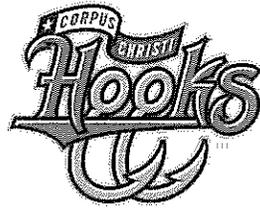


Corpus Christi Baseball Club, LP



Purchase Request Policy

Rev. 01/02/2020

A. Overview

The Corpus Christi Baseball Club, LP requires its facility staff to encourage competition, be fair to suppliers, to utilize local sources to the extent feasible, and to pay reasonable prices for any required goods and services. The policies set forth herein will accomplish those requirements as well as set forth an orderly and timely process for obtaining the goods and services necessary to operate and improve the facility.

It is not possible to maintain strong control over diverse non-labor expenses unless the purchasing and receiving procedures are properly designed and strictly enforced. Proper procedures must be followed in documenting all purchasing and receiving transactions.

Whataburger Field is a publicly owned, Corpus Christi facility operated by Corpus Christi Baseball Club, LP. Since Corpus Christi Baseball Club, LP is a private company, it is generally not subject to the local procurement code; nonetheless, employees must ensure that their actions in spending money to operate and improve the facility will bear the same scrutiny as if they were subject to code.

B. Definitions and Abbreviations

- a. Competition. In purchasing, competition is achieved when two or more quotations or offers are received in response to a solicitation or request for quotations.
- b. Contract. A formal, written contract signed by both Corpus Christi Baseball Club, LP and the vendor. Most contracts will involve a service, but they may also be used for expensive or complex supplies.
- c. Delivery Order. An order issued against an existing contract or letter/term agreement.
- d. Letter of Agreement. A formal document utilized in lieu of a purchase order when complex services in excess of \$5,000 are purchased.
- e. Local Vendor. A local vendor is a vendor that operates a business in the facility's local area. A national firm that has offices in the facility's local area may be considered a local firm.
- f. Purchase Order (PO). The document generated by the Purchasing Manager to order an item or service from a vendor.
- g. Request for Proposal (RFP). A formal, written request sent to vendors asking for a proposal on services to be provided. RFP's are not publicly opened, may involve negotiations prior to award, and usually involve consideration of several factors in addition to price in determining award.
- h. Request for Quotation (RFQ). Is an oral or written request to one or more *vendors* asking for

price and availability of an item or service.

- i. Requisition (RON). The document generated by an end user requesting a specific item(s) or service(s).
- j. Services. A service provided by a vendor or contractor, as opposed to a tangible item. Sometimes, a purchase may involve a combination of a service and supply when a vendor is asked to furnish and install an item would be considered a service.
- k. Sole Source. A sole source occurs when only one particular item or one vendor can provide the necessary supply or service (this requires a sole source justification statement to be completed by the end user and submitted to the Department Director and the General Manager for their approval). Brand names are not considered to be sole source items.
- l. Term Agreement. A term agreement is similar to a purchase order or contract under which various supplies or services will be provided over a relatively long period of time. For example, a term agreement may be used for a copy machine. The agreement will contain the case price and the estimated quantity for six months or a year. As needed, written orders using delivery orders may be made to the vendor at the set price.

C. Responsibilities and Thresholds

- a. All purchasing will be accomplished by the purchasing department except for petty cash transactions, food and beverage product purchases.
- b. The director of the originating department, the finance director and the General Manager will sign acknowledgments for all requisitions. In the absence of the General Manager the Assistant General Manager may be authorized to sign requisitions.
- c. The General Manager will be the signature approver of all contracts, letters of agreement, and term agreements.

D. Initiating a Purchase

- a. Purchase requests will be originated by a requisition.
- b. A requisition to purchase must be explicit as to the description of the product (make, model, size, etc.), the quantity required, the function and purpose, and the date by which the item is required. If possible, it should also include one or more sources from which the item can be obtained.

E. Prioritizing and Soliciting Quotations

- a. The purchasing manager will prioritize purchases based on the date the item is needed and on its criticality to the operation. Requisitions of equal priority will be prioritized on a first in, first out basis.
- b. Before soliciting quotations, the purchasing department will check to see if the item is available from the Houston Astros or from an existing contract or term agreement.
- c. If the purchase will not be made from an existing source or agreement, the Purchasing Manager will solicit one or more quotations. The solicitation methods are discussed in the paragraphs below.
- d. Purchase Requests must be approved prior to obligating the company to do business with another entity. All Purchase Requests must have a detailed description of the planned purchase and a justification for the expense. If the planned expense is unbudgeted, additional explanation of the expenditure is required. General Purchase Request guidelines include:
 - If the amount of the expense is unknown, a best estimate should be provided on the Purchase Request.
 - An approved Purchase Order number must be provided to the vendor and appear on the invoice in order to ensure timely processing of payment.
 - Open Purchase Orders are encouraged but should not extend beyond the current calendar year.
- e. Purchase Approval levels will be assigned to individuals responsible for the management of specific general ledger accounts using the following criteria:
 - Any Purchase Request up to \$2,500 will require a primary approval by the department director responsible for the expenditure.
 - Any Purchase Request over \$2,500 and up to \$10,000 will require the approval of the Assistant General Manager.
 - Any Purchase Request in excess of \$10,000 will require the approval of the General Manager, along with formal bid documentation (see Three Bid Form) attached to the request. A minimum of three competitive quotations must be solicited. The RFQ must be made in writing. Generally, the more complex the item or service, the more important it is to utilize a written RFQ. The RFQ and the responses will be maintained in the purchase file.
 - Corpus Christi Baseball Club is committed to dealing with all suppliers in an ethical manner to

support and encourage business with diverse groups. As such, Corpus Christi Baseball Club encourages all departments to include diverse suppliers when looking to source a service or commodity. It is the Hooks commitment to do business with any supplier that can provide competitive pricing and quality for services and commodities which meet the Hooks business needs. There are a few situations where obtaining three competitive bids is not required. Examples include continuation of an existing contract, a sponsorship agreement is in place, or provider is the only provider available for the requested product or service due to specific or proprietary technology and supply. In these cases, the requester should still fill out the Three Bid Form but should describe the request to waive the Three Bid Requirement at the bottom of the form. The Three Bid Form should include a statement supporting the decision to choose one vendor over the others.

F. Delivery Terms

- a. Vendors should always be requested to submit quotations or offers on the basis of Whataburger Field's shipping F.O.B. destination. This will make the vendor responsible for any damage or delays in transportation and avoid uncertainties that may arise regarding transportation costs.
- b. The purchase order or contract should always name a specific Corpus Christi Baseball Club point of contact and phone number.

G. Basis for Determining Award

- a. Generally, the Purchasing Manager will award the purchase order or contract to the vendor who can provide an item meeting the specification by the required time and at the best price. Quality and other cost related issues - such as warranties, life expectancy, and maintenance requirements should also be considered when appropriate. When an award is made to a vendor who is not the lowest priced, the basis for the award must be documented in the purchase file.
- b. When an RFP is utilized as the solicitation document, the criteria that form the basis for the award decision must be specifically listed in the RFP and communicated to potential offerors. Proposals will be evaluated against the published criteria.

H. Award Documents and Distribution

- a. Purchase orders can be used for all types of purchases.

- b. Petty Cash purchases shall be documented in accordance with Department of Finance policies.
- c. Letters of Agreement shall be used for purchase of services if it is for a consultant or involves complex services.
- d. Formal Contracts will be used for purchase of supplies or services, except that the purchase of simple supplies and sole source supplies or services may be accomplished through a purchase order.

I. Sole Source Purchases

- a. A sole source purchase is required when only one source or one item can meet the requirement. The General Manager must approve all sole source purchases. The originating department will prepare the sole source request. The transaction must not be completed without the General Manager's approval.
- b. The purchasing manager must be very cautious in evaluating price reasonableness in a sole source transaction.

J. Capital Equipment Purchases

- a. For purposes of this policy, capital equipment means any item with a unit cost of \$1,000 or more, including tax and transportation fees, if any. The General Manager, prior to purchase must approve all capital equipment requisitions. After delivery, all capital equipment items must be placed on the facility equipment inventory listing.

K. Professional and Consultant Services

- a. Professional and consultant services are services rendered by a recognized professional and which are normally for advice and assistance. Examples include attorneys, public relations firms, engineers, training professionals, and others. The General Manager must approve all requisitions for professional and consulting services.

L. Emergency Purchases

- a. Generally, a purchase order or delivery order is the document that will authorize a vendor to deliver an item or perform a service. Therefore, PO and/or DO must be prepared before the transaction takes place. Occasionally, when an urgent requirement exists, the purchasing manager or department director may

authorize an emergency purchase in which the vendor is requested to deliver an item or perform a service before the purchase or delivery order is prepared. In these situations, an After the Fact (ATF) form providing justification of the emergency purchase must be prepared and signed by the Department Director, Director of Finance, and the General Manager as soon as possible and the situation causing the urgent purchase should be noted in the purchase file.

M. Repetitive Purchases and Term Agreements

- a. Department directors and managers should periodically review purchases made for them to determine if there are items or services that are being purchased repetitively. Directors and managers should then determine whether they anticipate an ongoing requirement for such items. When an ongoing need is anticipated, the director or manager should request purchasing to establish a term agreement.
 - i. A term agreement is a contractual agreement between Corpus Christi Baseball Club, LP and a vendor to furnish a particular item or service over a period of time, usually one year or less. To establish a term agreement, the purchasing manager should determine an estimated quantity that will be required for the term specified and issue an RFQ or solicitation to qualified sources.
 - ii. The TA, contract or LOA should list the items, estimated quantities, prices, delivery terms, and any other conditions necessary. The purchasing manager must ensure that the document contains language that advises the vendor that the quantities are estimates only and are not being directly purchased by the purchase order. The contract does not stipulate the order. Materials are only considered ordered when there is a PO. The PO would reference the contract/agreement.
 - iii. Once the term agreement has been executed, written delivery orders citing the document will be issued to the vendor directing delivery of specific quantities of the items or services in the term agreement.

N. Petty Cash Purchases

Department directors may authorize individuals in their departments to purchase items not in excess of \$500 (or some other threshold as determined by the General Manager) utilizing a petty cash transaction. Petty cash documentation and reimbursements shall be in accordance with policies established by the Director of Finance.

O. Determining Price Reasonableness

- a. Each open market purchase should be analyzed to ensure that the price being paid is reasonable. In many instances, this is a simple process. Typically, prices can be determined reasonable based on competition, market pricing, catalog prices, or historical prices. In certain instances, particularly when buying sole source items or uncommon items, the purchasing manager may need to conduct a more thorough analysis to determine whether the price is reasonable.
- b. When price reasonableness is not apparent from the available documentation and the price exceeds \$10,000, the purchasing manager should prepare a memorandum explaining the pricing analysis and place it in the purchase file.

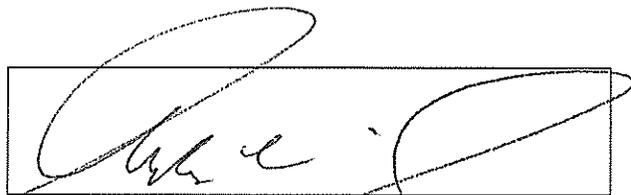
P. Payments

- a. Payments to vendors shall be made in accordance with specific policies and procedures established by the Director of Finance. Generally, the accounts payable representative will compare the vendor's invoice to the purchase order, delivery order, or contract to verify that the invoice is consistent with the quantities, items, prices and terms in the purchase document. Payments to vendors should not be made if a PO, DO, or contract does not exist for the transaction.

Q. Prohibited Practices

- a. Parceling. Parceling is the practice of dividing a purchase into separate transactions to avoid a purchasing threshold. Parceling may involve splitting quantities of an item into separate purchases, splitting similar items, or spreading a transaction over time. For example, if a required service were estimated to cost \$30,000 for a one-year period, it would require issuance of an RFP and a formal contract. If, however, the service was awarded for only six months at a time, the cost would be \$15,000 and the service could be obtained using an RFQ process and purchase order or LOA, a much simpler process. This is parceling and it is prohibited,
- b. Gratuities and Gifts. Corpus Christi Baseball Club employees may neither solicit nor accept any gratuity or gift in connection with any purchasing transaction. Any attempt by a vendor to offer a gratuity or gift should be reported immediately to the General Manager.
- c. Conflicts of Interest. If a Corpus Christi Baseball Club employee is aware of any actual or potential conflict of interest in a purchasing transaction, he or she must report the situation to the General Manager. A conflict of interest would occur if the Corpus Christi Baseball Club employee or any immediate family member has a financial interest in a firm that may be under consideration for receiving business from the facility owner or if a family member works for a firm under consideration. If an employee has any question about the definition of "immediate family" or about whether a situation may create even the appearance of a conflict of interest, the question should be referred to the General Manager.

- d. Revealing Prices to Another Vendor. No Corpus Christi Baseball Club employee may reveal the prices or terms of one vendor to another vendor during a purchasing process. (In some situations, the price of the winning vendor may be disclosed upon completion of a purchasing transaction).
- e. Purchases From or For Employees. No purchase may be made from a Corpus Christi Baseball Club employee or his or her immediate family member, and no purchase may be made for the personal needs of a Corpus Christi Baseball Club employee or his or her immediate family.
- f. Committing Client Funds. No employee shall commit to a purchase except authorized purchasing personnel. All purchases shall be made using the authorized purchase system and signed by the purchasing manager. Any violation of this procedure will be directed to the General Manager for his/her action.



CORPUS CHRISTI HOOKS BASEBALL CLUB

Name: Wes Weigle

Title: General Manager

Address: 734 E. Port Ave.

City, St, Zip: Corpus Christi, TX 78401

Phone: 361-561-4669

Email Address: wweigle@cchooks.com



Three Bid Form

Date: MM/DD/YYYY
 Location of Project: Corpus Christi, TX (AA)
 Project Description:
 Amount Budgeted: \$ -
 Budget Code:

	Bid 1	Bid 2	Bid 3
Final negotiated bid price:	\$ -	\$ -	\$ -
Vendor name:			
Vendor minority status:	X - Non-minority		
Quoted by (Name & Contact Information):			

Please confirm if the VA/SOW is signed off and in place with Legal Yes No

Please mention below the name of the vendor to be selected and reason for selection e.g. based on bid, quality, relationship etc.

Empty box for vendor selection and reason.

Please describe any request to waive the bidding requirement below:

Examples are: Continuation of an existing contract, sponsorship agreement in place, and only provider available.

Empty box for bidding requirement waiver details.