



*How to Do Business
With the
San Antonio Water System*

*Purchasing Department
Goods and Services*

A Guide for Suppliers

August 25, 2014

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DIRECTOR'S INTRODUCTION

Thank you for your interest in doing business with the San Antonio Water System. Your involvement as a provider of goods and services for the San Antonio Water System is critical in meeting its operation, mission and service delivery requirements and is greatly appreciated. The Purchasing Department will serve as your key and primary point of contact with the purchase of goods and services for the San Antonio Water System.

This guide has been developed as a handy reference to help you navigate through the San Antonio Water System process of procurement. I hope it answers some of those questions that may arise periodically or provides you with the additional resources needed to get you an answer. It should also help you understand how to successfully compete and succeed as a vendor for the San Antonio Water System. This guide is intended to simplify the process while providing valuable information that will help address any concerns you may have about pursuing San Antonio Water System contracts. This guide is primarily intended to assist you in the pursuit and therefore may not contain all of the rules, regulations and laws that govern our activity, but rather highlight those topics most relevant and beneficial to you in understanding how the San Antonio Water System conducts its procurement related activities.

I encourage you to review the guide, keep it handy in case questions come up in the future and feel free to contact us if any other questions remain unanswered. I hope it encourages you to seriously consider becoming a vendor with the San Antonio Water System. I thank you in advance for your participation.

To be responsive to future changes, this guide will be updated periodically and can be located on the San Antonio Water System website under the Business Center/ Procurement Bids tab: http://www.saws.org/Business_Center/Procbids/about.cfm .

Yvonne C. Torres
Director
Purchasing

ABOUT US

The San Antonio Water System Purchasing Department is charged with providing strategic and material management services to all San Antonio Water System departments. It is responsible for the procurement of all of the supplies, materials and equipment necessary for the delivery of water and wastewater services.

It is important for vendors to recognize that the Purchasing Department is the only entity within the San Antonio Water System that is authorized to contract for goods and general services over \$3,000. Also, it is the only entity within the San Antonio Water System authorized to issue invitations for bids over \$50,000, release purchase orders not associated with annual contracts over \$3,000 or release annual contracts.

The department operates its procurement services activities with a group of four (4) Contracting and Purchasing Specialists. Each one is responsible for handling different commodities and general services categories. The Contracting and Purchasing Specialists will be your key contacts for vendor inquiries regarding any procurement related issues or products and services assigned to them.

The department is currently located at:

San Antonio Water System
Administration Bldg.
2800 US Hwy 281 North
San Antonio, TX 78212

The Purchasing staff is available to assist vendors and answer any questions regarding all aspects of the procurement process or provide clarification on bids. The staff buying assignments and breakdowns can be found by accessing the San Antonio Water System website, under the Business Center.

The Purchasing Department staff purchase needed items on a daily basis, however, a major focus throughout the year is the management of over 400 annual supply/requirements contracts. These provide an efficient method for the San Antonio Water System to purchase products and services that are needed in larger quantities or on a repetitive basis each year. These contracts provide major opportunities for vendors to obtain San Antonio Water System, and possible other governmental agencies, business. These bid opportunities are posted on the San Antonio Water System website.

Vendors are encouraged to utilize our website as much as possible for access to valuable procurement related information including a commodity list that shows what staff members are assigned to the different goods and services that we purchase.

POLICY STATEMENT

Purchasing understands the critical relationship that exists between the San Antonio Water System and the vendor business community and attempts to maintain mutual goodwill at all times. Toward this end, Purchasing strives to:

Communicate clearly to vendors and help simplify the San Antonio Water System procurement process.

Build trust between customers/user department personnel and suppliers.

Handle all suppliers in a fair, prompt and courteous manner.

Encourage healthy competition and maximum participation among vendors for San Antonio Water System business and to keep the process open and fair.

Involve suppliers in the development of clear, fair and adequate specifications and standards to meet its product and service requirements.

Observe strict truthfulness and highest ethics in all transactions and correspondence.

Assist vendors and departments with contractual problems and other issues related to contractor performance, product delivery, and payment disputes or delays.

Assist in resolving problems creatively and quickly.

Encourage participation for San Antonio Water System contracts from small, minority and women-owned businesses.

Participate in vendor outreach, advertising, web broadcasting, and networking with business groups.

Pursue and utilize procurement methods that are efficient in meeting the needs of the San Antonio Water System.

PROCUREMENT METHODS

The San Antonio Water System employs the following methods to procure goods and general services:

Purchases in amounts of \$1 - \$3,000 may be made on the basis of up to three (3) quotes by the San Antonio Water System using departments. **Using Departments will prepare the requisitions** to make purchases of less than \$3,000 for items not covered by an existing contract. Using department will provide purchase order number.

Purchasing in amounts of \$3,000 - \$50,000 may be made on the basis of a minimum of three (3) quotes, taking into consideration the State Law requiring Historically Underutilized Businesses (HUBS) involvement, by the Purchasing Department of the San Antonio Water System.

Purchases in the amounts of \$50,000 or greater are subject to requirements of the formal competitive bid process unless specifically exempted by State Law.

Annual Contracts (Supply/Requirement Agreements) are for repetitively used items and are established through a competitive bid process to purchase goods and services at a fixed price or a fixed term for a specified period.

Procurement Card (P-Card) are used by certain assigned San Antonio Water System staff to make small dollar purchases of products that are not offered under an established annual contract, non inventory and non repetitive, as set by the San Antonio Water System.

Purchasing Co-operatives are utilized by the San Antonio Water System, on occasion, to purchase goods and services when it is the best method to meet its requirements. Co-operatives that the San Antonio Water System utilizes have already completed a bidding process that meets the State's competitive bidding requirements and allows the San Antonio Water System to avoid a separate bidding process.

BID INFORMATION

In its purchase of goods and services, the San Antonio Water System is subject to several rules, regulations and legal statutes that govern its methods of procurement. These include State of Texas laws, the City of San Antonio Charter, San Antonio Water System Board Policy & Procedures and internal Administrative Directives. Although they are not discussed in detail in this guide, all processes and procedures noted in this guide are in accordance with applicable laws and policies.

VENDOR LISTS

The San Antonio Water System Purchasing Department maintains its own "vendor list". Vendors interested in doing business with the San Antonio Water System should complete the "Bidder, Consultant and Vendor Registration" located on the San Antonio Water System web page at http://www.saws.org/business_center/Vendor/ . Vendors may also contact the department for further assistance. It is important to note that in order for vendors to receive e-mail notifications for bids for goods and services, vendors must complete their registration with the appropriate NIGP codes. Suppliers are also encouraged to contact the SAWS Small Minority Women Owned Business Program Manager at http://www.saws.org/business_center/SMWB/ or the South Texas Regional Certification Agency at <http://www.sctrca.org/> for additional assistance.

BIDDING METHODS

The San Antonio Water System utilizes competitive bidding for the contracting of goods and services over \$50,000 unless exempted by State Law. Since competitive bidding is the foundation of all purchases, we make every effort to continually seek sources that have the capability to meet the needs of the San Antonio Water System at competitive prices.

Public Advertising/Announcement of Bid Opportunities: Purchases and contracts involving the expenditure of more than \$50,000 require public notice of the time and place where sealed bids or proposals will be received. **All public notices will be advertised in The Hart Beat as well as various other advertising methods (e.g., Onvia Demand Star and San Antonio Water System Web Page).**

Public Accessibility to Bids and Proposals: Subject to the following conditions, copies of competitive bids are available to interested parties. Copies will be made so as not to disrupt the normal operation of the Purchasing Department. Copies of data and information submitted in competitive sealed proposals/bids are not available prior to the contract being considered for approval by San Antonio Water System Board of Trustees or awarded by the San Antonio Water System Board of Trustees. The cost of copies is subject to the San Antonio Water System standard charges of public records. Vendor proprietary information and data that is clearly marked as such by the vendor is not considered public information (Chapter 552, Government code, V.T.C.A., and the Open Records Act). The San Antonio Water System will assume that vendor information is not proprietary unless it is clearly marked by the vendor.

NOTE: Vendors will not receive bid notices in the mail from the San Antonio Water System.

Request for Bids and Best Value Bids. Unless exempted by State Law, before a municipality may enter into a contract that requires an expenditure of more than \$50,000 from one or more municipal funds, the municipality must:

- (1) use the competitive sealed bidding or best value bids procedure; or
- (2) use the reverse auction procedure, as defined by Section 2155.062(d), Government Code, for purchasing; or
- (3) Comply with a method described by Subchapter H, Chapter 271, of the Local Government Code.

This process shall include the advertisement for bids, receipt of bids in accordance with plans and specifications, public opening of bids and award of contract by the San Antonio Water System Board of Trustees. The San Antonio Water System is currently not accepting bids through electronic transmission.

SUBMISSION OF BIDS

Sealed bids must be received at the location specified in the bid request prior to the due date and time or they will be considered to be non-responsive. Bids received after the due date/time or faxed bids will not be accepted.

Sealed bids are opened Mondays through Fridays, as specified in the bid request. Bid openings are public except for procurements where competitive sealed proposals are solicited. Your firm's representative is welcome to attend whether or not engaged in bidding.

Modification or Withdrawal of Bids: To maintain the integrity of the bidding process, a bid that has been opened by the San Antonio Water System is not subject to alteration for the purpose of correcting an error in the bid price, unless the mistake is clearly evident from examining the bid document (e.g. extension of the unit prices or errors in addition.) This policy does not revoke the right of the bidder to withdraw a bid due to material mistakes prior to bid opening by the San Antonio Water System. Bids for contracts over \$50,000 may only be withdrawn after bid opening with permission of the Director of Purchasing or designee.

HELPFUL HINTS WHEN SUBMITTING BIDS

Review Bid Terms and Conditions Carefully: The bid document contains standard terms and conditions and bid-specific general terms and conditions, including the assessment of penalties/liquidated damages for late delivery and requirements to provide samples of products for evaluation. Potential Bidders should review all details of the bid document language to insure that they complied with bid submission and to insure their ability to meet the San Antonio Water System specific requirements.

Pay Close Attention to Bid Open Date, Time and Delivery Location: As stated earlier, bids must be submitted by the date indicated in the document and to the location specified. Addresses will vary on San Antonio Water System related bids and missing a date, time or delivery location may disqualify your bid from award consideration. At the present time, faxed and electronic bids are not acceptable by the San Antonio Water System.

Procedures for Questions, Clarifications, and Amendment to Bid Specifications: Pre-bid and pre-proposal conferences are included in many San Antonio Water System bid documents. Although attendance may not be mandatory, potential bidders are strongly encouraged to attend so they can raise questions and concerns with San Antonio Water System staff regarding bid specifications and can request changes or clarification. Bid documents describe the steps and timelines for questions and concerns to be raised. To insure proper consideration of all requests, bidders need to adhere to these deadlines.

Bid Addendums: The San Antonio Water System will issue addendums to its bid documents as necessary; however, vendors should check the website frequently to insure that they are aware of approved changes to the bid.

Importance of the Bid Document/Contract Form: The San Antonio Water System bid document also serves as the contract when the contract is awarded. It is critical that all information is correct and the bid document is signed. Failure to sign will disqualify a bid.

Make Sure Able to Meet Other Bid Requirements: Many San Antonio Water System bids have warranty, insurance, bonding and evaluation of sample requirements as a condition for award. Bidders should pay special attention to these requirements as it may affect award of the contract. In some cases these additional requirements must be a part of bid submittal; in others, they may be required prior to award.

Risk of Taking Exceptions to a Bid: Any bid submitted with exceptions to specifications or terms and conditions may be disqualified if they are unacceptable to the San Antonio Water System. Bidders need to be aware that submitting exceptions may prevent the award of that contract to them.

Be Careful to Submit Correct Bid – Changes Cannot be Made After the Fact: Sealed bids cannot be changed by the San Antonio Water System or the bidder once they have been opened and read publicly. The San Antonio Water System may seek clarification in some instances, but not to change or alter the bid that was submitted. Submit bids that reflect the best price your firm can offer and the delivery times that you can meet. Some solicitations include penalties/liquidated damages for late delivery of products. Ability to perform under the contract will be subject to evaluation and may affect future awards.

BID SECURITY – BONDING

In order to protect the interests of San Antonio Water System rate payers, the San Antonio Water System may require bonding security on bids and contracts in connection with a contract for alteration, or repair of any building, purchase of goods, or performance of service depending on the scope of work and dollar amount involved.

Bid Security. Bid security, in the form of a cashier's check, certified check, or bid bond may be required. If it is required, it will be specified in the bid document. Although the bid security amount is usually five percent (5%) of the bid value, the amount may vary depending on the specifics of the bid.

Performance and Payment Bonds. If required, Performance and Payment Bonds will be specified.

INSURANCE

If insurance is required, the minimum insurance to be maintained shall be in strict accordance with the Commercial Insurance Specifications, Section 1.a.1) through 1.a.7) of **SAWS Standard Insurance & Certificate of Liability Insurance Requirements**. Bidder shall submit a draft Certificate(s) of Liability Insurance with Bid.

Certificate(s) of Insurance shall be completed and distributed in accordance with the Certificate(s) of Liability Insurance Requirements, Section 2.a through 2.i of **SAWS Standard Insurance & Certificate of Liability Insurance Requirements** no later than 5 days after notification of pending award of contract and before starting any work.

NOTE: The contract insurance requirements are subject to modifications as may be published in the bid documents. Specific insurance requirements are incorporated into the bid documents and specifications of each bid. Insurance requirements for the San Antonio Water System are constantly under review to determine the appropriateness of both coverage and values.

BID EVALUATION AND AWARD

It is the policy of the San Antonio Water System to purchase from suppliers who have adequate financial strength, management and service capabilities, high ethical standards and integrity, the ability to provide materials which consistently meet the San Antonio Water System requirements and are otherwise qualified and eligible to receive an award under applicable laws and regulations. All contracts in excess of \$50,000 must be approved by the San Antonio Water System Board of Trustees.

Identical Bids: When two or more responsible bidders submit the lowest responsible bids, and these bids are identical in both amount and nature, the San Antonio Water System will enter into a contract with only one of the responsible bidders as selected in a legal manner. It should be noted that this does not prohibit multiple and progressive awards if specified in the bid request.

Award of Contract: If the competitive sealed bidding requirement applies to the contract for goods or services, the contract must be awarded to the lowest responsible bidder or to the bidder who provides goods or services at the best value for the municipality.

In determining the best value for the San Antonio Water System, it may consider the bidder's purchase price, reputation, quality of goods or services, the extent to which the goods or services meet the San Antonio Water System needs, past relationship with the San Antonio Water System, impact on the ability of the San Antonio Water System to comply with laws and rules relating to contracting with historically underutilized businesses and nonprofit organizations employing persons with disabilities, total long-term cost to acquire the goods or services; and any relevant criteria specifically listed in the request for bids or proposals.

The San Antonio Water System Board of Trustee may reject any and all bids.

If the competitive sealed Best Value Bid/Proposals requirement applies to the contract, the contract must be awarded to the responsible offeror whose Best Value Bid/Proposal is determined to be the most advantageous to the San Antonio Water System considering the relative importance of price and the other evaluation factors included invitation for bids or request for proposals

Identifying Winning Vendor: When determining the “lowest responsible bid” in any given bid situation, the San Antonio Water System uses a two-step approach when evaluating bid responses. The first, and primary, step is to determine which responses “mirror” our specifications. Bidders that take “exceptions” to the bid may be deemed non-responsive and their bid disqualified at this stage. After bids that are responsive to the San Antonio Water System specifications have been identified, then we go to the lowest bid and ask ourselves “Is this a responsible vendor?” (i.e., have we ever had documented problems with failure to deliver promised, lost orders, receipt of equipment not adhering to specification, etc.? Does the bidder have the necessary manpower, experience, equipment and economic stability to perform the contract?) If we determine that the lowest bid to meet specification was from a “responsible” vendor that is the bid we are required by law to accept when awarding the bid to the “lowest responsible bidder”.

Insurance/Bonding Requirements: Many bids the San Antonio Water System is involved in have insurance and bonding requirements as part of the specifications, or sample contract, mailed with the bid. **THE BONDING AND INSURANCE REQUIREMENTS IN A BID CANNOT BE WAIVED.** You are expected, if awarded the contract, to furnish us with an insurance certificate satisfying ALL requirements. Please consult your insurance agent prior to submitting a bid to determine whether or not you will be able to secure the necessary insurance. If you determine you will not be able to meet our requirements, please save yourself a considerable amount of time by no-bidding the project.

Partial awards: Unless the bid document specifies otherwise, Purchasing may award a contract for any item or group of items shown on the bid request.

Reservations: The San Antonio Water System expressly reserves the right to:

- Waive any informality.
- Waive any defect, irregularity or informality in any offer of solicitation procedure.
- Reject any and all bids, or portions of bids.
- Reissue a bid request.
- Extend the bid opening date and time.
- Procure any item by other means.
- Increase or decrease the quantity specified in the bid invitation, unless the bid specifies otherwise.

Award Notification: Official notification of a purchase award can only be made by the Purchasing Department. Notice of award given by any other area of the San Antonio

Water System may be premature and inaccurate. Award of an open market purchase is made by issuing a San Antonio Water System Purchase Order. The successful bidder of an annual contract is notified of award by letter from the San Antonio Water System Purchasing Department.

Bid Tabulation: The San Antonio Water System will tabulate bids received and will post a draft of the bid tab on its website as soon as possible.

PRESENTING YOUR PRODUCTS

You will find the Purchasing Department ready and willing to help you compete for San Antonio Water System business. If you have a product/service to sell, please let us know. Our visiting hours are by appointment only. To set up an appointment please call 210-233-3819.

SUPPLIER PERFORMANCE

The San Antonio Water System expects high quality products and excellent service performance from its vendors. Vendor performance is a key factor in the San Antonio Water System decision to contact award and is always subject to evaluation by the San Antonio Water System using department(s). Purchasing maintains Vendor Performance files for all vendors doing business with the San Antonio Water System and requires Vendor Evaluation Forms to be completed by using departments. All parties involved in the purchase, acceptance and payment of goods and services will have the opportunity to evaluate the vendor's performance.

Delivery Dates: Failure to meet a specified delivery date reflects on your performance and could be a factor in consideration of future awards. It is the supplier's responsibility to notify the Purchasing Department when a delay in the delivery schedule is anticipated or occurs. At this time, the supplier must indicate the new anticipated delivery date and the reason for the delay. It should be noted that failure to deliver within a contractual delivery schedule may result in the supplier being declared in default or assessed liquidated damages, if permitted in the contract. In that event of default, termination action will be taken by the San Antonio Water System under the provisions of the Uniform Commercial Code and State of Texas.

Quality and Service: Unsatisfactory product quality or service performance also reflects on a supplier, and could be a factor in consideration of future contract awards. Such performance can increase the San Antonio Water System operating costs and must be taken into consideration when awards must be made to the "lowest responsive and responsible bidder."

BUSINESS CERTIFICATION

SMALL MINORITY OR WOMAN OWNED BUSINESS: Any business wishing to certify as a Minority or Woman Owned is encourage to contact the following:

SAWS Small Minority Women Owned Business Program Manager:
http://www.saws.org/business_center/SMWB/

or the South Central Texas Regional Certification Agency, <http://www.sctrca.org/> .

TAX EXEMPTION

The San Antonio Water System is exempt from payment of federal excise and transportation taxes, as well as Texas State or local sales and use taxes. If it is determined that the price quoted and recorded on any order or invoice rendered include any such taxes, the amount of the taxes will be deducted from the total of the invoice.

INVOICING AND PAYMENT REQUIREMENTS

Invoicing for goods/services received by SAWS.

Please submit all invoices to:

San Antonio Water System
Attn: Accounts Payable
P.O. Box 2449
San Antonio, TX 78298-2449

To avoid any delay in payment, always reference the Purchase Order Number or Contract Number on the invoice.

Payment Terms.

Normal San Antonio Water System payment terms are Net 30 days. Any discount available to the San Antonio Water System for prompt payment must be noted on invoice. Unless otherwise noted, discounts will be calculated from the date of delivery, or the date of the invoice, whichever is more recent.

NOTE: Payments made by the San Antonio Water System to take advantage of discounts offered will be at the San Antonio Water System discretion and does not constitute the contact's required payment terms.

Invoice with terms "Payment upon receipt" or "Payment upon completion" are paid same as net 30 days.

Payment Inquiries.

Please direct any payment questions to the mailing address noted above or you may call Accounts Payable at (210) 233-3824.

SURPLUS/OBSOLETE MATERIALS FOR SALE

Scrap (e.g., metals, tires), used equipment and obsolete material owned by the San Antonio Water System are coordinated and sold through the Purchasing Department. The San Antonio Water System advertises for disposal of surplus material on its website.

OUR PARTNERS

To be successful in the procurement of goods and services requires the involvement of other outside agencies and companies. Below are some of our partners with their contact information:

South Central Texas Regional Certification Agency

<http://www.sctrca.org/>

Minority Business Certification

Telephone: (210) 227-4722

Demandstar by Onvia

Automated Bid Notices

Telephone: 1-800-711-1712