



CITY OF HOUSTON

Administrative Procedure

Subject: **Campaign Finance – Limitations Affecting City Contracting, etc.**

A.P. No:

2-7

Effective Date:

November 21, 2011

1. AUTHORITY

- 1.1 Article VI, Section 7a, City Charter of the City of Houston; Article IV, Chapter 18, Code of Ordinances.

2. PURPOSE:

- 2.1 To ensure that appropriate steps are taken by City departments and the Mayor's Office to comply with the campaign finance procedures set forth in Article IV, Chapter 18 of the Code of Ordinances.

3. OBJECTIVES

- 3.1 To delegate responsibilities and establish procedures involving the letting of City contracts as such procedures relate to campaign finance compliance.

4. SCOPE

- 4.1 This Administrative Procedure applies to all City departments and the Mayor's Office.

5. DEFINITIONS:

Contract – A contract having a value in excess of \$50,000 for professional services, personal services, high-technology goods, construction or services, or other goods or services of any other nature, whether the contract is awarded on a negotiated basis, request for proposal basis, competitive proposal basis or formal sealed competitive bids.

Contract Award Period – The period commencing at the time of posting of the City Council meeting agenda including an item for the award of the contract and ending upon the 30th day after the award of the contract or a determination by City Council or the Mayor that the contract will not be awarded to a contractor.

Contractor – A person who received the award of a contract, submitted a bid or proposal in any form for the award of a contract or a person who seeks the award of a contract, or been proposed to be awarded the contract in any item placed upon any City Council agenda, including any other person who seeks the award of the contract and is contesting, appealing or

Approved:

Date Approved:

11/21/2011

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protesting the award of the contract as proposed. The term shall include the proprietor for a proprietorship, each partner having an equity interest of ten percent (10%) or more for a partnership and each corporate officer, corporate director or holder of ten percent (10%) or more of the outstanding shares of stock for a corporation. The term shall also include any subcontractor authorized to provide all or a portion of the goods, labor or services in fulfillment of an award of a contract.

Election Campaign Period – For a City general election, the period that begins on the 1st day of February prior to a City election date and ends on the 4th day of March following the election date, provided, if a runoff election occurs, the period is extended to the 4th day of April for candidates in such runoff. This period is referred to in Section 18-35 as the "restricted period for solicitations and contributions."

For a special election to fill a vacancy for an unexpired term, the period begins on the date the election is ordered by the City Council and ends 90 calendar days after the election date, including any runoff election.

Person - An individual corporation, partnership, labor organization, or an unincorporated association, firm, committee, political committee, club or other organization or group of persons whether or not associated with a political party or element thereof. (Note: Chapter 253, Texas Election Code, contains significant prohibitions on political contributions. Those provisions are administered by the Texas Ethics Commission.)

6. RESPONSIBILITIES

- 6.1 Department directors are responsible for contracts resulting from bids or proposals not customarily or routinely handled by the Purchasing Agent. The Purchasing Agent shall be responsible for all bids and proposals involving strategic purchasing of services, goods and supplies.
- 6.2 Department directors or the City Purchasing Agent, as applicable, are responsible for:
 - 6.2.1 Ensuring that each contractor receives:
 - 6.2.1.1 Appendix I - Notice to Proposers/Bidders; and
 - 6.2.1.2 Form A - Contractor Submission List;
 - 6.2.2 Ensuring that each contractor provides a fully completed Form A;
 - 6.2.3 Ensuring that Appendix I is included in all advertisements that are expected to result in a contract; and
 - 6.2.4 Forwarding to the City Secretary each completed Form A received as part of a bid award recommendation.
- 6.3 The City Secretary is responsible for compiling and maintaining during the Election Campaign Period a log of all Form As received from City departments and the City Purchasing Agent and shall compile and post the list described above for public viewing during any Election Campaign Period. Copies of any of the lists requested under the Texas Public Information Act will be provided at the charges authorized by the Texas State Library and Archives Commission.

7. PROCEDURES

7.1 Contractor Submission Lists

- 7.1.1 Department Directors or the City's Purchasing Agent, as applicable, shall ensure that all parties seeking a City contract (as defined above) will receive an Appendix I and Form A.
- 7.1.2 The Department Director or designee, or the City's Purchasing Agent when applicable, shall complete Form B - Compilation of Contractor Submission Lists, for each contract to be awarded. The Form B is to be attached to the entire batch of applicable Contractor Submission Lists received for a particular contract. One copy of the Form B and all attached Form As (Contractor Submission Lists) are to be attached to any Request for Council Action recommending the award of the contract and forwarded to the City Secretary. Any delay in forwarding Form B and the related attachments to the City Secretary may result in the postponement of the contract award.
- 7.1.3 When a contract is placed on the City Council agenda for approval, the City Secretary shall record on the Form B the date the item was posted on the agenda and shall place the Form B and all attached Form As in the Contract Award Period Log in chronological order.
- 7.1.4 The Agenda Director has the authority to postpone a City Council agenda item for which the City Secretary has not received a Form B.
- 7.1.5 The City Secretary shall record on Form B the date that the contract is awarded by City Council.

Appendix I

NOTICE TO PROPOSERS/BIDDERS

The City of Houston Fair Campaign Ordinance makes it unlawful for a contractor to offer any contribution to a candidate for City elective office (including elected officers and officers-elect) during a certain period of time prior to and following the award of the contract by the City Council. In addition, Chapter 253 of the Texas Election Code contains significant prohibitions on political contributions, which are administered by the Texas Commission.

As defined in Sec. 18-2, Code of Ordinances, Houston, Texas, "Contractor" means any person who has submitted a bid or proposal in any form for the award of a contract and who has been proposed to be awarded the contract in an item placed upon the city council agenda and any other person who seeks the award of the contract and is contesting, appealing or protesting the award of the contract as proposed. The term shall include the proprietor for a proprietorship, each partner having an equity interest of ten percent or more for a partnership and each corporate officer, each corporate director or each holder of ten percent or more of the outstanding shares of stock for a corporation. "Person" means an individual, corporation, partnership, labor organization, or an unincorporated association, firm, committee, political committee, club or other organization or group of persons whether associated with a political party or element thereof, or not. A statement disclosing the names and business addresses of each of those persons will be required to be submitted with each bid or proposal for a City contract. See Chapter 18 of the Code of Ordinances, Houston, Texas, for further information.

Form A
CONTRACTOR SUBMISSION LIST
CITY OF HOUSTON FAIR CAMPAIGN ORDINANCE

The City of Houston Fair Campaign Ordinance makes it unlawful for a Contractor to offer any contribution to a candidate for City elective office (including elected officers-elect) during a certain period of time prior to and following the award of the Contract by the City Council. The term "Contractor" includes proprietors of proprietorships, partners or joint venturers having an equity interest of 10 percent or more for the partnership or joint venture, and officers, directors and holders of 10 percent or more of the outstanding shares of corporations. A statement disclosing the names and business addresses of each of those persons will be required to be submitted with each bid or proposal for a City Contract. See Chapter 18 of the Code of Ordinances, Houston, Texas, for further information.

This list is submitted under the provisions of 18-36(b) of the Code of Ordinances, Houston, Texas, in connection with the attached proposal, submission or bid of:

Firm or Company Name: _____

Firm or Company Address: _____

The firm/company is organized as a (Check one as applicable) and attach additional pages if needed to supply the required names and addresses:

SOLE PROPRIETORSHIP

Name _____
Proprietor Address

A PARTNERSHIP

LIST EACH PARTNER HAVING EQUITY INTEREST OF 10% OR MORE OF PARTNERSHIP (IF NONE STATE "NONE")

Name _____
Partner Address

Name _____
Partner Address

A CORPORATION

LIST ALL DIRECTORS OF THE CORPORATION (IF NONE STATE "NONE")

Name _____
Director Address

Name _____
Director Address

Name _____
Director Address

[CORPORATION CONTINUED]

LIST ALL OFFICERS OF THE CORPORATION (IF NONE STATE "NONE")

Name _____	_____
Officer	Address
Name _____	_____
Officer	Address
Name _____	_____
Officer	Address

LIST ALL INDIVIDUALS OWNING 10% OR MORE OF OUTSTANDING SHARES OF STOCK OF THE CORPORATION (IF NONE STATE "NONE")

Name _____	_____
	Address
Name _____	_____
	Address
Name _____	_____
	Address

I certify that I am duly authorized to submit this list on behalf of the firm, that I am associated with the firm in the capacity noted below and that I have personal knowledge of the accuracy of the information provided herein.

_____ Preparer

_____ Printed Name

_____ Title

Note: This list constitutes a **government record** as defined by § 37.01 of the Texas Penal Code.

FORM B
COMPILATION OF CONTRACTOR SUBMISSION LISTS
CITY OF HOUSTON
FAIR CAMPAIGN ORDINANCE

Department/Division _____

Contact Person _____

Phone No. _____

Contract For _____

Date Submitted to City Secretary _____

-- This Section is for City Secretary's Use Only --

Date Received _____

Date on Agenda _____

Agenda Item Number _____

Date Contract Awarded _____