

City of El Monte



PURCHASING POLICY AND PROCEDURES MANUAL

EFFECTIVE SEPTEMBER 1, 2020

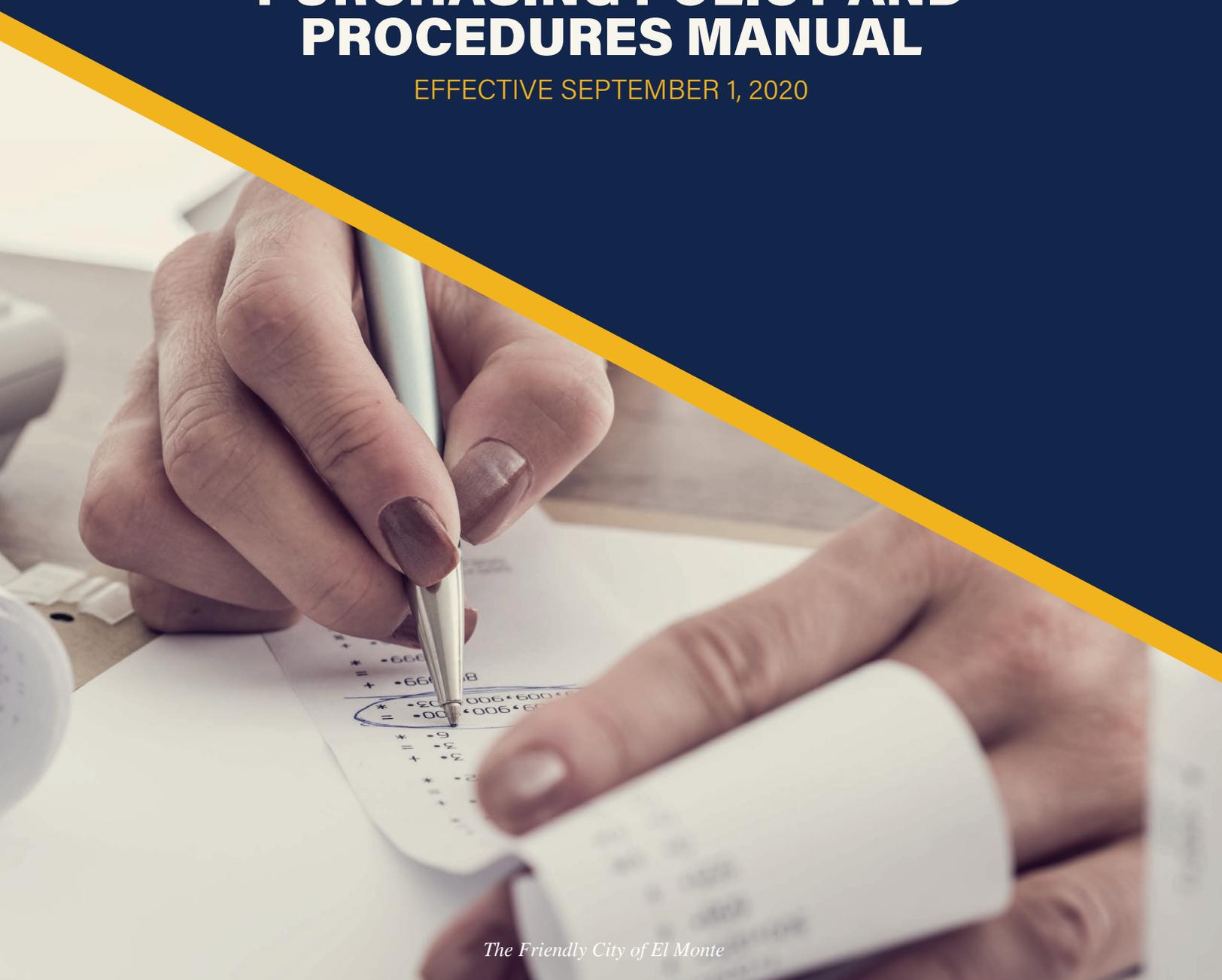


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SECTION 1: PURPOSE

EMMC 3.24.010

The purpose of this policy is to define the procedures governing the procurement of supplies, materials, equipment and services for City use and to comply with the provisions of applicable Federal and state law, El Monte Municipal Code (EMMC), City Ordinance(s) and overall City Policy.

California law requires all local agencies to formally adopt policies and procedures governing the acquisition of materials, supplies, equipment and services as referenced below.

"California Government Code Section 54202: Every local agency shall adopt policies and procedures, including bidding regulations, governing purchases of supplies and equipment by the local agency. Purchases of supplies and equipment by the local agency shall be in accordance with said duly adopted policies and in accordance with all provisions of law governing same. No policy, procedure, or regulation shall be adopted which is inconsistent or in conflict with statute."

When procuring supplies, materials, equipment and services under a Federal award, the City must follow Uniform Guidance (2 CFR) Part 200.318 (general procurement standards) through 200.326 (contract provisions).

The policies outlined here shall be adhered to by all City employees when procuring supplies, materials, equipment and services.

SECTION 2: RESPONSIBILITIES FOR PURCHASING

EMMC 3.24.020, EMMC 3.24.030

A. Decentralized Procurement

The City utilizes a decentralized procurement process in which the responsibility to determine specifications of goods or services, to solicit proper bids, and to obtain proper approvals has been designated to the departments.

Each department within this decentralized purchasing process shall be responsible for the function of procurement of suitable materials, supplies, equipment and services for their department.

All Department Heads or their designees shall have the authority to initiate purchases on behalf of their department, within the guidelines described here. Department Heads shall inform the Purchasing Division of all individuals that may

initiate purchases or prepare purchase requisitions. The Purchasing Division shall maintain a current list of all authorized purchasers. The Purchasing Division is a subdivision of the Finance Department.

B. Responsibilities of Purchasing Officer

Pursuant to EMMC 3.24.020(A), the Finance Director is the designated Purchasing Officer of the City. The Purchasing Officer retains the responsibility to review and examine requisitions, bid documents, and contracts. Only the Purchasing Officer will create Purchase Orders. The Finance Director may delegate this responsibility to the Finance Manager or Accounting Manager.

Purchasing Officer responsibilities include:

1. Administration of the Purchasing Policy
2. Oversee the Purchasing Division
3. Review of Purchase Requisitions
4. Creation of Purchase Orders
5. Recommend revisions to purchasing procedures when necessary and keep informed of current developments in the field of public purchasing.
6. Provide training for City staff on this policy.
7. Such other duties and responsibilities as may be set forth under Section 3.24.020(B) of the EMMC.

C. Responsibilities of Departments

The departments are charged with the following responsibilities in the purchasing process:

1. Enter into contractual obligations on behalf of the City for the acquisition of supplies, materials, equipment, and services necessary to support City functions in accordance with this policy manual.
2. Obtain full and open competition in accordance with prescribed policies and procedures in a manner that presents the best overall value to the City.
3. To anticipate requirements sufficiently in advance to allow adequate time to obtain goods in accordance with the best purchasing practices.
4. Identify, evaluate and utilize purchasing methods which best meet the needs of the City (e.g. cooperative purchases, blanket purchase orders, contractual agreements, purchasing cards, etc.).
5. Provide for the fair and equitable treatment of contractors
6. Coordinate contractor relations, locate sources of supply, and evaluate contractor performance.
7. Supervise the receipt and inspection of all materials, supplies, equipment and

services purchased to ensure conformance with specifications.

8. Recommend the disposition of surplus or unused supplies, materials, equipment, and scrap through sale or other means.
9. Notify contractors of purchase award when authorized by the Purchasing Officer.
10. To not "split" orders for the purpose of avoiding procurement requirements.
11. Obtain the required approvals
12. Submit forms and adequate supporting documentation necessary in the purchase requisition.
13. Ensure that purchases are allowable, allocable, and reasonable.

SECTION 3: CONFLICT OF INTEREST – (2 CFR 200.318(C)(1))

EMMC 3.24.130

- A. City officials, officers and employees shall discharge their duties impartially so as to assure fair competitive access to the City procurement opportunities by responsible and responsive contractors, sellers and vendors. Moreover, they shall conduct themselves in such a manner as to foster public confidence in the integrity of City procurement activities.
- B. No City official, officer or employee shall participate directly or indirectly in a City procurement when the employee knows that: (1) the official, officer or employee or any member of the official's, officer's or employee's immediate family has a financial interest pertaining to the procurement; or (2) the official, officer or employee or any member of the official's, officer's or employee's immediate family is negotiating or has an employment arrangement which is contingent upon or will be affected by the procurement.
- C. Upon discovery of an actual or potential conflict of interest, an employee shall promptly withdraw from further participation in the procurement.
- D. No City official, officer or employee shall maintain a financial interest or stake in any contract where the approval of the contract in light of such interest would cause a violation of Section 1090 of the California Government Code.
- E. No person shall offer, give or agree to give any City official, officer or employee any gratuity or offer of employment in connection with a procurement by the City.
- F. For purposes of this section, the following terms shall have the meaning set forth below:
 1. "Financial interest" means any (a) ownership of any interest or involvement in any relationship from which, or as a result of which, a person has received compensation within the past year, or is entitled to, or is currently receiving compensation; or (b) ownership, whether wholly or in part, of any property or

business; or (c) status as an officer, director, trustee, partner, employee, agent or manager of a business.

2. "Immediate family" means any spouse, child or stepchild of a City officer, official or employee. The relationship of parent to child includes both natural and adoptive relationships.
3. "Gratuity" means a gift, payment, loan, advance, deposit of money, or service, presented or promised in return for or in anticipation of favorable consideration in the contracting process.

SECTION 4: GENERAL PROCUREMENT PROCEDURES FOR FEDERAL AWARDS **– (2 CFR 200.318)**

The following are the City's general procurement procedures:

- A. The City must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. *(2 CFR Part 200.318(b))*
- B. The City shall avoid purchasing of unnecessary or duplicative items for the performance of the activities required by a federal award. *(2 CFR Part 200.318(d))*.
- C. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the federal government. *(2 CFR Part 200.318(d))*. This analysis should only be made when both lease and purchase alternatives are available to the program.
- D. Purchasers are encouraged to enter into state and local inter-governmental or inter-entity agreements where appropriate for procurement or use of common or shared goods and services. *(2 CFR Part 200.318(e))*.
- E. Purchasers are encouraged to use federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs. *(2 CFR Part 200.318(f))*. To search for federal excess and surplus property, go to "<https://www.gsa.gov>" and enter "how to purchase surplus property" in the website search field for more information.
- F. The City must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. *(2 CFR Part 200.318(h))*.
- G. The City must maintain records sufficient to detail the history of procurement, including: *(2 CFR Part 200.318(i))*.

1. Rationale for the method of procurement;
 2. Selection of contract type;
 3. Contractor selection or rejection; and
 4. The basis for the contract price.
- H. The City must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. (2 CFR Part 200.318(k)).

SECTION 5: COMPETITION FOR FEDERAL AWARDS – (2 CFR 200.319)

In order to promote full and open competition, all procurement transactions must adhere to the following procedures:

- A. Contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements in order to ensure objective contractor performance and eliminate unfair competitive advantage.
- B. The use of geographical preferences in the evaluation of bids or proposals is prohibited, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
- C. All solicitations should:
 1. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and
 2. Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

- D. All prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition.
- E. Not preclude potential bidders from qualifying during the solicitation period.

Prequalified Contractors

Pre-qualified contractors are identified through a competitive process and used for purchases in excess of the micro-purchase limit. Departments will develop a list of approved contractors that can be used throughout the year. The process to identify an approved contractor is as follows.

- A. Develop a list of similar, commonly-purchased items that can be acquired from a single contractor.
- B. Obtain 3 quotes.
- C. Compare the quotes.
- D. The contractors with lowest prices, including shipping, will be approved for use during the year.
- E. This process could result in multiple approved contractors if the prices are within five percent 5% of each other.

This process should be repeated annually, with the approved list produced by **July 15**. Contractors may be added throughout the year, but all contractors will be reevaluated July 1.

SECTION 6: PROCUREMENT METHODS FOR FEDERAL AWARDS – (2 CFR 200.320)

The City must use one of the following methods of procurement for Federal awards.

Method	Amount	Requirements
1. Micro-purchase	Not to exceed \$3,500*	No quotations required if price is reasonable. To the extent practicable, must distribute micro-purchases equitably among qualified suppliers.
2. Small purchase	Up to \$150,000**	Quotations must be obtained from an adequate number of qualified sources. The City's policy is to obtain three (3) quotes.
3. Sealed bids (formal advertising)	>\$150,000	Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. Refer to 2 CFR Part 200.320 (c) for additional requirements.
4. Competitive proposals	>\$150,000	It is generally used when conditions are not appropriate for the use of sealed bids. Proposals must be solicited from an adequate number of qualified sources. Refer to 2 CFR Part 200.320 (d) for additional requirements.
5. Sole source	Available for procurements of any dollar amount.	Used only when one (1) or more of the following circumstances apply: (1) The item is available only from a single source ; (Refer to Section 17) (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; (3) The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request; or (4) After solicitation of a number of sources, competition is determined inadequate. for the

*The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). The definition in 48 CFR Subpart 2.1 as of June 2020 is \$3,500, except:

- (1) For acquisitions of construction subject to 40 U.S.C. chapter 31, subchapter IV, Wage Rate Requirements (Construction), \$2,000;
- (2) For acquisitions of services subject to 41 U.S.C. chapter 67, Service Contract Labor Standards, \$2,500; and,
- (3) For acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation; to facilitate defense against or recovery from cyber, nuclear, biological, chemical or radiological attack; to support a request from the Secretary of State or the Administrator of the United States Agency for International Development to facilitate provision of international disaster assistance pursuant to 22 U.S.C. 2292 *et seq.*; or to support response to an emergency or major disaster (42 U.S.C. 5122), as described in 13.201(g)(1), except for construction subject to 40 U.S.C. chapter 31, subchapter IV, Wage Rate Requirements (Construction) (41 U.S.C. 1903).
 - (i) \$20,000 in the case of any contract to be awarded and performed, or purchase to be made, inside the United States; and,
 - (ii) \$30,000 in the case of any contract to be awarded and performed, or purchase to be made, outside the United States.

**The simplified acquisition threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions) and in accordance with 41 U.S.C. 1908. Simplified acquisition threshold means \$150,000, except for:

- (1) Acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation; to facilitate defense against or recovery from cyber, nuclear, biological, chemical, or radiological attack; to support a request from the Secretary of State or the Administrator of the United States Agency for International Development to facilitate provision of international disaster assistance pursuant to 22 U.S.C. 2292 *et seq.*; or to support response to an emergency or major disaster (42 U.S.C. 5122), (41 U.S.C. 1903), the term means:
 - (i) \$750,000 for any contract to be awarded and performed, or purchase to be made, inside the United States; and
 - (ii) \$1.5 million for any contract to be awarded and performed, or purchase to be made, outside the United States; and
- (2) Acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a humanitarian or peacekeeping operation (10 U.S.C. 2302), the term means \$300,000 for any contract to be awarded and performed, or purchase to be made, outside the United States.

SECTION 7: CONTRACTING WITH SMALL AND MINORITY BUSINESSES, WOMEN'S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS FOR FEDERAL AWARDS – (2 CFR 200.321)

The City must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. Therefore, the following steps shall be taken:

- A. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- B. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- C. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- D. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- E. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and,
- F. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

The City defines small businesses consistent with the definition in Title 13 of the Code of Federal Regulations. The size of the small business is tied to revenue and is specific to the category or subcategory of the business enterprise.

The City defines minority businesses as those that are at least fifty-one percent (51%) owned by such individuals or, in the case of a publicly-owned business, at least fifty-one percent (51%) of the stock is owned by one or more such individuals, *i.e.* the management and daily operations are controlled by those minority group members. Minority group members are United States citizens who are Asian, Black, Hispanic and Native American.

The City defines women's business enterprises as businesses with women ownership share of at least fifty-one percent (51%).

A Labor Surplus Area (LSA) is designated by the US Department of Labor (DOL). An

LSA is a civil jurisdiction that has a civilian average annual unemployment rate during the previous two (2) calendar years of 20 percent (20%) or more above the average annual civilian unemployment rate for all states (including Puerto Rico) during the same 24-month reference period. A list of labor surplus areas can be found at this link <https://www.dol.gov/agencies/eta/lisa>.

SECTION 8: CONTRACT COST AND PRICE FOR FEDERAL AWARDS – (2 CFR 200.323)

- A. The City must perform a cost or price analysis in connection with every procurement action in excess of the \$150,000 Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the City must make independent estimates before receiving bids or proposals.
- B. The City must negotiate profit as a separate element of the price for each contract in which there is no price competition and, in all cases, where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.
- C. Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the City under 2 CFR 200 Subpart E- Cost Principles.
- D. The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

SECTION 9: REVIEW AND AUDIT FOR FEDERAL AWARDS – (2 CFR 200.324)

Compliance with this policy is subject to review or audit at any time. The City must make available, upon request, all procurement documents to the granting agency or pass-through entity and auditors. It is the responsibility of the department initiating the purchase to maintain procurement documents such as such as requests for proposals or invitations for bids, independent cost estimates, bidding documents, contracts, sole source forms, change orders, and authorization signatures.

All staff members with the authority to approve purchases will receive a copy of, and be familiar with, 2 CFR Part 200.400 – 475, Cost Principles.

**SECTION 10: BONDING REQUIREMENTS FOR FEDERAL AWARDS –
(2 CFR 200.325)**

For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold of \$150,000, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the City provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

A. A bid guarantee from each bidder equivalent to five percent (5%) of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

B. A performance bond on the part of the contractor for one hundred percent (100%) of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor’s obligations under such contract.

C. A performance bond on the part of the contractor for one hundred percent (100%) of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor’s obligations under such contract.

D. A payment bond on the part of the contractor for one hundred percent (100%) of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

SECTION 11: CONTRACT PROVISIONS FOR FEDERAL AWARDS– (2 CFR 200.326)

All contracts made by the City under the Federal award requirements must contain provisions covering the following, as applicable:

A. Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate

B. Termination for cause and for convenience

C. Equal Employment Opportunity

- D. Davis-Bacon Act
- E. Contract Work Hours and Safety Standards Act
- F. Rights to Inventions Made Under a Contract or Agreement
- G. Clean Air Act
- H. Debarment and Suspension
- I. Byrd Anti-Lobbying Amendment

Debarment and Suspension - A list of excluded parties can be found at www.sam.gov. Note that some federal grants require evidence that a search for debarment or suspension status was completed for every purchase.

For in- depth discussion of these contract provisions, refer to 2 CFR Part 200 Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards accessible online at <https://www.ecfr.gov>.

SECTION 12: CONTRACT ADMINISTRATION FOR FEDERAL AWARDS – (2 CFR 200.318 (b))

The City is required to have policies and procedures on contract administration. Therefore, all contract managers will adhere to the following procedures.

- A. Contract administration files shall be maintained:
 - 1. For each contract greater than \$15,000, a separate file shall be maintained.
 - 2. For contracts equal or less than \$15,000, contract records may be combined in a single file by grant or other funding source.
- B. Contract administration files shall contain:
 - 1. The required documentation specified in the Purchasing Guidelines Table, set forth in the Appendix, for the original scope of work and for all amendments.
 - 2. Where the contract work is identified in the grant award or budget, the identification and scope of the work contained in the award or budget, and all approved changes.
- C. Authorization of work:
 - 1. No work shall be authorized until the contract for the work has been approved and fully executed.

2. No change in the work shall be authorized until an amendment to the contract for the work has been approved and fully executed.
 3. No amendment of a contract for work shall be executed until it has been approved and authorized as required in the Purchasing Guidelines Table set forth in the Appendix and, where required by the terms of the grant award or budget, approval by the funding source.
- D. Conformance of work:
1. For each grant award, based on applicable laws, regulations and grant provisions, the Program Manager shall establish and maintain a system to reasonably assure that the contractor:
 - i. Is in conformance with the terms, conditions, and specifications of the contract, and
 - ii. Provides timely follow-up of all purchases to assure such conformance and adequate documentation.
- E. The Program Manager will authorize payment of invoices to contracts after final approval of work products.

SECTION 13: INFORMAL BIDDING PROCEDURES

EMMC 3.24.040

Procurement of supplies, materials, equipment and general services:

Amount	Required Approval	Required Solicitation	Required Documentation
≤ \$3,500	Department Head	No solicitation required if the price is reasonable. To the extent practicable, must distribute micro-purchases equitably among qualified suppliers	<ul style="list-style-type: none"> • Invoice; no PO or contract required
\$3,501 to \$5,000	Department Head	3 quotes (verbal or written)	<ul style="list-style-type: none"> • PO or contract • Summary of requisition • Copy of quotes (if written)
\$5,001 to \$15,000	Department Head	3 written quotes	<ul style="list-style-type: none"> • PO or contract • Summary of requisition • Copy of quotes
\$15,001 to \$30,000* *increased to \$50,000 for capital improvement project	City Manager	3 written quotes	<ul style="list-style-type: none"> • PO or contract • Summary of requisition • Copy of quotes • City Manager approval
\$30,001 to \$150,000	City Council	3 written quotes	<ul style="list-style-type: none"> • PO or contract • Summary of requisition • Copy of quotes • Staff report • City Council approval

Quotes must be current and should be obtained at least within six (6) months before submitting the requisition.

Follow-Up Approval for Contracts that Exceed Original Limits:

If a contract originally approved by a Department Head or the City Manager later requires authorization for additional expenditures or costs that, if included as part of the original contract, would have exceeded the Department Head's or City Manager's contract approval authority, any amendment(s) authorizing such additional expenditures or costs shall be:

- (i) approved by the City Manager if the additional expenditures and costs, had they been included in the original contract, would have still been within the City Manager's approval authority; or
- (ii) approved by the City Council if the additional expenditures and costs, had they been included in the original contract, would have exceeded the City Manager's approval authority.

Miscellaneous Form and Content Requirements:

All purchase orders must be made using printed forms that have been pre-approved by the City Manager and/or the City Council or on such other forms that have been approved as to form by the City Attorney.

All contracts (other than purchase orders) must be made in writing and approved as to form by the City Attorney.

During any given fiscal year, procurements of identical supplies, equipment, materials or general services may not be broken-up into multiple procurements for the purpose of evading the more approval requirements of this Section, above. The City Council reserves the right to disapprove any purchases, engagements or other procurements placed with such intent where it is determined that the accountability and expenditure control benefits of complying with the more stringent approval requirements outweigh the immediate convenience of avoiding such requirements or where such action runs contrary to the spirit of fiscal accountability which is the underlying objective of this chapter.

City Attorney Review:

All contracts required under this section must be submitted to and approved by the appropriate authorizing officer or body and the City Attorney before being presented to the vendor or general services provider as the City's propose instrument. Purchase orders do not need to be approved by the City Attorney.

SECTION 14: FORMAL BIDDING PROCEDURES

EMMC 3.24.050

Procurement of supplies, materials, equipment and general services:

Amount	Required Approval	Required Solicitation	Required Documentation
> \$150,000	City Council	Formal bid	<ul style="list-style-type: none">• Contract• Summary of requisition• Notice inviting bid• Copy of bids• Staff report• City Council approval

To initiate formal bid process, the department making the request shall provide specifications for the item to be purchased and documentation showing the existence of an unencumbered appropriation for the item in the current approved budget. The requesting department shall solicit formal bids as prescribed by the procedures below.

- A. Procurements Exceeding \$150,000. The procurement of supplies, materials, equipment, or general services shall be awarded to the lowest responsive and responsible bidder. All procurements subject to formal bid shall be made by written agreement approved as to form by the City Attorney.
- B. Notice Inviting Bids. The department shall issue a notice inviting bids which shall include a general description of the supplies, materials, equipment, or general services to be procured; where bid forms and specifications may be secured; and the final time and place for submitting bids.
- C. Published Notice. Notice inviting bids shall be published at least ten (10) days before the date of opening of the bids. Notice shall be published at least once in a newspaper of general circulation printed and published in the City, or if there is none it shall be posted in at least three (3) public places in the City that have been designated by the City Council by resolution as the places for posting public notices.
- D. Bidders' List. The department shall solicit sealed bids from all responsible prospective suppliers whose names are on the bidders' list or who have requested their names to be added thereto.
- E. Bidder's Security. When deemed necessary, the department shall require bidder's security. If bid security is prescribed, the same type and rate of security shall be required of each bidder, and no contract may be awarded to any bidder failing to post the required bid security. Bidders are entitled to the return of bid security upon execution of the contract or within twenty-one (21) calendar days following the re-advertisement of bids; provided, that a successful bidder forfeits the bidder's bid

security upon refusal or failure to execute the contract within ten (10) calendar days after the notice of award of contract has been mailed, unless the City is responsible for the delay. The City Council may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsive and responsible bidder. If the Council awards the contract to the next lowest bidder, the amount of the lowest bidder's security shall be applied by the City to the difference between the low bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder within twenty-one (21) days from the date the contract is executed by the next lowest bidder.

- F. Bid Opening Procedure. Bidders shall submit sealed bids to the department and shall specifically identify them as bids on the envelope. Bids shall be opened in public at the time and place stated in the public notices. A tabulation of all bids received shall be open for public inspection during regular business hours for a period of not less than thirty (30) calendar days after the bid opening.
- G. Rejection of Bids. In its discretion, the City Council may reject any and all bids presented, and may re-advertise for bids.
- H. Nonresponsive Bids. If no bid, or no responsive bid, is received after inviting bids under this section, the department may proceed to hire or have general services performed or purchase the supplies or equipment on the open market.
- I. Award of Contracts. Contracts shall be awarded by the City Council to the lowest responsive and responsible bidder. In determining the lowest responsive and responsible bidder, the following shall be taken into account:
 - The quality, suitability and efficiency of the item or service offered and its conformity with the specifications.
 - The delivery, discount terms, local vendor preference, and all other conditions submitted in the bid.

The reputation of the equipment, the service reputation of the seller and all information and data required to prove the responsibility of the supplier.

- J. Tie Bids. If two (2) or more bids received are for the same total amount or unit price, quality and service being equal, and if the public interest will not permit the delay of re-advertising for bids, the City Council may select any one of the tie bidders in its sole and absolute discretion.
- K. Performance Bonds. The requesting department has the authority to require a performance bond as a condition to the City's solicitation of any bids, in such amount as the requesting department shall find reasonably necessary to protect the best interests of the City. If the bid requires a performance bond, the form and amount of

the bond shall be described in the notice inviting bids.

- L. Unlawful Evasion of Bidding Requirements. It is unlawful to split into smaller orders the purchase of supplies, equipment, materials or general services for the purpose of evading the competitive bidding provisions.

SECTION 15: EXEMPTIONS FROM COMPETITIVE BIDDING PROCEDURES

EMMC 3.24.060

The following procurements are exempt from competitive bidding requirements:

- A. Single-Source or Sole-Source Procurements. An item or service shall be considered single-source or sole-source if such item or service is essentially unique and can only be met solely by a single patented, copyrighted or proprietary article or process available from a single or sole source. Examples of acceptable sole source purchases are:

- equipment for which there is no comparable competitive product,
- a component or replacement part for which there is no commercially available substitution and which can be obtained only from the manufacturer, or
- an item where compatibility with supplies, equipment, materials, general services or processes already in use by the City is the overriding consideration.

The facts and circumstances justifying the purchase from a single source must be documented.

- B. Cooperative purchases (or piggyback purchases) where such purchases:

- have already been made using the competitive bidding procedures of another public agency; or
- are conducted in accordance with the procedures of the California Multiple Award Schedules Program (the "CMAS Program"), the U.S. General Services Administration, the United States Communities Government Purchasing Alliance or any similar cooperative purchasing program.
- In order to qualify as a cooperative purchase exempt from the formal competitive bidding requirements of this chapter, the cost or unit price of the supplies, materials, equipment or general services procured must be equal to or less than the price paid by the public agency, organization or association with whom the cooperative purchase is made.

- C. The purchase of items for which there is no competitive market such as:

- memberships in professional organizations or industry organizations;
- registration fees for conferences, meetings or other like business- related

- events; or
- subscriptions to professional or trade journals and/or periodicals.

- D. Emergency Procurements or Supplies, Materials, Equipment or General Services. To qualify as an emergency procurement exempt from the formal competitive bidding requirements, the procurement must be made for the purpose of responding to an "emergency" within the meaning of Section 1102 of the California Public Contract Code. All emergency procurements shall be conducted in accordance with the procedures set forth under Section 22050 of the California Public Contract Code.
- E. Professional services. The City Council may waive any requirement for the solicitation of multiple quotes where it is determined to be in the best interests of the City to forego the solicitation of multiple quotes.
- F. Any procurement of supplies, materials, equipment or general services, in which the city council shall find, by resolution adopted by not less than four-fifths (4/5) of its members, that such procurement may be more economically and efficiently effected through the use of an alternate transactional process or alternate procurement procedure. This exception may not be applied to public projects which are subject to mandatory competitive bidding under applicable State law or any mandated informal bidding authorized under the Uniform Public Construction Cost Accounting Act.

SECTION 16: PROFESSIONAL SERVICES

EMMC 3.24.070

The term "professional services" means services rendered by persons or entities on an independent contractor basis where the service or function rendered is of an analytical nature; or where such services or functions essentially consist of the rendering of advice and opinion; and/or the exercise of judgment all based on the educational training, experience or specialized expertise of the person(s) rendering the advice and opinion or exercising judgment. The term "professional services" does not include services rendered by a natural person pursuant to a direct employment arrangement, employment contract, collective bargaining agreement or collective bargaining memorandum of understanding.

Professional Services - Any type of special service or advice in financial, economic, accounting, engineering, legal or administrative matters by persons specially trained and experienced and competent to perform the special services required (Gov't Code§ 53060).

Examples of professional service providers include accountants, actuaries, architects,

attorneys, engineers, educational trainers, financial advisors, surveyors, etc. Depending upon the trade, these individuals may or may not hold professional licenses.

Procurement of professional services:

Amount	Required Approval	Required Solicitation	Required Documentation
≤ \$3,500	Department Head	No solicitation required if the price is reasonable.	<ul style="list-style-type: none"> • Invoice; no PO or contract required
\$3,501 to \$5,000	Department Head	3 quotes (verbal or written)	<ul style="list-style-type: none"> • PO or Contract • Summary of requisition • Copy of quotes (if written)
\$5,001 to \$15,000	Department Head	3 written quotes	<ul style="list-style-type: none"> • PO or Contract • Summary of requisition • Copy of quotes
\$15,001 to \$30,000* *increased to \$50,000 for capital improvement project	City Manager	3 written quotes	<ul style="list-style-type: none"> • Contract • Summary of requisition • Copy of quotes • City Manager approval
\$30,001 to \$150,000	City Council	3 written quotes	<ul style="list-style-type: none"> • Contract • Summary of requisition • Copy of quotes • Staff report • City Council approval
> \$150,000	City Council	Request For Proposal (RFP), Request for Qualification (RFQ)	<ul style="list-style-type: none"> • Contract • Summary of requisition • RFQ/RFP • Copy of Qualifications or Proposals • Staff report • City Council approval

A. Professional services over \$150,000 shall be awarded following the City's issuance of a request for qualifications or proposals.

B. Professional Services Contracts shall be awarded only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. Professional services are generally retained considering

technical factors (such as qualifications and experience), price and other factors such as the ability to meet the City's time schedule(s) for the project.

- C. Professional firms may be retained on a continuing basis to provide professional services. The Department Head, with the approval of the City Manager, may contract on a project-by-project or on a retainer basis for additional work/services without going through the RFP and selection process. At least every three (3) years these arrangements shall be reviewed, and every effort shall be made to receive proposals from at least three (3) consultants to perform the same services. This is to ensure the City is receiving the best value in their services.

SECTION 17: PUBLIC PROJECTS – GENERAL COMPETITIVE BIDDING PROCEDURES

EMMC Section 3.24.075

- A. Contracts for public projects which exceed five thousand dollars (\$5,000), the expenditure limit of Section 20162 of the California Public Contract Code, shall be let by a process of formal competitive bidding, except for public project contracts awarded in compliance with Section 17 (Public projects - UPCCAA procedures).

Public project per Section 20161 of the Public Contracts Code means:

1. A project for the erection, improvement, painting, or repair of public buildings and works.
2. Work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow.
3. Street or sewer work except maintenance or repair.
4. Furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.

- B. Formal Bidding Procedures for Public Projects as defined above:

1. Notices inviting sealed bids shall be published at least twice, not less than five (5) days apart, the first time being no less than twenty-one (21) calendar days before the date of the opening of the bids.
2. Notices inviting bids shall include a description of the public project, state where bid forms and specifications may be obtained, and the time, date and place for the opening of bids.
3. When required by law or as otherwise deemed necessary by the requesting department, bidder's security may be prescribed in the public notice inviting bids. Bidders shall be entitled to return of bid security; provided, however, that a successful bidder shall forfeit the bid security upon the bidder's refusal or failure to execute the contract within ten (10) calendar days after the

- notice of award of contract has been issued by the City. The City Council may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsive and responsible bidder. If the City Council awards the contract to the next lowest responsive and responsible bidder, the amount of the lowest bidder's security shall be applied by the City to the contract price differential between the lowest bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder. If the City Council rejects all bids presented, due to the failure of the successful bidder to execute the contract, and re-advertises, the amount of the lowest bidder's security may be used to offset the cost of receiving new bids and the surplus, if any, shall be returned to the lowest bidder.
4. Sealed bids together with bidder's security shall be submitted to the Public Works Director or designee. The bid shall be so identified on the envelope. Bids shall be opened in public at the date, time and place stated in the public notices inviting the bids. Any bid received after the scheduled time of the bid opening shall be returned to the bidder unopened. A tabulation of all bids received shall be available for public inspection during regular business hours.
 5. Public projects shall require the execution of a written agreement.
 6. At its sole discretion, the City Council may reject any and all bids presented and re-advertise for bids pursuant to the procedure prescribed above. In the event no bids are received, or all bids are rejected, the City Council may, in accordance with Public Contracts Code Section 20167, and any amendments thereto, direct the Public Works Director or designee to proceed pursuant to paragraphs relating to open market procedure or competitive negotiations.
 7. The City shall have authority to require performance and labor and materials security before entering into and executing a contract in such amount as it finds reasonably necessary to protect the best interests of the City. If the City requires security, the form and the amount of the security shall be described in the notice inviting bids. The notice inviting bids may provide that security may be posted in the form of a surety bond or such other security.
- C. Following the award of a public project contract, such contract may be amended by the issuance of a change order, provided the change which is the subject of the change order is reasonably related to the scope of the original contract. Unless a lower limit has been set by the terms of the City's bid solicitation documents, applicable law or the City Council, the City Manager is authorized to approve and execute the following change orders for public project contracts awarded pursuant to this section without City Council approval:

- (i) Any change order which results in the total contract price of fifty thousand dollars (\$50,000.00) or less; and
- (ii) Any change order which results in a total contract price not to exceed ten percent (10%) of the original contract price.

Any change order for contracts which results in a total contract price in excess of ten percent (10%) of the original contract price must be approved by the City Council.

SECTION 18: PUBLIC PROJECTS – UPCCAA PROCEDURES

EMMC Section 3.24.080

- A. Work or services which fall with the definition of the term "public project" as defined under Section 22002 of the California Public Contract Code shall be let in accordance with the procedures set forth under Uniform Public Construction Cost Accounting Act (UPCCAA) codified under the California Public Contract Code, Section 22000 *et seq.* (hereinafter, the "Act"). The City of El Monte initially adopted the Act as its procedures for the procurement of work or services which fall within the definition of the term "public project" in 2004 by way of El Monte City Council Ordinance No. 2614.

Public project per Section 22002 of the Public Contract Code means any of the following:

1. Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility*.
2. Painting or repainting of any publicly owned, leased, or operated facility*.
3. In the case of a publicly owned utility system, "public project" shall include only the construction, erection, improvement, or repair of dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher.

*Facility means any plant, building, structure, ground facility, utility system, subject to the limitation found in paragraph (3), real property, streets and highways, or other public work improvement.

"Public project" does not include maintenance work. For purposes of this section, "maintenance work" includes all of the following:

1. Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes.

2. Minor repainting.
3. Resurfacing of streets and highways at less than one (1) inch.
4. Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.
5. Work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including, but not limited to, dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher.

B. Pursuant to Section 22032(a) – Section 22032(c) of the California Public Contract Code, work or services which qualify as a "public project" within the meaning of the Act should be performed by:

Amount	Required solicitation
\$60,000 or less	by force account, by negotiated contract, or by purchase order.
\$200,000 or less	contract by informal bidding procedures set forth under Section 22034
More than \$200,000	contract by formal bidding procedure

C. Informal bidding procedures includes the following:

1. A list of contractors shall be developed and maintained in accordance with the provision of Section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission. At least once per calendar year, the City shall establish a new list or update its existing list of qualified contractors.
2. A notice inviting informal bids shall be mailed to either all contractors on the qualified contractors list maintained and/or all required construction trade journals designated for the City under Section 22036 of the Public Contract Code for the category of work or services to be bid no less than ten (10) days prior to the bid due date. Additional contractors and/or construction trade journals may be notified at the discretion of the City Manager or the City department or division authorized by the City Manager to solicit bids, provided however:
 - (a) If there is no list of qualified contractors maintained by the City of El Monte for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the Commission.

- (b) if the work, product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.
3. The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time and place for the submission of bids.
 4. If all bids received are in excess of two hundred thousand dollars (\$200,000), the City Council may, by adoption of a resolution by a four-fifths vote, award the contract, at two hundred twelve thousand five hundred dollars (\$212,500) or less, to the lowest responsible bidder, if it determines the cost estimate of the City was reasonable.
- D. Minimum criteria for development and maintenance of the contractors list determined by the California Uniform Construction Cost Accounting Commission.

Source: https://www.sco.ca.gov/ard_cuccac.html

1. At least once per calendar year, the City will update its existing list of qualified contractors by mailing, faxing, or emailing written notice to all construction trade journals designated for the City. The notice shall invite all licensed contractors to submit the name of their firm to the City for inclusion on the City's list of qualified bidders.
 2. The notice shall require that the contractor provide:
 - The name and address to which a Notice to Contractors or Proposal should be mailed, faxed, or emailed;
 - A phone number at which the contractor may be reached;
 - The type of work in which the contractor is interested and currently licensed to do (earthwork, pipelines, electrical, painting, general building, etc.);
 - The class of contractor's license(s) held; and
 - The contractor license number(s).
 3. The list must include, at the minimum, all contractors who have properly provided the City with the information required under #2 above in response to the written notice.
 4. A contractor may have his or her firm added to the City's contractors list at any time by providing the required information.
- E. Delegation of Award of Public Project Awards under the UPCCAA. The City Council may delegate the authority to award informal contracts to the Public Works Director, City Manager, Purchasing Agent, or other appropriate person. The City

Council has delegated approval of the following public project awards to the designated individual or body pursuant to EMMC 3.24.080:

Amount	Approval Required
\$15,000 or less	Department Head
\$15,001 to \$49,999	City Manager
\$50,000 or more	City Council

SECTION 19: DISPOSITION OF SURPLUS AND/OR OBSOLETE PROPERTY

EMMC Section 3.24.090

- A. Each City department or division shall identify supplies, materials and equipment which are no longer used or which have become obsolete or worn out.
- B. The Department Head shall have authority to sell or otherwise dispose of all supplies, materials and equipment which cannot be used by any department or division, or which have become unsuitable for City use. The Department may also exchange the same for, or trade in the same on, new supplies, materials and/or equipment.
- C. Disposition of surplus and/or obsolete items may include some form of recycling or reuse such as donation to public bodies, charitable, civic or nonprofit organizations and may include City property which has no commercial value or for which the estimated cost of continued care, handling, maintenance or storage would exceed the estimated proceeds of sale. Sales procedures may include negotiated sales, acceptance of sealed bids or public auction. Services of a paid auctioneer may be used, as appropriate.
- D. A Disposition or Transfer of City Property form shall be completed by the department and approved by the City Manager for each surplus property item. City Council approval is needed for the disposition of supplies, materials or equipment when the total estimated value exceeds ten thousand dollars (\$10,000.00). The department shall provide a copy of the Disposition or Transfer of City Property form to the Finance Department.
- E. Proceeds from the sale or trade-in of surplus property shall be returned to the appropriate fund.

SECTION 20: AVAILABILITY OF FUNDS

EMMC 3.24.100

The Finance Department shall not issue any purchase orders for supplies, materials, equipment or services in excess of one thousand dollars (\$1,000.00) unless there exists an unencumbered amount in the current fiscal budget against which said purchase is to be, or may be, charged.

SECTION 21: PURCHASE AWARDS TO CITY BUSINESSES

EMMC 3.24.110

Local preference is desirable because of its ability to stimulate the local economy, generate jobs and spur further investment into the community. As set forth in this section, the City shall strive to give preference to businesses located within the City of El Monte. All other procurement factors being equal, if the cost differential or unit price difference between an item provided by a business located in the City of El Monte is no greater than one percent of the cost or unit price quoted by a non-City business, the procurement may be awarded to the El Monte business under the rationale that the City will recoup at least one percent (1.00%) of the cost of the transaction in the form of sales taxes.

SECTION 22: UNAUTHORIZED PROCUREMENTS

EMMC 3.24.120

- A. Any procurement of supplies, materials, equipment or services made in violation of the procedures set forth under EMMC Section 3.24.120 or under this Purchasing Policy and Procedures Manual shall be void and not considered an obligation of the City.
- B. Invoices issued without an authorized purchase order may be returned to the contractor or service provider unpaid. The person making the unauthorized purchase may also be held personally liable for the costs of the purchase or contract.
- C. With respect to procurements authorized via purchase order, such purchase orders shall be issued prior to ordering supplies, equipment, materials or general services and not "after the fact" for work already performed or materials already supplied.

SECTION 23: CONTRACTOR RELATIONS

It is to the City's advantage to promote and maintain good relations with contractors. The Purchasing Division and all departments shall conduct their dealings with contractors in a professional manner and shall promote equal opportunity and demonstrate fairness, integrity, and courtesy in all contractor relations.

SECTION 24: REQUISITION AND PURCHASE ORDER

Requisition

A requisition is a method of communicating the needs of the requesting department to the Purchasing Division when a demand for supplies, materials, equipment, or services exists.

Requisitions can be submitted to the Purchasing Division in the following forms; paper requisition form or electronic requisition. Requisitions in any form must contain the required information.

A complete requisition form will have all the required information and approved by the Department Head. Additional approval by the City Manager is required for requisitions above \$15,000, except when the City Council approved the purchase.

If the City Council has approved the purchase, the requisition will not require additional signature beyond the Department Head. A copy of the approved staff report must be attached to the requisition.

Requisition forms will be reviewed by the Purchasing Division. Incomplete or incorrect requisition forms will be returned to the requestor for correction.

Purchase Order

A purchase order (PO) is generated in response to a requisition as a written confirmation of an order and as a contract between the supplier and the City. POs are computer generated and can only be created by the Purchasing Division and approved by the Finance Director.

PO is a written authorization from the City to a specific contractor to deliver specific goods or services at a pre-determined price, quantity, and/or length of time. The assignment of a purchase order number (PO #) and the signature of the Finance Director is evidence of authorization to proceed with the purchase.

Purchase orders are:

- Used to document that the purchase is allowable, necessary and allocable, and to document approval of purchase
- Used to give a contractor approval to sell to the City
- Used to control expenditures
- Issued and approved prior to the purchase

Departments are encouraged to consider utilizing a yearly purchase order for repetitive purchases made on a regular basis throughout the year. This eliminates the need for issuing numerous requisitions.

A purchase order or contract is necessary for all purchases in excess of \$3,500.

Purchase Order Exemptions

A purchase order is not required for the following types of purchases. The department should submit the invoice and payment request to Accounts Payable. Departments are responsible for ensuring that all procurements without purchase order have sufficient budgets. In addition, all applicable purchasing policies must continue to be adhered to.

- advertising & publications/marketing/notices
- bank service charges
- debt service payments
- donations/contributions
- grants, loans, pass-through payments
- insurance claims and premiums
- medical payments (physicians, lab, etc.)
- membership dues
- permits, assessments, and taxes
- postage/courier/delivery
- periodic renewals, maintenance fees, and other charges associated with software licenses or systems already in use by the City (example: Eden system)
- real property/easement acquisition
- subscriptions
- trade circulars or books
- utility payments (Gas/Electricity, Telephone/Internet/Cable, Water)
- payments to other government agencies
- payments made through
 - petty cash
 - reimbursements
 - procurement card
 - store accounts (example: staples business advantage)

Refer to the separate policy and procedures for Petty Cash, Reimbursements, and Procurement Card.

When the purchase order has been approved, an electronic copy of the purchase order will be kept by Purchasing Division. A hard copy of the purchase order is distributed to the following:

- Requesting department
- Receiving department
- Contractor

If the user department determines a purchase order needs to be cancelled, a change order request should be submitted to the Purchasing Division.

Insurance Certificate and Executed Agreement

Services involving the performance of work on City property shall not be procured unless there is a fully executed agreement for the work and the contractor has current insurance certificates and endorsements. It is the responsibility of the department requesting the services to ensure compliance on this requirement. Failure to secure executed agreements and proper insurance and endorsements for services performed on City property renders the City unprotected against any subsequent claims by contractors. See the insurance section of the agreement to be used for general insurance requirements. Any deviation from these requirements must be coordinated with the Purchasing Officer and final approval authority rests with the Risk Management Division.

Business License

Contractors must have an active business license. It is the responsibility of the requesting Department to ensure compliance on this requirement.

SECTION 25: BLANKET PURCHASE ORDER

A blanket purchase order is issued to selected contractors, on an annual basis, by the Purchasing Division for use by City departments to procure repetitive, high volume, low dollar value items on a continuous basis.

At the beginning of the fiscal year, Purchasing makes arrangements with certain contractors to have open accounts for use by all City departments. A listing of those contractors who have been issued blanket purchase orders is provided by the Purchasing Division. The blanket order states the products or services available and the terms and conditions of the purchase.

The intent of this procedure is to authorize a process through which departments may purchase, with minimum administration and cost to acquire operating supplies in a Just in Time or repetitive basis.

1. Blanket purchase orders shall be limited to the assigned value to the blanket

- purchase order
2. Material requirements will not be broken up in order to procure them by blanket purchase order
 3. No purchases shall be made by blanket purchase order unless there are unencumbered monies in the fund which the purchase is to be charged.
 4. Blanket purchase orders will be issued by the Purchasing Division, after negotiating the terms and conditions with the contractor, for a period of one (1) year.
 5. The Purchasing Officer will approve all blanket purchase orders.
 6. While blanket purchase orders are generated and negotiated by Purchasing, departments are encouraged to request adding or deleting vendors.

SECTION 26: CHANGE ORDER

Non-Public Projects

If a contract or purchase order originally approved by a Department Head or the City Manager later requires authorization for additional expenditures or costs that, if included as part of the original contract, would have exceeded the Department Head’s or City Manager’s contract approval authority, any amendment(s) authorizing such additional expenditures or costs shall be:

- (i) approved by the City Manager if the additional expenditures and costs, had they been included in the original contract, would have still been within the City Manager’s approval authority; or
- (ii) approved by the City Council if as the additional expenditures and costs, had they been included in the original contract, would have exceeded the City Manager’s approval authority.

Public Projects

Following the award of a public project contract, such contract may be amended by the issuance of a change order, provided the change which is the subject of the change order is reasonably related to the scope of the original contract.

Change orders for public projects are subject to the following authorization:

Authorization	Limit
City Manager	(i) Any change order which results in the total contract price of fifty thousand dollars (\$50,000.00) or less; and (ii) 10% or less of the original contract price.
City Council	In excess of 10% of the original contract price

SECTION 27: CREDIT CARD USAGE

Under certain circumstances, the use of a City credit card may be the most appropriate method for certain purchases. The following policies and procedures are established to insure internal control and timely payment of charges.

- A. City credit cards will be signed out on an as-needed basis to staff at the sole discretion of the Purchasing Officer or the appointed designee, in accordance with internal control procedures. Failure to comply with established procedures may result in discontinuance of use by the employee/department.
- B. City credit cards shall be available to staff for the conduct of official City business, included, but not limited to the following purposes:
 - 1. Gasoline purchases;
 - 2. Authorized travel expenses and hotel charges which shall subsequently be documented on the travel reconciliation report;
 - 3. To charge the cost of meals when required in the conduct of official business, except when an employee is traveling on a per diem basis; and
 - 4. Other circumstances where the use of a credit card best meets the City's purchasing needs as determined by the Purchasing Officer or the appointed designee.
- C. All receipts must be turned in when credit card bill is submitted for payment.

No personal items shall be charged on any City credit card except those charges that might be incidental to another charge made on the card for travel or meetings. Whenever one (1) of these personal charges is made on the City credit card, the charges will be reconciled and reimbursed to the City when the travel reconciliation is completed. Under no circumstances shall a single personal charge be made on a City credit card.

- D. Refer to the complete policy of procedures for the Procurement Card

SECTION 28: CONTRACTOR FILES

The Finance Department shall create a contractor file for each new contractor or re-activated contractor from whom the City purchases goods or services.

The Departments shall mail a blank Form W-9 to new contractor and request that the contractor complete and sign the W-9 (or provide equivalent, substitute information) and return it in the postage-paid envelope provided (or via email). Completed, signed Forms W-9 or substitute documentation shall be filed in each contractor's file.

Contractor files shall have the following information:

1. Completed and signed Form W-9. Contractors being reactivated are required to complete a new Form W-9 to verify current name, address, and tax ID number.
2. Contractors with a post office (PO) box shall provide a physical location address for the master file. The PO Box number may be used for postal purposes. The contractor name and physical address will be verified by performing an online search if such information is available online, particularly with the Secretary of State, and mailing of contractor forms that are required to be returned.

The following procedures will be performed prior to creating or re-activating all contractor files to help ensure that each contractor only has one (1) master file:

1. Search for existence of the tax ID number in the master file
2. Search for name variations and name standardization (entity resolution) (e.g. Doe, John; J Doe; John Doe)
3. Search for matching or similar addresses
4. Perform an online search of the contractor and the physical address to determine validity
5. Search for matches against the employee master file

Contractor Master File Maintenance

The City will monitor the contractor master file on a regular basis, with a full review of the master listing completed every year prior to year-end.

The Finance Department will review the master file for:

1. Duplicate contractors. Contractors with the same or similar tax ID number, name, address, email, contact, and other information. Duplicate contractors will be merged, and duplicates will be inactivated.
2. Contractors with a post office (PO) box address. Contractors with only a PO Box will be required to provide a physical location address for the master file.
3. Contractors without activity in the past 5 years will be inactivated. Inactivated contractors must go through the contractor creation process before being re-activated.

APPENDIX

EXHIBIT A – PURCHASING GUIDELINES – SUPPLIES, MATERIALS, EQUIPMENT AND GENERAL SERVICES

Amount	Required Approval	Required Solicitation	Required Documentation
≤ \$3,500	Department Head	No solicitation required if the price is reasonable. To the extent practicable, must distribute micro-purchases equitably among qualified suppliers	<ul style="list-style-type: none"> • Invoice; no PO or contract required
\$3,501 to \$5,000	Department Head	3 quotes (verbal or written)	<ul style="list-style-type: none"> • PO or contract • Summary of requisition • Copy of quotes (if written)
\$5,001 to \$15,000	Department Head	3 written quotes	<ul style="list-style-type: none"> • PO or contract • Summary of requisition • Copy of quotes
\$15,001 to \$30,000* *increased to \$50,000 for capital improvement project	City Manager	3 written quotes	<ul style="list-style-type: none"> • PO or contract • Summary of requisition • Copy of quotes • City Manager approval
\$30,001 to \$150,000	City Council	3 written quotes	<ul style="list-style-type: none"> • PO or contract • Summary of requisition • Copy of quotes • Staff report • City Council approval
> \$150,000	City Council	Formal bid	<ul style="list-style-type: none"> • Contract • Summary of requisition • Notice inviting bid • Copy of bids • Staff report • City Council approval

EXHIBIT B – PURCHASING GUIDELINES – PROFESSIONAL SERVICES

Amount	Required Approval	Required Solicitation	Required Documentation
≤ \$3,500	Department Head	No solicitation required if the price is reasonable.	<ul style="list-style-type: none"> • Invoice; no PO or contract required
\$3,501 to \$5,000	Department Head	3 quotes (verbal or written)	<ul style="list-style-type: none"> • PO or Contract • Summary of requisition • Copy of quotes (if written)
\$5,001 to \$15,000	Department Head	3 written quotes	<ul style="list-style-type: none"> • PO or Contract • Summary of requisition • Copy of quotes
\$15,001 to \$30,000* *increased to \$50,000 for capital improvement project	City Manager	3 written quotes	<ul style="list-style-type: none"> • Contract • Summary of requisition • Copy of quotes • City Manager approval
\$30,001 to \$150,000	City Council	3 written quotes	<ul style="list-style-type: none"> • Contract • Summary of requisition • Copy of quotes • Staff report • City Council approval
> \$150,000	City Council	Request For Proposal (RFP), Request for Qualification (RFQ)	<ul style="list-style-type: none"> • Contract • Summary of requisition • RFQ/RFP • Copy of Qualifications or Proposals • Staff report • City Council approval

EXHIBIT C – PURCHASING GUIDELINES - PUBLIC PROJECTS

➤ **PUBLIC PROJECTS – GENERAL COMPETITIVE BIDDING PROCEDURES**

Amount	Required Approval	Required Solicitation	Required Documentation
≤ \$3,500	Department Head	No solicitation required if the price is reasonable.	<ul style="list-style-type: none"> • Invoice; no PO or contract required
\$3,501 to \$5,000	Department Head	3 quotes (verbal or written)	<ul style="list-style-type: none"> • PO or Contract • Summary of requisition • Copy of quotes (if written)
More than \$5,000	City Council	Formal bid	<ul style="list-style-type: none"> • Contract • Summary of requisition • Notice inviting bid • Copy of bids • Staff report • City Council approval

➤ **PUBLIC PROJECTS – UPCCAA PROCEDURES**

Amount	Required Approval	Required Solicitation	Required Documentation
≤ \$60,000	\$15,000 or less - Department Head	by force account, by negotiated contract, or by purchase order	<ul style="list-style-type: none"> • PO or Contract
\$60,001 to \$200,000	\$15,001 to \$49,999- City Manager	informal bidding, refer to Section 18	<ul style="list-style-type: none"> • PO or Contract • Summary of requisition • Copy of bids • Contract (if applicable)
More than \$200,000	\$50,000 or more - City Council	Formal bid	<ul style="list-style-type: none"> • Contract • Summary of requisition • Notice inviting bid • Copy of bids • Staff report • City Council approval