CONSULTING SEVICES

5-401 Developing the Scope of Work

The initiating department shall develop a comprehensive Scope of Work that fully describes the project parameters so firms can tailor their statements of qualifications appropriately. The scope should identify the owner (LRGVDC), describe the organization's goals and mission, state the project name and location, and provide a contact person. It shall explain the involvement of other entities that affect scope (e.g., city, county, partner agencies); describe collateral activities at the project site; identify completed studies, surveys, and feasibility work available to the selected firm; and include any technical specifications available at this stage. The outline shall capture anticipated requirements (e.g., renovation, demolition, additions, new construction; energy, land use, site considerations), a schedule of milestones, a description of the selection process, applicable DBE requirements, insurance requirements, and mandatory terms and conditions to be included in the contract.

5-402 Developing the List of Proposers and Outreach

A proposers list shall be drawn from LRGVDC's master list and tailored to the project discipline (e.g., architecture, engineering, surveying, soils, auditing). Sufficient qualified firms shall be invited to ensure robust competition. Public notice will be provided consistent with Part C requirements. For DBE/HUB outreach, the Texas Unified Certification Program (TUCP) directory and the Texas Centralized Master Bidders List (CMBL) shall be consulted, and documented outreach shall be conducted to ensure meaningful participation opportunities consistent with funding requirements and LRGVDC policy.

5-403 Requesting Statements of Qualifications (SOQs)

The RFQ package shall include the detailed Scope of Work; a description of the selection process; a clear list of submission requirements for SOQs; the evaluation criteria and their relative importance; and the deadline for submission, with a statement that late SOQs will not be considered. Public notice shall comply with C.10 and any applicable federal or state requirements.

5-404 Evaluation Committee Formation and Conduct

Evaluation committees shall be formed and governed consistent with Sections C.19 and C.20. Members shall be appointed by the Executive Director or designee; shall sign confidentiality/non-disclosure and conflict-of-interest certifications prior to receiving submissions; and shall follow the evaluation briefing provided by Procurement, including confidentiality, careful reading of the solicitation and evaluation factors, full review of all SOQs, documentation of strengths and weaknesses supporting scores, and safeguarding of evaluation materials.

5-405 Evaluating Statements of Qualifications

Evaluators shall assess SOQs solely against the published criteria. Each evaluator reviews every SOQ, documents strengths and weaknesses, and develops preliminary scores using standardized rating sheets. After independent review, the committee may convene to discuss the SOQs; evaluators may adjust scores based on a better understanding of the requirements, without pressure to conform. SOQs that materially deviate from criteria may be deemed unacceptable and removed from further consideration with reasons documented in the record.

5-406 Ranking and Short-Listing

Acceptable SOQs shall be rank-ordered by compiling evaluator scores into a composite ranking. Where appropriate, the committee may identify a short list for interviews or discussions; however, for professional services under Chapter 2254 and the Brooks Act, negotiations shall be conducted only with the highest-ranked firm. If interviews are used, all short-listed firms shall be treated consistently.

5-407 Negotiation Sequence (Qualifications-Based)

The LRGVDC shall negotiate a contract only with the most qualified firm for compensation determined to be fair and reasonable, taking into account the estimated value of the services, scope, complexity, and professional nature. If agreement cannot be reached, negotiations will be terminated in writing and initiated with the next most qualified firm, continuing as necessary. If no agreement can be reached with any qualified firm, LRGVDC may cancel and resolicit.

5-408 Best and Final Offer (If Used)

When permitted and appropriate, LRGVDC may request a Best and Final Offer (BAFO) from the highest-ranked firm to finalize scope, terms, and pricing. The BAFO must be requested in writing, with a clear submission deadline and subjects for revision. A BAFO, once accepted and executed, forms part of the binding agreement. If the highest-ranked firm's BAFO is not acceptable, negotiations may be terminated and commenced with the next most qualified firm.

5-409 Committee Evaluation Report

At the conclusion of evaluations, a written Evaluation Report shall be prepared and signed by all voting committee members and submitted to Procurement for the official file. The Report shall reflect the final ranking, identify the highest-ranked firm recommended for negotiations, summarize significant strengths and weaknesses of each firm with specific narrative support tied to evaluation criteria, and include the individual rating sheets and any reservations or issues to be addressed during negotiations. The Report becomes part of the Board package when approval is required and may be used during debriefings. Determinations that a firm is not technically qualified must be supported by concrete details.

ARTICL VI
LEASING AND FEDERAL EXCESS/SURPLUS PROPERTY

PART A: LEASE OF PROPERTY AND EQUIPMENT

6-101 General Policy

The leasing of property and/or equipment is encouraged when it is determined to be the most economical and efficient procurement approach for fulfilling the operational and programmatic needs of the Lower Rio Grande Valley Development Council (LRGVDC). Lease arrangements shall be evaluated in comparison to outright purchase, considering both immediate and long-term financial and operational impacts.

6-102 Evaluation Factors

In determining whether to lease or purchase, LRGVDC shall consider the following factors:

1) The total cost of leasing compared to purchasing, inclusive of maintenance, insurance, residual value, and other lifecycle costs;
2) The length of time the property or equipment is required and whether its useful life justifies purchase;
3) Funding source restrictions or conditions under federal and state laws, including 2 CFR § 200.465 governing rental costs;
4) Operational flexibility, risk management considerations, and the ability to adapt to changing program needs.

6-103 Documentation

All lease determinations must be supported by a cost-benefit analysis and documented in the procurement file. Leasing shall only be pursued where it provides demonstrable cost savings or greater value to LRGVDC compared to purchase.

6-104 Legal Compliance

All lease agreements shall comply with:

1) Federal requirements under 2 CFR § 200.465 (Rental Costs);
2) Applicable provisions of Texas Government Code Chapter 2261; and
3) Any additional federal or state grantor conditions tied to the funding source.

6-105 Lease Provisions

Lease agreements must contain clauses that:

1) Provide for termination for cause and convenience.
2) Establish renewal and extension terms consistent with funding limitations; and
3) Define purchase options, if any, in a manner that safeguards the interests of LRGVDC.

PART B: FEDERAL EXCESS AND SURPLUS PROPERTY

6-201 General Policy

The Lower Rio Grande Valley Development Council (LRGVDC) is encouraged to utilize federal and state excess or surplus property in lieu of purchasing new property or equipment whenever feasible. This practice promotes cost savings, supports sustainability through reuse of government resources, and reduces the overall cost of procurement to LRGVDC and its funding sources.

6-202 Authority

The acquisition of state and federal surplus property shall be conducted in accordance with:

1) Texas Government Code, Chapter 2175 (Surplus and Salvage Property);
2) Texas Procurement and Contract Management Guide provisions for State and Federal Surplus Property Programs; and
3) Applicable federal requirements governing the transfer or use of excess property by grant recipients under 2 CFR § 200.313 (Equipment) and § 200.314 (Supplies).

6-203 Program Participation

LRGVDC may acquire surplus personal property made available through the Texas Facilities Commission (TFC) or through the General Services Administration (GSA) Federal Surplus Personal Property Donation Program. Such property is typically donated or transferred to eligible local governmental entities at little or no cost, subject to restrictions on use, title, and disposition.

6-204 Evaluation and Documentation

Prior to acquisition, LRGVDC shall evaluate whether the available surplus property meets operational requirements and whether its use is permissible under the funding source. The following considerations must be documented in the procurement file:

1) The suitability of the property for program needs;
2) The estimated value of the property compared to the cost of new acquisition;
3) Any restrictions on resale, transfer, or disposal imposed by federal or state law; and
4) Funding source eligibility requirements or prohibitions.

6-205 Compliance and Restrictions

All acquisitions of federal or state surplus property must be:

1) Reported and recorded in LRGVDC's asset inventory system;
2) Managed in accordance with 2 CFR § 200.313(d), which requires that federal property be used for its authorized purpose and disposed of only with federal approval; and
3) Disposed of through proper surplus channels as set forth in Texas Government Code § 2175.184 and related provisions.

6-206 Priority Use

Where available, surplus property should be considered a priority source before the purchase of new equipment or supplies. Departments shall justify in writing when surplus property is not used in favor of new procurement, and such justification must be retained in the procurement file.

ARTICLE VII
CONTRACT METHODS, TYPES, AND FORMATION

PART A: METHODS OF SOURCE SELECTION

7-101 General Requirements

Unless otherwise specified by law or program requirements, all contracts and agreements entered into by the Lower Rio Grande Valley Development Council (LRGVDC) shall be formed and executed in compliance with applicable state and federal procurement laws and regulations. All procurements shall comply with the following general requirements:

1) Procurements using Federal or State funds must also comply with:
   a) 2 CFR §§ 200.317–200.327 (Procurement Standards)
   b) Applicable cost principles under 2 CFR §§ 200.400–200.475.
   c) Suspension and debarment verification per 2 CFR Part 180 and SAM.gov and Texas Comptrollers Debard Vendors List.
   d) Conflict of interest rules under 2 CFR § 200.318(c)
   e) State of Texas Procurement and Contract Management Guide
   f) Texas Local Government Code Chapter 252 as authorized by Local Government Code Chapter 391
   g) Texas Grant Management Standards (TxGMS)
2) Procurements must adhere to the organization’s policies regarding:
   a) Full and open competition
   b) Best value and responsible contractor selection
   c) Documentation and record retention (per 2 CFR § 200.334 and Texas Local Government Records Act)
3) Additional approvals may be required for procurements involving:
   a) Interlocal agreements (Texas Government Code Chapter 791)
   b) Cooperative purchasing arrangements (2 CFR § 200.318(e))
   c) Architectural or engineering services (Brooks Act and Texas Government Code Chapter 2254)

7-102 Competitive Bid Threshold

All procurements in excess of $50,000.00 must follow competitive sealed bidding procedures or other formal solicitation methods (e.g., Invitation for Bid [IFB], Request for Proposals [RFP]), in compliance with applicable state and federal procurement standards.

7-103 Exceptions to Competitive Sealed Bidding

Unless otherwise required by law or grant conditions, LRGVDC may utilize alternative procurement methods in specific, allowable circumstances. The following exceptions to competitive sealed bidding are permitted, provided that all actions are properly documented and justified in accordance with the procedures outlined in the referenced sections:

1) **Negotiated Procurements** – Used primarily for architectural, engineering, and other professional services requiring qualifications-based selection.

2) **Micro Purchase** - Procurements under the micro-purchase threshold (e.g., ≤ $1,000 or as defined by internal policy).

3) **Small Purchases** – Applies to purchases below the formal threshold that require informal competitive quotes but not sealed bidding (e.g., >$1,000 but less than $50,000 as defined by internal policy).

4) **Sole Source Procurement** – Permitted only when a single source is available and fully justified under federal or state criteria.

5) **Emergency Procurements** – Used when immediate action is required to prevent harm to people, property, or essential services.

6) **Professional and Consulting Services** – May follow qualifications-based or negotiated procurement methods based on applicable law and funding source requirements.

7) **Cooperative Purchasing** - Use of a competitively awarded contract from a recognized purchasing cooperative or interlocal agreement, such as BuyBoard, HGACBuy, Omina Partners, TxMAS, TxDIR or TIPS-USA.

8) **Intergovernmental/Interagency Agreements** - Procurements executed under formal agreements with other government entities (e.g., city, county, state, or federal agencies). May be exempt from competitive bidding if the partnering agency conducted a compliant procurement process.

9) **Pre-approved State Contracts** - Use of contracts awarded by a Texas state agency, such as the Department of Information Resources (DIR) or the Texas Multiple Award Schedule (TXMAS).

7-104 Independent Cost/Price Analysis

1) LRGVDC must perform an independent cost or price analysis prior to every procurement action, including contract modifications. This process ensures the reasonableness of pricing and supports compliance with 2 CFR § 200.324(a).

2) An independent cost estimate is required:
    a) When the offeror must submit the elements of his estimated cost (for professional, consulting and architectural/engineering services contracts); and
    b) When adequate price competition is lacking, such as sole source procurements, change orders or contract modifications.
    c) A price analysis is typically sufficient for competitive purchases. A cost analysis may be required when there is only one bid, no price competition, or when required by the funding agency.

3) A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.

4) The procurement officer or their designee in coordination with Department Program Management staff, shall obtain an independent cost or price analysis for all procurements when required under applicable federal, state, or internal thresholds. Acceptable methods for conducting an independent cost or price analysis include, but are not limited to:

a) Written quotes from more than one dependable vendor or source to compare market rates for similar goods or services.

b) Catalog or market price of a commercial product sold in substantial quantities to the general public.

c) Prices established by law or regulation, such as rates for utilities, insurance, or regulated services or any other statutory or regulatory authority.

d) Vendor websites, online pricing tools, or e-commerce platforms (e.g., manufacturer websites, authorized resellers, or public procurement portals) used to verify current market rates.

e) Historical procurement data for similar goods or services previously purchased, adjusted as necessary for inflation, volume, or updated specifications.

5) A Cost Reasonableness Review shall be conducted by the Procurement Officer or designee, in coordination with the requesting department, to ensure that all proposed expenditures represent a prudent use of public or grant funds. This review is a required component of federal and state-funded procurement and aligns with 2 CFR § 200.404 (Reasonable Costs). The review shall include, but is not limited to, an examination of the following:

a) Market rates or pricing benchmarks for similar goods or servicesLine-item budget analysis.

b) Itemized cost breakdowns, when available, to assess labor, materials, and overhead components

c) Pricing consistency with previously negotiated contracts or cooperative purchasing agreements along with prior experience and effectiveness.

d) Quotes or pricing from multiple vendors, catalogs, websites, or government purchasing schedules.

e) Comparable recent procurements for similar scopes or deliverables (internal or external).

f) Published price indices or industry rate guides, where applicable.

g) Unusual or excessive charges, including administrative fees, surcharges, or markups.

h) Volume discounts or economies of scale related to order size or duration

i) Profit/program income.

j) The amount of the total budget includes administrative budget.

k) All cost items with respect to relevancy and appropriateness in accomplishing the services provided including salaries.

l) Travel reimbursement policies.

m) Cost per positive termination, entered employment in relation to similar training, length of time and quality; and

n) Cost per contract hour.

o) A common requirement of grant funding is the concept of cost sharing or matching funds as applicable. The entity contributions (matching) and grantor funds should be clearly identified and separated as applicable in 2 CFR 200.306.

6) The resulting review should indicate the following determinations.
   a) That all costs have been properly allocated and classified within appropriate budget categories and funding sources.
   b) Any high or questionable cost items that warrant further justification or adjustment.
   c) Whether an organization-wide cost allocation plan is provided when the offeror or bidder has multiple funding sources, if applicable.
   d) Any concerns or recommendations regarding the purchase vs. lease decision for specific items.
   e) That the cost of audit services has been identified and appropriately budgeted.
   f) A determination of whether staffing sources and salaries fall within reasonable budgetary limits.
   g) That staff salaries are accurately allocated between administrative and programmatic functions (e.g., direct training).
   h) Whether staffing levels are adequate to support the proposed activities and deliverables.
   i) A list of excessively high or questionable staff salaries and benefits, if identified.
   j) Any unrealistically low-cost or insufficient staffing that may pose program performance risks.
   k) A comparative analysis summarizing:
      i) Differences in proposed services, staffing, and cost structures across bidders;
      ii) Alignment with current market rates or historical procurements in the service area; and
      iii) A reasonableness determination based on competitive benchmarks.
7) All documentation from the cost reasonableness review, cost analysis, and price analysis shall be retained in the procurement file. This includes summaries, supporting calculations, and any memoranda used to justify the findings, as required under 2 CFR § 200.318(i).

7-105 Written Procurement History

In accordance with 2 CFR § 200.318(i), 2 CFR § 200.319, 49 CFR § 18 and applicable federal, state, and agency-specific procurement standards, a written procurement history shall be developed and maintained for each procurement action as per following thresholds:

1) Federal Transit Administration (FTA) (>$250,000) and
2) Texas Department of Transportation (TXDOT) (>$50,000).

This documentation ensures transparency, audit readiness, and compliance throughout the procurement lifecycle. It shall be the responsibility of the originating department to initiate and contribute to the procurement history in coordination with the Procurement Department.

1) **Phase I – Planning Phase**

The department must initiate the Written Procurement History during the Planning Phase, which shall include the following elements:

a) Description of the item(s) or services to be procured;

b) Applicable grant funding sources, including specific grant names, amounts, and any project or contract numbers;

c) Statement of Need – A justification for the procurement based on operational or programmatic requirements;

d) Benefit and Impact Statement – Description of how the procurement supports agency goals, enhances service delivery, or fulfills compliance obligations;

e) Amendment or funding-related notes, if applicable (e.g., reallocations, funding source changes, or revised project scopes);

f) Any supporting documentation or preliminary estimates that inform procurement planning.

2) **Phase II – Pre-Award (Analysis)**

The department shall also be responsible for:

a) Preparing and submitting an Action Item to the Board of Directors for approval when required by threshold or funding conditions;

b) Collaborating with the Procurement Department to complete the following procurement history elements:

i) Procurement Estimate – Based on internal cost assessments or market data.

ii) Award Decision and Price Analysis – Including method of procurement, basis for contractor selection, and determination of price reasonableness.

Procurement shall be responsible for:

c) Pre-Award Audit Certification – Required for rolling stock or major capital purchases, in compliance with FTA or federal grant rules;

d) Disadvantaged Business Enterprise (DBE) and Historically Underutilized Business (HUB) Certifications – Ensuring that required outreach, documentation, and goals are included and tracked.

3) Phase III – Award Phase

The Procurement Department shall be responsible for completing this phase of the written procurement history to ensure that all compliance and documentation requirements are fulfilled prior to contract execution or purchase order issuance. This phase includes

a) Incorporation of Required Provisions and Certifications. Ensuring that all applicable federal and state-required clauses, forms, and certifications are included in the contract file and referenced in the agreement, including but not limited to:

i) Form PTN-130 (Texas Department of Transportation procurement compliance certification).

ii) FMVSS Certification (Federal Motor Vehicle Safety Standards), when applicable to rolling stock or transit vehicle purchases.

iii) Any FTA-required third-party contract provisions under FTA Circular 4220.1F

b) Suspension and Debarment Verification. Conducting and documenting verification that the selected vendor is not suspended or debarred, using the System for Award Management (SAM.gov) and the Texas Comptroller's Debarred Vendor List, as required under 2 CFR Part 180.

c) Purchase order Coordination. If a Purchase Order (PO) is required, Procurement will coordinate with the originating department to:

i) Generate or request the PO

ii) Verify the PO amount and coding; and

iii) Log the PO number and issue date in the Written Procurement History file for full traceability.

4) **Phase IV – Post Award**

This phase shall ensure full compliance with applicable funding requirements including those from the Federal Transit Administration (FTA) and Texas Department of Transportation.

a) Procurement, Finance, and the originating department must document and verify the following elements prior to closeout:

i) The estimated delivery or project completion date;

ii) Any other FTA or TxDOT-required information, as outlined in grant or contract conditions;

iii) Confirmation that contract deliverables are completed or scheduled in accordance with procurement terms.

b) Additional Requirements for Rolling Stock Procurements. For procurements involving rolling stock, the following post-delivery documents and certifications must be obtained and included in the procurement record:

i) Warranty Certification from the manufacturer or vendor

ii) Altoona Testing Report as required under FTA regulations;

iii) Proof of Insurance for the delivered vehicles;

iv) Evidence showing TxDOT or FTA as the lienholder, if applicable to the grant terms or title conditions;

v) Post-Delivery Purchaser's Certification, verifying receipt and inspection;

vi) Buy America Certification, in accordance with 49 U.S.C. § 5323(j) and 49 CFR Part 661;

vii) FMVSS Certification (Federal Motor Vehicle Safety Standards), confirming vehicle compliance.

5) **Final WPH Approval and Signature**

Once complete and all documentation has been collected and reviewed, the Procurement Department must submit the full Written Procurement History (WPH) to TxDOT, FTA, or any other applicable oversight entity for approval, if required. Upon receipt of approval or authorization to proceed from TxDOT, FTA, or other grantor, the Procurement Officer shall review and sign the final Written Procurement History, certifying that the procurement has been completed in compliance with all applicable federal, state, and internal procurement requirements.

PART B: CONTRACT SOURCE SELECTION TYPES

7-201 Acceptable Contract Types - General

The type of procurement contract used shall be appropriate for the specific acquisition and comply with all applicable federal, state, and grantor requirements, including those outlined in 2 CFR § 200.318(j) and the Texas Government Code. Contract types must be selected based on the nature of the goods or services, pricing structure, and funding source. The chosen contract shall promote fairness, transparency, and best value for the agency and the grant program.

The LRGVDC and its Programs shall ensure proper contract execution and accountability, all selected contract types must be supported by appropriate procurement documentation, and must include the following depending on the funding agency requirements, a written procurement history, cost or price analysis, and justification for the contract method. The Procurement Department shall verify that the contract type:

1) Aligns with the solicitation method used (e.g., IFB, RFP, RFQ);
2) Complies with any funding agency limitations (e.g., restrictions on time-and-materials or cost-reimbursement contracts);
3) Includes the necessary terms, conditions, and federally or state required clauses;
4) It is clearly structured to identify the payment basis (e.g., fixed total, unit price, milestone-based, or reimbursable), performance expectations, and applicable contract ceilings or limits.

Permissible contract types include, but are not limited to:

7-202 Fixed-Price Contracts

Are the preferred contract type for procurements where the scope of work, deliverables, and outcomes are clearly defined. This contract method should establish a firm total price or unit price that is not subject to adjustment based on the contractor's actual costs incurred, thereby promoting cost predictability and performance efficiency.

Fixed price contracts are commonly used when risk to the buyer is minimized, and pricing can be reasonably estimated in advance. They are compliant with federal and state procurement regulations, including 2 CFR § 200.318(j) and are encouraged when appropriate to protect the agency’s financial interests.

1) **Fixed Price Contracts Should Be Used When:**
   a) The scope of work and deliverables are clearly defined in terms of quantity, quality, and timelines.
   b) The vendor is expected to perform under a pre-agreed price, regardless of actual costs incurred.
   c) Standard purchases, commercial goods, or routine services are being procured.
   d) The contract includes unit pricing or milestone-based pricing tied to measurable outputs.
   e) The nature of the work encourages vendor efficiency and cost control.

2) **Common Applications:**
   a) Equipment and material purchases
   b) Supplies and commodities
   c) Construction contracts
   d) Standard maintenance or service agreements

7-203 Interlocal Agreements

Interlocal Agreements are cooperative arrangements between two or more governmental entities that allow for the shared use of resources, joint purchases, or delegated service delivery, in accordance with Texas Government Code Chapter 791 (Interlocal Cooperation Act).

These agreements promote efficiency, cost-effectiveness, and streamlined procurement by enabling the LRGVDC to access goods or services through another public entity's competitively procured contract or by jointly conducting a procurement. The use of interlocal agreements must be supported by documentation verifying compliance with applicable procurement standards and funding requirements.

This contracting method is permissible under 2 CFR § 200.318(e) for federally funded procurements, provided that the originating contract was procured competitively and all applicable federal clauses are included in the final agreement.

1) **Interlocal Agreements should be used when:**
   a) The partnering government entity has conducted a fully compliant, competitively procured contract that meets LRGVDC's procurement standards.
   b) LRGVDC seeks to share services, purchases, or administrative functions with another public agency.
   c) Joint contracting can reduce administrative burden, expedite procurement, or improve service delivery.
   d) Documentation from the originating entity is available to confirm procurement method, vendor selection, and pricing.

2) **Common Applications:**
   a) Shared transit or public safety services
   b) Cooperative infrastructure or planning projects
   c) Use of another public agency's competitively bid contract for goods or professional services
   d) Participation in joint procurements for IT, vehicles, or equipment.

3) **When a Direct Purchase qualifies as an Interlocal Agreement:**
   a) The services are provided by a governmental entity that is authorized under Chapter 791 to enter into interlocal cooperation;
   b) The services or functions benefit both parties or are performed jointly or cooperatively;
   c) The agreement is documented in writing and approved by the governing bodies of each participating entity (typically by resolution or board approval);
   d) The agreement complies with contractual and legal requirements, including:
      i) Statement of services to be performed
      ii) Duration of the agreement
      iii) Legal authority under which the agreement is made
      iv) Provisions for payment and oversight

   Interlocal agreements must be reviewed by the Procurement Department to ensure that they contain all required state and federal provisions, including applicable clauses under 2 CFR Part 200 and FTA requirements. A fully executed agreement, procurement documentation, and any related board authorization must be included in the procurement file.

4) **Term Limits**
   Interlocal agreements may remain in effect indefinitely, provided the agreement does not contain a specific expiration date and neither party has submitted a formal request to amend or terminate the agreement. In such cases, the agreement will continue to stand as valid and enforceable until one of the participating entities initiates a written amendment or cancellation.

5) **Responsibilities**
   It shall be the responsibility of the initiating department or program to maintain and monitor all active interlocal agreements to ensure they remain current, legally compliant, and reflective of the intended scope of services. Departments must ensure that all executed interlocal agreements, including any amendments or related correspondence, are properly filed and accessible for internal review and audit purposes.

6) **Periodic Review**
   As part of this responsibility, each department or program shall be required to conduct a formal review of every active interlocal agreement at least once every five (5) years. During this review, the department must contact the partnering entity to verify whether the agreement remains active and appropriate or if any changes are needed. Any updates resulting from this periodic review must be documented and, if necessary, incorporated into the agreement through a written amendment signed by both parties.

7) **Amendments**
   Departments must coordinate with the Procurement Office and Legal Counsel when proposing amendments or terminations to ensure the process adheres to applicable state laws and internal procedures. Failure to perform periodic reviews and maintain accurate agreement records may result in outdated, non-compliant, or unenforceable terms, posing operational and legal risks to the LRGVDC. Therefore, departments are expected to take a proactive and ongoing role in the lifecycle management of all interlocal agreements.

7-204 Cost Reimbursement Contracts

Cost Reimbursement Contracts are used when it is not possible to accurately estimate costs in advance due to the complexity, uncertainty, or evolving scope of the work. Under this contract type, the contractor is reimbursed for allowable, allocable, and reasonable actual costs incurred, in accordance with the contract terms and applicable cost principles.

This contract method is permitted under 2 CFR § 200.318(j) and § 200.324 and may be used when no other contract type is suitable and with appropriate justification. All cost reimbursement contracts must be subject to enhanced oversight, written cost analysis, and clear performance terms.

1) **Cost Reimbursements Contracts should be used when:**
   a) The scope of work or technical requirements cannot be fully defined at the outset, such as in research, development, or technical consulting services.
   b) The contractor must be compensated for actual costs incurred, rather than a fixed price.
   c) There is a need for flexibility in pricing due to uncertain quantities or variable service levels.
   d) The agency can provide sufficient contract administration and oversight to monitor costs and performance.
   e) A formal cost analysis has been conducted and retained in the procurement file.
2) **Common Application:**
   a) Technical assistance and program development
   b) Research and feasibility studies
   c) Consulting or planning services under federal grant programs
   d) Special projects with evolving deliverables or cooperative scopes

Cost Reimbursement Contracts must include clear cost allowability provisions, defined ceilings or not-to-exceed amounts, and may require pre-approval from a granting agency. These contracts shall not include cost-plus-percentage-of-cost arrangements, which are strictly prohibited under federal and state procurement rules.

7-205 Material and Time Contracts

Time and Materials (T&M) Contracts shall used when it is not possible to estimate the extent or duration of the work or the costs involved with sufficient accuracy to support a fixed-price arrangement. Under a T&M contract, the contractor is paid based on the actual time spent (labor hours at fixed hourly rates) and the cost of materials used, with or without a mark-up.

While T&M contracts offer flexibility, they must also carry a higher risk of cost escalation and therefore require strict oversight, clear ceilings, and continuous monitoring. This contract type is only permitted when no other contract type is suitable and must comply with 2 CFR § 200.318(j) and relevant State of Texas procurement policies.

1) **Time and Materials Contracts Should Be Used When:**
   a) The scope of work is not clearly definable at the outset and may evolve based on findings, site conditions, or client needs;
   b) The urgency or complexity of the work prevents accurate pre-pricing;
   c) A ceiling price (not-to-exceed amount) is established in the contract to cap costs;
   d) The agency has the capacity to closely monitor the contractor's labor hours and material costs;
   e) No suitable fixed-price or cost-reimbursement contract structure is viable.
2) **Common Applications:**
   a) Emergency repairs where scope cannot be determined up front
   b) Technical diagnostics and maintenance services
   c) Construction change orders and corrective work
   d) Certain consulting services with variable deliverables

T&M contracts are subject to increased audit and monitoring. They shall only be used after a determination that no other contract type is suitable, and a ceiling price must be established. T&M contracts must include detailed billing requirements, audit rights, and active contract management provisions.

7-206 Indefinite Delivery, Indefinite Quantity (IDIQ) Contracts

Indefinite Delivery, Indefinite Quantity (IDIQ) Contracts are awarded to provide for an unspecified quantity of goods or services over a fixed period, within defined limits. This contract type allows the agency to procure recurring or on-call services and supplies as needed, without committing to a fixed quantity at the time of award.

IDIQ contracts are used when the exact timing and amount of future needs are unknown, but the general scope and pricing terms can be established in advance. The use of IDIQ contracts must comply with applicable provisions under 2 CFR Part 200, Texas Government Code, and any funding-specific requirements.

1) **IDIQ Contracts Should Be Used When:**
   a) The agency anticipates recurring needs for goods or services, but the exact quantity or delivery schedule is uncertain;
   b) A master agreement with defined unit prices or labor rates can be competitively established;
   c) Tasks or orders will be issued on an as-needed basis under the master agreement;
   d) The contract sets minimum and maximum quantities or dollar limits over the term;
   e) The agency has processes in place to track task orders and ensure funding availability.

2) **Common Applications:**
   a) On-call architectural or engineering services (when not subject to QBS)
   b) Routine maintenance or repairs for facilities or vehicles
   c) IT or technical services under a pre-established scope and rate
   d) Bulk purchases of commodities with scheduled releases

   Each task or delivery order under an IDIQ contract is considered a separate procurement action and must comply with applicable cost allowability, funding source restrictions, and internal authorization requirements. The contract must specify maximum dollar limits and define terms for delivery, billing, and performance.

PART C: AGREEMENT/CONTRACT APPROVALS

7-301 General

It is the policy of this organization that all contracts and agreements undergo a full internal review and approval process in accordance with applicable laws, internal controls, and delegated signature authority.

It shall be the responsibility of the initiating Program/Department to manage and oversee the contract lifecycle from initial request through final execution. This includes coordinating with internal stakeholders—such as Procurement, Legal, Finance, and Human Resources—as required, and ensuring all review steps are completed in sequence and documented appropriately.

7-302 LRGVDC Internal Review Process Form

The Internal Review Process Form, <u>Revision 3.0, dated October 2025</u>, shall serve as the official internal review document for use when the Lower Rio Grande Valley Development Council (LRGVDC) is entering into any form of agreement with a vendor or other entity. This form is required for all new, renewal, or amended agreements that arise as a result of a procurement action. The form must be completed and submitted internally once the agreement is drafted and ready for presentation. It will initiate the internal compliance review and approval workflow.

7-303 Internal Review Requirement for MOAs, MOUs, and ILAs

All Memoranda of Agreement (MOAs), Memoranda of Understanding (MOUs), and Interlocal Agreements (ILAs) that result in or support a procurement, cost obligation, or programmatic partnership must undergo the Internal Review Process prior to execution. These instruments are considered formal agreements and are subject to the same internal compliance standards as procurement contracts. Therefore:

1) The Internal Review Process Form <u>Revision 3.0, August 2025</u> must be completed and submitted once the agreement is fully drafted and ready for presentation or approval.
2) The Procurement Department will review the agreement to ensure the inclusion of all applicable federal and state clauses, including those required under 2 CFR Part 200, the Texas Interlocal Cooperation Act (Chapter 791, Government Code), and any applicable grant conditions.
3) Procurement will also perform a policy and compliance check, verifying appropriate approvals, funding alignment, and risk considerations before routing the agreement for signature.

7-304 Agreement/Contract Approvals

When submitting the LRGVDC Internal Review Form (Revision 3.0 August 2025) for review and approval, the following items must be clearly noted and detailed to ensure a complete and compliant review process:

1) **Date, Department, Submitter and Type, and Status.**
   When submitting an agreement or contract for Internal Review the following information must be included so that all those reviewing can establish the origin and classification of the agreement or contract.
   a) **Date:** The date the form is being submitted for internal review. This date must reflect the actual submission date and may not be pre- or post-dated.
   b) **Department**: The name of the program, division, or department initiating the agreement. This information is critical for tracking responsibility and funding alignment.
   c) **Submitter:** The name, title, and contact information of the individual submitting the agreement for review, who serves as the point of contact for any questions or revisions.
   d) **Type of Agreement**: Identify the nature of the document being submitted. Options may include: Agreement, Contract, Memorandum of Understanding (MOU), Memorandum of Agreement (MOA), and Interlocal Agreement (ILA)
   e) **Status**: Indicate whether the submission will be a new, renewal, or amendment to the agreement/contract being submitted.
2) **Description of Agreement/Contract**
   A clear and detailed description of the agreement or contract being submitted must be provided. This section should summarize the purpose, scope, and key elements of the agreement. Must include the nature of the goods, services, or partnership involved as well as any relevant background, context, or justification for the agreement. Insufficient detail may delay review and approval.
3) **Approval Signatures**
   All procurement contracts, amendments, and related documents must undergo a structured internal review and approval process prior to execution to ensure compliance and adherence to fiscal, legal, grant and administrative policy. The following shall be the required signature approvals:
   a) **Program Director:** Shall provide initiation of the agreement approval process by verifying business need, funding availability, and project alignment.
   b) **Finance Department**: Certifies funding availability, proper account codes, and contract cost alignment with budget authority.
   c) **Procurement Department:** Verifies procurement method, negotiates pricing, ensures compliance with Texas Ch. 2254 and FAR Part 6 or 15 as applicable. As well as, conflict of interest disclosures and vendor eligibility.
   d) **HR Department:** Reviews for staffing impacts, classification alignment, labor relations or organizational structure impacts. Assures compliance with agency workforce and staffing plans.
   e) **Executive Director**: Provide final review and signature for the execution of the contract.

4) Fiscal Details

In accordance with internal financial controls, Texas Government Code Chapter 2254, and applicable federal procurement regulations (FAR and 2 CFR Part 200), the following fiscal and contractual details must be accurately completed and reviewed prior to contract execution.

a) Vendor Name: The full legal name of the vendor, contractor, or service provider as it appears on their W-9 or registration documents. Must match the name in the contract and procurement system.

b) Effective Date: The official start date of the agreement. This is the date on which services are authorized to begin, **after** full execution and internal approval. If contingent on other approvals (e.g., federal pass-through funding), that should be noted.

c) Funding Source: The financial origin code of the contract's funding as assigned by the finance department. May also be or include the grant code.

d) Full Term Cost: The total maximum financial obligation for the entire initial term of the agreement, including all costs, fees, and taxes. This should include the full term of the agreement and any renewals defined in the agreement or contract terms. If the agreement includes optional services or units, indicate the not-to-exceed amount.

e) Term Length: The total duration of the agreement in months or years.

f) Agreement #: The internal or system-generated contract number assigned by the agency or procurement office. This number should be consistent across all internal tracking systems, amendments, and audit logs.

g) Monthly or Annual Cost: The recurring cost associated with the agreement or contract, broken down either monthly or annually. Include whether the cost is fixed, variable, or based on units of service (e.g., $2,000/month flat fee or $500/user/month). For multiyear contracts, note escalation if applicable.

h) Renewal Terms: Indicate whether any renewal terms are defined in the agreement or contract. Total cost must include cost associated with renewal terms. Must align with applicable Federal and State funding regulations. Funding availability must be verified for the addition of renewal terms.

i) Auto Renewal: Indicates whether the agreement will automatically renew upon expiration of the initial term.

All fields must be completed and verified by the initiating program area, procurement, finance, and other required stakeholders. Incomplete or inaccurate fiscal detail may result in delays, non-compliance findings, or contract ineligibility for execution or payment. This information ensures transparency, facilitates proper budgeting and encumbrance, supports audit readiness, and verifies compliance with funding source conditions and statutory limitations.

7-305 Agreement/Contract Execution

Once all required internal reviews have been completed and the Executive Director (or authorized designee) has signed the agreement or contract, the initiating department must promptly contact the vendor to obtain the vendor's signature. The department is also responsible for confirming that all signature pages are returned and that the agreement is fully executed and legally binding. A copy shall be provided to Finance, Procurement, and the Executive Director. No services shall commence, and no payment obligations shall be incurred, until all required signatures are obtained and the contract is fully executed.

Failure to follow this policy may result in delayed services, audit findings, disallowed costs, or administrative non-compliance. Departments are encouraged to maintain clear documentation of all actions and to retain fully executed contracts in accordance with agency retention schedules and applicable laws, including Texas Government Code §441.1855 and, if federally funded, 2 CFR §200.334 and FAR Subpart 4.8.

7-306 Contract Term Limits

In accordance with applicable federal and state procurement regulations, all contracts and agreements executed by the Lower Rio Grande Valley Development Council (LRGVDC) shall be structured to comply with term limit restrictions, including any extension or renewal periods.

1) **Maximum Term Limits**
   The LRGVDC will consider the option to negotiate and extend contracts prior to termination for a maximum total duration not to exceed five (5) years, including the base term and any option or renewal periods. This applies to all service, consulting, and professional agreements unless a more restrictive term is required by funding source or specific regulatory guidance

2) The five-year limit aligns with the following authorities:
   a) <u>Texas Government Code §2251 & §2261</u>
      Requires contracts to be structured within reasonable and budgeted periods and comply with statutory term limitations where defined.

   b) <u>TxDOT Procurement Manual – Chapter 9: Contract Management</u>
      Professional service contracts generally should not exceed a five-year total duration. Extensions beyond this require justification, documentation, and possible competitive re-solicitation.

   c) <u>Federal Transit Administration (FTA) Circular 4220.1F</u>
      FTA recipients must limit contract periods to the shortest practicable time, and total contract length—including options—generally must not exceed five (5) years for non-rolling stock procurements.

   d) <u>Federal Acquisition Regulation (FAR) 17.204(e)</u>
      The total of the basic and option periods shall not exceed five years, unless otherwise authorized.

3) **Interlocal Agreements**
Interlocal agreements entered into by the Lower Rio Grande Valley Development Council (LRGVDC) with other governmental entities under the authority of Texas Government Code Chapter 791 may remain in effect indefinitely, provided the agreement does not contain a specific expiration date and neither party has submitted a formal request to amend or terminate the agreement. In such cases, the agreement will continue to stand as valid and enforceable until one of the participating entities initiates a written amendment or cancellation. (see section 3-203 for more detail)

7-307 Renewals and Extensions

Renewals must be executed prior to contract expiration and require updated funding verification, performance evaluation, and signature by all required authorities. Contracts with renewal options must clearly state:

1) The initial term length (e.g., 1, 2, or 3 years),
2) The number and length of allowable renewals, and
3) Whether renewals are automatic or require mutual agreement.

7-308 Exceptions and Special Approvals

While the standard maximum term for contracts, including any renewal or extension periods, is five (5) years, there may be rare instances in which an exception is warranted due to operational necessity, funding requirements, or project-specific considerations. In such cases, the following guidance and procedures shall apply:

1) **Eligible Grounds for Exception**
An exception to the five-year limit may be considered under the following circumstances:
    a) Capital-intensive projects or infrastructure programs funded under federal or state grants where the project duration exceeds five years and is explicitly approved in the grant or cooperative agreement.
    b) Long-term technology or software licensing agreements with embedded compliance, maintenance, and data continuity clauses that require stability beyond the standard term.
    c) Projects tied to federal grant performance periods that exceed five years and require contract alignment (e.g., multi-phase transit or planning studies).
    d) Sole-source or proprietary agreements where re-solicitation would result in significant cost duplication or disruption to mission-critical services—provided this is justified and compliant with Texas Government Code §2155.067 or federal sole-source justification rules (e.g., FAR Subpart 6.3).
    e) Pilot or demonstration projects (e.g., transit innovation pilots under FTA) with staged deliverables over longer timelines.
2) **Approval Authority and Documentation**
All exceptions must be:
    a) Formally justified in writing by the initiating department, including:
        i) A business case for the extended term;
        ii) Description of risks associated with shorter terms;

iii) Summary of funding agency requirements (if applicable);
iv) Statement of why competitive re-solicitation is not feasible or advisable.

b) Review and approval by:
   i) The Procurement Office for regulatory alignment.
   ii) Legal Counsel for statutory and contractual compliance.
   iii) The Executive Director as the final internal authority.

c) Submitted to the Board of Directors for approval if:
   i) The total contract value exceeds the agency's discretionary threshold;
   ii) The exception presents a significant procurement policy deviation.

d) Supported by documentation from the funding agency (e.g., TxDOT, FTA), if the exception relates to grant-funded activity. This may include:
   i) A written concurrence;
   ii) Copy of the approved project work plan with term language;
   iii) Grant award conditions or federal grant assurances.

3) **Public Interest and Transparency Standards**
All exceptions must serve the best interest of the public and the agency. LRGVDC will not approve exceptions that appear to:
   a) Bypass competition solely for vendor preference,
   b) Circumvent contract splitting rules to evade thresholds,
   c) Result in a no-bid extension without appropriate performance review, or
   d) Violate conflict of interest or non-competitive procurement policies.

4) **Audit and Recordkeeping**
All approved exceptions must be:
   a) Retained in the contract file, including all justification memos, approvals, and related funding documentation.
   b) Made available for review by:
      i) Internal audit;
      ii) Granting agencies (e.g., TxDOT or FTA);
      iii) State auditors or the Comptroller's Office, where applicable.

No contract exceeding five (5) years shall be executed without full compliance with the procedures outlined in this section. Any improperly executed agreement may be subject to termination, disallowed costs, or legal nullification.

7-309 Bid Bonds

1) **Purpose and Applicability**
The purpose of this section is to establish the requirement and conditions under which the Lower Rio Grande Valley Development Council (LRGVDC) may require a bid bond or other form of bid security. Bid bonds protect the LRGVDC against loss if a bidder fails to enter into a contract after award or withdraws its bid after acceptance.

2) **General Requirement**
A bid bond or other acceptable form of bid security may be required for competitive sealed bids or proposals to ensure the bidder's commitment to execute the contract and furnish required performance and payment bonds. The requirement for a bid bond shall be specified in the solicitation document.

3) **Threshold for Bid Bonds**
Bid bonds may be required for public works contracts or any solicitation exceeding one hundred thousand dollars ($100,000), in accordance with Texas Government Code § 2253.021 and the State of Texas Procurement and Contract Management Guide, Chapter 5.6 – Surety Bonds.

4) **Acceptable Forms of Bid Security**
When required, bid security shall be in the form of a certified check, cashier's check, or surety bond executed by a company authorized to conduct business in the State of Texas. The solicitation shall identify the acceptable forms and amount of bid security.

5) **Federal and State Grant Compliance**
The Procurement Department shall determine when bid bonds are required based on the procurement type, project risk, and funding source. The bond must remain valid for the period stated in the solicitation. Bids not accompanied by a required bid bond shall be deemed non-responsive.

6) **Forfeiture of Bid Bond**
Failure of a bidder to execute the contract or furnish required performance and payment bonds within the specified time after award shall result in forfeiture of the bid bond to the LRGVDC as liquidated damages.

7-310 Performance and Payment Bonds

1) **Purpose and Applicability**
This section establishes the requirement for performance and payment bonds to protect the financial and operational interests of the Lower Rio Grande Valley Development Council (LRGVDC) in the execution of public works contracts and other formal procurements. These bonds provide assurance that contractors will perform all work in accordance with the terms of the contract and that laborers and suppliers will be paid in full.

2) **General Requirement**
For contracts involving the construction, alteration, or repair of public works or facilities exceeding one hundred thousand dollars ($100,000), the LRGVDC shall require the successful contractor to furnish both a performance bond and a payment bond, in compliance with Texas Government Code § 2253.021.

3) **Performance Bond**
A performance bond guarantees the faithful execution of the contract by the contractor according to its terms, conditions, and specifications. The amount of the performance bond shall be equal to one hundred percent (100%) of the total contract value.

4) **Payment Bond**
A payment bond ensures the payment of all laborers, subcontractors, and material suppliers engaged in the work under the contract. The amount of the payment bond shall also be equal to one hundred percent (100%) of the total contract value, as required by Texas Government Code § 2253.021(b).

5) **Form and Execution of Bonds**
All performance and payment bonds shall be executed by a corporate surety company authorized to do business in the State of Texas. The surety shall be listed on the U.S. Department of the Treasury's Circular 570 and meet all applicable requirements under state and federal law.

6) **Federal and State Grant Compliance**
For federally or state-funded projects, the bonding requirements shall conform to 2 CFR § 200.326 and the Texas Grant Management Standards (TxGMS). Any deviation from these requirements must be approved in writing by the funding agency prior to contract award.

7) **Responsibility for Verification**
The Procurement Department shall verify that all required performance and payment bonds have been received, properly executed, and are valid prior to issuing a Notice to Proceed. The department shall also ensure that bond originals are retained in the official contract file for the duration of the project and in accordance with LRGVDC's record retention requirements.

8) **Failure to Provide Bonds**
Failure of the awarded contractor to furnish required performance or payment bonds within the time specified in the solicitation or contract award notice shall constitute a material breach of contract. The award may be rescinded, and the bid bond may be forfeited to the LRGVDC as liquidated damages.

7-311 Insurance and Other Contractual Security Requirements

1) **Purpose and Applicability**
This section establishes the insurance and related security requirements applicable to contractors, consultants, and vendors performing work or providing goods and services under contract with the Lower Rio Grande Valley Development Council (LRGVDC). The purpose of these requirements is to ensure that all parties maintain adequate financial responsibility to protect the LRGVDC, its employees, and the public from loss or liability arising out of contract performance.

2) **General Requirement**
Prior to the commencement of any work or the delivery of goods or services, the contractor shall provide proof of insurance coverage as specified in the solicitation or contract document. Such coverage shall be maintained in full force and effect for the duration of the contract and any subsequent warranty period. Failure to maintain required insurance shall constitute a material breach of contract and may result in termination of the agreement.

3) **Minimum Insurance Coverage**
    a) Commercial General Liability Insurance – to protect against claims for bodily injury and property damage arising out of operations, with minimum limits as established by the LRGVDC or its funding agency.
    b) Automobile Liability Insurance – covering all owned, hired, and non-owned vehicles used in connection with contract performance.

c) Workers' Compensation and Employer's Liability Insurance – in accordance with the requirements of the Texas Labor Code, Chapter 406.

d) Professional Liability (Errors and Omissions) Insurance – when the contract involves professional services such as engineering, architectural, financial, or consulting work.

e) Builder's Risk or Installation Floater – for construction or installation contracts, when applicable.

The Executive Director, or designee, may adjust minimum insurance limits or require additional coverage based on project risk, funding agency requirements, or statutory mandates.

4) **Proof and Verification of Insurance**
All contractors shall furnish certificates of insurance and endorsements evidencing compliance with these requirements prior to contract execution. Each policy shall name the Lower Rio Grande Valley Development Council as an additional insured and provide for thirty (30) days' advance written notice of cancellation, nonrenewal, or material change. The Procurement Department shall verify the adequacy and validity of all insurance certificates before the issuance of a Notice to Proceed.

5) **Bonding and Other Security Instruments**
In addition to bid, performance, and payment bonds, the LRGVDC may require other forms of contractual security where warranted by project conditions or funding source requirements. Such instruments may include maintenance bonds, warranty bonds, or irrevocable letters of credit, as authorized by Texas Government Code § 2253.071 and 2 CFR § 200.326 for federally funded projects.

6) **Federal and State Grant Compliance**
When the procurement or contract is funded in whole or in part with state or federal grant funds, insurance and bonding requirements shall comply with 2 CFR § 200.317–200.327, the Texas Grant Management Standards (TxGMS), and the conditions of the applicable grant agreement.

7) **Federal and State Grant Compliance**
When the procurement or contract is funded in whole or in part with state or federal grant funds, insurance and bonding requirements shall comply with 2 CFR § 200.317–200.327, the Texas Grant Management Standards (TxGMS), and the conditions of the applicable grant agreement.

8) **Recordkeeping and Oversight**
The Procurement Department shall ensure that copies of all insurance certificates, endorsements, and security instruments are retained in the official procurement and contract file. These records shall be maintained in accordance with the LRGVDC Record Retention Policy and applicable federal and state retention requirements.

7-312 Retainage

1) **Purpose and Applicability**
This section establishes the policy governing the withholding of retainage on contracts administered by the Lower Rio Grande Valley Development Council (LRGVDC). Retainage is a portion of the contract price withheld from progress payments to ensure the satisfactory completion of work, the correction of deficiencies, and compliance with all contractual obligations.

2) **General Requirement**
The LRGVDC may withhold retainage from payments due to contractors on construction, repair, or similar service contracts to protect the Council's interests until all terms, conditions, and deliverables of the contract have been fully satisfied. The practice of retainage shall be applied in accordance with Texas Government Code §§ 2252.032 and 2253.027, and where applicable, the Texas Grant Management Standards (TxGMS) and 2 CFR § 200.318(i).

3) **Rate of Retainage**
Unless otherwise specified in the contract or required by the funding agency, the LRGVDC shall withhold up to five percent (5%) of the total amount of each progress payment as retainage. The specific percentage shall be stated in the solicitation and contract documents. Retainage shall not exceed the amount necessary to ensure completion and correction of work as required by the contract.

4) **Release of Retainage**
    a) The contractor has satisfactorily completed all contractual obligations, including punch list and warranty work;
    b) All subcontractors and suppliers have been paid in accordance with the Texas Prompt Payment Act (Texas Government Code Chapter 2251);
    c) All required closeout documents, certifications, and lien waivers have been submitted; and
    d) The responsible department and Procurement have verified final acceptance of the work or services performed.

    The LRGVDC shall release retainage within thirty (30) days after final acceptance and approval of completion, unless otherwise provided by law, the contract, or funding requirements.

5) **Federal and State Funding Compliance**
For projects funded by federal or state grant programs, retainage requirements shall conform to the terms of the grant agreement, 2 CFR § 200.318(i), and the Texas Grant Management Standards (TxGMS). If the funding agency establishes stricter or alternative retainage requirements, those provisions shall prevail.

6) **Administration and Documentation**
The Procurement Department shall maintain documentation supporting the calculation, withholding, and release of retainage as part of the official contract file. The Finance Department shall coordinate the release of retained funds only after all completion and acceptance requirements have been verified in writing by the responsible department.

PART D: CONTRACT PAYMENT STRUCTURES

All procurement contracts issued by the Lower Rio Grande Valley Development Council (LRGVDC) shall include a clearly defined and appropriate payment structure that supports fiscal integrity, ensures compliance with applicable federal and state laws, and reflects the nature and complexity of the contract. The selection of the payment method must be based on the scope of work, performance expectations, funding source requirements, and best value considerations. The Procurement Department shall review and approve the payment structure prior to contract execution. The selected method must be incorporated into the contract/agreement language and recorded as part of the procurement file.

7-401 Lump Sum

Lump sum payments are authorized when the scope of work is clearly defined and the deliverables can be easily verified upon completion. Under this structure, the total contract amount is paid either in full upon satisfactory completion of the entire scope or upon the achievement of clearly defined and documented milestones. This payment type is typically used for discrete projects such as consulting engagements, studies, or deliverable-based service agreements. No partial payments shall be made unless specific milestones or phased deliverables are included and verified. Departments are responsible for confirming completion and submitting documentation to support final payment.

7-402 Unit Price

Unit price payments are used when the contract compensates the vendor based on a fixed rate per unit of goods or services delivered. Units may be defined by item, hour, mile, or other measurable quantities. This structure is appropriate for contracts where quantities may vary but unit costs are predetermined, such as materials, maintenance services, or recurring deliveries. Each contract shall include a not-to-exceed ceiling amount, and unit definitions must be clearly stated. Departments are responsible for tracking quantities received and verifying invoices against the contract terms.

7-403 Progress Payment

Progress payments are permitted for contracts involving phased work or long-term deliverables. Under this structure, partial payments are issued as specific portions of the work are completed, based on the schedule or deliverables set forth in the contract. Progress must be certified by the department prior to the release of payment and shall be supported by sufficient documentation such as time reports, completion certificates, or milestone verification. This payment type is commonly used in construction, technical service, and software implementation contracts. All progress payments must be reviewed and approved prior to disbursement.

7-404 Cost Reimbursement

Cost Reimbursement payment structures allow the vendor or subrecipient to be paid for actual costs incurred, provided those costs are allowable, allocable, and reasonable under the applicable cost principles, including 2 CFR Part 200, Subpart E. This method is typically reserved for situations where the final scope or level of effort is not fully defined at the time of contract award, such as for technical assistance, research, or planning services. Reimbursement contracts must include an approved budget, strict cost documentation, and a not-to-exceed amount. The use of this payment structure requires additional oversight, cost justification, and ongoing monitoring by the responsible department and the Procurement Office.

7-405 Milestone-Based Payments

Milestone-based payments are authorized when a contract includes clearly defined and measurable deliverables or performance checkpoints. Under this structure, payments are issued only upon the verified completion of specific milestones identified in the contract. Milestone achievements must be supported by objective documentation and approved by the department overseeing the contract. This payment structure is often used for multi-phase projects, such as technical studies, system development, or infrastructure improvements, where payment timing is linked directly to the successful completion of key contractual outputs. Milestone-based payments promote accountability and ensure progress is tied to tangible outcomes.

7-406 Task-Order Based Payments

Under Indefinite Delivery, Indefinite Quantity (IDIQ) or master agreement contracts, payments shall be based on the issuance and completion of individual task orders. Each task order must contain its own scope of work, performance schedule, cost estimate, and funding verification. Payments shall be made upon satisfactory completion of the task order and shall be supported by documentation of deliverables. Departments are responsible for managing task order execution and submitting confirmation of completion. The Procurement Department shall ensure task orders remain within contract ceilings and adhere to all terms of the master agreement.

7-407 Blended or Hybrid Payment Structure

Blended or hybrid payment structures may be employed when a single contract includes multiple pricing components, such as a combination of unit pricing and hourly labor rates. In such cases, each component of the payment structure must be clearly defined, justified, and tracked separately. Contracts utilizing hybrid structures must provide sufficient detail to distinguish each element, ensure proper billing, and allow for effective monitoring. This approach may be appropriate for complex projects that include both material purchases and technical services. Procurement shall confirm that all payment elements comply with procurement standards and are appropriate for the nature of the work being performed.

7-408 Advanced Payment (Authorization Required)

Advance payments may only be authorized under limited, pre-approved conditions where such payment is essential to fulfilling contractual obligations and is compliant with applicable law and grant guidance. Examples include subscriptions, registrations, or nonprofit subrecipients operating under federally permitted conditions. All advance payment requests must include written justification, risk mitigation measures, executive-level approval, and compliance review by the Procurement Department. Advance payments must align with 2 CFR § 200.305(b) and applicable provisions under the Texas Government Code. Advance payments shall not be authorized for general goods or services unless explicitly permitted.

All payment structures shall be reviewed and approved by the Finance and Procurement Department as part of the contract development and compliance review process. The selected structure must be fully described in the Procurement documents like, Request for Proposals, Invitation to Bid, Written Procurement History, etc. and properly incorporated into any resulting executed agreement/contract. The payment method must also align with the approved funding source, internal controls, and the best value objectives of the LRGVDC.

PART E: PAYMENT MONITORING AND INVOICE VERIFICATION

To ensure fiscal accountability and compliance with applicable state and federal requirements, all payments issued under a procurement contract shall be subject to monitoring and verification by both the initiating department and the Procurement Office. These procedures are intended to comply with 2 CFR Part 200, Subpart E, Texas Government Code Chapter 2251 (Prompt Payment Act), and other applicable procurement statutes.

7-501 Department/Grantee Responsibilities

Each program department or grantee is responsible for confirming that all goods or services have been received, inspected, and accepted in accordance with contract terms before recommending payment. Departments must ensure that vendor invoices are complete and accurate, contain sufficient detail to identify the purchase order or contract, and are supported by documentation such as delivery receipts, timesheets, milestone completion reports, or other deliverables.

1) **Discrepancies** – Departments shall notify vendors of any invoice discrepancies within twenty-one (21) days of receipt, providing a detailed statement of the disputed amount, as required under Texas Government Code § 2251.042(a)

7-502 Procurement Responsibilities

The Procurement Department shall verify that invoices correspond to the executed contract or purchase order, match agreed-upon rates or unit prices, and do not exceed authorized contract funding. Procurement must review invoices to confirm that only goods or services received and accepted are billed, that charges are consistent with contract terms, and that no unapproved or unsupported costs are included.

1) **Red Flags** – Potential red flags such as billing for unrendered services, unsupported adjustments, or duplicate charges must be investigated and resolved before payment proceeds. For cost-reimbursement contracts, all claimed costs must be supported by receipts, time records, or other documentation, and must be verified for allowability under 2 CFR Part 200, Subpart E.
2) **Unresolved Dispenses** – Where discrepancies remain unresolved, Procurement may recommend withholding payment up to 110 percent of the disputed amount, consistent with Texas Government Code § 2251.042(d).

7-503 Finance Department Responsibilities

The Finance Department shall ensure that invoices approved by the program department and Procurement are processed in accordance with the statutory prompt payment requirements of Texas Government Code Chapter 2251.

1) Finance is responsible for verifying that:
   a) The invoice has received all required approvals under LRGVDC's internal authorization thresholds;
   b) Adequate budget authority and funds are available;
   c) The expenditure is charged to the proper account, cost center, or grant;
   d) Payment complies with the requirement that disbursements be made no later than the 30th day after receipt of a properly submitted invoice or acceptance of goods or services, whichever is later (Texas Gov't Code § 2251.021); and
   e) Any interest penalties due for late payments are calculated and disbursed in compliance with Texas Gov't Code § 2251.025.

2) **Accounting Record** – Finance shall maintain the official accounting records for all disbursements, reconcile expenditures against encumbrances and budget allocations, and retain documentation sufficient to demonstrate compliance with federal and state requirements. Where a portion of an invoice is disputed, Finance shall ensure that undisputed amounts are paid timely and that disputed amounts remain encumbered until resolution, in accordance with Texas Gov't Code § 2251.042(d).

7-504 Payment Approval and Oversight

No invoice shall be paid without proper review and authorization. Payment is a shared responsibility between the Department, Procurement, and Finance to ensure that all invoices are accurate, allowable, and fully supported by documentation.

The Finance Department, in coordination with Procurement, may conduct random or targeted post-payment reviews to assess compliance, identify anomalies, and recommend corrective actions. Timely, accurate, and documented payment processing is essential to maintaining fiscal integrity, audit readiness, and compliance with both federal and state grantor requirements.

PART F: PROHIBITED CONTRACT TYPES

To ensure accountability, fairness, and compliance with federal and state procurement laws, the Lower Rio Grande Valley Development Council (LRGVDC) prohibits the use of certain contract types that pose unacceptable risk or are expressly restricted by regulation. All contracts must be structured to promote competition, allow for price reasonableness, and safeguard public funds. In accordance with 2 CFR § 200.319, § 200.323, and the Texas Procurement and Contract Management Guide, the following contract types are strictly prohibited:

7-601 Cost Plus Percentage of Cost Contracts (CPPC)

Contracts that provide for payment of a contractor's allowable costs plus a fixed percentage of those costs are strictly prohibited. This structure incentivizes increased spending and does not support cost control or price reasonableness. Federal regulations under 2 CFR § 200.323(d) and state procurement standards expressly forbid this type of arrangement in all procurements, regardless of funding source.

7-602 Open-Ended or Undefined Agreements

Contracts that lack a defined scope of work, deliverables, contract value, or term of performance are prohibited. Agreements must not authorize services or expenditures without clarity on what is being procured or how performance will be measured. This includes informal agreements, unstructured memorandums, or vague scopes that allow for work without procurement justification. Contracts must specify performance expectations, timeline, and payment structure to be valid.

7-603 Agreements Without Procurement History or Justification

Any agreement issued without documented procurement method, solicitation record, or cost/price analysis is prohibited. All contracts must be supported by a Written Procurement History in accordance with 2 CFR § 200.318(i). Contracts executed without this documentation shall be considered noncompliant and may be subject to cancellation or corrective action.

7-604 Automatic Renewal Without Review or Beyond Term Limits

Contracts that are allowed to automatically renew without reauthorization, or that are utilized beyond their original or legally allowable term, are considered noncompliant. Use of expired contracts or those beyond authorized renewal periods must cease immediately. Departments must coordinate with the Procurement Department to determine whether a new procurement is necessary or whether a formal amendment process can be initiated. Continued reliance on expired or unapproved contracts may result in disallowed costs and increased risk during audits or monitoring visits.

1) Renewals may require formal review of the vendors performance, current pricing, funding availability, and continued need.

7-605 Indefinite or Perpetual Term Agreements

Contracts that lack a defined end date or that permit indefinite renewal without a cumulative time limit are prohibited. All contracts must include a clearly stated initial term and identify any allowable renewal periods, not to exceed the maximum number of years established by LRGVDC policy or the funding agency. Open-ended or perpetual agreements, including those that renew without limitation, present compliance and budgeting challenges and are not allowed. In accordance with federal best practices and Texas Government Code Chapter 2251, all contracts must be periodically reviewed and reauthorized to ensure continued need and cost efficiency.

7-606 Exclusive or Sole Access Agreements Without Justification

Agreements that grant exclusive rights to a single vendor—limiting competition—are prohibited unless supported by a formal sole source justification in accordance with Section 3-205 of this policy. Awarding a contract based on exclusivity, proprietary access, or preference without demonstrating that no other sources are available violates the principles of full and open competition under 2 CFR § 200.319. Any contract granting exclusive access to services, platforms, or materials must be reviewed for justification and authorized by the Procurement Department prior to award.

7-607 After-the-Fact Contracts (Unauthorized Commitments)

An after-the-fact contract refers to any agreement, purchase, or obligation made without a fully executed contract or purchase order in place prior to the commencement of work or delivery of goods. These types of arrangements, also known as unauthorized commitments, are strictly prohibited under LRGVDC policy.

1) Entering into agreements without prior approval bypasses internal controls, exposes the agency to financial risk, and violates applicable procurement regulations. Work may not begin—and goods or services may not be delivered—until an authorized contract or purchase order has been issued by the Procurement Department. Any exceptions must be clearly documented and approved at the executive level and may require corrective action and funding source approval.
2) Departments that proceed with procurements before receiving formal authorization may be subject to internal review and risk assessment. The cost of unauthorized procurements may be disallowed by federal or state grantors under 2 CFR § 200.403 and § 200.404 if deemed not allowable, allocable, or properly procured.

ARITICLE VIII
PASS-THROUGH FUNDS AND SUBGRANTEE PROCUREMENT

When the Lower Rio Grande Valley Development Council (LRGVDC) administers state or federal funds that are passed through to subgrantees, the subgrantees are responsible for conducting their own procurement of goods and services in compliance with applicable federal, state, and local laws. The LRGVDC retains oversight responsibility to ensure that subgrantee procurements comply with the requirements of 2 CFR Part 200, TxGMS, and any program-specific regulations or grant conditions.

8-101 Compliance

All pass-through funding arrangements must include written agreements specifying the subgrantee's procurement obligations, reporting requirements, and audit responsibilities. LRGVDC shall establish monitoring and verification procedures to safeguard public funds and ensure compliance with the Texas Government Code, Chapter 783 (Uniform Grant and Contract Management Act).

8-102 Department/Grantee Responsibilities

Each LRGVDC program department administering pass-through funds shall:

1) **Subgrantee Agreements**
   Ensure that subgrant agreements include provisions requiring compliance with federal procurement standards (2 CFR §§200.317–200.327) and applicable state statutes, including Texas Local Government Code Chapter 252 where relevant.

2) **Training and Guidance**
   Provide subgrantees with written guidance on procurement standards, allowable costs, conflict of interest requirements, and recordkeeping obligations.

3) **Monitoring and Reporting**
   Review subgrantee procurement actions through desk reviews, site visits, or sampling of procurement files. Departments must verify that solicitations, bids, proposals, and contract awards are properly documented, competitively conducted, and free from conflicts of interest.

4) **Correction Action**
   Notify subgrantees of deficiencies, require corrective action, and, if necessary, recommend suspension or termination of funding consistent with 2 CFR §200.339.

8-103 Procurement Responsibilities

The LRGVDC Procurement Office shall provide oversight and technical assistance to ensure subgrantee procurements are compliant. Responsibilities include:

1) **Verification of Procurement Process**
   a) Reviewing subgrantee procurement files to confirm adherence to competitive procurement methods, justification for sole source awards, and compliance with small purchase and sealed bid thresholds.
   b) Ensuring that contract costs or price analyses are documented in accordance with 2 CFR §200.323.
   c) Verifying that subgrantee contracts contain all required federal clauses under 2 CFR Part 200, Appendix II, and applicable state contract provisions.

2) **Risk Assessment** - Evaluate subgrantee procurement systems at award and periodically thereafter, identifying higher-risk subgrantees that may require increased monitoring or prior approvals.
3) **Procurement File Retention** - Maintain copies of subgrantee procurement verifications, approvals, and monitoring reports in the official LRGVDC procurement records.

8-104 Finance Department Responsibilities

The Finance Department shall ensure that all financial disbursements to subgrantees are supported by documentation that demonstrates compliance with procurement and cost allowability requirements. Specific responsibilities include:

1) **Invoice and Expenditure Review**
    a) Verify that subgrantee reimbursement requests are supported by vendor invoices, procurement documentation, and evidence of receipt of goods or services.
    b) Confirm that claimed costs are allowable, allocable, and reasonable under 2 CFR Part 200, Subpart E.
2) **Payment Controls**
    a) Ensure that payments are not released until required procurement verification is complete.
    b) Withhold funds where deficiencies are identified until corrective action is documented.
3) **Audit and Reconciliation**
    a) Maintain financial records supporting all subgrantee disbursements.
    b) Reconcile expenditures against grant budgets and encumbrances.
    c) Cooperate with state and federal auditors in providing documentation of subgrantee monitoring and verification.

8-105 Oversight and Compliance

The LRGVDC shall maintain a system of subrecipient monitoring consistent with 2 CFR §200.332, including periodic reviews of subgrantee procurement activities, financial transactions, and performance outcomes. Findings of noncompliance shall be addressed through corrective action, technical assistance, or enforcement measures up to and including suspension or termination of the subaward.

8-106 Remedies for Noncompliance

1) **Impose Additional Conditions** – Require heightened reporting, increased monitoring, or prior approvals for procurement and expenditures, consistent with 2 CFR §200.208.
2) **Withhold Payments** – Suspend or delay reimbursement for noncompliant costs until corrective action has been implemented.
3) **Disallow Costs** – Deny reimbursement for unallowable or unsupported expenditures in accordance with 2 CFR §200.339(a).
4) **Suspend or Terminate Subaward** – Take enforcement action to suspend or terminate funding for cause, consistent with 2 CFR §§200.339–200.340.
5) **Referral and Sanctions** – Refer persistent or material noncompliance to the appropriate federal or state awarding agency, and impose sanctions consistent with Texas Government Code §783.009, which authorizes remedies for failure to comply with grant management requirements.

All enforcement actions shall be documented in the subgrantee's file, and the subgrantee shall be notified in writing of the deficiencies, corrective action requirements, and potential consequences.

ARTICLE IX
MODIFICATION AND TERMINATION OF CONTRACTS

PART A: CONTRCT/AGREEMENT MODIFICATIONS

This section establishes the policies and procedures governing modifications and terminations of contracts executed by the Lower Rio Grande Valley Development Council (LRGVDC). Modifications and change orders are often necessary to address unforeseen circumstances, regulatory changes, or evolving program needs. However, such actions must be carefully controlled to preserve the integrity of the competitive procurement process, ensure compliance with federal and state requirements, and maintain fiscal accountability.

9-101 General

The policies contained herein are intended to ensure that contract changes are executed in a transparent, equitable, and legally defensible manner while protecting public funds and preserving the LRGVDC's reputation for fairness and accountability.

9-102 Compliance

All modifications, change orders, and terminations must be executed in writing and must adhere to applicable provisions of the Texas Government Code, the Texas Procurement and Contract Management Guide, 2 CFR Part 200 (Uniform Guidance), and Federal Transit Administration (FTA) Circular 4220.1F, as applicable. The guiding principle is that modifications may not be used to avoid competition, extend contracts beyond reasonable limits, or create circumstances tantamount to a sole-source procurement.

9-103 Authority for Modifications

All contract modifications and change orders must be executed in writing and maintained in the official procurement file.

1) The Executive Director may authorize modifications of $24,999 or less. This includes increases or decreases.
2) The Board of Directors or Executive Committee shall approve any modification greater than $25,000.
3) The original contract value may not be increased by more than twenty-five percent (25%) unless required by a subsequently enacted federal or state statute, rule, regulation, or judicial decision (Texas Gov't Code § 2261.251).
4) The contract value may not be decreased by more than twenty-five percent (25%) (or eighteen percent (18%) for counties) without the written consent of the contractor.
5) Total contract price may not be increased unless the cost of the change can be paid from available funds.

9-104 Term Limitations on Modifications

The LRGVDC is expected to be judicious in establishing and extending contract terms no longer than minimally necessary to accomplish the purpose of the contract. Additional factors to be considered include competition, pricing, fairness, and public perception. Once a contract has been awarded, an extension of the contract term length that amounts to an out-of-scope change will require a sole source justification.

1) **Rolling Stock or Replacement Parts**
The LRGVDC may not extend the period of performance for rolling stock or replacement parts beyond five (5) years inclusive of options, in accordance with 49 U.S.C. § 5325 and FTA guidance.

2) **Other Contracts/Agreements**
All other types of contracts (supply, service, leases, revenue, construction, etc.) should be based on sound business judgement.

3) **Termination**
If a modification requires a new solicitation, the contract should be terminated for convenience and a new solicitation issued.

9-105 Requirement to Re-compete

If a proposed modification materially alters the scope of work, deliverables, or terms of performance in a manner that diminishes open competition or effectively converts the contract into a sole-source award, such modification shall not be executed. In these circumstances, the existing contract must be terminated for convenience, and the requirement shall be re-procured through a new competitive solicitation.

1) **Contracts/Agreement Modifications Deemed Material**
This means the proposed change to the contract is substantial, significant, or essential rather than minor or incidental. A modification shall be deemed material, and therefore outside the permissible scope of the contract, if any of the following conditions exist:

   a) **Change in Nature or Purpose –** The modification introduces goods, services, or requirements that are substantially different from those solicited in the original procurement.

   b) **Significant Cost Impact** – The modification increases the total contract price by more than twenty-five percent (25%) of the original contract amount unless specifically required by statute, rule, or judicial decision.

   c) **Substantial Reduction** – The modification decreases the contract price by more than twenty-five percent (25%) (or eighteen percent (18%) in the case of counties) without the express written consent of the contractor.

   d) **Extension of Term** – The modification extends the contract period of performance beyond the limits established under federal or state law, including:

      i) Rolling stock and replacement parts contracts exceeding five (5) years inclusive of options (49 U.S.C. § 5325), or

      ii) Other contracts extended beyond what is reasonably necessary to fulfill the original scope of work.

   e) **Alteration of Competition** – The modification changes essential terms and conditions of the contract in a way that:

      i) Would have influenced bid responses had they been included in the original solicitation, or

ii) It prevents other potential vendors from reasonably competing for the work as modified.

f) **Statement of Work Revisions** – The modification requires substantive amendments to the Statement of Work, technical specifications, or performance requirements that materially differ from those initially advertised.

g) **Excessive Performance Changes** – The modification requires a substantial increase in effort, resources, or time not contemplated by the original contract, thereby altering the contractor's obligations or the risk profile of the agreement.

2) Review Factors for Determining Out of Scope

In evaluating whether a modification is within or outside the scope of the original procurement, the procurement officer shall document consideration of the following factors:

a) **The Language of the RFP/IFB** – Whether the modification introduces elements not reasonably anticipated from the original solicitation documents. If the modification could not have been foreseen by offerors at the time of bidding, it is likely out-of-scope.

b) **The Instructions to Offerors/Bidders** – Whether the instructions limited or conditioned the scope of responses in a manner inconsistent with the modification. If bidders were restricted from proposing solutions now contemplated in the modification, the change is out-of-scope.

c) **Preliminary Efforts Required Prior to Work** – Whether the contractor must undertake significant additional start-up, mobilization, or preparatory work not originally contemplated. A requirement for major new preliminary efforts signals a material change.

d) **Amendment of the Statement of Work** – Whether the Statement of Work would need to be revised to incorporate the modification. If the SOW requires substantive amendment, the modification is likely out-of-scope.

e) **Cost or Value of the Modification Relative to the Original Price** – Whether the modification significantly increases or decreases the total contract value (as measured by the thresholds outlined above).

f) **Extension of Time Required** – Whether the modification extends the performance schedule by a substantial amount, altering the delivery or completion expectations established in the original contract.

g) **Connection to Original Work** – Whether the modification is directly related to the work originally contemplated or is instead ancillary, unrelated, or a new undertaking. Modifications that fall outside the original project intent are considered material.

Procurement staff must document their analysis of these factors in the procurement file. If any of the criteria or review factors indicate that the modification is material, the contract shall be terminated for convenience and a new solicitation issued.

PART B: TERMINATION OF CONTRACT/AGREEMENTS

The purpose of this section is to establish clear policies and procedures to guide staff in exercising termination authority. These procedures ensure fairness to contractors, protect public resources, and preserve the integrity of the procurement process.

Termination of contracts is a necessary tool to protect the interests of the Lower Rio Grande Valley Development Council (LRGVDC) and to ensure compliance with federal and state requirements. Contracts may be terminated for convenience, for default, for mutual agreement, or for non-appropriation of funds. Each type of termination must be applied judiciously, consistently documented, and carried out in accordance with applicable law, including Texas Government Code Chapter 2261, 2 CFR §§ 200.339–340, and FTA Circular 4220.1F.

9-201 Termination by Mutual Agreement

A contract may be terminated prior to its expiration date by written agreement of both parties. Such agreements must be documented through a formal amendment or exchange of correspondence and maintained in the official contract file.

9-202 Termination for Convenience

LRGVDC may terminate a contract, in whole or in part, when it determines that such termination is in its best interest, regardless of contractor performance. This clause is required in all contracts in excess of $10,000 under 2 CFR § 200.339(c) and Texas Gov't Code § 2261.151. The exercise of the Termination for Convenience clause in no way implies that the LRGVDC has breached the contract.

1) Procedures

a) **Notice** – The Executive Director shall provide the contractor with at least thirty (30) calendar days' advance written notice, specifying the scope and effective date of termination.

b) **Contractor Obligations** – Upon receipt of notice, the contractor must:

i) Immediately cease work on the terminated portion, no additional cost shall be incurred thereafter.

ii) Cancel or settle all related subcontracts and outstanding orders, and

iii) Protect and preserve any LRGVDC property or materials in its possession.

c) **Transfer of Deliverables** – The LRGVDC shall require the contractor to transfer title and deliver to LRGVDC all completed or partially completed supplies, materials, equipment, plans, drawings, or rights acquired for performance of the contract.

i) The contractor shall protect and preserve the property in the possession of the contractor in which the LRGVDC has an interest.

ii) If not directed to transfer, the contractor must use best efforts to dispose of such items in accordance with the Uniform Commercial Code.

d) **Compensation** – The contractor may file a settlement claim within one (1) year of termination. Compensation shall be limited to:

i) Costs incurred for work performed up to the effective date,

ii) A fair and reasonable profit on completed work (excluding anticipatory profit or consequential damages), and

iii) Documented settlement expenses. If the contractor fails to file a claim within one (1) year, the Executive Director may, at their discretion, determine the amount due.

e) **Partial Terminations** – In cases of partial termination, if the grantor agency determines that the remaining contract scope cannot fulfill the original program objectives, the agency may terminate the entire award.

9-203 Termination for Default

LRGVDC may terminate a contract, in whole or in part, if the contractor fails to perform its obligations or violates material provisions of the contract. This clause must be included in all contracts exceeding $10,000 under 2 CFR § 200.340.

1) **Grounds for Default**

A contractor shall be considered in default, and subject to termination of its contract in whole or in part, if LRGVDC determines that the contractor has materially failed to comply with the terms and conditions of the agreement. Grounds for default include, but are not limited to:

a) **Failure of Performance**

i) Failure to deliver goods, services, or deliverables within the time specified in the contract, or within any authorized extension.

ii) Failure to achieve required performance standards, quality levels, or specifications set forth in the contract.

b) **Abandonment or Refusal to Perform**

i) Abandoning the work or refusing to proceed with performance of the contract obligations without lawful excuse.

ii) Failure to provide adequate assurance of continued performance when requested by LRGVDC.

c) **Breach of Contractual Obligations**

i) Violation of material provisions of the contract, including requirements related to reporting, invoicing, or recordkeeping.

ii) Unauthorized transfer or assignment of the contract without prior written approval.

d) **Violation of Law, Regulation, or Grant Conditions**

i) Failure to comply with applicable federal or state statutes, rules, regulations, or grantor agency requirements governing the contract.

ii) Loss or suspension of required licenses, permits, certifications, or approvals necessary for contract performance.

e) **Financial or Ethical Misconduct**

i) Submission of false, misleading, or fraudulent information or documentation to LRGVDC or any grantor agency.

ii) Misappropriation, misuse, or unlawful expenditure of LRGVDC funds.

iii) Conviction of the contractor, its officers, or key employees for fraud, bribery, collusion, kickbacks, or other offenses involving public contracts.

f) **Failure to Maintain Insurance or Bonds**
   i) Failure to maintain required insurance coverage, performance bonds, or payment bonds as specified in the contract.

g) **Endangerment of Health, Safety, or Property**
   i) Conduct or omissions that create an imminent risk to public health, safety, welfare, or LRGVDC property.

h) **Bankruptcy or Insolvency**
   i) Insolvency, bankruptcy filing, or appointment of a receiver or trustee for substantially all of the contractor's assets, if such condition impairs the contractor's ability to perform.

2) **Procedures for Termination for Default**
When LRGVDC determines that grounds for default exist, the following procedures shall apply to ensure due process, accountability, and compliance with applicable regulations:

a) **Written Notice of Default**
   i) The Executive Director, or designee, shall issue a written Notice of Default to the contractor.
   ii) The notice must identify the specific contractual provisions violated, describe the nature of the default, and specify the effective date of termination if corrective action is not taken.
   iii) The notice shall be delivered by certified mail, return receipt requested, or by another verifiable delivery method.

b) **Opportunity to Respond (Optional at LRGVDC's Sole Discretion)**
   i) LRGVDC may, but is not required to, afford the contractor a limited opportunity to respond in writing to the Notice of Default.
   ii) Such response shall not delay termination unless the Executive Director determines that the contractor has provided adequate assurance of performance.

c) **Effective Date of Termination**
   i) If corrective action is not taken or the contractor fails to provide adequate assurance, termination shall become effective on the date specified in the notice.
   ii) In urgent cases involving fraud, imminent risk to health or safety, or unlawful conduct, termination may be made effective immediately upon written notice.

d) **Obligations of the Contractor Upon Termination**
   i) The contractor shall immediately cease performance of the terminated portion of the contract.
   ii) The contractor shall take all reasonable steps to protect and preserve property, equipment, or materials in which LRGVDC has an interest.

iii) The contractor shall return, transfer, or account for all LRGVDC property, equipment, records, or materials upon request.

e) **Payments**

i) Payment shall only be made for goods, equipment, or services delivered, accepted, and properly invoiced prior to the effective date of termination.

ii) No payment shall be made for anticipated profits, consequential damages, or work not performed.

iii) LRGVDC may withhold sufficient funds from amounts otherwise due to the contractor to cover:

- Excess costs of procuring substitute goods or services,
- Claims of subcontractors or suppliers, and
- Damages sustained by LRGVDC as a result of the default.

f) **Re-procurement**

i) LRGVDC may procure substitute goods or services by competitive solicitation or other authorized means.

ii) The defaulting contractor may be held liable for excess costs incurred by LRGVDC in completing the work or acquiring replacement goods or services.

g) **Records and Documentation**

i) All actions related to termination, including the Notice of Default, supporting documentation, contractor responses (if any), and final settlement actions, shall be maintained in the official contract file for audit and legal purposes.

h) **Reservation of Rights**

i) Termination for default shall not limit LRGVDC's right to pursue other remedies under law, equity, or the contract, including suspension, debarment, or legal action for damages.

9-204 Cure Notice Requirements

Except in cases involving fraud, criminal conduct, imminent risk to health or safety, or other circumstances requiring immediate termination, LRGVDC shall first issue a written Cure Notice before terminating a contract for default.

1) **Issuance of Cure Notice must:**

a) Identify the specific failures, breaches, or violations;

b) Reference the relevant contract provisions;

c) Provide a period of time, not less than ten (10) calendar days, within which the contractor must cure the deficiency or provide satisfactory evidence of corrective action; and

d) State that failure to cure within the period provided may result in termination for default.

2) **Contractor's Response**
   a) The contractor must provide a written response within the cure period, describing corrective actions taken or planned.
   b) Failure to respond shall be deemed noncompliance.
3) **Evaluation of Contractor's Response**
   a) The Executive Director, or designee, shall review the response and determine whether the corrective action is adequate.
   b) If the response is found to be insufficient, termination for default may be initiated without further notice.
4) **Exceptions**
   a) Fraud, waste, or abuse of public funds;
   b) Criminal activity or ethical misconduct (e.g., bribery, collusion, kickbacks);
   c) Conduct creating an imminent threat to health, safety, or property; or
   d) Circumstances in which delay would cause material harm to LRGVDC operations or grant compliance.

9-205 Contracts Awarded in Violation of Law

Any contract awarded by the Lower Rio Grande Valley Development Council (LRGVDC) in violation of the competitive procurement requirements established under state law, federal regulations, or this policy shall be deemed void and unenforceable.

1) **Violation of Competitive Procurement** – Contracts executed without compliance with applicable competitive bidding or proposal requirements, including those set forth in Texas Local Government Code Chapter 252, Texas Government Code Chapter 2261, 2 CFR Part 200, and FTA Circular 4220.1F, are void.
2) **Exceeding Authority** – Contracts awarded or executed by LRGVDC staff or officials without proper legal authority or outside delegated procurement thresholds are void.
3) **Legal Effect** – A void contract creates no legal obligation on the part of LRGVDC, and no payments shall be made under such contract. If payments have already been made, LRGVDC shall pursue recovery of funds to the fullest extent permitted by law.
4) **Termination Procedure –** Upon discovery that a contract was awarded in violation of procurement law or this policy, the Executive Director shall issue written notice declaring the contract void, terminate performance immediately, and initiate re-procurement if necessary.
5) **Reporting** – All void contracts shall be reported to the LRGVDC Board of Directors, the applicable grantor agency, and included in the Risk Assessment Report as a procurement violation.

ARTICLE X
PROTEST RESOLUTION

PART A: GENERAL PROVISIONS

The purpose of this Part is to establish a uniform system for handling protests related to LRGVDC procurement activities. Protests are an important safeguard that allow interested parties to raise concerns about the fairness, legality, or propriety of a solicitation, evaluation, or contract award. This process ensures accountability and protects the public trust by providing a formal mechanism for resolution without resorting immediately to litigation.

10-101 Purpose and Policy

It is the policy of the Lower Rio Grande Valley Development Council (LRGVDC) to resolve all procurement protests in a manner that is:

1) **Fair and Equitable** – All parties must receive equal opportunity to be heard, and no protestor shall be disadvantaged or dismissed without review if the protest meets the filing standards established in this Article.
2) **Transparent** – Decisions will be documented in writing and made part of the official procurement record so that the basis of the determination is clear and accessible.
3) **Compliant with State Law** – This policy fulfills the requirements of Texas Government Code § 2155.076, which directs governmental entities to adopt protest resolution procedures consistent with those established by the Texas Comptroller of Public Accounts and the State of Texas Procurement and Contract Management Guide.
4) **Compliant with Federal Law** – This policy also aligns with federal requirements under 2 CFR § 200.318(k), which require non-federal entities to establish protest procedures that protect against unfair or arbitrary treatment of bidders or offerors.
5) **Efficient and Practical** – While ensuring fairness, the protest resolution process shall not unnecessarily delay essential procurements or contract performance that supports the delivery of services, unless a delay is required to protect the integrity of the process.

The LRGVDC shall administer this Article in a manner that fosters maximum competition, avoids even the appearance of favoritism, and ensures the prudent use of public funds entrusted to the organization.

10-102 Right to Protest

Any actual or prospective bidder, offeror, or contractor who believes that it has been aggrieved in connection with a solicitation, evaluation, or award of a contract by the LRGVDC shall have the right to protest in accordance with this Article. The right to protest is not unlimited and shall only apply when the party can demonstrate that:

1) **Violation of Law or Regulation** – The procurement action is alleged to have violated applicable state or federal law, regulation, or rule, including but not limited to Texas Government Code Chapter 2155, Texas Local Government Code Chapter 252, 2 CFR Part 200, and Federal Transit Administration Circular 4220.1F, when applicable.
2) **Violation of Policy or Procedures** – The procurement action is alleged to have been conducted in violation of the policies and procedures adopted by the LRGVDC.

3) **Unfair or Improper Treatment** – The protestor has reason to believe it was treated in an arbitrary or capricious manner or was unfairly disadvantaged in the competitive process.

By recognizing this right to protest, the LRGVDC ensures that its procurement system remains open to legitimate challenges while preventing the misuse of protest procedures as a means to obstruct or delay procurements.

10-103 Limitations on the Right to Protest

The protest must be directed at the procurement action itself and not at the general business judgment of the LRGVDC, the adequacy of funding, or matters outside the scope of the specific solicitation or award. The Right to Protest shall not extend to:

1) General dissatisfaction with procurement outcomes where no violation of law, regulation, or policy is identified.
2) Disputes solely related to the protestor's failure to submit a timely or responsive bid, offer, or proposal.
3) Complaints regarding contract administration after award; such matters shall be handled through contract management and enforcement procedures rather than through this Article.

PART B: FILING AND PROCESSING OF PROTEST

10-201 Filing Requirements

A protest must be submitted in writing to the LRGVDC Procurement Officer within the time limits established by this Article. To ensure orderly review, the written protest shall include, at a minimum, the following information:

1) **Identification of the Procurement Action** – The solicitation number, contract number, or other unique identifier associated with the procurement being challenged.
2) **Statement of Grounds** – A clear and detailed statement of the legal and factual grounds for the protest, including citations to any relevant laws, regulations, or LRGVDC policies alleged to have been violated.
3) **Supporting Evidence –** Copies of all documents, records, or other evidence relevant to the protest. Unsupported allegations, speculation, or general dissatisfaction shall not be sufficient to establish grounds for review.
4) **Relief Requested** – A statement of the specific remedy or corrective action sought by the protestor.
5) **Authorized Signature** – The protest must be signed and dated by an authorized officer or representative of the protestor.

Failure to provide this required information will result in dismissal of the protest without review of the merits.

10-202 Timeliness of Filing

In order to preserve the fairness and efficiency of the procurement process, protests must be filed within a strict timeframe.

1) **Time for Filing** – A protest must be received by the LRGVDC Procurement Officer no later than ten (10) business days after the protestor knew or reasonably should have known of the facts giving rise to the protest. This standard reflects the protest requirements outlined in Texas Government Code § 2155.076 and is consistent with federal guidance under 2 CFR § 200.318(k), which requires timely and fair resolution of procurement disputes.

2) **Untimely Protests** – Protests submitted after the established deadline shall be dismissed without review, unless the Procurement Officer, in consultation with legal counsel, determines that extraordinary and documented circumstances warrant an extension.

3) **Notice of Deadline in Solicitations** – All LRGVDC solicitation documents shall include a statement referencing this protest deadline so that all bidders, offerors, and contractors are on clear notice of their rights and obligations.

10-203 Format and Method of Submission

To ensure clarity, proper recordkeeping, and enforceability, all protests must adhere to the following submission standards:

1) **Form of Protest** – Protests shall be submitted in writing and clearly labeled as a "Procurement Protest." Oral protests or informal communications shall not be recognized as valid protests under this Article.

2) **Acceptable Delivery Methods** – Protests may be submitted by:
    a) Hand delivery to the LRGVDC Procurement Office,
    b) Certified mail with return receipt requested, or
    c) Electronic mail to the official LRGVDC procurement email address identified in the solicitation.

Protests submitted through any other means will not be considered received.

3) **Receipt Requirement** – The burden of proof rests with the protestor to demonstrate timely receipt by the LRGVDC. Protests received after normal business hours shall be deemed filed on the next business day.

4) **Completeness of Submission** – Protests that are incomplete, unsigned, or fail to include the required elements set forth in Section 7-201 shall be dismissed as procedurally defective without further consideration.

By establishing strict rules for timeliness and submission format, the LRGVDC ensures that all protests are processed consistently, fairly, and in compliance with state and federal procurement standards.

10-204 Initial Review and Notice

It is the policy of the LRGVDC to provide a thorough and impartial review of all properly filed procurement protests. The review process shall be conducted in a manner that protects the rights of the protestor, ensures accountability of LRGVDC procurement staff, and maintains compliance with applicable federal and state law.

Upon receipt of a protest filed in accordance with Sections 7-201 through 7-203, the LRGVDC Procurement Officer shall be responsible for conducting an initial review to confirm that the protest meets the procedural requirements established by this Article. This review shall include verification that the protest was submitted within the required timeframe, that it conforms to the required format, and that it contains the necessary documentation and supporting information to allow for further consideration.

1) **Procedures** – If the protest is determined to be procedurally valid, the Procurement Officer shall take the following steps:

    a) **Procedural Verification** – Confirm that the protest was filed within the required timeframe, submitted in the proper format, and contains all required documentation and information.

    b) **Acknowledgment of Protest** – Provide written acknowledgment of receipt to the protestor within three (3) business days. The acknowledgment shall confirm whether the protest has been accepted for review or dismissed as procedurally defective.

    c) **Notice to Executive Leadership** – Notify the Executive Director and legal counsel of the protest within three (3) business days of receipt. If the protest involves federally funded procurements, the appropriate oversight agency (e.g., TxDOT, FTA) shall also be notified when required by grant conditions or federal regulations.

    d) **Notice to Interested Parties** – Provide written notice within five (5) business days to all bidders, offerors, or contractors who may be affected by the outcome of the protest. Such notice shall include a summary of the protest and advise interested parties that they may submit comments or supporting information for consideration within a specified period not to exceed ten (10) business days.

    e) **Suspension of Procurement Activity** – Determine, in consultation with the Executive Director and legal counsel, whether to suspend the solicitation, evaluation, or award pending resolution of the protest. Suspension shall be required unless a written determination is made that:

        i) The award or continued contract performance is necessary to protect the substantial interests of the LRGVDC; or

        ii) Urgent and compelling circumstances will not permit delay.

    f) **Collection and Review of Information** – Assemble all relevant procurement records, including solicitation documents, evaluation notes, and communications. Additional information may be requested from the protestor, program staff, or other interested parties, with written deadlines for response.

    g) **Consultation with Legal Counsel** – Ensure that the review and recommendations are consistent with applicable legal standards, including Texas Government Code § 2155.076, Texas Local Government Code Chapter 252, and federal requirements under 2 CFR § 200.318(k).

h) **Written Findings and Recommendation** – Prepare a written statement of findings that identifies the issues raised, summarizes the facts and evidence, cites relevant legal and policy standards, and sets forth a recommended resolution. The written findings shall be forwarded to the Executive Director for determination under Part C of this Article.

2) If the protest is dismissed at this stage for failure to comply with filing requirements, the Procurement Officer shall issue a written explanation to the protestor, and the procurement shall proceed without interruption.

10-205 Interim Measures

While a protest is under review, it is the policy of the LRGVDC to take interim measures as necessary to protect the integrity of the procurement process, preserve the rights of all parties, and safeguard the interests of the organization. Interim measures shall be documented in writing and shall remain in effect until the protest is resolved or a final determination is issued.

1) **Procedures** - The following interim measures may be applied:

a) **Suspension of Solicitation or Award** – If a protest is filed prior to contract award, the solicitation, evaluation, or award process may be suspended until the protest is resolved, unless a written determination is made under Section 7-204(4) that urgent and compelling circumstances justify proceeding.

b) **Suspension of Contract Performance** – If a protest is filed after award, the LRGVDC may suspend performance under the contract in whole or in part. Suspension shall continue until the protest is resolved or until the Executive Director determines that continuation of performance is necessary to protect the best interests of the LRGVDC.

c) **Issuance of Stop-Work Orders** – For contracts already in performance, the Procurement Officer, with approval of the Executive Director, may issue a stop-work order in accordance with contract terms and applicable law. Stop-work orders must clearly identify the scope of work being suspended and the conditions under which work may resume.

d) **Temporary Administrative Controls** – The LRGVDC may implement temporary administrative measures, such as restricting payments, limiting modifications, or requiring additional approvals for contract-related actions, in order to protect public funds during the pendency of the protest.

2) These measures ensure compliance with Texas Government Code § 2155.076 and 2 CFR § 200.318(k), both of which allow for the suspension or continuation of procurements under specified circumstances while protests are pending.

PART C: EVALUTATION AND DETERMINATION

It is the policy of the LRGVDC to resolve procurement protests in a fair, impartial, and timely manner. Resolution shall be based on a comprehensive review of the record, applicable law and regulations, and the merits of the issues raised by the protestor.

10-301 **Resolution Procedures**

The Procurement Officer shall forward the written findings and recommendations to the Executive Director for final review and determination. The resolution process shall include the following steps:

1) **Review of Findings** – The Executive Director shall review the Procurement Officer's findings, supporting documentation, and any responses received from interested parties. The Executive Director may request additional information or clarification before making a determination.

2) **Consultation with Legal Counsel** – Prior to issuing a final decision, the Executive Director shall consult with legal counsel to ensure that the resolution complies with Texas Government Code Chapter 2155, Texas Local Government Code Chapter 252, applicable federal procurement standards under 2 CFR § 200.318(k), and where applicable, FTA Circular 4220.1F.

3) **Issuance of Final Determination** – The Executive Director shall issue a written determination within thirty (30) calendar days of receiving the findings and recommendations, unless extended for good cause. The determination shall:
    a) Summarize the protest and issues raised;
    b) Set forth findings of fact;
    c) Cite applicable statutes, regulations, and policies; and
    d) State the decision and the rationale supporting it.

4) **Distribution of Determination** – A copy of the final determination shall be provided to the protestor, all interested parties, and retained in the official procurement record.

5) **Implementation of Decision** – The LRGVDC shall promptly implement the decision of the Executive Director, including any corrective action or direction provided in the determination.

The decision of the Executive Director shall constitute the final administrative action of the LRGVDC unless otherwise provided by law or federal funding agency requirements.

10-302 Effect on Solicitation or Contract

The resolution of a protest may require the LRGVDC to alter, suspend, or continue procurement activities depending on the timing of the protest and the determination issued by the Executive Director. It is the policy of the LRGVDC to take only those actions that protect the integrity of the procurement process, safeguard public funds, and comply with applicable laws and regulations.

1) **Protest Filed Prior to Award –**
    a) If a protest is filed before contract award and is sustained, the solicitation may be amended, re-evaluated, reissued, or canceled as directed in the Executive Director's determination.
    b) If the protest is denied, the solicitation or award process shall continue as originally planned.
    c) No award shall be made during the pendency of the protest unless a written determination of urgent and compelling circumstances is documented under Section 7-204(e).

2) **Protest Filed After Award but Before Performance** –

   a) If a protest is filed after award but prior to commencement of performance, the LRGVDC may suspend contract execution or delay the notice to proceed pending resolution.

   b) If the protest is sustained, the award may be rescinded, and corrective action taken in accordance with the final determination.

3) Protest Filed After Performance Has Begun –

   a) If a protest is filed after contract performance has commenced, the LRGVDC may suspend work in whole or in part through issuance of a stop-work order under Section 7-205 of the Article.

   b) If the protest is sustained, the contract may be terminated, modified, or subject to other corrective action as necessary to remedy the impropriety.

4) Corrective Action –

   a) Corrective measures may include cancellation of the solicitation, reissuance of the solicitation, re-evaluation of proposals, rescission of award, or modification of contract terms.

   b) All corrective actions shall be taken in consultation with legal counsel and documented in the procurement record.

The procedures section shall ensure compliance with Texas Government Code § 2155.076, Texas Local Government Code Chapter 252, and federal procurement requirements under 2 CFR § 200.318(k), which collectively authorize suspension, continuation, or corrective action in response to procurement protests.

10-303 Grievance Hearings

The LRGVDC recognizes that a protestor may request a grievance hearing as part of the protest resolution process. Hearings shall ensure fairness, transparency, and the opportunity for all parties to be heard before a final determination is made.

1) **Request for Hearing** – A protestor may request a grievance hearing in writing at the time of filing the protest or within five (5) business days after receiving notice that the protest has been accepted for review.

2) **Notice of Hearing** – If a hearing is granted, the Procurement Officer shall issue written notice to the protestor and all interested parties. The notice shall state the date, time, location (or virtual platform), and procedures to be followed.

3) **Participation of Interested Parties** – All interested parties shall be provided an opportunity to present written statements, documentary evidence, and oral testimony relevant to the issues raised in the protest.

4) **Conduct of Hearing** – Hearings shall be conducted in an orderly and impartial manner by the Executive Director or a designee. Legal counsel may be present to advise the LRGVDC. The hearing shall be limited to issues identified in the protest.

5) **Record of Hearing** – A written record or transcript shall be maintained as part of the official procurement file.

6) **Effect on Resolution Timeline** – The scheduling and conduct of a hearing shall not unreasonably delay issuance of the final determination. The Executive Director shall issue the written determination within thirty (30) calendar days of the close of the hearing unless extended for good cause.

10-304 Protest Recordkeeping

It is the policy of the LRGVDC to maintain complete, accurate, and secure records of all procurement protests to ensure transparency, accountability, and compliance with applicable state and federal regulations. Protest files form part of the official procurement record and shall be preserved in accordance with the LRGVDC Records Retention Policy, the Texas State Library and Archives Commission retention schedules, and federal grant requirements.

1) **Contents of Protest File** – The Procurement Officer shall ensure that the protest file includes, at a minimum:
    a) The original protest submission, including supporting documentation provided by the protestor;
    b) Acknowledgment of receipt and all notices issued to interested parties;
    c) Correspondence, memoranda, and communications related to the protest;
    d) Records of interim measures taken under Section 7-205;
    e) Written findings and recommendations prepared by the Procurement Officer;
    f) Any materials or testimony presented at a grievance hearing conducted under Section 7-303;
    g) The Executive Director's final determination; and
    h) Documentation of corrective actions, if any, taken as a result of the protest.
2) **Retention Periods** – Protest records shall be retained for a minimum of:
    a) **State-funded procurements:** Four (4) years following contract completion or termination, consistent with Texas Government Code § 441.185 and the Local Government Records Act.
    b) **Federally funded procurements:** Six (6) years following final payment, or longer if required by the funding agency, in compliance with 2 CFR § 200.334.
    c) If litigation, claims, or audits are initiated before the expiration of the retention period, the records shall be maintained until the matter is fully resolved.
3) **Accessibility of Records** – Protest files shall be maintained in a manner that ensures accessibility for internal review, audit, or inspection by oversight agencies, including but not limited to the Texas Comptroller of Public Accounts, the Texas Department of Transportation (TxDOT), the Federal Transit Administration (FTA), or other federal grantor agencies.
4) **Confidentiality and Redaction** – While maintaining transparency, the LRGVDC shall safeguard proprietary, confidential, or legally protected information in accordance with the Texas Public Information Act (Texas Government Code Chapter 552) and applicable federal privacy requirements. Sensitive information may be redacted from records released for public inspection.

PART D: APPEAL RIGHTS AND LEGAL REMEDIES

The determination of the Executive Director on any procurement protest shall constitute the final administrative decision of the LRGVDC. This policy is adopted pursuant to Texas Government Code § 2155.076, which requires governmental entities to establish procedures for resolving protests, and 2 CFR § 200.318(k), which mandates that non-federal entities maintain protest procedures for disputes arising from procurements.

10-401 Final Administrative Action

The written determination of the Executive Director shall constitute the final administrative decision of the LRGVDC. No further internal appeal shall be permitted once the Executive Director issues a decision. This finality is consistent with Texas Government Code § 2155.076, which authorizes governmental entities to adopt protest resolution procedures.

10-402 Judicial Remedies

A protestor retains the right to seek judicial review of the Executive Director's determination in a court of competent jurisdiction. Such remedies may be pursued under applicable Texas law, including but not limited to the Texas Declaratory Judgments Act (Texas Civil Practice and Remedies Code Chapter 37) and Texas Local Government Code Chapter 252. Judicial proceedings shall be subject to all jurisdictional, procedural, and evidentiary requirements imposed by state law.

10-403 Federal Remedies for Federally Funded Procurements

In procurements involving federal funds, a protestor may pursue remedies through the awarding federal agency after exhausting all administrative remedies with the LRGVDC.

1) Under **FTA Circular 4220.1F**, protests may be filed with the Federal Transit Administration if the grantee fails to follow its protest procedures, fails to review a complaint, or violates federal law or regulation.
2) Under **2 CFR § 200.341**, federal awarding agencies may impose remedies for noncompliance where procurement actions are determined to have violated federal standards or requirements.

10-404 Notice of Legal Remedies

The Executive Director's final determination shall include a written notice advising the protestor that:

1) The decision is the final administrative action of the LRGVDC;
2) The protestor retains the right to seek judicial review under Texas law; and
3) For federally funded procurements, the protestor may have additional rights to file a protest with the relevant federal agency.

10-405 Record on Appeal

If a protestor seeks judicial review or files a protest with a federal agency, the LRGVDC shall provide the complete protest record as required by law. Records released shall comply with the Texas Public Information Act (Texas Government Code Chapter 552) and applicable federal privacy protections. Proprietary or confidential information shall be redacted where required.

PART E: COMPLIANCE AND LIMITATIONS

The LRGVDC recognizes the importance of protecting the right to protest while also safeguarding the integrity of its procurement system against abuse. Protests filed in bad faith or for the purpose of delay undermine competition, increase costs, and interfere with the efficient administration of contracts.

10-501 Frivolous or Bad Faith Protests

The LRGVDC shall not tolerate frivolous or bad faith protests and may impose appropriate remedies or sanctions where such conduct is identified.

1) **Definition of Frivolous or Bad Faith Protest** – A protest may be deemed frivolous or filed in bad faith if it:
    a) Lacks any legal or factual basis;
    b) Repeats arguments previously dismissed without providing new evidence;
    c) Is filed solely for the purpose of delaying a solicitation, evaluation, award, or contract performance; or
    d) Contains knowingly false statements, misrepresentations, or omissions of material fact.
2) **Review for Bad Faith** – The Procurement Officer, in consultation with legal counsel, shall review the protest to determine whether it appears to have been filed in bad faith or is otherwise frivolous.
3) **Dismissal of Protest** – Frivolous or bad faith protests shall be dismissed in writing, and the dismissal shall state the grounds for such determination. The procurement shall proceed without delay.
4) **Sanctions and Remedies** – In addition to dismissal, the LRGVDC may impose one or more of the following remedies:
    a) Require the protestor to reimburse the LRGVDC for administrative costs incurred in processing the frivolous protest;
    b) Disqualify the protestor from participation in the current solicitation or award;
    c) Refer the matter for possible suspension or debarment under federal or state regulations, including 2 CFR § 200.339 and Texas Government Code Chapter 2155, Subchapter C; or
    d) Take any other action permitted by law to protect the interests of the LRGVDC.
5) **Documentation** – All determinations regarding frivolous or bad faith protests, along with supporting evidence and any sanctions imposed, shall be documented in the procurement record and retained in accordance with Section 7-304.

10-502 Compliance with Oversight Agencies

The LRGVDC acknowledges that procurement protests involving state or federal funding may be subject to review by oversight agencies in accordance with their governing statutes, regulations, or grant conditions. The LRGVDC shall fully cooperate with such agencies to ensure accountability and compliance with funding requirements.

1) **Notification of Oversight Agencies** – In procurements funded in whole or in part with state or federal funds, the Procurement Officer shall notify the granting agency of any protest as required by law, regulation, or grant agreement. This includes but is not limited to the Texas Department of Transportation (TxDOT) and the Federal Transit Administration (FTA).

2) **Submission of Records** – The LRGVDC shall provide the full protest record upon request of an oversight agency, consistent with Section 7-304 and subject to confidentiality protections under Texas Government Code Chapter 552 and applicable federal privacy laws.

3) **Deference to Agency Remedies** – If an oversight agency issues directives or remedies regarding the protest, the LRGVDC shall comply in full. Such remedies may include corrective action, suspension of contract, or other measures authorized under 2 CFR §§ 200.339–200.341 and state funding rules.

4) **Cooperation in Audits or Investigations** – The LRGVDC shall fully cooperate with any audit, review, or investigation initiated by a state or federal agency concerning the handling or resolution of a protest.

10-503 Severability and Construction

It is the intent of the LRGVDC that the provisions of this Article be interpreted and applied in a manner consistent with state and federal procurement requirements. If any section, subsection, or provision of this Article is held to be invalid or unenforceable by a court of competent jurisdiction or by a state or federal oversight authority, such invalidity shall not affect the validity or enforceability of the remaining provisions.

1) **Severability** – Each section and subsection of this Article shall be deemed severable. If any provision is declared invalid, the remaining provisions shall remain in full force and effect to the maximum extent permitted by law.

2) **Construction with Governing Law** – This Article shall be construed to conform with all applicable statutes, regulations, and grant requirements, including but not limited to:
   a) Texas Government Code Chapter 2155,
   b) Texas Local Government Code Chapter 252,
   c) 2 CFR Part 200, and
   d) FTA Circular 4220.1F (when applicable).

3) **Supremacy of Law** – In the event of a conflict between this Article and state or federal law, the governing state or federal law shall control, and this Article shall be deemed automatically amended to the extent necessary to achieve compliance.

4) **Continuing Effect** – This Article shall remain in effect until amended or repealed by action of the LRGVDC Board of Directors.

ARTICLE XI
REQUIRED CERTIFICATIONS

It is the policy of the Lower Rio Grande Valley Development Council (LRGVDC) to require that all contractors, vendors, and subrecipients provide certifications as mandated by federal and state law as a condition of award and continued performance under any procurement contract or pass-through agreement. These certifications are essential to ensure compliance with statutory requirements, maintain eligibility for state and federal funding, and protect the integrity of the procurement process.

1) Certifications shall be obtained prior to contract award and maintained throughout the term of the agreement. Where applicable, certifications must be renewed or reverified at intervals required by law, regulation, or by the terms of the contract. LRGVDC shall not execute, renew, or extend any procurement contract unless all applicable certifications have been received and verified.
2) The requirements set forth herein are derived from the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), the Texas Government Code including Chapters 2155, 2252, 2261, 2262, and 2271, the Texas Local Government Code Chapter 252 as incorporated by Local Government Code § 391, and applicable provisions of the Federal Transit Administration (FTA) Circular 4220.1F, among other federal and state statutes and regulations.

PART A: FEDERAL CERTIFICATIONS

Federal certifications are required to ensure that contractors, subcontractors, and subrecipients comply with the statutory and regulatory conditions tied to the expenditure of federal funds. These certifications safeguard the integrity of federally funded procurements, prevent the misuse of federal resources, and promote compliance with national policies including nondiscrimination, accountability, and financial stewardship.

As a recipient and pass-through entity of federal funds, LRGVDC shall require that all vendors and subrecipients provide the certifications outlined in this Part as a condition of award. Certifications must be obtained prior to contract execution, verified by the Procurement Office, and maintained throughout the duration of the agreement in accordance with 2 CFR Part 200 and applicable program regulations.

11-101 Debarment and Suspension

In accordance with Executive Order 12549 and the government-wide common rule on Nonprocurement Debarment and Suspension (2 CFR Part 180), no award of federal funds may be made, at any tier, to a party who is debarred, suspended, or otherwise excluded from participation in federal assistance programs.

1) **Procurement Verification** – The Procurement Department shall verify the status of all prospective contractors, subcontractors, and subrecipients using the System for Award Management (SAM.gov) prior to contract execution. Verification must be performed no more than seven (7) days before award. Documentation of the verification shall be maintained in the procurement file.

2) **Debarred Vendors** – If a contractor or subrecipient becomes debarred or suspended during the course of performance, they must notify the LRGVDC Procurement Department immediately. The LRGVDC may take termination action under Article VIII of this Policy and will report the debarment to the applicable federal awarding agency.

11-102 Lobbying Certification

Pursuant to the Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352, recipients of federal contracts, grants, loans, or cooperative agreements may not use appropriated federal funds to influence or attempt to influence any officer or employee of a federal agency, Member of Congress, or congressional staff.

Each contractor, subcontractor, and subrecipient receiving a federal award must complete a "Certification Regarding Lobbying." This certification must be provided:

1) At the time of application or request for federal funds;
2) Upon execution of the contract or agreement; and
3) Upon any material change in lobbying activities, including quarterly disclosure requirements where applicable.

Failure to provide such certification, or provision of a false certification, shall be grounds for termination and may result in penalties as provided under federal law.

11-103 Drug-Free Workplace Certification

In compliance with the Drug-Free Workplace Act of 1988 (41 U.S.C. §§ 701–707), contractors and subrecipients receiving federal awards must provide a certification that they will maintain a drug-free workplace.

The certification must affirm that the contractor will:

1) Publish and distribute a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the workplace;
2) Establish a drug-free awareness program to inform employees of the dangers of drug abuse and available counseling and rehabilitation programs; and
3) Notify the contracting officer of any convictions for workplace drug violations within five (5) days.

Failure to comply may result in suspension, termination, or debarment from future awards.

11-104 Civil Rights and Equal Employment Opportunity (EEO) Certifications

As a condition of federal assistance, contractors and subrecipients must certify compliance with all applicable civil rights laws, including but not limited to:

1) **Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.)** prohibiting discrimination based on race, color, or national origin;
2) **Title VII of the Civil Rights Act of 1964** prohibiting employment discrimination;
3) **Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794)** prohibiting discrimination against individuals with disabilities;
4) **Age Discrimination Act of 1975 (42 U.S.C. § 6101 et seq.)**; and
5) **Americans with Disabilities Act (42 U.S.C. § 12101 et seq.)**.

Certification of compliance must be included in all federally funded contracts and subawards, and shall be a condition of award. Contractors are required to flow down these provisions to all subcontractors.

11-105 Federal Transit Administration (FTA) Specific Certifications

For procurements funded by the Federal Transit Administration (FTA), the following additional certifications apply under FTA Circular 4220.1F:

1) **Buy America Certification (49 U.S.C. § 5323(j); 49 CFR Part 661):** Required for procurements over $150,000 involving steel, iron, manufactured products, or rolling stock. Vendors must certify compliance or request a waiver approved by the FTA.
2) **Cargo Preference Certification (46 U.S.C. § 55305; 46 CFR Part 381):** Contractors must certify that at least 50% of equipment, materials, or commodities transported by ocean vessel will be shipped on U.S.-flag vessels.
3) **Certification Regarding Use of Disadvantaged Business Enterprises (DBEs) (49 CFR Part 26):** Contractors must agree to comply with LRGVDC's DBE Program requirements, including submission of utilization reports and good-faith effort documentation.
4) **Certification of Restrictions on Debarment, Suspension, and Other Responsibility Matters:** As required under FTA Circular 4220.1F, contractors must certify eligibility prior to award.

11-106 Other Federal Certifications

Depending on the nature of the procurement, additional certifications may be required, including but not limited to:

1) **Environmental Compliance Certifications** under the National Environmental Policy Act (NEPA) and related statutes;
2) **Energy Conservation Certification** as required under 42 U.S.C. § 6321 et seq.;
3) **Certification Regarding Program Fraud and False Statements (31 U.S.C. § 3801 et seq.)**; and
4) **Certification Regarding Conflict of Interest** when required under 2 CFR § 200.318(c)(1).

PART B: STATE CERTIFICATIONS

State certifications are required by Texas law to ensure that public funds are expended only with eligible, responsible, and compliant vendors. These certifications address issues such as vendor eligibility, financial standing with the State of Texas, participation in boycotts prohibited under state statute, and compliance with professional licensing and Historically Underutilized Business (HUB) requirements.

LRGVDC shall require all vendors, contractors, and subrecipients participating in procurements funded with state or local funds to provide the certifications outlined in this Part. Verification of compliance will be conducted by the Procurement Office and recorded in the procurement file prior to contract award. Contracts shall not be executed without receipt of all required certifications.

11-201 State Certifications

Before awarding any procurement contract funded with state or local funds, LRGVDC shall verify vendor eligibility. This includes checking:

1) **System for Award Management (SAM.gov):** Required under Texas Government Code § 2155.077, to ensure that no state funds are awarded to debarred vendors.
2) **State Comptroller Vendor Hold (Warrant Hold) Status:** Pursuant to Tex. Gov't Code § 403.055, LRGVDC may not issue payment to a vendor who is on "warrant hold" due to delinquent obligations to the State of Texas, including taxes, child support, or student loans.

The Procurement Office shall document these verifications in the procurement record prior to execution of any contract.

11-202 Certification Regarding Iran, Sudan, and Foreign Terrorist Organizations

In compliance with Tex. Gov't Code Chapter 2252, Subchapter F (§ 2252.152), a governmental entity may not enter into a contract with a company engaged in business operations in Sudan, Iran, or with a foreign terrorist organization as designated by the U.S. Secretary of State.

Vendors must certify, as a condition of award, that they are not engaged in such prohibited business operations.

11-203 Certification Regarding Boycott of Israel

Under Tex. Gov't Code Chapter 2271 (§ 2271.001), contractors entering into contracts with a value of $100,000 or more must certify that they do not and will not boycott Israel during the term of the contract.

This certification must be included in the solicitation and contract language. Exceptions apply only to sole proprietorships and certain small contracts under state law.

11-204 Certification Regarding Boycott of Energy Companies

Pursuant to Tex. Gov't Code Chapter 809 (§ 809.051), contractors must certify that they do not boycott energy companies engaged in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy.

This certification is required for contracts with a value of $100,000 or more and must be obtained before award.

11-205 Certification Regarding Firearms Industry Discrimination

As established under Tex. Gov't Code Chapter 2274 (§ 2274.002), contracts with a value of $100,000 or more must include certification that the contractor:

1) Does not have a practice, policy, guidance, or directive that discriminates against firearm or ammunition industries; and
2) Will not engage in such discrimination during the term of the contract.

11-206 Professional Licenses and Certifications

Vendors providing services that require professional licensing (e.g., engineering, architecture, medicine, law, or accounting) must certify that they hold all licenses and certifications required under Texas law and professional regulatory boards.

Such licenses must remain valid throughout the duration of the contract. Failure to maintain licensure is grounds for immediate termination.

11-207 Historically Underutilized Business (HUB) Compliance

Pursuant to Tex. Gov't Code Chapter 2161 (§ 2161.252), for contracts with an expected value of $100,000 or greater, vendors must comply with the State of Texas Historically Underutilized Business (HUB) Program requirements.

1) Contractors must submit a HUB Subcontracting Plan at the time of bid submission, if subcontracting opportunities exist.
2) Prime contractors must certify compliance with the HUB plan and submit performance reports with each invoice.
3) Contracts shall not be awarded until compliance with HUB requirements is verified and documented.

11-208 Cybersecurity Training Certification

Pursuant to Tex. Gov't Code § 2054.5191, contractors and subcontractors who will have access to LRGVDC's computer systems, databases, or confidential information must certify that their employees have completed a Department of Information Resources (DIR)-certified cybersecurity training program.

This certification shall be required as a condition of award for any contract involving access to LRGVDC's network, data systems, or information technology resources. Vendors must provide evidence of employee completion of the training annually. Contracts may be suspended or terminated if such certification lapses or is found to be invalid.

11-209 Certification of No Conflict of Interest

In accordance with Tex. Gov't Code §§ 2261.252 and 2262.004, vendors must certify that no conflict of interest exists between the vendor, its employees, officers, or agents, and LRGVDC officials involved in the procurement process.

This certification shall affirm that:

1) The vendor has not offered, given, or agreed to give any financial or other benefit to an LRGVDC employee or official for the purpose of obtaining a contract;
2) No LRGVDC official or employee has a direct or indirect financial interest in the vendor or the contract, except as permitted by law; and
3) The vendor will disclose any potential conflicts of interest that arise during the performance of the contract.

Failure to disclose conflicts of interest may result in contract termination, debarment from future contracts, and potential referral to law enforcement for violations of state law.

11-210 Non-Collusion Certification

In compliance with Tex. Gov't Code Chapter 2155.003, all bidders and proposers must provide a certification of non-collusion as a condition of submitting an offer for a procurement contract. This certification affirms that:

1. The bid or proposal has been independently arrived at, without collusion with any other vendor or competitor;
2. The offer has not been knowingly disclosed to any other vendor prior to submission; and
3. No attempt has been made to induce any other vendor to submit or refrain from submitting an offer for the purpose of restricting competition.

The Non-Collusion Certification must be signed by an authorized representative of the vendor and included with all competitive sealed bids, requests for proposals, or other formal solicitations.

Knowingly submitting a false certification of non-collusion constitutes a violation of Tex. Gov't Code § 2155.003 and may result in rejection of the bid, termination of the contract, debarment from future contracting opportunities, and potential criminal prosecution under Texas Penal Code provisions regarding fraud.

11-211 Franchise Tax Status Certification

As required by Tex. Tax Code § 171.255, corporations and limited liability companies must certify that they are in good standing with the Texas Comptroller of Public Accounts with respect to state franchise tax obligations.

Proof of good standing must be verified prior to award through the Texas Comptroller's records. Contracts may not be executed with entities that are delinquent in franchise tax obligations.

11-212 Texas Secretary of State Registration Certification

Pursuant to Tex. Bus. Orgs. Code § 9.001, entities formed outside the State of Texas must certify that they are registered with the Texas Secretary of State and authorized to conduct business within Texas. Proof of registration shall be required prior to execution of the contract.

11-213 Child Support Certification

In accordance with Tex. Fam. Code § 231.006, LRGVDC may not award a contract to an individual who is delinquent in child support obligations. Contractors who are natural persons must certify that they are not delinquent on such obligations as a condition of award.

PART C: SUBRECIPIENT AND PASS-THROUGH CERTIFICATIONS

As a recipient and administrator of federal and state grant funds, LRGVDC has a duty to ensure that subrecipients and pass-through entities meet the same certification requirements that apply to direct contractors. These certifications confirm compliance with applicable laws, prevent the improper use of grant funds, and protect LRGVDC from liability associated with noncompliance.

All subrecipients must execute and maintain the certifications required under federal and state law as a condition of receiving funds. Departments responsible for administering grants shall verify and document these certifications before releasing funds and shall monitor compliance throughout the term of the subaward.

11-301 **General Requirements**

Subrecipients and subgrantees receiving funds administered by LRGVDC are required to provide the same certifications as direct contractors. This includes all federal certifications described in Part A and all state certifications described in Part B. Certifications must be submitted before any subaward agreement is executed and must remain valid throughout the term of the agreement.

11-302 **Verification and Documentation**

Departments administering pass-through or subrecipient agreements shall verify that all required certifications are on file prior to the release of funds. Documentation of certifications must be maintained in the grant file for audit purposes, in accordance with 2 CFR § 200.334 and Texas Local Government Code § 391.0095.

***11-303* Flow-Down of Certification Requirements**

Subrecipients must include all applicable certification requirements in any procurement or subcontract they award using LRGVDC-administered funds. This ensures that vendors and lower-tier subrecipients are subject to the same compliance obligations as the primary recipient.

***11-304* Ongoing Monitoring**

Departments shall monitor compliance with certification requirements throughout the life of the subaward. This includes periodic verification of SAM.gov status, HUB compliance reporting, and updates to lobbying or drug-free workplace certifications, as required by law.

***11-305* Remedies for Noncompliance**

Failure of a subrecipient to maintain required certifications shall be grounds for suspension or termination of the subaward. LRGVDC may also withhold payments, disallow costs, or seek repayment of funds expended in violation of federal or state certification requirements, as authorized under 2 CFR § 200.339.

PART D: MAINTENANCE AND RENEWAL OF CERTIFICATIONS

Certifications are not one-time requirements but continuing obligations that must remain valid and enforceable throughout the life of the contract. LRGVDC has a duty to ensure that certifications obtained at the time of award are maintained, renewed, and updated as circumstances require. Contractors and subrecipients are equally obligated to notify LRGVDC of any change in status that would render a certification inaccurate.

11-401 Ongoing Validity of Certifications

All certifications provided at the time of contract award must remain valid throughout the duration of the agreement. Contractors and subrecipients must take necessary steps to ensure continuing compliance, including renewing professional licenses, HUB participation reports, cybersecurity training, or other time-limited certifications.

11-402 Notification of Changes

If a contractor, subcontractor, or subrecipient becomes ineligible to perform under a certification—for example, by being placed on the SAM.gov exclusion list, falling into tax delinquency, or becoming subject to a state boycott restriction—they must notify LRGVDC in writing within five (5) business days of the change. Failure to provide timely notification shall be grounds for termination of the contract and may result in disqualification from future procurements.

11-403 Periodic Verification by LRGVDC

The Procurement Office shall periodically verify the continued validity of certifications during the performance of the contract. This includes but is not limited to:

1) Re-checking SAM.gov for debarment or suspension;
2) Confirming state warrant hold status through the Texas Comptroller;
3) Ensuring HUB compliance reports are filed and accurate; and
4) Verifying cybersecurity training certification renewals for contractors with IT access.

11-404 Remedies for Noncompliance

If a contractor or subrecipient fails to maintain a required certification, LRGVDC may:

1) Suspend or withhold payments until compliance is restored;
2) Terminate the contract for cause under Article VI of this Policy;
3) Disallow or recover costs charged to federal or state awards in violation of certification requirements; or
4) Report the violation to appropriate federal or state authorities as required by law.

PART E: ENFORCEMENT AND REMEDIES

The enforcement of certification requirements is essential to protect the integrity of LRGVDC's procurement processes and to ensure compliance with state and federal law. Contractors and subrecipients must understand that certifications are legally binding attestations, and false or invalid certifications expose both the contractor and LRGVDC to legal and financial risk.

11-501 False or Misleading Certifications

Any contractor, subcontractor, or subrecipient that knowingly submits a false certification may be subject to termination of contract, disqualification from future procurements, and potential civil or criminal penalties under federal and state law.

1) Under 18 U.S.C. § 1001, false statements in federal certifications are subject to criminal prosecution.
2) Under Tex. Gov't Code § 2261.251, contractors may be barred from state contracts for misrepresentation.

11-502 Expired or Invalid Certifications

If a certification required as a condition of award becomes invalid during the contract period, the contractor must promptly notify LRGVDC and take corrective action to restore compliance. Failure to remedy the deficiency may result in suspension of payments or termination for default.

11-503 Remedies for Noncompliance

When a contractor or subrecipient fails to maintain required certifications, LRGVDC may exercise any of the following remedies, in addition to those available under the contract and applicable law:

1) Suspension of contract performance until compliance is demonstrated;
2) Termination for cause under Article VI of this Policy;
3) Disallowance of costs under 2 CFR § 200.339;
4) Recovery of funds already disbursed in violation of certification requirements;
5) Reporting of violations to federal and state oversight agencies for further action.

11-504 Enforcement Responsibility

The Procurement Department shall be responsible for initial enforcement of certification requirements, in coordination with the Department managing the contract or grant. The Finance Department shall ensure no payments are processed where certifications are missing, expired, or invalid. All enforcement actions shall be documented in the procurement or grant file.

ARTICLE XII
RECORD RETENTION

It is the policy of the Lower Rio Grande Valley Development Council (LRGVDC) to maintain all procurement-related records in compliance with federal and state law. Record retention ensures transparency, accountability, and adherence to applicable audit and monitoring requirements. This Article establishes standards for the retention, storage, and accessibility of procurement and contract records in accordance with 2 CFR § 200.334–.337, Texas Government Code §§ 441.185 and 441.1855, and other applicable laws and regulations.

PART A: GENERAL REQUIREMENTS

12-101 Retention Periods

1) **Procurement Records** – All procurement records shall be retained for a minimum of three (3) years from the date of final payment or contract closeout, whichever is later, in accordance with federal requirements (2 CFR § 200.334).
2) **Area Agency on Aging** – Certain programs, such as the Texas Department of Aging and Disability Services, require longer retention; for these programs, records must be maintained for at least five (5) years following the end of the grantee's fiscal year.
3) **Litigation** – If there is any litigation, claim, audit, or unresolved administrative review, records shall be retained until all matters are fully resolved, regardless of the minimum retention period.
4) **Contracts** – For contracts executed on or after September 1, 2015, Texas law requires retention of contract records until the seventh anniversary of the later of (1) contract completion or expiration, or (2) final resolution of litigation, claim, negotiation, audit, open records request, or other action involving the contract (Tex. Gov't Code § 441.1855). For contracts executed before September 1, 2015, the retention period shall be at least four (4) years after contract closeout.

12-102 Covered Records

At a minimum, the following records shall be retained:

1) All correspondence, memoranda, procurement documents (RFPs, IFBs, bids, proposals), and notes of oral or written quotations;
2) Evaluation records, comparative analyses, and award justifications;
3) Records relating to acceptance or rejection of bids or proposals;
4) Documentation of procurement methods, contract type selection, cost/price analyses, determinations of reasonableness, and sole source justifications;
5) Copies of advertisements, notices of award, executed contracts, amendments, performance evaluations, payment justifications, property/equipment records, and insurance policies;
6) Monitoring and audit reports, financial reconciliations, and required progress or compliance reports;
7) Contract closeout records.

PART B: FORMAT AND STORAGE OF RECORDS

12-201 Preservation of Records

Electronic contract solicitation documents must be retained in their original electronic form, including any formatting or formulas. Conversion to paper is permissible only if the electronic form is preserved for the full retention period (Tex. Gov't Code § 441.1855(b)).

12-202 Records Retention Schedule

The LRGVDC shall maintain its own Records Retention Schedule in compliance with the Texas State Records Retention Schedule (RRS) issued by the Texas State Library and Archives Commission (Tex. Gov't Code § 441.185). The RRS provides minimum periods; LRGVDC may extend retention where business needs justify it, provided the rationale is documented in writing.

PART C: CONTRACTOR REQUIREMENTS

12-301 Access To Records

All contracts must include provisions granting LRGVDC, state and federal oversight agencies, and their designees the right to examine, audit, and monitor contractor records relating to the contract, consistent with 2 CFR § 200.337 and Tex. Gov't Code § 2262.003.

12-302 Contractor Obligations

Contractors and subcontractors shall maintain procurement and contract-related records for a minimum of three (3) years after the final payment under the contract. Where litigation, audit, or claims exist, records must be retained until full resolution.

PART D: COMPLIANCE AND ENFORCEMENT

12-401 Compliance Responsibility

The Procurement Office is responsible for ensuring adherence to retention standards. Departments initiating procurements are required to maintain complete procurement files and submit them for central archiving.

12-402 Prohibition on Premature Destruction

No record subject to litigation, audit, or open records request may be destroyed until all actions are resolved (Tex. Gov't Code § 441.1855(f)).

PART E: MODEL CONTRACT CLAUSES

To ensure compliance with federal and state law, all LRGVDC contracts shall include provisions substantially similar to the following:

12-501 Access to Records Clause

"The Lower Rio Grande Valley Development Council (LRGVDC), the State of Texas, the federal awarding agency, the Comptroller General of the United States, or any of their duly authorized representatives shall have access to and the right to examine, monitor, and audit all records, documents, papers, and other materials involving transactions related to this contract. Access shall be granted during normal business hours and upon reasonable notice for as long as the records are retained."

12-502 Maintenance of Records Clause

"The Contractor shall maintain all records related to this contract for a minimum period of three (3) years from the date of final payment or contract closeout, whichever is later. If any litigation, claim, negotiation, audit, or other action involving the records has been initiated prior to the expiration of the three-year period, the Contractor shall retain records until the completion and resolution of all such matters. Records shall be maintained in original form, whether paper or electronic, consistent with Texas Government Code § 441.1855 and 2 CFR § 200.334–.337."

PART F: SUBRECIPIENT AND PASS-THROUGH ENTITY REQUIREMENTS

12-601 Federal Flow-Down Requirement

In accordance with 2 CFR § 200.332(a)(5), LRGVDC, as a pass-through entity, shall ensure that all subawards include specific conditions requiring subrecipients to comply with federal record retention and access provisions as set forth in 2 CFR § 200.334–.337.

12-602 Subrecipient Retention Obligation

Subrecipients must retain financial and programmatic records, supporting documents, statistical records, and all other grant-related records for a minimum of three (3) years from the date of submission of the final expenditure report, or until the resolution of any litigation, claim, or audit, whichever is longer.

12-603 Access to Subrecipient Records

Subrecipient agreements must provide LRGVDC, the federal awarding agency, the Comptroller General, and their representatives full access to pertinent records for oversight, audit, and compliance purposes.

12-604 Cross-Reference to Subrecipient Monitoring

Record retention and access requirements shall be read in conjunction with **Article XII: Subrecipient Monitoring**, which establishes LRGVDC's responsibilities for ensuring compliance with federal and state requirements by its subrecipients. Record retention is an integral part of the monitoring process, and subrecipient agreements must expressly acknowledge the interrelationship of these obligations.

ARTICLE XIII
SUBRECIPENT MONITORING

PART A: GENERAL POLICY AND REQUIREMENTS

13-101 Purpose and Applicability

It is the policy of LRGVDC to:

1) Ensure that subrecipient activities are carried out in compliance with applicable federal and state laws, regulations, and guidance.
2) Evaluate the risk of noncompliance posed by each subrecipient and tailor monitoring activities accordingly.
3) Establish clear subaward agreements that include all required provisions and flow-down requirements.
4) Conduct monitoring to provide reasonable assurance that subawards are used for authorized purposes, in compliance with applicable requirements, and achieve performance goals.
5) Take prompt corrective action when deficiencies or noncompliance are identified, including the use of remedies as authorized under 2 CFR § 200.339.

13-102 Definitions

For purposes of this Article:

1) **Pass-through Entity** means LRGVDC, when it provides a subaward to a subrecipient to carry out part of a federal or state program.
2) **Subrecipient** means an entity that receives a subaward from LRGVDC to carry out part of a federal or state program, but does not include an individual who is a beneficiary of such a program.
3) **Contractor** means an entity that receives a procurement contract for goods and services for LRGVDC's own use and not for the purpose of carrying out a program.
4) **Risk Assessment** refers to the pre-award and ongoing evaluation of a subrecipient's ability to comply with applicable laws, regulations, and award requirements.
5) **Monitoring** means the review of subrecipient financial and programmatic performance to ensure compliance and achievement of program objectives.

PART B: PRE-AWARD RISK ASSESSMENT

13-201 Evaluation of Subrecipient Risk

Prior to making a subaward, LRGVDC shall evaluate the risk of noncompliance posed by the potential subrecipient. This assessment will consider financial and programmatic factors, past performance, audit history, and the organization's overall capacity to carry out the proposed activities. The purpose of the assessment is to determine the appropriate level of monitoring and oversight required for the subaward.

13-202 Risk Assessment Criteria

The following factors shall be reviewed, consistent with 2 CFR § 200.332(b):

1) Financial stability and internal control systems.
2) Prior experience with federal and state programs of similar size and scope.
3) Results of prior audits, including whether the subrecipient has a history of questioned costs or findings.
4) Personnel qualifications and operational capacity.
5) The extent to which the subrecipient has been monitored by other entities and the results of such reviews.

13-203 Documentation of Risk Assessment

LRGVDC shall document the results of the risk assessment in the procurement and grant management file. The documentation must indicate the basis for the risk determination, including supporting data, and shall be retained for the period prescribed in Article XI (Record Retention).

13-204 Impact of Risk Level on Monitoring Activities

The level of risk assigned will determine the frequency and scope of monitoring activities. Subrecipients deemed high risk may be subject to enhanced monitoring measures such as more frequent reporting, site visits, or the requirement for additional financial controls. Subrecipients assessed as low risk may be subject to standard monitoring procedures with reduced reporting frequency.

13-205 Compliance with State Requirements

In accordance with Texas Government Code § 783.005 and the Texas Grant Management Standards, LRGVDC shall ensure that subrecipient risk assessments are performed consistently and that risk-based monitoring is applied to safeguard public funds.

PART C: SUBRECIPIENT AGREEMENTS AND REQUIRED PROVISIONS

13-301 Standard Contract Provisions

All subrecipient agreements issued by LRGVDC shall be in writing and must clearly identify the subrecipient, the scope of work, the period of performance, the amount of funding, and all applicable terms and conditions. Agreements must ensure compliance with 2 CFR § 200.332(a), requiring the pass-through entity to include specific information such as the Federal Award Identification Number (FAIN), the Catalog of Federal Domestic Assistance (CFDA) or Assistance Listing number, applicable compliance requirements, and reporting obligations.

13-302 Required Certifications and Assurances

Each subrecipient agreement shall include certifications and assurances required by federal and state law, including but not limited to:

1) Compliance with applicable cost principles and administrative requirements under 2 CFR Part 200.
2) Certification of non-suspension and debarment (2 CFR Part 180).
3) Certification of no conflict of interest, consistent with Tex. Gov't Code § 2261.252 and § 2262.004.

4) Certification of compliance with cybersecurity training requirements when applicable (Tex. Gov't Code § 2054.5191).

5) Any other program-specific assurances required by the awarding agency or state law.

13-303 Flow-Down of Federal and State Requirements

LRGVDC shall ensure that all applicable federal and state statutes, regulations, and requirements are incorporated into subrecipient agreements. These requirements shall flow down to all subrecipients and must include provisions related to procurement standards, allowable costs, audit compliance under 2 CFR Part 200 Subpart F, record retention, nondiscrimination, and access to records by LRGVDC, federal, and state oversight agencies.

13-304 Termination and Remedies

Subrecipient agreements must include provisions allowing LRGVDC to take remedial actions in the event of noncompliance, including withholding payments, disallowing costs, suspending or terminating the agreement, and pursuing recovery of funds, consistent with 2 CFR § 200.339 and applicable provisions of Texas law.

PART D: MONITORING ACTIVITIES

13-401 General Monitoring Requirement

LRGVDC shall monitor the activities of each subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with applicable laws, regulations, and award terms. Monitoring shall provide reasonable assurance that performance goals are achieved and public funds are safeguarded.

13-402 Desk Reviews and Financial Reporting

LRGVDC will conduct desk reviews of subrecipient financial and programmatic reports on a regular basis. Reports must be submitted in the form and frequency specified in the subrecipient agreement. Desk reviews shall include an analysis of:

1) Expenditure reports and supporting documentation.
2) Progress toward performance benchmarks and deliverables.
3) Timeliness and accuracy of financial and programmatic submissions.

13-403 On-Site Monitoring and Programmatic Reviews

When determined necessary based on the risk assessment or at the discretion of LRGVDC, subrecipients shall be subject to on-site monitoring. On-site reviews shall assess compliance with program objectives, internal controls, financial management, and recordkeeping. LRGVDC shall provide subrecipients with reasonable notice of scheduled monitoring visits unless unannounced visits are deemed necessary due to suspected fraud or material noncompliance.

13-404 Use of Audits and Independent Reviews

LRGVDC may rely on the results of independent audits performed under 2 CFR Part 200 Subpart F (Single Audit) as part of its monitoring process. If a subrecipient is not subject to a Single Audit, LRGVDC may require additional financial statements, certifications, or agreed-upon procedures engagements performed by an independent auditor.

13-405 Frequency and Scope of Monitoring

The frequency and scope of monitoring shall be determined by the results of the risk assessment under Part B. High-risk subrecipients may be monitored more frequently and with greater depth, while low-risk subrecipients may be subject to standard or reduced monitoring. Monitoring plans must be documented in the grant management file.

13-406 Compliance with State Requirements

In accordance with Texas Government Code § 783.005 and the Texas Grant Management Standards, LRGVDC shall maintain a monitoring system that is risk-based, consistent, and sufficient to provide assurance that grant funds are used appropriately and in compliance with applicable laws.

PART E: CORRECTIVE ACTIONS AND REMEDIES

13-501 Identification of Findings and Deficiencies

If monitoring activities reveal deficiencies, noncompliance, or questioned costs, LRGVDC shall provide written notice to the subrecipient. The notice shall specify the nature of the deficiency, the regulatory or contractual requirement at issue, and the timeline for corrective action.

13-502 Corrective Action Plans

Subrecipients must submit a corrective action plan within the timeframe established by LRGVDC. The corrective action plan shall include:

1) A description of the actions to be taken to resolve the finding.
2) The responsible personnel for implementation.
3) A timeline for completion. LRGVDC shall review and approve the corrective action plan, and may require revisions before acceptance.

13-503 Follow-Up and Verification

LRGVDC shall monitor the subrecipient's implementation of corrective actions to ensure deficiencies are resolved. Verification may include submission of additional documentation, desk review, or follow-up site visits. Corrective actions are considered closed only upon written confirmation by LRGVDC.

13-504 Remedies for Noncompliance

If a subrecipient fails to take required corrective action, or if deficiencies are material in nature, LRGVDC may impose remedies consistent with 2 CFR § 200.339 and applicable state law, including but not limited to:

1. Temporarily withholding payments pending correction.
2. Disallowing costs associated with noncompliance.
3. Suspending or terminating the subaward.
4. Initiating recovery of funds.
5. Reporting the matter to federal or state oversight agencies, or referring the issue for investigation of fraud, waste, or abuse.

13-505 Appeal Rights of Subrecipients

Subrecipients shall be afforded the opportunity to appeal findings or enforcement actions in accordance with LRGVDC's established grievance and protest resolution procedures. Appeals must be filed within the timeframe specified in the notice of findings.

13-506 Compliance with State Requirements

In accordance with Texas Government Code § 2261.101 and § 783.005, LRGVDC shall maintain procedures for identifying subrecipient noncompliance, applying remedies, and ensuring accountability in the administration of grant funds.

PART F: RECORDKEEPING AND DOCUMENTATION

13-601 Documentation of Monitoring Activities

LRGVDC shall maintain complete and accurate records of all subrecipient monitoring activities. Records must include risk assessments, monitoring plans, desk review notes, site visit reports, correspondence with subrecipients, findings, corrective action plans, and evidence of resolution. Documentation shall be sufficient to demonstrate compliance with federal and state monitoring requirements.

13-602 Record Retention Periods

Monitoring records shall be retained consistent with the requirements of Article XI (Record Retention). At a minimum, records must be maintained for three years from the date of final expenditure report submission or final payment, whichever is later, unless a longer retention period is required due to litigation, audit, or state-specific requirements. For grants subject to the Texas Department of Aging and Disability Services or other agencies requiring extended retention, records shall be retained for at least five years in compliance with applicable state law.

13-603 Reporting to Oversight Agencies

LRGVDC shall provide monitoring reports, findings, and corrective action status to federal or state oversight agencies as required. Significant issues of noncompliance, fraud, waste, or abuse shall be reported promptly in accordance with 2 CFR § 200.113 (Mandatory Disclosures) and applicable Texas Government Code provisions, including Chapter 783.

13-604 Access to Records

Subrecipient agreements shall require that LRGVDC, the federal awarding agency, the Texas State Auditor's Office, and other authorized oversight bodies have the right of access to subrecipient records and supporting documentation as necessary for monitoring and audit purposes, consistent with 2 CFR § 200.337.

ARTICLE XIV
ETHICS AND STANDARDS OF CONDUCT

PART A: PRINCIPLES OF PUBLIC PROCUREMENT

Public procurement conduct refers to the ethical and professional standards that guide the actions of officers, employees, agents, and representatives of the LRGVDC in carrying out procurement responsibilities. These principles apply not only to procurement personnel but to all members of the organization engaged in activities supported by public funds.

14-101 General Statement

The Lower Rio Grande Valley Development Council (LRGVDC) shall conduct all procurement activities in accordance with the highest standards of ethical conduct, professional responsibility, and compliance with state and federal law. Public procurement is a public trust, and all officers, employees, and agents of the LRGVDC are accountable for maintaining the integrity, fairness, and transparency of the procurement process.

Federal regulation at 2 CFR § 200.318(c)(1) requires the adoption of written standards of conduct covering conflicts of interest and governing the actions of employees engaged in contract award and administration. State requirements are further set forth in Texas Government Code Chapter 2155 (Procurement of Goods and Services), Chapter 2261 (State Agency Contracting Standards), and Chapter 572 (Standards of Conduct for State Officers and Employees). Together, these provisions obligate the LRGVDC to uphold ethical procurement practices consistent with the principles below.

14-102 Integrity

LRGVDC officials must act with honesty, professionalism, and righteousness throughout the procurement process. Officers, employees, and agents shall not use their official position to secure unwarranted privileges, benefits, or exemptions for themselves or others.

1) **Authority**: Texas Gov't Code § 572.051(4) prohibits using an official position to secure unwarranted privileges. Texas Penal Code § 39.02 makes misuse of government property or resources for personal gain a criminal offense.

14-103 Fairness and Impartiality

All participants in procurement shall be treated with consistency and fairness. Decisions shall be based strictly on merit, best value, and compliance with applicable procurement requirements. Officers, employees, and agents must remain impartial and avoid favoritism, bias, or discrimination.

1) **Authority**: Texas Gov't Code § 2155.003 prohibits state employees from accepting benefits from vendors that could impair fairness. Federal regulation at 2 CFR § 200.319(a) requires that procurement transactions be conducted in a manner providing full and open competition.

14-104 Transparency

Procurement processes shall be transparent and open to public scrutiny. All actions must be capable of full disclosure without hesitation or reluctance. This includes the maintenance of accurate, complete, and accessible records documenting procurement decisions, evaluations, and contract awards.

1) **Authority**: Texas Gov't Code Chapter 552 (Public Information Act) requires that governmental records be available to the public unless expressly exempt. Federal procurement regulations under **2 CFR § 200.318(i)** require records sufficient to detail the history of procurement, including rationale for method, selection, and contract type.

14-105 Avoidance of Conflicts of Interest

Procurement officials must avoid situations that present an actual or apparent conflict of interest. This includes abstaining from personal business dealings with suppliers or contractors, and refraining from lending or borrowing money, gifts, or favors from procurement participants.

1) **Authority**: 2 CFR § 200.318(c)(1) prohibits employees from participating in the selection, award, or administration of a contract if a conflict of interest, real or apparent, would be involved. Texas Gov't Code § 2261.252 requires disclosure of certain conflicts of interest by state officers and employees involved in contracts. Texas Penal Code § 39.06 criminalizes misuse of official information for private benefit.

14-106 Public Trust

Public service is a trust. The stewardship of public funds requires conduct that upholds community confidence in the fairness and integrity of government procurement. Officers, employees, and agents of the LRGVDC must exercise judgment in the public interest and not for private advantage, even where no direct statutory prohibition exists.

1) **Authority**: Texas Gov't Code § 572.051(1) establishes a duty to place public interest above private gain. Federal guidance under OMB Circular A-102 and 2 CFR Part 200 reinforces the obligation of grantees to safeguard the integrity of federally funded procurement.

14-107 Application

The principles in this Part are binding upon all officers, employees, and agents of the LRGVDC engaged in procurement. They serve as the ethical foundation for all procurement decisions and establish the standards against which conduct will be measured.

PART B: STANDARDS OF CONDUCT

14-201 General Ethical Obligations

No officer, employee, or agent of the LRGVDC shall knowingly use confidential information for personal gain or participate in the negotiation, selection, award, or administration of a contract if a conflict of interest, whether real or apparent, exists. All persons involved in procurement shall act impartially, maintain independence of judgment, and avoid the appearance of undue influence.

In accordance with Texas Gov't Code § 572.051 and federal regulations at 2 CFR § 200.318(c), officers and employees must not:

1) Solicit, accept, or agree to accept any gift, favor, or service that might influence, or appear to influence, the discharge of official duties.
2) Accept outside employment or engage in activities requiring disclosure of confidential information or impairing independence of judgment.

3) Make personal investments or maintain financial interests that conflict with the proper discharge of duties.

4) Offer, solicit, or accept anything of value as consideration for official action.
    a) Violations may subject individuals to termination, disciplinary action, and civil or criminal penalties.

14-202 Conflict of Interest

A conflict of interest exists when an LRGVDC officer, employee, agent, or their immediate family has a financial or substantial interest in a vendor or contractor under consideration.

1) **Immediate Family** means any person within the second degree of affinity (marriage) or third degree of consanguinity (blood).

2) **Substantial Interest** is defined in Tex. Gov't Code § 2261.252 as:
    a) Ownership or control of at least one percent of a business entity;
    b) Receipt of funds exceeding a material portion of gross income in the prior year;
    c) Any interest that could reasonably result in a financial benefit from the award of a contract

14-203 Prohibition on Gratuities

Officers, employees, and agents of the LRGVDC shall not solicit or accept gratuities, favors, services, or anything of monetary value from contractors, potential contractors, or parties to subcontracts. Similarly, vendors are prohibited from offering such items. Exceptions may apply only for unsolicited items of nominal value (less than $50) when consistent with Tex. Gov't Code § 572.051 and applicable agency policy.

14-204 Prohibition on Gratuities

Officers, employees, and agents of the LRGVDC shall not solicit or accept gratuities, favors, services, or anything of monetary value from contractors, potential contractors, or parties to subcontracts. Similarly, vendors are prohibited from offering such items. Exceptions may apply only for unsolicited items of nominal value (less than $50) when consistent with Tex. Gov't Code § 572.051 and applicable agency policy.

14-205 Misuse of Resources

The misuse of government property, funds, or information is strictly prohibited. Under Tex. Penal Code § 39.02, a public servant commits an offense by intentionally or knowingly misusing anything of value belonging to government for personal benefit.

PART C: DISCLOSURE AND COURSE OF CONDUCT

14-301 Disclosure Requirements

Any officer, employee, or agent with knowledge of a real or potential conflict shall promptly disclose the matter in writing and sign a declaration of possible conflict of interest. Declarations must be made on the record if the individual or their immediate family:

1) Serves on the board of a bidding or proposing entity;

2) Stands to receive a direct or indirect financial benefit; or

3) Is involved in competing proposals under review

14-302 Abstention and Recusal

Affected individuals must abstain from voting, decision-making, or participation in discussions, scoring, recommendations, or approvals regarding the procurement in question. This extends to any indirect representation or competition involving the individual or their family.

14-303 Confidentiality

Procurement participants must safeguard all sensitive information. Unauthorized disclosure of procurement or proposal information is prohibited and may constitute a violation of Texas Penal Code § 39.06 (Misuse of Official Information).

PART D: VIOLATIONS AND REMEDIES

14-401 Misconduct

Violations of this Article constitute misconduct and may result in disciplinary measures, including reprimand, suspension, termination, and referral for criminal investigation where applicable.

14-402 Penalties

1) Violations of state or federal procurement ethics laws will be referred to the appropriate authority, including the Texas Ethics Commission, State Auditor's Office, or federal oversight agencies.
2) In accordance with Tex. Gov't Code § 2155.003, employees engaged in procurement who accept anything of value from a vendor may be subject to removal and criminal prosecution.
3) Sanctions against vendors may include contract termination, debarment, or other remedies as provided under Tex. Gov't Code § 2155.077 and § 2262.055

14-403 Enforcement

The Executive Director shall ensure compliance with this Article. Alleged violations shall be investigated promptly, with findings referred for appropriate corrective, disciplinary, or legal action. Sanctions may include reprimand, suspension, termination, vendor debarment, or referral for criminal investigation. Reports involving federal funds shall be referred to the appropriate federal awarding agency's Office of Inspector General.

ARTICLE XV
AUDITS

The Lower Rio Grande Valley Development Council (LRGVDC) shall ensure that all financial and compliance audits are conducted in accordance with applicable federal and state requirements, including the Single Audit Act Amendments of 1996 (31 U.S.C. §§ 7501–7507), 2 CFR Part 200 Subpart F – Audit Requirements, the Texas Uniform Grant Management Standards (TxGMS), and 1 Texas Administrative Code § 5.168. These audits are a primary mechanism for verifying compliance with funding requirements, safeguarding public resources, and maintaining the integrity and transparency of LRGVDC's financial management system.

LRGVDC shall also ensure that its subrecipients and contractors receiving federal or state funds comply with all applicable audit requirements and take corrective action in response to audit findings as required by 2 CFR § 200.332(f).

PART A: INDEPENDENT AUDIT REQUIREMENTS

15-101 Annual Audit

The LRGVDC shall obtain an annual independent financial audit conducted by a certified public accountant or audit firm in accordance with generally accepted government auditing standards (GAGAS) and the Uniform Guidance (2 CFR Part 200 Subpart F). An audit shall be required if LRGVDC expends $750,000 or more in federal funds during a fiscal year. Entities expending less than $750,000 in federal awards during the fiscal year are exempt from federal audit requirements but must retain records for inspection and review by federal or state agencies, as provided under 2 CFR § 200.504. The independent auditor must be selected in compliance with Texas Government Code Chapter 2254 (Professional Services Procurement Act), ensuring that auditor independence and qualifications meet federal and state standards.

15-102 Subrecipient and Contractor Audits

When LRGVDC passes through federal funds to a subrecipient or contractor, the Council shall verify whether that entity has met applicable audit requirements under 2 CFR § 200.332(f) and § 200.501–200.521.

1) LRGVDC shall:
    a) Determine if subrecipients are required to have an audit.
    b) Review the results of subrecipient audits to identify any findings related to LRGVDC's awards.
    c) Require prompt corrective action on all material findings, noncompliance, or questioned costs.
    d) Maintain documentation of its review and follow-up actions.
2) In the event that a required audit is not conducted, LRGVDC shall perform other procedures as necessary to ensure that federal and state funds are used in accordance with applicable laws and regulations.

PART B: AUDIT REPORTS AND SUBMISSIONS

15-201 Audit Reporting and Submission

The independent auditor shall issue an audit report containing all required schedules, notes, and findings as prescribed by 2 CFR § 200.515. Audit reports shall be submitted to the LRGVDC's Executive Director and Finance Department for review within 30 days of issuance, and no later than nine months after the end of the fiscal year audited. When applicable, the LRGVDC shall submit the audit report to the Federal Audit Clearinghouse (FAC), state funding agencies, and any other required oversight entities as specified by grant or funding conditions.

15-202 Review and Resolution

Audit reports shall be reviewed by the LRGVDC management and governing board to determine whether corrective actions are needed. Corrective action plans shall be documented, tracked, and implemented in a timely manner. Audit findings shall remain open until resolved and closed by the cognizant or oversight agency as defined under 2 CFR § 200.513.

PART C: RIGHTS AND RESPONSIBILITIES IN AUDITS

15-301 LRGVDC Audit Rights

The LRGVDC reserves the right to conduct or cause to be conducted an independent audit or review of all contracts, grants, and subawards issued by the Council.

Such audits may be performed by:

1) Federal or state grantor agency staff;
2) Local government audit staff;
3) A certified public accounting firm; or
4) Other auditors designated by LRGVDC or the funding agency.

All contractors, consultants, and subrecipients shall maintain complete financial and programmatic records and shall provide unrestricted access to those records, personnel, and facilities for audit and examination purposes.

15-302 Contractor and Subrecipient Responsibilities

Each contractor or subrecipient shall:

1) Permit access by authorized auditors and representatives of LRGVDC, the State of Texas, and federal oversight agencies.
2) Retain and make available all accounting records, supporting documentation, and financial statements for the required retention period as established in Article XII – Record Retention.
3) Cooperate fully during any audit, review, or investigation.

PART D: Applicable Authorities

15-401 Governing Statutes and Regulations

Procurement and administration of audit services shall comply with:

1) CFR Part 200, Subpart F – Audit Requirements.
2) Texas Government Code, Chapter 783 – Uniform Grant and Contract Management Act.
3) Texas Administrative Code § 5.168 – Single Audit Requirements.

4) Texas Government Code, Chapter 2254 – Professional Services Procurement Act.
5) State of Texas Procurement and Contract Management Guide, Version 3.0 (Texas Comptroller of Public Accounts).
6) Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States.

15-402 Compliance and Enforcement

Failure to comply with the audit requirements may result in administrative action, including but not limited to:

1) Suspension or termination of funding;
2) Disallowance of costs;
3) Designation as a high-risk auditee or subrecipient; or
4) Other remedies as provided under 2 CFR § 200.339.

PART E: POST-AUDIT FOLLOW-UP AND CORRECTIVE ACTION PROCEDURES

15-501 Purpose and Scope

This section establishes the procedures the Lower Rio Grande Valley Development Council (LRGVDC) shall follow after the completion of an audit to ensure that all findings, questioned costs, and recommendations are addressed, corrected, and resolved in compliance with federal and state regulations. The purpose of post-audit follow-up is to strengthen internal controls, promote fiscal responsibility, and ensure full accountability for public funds.

15-502 Management Responsibilities

LRGVDC management, under the direction of the Executive Director and the Finance Department, shall review all audit findings and recommendations to determine the nature, cause, and impact of each issue identified. Departments directly responsible for the findings shall provide written responses and proposed corrective actions to the Finance Department within 30 calendar days of receiving the final audit report. The Finance Department shall coordinate the preparation of a consolidated Corrective Action Plan (CAP) that addresses all findings, including those applicable to subrecipients or contractors.

15-503 Corrective Action Plan (CAP) Requirements

1) The CAP shall be prepared in accordance with 2 CFR § 200.511(c) and shall include:
    a) A detailed description of each finding or deficiency.
    b) The specific corrective action(s) to be implemented.
    c) The individual or department responsible for implementation.
    d) Target completion dates.
    e) Methods of verifying the resolution and effectiveness of corrective measures.
2) The CAP shall be approved by the Executive Director and presented to the LRGVDC Board or its designated committee for review and acknowledgment.
3) Copies of the CAP and supporting documentation shall be retained in accordance with Article XII – Record Retention and made available to oversight agencies upon request.

15-504 Monitoring and Resolution

1) The Finance Department, in coordination with the Procurement Office and relevant program departments, shall monitor implementation of the CAP until all issues are resolved.
2) Verification of resolution shall include:
    a) Review of updated policies, procedures, and records;
    b) Documentation of repayment or adjustment of questioned costs, if applicable; and
    c) Confirmation from federal or state oversight agencies that the finding has been closed.
3) Findings shall remain open until written confirmation of resolution is obtained from the cognizant or oversight agency.

15-505 Subrecipient and Contractor Follow-Up

1) When audit findings pertain to subrecipients or contractors, LRGVDC shall ensure that:
    a) The subrecipient develops and implements its own corrective action plan consistent with 2 CFR § 200.332(f);
    b) Documentation of corrective measures is submitted to LRGVDC within established timelines; and
    c) Continued funding is contingent upon satisfactory progress toward resolution.
2) Persistent or uncorrected deficiencies may result in enforcement actions under 2 CFR § 200.339, including the suspension or termination of awards.

15-506 Reporting and Continuous Improvement

1) The Finance Department shall prepare periodic status reports summarizing open and resolved audit findings, corrective actions taken, and lessons learned for internal process improvement.
2) These reports shall be reviewed by the Executive Director and presented to the LRGVDC Board at least annually.
3) Audit results and corrective actions shall be used to update internal policies, strengthen internal controls, and enhance overall compliance with federal and state grant management standards.

PART F: AUDIT POLICY AFFIRMATION

15-601 Audit Policy Affirmation

The Lower Rio Grande Valley Development Council (LRGVDC) recognizes the audit process as a vital component of public accountability and transparency. Through adherence to the Single Audit Act, 2 CFR Part 200 Subpart F, and applicable provisions of the Texas Government Code, the Council ensures that all public funds are managed with integrity and efficiency.

LRGVDC remains committed to maintaining sound internal controls, cooperating fully with auditors and oversight agencies, and implementing timely corrective actions. Audit results serve not only as a measure of compliance but as a foundation for continuous improvement in the Council's financial management, governance, and service to the region.

ARTICLE XVI
DISADVANTAGED BUSINESS ENTERPRISE (DBE), SMALL, MINORITY, WOMEN-OWNED, AND HISTORICALLY UNDERUTILIZED BUSINESSES

This Article establishes the Lower Rio Grande Valley Development Council's (LRGVDC) policies and procedures to ensure that small businesses, Disadvantaged Business Enterprises (DBEs), Minority Business Enterprises (MBEs), Women-Owned Business Enterprises (WBEs), and Historically Underutilized Businesses (HUBs) have the maximum feasible opportunity to participate in procurements supported with federal or state assistance. This Article implements 2 CFR § 200.321 (affirmative steps for small and minority businesses, women's business enterprises, and labor surplus area firms) and, when applicable to federally assisted transit projects, 49 CFR Part 26 (U.S. DOT DBE Program), including 49 CFR § 26.29 (prompt payment and retainage). Where state guidance is relevant, LRGVDC will also observe best practices reflected in the State of Texas Procurement and Contract Management Guide, including documentation of vendor distribution to DBE/HUB firms and subcontracting plans as applicable to the procurement record.

PART A: POLICY STATEMENTS

16-101 Policy

It is the policy of LRGVDC to promote full and open competition and to assist small businesses, DBEs, MBEs, WBEs, and HUBs in learning how to do business with the LRGVDC. LRGVDC will take affirmative steps so that these firms have a meaningful opportunity to compete for prime contracts and subcontracts consistent with 2 CFR § 200.321 and, when applicable, 49 CFR Part 26.

16-102 Bidder/Offeror Commitment

Each solicitation and resulting contract shall require the bidder/offeror to comply with this Article, including all affirmative steps, prompt-payment obligations, and good-faith effort requirements described herein. LRGVDC will incorporate this requirement in the solicitation's instructions and in the contract's general terms.

PART B: KEY DEFINITIONS

16-201 Disadvantaged Business Enterprise (DBE)

A for-profit small business that is at least 51 percent owned and controlled by socially and economically disadvantaged individuals and certified under 49 CFR Part 26 (applies when U.S. DOT funds are involved).

16-202 Small, Minority, Women-Owned Business; HUB

"Small business," "minority business," and "women-owned business" have the meanings recognized under 2 CFR § 200.1 and § 200.321. "Historically Underutilized Business (HUB)" refers to a business certified under Texas Government Code, Chapter 2161, as implemented for state agencies; while LRGVDC is not a state agency, it will apply HUB outreach practices and documentation as a best practice where appropriate and where required by particular funding sources or cooperative arrangements, including HUB-style subcontracting plans and vendor distribution evidence.

PART C: ROLES AND RESPONSIBILITIES

16-301 DBE Liaison Officer (DBELO)

When a U.S. DOT-assisted program is involved, the Executive Director shall designate a DBE Liaison Officer (DBELO) responsible for administering and enforcing DBE requirements under 49 CFR Part 26, including data collection and reporting.

16-302 Procurement Department

The Procurement Office shall implement the affirmative steps in § 16-401 through § 16-407 in each applicable acquisition, review solicitations for DBE/HUB elements, and ensure the procurement file documents DBE distribution and subcontracting as required by LRGVDC's Procurement File Checklist (e.g., "Vendor distribution (Including DBE)" and "DBE/HUB Subcontracting").

PART D: AFFIRMATIVE STEPS (2 CFR § 200.321)

16-401 Inclusive Bidder Lists and Outreach

The LRGVDC shall ensure that qualified small, minority, women-owned, and DBE/HUB firms are included on solicitation distribution lists, and that outreach includes appropriate business directories and registries. The Procurement File shall retain proof of vendor distribution including DBE/HUB firms, consistent with the LRGVDC Procurement File Checklist.

16-402 Targeted Solicitation

The LRGVDC will solicit these firms whenever they may be potential sources. When feasible, notices will be placed in media likely to reach such firms and sent directly to certified directories maintained by federal or state entities, consistent with applicable funding rules.

16-403 Unbundling of Requirements

Where practicable and not inconsistent with applicable competitive procurement requirements, the LRGVDC will divide total requirements into smaller tasks or quantities to permit maximum participation by small and DBE/HUB firms.

16-404 Scheduling and Delivery

Where the requirement permits, LRGVDC will establish delivery schedules and milestones that encourage participation by small and DBE/HUB firms.

16-405 Use of Intermediary Assistance

The LRGVDC will use the services of the U.S. Small Business Administration, U.S. DOT-funded support centers, and other relevant agencies to identify potential firms and to facilitate DBE/MBE/WBE participation.

16-406 Labor Surplus Area Firms

When feasible and consistent with funding source rules and best value, LRGVDC will consider procurement from labor surplus area firms as part of its affirmative steps.

16-407 Prime Contractor Obligations

All prime contractors shall take meaningful affirmative steps to utilize qualified small and DBE/HUB subcontractors, including timely solicitation, providing adequate information and time for proposal preparation, and documenting good-faith efforts.

PART E: CONTRACTING REQUIREMENTS AND GOOD-FAITH EFFORTS

16-501 Assurances in Solicitations and Contracts

Solicitations and contracts for U.S. DOT-assisted projects shall include the DBE assurances required by 49 CFR § 26.13 and any program-specific clauses required by the funding agency. Where a HUB Subcontracting Plan or similar plan is required by the funding source or by LRGVDC policy, the solicitation shall require submittal and the administrative review will verify inclusion (e.g., a signed HUB Subcontracting Plan when applicable).

16-502 Good-Faith Efforts

When DBE participation is a consideration under 49 CFR Part 26, LRGVDC will evaluate the bidder's/offeror's documented good-faith efforts where goals or commitments are applicable. Failure to demonstrate good-faith efforts may render a bid or proposal non-responsive or may be considered in responsibility determinations or contract remedies, consistent with the solicitation.

16-503 Prompt Payment and Retainage (49 CFR § 26.29)

LRGVDC requires prime contractors to pay each subcontractor for satisfactory performance no later than thirty (30) days from the prime's receipt of payment from LRGVDC. Any retainage withheld by the prime must be released to the subcontractor within thirty (30) days after the subcontractor's punch-list items are satisfactorily completed. These requirements shall be included in the contract and flow down to all subcontracts.

16-504 Substitution or Termination of DBE Subcontractors

Substitution or termination of an approved DBE subcontractor on U.S. DOT-assisted contracts shall comply with 49 CFR Part 26, including notice to LRGVDC, documentation of good-faith efforts to replace with another DBE, and prior approval where required.

PART F: GOALS AND COUNTING (U.S. DOT-ASSISTED PROJECTS)

16-601 Program-Wide and Contract Goals

When required for U.S. DOT-assisted programs, LRGVDC will establish overall DBE goals and, as appropriate, contract-specific goals in accordance with 49 CFR Part 26. Methods for counting participation will follow 49 CFR Subpart C.

16-602 Small Business Elements

LRGVDC will incorporate small business elements (e.g., unbundling, race-neutral measures) to foster broader participation by small firms, consistent with 49 CFR Part 26 and 2 CFR § 200.321.

PART G: REPORTING AND RECORDKEEPING

16-701 Semiannual DBE Reporting (U.S. DOT/FTA)

The DBELO will collect, analyze, and enter required data in the applicable reporting system (e.g., FTA's TrAMS) two times per year, covering October 1–March 31 (report due June 1) and April 1–September 30 (report due December 1). Departments must calendar internal reminders at least two weeks prior to each deadline and submit supporting documentation to the DBELO to ensure timely filing.

16-702 Procurement File Documentation

For each applicable procurement, the Procurement Office shall maintain evidence of DBE/HUB outreach and participation in the procurement file, including vendor distribution indicating inclusion of DBE/HUB firms and, where required by the solicitation or funding source, subcontracting plans and progress assessments. LRGVDC's Procurement File Checklist identifies "Vendor distribution (Including DBE)" and "DBE/HUB Subcontracting" as required file elements.

PART H: SOLICITATION AND EVALUATION PRACTICES

16-801 Content Controls

Solicitations shall be written to avoid unnecessary obstacles to competition and to ensure all required forms are obtained at the time of response, including any DBE/HUB subcontracting plan if required by the solicitation. Administrative review will verify that required forms (e.g., execution page, pricing, and—if applicable—a signed HUB Subcontracting Plan) are present before evaluation proceeds.

16-802 Distribution and Advertising

The solicitation distribution list shall document outreach to DBE/HUB firms and the file shall include proof of distribution. When formal procurement is used, the file must reflect vendor distribution (including DBE) and all required postings and approvals, consistent with LRGVDC's Procurement File Checklist and applicable state guidance.

PART I: MONITORING, COMPLIANCE, AND REMEDIES

16-901 Contract Administration

LRGVDC will monitor compliance with DBE/HUB commitments as part of routine contract administration. When subcontracting plans or DBE commitments are part of the award, vendors must provide the required progress reports (e.g., Prime Contractor Progress Assessment Reports or their LRGVDC equivalents) with invoices, and the Contract Manager will verify continued compliance and request amendments when changes occur.

16-902 Non-Compliance

Failure to take meaningful affirmative steps, to meet prompt payment/retainage obligations, or to comply with approved subcontracting commitments may result in remedies up to and including withholding of payments, disallowance of costs, negative responsibility determinations in future procurements, or termination for cause, consistent with contract terms and applicable law.

PART J: STATE HUB PRACTICES AS BEST PRACTICE FOR LRGVDC

16-1001 HUB-Style Subcontracting Plans (When Required)

Where the procurement is subject to a funding condition, interlocal arrangement, or cooperative vehicle that requires HUB subcontracting plans akin to state-agency practice, LRGVDC will require and evaluate such plans, monitor performance, and maintain the plan and related compliance reports in the contract file as evidence of good-faith effort and performance.

16-1002 File Evidence of HUB/DBE Distribution and Checks

Procurement files will document outreach and distribution to HUB/DBE firms, as well as required compliance checks and postings, consistent with LRGVDC's Procurement File Checklist and the state guide's documentation standards (e.g., distribution list, posting proof, and compliance checks).

PART K: INTEGRATION WITH OTHER LRGVDC POLICIES

16-1101 Cross-References

This Article shall be applied in harmony with Article VI (Procurement Methods and Oversight), Article XI (Certifications), Article XII (Record Retention), and Article XIII (Subrecipient Monitoring). Procurement shall ensure the procurement record contains the DBE/HUB documentation required by the LRGVDC Procurement File Checklist for formal procurements and contract administration.

PART L: EFFECTIVE DATE AND UPDATES

16-1201 Effective Date

This Article is effective upon adoption and applies to all solicitations issued thereafter.

16-1202 Updates

The Executive Director, the Procurement Director, and the DBELO are authorized to make administrative updates to forms, clauses, and internal procedures to remain current with 2 CFR § 200.321 and 49 CFR Part 26, and to align file documentation with evolving best practices reflected in the State of Texas Procurement and Contract Management Guide.

<u>APPENDIX A:</u>
BIBLIOGRAPHY OF APPLICABLE STATE AND FEDERAL STATUTES AND REGULATIONS

PART A: STATE AND LOCAL STATUTES

A-101 **Texas Regional Planning Act of 1965**
Texas Local Government Code § 391.001 et seq. authorizes the establishment of Regional Planning Commissions and Councils of Governments, including the Lower Rio Grande Valley Development Council (LRGVDC).

A-102 **Uniform Grant and Contract Management Act**
Texas Government Code § 783.001 et seq. establishes uniform grant and contract management standards for state and local governments and is implemented by the **Texas** Grant Management Standards (TxGMS) issued by the Texas Comptroller of Public Accounts.

A-103 **Procurement and Contracting Authority**
Texas Local Government Code Chapter 252, governing purchasing and contracting by municipalities, applies to Councils of Governments under § 391.0115 and establishes competitive procurement procedures.

A-104 **State Procurement Requirements**
Texas Government Code Chapter 2155 establishes general state procurement requirements applicable to interlocal and cooperative purchasing agreements.

A-105 **Contract Management and Conflicts of Interest**
Texas Government Code Chapters 2261 and 2262 provide statewide standards for contract management, oversight, and certification of no conflict of interest (§§ 2261.252 and 2262.004).

A-106 **Local Conflicts of Interest**
Texas Local Government Code Chapter 171 regulates conflicts of interest for officers of municipalities, counties, and other local governments.

A-107 **Prompt Payment Act**
Texas Government Code Chapter 2251 mandates timely payment by governmental entities and interest on overdue payments.

A-108 **Cybersecurity Training for Contractors**
Texas Government Code § 2054.5191 requires annual cybersecurity training certification for contractors who handle or access LRGVDC information systems or data.

A-109 **State Procurement and Contract Management Guide**
As published by the Texas Comptroller of Public Accounts, the guide provides standards for procurement planning, solicitation, evaluation, contract formation, and administration and is adopted by reference for LRGVDC operations.

A-110 **Texas Grant Management Standards (TxGMS)**
Issued by the Texas Comptroller of Public Accounts; establishes uniform requirements for grant financial management, procurement, subrecipient monitoring, and cost principles.

PART B: FEDERAL STATUTES AND REGULATIONS

A-201 **Uniform Administrative Requirements**

2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"), including Subpart D (Procurement Standards) and Subpart F (Audit Requirements).

A-202 **Federal Transit Administration (FTA) Requirements**

FTA Circular 4220.1F – Third Party Contracting Requirements and FTA Best Practices Procurement Manual, applicable to procurements using federal transit assistance.

A-203 **Debarment, Suspension and Lobbying Restrictions**

- 2-CFR Parts 180 and 1200 – Government-wide Debarment and Suspension (Non-Procurement).
- 31 U.S.C. § 1352 and 49 CFR Part 20 – New Restrictions on Lobbying.
- 41 U.S.C. § 8701 et seq. – Procurement Integrity Act.

A-204 **Labor and Workplace Standards**

- Davis-Bacon Act, 40 U.S.C. § 3141 et seq.; 29 CFR Parts 1, 3 and 5 – Prevailing Wage Requirements.
- Contract Work Hours and Safety Standards Act, 40 U.S.C. §§ 3701-3708.
- Copeland "Anti-Kickback" Act, 18 U.S.C. § 874; 29 CFR Part 3.
- Drug-Free Workplace Act of 1988, 41 U.S.C. § 8101 et seq.

A-205 **Civil Rights and Equal Employment Requirements**

- Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d et seq.
- Title IX of the Education Amendments of 1972, 20 U.S.C. § 1681 et seq.
- Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794.
- Age Discrimination Act of 1975, 42 U.S.C. § 6101 et seq.
- Equal Employment Opportunity E.O. 11246 (as amended by E.O. 11375); 41 CFR Part 60.

A-206 **Environmental and Energy Requirements**

- Clean Air Act, 42 U.S.C. § 7401 et seq.; Clean Water Act, 33 U.S.C. § 1251 et seq.
- Resource Conservation and Recovery Act § 6002, 42 U.S.C. § 6962; EPA Recycled Content Guidelines 40 CFR Parts 247–253.
- Energy Policy and Conservation Act, 42 U.S.C. § 6201 et seq.
- Executive Order 11738 – Administration of Environmental Standards for Federal Contracts, Grants and Loans.

A-207 **Intellectual Property and Research Contracts**

37 CFR Part 401 – Rights to Inventions Made Under Federally Sponsored Agreements (Bayh–Dole Act).

A-208 **Audits and Financial Accountability**

- CFR Part 200, Subpart F – Audit Requirements.
- Single Audit Act Amendments of 1996, 31 U.S.C. §§ 7501–7507.

A-209 **Professional Services and Domestic Preference**

- Federal Property and Administrative Services Act of 1949 ("Brooks Act"), 40 U.S.C. § 1101 et seq. – Procurement of Architectural and Engineering Services.
- Build America, Buy America Act, Pub. L. 117-58 § 70914 – Domestic Content Requirements for Federally Funded Infrastructure Projects.
- Executive Order 14005 – Ensuring the Future Is Made in America by All of America's Workers.

PART C: REFERENCE DOCUMENTS AND GUIDANCE MATERIALS

A-301 **Texas Grant Management Standards (TxGMS)**
Current edition issued by the Texas Comptroller of Public Accounts.

A-302 **State of Texas Procurement and Contract Management Guide**
Current edition issued by the Texas Comptroller of Public Accounts.

A-303 **FTA Best Practices Procurement Manual**
Latest edition issued by the Federal Transit Administration.

A-304 **Federal Acquisition Regulation (FAR)**
48 CFR Ch. 1; serves as a general reference for best practices in federal procurement when applicable to grant-funded programs.

A-305 **U.S. Office of Management and Budget (OMB) Compliance Supplement**
Annual publication providing audit guidance and federal program compliance requirements.

A-306 **U.S. Department of Transportation (USDOT) and Federal Transit Administration (FTA) Master Agreements**
Annual grant and compliance requirements for recipients of federal transportation assistance.

A-307 **Lower Rio Grande Valley Development Council Procurement Policy & Procedures Manual**
This manual and all appendices constitute the governing internal procurement policy of the LRGVDC.

APPENDIX B
REQUIRED FEDERAL AND STATE CLAUSES AND PROVISIONS

PART A: GENERAL REQUIREMENTS

B-101 **Purpose**

This Appendix prescribes the mandatory contract clauses and provisions that shall be incorporated into all solicitations, purchase orders, contracts, and agreements executed by the Lower Rio Grande Valley Development Council (LRGVDC). The intent of these provisions is to ensure compliance with all applicable federal and State of Texas laws, regulations, and grant conditions, including 2 CFR § 200.326, Appendix II to Part 200, the Texas Grant Management Standards (TxGMS), and FTA Circular 4220.1F as applicable.

B-102 **Applicability**

Each clause contained herein shall be incorporated in full text or by reference into every procurement document or agreement to which it applies. Determination of applicability shall be based on the source of funding, the contract type, and the dollar value of the transaction. No LRGVDC agreement shall omit a clause required by federal or state law or by the governing grant or cooperative agreement.

PART B – FEDERAL CLAUSES

B-201 **Equal Employment Opportunity (EEO)**

The contractor shall comply with Executive Order 11246, as amended by Executive Order 11375, and the implementing regulations at 41 CFR Part 60. The contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin, and shall take affirmative action to ensure equality of opportunity in employment and subcontracting.

B-202 **Davis–Bacon and Related Acts**

When required by federal grant conditions, all construction contracts in excess of $2,000 shall include the wage determination issued by the U.S. Department of Labor under the Davis–Bacon Act (40 U.S.C. § 3141 et seq.). Contractors shall pay wages to laborers and mechanics not less than those specified and shall submit certified payrolls as required by 29 CFR Parts 1, 3 and 5.

B-203 **Contract Work Hours and Safety Standards Act**

Under 40 U.S.C. §§ 3701–3708, contractors and subcontractors performing work involving mechanics or laborers shall not require or permit any individual to work more than forty (40) hours in a week without paying overtime of at least one-and-one-half times the basic rate of pay. Contractors shall comply with all applicable occupational safety and health standards.

B-204 **Copeland “Anti-Kickback” Act**

As provided in 18 U.S.C. § 874 and 29 CFR Part 3, contractors and subcontractors are prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work to give up any part of the compensation to which they are entitled. Violations shall be reported to the funding agency and may result in debarment or prosecution.

B-205 **Clean Air Act and Federal Water Pollution Control Act**
For contracts and subcontracts exceeding $150,000, the contractor shall comply with all applicable standards and regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), and shall promptly report all violations to the LRGVDC and the appropriate federal authorities.

B-206 **Debarment and Suspension**
Pursuant to 2 CFR Parts 180 and 1200, contractors certify that neither they nor their principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in any federally assisted transaction. Verification shall be made through the System for Award Management (SAM.gov) before award.

B-207 **Byrd Anti-Lobbying Amendment**
For contracts exceeding $100,000, contractors must certify compliance with 31 U.S.C. § 1352 and 49 CFR Part 20, agreeing not to use federal funds to influence any officer or employee of a federal agency or Member of Congress. Disclosure Form SF-LLL shall be provided if non-federal funds are used for lobbying activities.

B-208 **Procurement of Recovered Materials**
Under 2 CFR § 200.323 and 42 U.S.C. § 6962, contractors shall procure products containing the highest practicable percentage of recovered materials designated by the U.S. Environmental Protection Agency (40 CFR Part 247).

B-209 **Energy Conservation Requirements**
Contractors shall comply with the mandatory energy efficiency standards and policies of the Energy Policy and Conservation Act (42 U.S.C. § 6201 et seq.) and any applicable State of Texas energy conservation regulations.

B-210 **Civil Rights and Non-Discrimination**
The contractor shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.), Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975. No person shall be excluded from participation in, denied benefits of, or subjected to discrimination under any program or activity supported by federal assistance.

B-211 **Access to Records and Audit Rights**
As required by 2 CFR § 200.337, the contractor agrees to provide the LRGVDC, the Comptroller General of the United States, and all funding agencies access to books, documents, and records pertinent to the contract for inspection, audit, and duplication.

B-212 **Termination for Cause and Convenience**
Contracts shall include provisions authorizing the LRGVDC to terminate for cause or for convenience, consistent with 2 CFR §§ 200.340–342 and FTA Circular 4220.1F Ch. VI § 2a(5). Payment shall be made only for work performed prior to termination and for costs reasonably incurred in settlement.

B-213 **Changes and Modifications**
A written change order or amendment executed by both parties shall be required for any modification of contract terms, price, or scope. Oral changes shall not be binding.

B-214 **Disadvantaged Business Enterprise (DBE)**
In accordance with 49 CFR Part 26, contractors shall take all necessary and reasonable steps to ensure that DBEs have the maximum practicable opportunity to participate in contract performance. No discrimination shall occur on the basis of race, color, national origin, or sex.

B-215 **Buy America / Build America, Buy America Act**
For federally assisted infrastructure projects, contractors shall comply with 49 U.S.C. § 5323(j) and Pub. L. 117-58 § 70914, ensuring that steel, iron, manufactured products, and construction materials are produced in the United States unless a waiver has been granted.

PART C – STATE OF TEXAS CLAUSES

B-301 **Governing Law and Venue**
This contract shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any legal action shall lie exclusively in Hidalgo County, Texas, unless otherwise required by law.

B-302 **No Debt Against the State or LRGVDC**
This contract shall not create a debt or liability of the State of Texas or the LRGVDC within the meaning of any constitutional or statutory limitation.

B-303 **Public Information Act**
The contractor acknowledges that the LRGVDC is subject to the Texas Public Information Act (Government Code Chapter 552) and agrees that all information collected or maintained in connection with this contract may be subject to public disclosure, except where specifically exempt by law.

B-304 **Conflict of Interest**
The contractor shall comply with Texas Local Government Code Chapter 171 and Government Code §§ 2261.252 and 2262.004. A Certification of No Conflict of Interest shall be executed prior to award.

B-305 **Prompt Payment**
Payments shall be made in accordance with the Texas Prompt Payment Act (Government Code Chapter 2251). Interest shall accrue on overdue payments as prescribed therein.

B-306 **Cybersecurity Training**
Any contractor or subcontractor with access to LRGVDC information resources shall certify compliance with Government Code § 2054.5191, verifying that personnel have completed a Texas Department of Information Resources-certified cybersecurity training course.

B-307 **Right to Audit**
Under Government Code § 2262.154, the LRGVDC, the State Auditor's Office, and any grantor agency may audit the contractor's books and records relating to performance of this contract at any time during the term and for three (3) years thereafter.

B-308 **Non-Collusion and Fair Bidding**
Pursuant to Government Code § 2155.003, bidders and contractors shall affirm that their offer was developed independently and without collusion, consultation, or agreement with any other respondent for the purpose of restricting competition.

B-309 **Prohibition on Contracting with Certain Foreign-Owned Companies**
As required by Government Code § 2274.0102, the contractor represents that it is not owned or controlled by a foreign adversary as defined therein and that it will not subcontract with such an entity.

B-310 **Boycott and Investment Prohibitions**
When applicable, contractors shall certify compliance with Government Code Chapters 2270 and 809, affirming that they do not boycott Israel or energy companies and will not engage in such boycotts during the term of the contract.

B-311 **Prohibition on Human Trafficking**
Under Government Code § 2155.0061, the contractor certifies that it has not and will not engage in human trafficking or the procurement of commercial sex acts during the term of the contract.

B-312 **Ethics and Standards of Conduct**
All contractors, consultants, and vendors shall adhere to the standards of conduct established in Article IX of the LRGVDC Procurement Policy Manual and to Government Code Chapter 572. Any violation shall constitute grounds for termination.

PART D – CONSTRUCTION AND SPECIAL CONTRACT PROVISIONS

B-401 **Bonding Requirements**
For construction or facility improvement contracts exceeding $100,000, the contractor shall furnish a performance bond and payment bond as required by Government Code § 2253.021 and 2 CFR § 200.326(b). Bonds shall be executed by a surety licensed to conduct business in Texas.

B-402 **Retainage**
Retainage shall be withheld in accordance with Government Code § 2252.032 and shall not exceed five percent (5 %) of the contract price unless otherwise specified by law or funding conditions.

B-403 **Record Retention**
All project and contract records shall be maintained for not less than three (3) years after final payment or until all audit findings are resolved, consistent with 2 CFR § 200.334 and the LRGVDC Record Retention Policy.

B-404 **Subcontractor Performance and Flow-Down Requirements**
Under 2 CFR § 200.332, contractors shall ensure that all subcontractors and subrecipients are bound by the applicable provisions of this Appendix. The prime contractor remains fully responsible for the performance of any subcontracted work.

B-405 **Environmental and Safety Compliance**
Contractors shall comply with all applicable federal, state, and local environmental laws, including the National Environmental Policy Act (NEPA), Occupational Safety and Health Act (OSHA), and any other regulations governing safety and environmental protection at the project site.

APPENDIX C
MODEL CLAUSE TEMPLATES

PART A – FEDERAL CLAUSES

C-101 **EQUAL EMPLOYMENT OPPORTUNITY**
Authority: Executive Order 11246, as amended by Executive Orders 11375 and 12086; 41 CFR Part 60.

Applicability: Required for all federally assisted construction contracts and subcontracts in excess of $10,000.

Clause: During the performance of this contract, the Contractor agrees as follows:

1) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin.
2) Such action shall include, but not be limited to, employment, upgrading, demotion, transfer, recruitment, advertising, layoff, termination, rates of pay, and other forms of compensation.
3) The Contractor shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the LRGVDC setting forth the provisions of this Equal Employment Opportunity clause.
4) The Contractor shall include the terms of this clause in every subcontract and shall require subcontractors to comply with these provisions.

C-102 **DAVIS–BACON AND RELATED ACTS**
Authority: 40 U.S.C. § 3141 et seq.; 29 CFR Parts 1, 3, and 5.

Applicability: Federally funded construction contracts exceeding $2,000 when required by grant conditions.

Clause: All laborers and mechanics employed or working upon the site of the work shall be paid wages at rates not less than those determined by the U.S. Secretary of Labor to be prevailing for the corresponding classes of laborers and mechanics employed on similar construction in the locality.

The applicable wage determination shall be attached to this contract and made part hereof. The Contractor shall post a copy of the wage determination in a prominent and accessible place at the worksite.

The Contractor shall pay wages not less often than once a week, and shall submit weekly certified payrolls as required by 29 CFR Part 5. The LRGVDC and the funding agency may withhold payments for work not in compliance with these requirements.

C-103 **CONTRACT WORK HOURS AND SAFETY STANDARDS**
Authority: 40 U.S.C. §§ 3701–3708.

Applicability: Construction contracts exceeding $100,000 or other contracts involving mechanics or laborers.

Clause: No contractor or subcontractor shall require or permit any laborer or mechanic to work more than forty (40) hours in any workweek unless such employee is compensated at a rate of not less than one and one-half times the basic rate of pay for all hours worked in excess of forty (40).

In the event of any violation, the Contractor shall be liable to the affected employee for unpaid wages and to the LRGVDC for liquidated damages as provided by statute.

The Contractor shall comply with all applicable safety and health standards and shall not require any laborer or mechanic to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous.

C-104 **COPELAND "ANTI-KICKBACK" ACT**
Authority: 18 U.S.C. § 874; 29 CFR Part 3.

Applicability: All federally funded construction and repair contracts.

Clause: The Contractor and its subcontractors shall comply with the Copeland "Anti-Kickback" Act. The Contractor shall not, by any means, induce any person employed in the construction, completion, or repair of public work to give up any part of the compensation to which they are entitled.

Each Contractor or subcontractor shall furnish weekly a statement of compliance certifying that the payroll is correct and complete, and that each laborer has been paid not less than the proper Davis–Bacon wage rate.

C-105 **CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT**
Authority: 42 U.S.C. § 7401 et seq.; 33 U.S.C. § 1251 et seq.

Applicability: Contracts and subcontracts exceeding $150,000.

Clause: The Contractor agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act and the Federal Water Pollution Control Act. The Contractor shall report each violation to the LRGVDC and to the appropriate U.S. Environmental Protection Agency Regional Office.

The Contractor understands that violation of such regulations may result in termination of this contract and debarment from future federal awards.

C-106 **DEBARMENT AND SUSPENSION**
Authority: 2 CFR Parts 180 and 1200.

Applicability: All federally funded contracts and subcontracts.

Clause: The Contractor certifies, by entering into this contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

The Contractor shall require this same certification of all subcontractors and lower-tier participants.

C-107 **BYRD ANTI–LOBBYING AMENDMENT**
Authority: 31 U.S.C. § 1352; 49 CFR Part 20.

Applicability: All contracts exceeding $100,000.

Clause: The Contractor certifies that no federal appropriated funds have been paid or will be paid to influence or attempt to influence any officer or employee of a federal agency, Member of Congress, or employee of a Member of Congress in connection with the awarding of any federal contract or grant.

If any funds other than federal appropriated funds have been used for lobbying, the Contractor shall submit Standard Form LLL (Disclosure of Lobbying Activities).

C-108 **CIVIL RIGHTS – TITLE VI REQUIREMENTS**
Authority: Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.); 49 CFR Part 21.
Applicability: All federally funded contracts and subcontracts.

Clause: The Contractor agrees to comply with Title VI of the Civil Rights Act of 1964 and all related regulations. No person shall be excluded from participation in, denied the benefits of, or subjected to discrimination under any program or activity supported by federal funds on the grounds of race, color, or national origin.

C-109 **TERMINATION FOR CONVENIENCE**
Authority: 2 CFR §§ 200.340–.342; FTA Circular 4220.1F.

Applicability: All federally funded contracts.

Clause: The LRGVDC may terminate this contract, in whole or in part, at any time for its convenience by providing written notice to the Contractor. The notice shall specify the effective date of termination and the extent to which performance is terminated.

The Contractor shall be entitled to payment for services performed and costs incurred up to the effective date of termination, but shall not be entitled to anticipated profits or consequential damages.

C-110 **TERMINATION FOR DEFAULT**
Clause: The LRGVDC may terminate this contract for default if the Contractor fails to perform any of its obligations, fails to make progress so as to endanger performance, or fails to comply with any material term or condition. Upon termination, the LRGVDC may procure substitute goods or services, and the Contractor shall be liable for any excess costs incurred.

C-111 **ACCESS TO RECORDS AND AUDIT RIGHTS**
Authority: 2 CFR § 200.337.

Applicability: All federally funded contracts.

Clause: The Contractor agrees to provide the LRGVDC, the Comptroller General of the United States, the grantor agency, and their authorized representatives access to any books, documents, papers, and records pertinent to this contract for purposes of inspection, audit, or duplication.

C-112 **DISADVANTAGED BUSINESS ENTERPRISE (DBE)**

Authority: 49 CFR Part 26.

Applicability: All federally assisted contracts.

Clause: The Contractor shall take all necessary and reasonable steps to ensure that Disadvantaged Business Enterprises (DBEs) have the maximum practicable opportunity to participate in the performance of this contract. The Contractor shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of subcontracts.

C-113 **BUY AMERICA / BUILD AMERICA, BUY AMERICA ACT**

Authority: 49 U.S.C. § 5323(j); Pub. L. 117-58 § 70914.

Applicability: Federally funded infrastructure or transit contracts.

Clause: The Contractor shall comply with the Buy America and Build America, Buy America Act requirements, ensuring that all steel, iron, manufactured products, and construction materials used in the project are produced in the United States. A waiver must be approved by the funding agency prior to use of foreign materials.

PART B – STATE OF TEXAS MODEL CLAUSES

C-201 **GOVERNING LAW AND VENUE**

Authority: Texas Government Code § 2260.001 et seq.; General Contract Law of Texas.

Applicability: All contracts and agreements.

Clause: This contract shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any action arising out of or relating to this contract shall lie exclusively in a court of competent jurisdiction in Hidalgo County, Texas, unless otherwise required by law. The Contractor irrevocably submits to the jurisdiction of such courts and waives any objection to venue or forum non convenience.

C-202 **NO DEBT AGAINST THE STATE OR LRGVDC**

Authority: Texas Constitution, Article XI, § 7.

Applicability: All contracts and agreements.

Clause: This contract shall not create a debt or liability of the State of Texas or the Lower Rio Grande Valley Development Council within the meaning of any constitutional or statutory limitation. All obligations under this contract are subject to the availability of appropriated funds and grant revenues.

C-203 **TEXAS PUBLIC INFORMATION ACT**

Authority: Texas Government Code Chapter 552.

Applicability: All contracts involving public funds or public records.

Clause: The Contractor acknowledges that the Lower Rio Grande Valley Development Council (LRGVDC) is subject to the provisions of the Texas Public Information Act (Texas Government Code Chapter 552) and that information collected, assembled, or maintained by the Contractor in the performance of this contract may be subject to public disclosure.

The Contractor shall cooperate with the LRGVDC in responding to any request for public information. The Contractor shall promptly notify the LRGVDC of any request received directly and shall provide the LRGVDC with copies of all responsive information.

C-204 **CONFLICT OF INTEREST**
Authority: Texas Local Government Code Chapter 171; Texas Government Code §§ 2261.252, 2262.004.

Applicability: All contracts and subcontracts.

Clause: The Contractor affirms that no officer, employee, or agent of the LRGVDC has a financial interest, direct or indirect, in this contract or its proceeds.

The Contractor shall immediately disclose in writing any potential conflict of interest that may arise during the term of this contract. Failure to disclose a known conflict may result in termination of the contract or other remedies available at law.

C-205 **PROMPT PAYMENT**
Authority: Texas Government Code Chapter 2251.

Applicability: All contracts and purchase orders.

Clause: Payments under this contract shall be made by the LRGVDC in accordance with the Texas Prompt Payment Act. Payment shall be due thirty (30) days after receipt of a properly submitted invoice or after acceptance of goods or services, whichever is later.

Interest on overdue payments shall accrue as provided by law. Nothing in this clause shall obligate the LRGVDC to pay interest for amounts disputed in good faith.

C-206 **CYBERSECURITY TRAINING REQUIREMENT**
Authority: Texas Government Code § 2054.5191.

Applicability: Contracts where the contractor or its personnel will access or manage LRGVDC information systems or data.

Clause: The Contractor certifies that all employees and subcontractors who will access LRGVDC information systems or data have completed a cybersecurity training program certified by the Texas Department of Information Resources.

The Contractor shall maintain documentation of training completion and provide such verification to the LRGVDC upon request. Failure to comply may constitute grounds for termination.

C-207 **RIGHT TO AUDIT**
Authority: Texas Government Code § 2262.154.

Applicability: All contracts and grant-funded agreements.

Clause: The LRGVDC, the State Auditor's Office, and any grantor agency, or their authorized representatives, shall have the right to audit, inspect, and examine all records, accounts, books, data, files, and other documents related to this contract.

The Contractor shall retain all such records for a minimum period of three (3) years following final payment or until all audit issues are resolved, whichever is later.

C-208 **NON-COLLUSION AND FAIR BIDDING**
Authority: Texas Government Code § 2155.003.

Applicability: All solicitations and contracts awarded through competitive methods.

Clause: The Contractor affirms that the bid, proposal, or offer submitted has been made independently, without collusion, consultation, or agreement with any other respondent, competitor, or potential competitor for the purpose of restricting competition.

Any misrepresentation in this certification may be cause for rejection of the offer or termination of the contract.

C-209 **PROHIBITION ON CONTRACTING WITH CERTAIN FOREIGN-OWNED COMPANIES**
Authority: Texas Government Code § 2274.0102.

Applicability: All contracts and subcontracts exceeding $100,000.

Clause: The Contractor certifies that it is not owned or controlled by citizens of, or entities headquartered in, a country designated by the United States government as a foreign adversary and that it will not subcontract with such entities for the duration of this contract.

C-210 **BOYCOTT AND INVESTMENT PROHIBITIONS**
Authority: Texas Government Code Chapters 2270 and 809.

Applicability: Contracts exceeding $100,000 with companies having ten (10) or more full-time employees.

Clause: The Contractor certifies that it does not currently boycott Israel or energy companies, as defined by Texas law, and that it will not engage in such boycotts during the term of this contract. The Contractor further certifies compliance with all investment restrictions imposed under Texas Government Code Chapter 809.

C-211 **PROHIBITION ON HUMAN TRAFFICKING**
Authority: Texas Government Code § 2155.0061.

Applicability: All contracts and subcontracts.

Clause: The Contractor, its employees, and subcontractors shall not engage in the trafficking of persons, procurement of commercial sex acts, or the use of forced labor in the performance of this contract. Violation of this clause shall be grounds for immediate termination and may result in debarment from future contracting with LRGVDC.

C-212 **ETHICS AND STANDARDS OF CONDUCT**
Authority: Texas Government Code Chapter 572; Article XIV of the LRGVDC Procurement Policy.

Applicability: All vendors, contractors, consultants, and agents of the LRGVDC.

Clause: The Contractor agrees to adhere to the ethical standards of conduct established under Texas Government Code Chapter 572 and the LRGVDC Procurement Policy. The Contractor shall avoid conflicts of interest and any conduct that creates the appearance of impropriety.

Violation of this provision may result in immediate termination, disqualification from future awards, and possible referral to the appropriate enforcement authorities.

PART C – CONSTRUCTION AND SPECIAL CONTRACT CLAUSES

C-301 **BONDING REQUIREMENTS**
Authority: 2 CFR § 200.326(b); Texas Government Code § 2253.021.

Applicability: All construction or facility-improvement contracts exceeding $100,000.

Clause: Prior to the execution of this contract, the Contractor shall furnish a performance bond and a payment bond in the full amount of the contract price, as required by Texas Government Code § 2253.021 and 2 CFR § 200.326(b). Each bond shall be executed by a surety company authorized to conduct business in the State of Texas and acceptable to the LRGVDC. The bonds shall guarantee the faithful performance of all contractual obligations and the prompt payment to all claimants supplying labor and materials.

The Contractor shall deliver the required bonds to the LRGVDC prior to commencement of work. Failure to provide such bonds within the time specified shall constitute grounds for termination of the award.

C-302 **RETAINAGE**
Authority: Texas Government Code § 2252.032.

Applicability: All construction or public-works contracts.

Clause: The LRGVDC may withhold a retainage not to exceed five percent (5%) of the contract price until completion and final acceptance of the work. Retainage shall be released only after the Contractor has satisfied all contractual obligations, delivered all required close-out documents, and obtained the LRGVDC's written approval of final completion. No retainage shall be withheld on professional-services contracts unless otherwise required by law or funding agency regulations.

C-303 **RECORD RETENTION**
Authority: 2 CFR § 200.334; Texas Government Code § 441.1855.

Applicability: All contracts and federally or state-funded projects.

Clause: The Contractor shall maintain all books, documents, papers, accounting records, and other evidence pertaining to performance under this contract for a minimum of three (3) years following final payment, or longer if required by the funding agency or until all audit findings are resolved. Such records shall be made available for inspection, audit, or reproduction by the LRGVDC, the State Auditor's Office, the U.S. Comptroller General, and any grantor agency upon request.

C-304 **SUBCONTRACTOR PERFORMANCE AND FLOW-DOWN REQUIREMENTS**
Authority: 2 CFR § 200.332; Texas Government Code § 2252.001 et seq.

Applicability: All contracts involving subcontractors or subrecipients.

Clause: The Contractor shall be fully responsible for the performance of all subcontractors and for compliance with all applicable provisions of this contract. All subcontracts shall incorporate by reference every clause, condition, and requirement applicable to the subcontracted work, including but not limited to the provisions of Appendix B and Appendix C of the LRGVDC Procurement Policy Manual.

No subcontract shall relieve the Contractor of any responsibility or liability under the prime contract. The LRGVDC reserves the right to review and approve all subcontracts prior to execution.

C-305 **ENVIRONMENTAL AND SAFETY COMPLIANCE**
Authority: National Environmental Policy Act (42 U.S.C. § 4321 et seq.); Occupational Safety and Health Act (29 U.S.C. § 651 et seq.); 40 CFR Parts 1500-1508; 29 CFR Part 1910.

Applicability: All construction, infrastructure, and field-operations contracts.

Clause: The Contractor shall comply with all applicable federal, state, and local environmental statutes, regulations, and standards, including the National Environmental Policy Act, the Clean Air Act, the Clean Water Act, and the Occupational Safety and Health Act. The Contractor shall take all necessary precautions to protect the environment and ensure the health and safety of all workers and the public.

The Contractor shall immediately report to the LRGVDC any spill, release, accident, or environmental or safety incident occurring in the course of project performance and shall cooperate fully in any investigation or corrective action required. Failure to comply may be deemed a material breach of contract.

C-306 **WARRANTY OF WORK AND MATERIALS**
Authority: Texas Business & Commerce Code § 2.313; General Contract Law.

Applicability: All construction and goods contracts.

Clause: The Contractor warrants that all materials and equipment furnished under this contract shall be new, of good quality, and free from defects in workmanship or materials. The Contractor further warrants that all work shall conform to the contract requirements and shall be performed in a skillful and workmanlike manner.

Unless otherwise specified, warranty coverage shall extend for a period of one (1) year from the date of final acceptance by the LRGVDC. The Contractor shall, at its own expense, correct or replace any defective or non-conforming work discovered within the warranty period.

C-307 **CHANGES IN CONTRACT SCOPE OR PRICE**
Authority: FTA Circular 4220.1F Ch. VI § 2(a)(1); Texas Government Code § 2269.361.

Applicability: All contracts.

Clause: No change, modification, or amendment of this contract shall be effective unless made in writing and signed by authorized representatives of both parties. Any change that results in an increase or decrease in the contract price or scope of work shall be supported by a written change order stating the adjustment in cost, time, or both. The Contractor shall proceed with the work as changed only upon receipt of an executed change order.

C-308 **TERMINATION FOR DEFAULT OR NON-PERFORMANCE**
Authority: 2 CFR §§ 200.340-342; Texas Government Code § 2261.101.

Applicability: All contracts.

Clause: The LRGVDC may terminate this contract, in whole or in part, for default if the Contractor fails to perform any obligation, fails to make progress so as to endanger performance, or fails to comply with any material term or condition. Written notice of default shall specify the grounds for termination and the effective date.

Upon termination for default, the LRGVDC may procure substitute goods or services, and the Contractor shall be liable for any excess costs incurred. Termination for default shall not prejudice any other rights or remedies available to the LRGVDC.

C-309 **TERMINATION FOR CONVENIENCE**
Authority: 2 CFR §§ 200.340-342; FTA Circular 4220.1F Ch. VI § 2(a)(5).

Applicability: All contracts.

Clause: The LRGVDC may terminate this contract, in whole or in part, at any time for its convenience by providing written notice to the Contractor. The notice shall specify the extent of termination and the effective date. Upon receipt, the Contractor shall immediately discontinue work as directed.

The LRGVDC shall pay the Contractor for work satisfactorily performed prior to termination and for reasonable costs directly resulting from the termination. The Contractor shall not be entitled to recover anticipatory profits or consequential damages.

C-310 **FORCE MAJEURE**
Authority: General Contract Law.

Applicability: All contracts.

Clause: Neither party shall be liable for any failure or delay in performance under this contract if such failure or delay is caused by an act of God, war, terrorism, civil commotion, natural disaster, epidemic, governmental order, or other cause beyond the reasonable control of the affected party. The affected party shall promptly notify the other in writing of the cause and expected duration of the delay. The time for performance shall be extended for a period equal to the duration of the delay.

PART D – SUPPLEMENTAL FEDERAL, STATE, AND GENERAL CLAUSES

C-401 **PATENT RIGHTS AND INVENTIONS**
Authority: 37 CFR § 401.14; 2 CFR Appendix II (F).

Applicability: Research, development, or demonstration contracts funded with federal assistance.

Clause: Any invention conceived or first actually reduced to practice in the performance of work under this contract shall be subject to the rights of the United States and the LRGVDC under 37 CFR § 401.14. The Contractor shall promptly disclose each such invention to the LRGVDC and shall execute all papers necessary to establish or confirm the rights of the federal government. The Contractor shall include this clause in all subcontracts at any tier.

C-402 **RIGHTS IN DATA AND COPYRIGHTS**
Authority: 2 CFR Appendix II (F); 17 U.S.C. § 105.

Applicability: All contracts involving reports, drawings, software, or other data deliverables.

Clause: The LRGVDC and the federal government shall have unlimited rights to reproduce, publish, or otherwise use, and to authorize others to use, any data or materials first produced under this contract. The Contractor may retain a non-exclusive license to use such data, provided that such use does not conflict with LRGVDC or federal interests. The Contractor shall not assert any copyright in works created under this contract without prior written approval.

C-403 **ENVIRONMENTAL JUSTICE AND NONDISCRIMINATION**
Authority: Executive Order 12898; 49 CFR § 21; FTA C 4703.1.

Applicability: All federally assisted contracts.

Clause: The Contractor shall ensure full and fair participation by all affected communities, including minority and low-income populations, in the project supported by this contract. The Contractor shall not take actions that have a disproportionately high or adverse environmental or health effect on any community. Compliance with Title VI of the Civil Rights Act and DOT Order 5610.2 (b) is required.

C-404 **FEDERAL SEISMIC SAFETY REQUIREMENTS**
Authority: 42 U.S.C. § 7701 et seq.; 49 CFR Part 41.

Applicability: Construction of new buildings or additions using federal funds.

Clause: The Contractor shall ensure that every building or addition constructed under this contract complies with the standards prescribed by the Federal Emergency Management Agency for seismic safety in federally assisted building construction. Certification of compliance shall be provided upon completion.

C-405 **CARGO PREFERENCE ACT**
Authority: 46 U.S.C. § 55305; 46 CFR 381.7.

Applicability: Contracts involving ocean transport of materials or supplies with federal funds.

Clause: The Contractor agrees to use privately owned U.S.-flag commercial vessels to ship at least fifty percent (50 %) of the gross tonnage of equipment, materials, or commodities financed by the United States, to the extent such vessels are available. Bills of lading and shipping documentation evidencing compliance shall be furnished upon request.

C-406 **FLY AMERICA ACT**
Authority: 49 U.S.C. § 40118; 41 CFR § 301-10.131 et seq.

Applicability: Contracts requiring air travel reimbursed with federal funds.

Clause: The Contractor shall ensure that all air transportation financed by federal funds under this contract uses U.S.-flag air carriers, consistent with the Fly America Act. Exceptions shall be documented in accordance with federal travel regulations.

C-407 **INSURANCE AND INDEMNIFICATION**
Authority: Texas Local Government Code § 271.904.

Applicability: All contracts.

Clause: The Contractor shall maintain at its own expense insurance coverage meeting the minimum limits specified in the solicitation, including Workers' Compensation, Commercial General Liability, Automobile Liability, and any other coverage required by the LRGVDC.

To the extent permitted by law, the Contractor shall indemnify and hold harmless the LRGVDC, its officers, and employees from any and all claims, damages, losses, and expenses, including reasonable attorney's fees, arising out of or resulting from the Contractor's negligent acts or omissions in the performance of this contract.

C-408 **INDEPENDENT CONTRACTOR STATUS**
Authority: Texas Labor Code § 406.121; General Contract Law.

Applicability: All service contracts.

Clause: The Contractor is an independent contractor and not an employee, agent, or partner of the LRGVDC. The Contractor shall have exclusive control over the means, methods, and details of performing the work and shall be solely responsible for the acts and omissions of its employees and subcontractors.

C-409 **ASSIGNMENT OF CONTRACT**
Authority: General Contract Law.

Applicability: All contracts.

Clause: The Contractor shall not assign, transfer, or convey this contract or any rights, duties, or obligations arising hereunder without the prior written consent of the LRGVDC. Any attempted assignment without such consent shall be null and void.

C-410 **TAXES AND PAYMENTS TO GOVERNMENT**
Authority: Texas Tax Code.

Applicability: All contracts.

Clause: The Contractor shall be responsible for the payment of all taxes, assessments, fees, and charges that may be levied or assessed in connection with the performance of this contract. The LRGVDC is exempt from state and local sales and use taxes; tax-exemption certificates shall be furnished upon request.

C-411 **SUBSTITUTIONS AND APPROVED EQUALS**
Authority: Texas Local Government Code § 252.0435(b).

Applicability: Construction and equipment procurements.

Clause: Unless otherwise specified, any reference to a particular brand, make, or model is intended to establish a standard of quality and performance and not to limit competition. The Contractor may propose substitutions or “approved equals” provided that the substitute item meets or exceeds the specified standard and is approved in writing by the LRGVDC prior to use.

C-412 **DEFAULT REMEDIES AND CUMULATIVE RIGHTS**
Authority: General Contract Law.

Applicability: All contracts.

Clause: In the event of default by the Contractor, the LRGVDC may exercise any rights or remedies available at law or in equity, including termination, withholding of payments, or specific performance. The rights and remedies of the LRGVDC are cumulative and the exercise of any one remedy shall not preclude the exercise of any other.

C-413 **INTELLECTUAL PROPERTY AND CONFIDENTIAL INFORMATION**
Authority: Texas Government Code Chapter 552; 17 U.S.C. § 101 et seq.

Applicability: All contracts involving proprietary data.

Clause: The Contractor shall treat all information designated as confidential by the LRGVDC as proprietary and shall not disclose it without prior written consent except as required by law. All intellectual-property rights in materials created under this contract shall belong to the LRGVDC, subject to any federal rights described in C-312 above.

C-414 **INSURANCE AND RISK ALLOCATION (Alternative Comprehensive Form)**
Authority: Local Gov't Code § 271.904.

Applicability: All contracts; may replace C-317 where used.

Clause: The Contractor shall maintain insurance coverage of the types and limits specified by the LRGVDC and shall provide certificates of insurance evidencing such coverage prior to commencement of work. Policies shall name the LRGVDC as an additional insured and shall include waivers of subrogation. Failure to maintain required coverage shall constitute a material breach of contract.

C-415 **DISPUTE RESOLUTION**
Authority: Texas Government Code Chapter 2260.

Applicability: All contracts for goods and services.

Clause: Any dispute arising under this contract that cannot be resolved by mutual agreement shall be handled in accordance with the procedures set forth in Texas Government Code Chapter 2260. Nothing in this clause shall be construed to waive the sovereign immunity of the LRGVDC or the State of Texas.

C-416 **SUBCONTRACTOR APPROVAL AND RESPONSIBILITY**
Authority: 2 CFR § 200.332; Local Gov't Code § 252.048.

Applicability: All contracts involving subcontractors.

Clause: The Contractor shall obtain prior written approval from the LRGVDC before engaging any subcontractor. The Contractor shall remain fully responsible for the performance of all subcontractors and shall ensure that each subcontract incorporates all applicable provisions of this contract.

C-417 **PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES**
Authority: General Contract Law.

Applicability: Service, operations, or construction contracts with measurable performance outcomes.

Clause: The Contractor shall perform all work in accordance with the performance standards set forth in the contract documents. If the Contractor fails to meet these standards, the LRGVDC may assess liquidated damages in the amount stated in the solicitation, which both parties agree represents a reasonable estimate of actual damages and is not a penalty.

C-418 **NON-WAIVER OF SOVEREIGN IMMUNITY**
Authority: Texas Constitution Art. XI § 7; Texas Gov't Code § 2260.006.

Applicability: All contracts.

Clause: Nothing in this contract shall be construed as a waiver of any immunity or defense available to the LRGVDC or its officers and employees under the Constitution and laws of the State of Texas, including sovereign and governmental immunity.

C-419 **SEVERABILITY**
Authority: General Contract Law.

Applicability: All contracts.

Clause: If any term or provision of this contract is determined to be invalid or unenforceable, the remainder of the contract shall remain in full force and effect, and the invalid or unenforceable provision shall be replaced by a valid provision that most closely reflects the parties' original intent.

C-420 **SURVIVAL OF OBLIGATIONS**
Authority: General Contract Law.

Applicability: All contracts.

Clause: All representations, warranties, indemnities, record-retention obligations, confidentiality requirements, and other covenants that by their nature are intended to survive termination or expiration of this contract shall remain in effect after such termination or expiration.

PART E – ROLLING STOCK CLAUSES

C-501 **BUY AMERICA REQUIREMENTS – ROLLING STOCK**
Authority: 49 U.S.C. § 5323(j); 49 CFR Part 661; Pub. L. 117-58 § 70914 (Build America, Buy America Act).

Applicability: All federally funded rolling stock procurements (vehicles, chassis, engines, or major components).

Clause: The Contractor shall comply with the Buy America provisions of 49 U.S.C. § 5323(j) and 49 CFR Part 661, requiring that not less than seventy percent (70%) of the cost of all components be produced in the United States and that final assembly occur in the United States.

The Contractor shall submit Buy America certifications with each bid or offer as required by 49 CFR § 661.6 (for compliance) or § 661.7 (for waiver). Certification must be completed and signed by an authorized company officer.

Failure to submit the required certification shall render the bid nonresponsive.

C-502 **PRE-AWARD AND POST-DELIVERY AUDIT REQUIREMENTS**

Authority: 49 U.S.C. § 5323(m); 49 CFR Part 663.

Applicability: All rolling stock procurements funded with FTA assistance.

Clause: The Contractor shall comply with the Pre-Award and Post-Delivery Audit requirements as set forth in 49 CFR Part 663. The LRGVDC or its designee shall conduct and document:

1) A Pre-Award Buy America Certification, confirming that the vehicle meets domestic-content and final-assembly requirements;
2) A Pre-Award Purchaser's Requirements Certification, verifying that the vehicles conform to the specifications; and
3) A Post-Delivery Audit and Certification, confirming that the vehicles, as delivered, meet contract specifications, comply with Buy America, and have been tested for safety and performance.

The Contractor shall provide access to all facilities, records, and documentation necessary for these audits and shall furnish completed manufacturer certifications and descriptive materials as required by regulation.

C-503 **BUS TESTING**

Authority: 49 U.S.C. § 5318(e); 49 CFR Part 665.

Applicability: All bus models purchased with FTA assistance prior to first production delivery.

Clause: The Contractor shall comply with the Bus Testing Program requirements of 49 U.S.C. § 5318(e) and 49 CFR Part 665. The manufacturer shall provide evidence that the bus model offered has been tested at the Altoona Bus Testing Facility and that the test results have been furnished to the LRGVDC prior to bid opening or order placement.

A copy of the Bus Testing Report and a manufacturer's certification of compliance shall be included in the bid or proposal.

C-504 **VEHICLE ACCESSIBILITY REQUIREMENTS**

Authority: 49 U.S.C. § 5301(d); 49 CFR Part 38; Americans with Disabilities Act of 1990 (ADA).

Applicability: All rolling stock procurements.

Clause: The Contractor shall ensure that all vehicles, components, and systems purchased under this contract comply with the accessibility requirements of 49 CFR Part 38, implementing the Americans with Disabilities Act (ADA), including requirements for lifts, ramps, securement devices, signage, and controls.

Certification of ADA compliance shall be provided to the LRGVDC prior to final acceptance of each vehicle.

C-505 **FEDERAL MOTOR VEHICLE SAFETY STANDARDS (FMVSS)**

Authority: 49 U.S.C. Chapter 301; 49 CFR Part 571.

Applicability: All rolling stock procurements.

Clause: The Contractor shall certify that each vehicle complies with all applicable Federal Motor Vehicle Safety Standards (FMVSS) established by the National Highway Traffic Safety Administration (NHTSA) under 49 CFR Part 571. The certification label required under 49 CFR § 567 shall be affixed to each completed vehicle.

C-506 **CLEAN AIR AND CLEAN WATER (ROLLING STOCK)**
Authority: 42 U.S.C. § 7401 et seq.; 33 U.S.C. § 1251 et seq.

Applicability: Rolling stock and equipment procurements over $150,000.

Clause: The Contractor shall comply with all applicable standards, orders, and regulations issued under the Clean Air Act and the Federal Water Pollution Control Act, including vehicle emissions standards. Violations shall be reported to the LRGVDC and appropriate regulatory authorities and may result in contract termination.

C-507 **VEHICLE SPARE PARTS AND WARRANTY**
Authority: 49 U.S.C. § 5326; General Contract Law.

Applicability: All rolling stock procurements.

Clause: The Contractor shall provide a minimum parts and labor warranty as specified in the solicitation. Unless otherwise stated, the warranty period shall begin upon acceptance of each vehicle and shall remain in effect for at least one (1) year for general components and five (5) years for major structural elements such as the frame, body, and chassis.

The Contractor shall supply spare parts and technical support as necessary to maintain the vehicles in reliable operating condition throughout the warranty period.

C-508 **VEHICLE TITLE AND DELIVERY**
Authority: Texas Transportation Code § 501.001 et seq.

Applicability: All vehicle procurements.

Clause: Title to each vehicle shall pass to the LRGVDC upon acceptance and payment. The Contractor shall provide a valid Manufacturer's Certificate of Origin (MCO) or Certificate of Title and all other documents required for registration and licensing in the State of Texas. Vehicles shall not be delivered without proper documentation.

C-509 **VEHICLE IDENTIFICATION AND DATA PLATES**
Authority: 49 CFR §§ 567, 571; FTA Circular 4220.1F.

Applicability: All rolling stock procurements.

Clause: Each vehicle shall bear a manufacturer's identification plate or data tag permanently affixed to the structure, showing the vehicle identification number (VIN), gross vehicle weight rating (GVWR), date of manufacture, and other data required under federal and state law. No vehicle shall be accepted without proper labeling.

C-510 **BUY AMERICA FINAL ASSEMBLY VERIFICATION**
Authority: 49 CFR § 661.11; 49 U.S.C. § 5323(j).

Applicability: All rolling stock purchases using FTA funds.

Clause: Prior to final acceptance of each vehicle, the LRGVDC or its designee shall verify that final assembly occurred within the United States as required by 49 CFR § 661.11. The Contractor shall provide documentation including assembly plant location, component origin summaries, and a detailed cost breakdown demonstrating compliance with the required domestic content percentage.

APPENDIX D
REQUIRED CERTIFICATIONS AND REPRESENTATIONS

PART A: GENERAL INSTRUCTIONS

D-101 Purpose

This Appendix establishes the required bidder, contractor, consultant, and subrecipient certifications and representations that must accompany all solicitations, proposals, and contract awards issued by the Lower Rio Grande Valley Development Council (LRGVDC).

The certifications set forth herein are intended to ensure compliance with applicable provisions of 2 CFR Part 200, the Texas Grant Management Standards (TxGMS), the State of Texas Procurement and Contract Management Guide, and FTA Circular 4220.1F, as applicable.

Each certification constitutes a material representation of fact. Misrepresentation or omission of a material fact may be cause for the LRGVDC to terminate the contract, pursue recovery of funds, or refer the matter to appropriate authorities for investigation.

D-102 Applicability

All vendors, contractors, consultants, and subrecipients must complete, sign, and submit the certifications required by this Appendix as a condition of bid responsiveness and contract award. The specific certifications required shall depend on the contract type, funding source, and regulatory requirements applicable to the procurement.

D-103 Execution and Filing

1) Certifications shall be executed by an officer or authorized representative of the respondent.
2) Each certification shall include the name of the firm, address, contact information, printed name, title, signature, and date.
3) Executed certifications shall be maintained in the official procurement file in accordance with 2 CFR § 200.334 and the LRGVDC Record Retention Policy.

D-104 Organization of Appendix

This Appendix is organized into the following parts:

PART	TITLE	CONTENTS
Part A	General Introduction	Purpose, applicability, and execution Standards
Part B	General Solicitation Certifications	Ensures bidder-responsibility
Part C	Federal Certifications	Certifications required by federal regulations (2 CFR, FTA, DOT, etc.)
Part D	State Certifications	Certifications required by Texas law and LRGVDC Policy

PART B: GENERAL CERTIFICAITONS

The forms in this section establish baseline administrative and responsibility requirements applicable to all solicitations, bids, and proposals — regardless of funding source.

FORM ID	CERTIFICATION	DESCRIPTION
GEN-01	Solicitation Acknowledgment Form	Confirms receipt of solicitation documents, review of all terms and conditions, and understanding of submission requirements.
GEN-02	Authorization and Responsibility Certification	Affirms that the signatory is authorized to bind the firm contractually and that the firm accepts full responsibility for proposal contents.
GEN-03	Bidder/Offeror Information Form	Provides company legal name, address, ownership, and contact information for procurement records.
GEN-04	Addenda Acknowledgment Form	Acknowledges receipt and review of all addenda or amendments issued for the solicitation, ensuring the offer reflects current requirements.
GEN-05	Client References Form	Lists prior clients or contracts of similar nature for responsibility determination.
GEN-06	Vendor Responsibility Questionnaire	Establishes financial stability, resources, and capacity to perform the work.
GEN-07	Certification of Incorporation or Business Entity Status	Certifies that the bidder/offeror is a legally organized entity in good standing under the laws of its state of incorporation or organization, and authorized to transact business in the State of Texas. Required of the selected vendor prior to contract execution.
GEN-08	Acknowledgment of Federal Requirements (if applicable)	Confirms that the bidder/offeror understands the solicitation may be federally funded and subject to 2 CFR Part 200 and FTA Circular 4220.1F compliance requirements.

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

Solicitation Acknowledgement Form

Solicitation Number: ____

Solicitation Title: ____

The undersigned hereby proposes and agrees to be bound by the requirements, terms and conditions and any and all amendments issued by the LRGVDC and made a part of this Request for Proposal (RFP) and as set forth or referenced in this RFP. The undersigned further certifies that he/she is legally authorized to make statements and representations in its response to this solicitation and that said statements and representations are true and accurate to the best of his/her knowledge. The undersigned understands and agrees that when evaluating bids and making an award decision, the LRGVDC relies on the truth and accuracy of the statements and representations presented in the bid response. Accordingly, the LRGVDC has the right to suspend or debar the undersigned from this process and/or terminate any contract award that may have resulted from this solicitation if the LRGVDC determines that any statements or representations made were not true and accurate. If awarded the undersigned agrees to furnish all services as described on the scope of services and any negotiations thereafter.

EXECUTED this __________ day of _____________, 20_____ .

Signature: ____

Printed Name: ____

Title: ____

Firm: ____

SWORN TO AND SUBSCRIBED before me by _________________________________,

on the ________ day of _____________ , 20____.

___________________________ ______________________________

Notary Public, State of Texas ***Commission Expiration***

This Acknowledgement must be filed with the Lower Rio Grande Valley Development Council and be maintained as part of the permanent procurement record.

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

Authorization and Responsibility Certification

Solicitation Number: ____

Solicitation Title: ____

The undersigned hereby proposes and agrees, if awarded a contract pursuant to this Request for Proposals (RFP), to furnish all services, plans, labor, materials, supplies, equipment, tools, transportation, supervision, and all other facilities and things necessary to perform the work in full compliance with the terms, conditions, specifications, and requirements set forth herein.

The Offeror further acknowledges and certifies that it possesses the qualifications, experience, resources, and financial capability necessary to perform the required services in a timely and satisfactory manner and to fulfill all contractual obligations.

Offeror Information

Legal Business Name: ____

Address: ____

Authorized Representative (Print Name): ____

Title: ____

Signature: ______________________________________ Date: _________________________

SWORN TO AND SUBSCRIBED before me by ______________________________ , on the ______day of ___________________, 20____.

___________________________________ _______________________________

Notary Public, State of Texas ***Commission Expiration***

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

Bidder / Offeror Information Form

Solicitation Number: ______________________________

Solicitation Title: ______________________________

This form must be completed and submitted with all bids, proposals, or statements of qualifications. Information provided will be used for vendor identification, responsibility determination, and official procurement records. All fields are required unless otherwise noted.

Section I – General Information

Legal Business Name:	
DBA (if applicable):	
Mailing Address:	
City, State, ZIP:	
Physical Address (if different):	
Phone Number:	
Email Address:	
Website:	
Authorized Representative Name and Title:	
Primary Contact (if different):	

Section II – Business Entity Information

Federal Employer Identification Number (EIN):	
Unique Entity Identifier (UEI / SAM.gov):	
Texas Comptroller Vendor ID (if applicable):	
Type of Business Entity (check one):	
☐ Corporation ☐ LLC ☐ Partnership ☐ Sole Proprietor ☐ Nonprofit ☐ Other:	
State of Incorporation / Formation:	
Date Established:	
Is the business authorized to conduct operations in Texas? ☐ Yes ☐ No	

Section III – Certification and Signature

I hereby certify that the information provided herein is true and correct to the best of my knowledge, and that I am authorized to bind the company or organization named above in contractual matters with the Lower Rio Grande Valley Development Council.

______________________ ______________________ ____________

Authorized Representative Signature *Title* *Date*

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

Addenda Acknowledgment

Solicitation Number: ____

Solicitation Title: ____

The Offeror hereby acknowledges receipt of all addenda issued by the Lower Rio Grande Valley Development Council (LRGVDC) in connection with this Request for Proposals (RFP). The Offeror further acknowledges that it has reviewed, understands, and agrees to be bound by the terms and conditions set forth in all such addenda, and that the addenda are hereby made a part of the Offeror's proposal submission. Failure to acknowledge receipt of addenda may result in the proposal being deemed non-responsive.

Addenda Status

☐ No addenda were issued in connection with this RFP.

☐ Addenda were issued as follows:

	Date Received:	**Initial**
#1	______________________________	______________
#2	______________________________	______________
#3	______________________________	______________
#4	______________________________	______________
#5	______________________________	______________
#6	______________________________	______________
#7	______________________________	______________
#8	______________________________	______________
#9	______________________________	______________
#10	______________________________	______________

Name: ______________________ **Signature:** ______________________

Title: ______________________ **Date:** ______________________

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

Client References

Solicitation Number: ____

Solicitation Title: ____

Please provide three (3) references from entities other than LRGVDC, but similar, who can verify performance of similar or like services rendered specific in nature to this RFP.

NOTE*: Inaccurate, obsolete, or negative responses may result in rejection of proposals.*

Name of Firm: ____

Reference One:

Company Name: ____

Address: ____

Contact Person/Title: ____

Phone: Email: ____

Scope of Work Performed: ____

Contract Period: ____

Reference Two:

Company Name: ____

Address: ____

Contact Person/Title: ____

Phone: Email: ____

Scope of Work Performed: ____

Contract Period: ____

Reference Three:

Company Name: ____

Address: ____

Contact Person/Title: ____

Phone: Email: ____

Scope of Work Performed: ____

Contract Period: ____

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

Vendor Responsibility Questionnaire

Solicitation Number: ____

Solicitation Title: ____

All prospective vendors, contractors, or consultants must complete this questionnaire as part of the LRGVDC responsibility determination process. The information provided will assist the LRGVDC in evaluating financial capacity, technical ability, and compliance with applicable laws and regulations. All questions must be answered; attach additional sheets if necessary.

Section I – General Business Information

Legal Business Name:	
DBA (if applicable):	
Mailing Address:	
Phone Number:	
Email Address:	
Website:	
Primary Contact Person and Title:	

Section II – Business Profile

Type of Organization (Corporation, LLC, Partnership, etc.):	
State of Incorporation / Formation:	
Number of Years in Business:	
Number of Employees:	
Primary NAICS Code(s):	
Is your firm a certified DBE, MBE, WBE, or HUB? (☐ Yes ☐ No):	
If yes, list certification(s) and agency(ies):	
Is your firm registered in SAM.gov? (☐ Yes ☐ No) UEI #:	

Section III – Financial Responsibility

1. Has your organization or any of its principals ever filed for bankruptcy or been declared insolvent?
   ☐ **Yes** ☐ **No**
2. Does your organization have any outstanding liens, judgments, or pending claims that could impact financial stability? ☐ **Yes** ☐ **No**

Section IV – Legal and Performance History

1. Has your organization or any of its owners or officers been debarred, suspended, or declared ineligible to contract with any public agency? ☐ **Yes** ☐ **No**
2. Has your firm been terminated for cause or default on any contract within the past five (5) years? ☐ **Yes** ☐ **No**
3. Are there any pending civil or criminal actions against your firm or any principal officers? ☐ **Yes** ☐ **No**

4. Has your firm ever failed to complete a contract? ☐ **Yes** ☐ **No**

5. Has your firm been involved in any labor law violations, OSHA citations, or environmental violations in the past five (5) years? ☐ **Yes** ☐ **No**

If you answered 'Yes' to any of the above, provide an explanation below and attach supporting documentation.

Section V – Certification

I hereby certify that the information provided herein is complete, accurate, and true to the best of my knowledge. I understand that any misrepresentation or omission may be grounds for disqualification or contract termination. I further authorize the LRGVDC to verify any information contained in this questionnaire.

______________________________	______________________________	______________
Authorized Representative Signature	*Title*	*Date*

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

Certification of Incorporation / Authorization to do Business in Texas

Solicitation Number: ____

Solicitation Title: ____

Contractor must submit certification of incorporation in the State of Texas or must show proof of authorization to do business in the State of Texas.

I, the undersigned, certify that the entity named below is duly incorporated, organized, or otherwise legally authorized to conduct business in the State of Texas.

Legal Business Name: ____

Type: ____

State of Incorporation/Organization: ________________________________

Texas Secretary of State File Number (if applicable): _______________________

Texas Comptroller Taxpayer Number (if applicable): _________________________

Address Of Principal Office:

Address:	
City:	
State:	
Zip:	

☐ Attached is a copy of the Certificate of Formation/Certificate of Authority or other documentation issued by the Texas Secretary of State.

I further certify that this business entity is in good standing and authorized to transact business in the State of Texas as of the date of this proposal.

Authorized Representative:

Name: ______________________________ **Signature:** ___________________________

Title: ______________________________ **Date:** ______________________________

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

Acknowledgment of Federal Requirements

Solicitation Number: ____

Solicitation Title: ____

This form must be completed and submitted by vendors, contractors, or consultants when a solicitation or resulting contract is funded in whole or in part with Federal assistance. The undersigned acknowledges awareness and understanding of the federal regulations and contract requirements applicable to federally funded procurements as outlined below.

Section I – Federal Compliance Acknowledgment

By signing this acknowledgment, the Contractor or Offeror certifies understanding that this procurement is subject to the requirements of the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, codified at 2 CFR Part 200, as well as applicable program regulations issued by the Federal Transit Administration (FTA), the U.S. Department of Transportation (DOT), and other federal agencies.

The Contractor agrees to comply, as applicable, with the following federal laws, regulations, and requirements, including all future amendments during the term of the contract:

- 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- 2 CFR Part 1201 – U.S. Department of Transportation (DOT) Implementation of 2 CFR Part 200.
- FTA Circular 4220.1F – Third Party Contracting Requirements.
- FTA Master Agreement (current version).
- 49 U.S.C. § 5323 – Contracting and Procurement Requirements.
- 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises (DBE).
- 49 CFR Part 661 – Buy America Requirements.
- 49 CFR Part 663 – Pre-Award and Post-Delivery Audits for Rolling Stock Procurements.
- 29 CFR Parts 3 and 5 – Labor Standards, Davis–Bacon, and Contract Work Hours and Safety Standards Acts.
- 41 CFR Part 60 – Equal Employment Opportunity Requirements.
- 2 CFR Part 180 and 1200 – Debarment and Suspension.
- 31 U.S.C. § 1352 and 49 CFR Part 20 – Restrictions on Lobbying.
- 42 U.S.C. § 7401 et seq. and 33 U.S.C. § 1251 et seq. – Clean Air and Clean Water Acts.
- 49 CFR Part 38 – Americans with Disabilities Act (ADA) Accessibility Standards for Transportation Vehicles.

Section II – Contractor Responsibility

The Contractor acknowledges responsibility for full compliance with all applicable federal requirements as a condition of contract award and performance. The Contractor further agrees to flow down all applicable requirements to any subcontracts, lower-tier agreements, or suppliers associated with this procurement.

Section III – Certification and Signature

By signing below, the authorized representative certifies that they have read and understood the federal requirements listed above and agree to comply with all applicable laws, regulations, and conditions associated with federally funded contracts and purchases administered by the Lower Rio Grande Valley Development Council (LRGVDC).

______________________________	__________________________	___________
Authorized Representative Signature	*Title*	*Date*

PART C: FEDERAL CERTIFICATIONS AND REPRESENTATIONS

This Part establishes the federal certifications and representations required for all federally assisted procurements administered by the Lower Rio Grande Valley Development Council (LRGVDC). These certifications ensure compliance with the Uniform Guidance (2 CFR Part 200), FTA Circular 4220.1F, and other applicable laws and executive orders governing contracts financed in whole or in part with federal assistance.

Each certification represents a material statement of compliance. Any falsification or omission is grounds for contract termination, recovery of funds, or debarment under 2 CFR § 180.335.

FORM	CERTIFICATION	REFERENCE	DESCRIPTION
FED-01	Certification Regarding Debarment, Suspension	2 CFR Parts 180 & 1200	Required for all contractors, subcontractors, and subrecipients. Certifies that neither the entity nor its principals are debarred, suspended, or proposed for debarment from participation in any federally funded program.
FED-02	Certification and Disclosure Regarding Lobbying	31 U.S.C. § 1352; 49 CFR Part 20	Required for contracts exceeding $100,000. Certifies that no federal funds were used for lobbying activities. If non-federal funds were used, a disclosure (SF-LLL) must be attached.
FED-03	Drug-Free Workplace Certification	41 U.S.C. § 8102; 2 CFR Part 182	Required for all recipients of federal funds. Certifies that the contractor maintains a drug-free workplace policy and employee awareness program.
FED-04	Equal Employment Opportunity (EEO) Compliance Certification	Executive Order 11246; 41 CFR Part 60	Required for all contracts and subcontracts exceeding $10,000. Certifies compliance with nondiscrimination and affirmative action obligations
FED-05	Davis–Bacon and Related Acts Compliance Certification	40 U.S.C. § 3141 et seq.; 29 CFR Parts 1, 3, and 5	Required for federally funded construction contracts exceeding $2,000. Certifies payment of prevailing wages, submission of certified payrolls, and compliance with labor standards.
FED-06	Anti-Kickback Act of 1986 Compliance Certification	41 U.S.C. § 51–58; 29 CFR Part 3	Required for all federally assisted construction and repair contracts. Certifies that no employee has been induced to give up any part of compensation to which they are entitled.
FED-07	Disadvantaged Business Enterprise (DBE) / Historically Underutilized Business (HUB) Bidder Identification Form	49 CFR Part 26; Tex. Gov't Code § 2161.061	Identifies whether the bidder/offeror is a certified DBE or HUB and provides certification details. Required for all solicitations subject to federal or state small business participation goals.
FED-08	Schedule of DBE/HUB Subcontractor Participation	49 CFR § 26.11; Tex. Gov't Code § 2161.181	Lists all DBE/HUB subcontractors proposed for use under the contract, including firm names, certification numbers, and participation percentages.
FED-09	DBE/HUB Good Faith Efforts Statement	49 CFR § 26.53; 2 CFR § 200.321	Required when contract goals are not met. Documents the bidder's outreach efforts to DBE/HUB firms and evidence of solicitation and negotiation attempts.
FED-10	Buy America / Build America Certification	49 U.S.C. § 5323(j); 49 CFR Part 661; Pub. L. 117-58 § 70914	Required for federally funded infrastructure and rolling stock procurements. Certifies compliance with domestic manufacturing and final assembly requirements.

ROLLING STOCK

FORM	CERTIFICATION	REFERENCE	DESCRIPTION
FED-11	Pre-Award Audit and Compliance Certification (Rolling Stock)	49 CFR Part 663, Subpart B	Required before contract award. Certifies that rolling stock meets technical specifications, Buy America requirements, and safety standards prior to purchase or production.
FED-12	Post-Delivery Audit and Compliance Certification (Rolling Stock)	49 CFR Part 663, Subpart C	Required upon vehicle delivery. Certifies that delivered rolling stock conforms to specifications, Buy America requirements, and safety standards as verified through inspection and audit.
FED-13	Final Assembly, Resident Inspections Certification (10+ Rolling Stock)	49 CFR § 661.11	Required for rolling stock procurements. Certifies that final assembly occurred in the United States and that domestic content meets FTA's required percentage thresholds.

Certification Regarding Suspension and Debarment

Solicitation Number: ____

Solicitation Title: ____

This certification is required by federal and state regulations as a condition for contracting with the Lower Rio Grande Valley Development Council (LRGVDC).

Pursuant to 2 CFR Part 180 (OMB Guidelines on Governmentwide Debarment and Suspension), 2 CFR Part 1200 (U.S. DOT/FTA Non-procurement Suspension and Debarment), 2 CFR Part 3000 (DHS/FEMA Adoption) and the Texas Government Code, Chapter 2155.077, the Offeror (including its principals, subcontractors, and suppliers):

1. ***Certifies*** that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in any federal, state, or local government program or contract;

2. ***Agrees*** that it will not knowingly enter into any contract or subcontract with a person or entity that is debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in federal, state, or local government programs;

3. ***Acknowledges*** that it has a continuing duty to disclose to LRGVDC, in writing, any change in its status or the status of its principals or subcontractors regarding suspension or debarment during the term of any contract awarded under this RFP.

Before an award can be made to your firm, you must certify that your organization and its principals are not suspended or debarred by a Federal or State agency.

I, the undersigned agent for the firm named below, certify that neither this firm nor its principals are suspended or debarred by a federal agency.

Name of Firm: ____

Address: ____

Authorized Official:

Name: ____________________________________ **Signature:** ____________________________

Title: ____________________________________ **Date:** _________________________________

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

Anti-Lobbying Certification

Solicitation Number: ____

Solicitation Title: ____

Pursuant to 31 U.S.C. §1352, 49 CFR Part 20, and Texas Government Code §556.005, the undersigned certifies that:

- No federal, state, or local appropriated funds have been paid or will be paid, by or on behalf of the Offeror, to any person for influencing or attempting to influence an officer or employee of any federal, state, or local agency, a Member of Congress, a member of the Texas Legislature, an officer or employee of Congress or the Legislature, or an employee of a Member of Congress or the Legislature in connection with the awarding of any federal, state, or local contract, grant, loan, or cooperative agreement.

- If any non-federal funds have been paid or will be paid to any person for influencing or attempting to influence the awarding of this contract, the Offeror shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying."

- The Offeror shall ensure that the language of this certification is included in all subcontracts at all tiers and that all subcontractors shall certify and disclose accordingly.

- The Offeror acknowledges that compliance with this certification is a material condition of the contract, and violation of this provision may result in contract termination, suspension, or debarment.

Offeror Information

Legal Business Name: ____

Address: ____

Authorized Representative (Print Name): ____

Title: ____

Signature: ____________________________ **Date:** ____________________

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

Drug-Free Workplace Certification

Solicitation Number: ____

Solicitation Title: ____

This certification is required for all contractors, vendors, consultants, and subrecipients receiving awards or contracts funded in whole or in part with Federal assistance. Execution of this form constitutes compliance with the Drug-Free Workplace Act of 1988 (41 U.S.C. § 8102) and 2 CFR Part 182.

Section I – Contractor / Organization Information

Legal Business Name:	
Mailing Address:	
City, State, ZIP:	
Authorized Representative Name:	
Title:	
Contact Phone / Email:	

Section II – Certification Statement

In accordance with the Drug-Free Workplace Act of 1988 and implementing regulations at 2 CFR Part 182, the undersigned hereby certifies that it will provide a drug-free workplace by complying with the following requirements:

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition;
2. Establish an ongoing drug-free awareness program to inform employees about: (a) the dangers of drug abuse in the workplace; (b) the organization's policy of maintaining a drug-free workplace; (c) available drug counseling, rehabilitation, and employee assistance programs; and (d) the penalties that may be imposed upon employees for drug abuse violations;
3. Notify each employee that as a condition of employment under any federal award, the employee must abide by the terms of the statement and notify the employer in writing of any conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction;
4. Notify the Lower Rio Grande Valley Development Council (LRGVDC) and the applicable federal agency in writing within ten (10) calendar days after receiving notice of an employee's conviction under the preceding paragraph;
5. Take appropriate personnel action against such an employee, up to and including termination, or require satisfactory participation in a drug abuse assistance or rehabilitation program as required by law; and
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of these requirements.

Section III – Acknowledgment and Signature

By signing this certification, the undersigned acknowledges and agrees to maintain a drug-free workplace as required by federal law and understands that violation of these requirements may be cause for suspension, termination, or debarment from participation in federally assisted programs.

______________________________	______________________________	______________
Authorized Representative Signature	*Title*	*Date*

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

Equal Employment Opportunity (EEO) Compliance Certification

Solicitation Number: ____

Solicitation Title: ____

This certification is required for all contractors, subcontractors, consultants, and vendors performing work under contracts or subcontracts exceeding $10,000 that are funded in whole or in part with Federal assistance. Execution of this form constitutes compliance with Executive Order 11246, as amended, and the implementing regulations contained in 41 CFR Part 60, as well as applicable provisions of 2 CFR Part 200 and FTA Circular 4220.1F.

Section I – Contractor / Organization Information

Legal Business Name:	
Mailing Address:	
City, State, ZIP:	
Authorized Representative Name:	
Title:	
Contact Phone / Email:	

Section II – Certification Statement

In compliance with Executive Order 11246 and 41 CFR Part 60, the undersigned certifies that the organization named above does not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor further certifies that it will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to these factors. Such action shall include, but not be limited to, the following areas: employment, upgrading, demotion, transfer, recruitment, layoff, termination, rates of pay, and training.

The undersigned further certifies that it will include the provisions of this Equal Employment Opportunity clause in every subcontract or purchase order unless exempted by regulations, so that such provisions shall be binding upon each subcontractor or vendor. The contractor agrees to comply with all reporting requirements and to permit access to its books, records, and accounts by authorized government officials for purposes of investigation.

Section III – Affirmative Action Requirements

If the Contractor or any of its subcontractors has 50 or more employees and a contract of $50,000 or more, the Contractor certifies that it has developed and maintains an Affirmative Action Plan (AAP) in accordance with 41 CFR Part 60-2 and will file all required reports, including the EEO-1 Report, as applicable.
Failure to comply with these requirements may result in contract suspension, termination, or debarment in accordance with federal regulations.

Section IV – Acknowledgment and Signature

By signing below, the authorized representative certifies that the information provided in this form is true and complete to the best of their knowledge, and that the Contractor agrees to comply fully with all applicable Equal Employment Opportunity laws and regulations as stated above.

______________________________ ______________________________ ____________

Authorized Representative Signature *Title* *Date*

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

Davis–Bacon and Related Acts Compliance Certification

Solicitation Number: ____

Solicitation Title: ____

This certification is required for all federally funded construction, alteration, or repair contracts exceeding $2,000. Execution of this form constitutes compliance with the Davis–Bacon and Related Acts (40 U.S.C. § 3141 et seq.) and the Department of Labor regulations at 29 CFR Parts 1, 3, and 5. These laws require payment of locally prevailing wages to laborers and mechanics and compliance with applicable labor standards provisions.

Section I – Contractor / Organization Information

Legal Business Name:	
Mailing Address:	
City, State, ZIP:	
Authorized Representative Name:	
Title:	
Contact Phone / Email:	

Section II – Certification Statement

The undersigned hereby certifies, to the best of their knowledge and belief, that the Contractor named above shall comply with all requirements of the Davis–Bacon and Related Acts (DBRA) and applicable implementing regulations, including but not limited to the following:

1. Payment of wages to all laborers and mechanics employed directly upon the site of the work at rates not less than those contained in the current U.S. Department of Labor wage determination incorporated into the contract;
2. Submission of weekly certified payrolls for all laborers and mechanics employed, in compliance with 29 CFR § 5.5(a)(3)(ii);
3. Posting of the applicable wage determination and Davis–Bacon poster (WH-1321) in a prominent location at the job site accessible to all employees;
4. Classification of workers according to the work actually performed, regardless of skill level, in accordance with applicable wage determination classifications;
5. Compliance with all withholding and recordkeeping requirements under 29 CFR § 5.5(a)(1)(ii)–(v); and
6. Cooperation with audits or investigations conducted by the LRGVDC, the Federal Transit Administration (FTA), or the U.S. Department of Labor's Wage and Hour Division.

The Contractor further certifies that all subcontractors will be required to comply with the provisions of the Davis–Bacon and Related Acts and that the Contractor will be responsible for ensuring such compliance.

Section III – Acknowledgment and Signature

By signing below, the undersigned certifies that the information contained in this form is true and correct and agrees to comply fully with all requirements of the Davis–Bacon and Related Acts as applicable to the contract or project funded in whole or in part with Federal assistance.

______________________________	______________________________	______________
Authorized Representative Signature	*Title*	*Date*

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

Anti-Kickback Act of 1986 (Copeland 'Anti-Kickback' Act) Compliance Certification

Solicitation Number: ____

Solicitation Title: ____

This certification is required for all federally funded construction, alteration, or repair contracts, and for any federally assisted public works projects. Execution of this form constitutes compliance with the Anti-Kickback Act of 1986 (formerly known as the Copeland 'Anti-Kickback' Act), codified at 41 U.S.C. §§ 51–58 (now §§ 8701–8707), and implemented at 29 CFR Part 3. These provisions prohibit contractors and subcontractors from inducing any person employed on a public works project to give up any part of their rightful compensation.

Section I – Contractor / Organization Information

Legal Business Name:	
Mailing Address:	
City, State, ZIP:	
Authorized Representative Name:	
Contact Phone / Email:	

Section II – Certification Statement

The undersigned hereby certifies, to the best of their knowledge and belief, that the Contractor named above shall comply with the provisions of the Anti-Kickback Act of 1986 (Copeland 'Anti-Kickback' Act) and all applicable implementing regulations, including but not limited to:

1. Prohibiting any person employed in the construction, completion, or repair of public work from being induced, by any means, to give up any part of the compensation to which they are entitled;
2. Ensuring that weekly payroll certifications (Form WH-347 or equivalent) are prepared and submitted as required under 29 CFR § 3.3 and § 5.5(a)(3);
3. Maintaining complete payroll and payment records for all laborers and mechanics employed upon the project and making such records available for inspection upon request by authorized representatives of the LRGVDC, the Federal Transit Administration (FTA), or the U.S. Department of Labor; and
4. Including the substance of this clause in all subcontracts and lower-tier agreements to ensure full compliance by all subcontractors and suppliers of labor.

The Contractor further certifies that no deductions, rebates, or kickbacks, directly or indirectly, have been or will be made in violation of the Act, and that all laborers and mechanics will be paid the full amounts earned without unlawful deductions.

Section III – Acknowledgment and Signature

By signing below, the authorized representative certifies that the organization named above understands and agrees to comply with all applicable provisions of the Anti-Kickback Act of 1986 (Copeland 'Anti-Kickback' Act), as amended, and implementing regulations at 29 CFR Part 3.

______________________________	______________________________	______________
Authorized Representative Signature	*Title*	*Date*

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

Disenfranchised Business Enterprise (DBE) / Historically Underutilized Business (HUB) Bidder Identification Form

Solicitation Number: ____

Solicitation Title: ____

The Lower Rio Grande Valley Development Council (LRGVDC) recognizes both Disadvantaged Business Enterprise (DBE) and Historically Underutilized Business (HUB) certifications. Offerors are advised that DBE and HUB are not the same certification and must not be used interchangeably.

- **Disadvantage Business Enterprise (DBE) Certification is issued by the Texas Unified Certification Program (TUCP) under federal regulations.**
- **Historically Underutilized Business (HUB) Certification is issued by the Texas Comptroller of Public Accounts under State of Texas regulations.**

Vendors must correctly identify and provide proof of any and all certifications held to include any subcontractor. Documentation must clearly indicate whether the firm is certified as a DBE, a HUB, or both. Failure to accurately identify certifications may result in the proposal being deemed non-responsive or subject to clarification.

I hereby declare and affirm that I am the ______________________________ *and duly*
(Title – Owner, President, CEO, etc.)
authorized representative of ______________________________ *and I hereby declare and affirm*
(Name of Firm)
that I am a certified DBE and/or HUB.

This firm has current DBE and/or HUB certification from the following agencies and/or state(s):

____

____

☐ A copy of the current certification and/or letter notifying the firm that it has been DBE/HUB certified must be attached to this form.

☐ Check if Not Applicable. (must sign below)

Authorized Representative

Name: ______________________ **Signature:** ______________________

Title: ______________________ **Date:** ______________________

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

Schedule of DBE/HUB Subcontractor Participation

Solicitation Number: ____

Solicitation Title: ____

The Lower Rio Grande Valley Development Council (LRGVDC) encourages the use of Disadvantaged Business Enterprises (DBEs) and Historically Underutilized Businesses (HUBs) in all contracting opportunities, in accordance with federal and State of Texas procurement regulations. Each Offeror shall submit a Schedule of DBE and/or HUB Subcontractor Participation form with their proposal, identifying all DBE and/or HUB firms expected to participate in any awarded contract as a result of this RFP. If no DBEs or HUBs will be utilized, the Offeror shall so indicate.

Contractors are responsible for verifying the required DBE or HUB participation percentage as stated in the RFP. DBE participation will be required for federally funded projects, and HUB participation will be required for State of Texas funded projects. If no percentage goal is listed for the project, the Contractor must, at a minimum, demonstrate a good faith effort to utilize DBE or HUB subcontractors when subcontracting opportunities are available.

For projects funded solely with local government funds, no statutory DBE or HUB participation percentage is mandated; however, the Contractor shall still make and document good faith efforts to include DBE and/or HUB subcontractors whenever subcontracting opportunities are available.

Participation Type as indicated in the RFP *(check applicable)*.

☐ **Federal Funds (DBE required)**

Percentage: ______________

☐ **State of Texas Funds (HUB required)**

Percentage: ______________

☐ **LRGVDC General Operating Funds (Good Faith Efforts required)**

Name of Proposer: ____

DBE/HUB Subcontractor Information
(List all DBE subcontractors proposed for this contract. Attach additional sheets if necessary.)

DBE/ HUB Firm Name	Address/Phone/Email	Description of Work	% of Contract	Dollar Amount	Certifying Agency / DBE Cert. #
		Totals:			

(Use duplicate page if required)

All provisions, requirements, and obligations contained in this Request for Proposals (RFP) shall apply equally to any subcontractors engaged by the Contractor. The Prime Contractor is fully responsible for ensuring that all subcontractors comply with the applicable terms of the RFP.

The Prime Contractor shall remain liable for the performance of its subcontractors and for ensuring that subcontractors meet all contractual and regulatory obligations.

☐ **No DBE subcontractors will be used in this contract. Contractor must provide the signed Good Faith Effort Statement.**

Certification
I hereby certify that the above information is true and correct to the best of my knowledge and represents the DBE subcontracting participation associated with this proposal.

Name: ______________________________ **Signature:** ______________________________

Title: ________________________________ **Date:** __________________________________

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

DBE/HUB Good Faith Efforts Statement

Solicitation Number: ____

Solicitation Title: ____

If the Offeror is unable to achieve the DBE/HUB subcontracting participation goals established for this project, the Offeror must demonstrate that it made good faith efforts to do so.

Name of Proposer: ____

I, the undersigned authorized representative of the Prime Contractor, do hereby certify the following:

- That the Prime Contractor has made good faith efforts to solicit and negotiate with Disadvantaged Business Enterprises (DBEs) for participation in this contract.
- That the Prime Contractor has contacted DBE firms in a timely manner and provided sufficient information about the scope of work, plans, and specifications to allow for meaningful participation.
- That the Prime Contractor has documented outreach efforts, including but not limited to:
    - Direct solicitation of DBE firms by phone, email, or letter;
    - Advertising subcontracting opportunities in relevant trade and community publications;
    - Contacting community organizations and minority/women business groups;
- That all DBE firms contacted and the results of those contacts are listed in the attached documentation (including reasons for selection or non-selection).
- That despite these efforts, the Prime Contractor was unable to meet the DBE subcontracting participation goal established for this project.

Company Name	Certificate Type	Date Contacted	Vendor Response

Certification

I hereby affirm that the information provided in this Certification and that any attached documentation in reference this this good faith effort are true, accurate, and complete to the best of my knowledge. I further acknowledge that failure to make good faith efforts to secure DBE participation may render this proposal non-responsive and may affect contract award.

Authorized Representative

Name: ______________________________ **Signature:** ______________________________

Title: ______________________________ **Date:** ______________________________

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

Buy America / Build America Certification

Solicitation Number: ____

Solicitation Title: ____

This certification is required for all procurements, contracts, and projects funded in whole or in part with Federal Transit Administration (FTA) or other Federal assistance. Execution of this form constitutes compliance with the Buy America and Build America provisions of 49 U.S.C. § 5323(j), 49 CFR Part 661, and Section 70914 of the Infrastructure Investment and Jobs Act (Pub. L. 117–58). These provisions require that steel, iron, manufactured products, and rolling stock used in federally funded projects be produced in the United States, subject to limited exceptions.

Section I – Contractor / Organization Information

Legal Business Name:	
Mailing Address:	
City, State, ZIP:	
Authorized Representative Name:	
Title:	
Contact Phone / Email:	

Section II – Certification Statement

In accordance with 49 U.S.C. § 5323(j) and 49 CFR Part 661, the undersigned hereby certifies, to the best of their knowledge and belief, that the goods, materials, or equipment to be provided under this contract or purchase order comply with all applicable Buy America and Build America requirements.
Select one of the following statements by checking the appropriate box and initialing:

☐ (A) The products to be delivered under this contract are in full compliance with Buy America / Build America requirements.

☐ (B) The products do not comply with Buy America / Build America requirements, but a waiver has been granted by the Federal Transit Administration or other applicable federal agency.

If option (B) is selected, attach a copy of the approved waiver and justification documentation to this certification. The Contractor further agrees to maintain documentation verifying domestic content, manufacturing location, and component sourcing, and to make such documentation available for inspection upon request by the LRGVDC, the Federal Transit Administration, or other authorized entities.

Section III – Acknowledgment and Signature

By signing below, the authorized representative certifies that the information contained herein is true and correct, and that the Contractor understands and agrees that noncompliance with Buy America / Build America requirements may result in termination of the contract, suspension of payments, or other remedies available under federal law.

______________________________	______________________________	______________
Authorized Representative Signature	*Title*	*Date*

Grant: ______________________________ Project: _______________________________

Recipient: ____

Items to be Purchased: ____

Purchase order(s): ____

Pre-Award Review Certifications

PRE-AWARD BUY AMERICA COMPLIANCE CERTIFICATION

As required by Title 49 of the CFR, Part 663 – Subpart C, **The Lower Rio Grande Valley Development Council – Valley Metro** *(the recipient)* is satisfied that the buses to be purchased, ______________________________________*(number and description of buses)* from ____________________________________ *(the manufacturer)*, meet the requirements of Section 165(b)(3) of the Surface Transportation Assistance Act of 1982, as amended. The recipient [__], or its appointed analyst [__] ____________________________________ *(the analyst – not the manufacturer or its agent*), has reviewed documentation provided by the manufacturer, which lists (1) the actual component and subcomponent parts of the buses identified by the manufacturer, country of origin, and cost; and (2) the actual location of the final assembly point for the buses, including a description of the activities that took place at the final assembly point and the cost of final assembly.

Date: ____________________

Signature: ____________________________________Title: _______________________________________

PRE-AWARD BUY AMERICA EXEMPTION CERTIFICATION

As required by Title 49 of the CFR, Part 663 – Subpart B, _________________________________ __________________(the recipient) certifies that there is a letter from FTA that grants a waiver to the buses to be purchased, ____ ____ (number and description of buses), from the Buy America requirements under Section 165(b)(1), (b)(2), or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended.

Date: ______________________

Signature: ____Title: __________________________________

PRE-AWARD PURCHASER'S REQUIREMENTS CERTIFICATION

As required by Title 49 of the CFR, Part 663 – Subpart B **The Lower Rio Grande Valley Development Council – Valley Metro** (the recipient) certifies that the buses to be purchased, ____(number and description of buses) from ____(the manufacturer), are the same product described in the recipient's solicitation specification and that the proposed manufacturer is a responsible manufacturer with the capability to produce a bus that meets the specifications.

Date: _____________________

Signature: _____________________________________ Title: ____

PRE-AWARD FMVSS COMPLIANCE CERTIFICATION

As required by Title 49 of the CFR, Part 663 – Subpart D, **The Lower Rio Grande Valley Development Council – Valley Metro** (the recipient) certifies that it received, at the pre-award stage, a copy of ___________________________'s (the manufacturer) self-certification information stating that the buses, ____ (number and description of buses), will comply with the relevant Federal Motor Vehicle Safety Standards issued by the National Highway Traffic Safety Administration in Title 49 of the Code of Federal Regulations, Part 571.

Date: _____________________

Signature: ____________________________________Title: ________________________________

PRE-AWARD FMVSS EXEMPTION CERTIFICATION

As required by Title 49 of the CFR, Part 663 – Subpart ____

___________________________ *(the recipient)* certifies that it received, at the post-delivery stage, a statement from ____'s *(the manufacturer)* indicating that the buses, _______________________ _______________________ *(number and description of buses)*, are not subject to the Federal Motor Vehicle Safety Standards issued by the National Highway Traffic Safety Administration in Title 49 Code of Federal Regulations, Part 571.

Date: _____________________

Signature: _____________________________________Title: ____

Grant: ______________________________ Project: _______________________________

Recipient: ____

Items to be Purchased: ____

Purchase order(s): ____

Post Delivery Review Certifications

POST-DELIVERY BUY AMERICA COMPLIANCE CERTIFICATION

As required by Title 49 of the CFR, Part 663 – Subpart C, **The Lower Rio Grande Valley Development Council – Valley Metro** *(the recipient)* is satisfied that the buses to be purchased, ______________________________ *(number and description of buses)* from ________________________________ *(the manufacturer)*, meet the requirements of Section 165(b)(3) of the Surface Transportation Assistance Act of 1982, as amended. The recipient [__], or its appointed analyst [__] ________________________________ *(the analyst – not the manufacturer or its agent*), has reviewed documentation provided by the manufacturer, which lists (1) the actual component and subcomponent parts of the buses identified by the manufacturer, country of origin, and cost; and (2) the actual location of the final assembly point for the buses, including a description of the activities that took place at the final assembly point and the cost of final assembly.

Date: ____________________

Signature: ____________________________________Title: _______________________________

POST-DELIVERY BUY AMERICA EXEMPTION CERTIFICATION

As required by Title 49 of the CFR, Part 663 – Subpart C, ____ _______________________ *(the recipient)* certifies that there is a letter from FTA, which grants a waiver to the buses Received, ____ *(manufacturer, number and description of buses),* from the Buy America requirements under Section 165(b)(1), (b)(2), or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended.

Date: ____________________

Signature: ____________________________________Title: _______________________________

POST-DELIVERY PURCHASER'S REQUIREMENTS CERTIFICATION (More Than Ten Buses or Modified Vans)

As required by Title 49 of the CFR, Part 663 – Subpart C, ______________________________________ _____________________ *(the recipient)* certifies that a resident inspector, __________________ _______________ *(the resident inspector – not an agent or employee of the manufacturer),* was at___________________________ 's (*the manufacturer)* manufacturing site during the period of manufacture of the buses, _____________________ *(number and description of buses).* The inspector monitored manufacturing and completed a report on the manufacture of the buses, providing accurate records of all bus construction activities. The report addresses how the construction and operation of the buses fulfill the contract specifications. After reviewing the report, visually inspecting the buses, and road testing the buses, the recipient certifies that the buses meet the contract specifications.

Date: _____________________

Signature: ____Title: ____

POST-DELIVERY PURCHASER'S REQUIREMENTS CERTIFICATION (Ten or Fewer Buses or Modified Vans, or any Number of Unmodified Vans)

As required by Title 49 of the CFR, Part 663 – Subpart C, after visually inspecting and road testing the contract buses, **The Lower Rio Grande Valley Development Council – Valley Metro** *(the recipient)* certifies that the buses, ______________________________ *(number and description of buses)* from ____________________________________ *(the manufacturer),* meet the contract specifications.

Date: _____________________

Signature: ____Title: ____

POST-DELIVERY FMVSS COMPLIANCE CERTIFICATION

As required by Title 49 of the CFR, Part 663 – Subpart D, **<u>The Lower Rio Grande Valley Development Council – Valley Metro</u>** *(the recipient)* certifies that it received, at the post-delivery stage, a copy of ______________________________________ *(the manufacturer*) self-certification information stating that the buses, ______________________________ *(number and description of buses),* comply with the relevant Federal Motor Vehicle Safety Standards issued by the National Highway Traffic Safety Administration in Title 49 Code of Federal Regulations, Part 571.

Date: ______________________

Signature: ____Title: ____

POST-DELIVERY FMVSS EXEMPTION CERTIFICATION

As required by Title 49 of the CFR, Part 663 – Subpart ____ *(the recipient)* certifies that it received, at the post-delivery stage, a statement from ____'s *(the manufacturer)* indicating that the buses, ____ *(number and description of buses)*, are not subject to the Federal Motor Vehicle Safety Standards issued by the National Highway Traffic Safety Administration in Title 49 Code of Federal Regulations, Part 571.

Date: ______________________

Signature: ____Title: ____

LRGVDC Valley Metro 10+ Rolling Stock Inspector Final Assembly Checklist

1. General Information

- **Grant:** ________________________________ **Project:** ________________________________
- **Manufacturer:** ____
- **Vendor:** ________________________________ **Contact:** ________________________________
- **Facility Location:** ____
- **Vehicle Type:** ____
- **Order Quantity:** ____________ **Inspection Date(s):** __________________________________
- **VIN/Unit Number(s):**

	icle Identification Number (VIN)		icle Identification Number (VIN)

2. Compliance and Documentation

- [ ] Contract specifications are on file and reviewed
- [ ] Buy America compliance documents available
- [ ] Final assembly schedule confirmed with manufacturer
- [ ] Material certifications and component documentation reviewed

3. Vehicle Body and Structure

- [ ] Chassis/frame assembly meets contract specs
- [ ] Welds and joints visually inspected and free of defects
- [ ] Structural reinforcements properly installed
- [ ] Body panels properly aligned and securely attached
- [ ] Corrosion prevention measures confirmed

4. Electrical Systems

- [ ] Wiring harnesses securely fastened and labeled
- [ ] Batteries installed correctly (if applicable: EV/Hybrid)
- [ ] Lighting systems tested (interior and exterior)
- [ ] Dashboard controls function properly

5. Mechanical Systems

- [ ] Engine/motor installed per spec
- [ ] Transmission and drivetrain components inspected
- [ ] Suspension and braking systems tested
- [ ] HVAC systems operational and properly installed

6. Interior Fit and Finish

- [ ] Flooring and trim installed securely and cleanly
- [ ] Seats properly bolted and match approved layout
- [ ] Handrails and passenger support fixtures in place
- [ ] Signage (emergency exits, accessibility) visible and compliant

7. Accessibility Features

- [ ] ADA-compliant wheelchair lifts or ramps tested
- [ ] Securement areas measured and functional
- [ ] Door widths and floor height meet accessibility requirements

8. Safety and Functional Testing

- [ ] Fire suppression systems (if required) installed/tested
- [ ] Emergency exits functional and clearly marked
- [ ] Functional test drive completed and results documented
- [ ] Onboard technology systems operational (GPS, cameras, etc.)

9. Final Inspection and Reporting

- [ ] Punch list of deficiencies created (if any)
- [ ] Corrective actions tracked and verified
- [ ] Photos taken for documentation
- [ ] Daily/weekly reports submitted to agency
- [ ] Final sign-off completed before shipment

10. Inspector Comments & Certification:

Comments

Inspector Certification Statement

I hereby acknowledge that I have personally completed this checklist to the best of my knowledge and ability. I certify that all items listed have been reviewed, inspected, or tested as indicated, and that the information provided is accurate, complete, and in accordance with the applicable contract specifications and quality assurance requirements.

I understand that this checklist and my certification may be subject to review or audit by the agency, and that any false or misleading information may result in corrective action or disciplinary measures.

Print Name:	
Signature:	
Date:	

PART D: STATE AND LRGVDC CERTIFICATIONS

This Part establishes the certifications and representations required under Texas law for all contracts, purchase orders, and agreements administered by the Lower Rio Grande Valley Development Council (LRGVDC).

Each certification constitutes a material representation of fact relied upon in awarding contracts. False or misleading statements may result in termination, disqualification, or legal action under applicable Texas statutes.

FORM	CERTIFICATION	REFERENCE	DESCRIPTION
TX-01	Certification of No Conflict of Interest	Tex. Gov't Code §§ 2261.252, 2262.004; Tex. Loc. Gov't Code Ch. 171	Required for all vendors, contractors, and consultants. Certifies that no officer, employee, or agent of the LRGVDC has a financial interest, direct or indirect, in the contract or its proceeds, and that the contractor has not offered any gift, favor, or consideration intended to influence procurement decisions.
TX-02	Certification of Non-Collusion	Tex. Gov't Code § 2155.003	Required for all bids, proposals, and quotes. Certifies that the offer was developed independently and without collusion, consultation, or agreement with any competitor to restrict competition or manipulate pricing.
TX-03	Cybersecurity Training Certification	Tex. Gov't Code § 2054.5191	Required for contractors or subcontractors whose employees will access, maintain, or process LRGVDC information systems, data, or networks. Certifies that applicable personnel have completed a Texas DIR-approved cybersecurity training program within the last 12 months.
TX-04	Certification Regarding Boycott of Israel and Energy Companies	Tex. Gov't Code Chs. 2270 & 809	Required for contracts valued at $100,000 or more with companies having ten (10) or more full-time employees. Certifies that the contractor does not currently boycott Israel or energy companies and will not engage in such boycotts during the contract term.

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

Certification of No Conflict of Interest

Solicitation Number: ____

Solicitation Title: ____

This certification is required for all contractors, vendors, consultants, and subrecipients entering into agreements with the Lower Rio Grande Valley Development Council (LRGVDC). Execution of this form constitutes compliance with the conflict-of-interest requirements set forth in Texas Government Code §§ 2261.252 and 2262.004, Texas Local Government Code Chapter 171, and applicable federal and local conflict-of-interest policies.

Section I – Contractor / Organization Information

Legal Business Name:	
Mailing Address:	
City, State, ZIP:	
Authorized Representative Name:	
Title:	
Contact Phone / Email:	

Section II – Certification Statement

By signing this certification, the undersigned certifies that to the best of their knowledge and belief:

1. No officer, employee, or agent of the LRGVDC has any financial interest, direct or indirect, in the contractor, its affiliates, or this contract;
2. No officer, employee, or agent of the LRGVDC has solicited, accepted, or been offered any gift, favor, or consideration, monetary or otherwise, from the contractor, its officers, employees, or agents;
3. The contractor has not offered, given, or agreed to give any person associated with the LRGVDC anything of value to obtain favorable treatment in the award of this contract; and
4. The contractor shall immediately disclose in writing to the LRGVDC any potential or actual conflict of interest discovered during the term of the contract.

The undersigned acknowledges that violation of these provisions may result in termination of the contract, disqualification from future awards, and potential civil or criminal penalties as provided by law.

Section III – Acknowledgment and Signature

By signing below, the authorized representative certifies that they have read and understood this certification and that the information provided herein is true, accurate, and complete to the best of their knowledge and belief.

______________________________	______________________________	______________
Authorized Representative Signature	*Title*	*Date*

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

FORM CIQ

OFFICE USE ONLY

Date Received

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. *See* Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

1 **Name of vendor who has a business relationship with local governmental entity.**

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.** (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 **Name of local government officer about whom the information is being disclosed.**

____

Name of Officer

4 **Describe each employment or other business relationship with the local government officer, or a family member of officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.**

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☐ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

5 **Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director or holds an ownership interest of one percent or more.**

6 ☐ Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

____ ____________________

Signature of vendor doing business with the governmental entity Date

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/ Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
(B) a transaction conducted at a price and subject to terms available to the public; or
(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

***

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or
(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or
(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or
(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);
(B) that the vendor has given one or more gifts described by Subsection (a); or
(C) of a family relationship with a local government officer.

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

Non-Collusion Affidavit

Solicitation Number: ____

Solicitation Title: ____

STATE OF TEXAS §
§
COUNTY OFHIDALGO §

The Offeror hereby certifies that this proposal has been independently prepared and submitted without collusion, consultation, communication, or agreement for the purpose of restricting competition, in violation of applicable law, including but not limited to Texas Government Code §2155.003, the Texas Free Enterprise and Antitrust Act of 1983 (Texas Business & Commerce Code, Title 2, Chapter 15, §15.01 et seq.), the Sherman Antitrust Act (15 U.S.C. §§1–7), and the Clayton Antitrust Act (15 U.S.C. §§12–27). The Offeror further certifies that this proposal has not been knowingly disclosed to any other Offeror or competitor prior to the official opening of proposals, and that no attempt has been made or will be made to induce any other person, firm, or entity to submit or not submit a proposal for the purpose of limiting competition. The Offeror affirms that it has not, in any manner, sought by collusion, conspiracy, or anti-competitive practice to secure an unfair advantage over any other Offeror or the Lower Rio Grande Valley Development Council (LRGVDC). This certification is made in compliance with 2 CFR Part 180 (OMB Guidelines for Governmentwide Debarment and Suspension), 2 CFR Part 1200 (DOT/FTA adoption), and 2 CFR Part 3000 (DHS/FEMA adoption), and is affirmed under penalty of perjury under the laws of the United States and the State of Texas.

EXECUTED this _________ day of ___________________, 20_______.

Printed Name: _______________________________ Signature: ____________________________________

Company: ___________________________________ Title: ____

SWORN TO AND SUBSCRIBED before me by ____ , on the

_________day of _____________________, 20______.

___________________________________ ______________________________

Notary Public, State of Texas **Commission Expiration**

This Affidavit must be filed with the Lower Rio Grande Valley Development Council and be maintained as part of the permanent procurement record.

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

Cybersecurity Training Certification

Solicitation Number: ____

Solicitation Title: ____

This certification is required for all contractors, vendors, consultants, and subcontractors whose employees have access to, maintain, or process information systems, data, or networks owned or managed by the Lower Rio Grande Valley Development Council (LRGVDC). Execution of this form constitutes compliance with the requirements of Texas Government Code § 2054.5191, as administered by the Texas Department of Information Resources (DIR).

Section I – Contractor / Organization Information

Legal Business Name:	
Mailing Address:	
City, State, ZIP:	
Authorized Representative Name:	
Title:	
Contact Phone / Email:	

Section II – Certification Statement

Pursuant to Texas Government Code § 2054.5191, the undersigned certifies that all employees of the contractor, vendor, or subcontractor who have access to LRGVDC information systems, email accounts, networks, or confidential data have completed a cybersecurity training program approved by the Texas Department of Information Resources (DIR) within the past 12 months.

1. The training program used was approved by the Texas DIR in accordance with § 2054.519;
2. Records of employee training completion are maintained and available for inspection by the LRGVDC upon request;
3. Newly hired employees or subcontractors with system or data access will complete the approved training within 30 days of hire or assignment; and
4. The contractor will ensure annual retraining and compliance for all covered personnel throughout the term of the contract.

The undersigned further acknowledges that failure to comply with these requirements may result in contract suspension or termination and may constitute a breach of contract under Texas law.

Section III – Acknowledgment and Signature

By signing below, the authorized representative certifies that the information contained herein is true and correct, and that the contractor is in full compliance with the cybersecurity training requirements of Texas Government Code § 2054.5191.

______________________________ ______________________________ ______________

Authorized Representative Signature *Title* *Date*

LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL

E-Verity Compliance Certification

Solicitation Number: ____

Solicitation Title: ____

Pursuant to Texas Government Code §673.002 and applicable federal requirements, the undersigned certifies as follows:

- The Offeror, and any subcontractors engaged in the performance of work under any contract awarded pursuant to this RFP, shall participate in and use the U.S. Department of Homeland Security's E-Verify program to verify the employment eligibility of all new employees hired during the term of the contract.
- The Offeror shall ensure that no subcontractor is retained to perform work under this contract unless the subcontractor certifies participation in E-Verify.
- The Offeror acknowledges and agrees that compliance with the E-Verify program is a material term of any contract awarded, and failure to comply may result in termination of the contract, suspension, or debarment from future contracting opportunities.
- The Offeror further certifies that it has the legal workforce authorization and financial capacity to perform the services as required under this solicitation.

Offeror Information

Legal Business Name: ____

Address: ____

Authorized Representative (Print Name): _____________________________

Title: ____

Signature: ______________________________ Date: __________________

APPENDIX E
PROCUREMENT FORMS

PART A: PURPOSE AND REQUIREMENTS

The procurement forms contained in this Appendix are standardized documents established by the Lower Rio Grande Valley Development Council (LRGVDC) to ensure compliance, consistency, and transparency in all purchasing and contracting activities.

These forms support the planning, solicitation, evaluation, authorization, and documentation stages of the procurement process as required by LRGVDC Procurement Policy, Texas Government Code Chapters 2155 and 2261, Texas Grant Management Standards (TxGMS), and 2 CFR § 200.318–327.

Use of these forms is mandatory for all departments and programs of the LRGVDC conducting procurement actions, regardless of funding source.

E-101 General Requirements

1) **Standardization:**
   All procurement transactions must be supported by the applicable LRGVDC form(s) listed in this appendix.

2) **Authorization:**
   Forms must be completed, signed, and approved by authorized personnel in accordance with the LRGVDC's internal approval hierarchy before any commitment of funds.

3) **Record Retention:**
   Completed and signed forms must be maintained within the official procurement file in accordance with the LRGVDC Record Retention Policy and 2 CFR § 200.334.

4) **Electronic Submissions:**
   Electronic versions of forms may be used, provided that digital signatures or authenticated approvals are obtained and preserved.

E-102 Form application and control

1) **Form Revision and Control:**
   All forms listed in this Appendix shall be assigned a revision number and maintained under document control by the Procurement Department. Updates or revisions must be approved by the Executive Director or designee.

2) **Mandatory Use:**
   Procurement staff and program departments must use the most current version of each form as maintained in the official LRGVDC procurement templates library.

3) **Electronic Systems Integration:**
   Where feasible, these forms may be embedded into electronic procurement and financial management systems to streamline workflow and maintain data integrity.

PART B: Procurement Form Index

Form ID	Form Title	Purpose / Description
PF-01	Purchase Requisition Form (PO Request Form)	Initiates a purchase or procurement action. Used by departments to request approval to acquire goods or services. Documents justification, funding source, cost estimates, and approval routing prior to issuance of a purchase order.
PF-02	Internal Review Form	Used to document internal review and approval of a proposed procurement or contract by relevant program, fiscal, and management staff. Ensures all required reviews and sign-offs are obtained prior to solicitation or execution.
PF-03	Reimbursement Request Form	Used to request reimbursement for eligible procurement-related expenses incurred by LRGVDC departments or subrecipients. Includes cost detail, funding source verification, and required supporting documentation.
PF-04	Procurement Exception Justification Form	Documents justification for procurement methods that deviate from standard competitive procedures (e.g., emergency purchases, exempt items, or small purchase thresholds). Must cite applicable regulatory authority and include management approval.
PF-05	Purchase Order Discrepancy Report	Used to report discrepancies between ordered and received goods or services (e.g., quantity shortages, damaged items, pricing errors). Supports corrective actions and communication with vendors or finance.
PF-06	Core Charge Return & Finalization Form	Documents the return of manufacturer "core" items for credit under applicable contracts or purchase orders. Used to finalize and reconcile purchase costs. Must be included in the procurement file for equipment and vehicle-related purchases.
PF-07	Sole Source Justification Form	Required for procurements made without competition due to availability from only one vendor. Documents justification, market research, approval by procurement management, and applicable statutory citation (2 CFR § 200.320(c)(2)).
PF-08	Procurement File Checklist Form	Used to verify that all required documents, forms, approvals, and certifications are included in the official procurement file. Must be completed and signed by the Procurement Officer before file closure.

Procurement Requisition Form

Lower Rio Grande Valley Development Council
Purchasing Requisition Form

PURCHASE DESCRIPTION

Date: ______ Department: ______ Submitted By: ______ Deliver To: ______

Quantity: ______ Estimated cost: ______ Commodity(s): ______
Service, Goods, Consumable, Digital delivery, Travel, etc. (3-202)

Proposed Source of Funds (Code (s)): ______, ______, ______, ______, ______

Amount to be applied per code: $ ______, $ ______, $ ______, $ ______, $ ______

Check if Request Includes a Core Part. ☐

Purpose of purchase (if necessary attach separate sheet for detailed specifications):

Procurement Method Selected

Micro Purchase	Informal Procurement Small Purchase	Were 3 Quote Obtained?	Formal Procurement (Public Notice Required)	Cooperative Purchasing	*Sole Source (Self Certification / LRGVDC issued form)	*Emergency Purchase	*Open PO
◯ Yes	◯ Yes	☐ Yes ☐ No*	◯ Yes	◯ Yes Coop: ____ Contract: ____ (Quote must reflect Cooperative and contract)	◯ Yes	◯ Yes	◯ Yes

Asset Management

Asset Tags Required? ◯ Yes ◯ No

*Statements for Prourements requiring Jutification, Self Cert Sole Source, Emergency, Open, or No 3 quotes.

Once assets are identified and tagged Sign & Date Completion.

Sign:______________________

Date:______________________

Vendor DBE/HUB & Debarment Check

* Procurement check is required for validation and identification of the following Compliance items; Procurement method, DBE/HUB Vendors Certification, Vendor Debarment.

Is Vendor DBE/HUB Certified? ◯ Yes ◯ No

Is Vendor Debarred? ◯ Yes ◯ No

Validation of the above sections are required for PO processing.

Vendor Information & Procurement Process Signatures

Vendor Information #1

Company Name: ______ Contact Name: ______ City: ______ Phone #: ______

Price Quoted: ______ Bid Selected for award? ☐ Yes ☐ No

Comments:

Vendor Information #2:

Company Name: ______ Contact Name: ______ City: ______ Phone #: ______

Price Quoted: ______ Bid Selected for award? ☐ Yes ☐ No

Comments:

Vendor Information #3:

Company Name: ______ Contact Name: ______ City: ______ Phone #: ______

Price Quoted: ______ Bid Selected for award? ☐ Yes ☐ No

Comments:

Program Director Signature: (Initial Request All Purchases)		Date:
Finance Accountant / Director Signature: (Authorize Budget Approval All Purchases)		Date:
Procurement Staff / Director Signature: (Purchase Method, DBE/HUB, Debarment, & Asset Check All Purchases)		Date:
Program Director Signature: (Authorize Award Approval Required for purchased over $2,500 only)		Date:
Executive Director Signature: (Final Authorization Required for Purchased Over $2,500 Only)		Date:

LRGVDC Procurement Requisition Form

Version 3 -Rev. 10-2025

LRGVDC INTERNAL REVIEW PROCESS
for Agreement/Contract Approval

(Must Attach Appropriate Supporting Documentation)

Type: _

Date: Department: Submitter: Status: _

Description of Agreement/Contract:

Program Director:		**Signature:**		**Date:**	

Comments:

Finance Department:		**Signature:**		**Date:**	

Comments:

Approve: ◯ **Disapprove:** ◯ **Approved w/ Revisions:** ◯

Procurement Department:		**Signature:**		**Date:**	

Comments:

Approve: ◯ **Disapprove:** ◯ **Approve w/ Revisions:** ◯

HR Department:		**Signature:**		**Date:**	

Comments:

Approve: ◯ **Disapprove:** ◯ **Approve w/ Revisions:** ◯

Exective Director:		**Signature:**		**Date:**	

Agreement/Contract Fiscal Details:

Vendor Name:		Agreement #:	
Effective Date:		Monthly Cost:	
Fund Source:		Annual Cost:	
Full Term Cost:		Reneal Terms:	
Term Length:		Auto Renewal:	◯ **Yes** ◯ **No**

LRGVDC Internal Review Form Ver. 3.0 (Oct. 2025)

LRGVDC Reimbursement Request Form

(To be completed in full and submitted with all required documentation)

Employee Information

Name:	
Program/Department:	
Date of Request:	

Purchase Information

Date of Purchase:	
Vendor Name:	
Total Amount Requested:	
Funding Source / Program:	
Description of Item(s) or Service(s):	Total Amount Requested:

Purpose & Justification Statement

Required Attachments

Itemized receipts and proof of payment documents must be attached to the request.

I certify that this purchase was necessary for official LRGVDC business and met the criteria for an allowable reimbursement per section 4-204 of the LRGVDC Procurement Policy.

Sign:____________________ Date:________________

Approval Routing

Program/Department Director

Sign: Date ☐ Approved ☐ Denied

Procurement Officer

Sign: Date ☐ Approved ☐ Denied

Finance Department

Sign: Date ☐ Approved ☐ Denied

Executive Director

Sign: Date ☐ Approved ☐ Denied

Version 1 - Rev. 10-2025

LRGVDC Procurement Exception Justification Form

(For use when an invoice or purchase is received without an approved Purchase Order)

UPE# ____________ **Dept:** ____________ **Date:** ____________

(Unauthorized Procurement Exception Number)

General Information

Department:	
Employee Name	
Invoice Number: (if any)	
Invoice Date:	
Vendor Name:	

Description of Purchase

Date of Purchase or Service:	
Total Amount of Invoice:	
Description of Goods or Services Received:	

Explanation and Justification

Provide a detailed explanation of the circumstances leading to the unauthorized purchase or invoice. Include why a purchase order was not issued and describe any corrective measures implemented to prevent recurrence.

Required Attachments

A copy of the invoice and any communications with the vendor if any.

Employee Acknowledgment

I acknowledge that the purchase or invoice identified in this request was made without an approved purchase order and may constitute an unauthorized purchase under the LRGVDC Procurement Policy. I understand that this request does not guarantee payment approval and that the LRGVDC may deny reimbursement or payment if the purchase is found to be noncompliant. I further acknowledge that repeated or willful violations may result in disciplinary action or personal financial liability as provided under policy.

Sign: ____________ Date: ____________

Approval Routing

Program/Department Director

Sign: ____________ Date ____________ ☐ Approved ☐ Denied

Procurement Officer

Sign: ____________ Date ____________ ☐ Approved ☐ Denied

Finance Department

Sign: ____________ Date ____________ ☐ Approved ☐ Denied

Executive Director

Sign: ____________ Date ____________ ☐ Approved ☐ Denied

Version 1 - Rev. 10-2025

LRGVDC Purchase Order Discrepancy Form

(To be completed when invoice pricing or quantities differ from the approved Purchase Order)

General Information

Department:	
Date Submitted:	
Prepared By:	
Purchase Order Number:	
Vendor Name:	

Discrepancy Details

Invoice Number:	
Invoice Amount:	
Purchase Order Amount:	

Describe the cause of the discrepancy and any corrective action taken:

Submitter Acknowledgment

I certify that the information provided above is accurate and that the discrepancy occurred as described. The department has taken appropriate steps to correct or prevent recurrence of similar discrepancies, where applicable.

Signature: ______________________ Date: ______________________

Administrative Review

Program/Department Director

Sign: ______________________ Date

Procurement Department Review

Sign: ______________________ Date ☐ Verified ☐ Denied

Finance Department Review

Sign: ______________________ Date ☐ Approved ☐ Denied

Executive Director Approval *(>$1,000)*

Sign: ______________________ Date ☐ Approved ☐ Denied

Notes and Recordkeeping

This form must be completed and submitted to both the Procurement and Finance Departments before payment is processed. A copy of the approved form shall be retained in the official procurement record for audit purposes.

Version 1 - Rev. 10-2025

LRGVDC Core Charge Return and Finalization Form

Date:		Dept:		Submitter:	

SECTION A: Core Charge Details (To be completed by Department)

Item Description	Vendor	Purchase Order #	Invoice #	Core Charge Amount	Return Date	Tracking/ Reference #

Total Core Charge Amount to be Returned: $

SECTION B: Department Responsibility Certification

I certify that the core items listed above have been returned to the vendor in accordance with LRGVDC Guidelines and Procedures. I understand the department is responsible for initiating and tracking the return to ensure credit or refund is received.

Department Representative:

Department Representative

Title:

Signature: Date:

Supporting Documents Type	Core Charge	Vendor Core Determination
- ☐ Copy of Original Invoice - ☐ Proof of Return (tracking, RMA, or vendor confirmation)	Wavied ☐	Accepted by Vendor ☐
- ☐ Credit Memo (if already received) - ☐ Email correspondence with vendor (if applicable)	PrePaid ☐	Rejected by Vendor ☐
☐ No Core - *If No Core is Available, Please Explain Why Below.*		

SECTION C: Procurement Verification

Procurement has reviewed the return documentation and confirms that all return processes and communications with the vendor are complete or in progress.

Department Representative:

Title:

Signature: Date:

SECTION D: Finance Finalization

Finance has verified the core credit has been received or is pending based on vendor documentation. Records have been updated accordingly and PO will be finalized.

Department Representative:

Title:

Signature: Version 1 - Rev. 10-2025 Date:

Lower Rio Grande Valley Development Council

Sole Source Justification Form

In accordance with Section 4-104 Sole source Procurement of the LRGVDC Procurement Policy Manual, sole source procurement, may be used when the award is not feasible under small purchase, competitive bidding or negotiated procurement procedures.

Sole source procurement is limited to the following:
(Please select one)

☐ a.. *Public exigency or emergency·*

☐ b. *Where the item is available from only a single source,:*

☐ c. *If, after soliciting a number of sources, competition is deemed inadequate.*

Emergency Procurements

A procurement qualifies as an emergency if:'

a. A public calamity requires the prompt purchase of items to provide for public needs or preserve properly;
b. The item is necessary to preserve or protect the public health or safety of residents.: or
c. The item is made necessary by unforeseen damage to public properly.

Item Description:			
Amount			
Vendor:			
Justification Statement:			
Signature:		Date:	

Version 2 - Rev. 10-2025

Lower Rio Grande Valley Development Council – Business Operations Department
301 W Railroad Street Weslaco, TX 78596 – Ph: 956-682-3481 – www.lrgvdc.org

Procurement File Checklist

Solicitation Date: ____________________Close Date: ______________________

Reference No: _______________________ Department: ____________________

Description: ____

Check	Item	Date	Sign
	Requisition Documents *(RFP, RFQ, IFB, etc.)*		
	Required Federal/State Clauses Identified		
	Independent Cost Estimate / ICE		
	Advertisement		
	Vendor Distribution Lists *(Including DBE)*		
	Bid Abstract / Opening		
	Vendor Bids		
	Bid Tabulation		
	Vendor Debarment Check *(SAMS)*		
	Vendor Acknowledgements *(Proposal, Addenda, etc.)*		
	Vendor Certifications *(Conflict of Interest, No Collusion, etc.)*		
	Cost/Price Analysis		
	Statement of Qualifications *(For RFQs)*		
	Evaluation / Scoring Sheets		
	Award Notification *(Including non-Awards)*		
	Cost Proposal *(For RFQs)*		
	Negotiation Documentation		
	LRGVDC/Program Board Approval		
	Signed Contract/Agreement		

Contract/Agreement Execution Date: ____

LRGVDC Business Operations Signoff: ______________________________________

Name: ___________________________ Date: ________________________________

ADOPTIONS AND AFFERMATION

Adoption of State and Federal Procurement Authorities

It shall be the policy of the Lower Rio Grande Valley Development Council (LRGVDC) to conduct all procurement and contracting activities in accordance with applicable state and federal laws, regulations, and administrative requirements. The LRGVDC hereby adopts and incorporates as policy the governing provisions of the Texas Government Code Chapters 2155 (Purchasing: General Rules and Procedures), 2156 (Purchasing Methods), 2261 (Contract Management Requirements), and 2262 (Contract Oversight and Advisory Teams), as well as the Texas Local Government Code Chapter 252 (Purchasing and Contracting Authority of Municipalities), as made applicable to regional planning commissions under Local Government Code §391.0115.

The LRGVDC further adopts the principles and standards set forth in the Texas Grant Management Standards (TxGMS) promulgated under Texas Government Code Chapter 783, and the State of Texas Procurement and Contract Management Guide, published by the Texas Comptroller of Public Accounts, as the guiding reference for all procurement and contract management practices.

Federal Procurement Compliance

For all federally funded programs or projects, the LRGVDC shall comply with the requirements of the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) and any applicable agency-specific guidance, including the Federal Transit Administration (FTA) Circular 4220.1F, and subsequent revisions thereto.

Policy Intent and Governance

This Procurement Policy establishes the framework within which all purchasing and contracting decisions of the LRGVDC shall be made. It is intended to ensure that all transactions are conducted with the highest degree of integrity, transparency, open competition, and fiscal stewardship. All procurement activities shall be designed to achieve best value for the organization and ensure that the expenditure of public funds is carried out responsibly, lawfully, and in the public interest.

Compliance and Responsibility

All officers, employees, agents, and contractors of the LRGVDC involved in procurement activities are required to comply with these policies and procedures and to exercise sound judgment and professional conduct consistent with state and federal laws. Failure to comply with these requirements may result in administrative, contractual, or disciplinary action as permitted under applicable laws and regulations.

Statement of Commitment

Through the adoption of this Procurement Policy, the Lower Rio Grande Valley Development Council affirms its commitment to the principles of fairness, accountability, transparency, and best value in all procurement and contracting activities. This policy serves as the official statement of the Council's procurement governance and shall remain in effect until amended or superseded by action of the LRGVDC Board of Directors.

Blank Page

Board of Directors Adoption

This Procurement Policy of the Lower Rio Grande Valley Development Council was formally approved and adopted by the LRGVDC Board of Directors in accordance with the Council's bylaws and statutory authority under Texas Local Government Code Chapter 391 on this **13th** day of **November 2025**.

Executive Director, LRGVDC

CERTIFICATION STATEMENT

I hereby certify that this document constitutes a true and correct copy of the *Lower Rio Grande Valley Development Council Procurement Policy Manual*, as approved and adopted by the LRGVDC Board of Directors.

Manuel Cruz

Name

Manuel Cruz (Nov 17, 2025 13:56:24 CST)

Signature

Nov 17, 2025

Date

REVISION NOTE

This *Lower Rio Grande Valley Development Council Procurement Policy Manual* is **Revised as of October 2025** and designated as **Version 3.0**. All prior versions are hereby superseded and replaced in their entirety.

Procurement Policies and Procedures Manual Sign Page

Final Audit Report 2025-11-17

Created:	2025-11-14
By:	Felipe Lopez (FLOPEZ@LRGVDC.ORG)
Status:	Signed
Transaction ID:	CBJCHBCAABAAVcwPXcHZqF2T9ndDKQ5R8A-9Hr6sXLkM

"Procurement Policies and Procedures Manual Sign Page" History

Document created by Felipe Lopez (FLOPEZ@LRGVDC.ORG)
2025-11-14 - 5:17:23 PM GMT

Document emailed to Manuel Cruz (mcruz@lrgvdc.org) for signature
2025-11-14 - 5:19:07 PM GMT

Email viewed by Manuel Cruz (mcruz@lrgvdc.org)
2025-11-17 - 7:56:14 PM GMT

Document e-signed by Manuel Cruz (mcruz@lrgvdc.org)
Signature Date: 2025-11-17 - 7:56:24 PM GMT - Time Source: server

Agreement completed.
2025-11-17 - 7:56:24 PM GMT