

Chapter 2.36

PURCHASING AND CONTRACT PROCEDURES

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2.36.010 System adoption.

A purchasing system is adopted in order to establish efficient procedures for the purchase of supplies, services and equipment; to secure for the city supplies, services and equipment at the lowest possible cost commensurate with quality needed; to exercise positive financial control over purchases; to define clearly the authority for the purchasing

function and to assure the quality of purchases. (Ord. 1421 § 2, 2008)

2.36.020 Centralized purchasing division.

There is created a centralized purchasing division in which is vested authority for the purchase of supplies, services and equipment. Purchasing shall be a division of the finance department. (Ord. 1421 § 2, 2008)

2.36.030 Establishment of the position of purchasing manager.

There is created the position of purchasing manager, who shall be the city's principal public purchasing official. The purchasing manager will be under the direct supervision of the director of finance. (Ord. 1421 § 2, 2008)

2.36.040 Authority and duties.

(a) Duties. In accordance with this chapter, and subject to the approval of the finance director or his or her designee, the purchasing manager shall:

(1) Procure or supervise the procurement of supplies, services and equipment needed by the city;

(2) Exercise general supervision and control over all inventories of all city assets;

(3) Assign surplus assets to departments or divisions or dispose of assets as they are replaced or which have been declared surplus;

(4) Negotiate and recommend execution of contracts for the purchase of supplies, services or equipment;

(5) Discourage uniform bidding and endeavor to obtain full and open competition on all purchases;

(6) Keep informed of current developments in the field of purchasing, prices, market conditions and new products;

(7) Recommend the adoption of formal and informal purchase dollar limits which establish the methods of source selection and contract award;

(8) Consistent with this chapter, recommend operational procedures and establish the require-

ments for forms to be used in procurements of supplies, services and equipment; and recommend to the city manager the level of authority for the approval of all purchases for the departments;

(9) Such other future duties as in the city manager's discretion, are incidental and necessary to the conduct of the division. (Ord. 1421 § 2, 2008)

2.36.050 Exemptions from centralized purchasing.

The purchasing manager, with the approval of the city manager, may authorize any city department to purchase specified services, materials, supplies and/or equipment, provided that such purchases shall be made in conformity with the procedures established by this chapter, and the purchasing manual. Such authorization by the purchasing manager may be either verbal or in writing. (Ord. 1421 § 2, 2008)

2.36.060 Informal purchases—Up to \$15,000.

Any purchase under the amount established for formal bid procedures shall be made in accordance with this section. The procedures will provide that the city obtains adequate and reasonable competition for the supplies, services or equipment being purchased. Awards shall be made to the responsible vendor offering the lowest acceptable quotation.

(a) Minor Purchases (up to five hundred dollars). Purchase of supplies, service or equipment in this category can be purchased from any single vendor of choice.

(b) Informal Purchases (over five hundred dollars to five thousand dollars)—Verbal Quotations. No less than three vendors shall be solicited to submit verbal or written quotations for the purchase of supplies, services or equipment in this category unless otherwise provided for in Section 2.36.120. The requirement of when a verbal or written bid is necessary is at the discretion of the purchasing manager.

(c) Informal Purchases (over five thousand dollars to fifteen thousand dollars)—Written Quotations. No less than three vendors shall be solic-

ited to submit written quotations for the purchase of supplies, services and/or equipment in this category unless otherwise provided for in Section 2.36.120. (Ord. 1421 § 2, 2008)

2.36.070 Formal bidding of nonpublic works contracts—Over \$15,000.

Any purchase over the amount established for formal bid procedures of nonpublic works contracts shall be made in accordance with this section. The procedures will provide that the city obtains adequate and reasonable competition for the supplies, services or equipment being purchased. Formal bidding shall be at the discretion of the purchasing manager who may use a modified procedure when the public interest would be served thereby. Awards shall be made to the responsible vendor offering the lowest acceptable bid.

(a) Conditions for Use. All contracts for supplies, services and equipment requiring formal bids shall be awarded by competitive bidding except as otherwise provided in this chapter.

(b) Request for Bid. A written request for bid shall be issued including specifications, terms and conditions, scope of work and performance measures applicable to the procurement.

(c) Bidders. The purchasing manager shall issue a request for bid to a sufficient number of responsible prospective bidders to obtain competitive pricing.

(d) Bid Opening. Bids shall be opened by the purchasing manager; the amount of each bid, together with the name of each bidder shall be recorded; each bid shall be open to public inspection, during regular business hours. After the award, all opened bid materials are to remain in the possession of the purchasing manager for the time prescribed by the records management program.

(e) Bid Acceptance and Bid Evaluation. Bids shall be unconditionally accepted without alteration or correction. Bids shall be evaluated based on the requirements set forth in the request for bid. The city retains its right to waive minor irregularities in the bid.

(f) Tie Bids. If two or more bids received are for the same total amount or unit price, quality and service being equal, if the public interest will not be served by re-advertising for bids, the city council may accept the one it chooses or accept the lowest bid made by negotiation with the tie bidders.

(g) Rejection of Bids. In its sole discretion the city council may reject any and all bids presented and re-advertise for bids. (Ord. 1421 § 2, 2008)

2.36.080 Formal bidding of public works project contracts—Over \$5,000.

Unless the provisions of Chapter 2.38 apply, any purchase over the amount established for formal bid procedures of public projects contracts shall be made in accordance with this section. The procedures will provide that the city obtains adequate and reasonable competition for the supplies, services or equipment being purchased. Awards shall be made to the lowest responsible bidder submitting a responsive bid.

(a) Conditions for Use. All public works projects contracts require formal bidding and shall be awarded by competitive sealed bidding unless provided for in Section 2.36.120.

(b) Notice Inviting Bids. A written notice inviting bids shall be issued including specifications, terms and conditions, other contract documents, scope of work and performance measures applicable to the project.

(c) Public Notice. Public notice of the request for bids shall be published at least twice, five days apart, not less than ten days prior to the date set forth therein for the opening of bids. The notice shall be in accordance with California Public Contracts Code Section 20164. The public notice shall state the place, date and time of bid opening.

(d) Bid Opening. Sealed bids shall be opened by the city clerk publicly in the presence of at least one witness at the time and place designated in the request for bids. The amount of each bid, together with the name of each bidder shall be recorded; each bid shall be open to public inspection, during regular business hours. After the award, all opened bid materials are to remain in the possession of the

city clerk for the time prescribed by the records management program.

(e) Bid Acceptance and Bid Evaluation. Bids shall be unconditionally accepted without alteration or correction. Bids shall be evaluated based on the requirements set forth in the request for bids. The city retains the right to waive minor irregularities in the bid, but will reject nonresponsive bids in accordance with law.

(f) Tie Bids. If two or more bids received are for the same total amount or unit price, quality and service being equal, if the public interest will not be served by re-advertising for bids, the city council may accept the one it chooses or accept the lowest bid made by negotiation with the tie bidders.

(g) Rejection of Bids. In its sole discretion the city council may reject any and all bids presented and re-advertise for bids.

(h) Award. The contract shall be awarded with reasonable promptness by appropriate written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the request for bids.

(i) Storage of Sealed Bids. All opened bid materials, after the award, are to remain in the possession of the city clerk for the time prescribed by the records management program. (Ord. 1423 § 1, 2008; Ord. 1421 § 2, 2008)

2.36.090 Public works projects—Emergency exception.

State law shall govern public project bidding procedures. In an emergency, the procedures of Public Contract Code Sections 20168 and 22050, or any successor statute, shall apply. The city manager is authorized to order emergency work pursuant to Public Contract Code Section 22050 and if such action is ordered, the city manager shall report to the council at successive regular meetings stating the justification for continuing with the emergency work. In the absence or inability of the city manager to so act, the director of public works shall be authorized to exercise these powers. (Ord. 1421 § 2, 2008)

2.36.100 Bidder's security.

When deemed necessary by the city manager or the city manager's designated representative, bidder's security may be prescribed in the public notices inviting bids. All public works bids shall be accompanied by security. Bidders shall be entitled to return of bid security; provided, that a successful bidder shall forfeit his or her bid security upon refusal or failure to execute the contract within ten 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 to execute the contract, award it to the next lowest responsible, responsive bidder. If the city 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. (Ord. 1421 § 2, 2008)

2.36.110 Performance bonds.

The city shall have authority to require a performance bond of the successful bidder before entering into a contract pursuant to an award in such an amount as it shall find reasonably necessary to protect the best interests of the city. If the city requires a performance bond, the form shall be approved by the city attorney. The amount and form, whenever possible, shall be set forth in the notice inviting bids. (Ord. 1421 § 2, 2008)

2.36.120 Bid exceptions.

(a) Bidding may be dispensed with only when one or more of the following apply:

- (1) An emergency requires that an order be placed with the nearest source of supply;
- (2) When the amount of the purchase involved is less than five hundred dollars;
- (3) When the commodity or service can be obtained from only one vendor;
- (4) When used equipment can be acquired which meets the needs of the city and costs less;
- (5) When participating in cooperative contracts with another government agency;

(6) When the services of attorneys, engineers, accountants or other specialized professionals are sought;

(7) When the public interest may otherwise require that bidding be dispensed with; provided, that the city council shall approve of the purchase by majority vote and as part of its approval shall indicate the reasons bidding was dispensed with;

(8) When the city manager makes similar findings for contracts with a value of less than fifteen thousand dollars;

(9) Where three bids cannot be obtained, the purchasing manager or department primarily responsible for the purchase can then select from the available and qualified bids.

(b) In no event shall bidding be dispensed with when required by federal or state law. (Ord. 1421 § 2, 2008)

2.36.130 Encumbrance of funds.

The purchasing manager shall not issue any purchase order for supplies, services or equipment unless there exists an unencumbered appropriation in the fund against which the purchase is charged. (Ord. 1421 § 2, 2008)

2.36.140 Requisitions.

Requests for supplies, services and equipment in excess of five hundred dollars shall be submitted to the purchasing division by standard forms as defined by the purchasing manager. (Ord. 1421 § 2, 2008)

2.36.150 Purchase orders.

Procurement of supplies, services and equipment over five hundred dollars shall be made by purchase order, or by written contract. (Ord. 1421 § 2, 2008)

2.36.160 Splitting purchases.

Purchases shall not be divided so as to avoid compliance with any provision of this chapter. (Ord. 1421 § 2, 2008)

2.36.170 Contract execution.

(a) The city manager, director of finance and the purchasing manager are authorized to sign and enter into contracts on behalf of the city when the total value of the contract is less than fifteen thousand dollars. No other employee is authorized to sign a contract binding the city and any contract so signed is void.

(b) The mayor, city attorney and city clerk are all required to execute a contract in excess of fifteen thousand dollars. In the absence or unavailability of the mayor, the mayor pro tempore may sign contracts of fifteen thousand dollars or more. Contracts of fifteen thousand dollars or more not signed by the mayor or mayor pro tempore are void. (Ord. 1421 § 2, 2008)

2.36.180 Award of contracts.

(a) The city council has established that formal bidding is required for contracts in excess of fifteen thousand dollars. Any such contracts requiring a formal bid shall be awarded by the city council.

(b) The city manager is authorized to award contracts for services or supplies less than fifteen thousand dollars.

(c) Utilities and commodities that are the sole source of supply to the city do not require bidding or council approval. (Ord. 1421 § 2, 2008)

2.36.190 Professional services contracts.

When the services of a professional nature are required the following applies:

(a) Professional services of up to fifteen thousand dollars require the approval of the initiating department head and approval of the city manager, and shall be made by written purchase orders issued by the purchasing division and any other contractual document deemed necessary and appropriate by the city attorney.

(b) Professional services in excess of fifteen thousand dollars require the approval of the city council and shall be made by written contract executed by the mayor and approved as to form by the city attorney. Requests for proposals shall be encouraged and whenever possible three proposals

shall be obtained for the professional services. (Ord. 1421 § 2, 2008)

2.36.200 Specifications.

As needed, the purchasing manager, in conjunction with the using department, shall develop standard specifications for procured equipment, supplies, or services. Every specification shall be prepared to ensure the broadest possible bidder participation, consistent with the needs of the using department. (Ord. 1421 § 2, 2008)

2.36.210 Grants.

Notwithstanding the provisions of this chapter, federal or state law and any special conditions pertaining to grants shall also be met when purchasing or contracting pursuant to such grants. (Ord. 1421 § 2, 2008)

2.36.220 Disposition of surplus property.

All using departments shall submit to the purchasing manager, at such times and in such form as he or she shall prescribe, reports showing all supplies and equipment which are no longer used or which have become obsolete or worn out. The purchasing manager shall have authority to dispose of all supplies and equipment which cannot be used by any department, or which have become unsuitable for city use, by auction, sale, trade, donation or whatever means that best serves the public good. (Ord. 1421 § 2, 2008)

2.36.230 Environmentally conscious purchases.

The city shall endeavor to create specifications and make purchases that are environmentally friendly to the extent practicable and consistent with the common good, taking into account the city's budget and other factors. (Ord. 1421 § 2, 2008)