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City of Yucaipa Purchasing Policy and Procedures

**City of Yucaipa
Finance Department
Revised September 2022**

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PREFACE

A successful purchasing policy provides users with quick answers to the questions they may have regarding a particular type of purchase. With that as the guiding principle, each chapter is written to provide the exact details of a particular type of purchase (i.e., a construction bid).

Certain chapters are written for the frequent user and are specific, succinct, and designed to answer questions quickly. Other chapters are written for the occasional user, and provide an in-depth explanation, as an example, of the Request for Proposal process from beginning to end.

The Table of Contents is meant to be consulted each time a user needs to research a particular type of purchase to better help the user navigate the process. This document is intended to aid users by focusing on how to properly purchase supplies, services, and equipment while explaining the policies and procedures within legal regulations.

CHAPTER 1 – OVERVIEW

Section 1. Purpose and Policy Statement

Expending public funds is a matter of great public trust and cannot be taken lightly. Anyone entrusted with the responsibility of expending funds for the City of Yucaipa should manage and spend those funds with the same care that the individual would manage his/her own personal finances.

The City of Yucaipa's procurement objectives shall strive to optimize the overall achievement of the following goals:

1. Realizing transparency with key stakeholders;
2. Obtaining the best quality goods and services;
3. Attaining the most optimal time frame for procurement completion;
4. Achieving the minimum appropriate price; and
5. Promoting the procurement of recovered organic waste products and recycled materials.

City of Yucaipa Ordinance No. 90-42 created a purchasing system and established general rules and procedures for the purchase of supplies, services, equipment, and professional services. The purpose of creating the Purchasing Policy for the City of Yucaipa is to set forth the specific standards for processing all procurement activities. These standards are furnished to ensure that material, equipment, construction, and services are obtained in a timely, efficient, and economical manner, adhering to principles of good administrative practices and sound judgment.

All procurement activities of the City of Yucaipa shall be performed in accordance with the procedures outlined within this Purchasing Policy in a manner that provides maximum free and open competition.

This Purchasing Policy applies to the purchase of all supplies, equipment, public projects/construction, and services (professional and non-professional), and related documents, prepared or processed within the City of Yucaipa. For the purposes of this Purchasing Policy, the term employee shall be interpreted to include all employees and officials of the City, both appointed and elected.

The City of Yucaipa's policy is that contracts should not normally include terms for automatic renewal (I.e., evergreen contract).

Section 2. Ethical Standards and Conflict of Interest

Overview: Ethical Standards and Conflict of Interest Guidelines are established in personnel policies and the Employee MOU.

City staff is expected to practice diligence, prudence, and integrity to avoid unethical purchasing behavior and the appearance of unethical purchasing behavior. Specific dollar limits have been established regarding the acceptance, by City staff, of gifts from vendors, disclosure of employee financial interest in companies doing business with the City, the employment of present and former employees, and the use of confidential information.

A. Ethical Standards

Employees must avoid any action, whether or not specifically prohibited by this or other instruction or law that results in or can reasonably be expected to create the appearance of:

1. Giving preferential treatment to any person or entity;
2. Impeding City efficiency or economy;
3. Losing independence or impartiality;
4. Making a City decision outside official channels;
5. Adversely affecting the confidence of the public in the integrity of the City government.

B. Using Public Office for Private Gain

In general, City employees shall not make any attempt to realize personal gain, either directly or indirectly, through a purchase or service provided to the City, including the following:

1. The employee or any member of the employee's immediate family has a financial interest in the purchase or service.
2. A business or organization, in which the employee or any member of the employee's immediate family has a financial interest, is involved in the purchase or service.
3. Any other person, business, or organization, with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment, is involved in the purchase or service.
4. No City employee operating a business outside of their current City employment shall do business or provide a service for the City through their outside employment.

C. Employee Conflict of Interest

Conflicts of interest occur when competing interests exist between the public interest and the private monetary interest of the public official or employee. Conflicts of interest can also occur regarding individuals who have left government employment. The term also applies to situations in which contractors have some influence that would gain them a competitive advantage in purchasing.

1. **Employee Disclosure Requirements.** The Political Reform Act has identified specific City positions required to disclose financial interests.
2. **Kickbacks.** Kickbacks are financial payments for receiving a contract. Kickbacks are illegal.
3. **Restriction on Employment of Present or Former Employees.** Employees who participate in selection, review, or approval or who have influence over selection or approval in the purchasing process should not become employees of a firm contracting with the City within the following year. An employee should not act as a principal or as an agent for a firm that does business with the City for six months after separating from the City.
4. **Use of Confidential Information.** Purchasing Officers/Designees are frequently made privy to confidential information in the course of their duties, and the prohibition against the misuse of confidential information is just as fundamental to ethical purchasing as it is to any other sphere of government. Employees and former employees should not knowingly use confidential information for actual or anticipated personal gain or for the gain of any other person.

D. Therefore, all employees:

1. Shall not engage in personal, business, or professional activity nor hold a financial interest that conflicts with the duties and responsibilities of their position;
2. Shall not solicit, accept, or agree to accept any gratuity for themselves, their families or others that results in their personal gain which may affect their impartiality in making decisions on the job. Discounts or other concessions realistically available to the general population, items received that do not result in personal gain, and samples to the City used for general City use, are examples of items that are not gratuities; and
3. Shall not directly or indirectly use, take, dispose, or allow to use, take, or dispose of City property; and
4. Shall report to and discuss with the employee's immediate supervisor questions any particular events, problems, or potential problems.

Section 3. Purchasing Officer and SB 1383 Recordkeeping Officer

A. Purchasing Officer

A Purchasing Officer is appointed as per Section 2.24.020 of the Municipal Code. The Purchasing Officer, with the approval of the City Manager, may authorize in writing, any agency to purchase or contract for specified goods and services independent of the Purchasing

Officer. As such, with this Policy, the head of each department is hereby authorized to purchase specified goods and services necessary to maintain efficient operations within their department. Such purchases shall be made in accordance with this Purchasing Policy.

B. SB 1383 Recordkeeping Officer

The City Manager shall have the authority to designate an SB 1383 Recordkeeping Officer. The SB 1383 Recordkeeping Officer will be responsible for obtaining records and fulfilling reporting requirements pertaining to the Procurement of Recovered Organic Waste Products and Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper, as those terms are defined in Chapter 1, Section 4 of this Policy.

Section 4. Responsibilities of Purchasing Officer and SB 1383 Recordkeeping Officer

A. Purchasing Officer Duties and Responsibilities

The Purchasing Officer's duties and responsibilities are defined in Section 2.24.020 of the Municipal Code. To perform these functions efficiently and assist operating departments, the Purchasing Officer/Designee shall:

1. Assist operating departments with research and recommendations in developing specifications; review specifications for completeness of information and ensure that purchasing specifications are open and nonrestrictive to encourage full competition.
2. Identify, evaluate, and utilize purchasing agreements that best meet the City's needs (i.e., cooperative purchases, blanket purchase orders, contractual agreements, etc.).
3. Maintain adequate internal control procedures.
4. Perform such other tasks as may be necessary for the proper conduct of purchasing supplies, general services, and equipment.

B. SB 1383 City Enforcement Official Responsibilities

The SB 1383 City Enforcement Official as defined in YMC Chapter 8.29 of Title 8, oversees the recordkeeping and reporting requirements pertaining to the Procurement of Recovered Organic Waste Products and Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper, as those terms are defined in Chapter 3, Section 7. To perform these functions efficiently and assist operating departments, the SB 1383 Recordkeeping Officer or designee shall:

1. Collect, collate and maintain copies of invoices or receipts (paper or electronic) or other documentation or proof of purchase that describe the Procurement of Recovered Organic Waste Products and Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper, as those terms are defined in Chapter 3, Section 7, including the volume and type of all paper purchases whether or not they contain recycled content, from (a) all departments (b) all vendors, and (c) all Direct Service Providers, pursuant to Sections 18933.2 and 18993.3 of Title 14 of the California Code of Regulations (hereinafter referred to as "14 CCR").

2. Collect, collate and maintain copies of certifications and other required verifications from all departments procuring Paper Products and Printing and Writing Paper (whether or not they contain recycled content) required under Chapter 3 of this Policy, pursuant to 14 CCR Section 18993.3 and Recovered Organic Waste Products required under Chapter 3 of this Policy.
3. Collect, collate, and maintain documentation submitted by City Departments to the SB 1383 Recordkeeping Officer, Direct Service Providers, and/or vendors, including the information reported to the SB 1383 Recordkeeping Officer in accordance with Sections Chapter 3, Section 7 of this Policy.
4. Annual Report.
 - a. Compile an annual report on the City's direct procurement, and Direct Service Provider or vendor procurement on behalf of the City, of Recovered Organic Waste Products, Recycled-Content Paper Products, and Recycled-Content Printing and Writing Paper, consistent with the recordkeeping requirements contained in 14 CCR Section 18993.2 for the Annual Recovered Organic Waste Product Procurement Target, as such term is defined in Chapter 3, Section 7 of this Policy, and 14 CCR Section 18993.4 for Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper procurement.
 - b. Pursuant to 14 CCR Section 18993.2(a), each Annual Report shall contain the information in Chapter 1, Section 3.B.1 to B.3, and a description of how the City will comply, and is complying, with the procurement requirements of 14 CCR Division 7, Chapter 12, Article 12.
 - c. Make the annual report available to the entity responsible for compiling the annual report to be submitted to CalRecycle pursuant to 14 CCR Division 7, Chapter 12, Article 13, if not the SB 1383 Recordkeeping Officer.
 - d. File the annual report with Council annually as evidence of implementing the City's SB 1383 procurement requirements.

Section 5. Responsibilities of Requesting Departments

Overview: Requesting departments are charged with the following responsibilities in the purchasing process:

1. Departments will be responsible for various procurements for the efficient operation of the City.
2. The Department Director may authorize purchase of goods and services with costs under the signature authority threshold of the Department Director as defined in Section 2.24.012 of the Municipal Code independently of the Purchasing Officer/Designee. Departments must keep a record of such purchases, exercise reasonable prudence in seeking price quotes when purchasing such items and adhere to applicable competitive procedures as defined in the Municipal Code.
3. Coordinate all purchases with the Finance Department as appropriate per the procedures set forth in this Purchasing Policy.

4. Ensure that there exists an unencumbered appropriation in the fund accounts against which any purchase is to be charged.
5. Inspect all goods and services purchased to assure conformance with City specifications.
6. Provide detailed, accurate specifications to ensure goods obtained are consistent with requirements and expectations.
7. Submit a requisition to the Purchasing Officer/Designee prior to authorizing any procurement in accordance with this Purchasing Policy. Prepare requisition in accordance with instructions to minimize the processing effort.
8. Verify vendor has a valid, current City of Yucaipa business license as appropriate.
9. Verify that vendor or contractor maintains adequate insurance or securities, as appropriate, and coordinate the collection of supporting documentation from vendor or contractor.
10. Verify that vendor or contractor is not in violation of any City Code or Ordinance.
11. Inform Purchasing Officer/Designee of any vendor relations problems, shipping problems (i.e., damaged goods, late delivery, wrong items delivered, incorrect quantity delivered, etc.) and any situations which should be brought to the attention of the Purchasing Officer/Designee.
12. Follow competitive procedure limits and guidelines as established by the Municipal Code and this Purchasing Policy.
13. When applicable, assist Purchasing Officer/Designee with the review of all bids received for compliance with specifications and provide Purchasing Officer/Designee with written documentation regarding findings. After Purchasing Officer/Designee review, prepare a recommendation to City Council for award of the bid, when applicable.
14. Notify vendors only after requisition has been approved by the Purchasing Officer/Designee and an authorized purchase order has been received.

Section 6. Responsibilities of the Finance Department

Overview: The Finance Department is charged with the following responsibilities in the purchasing process:

1. Process all purchase requisitions, purchase orders and other related documents in a timely manner.
2. Process payments for all invoices timely and to work with each department in an efficient manner to maintain positive relationships between the City and its vendors.
3. Maintain adequate internal control procedures, which includes, but is not limited to, backup documentation and proper authorization.
4. Prepare for and submit to an annual examination of those records and procedures by an independent auditing firm.
5. Required to maintain certain financial records and to prepare financial reports as needed.
6. Coordinate the transfer of surplus Personal Property and adhere to the applicable procedure as defined in this Purchasing Policy.

Section 7. Responsibilities of the Finance Committee

As it relates to purchasing, the Finance Committee of the City Council is responsible for reviewing the preliminary Check Registers and authorizing the creation and release of checks.

Section 8. Vendor Relations

1. It is to the City's advantage to maintain and promote good relations with suppliers of goods and services. Purchasing and operating department staff shall conduct their dealings with vendors in a professional manner and shall promote equal opportunity and demonstrate fairness, integrity, and courtesy in all vendor relations.
2. Operating departments may make direct contact with vendors for such purposes as obtaining price quotes, developing service contracts, issuing RFP's or RFQ's, obtaining technical information, obtaining cost estimates for budgeting, or purchasing purposes, for preparing purchase requisitions and for placing orders for authorized purchases.

Section 9. Purchasing Cycle

This section is intended to provide a common understanding of the procedures on how to requisition and secure goods and services needed by all City departments when a purchase requisition is required by this Purchasing Policy; to ensure that all requests are in accordance with the City's Purchasing Policy as well as other legal requirements; and to provide a check that all materials and services have been ordered, received and cleared for payment in a timely, efficient and effective manner. The City's procedures for securing goods and services can best be described as the "purchasing cycle", which is summarized as follows:

1. Budget - The budget appropriation demonstrates City Council's authorization to make funds available for City operations during a fiscal year. Goods and services may be procured only if funds are available and unencumbered and conform to this Purchasing Policy.
2. Identify specific need and obtain bids/quotes.
3. Purchase Requisition - once a need to purchase has been established, a department will prepare a purchase requisition which will include, but is not limited to, the following information:
 - a. Requesting documentation.
 - b. Request date.
 - c. Account number ("account string") to be charged.
 - d. Vendor name and number (if no number exists, requester will need to provide address, phone number and business license number).
 - e. Description of products or services and quantity and item number if known.
 - f. Amount of purchase, including a line item for sales tax, if appropriate.
 - g. Name of requester.
 - h. Demonstrated approval of appropriate department director.
 - i. List of other bids or quotes received with appropriate backup documentation, when applicable.

- j. Expected date to receive goods.
 - k. W-9 form for new vendors.
 - l. Required vendor insurance documentation
 - m. Other documentation/backup as required by the Purchasing Officer
4. Requisition is sent to the Finance Department. The Finance Department verifies, among other things, the account number, available funds, and signature/authorization.
 5. The Finance Department prepares a purchase order. A purchase order is a written contract between the City of Yucaipa and the seller for the purchase of items or services at an agreed upon price, delivery date and payment terms.
 6. The Finance Department posts the encumbrance to the general ledger and returns the department's copy of the approved purchase order to the originating department.
 7. The Operating Department places the purchase order with the successful bidder.
 8. The goods are received by the department and examined for quality and completeness.
 9. The department signs the receiving copy of the invoice or packing slip and returns it to the Finance Department, or performs other appropriate methods for proving receipt as prescribed by the Purchasing Officer
 10. The Finance Department receives the invoice, and forwards it to the appropriate department staff who matches it with the packing slip, or other authorized receipt record, and prepares for payment.
 11. The City strives to process all payments within 30 days of receipt of an invoice.
 12. A complete check package is sent to the Finance Committee for authorization.

Section 10. Competitive Process

It shall be the City of Yucaipa's goal to use a competitive procurement process, which includes obtaining numerous quotes, bids, or proposals, as applicable, prior to the procurement of goods or services. The receipt of less than the minimum number of quotes, bids or proposals shall not invalidate the solicitation process or require the solicitation of additional quotes, bids, or proposals. Some goods and services may only be available from fewer than the required number of vendors/providers. Where this is the case, the goal shall be to obtain more than one quote, bid or proposal where possible, subject to the provisions of this Purchasing Policy.

CHAPTER 2 – PROCUREMENT TYPES

Section 1. General Purchases

General Purchases are purchases as defined in Section 2.24.014.A of the Municipal Code.

Section 2. Professional Services

Professional Services are purchases as defined in section 2.24.014.B of the Municipal Code.

Section 3. Public Project

Public Projects/Construction purchases are purchases as defined in Section 2.24.014.C of the Municipal Code **Definition of Public Projects, Maintenance Work, and Facility**

1. “Public project” is generally defined as:
 - a. Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility.
 - b. Painting or repainting of any publicly owned, leased, or operated facility.
2. “Public project” does not include maintenance work. For purposes of this section, “maintenance work” is generally defined as:
 - a. Routine, recurring, and usual work for the preservation or protection of any City owned or publicly operated facility for its intended purposes.
 - b. Minor repainting.
 - c. Resurfacing of streets and highways at less than one inch.
 - d. Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.

“Facility” is generally defined as any building, structure, ground facility, real property, streets, or other public work improvement.

CHAPTER 3 – GENERAL GUIDELINES

Section 1. Purchase Orders

1. Purchases of goods (supplies, non-capital equipment, etc.) of \$2,500 and over shall be made by purchase orders approved and issued by the Finance Department. City-issued credit cards are the preferred method of payment for purchases of goods below this amount. Requests for payment without a purchase order are also appropriate for procurements of goods below this amount if it is not practicable with a credit card.

Purchases of services and capital (fixed) assets shall be made by purchase orders approved and issued by the Finance Department, regardless of dollar amount.

Documentation required to accompany a request for payment may include, but is not limited to, an invoice document, required insurance documents, appropriate approval, scope of work, and contracts (including contract amendments, change orders, and task orders).

2. No purchase order shall be split into parts by any concerned party to produce amounts artificially lower than the overall total purchase price in order to circumvent this Purchasing Policy.
3. Under certain circumstances there are exemptions to the requirement of obtaining purchase orders. In general, an exemption may be allowed when a purchase is granted an exemption under the Exemption to Competitive Bidding section of this Purchasing Policy. The City Manager or Purchasing Officer/Designee alone can allow or deny an exemption to the requirement of obtaining a purchase order.

4. The Finance Department shall not issue any purchase order, authorize the execution of any contract, or enter into any procurement of goods or services unless there exists an unencumbered appropriation in the fund account against which such purchase is to be charged.
5. Requesting departments shall verify the existence of an unencumbered appropriation prior to submitting purchase requisitions to Purchasing staff.
6. Requesting departments shall supply support documentation to Purchasing Officer/Designee when requesting a purchase order indicating purchase approval, selection process they followed, and a copy of the signed contract (including amendments, change orders, and task orders) for services when applicable.
7. The Purchasing Officer /Designee approves of the purchase order and this approval shall also signify that there are sufficient unencumbered funds in the appropriated budget for the purchase.
8. A copy of all applicable purchase orders issued shall be given to the vendor at the time the purchase is made. No purchase shall be made without providing the vendor a copy of the applicable purchase order except for open/standing purchase orders. The requesting Department Director shall also retain a copy of the purchase order.

Section 2. Purchase Order – Change Orders

A purchase order is a contract between the City and a vendor for goods and services and is a supplemental confirmation of a contract for services. Any substantial change to a purchase order and/or its contract for services shall be documented on a change order (new requisition) initiated by the requesting department. Change orders and the revised purchase order amount shall be reviewed by Purchasing Officer/Designee and shall be approved using the Authorization Limits defined in Section 2.24.012 of the Municipal Code. The revised purchase order amount of a purchase order is the sum of the original purchase order amounts and the change order amount. The revised amount is then compared to the Authorization Limits to determine what authority is required. Any net decrease in a purchase order requires only the appropriate department director's signature.

Section 3. Unauthorized Purchases

Unauthorized purchases are void and not considered an obligation of the City.

Invoices without an authorized purchase order may be returned to the department or vendor unpaid.

Purchase orders shall be approved by the Purchasing Officer/Designee before ordering goods and services and not "after the fact" for goods or services already ordered or satisfied.

Section 4. Open Purchase Orders

Purchase orders which allow spending for multiple purchases of similar type from a vendor without obtaining bids or price quotations for each purchase shall not be allowed except in the following cases:

1. The supplier is determined to be an authorized sole source vendor in accordance with the "Sole Source" section of this Purchasing Policy;

2. The purchases are for items that are services or “consumable” goods when: 1) the departmental budget has an original appropriation for such items; and, 2) the “Open” purchase order has been approved for purchase as specified herein; and (3) the individual purchases that will be made under the “Open” purchase order would generally be of amounts that would not individually require a competitive procedure as per the Municipal Code; and (4) that such “Open” purchasing procedure is in the best interest of the City.

Quotes/bids are not required for “Open” purchase orders.

“Open” purchase orders issued under the authority of this section will be issued in accordance with procedures established by this Purchasing Policy.

Section 5. Sole Source

It is sometimes necessary to procure goods or services for which there is only one vendor (“sole source”). Within the Informal Procedure for General Purchases and Professional Services as defined in the Municipal Code, a Sole Source procurement must be authorized by the City Manager. A memorandum shall be written to the City Manager for approval. The memorandum must include a complete and specific justification of the sole source procurement.

A sole source procurement may only be utilized when it meets one of more of the following criteria, and is supported by the specified information or documentation:

1. The item/service is available only from one source.

If the item or service is available only from one source, please include as many of the following as may be applicable:

- a. Uniqueness of items or services to be procured from the proposed contractor or vendor (i.e., compatibility with existing infrastructure or patent issues).
 - b. How the agency determined that the item or service is only available from one source (i.e., market survey results, independent agency research, patented or proprietary system).
 - c. Explanation of need for contractor’s expertise linked to the current project (i.e., knowledge of project management, responsiveness, experience of contractor personnel, and/or prior work on earlier phases of project).
 - d. When repairs, maintenance or additions to equipment owned by the City are required, an explanation as to why it is more efficient to procure these items from a specific vendor.
 - e. When equipment, by reason of the training of City personnel or the inventory of replacement parts maintained by the City, is more compatible with the existing equipment owned by the City, please provide an explanation of such.
 - f. Any additional information that would support the case.
2. Competition other than a sole vendor is determined inadequate or unavailable after solicitation from several vendor sources.

If competition other than a sole vendor is determined to be inadequate or unavailable after soliciting several vendor sources, please include as many of the following as many be applicable:

- a. Results of a market survey to determine competition adequacy and availability; if no survey is conducted, please explain why.
 - b. Any additional information that would support the case.
3. The public urgency or emergency for the requirement will not permit a delay resulting from competitive solicitation.

If the public emergency for the requirement will not permit a delay resulting from competitive solicitation, please include as many of the following as may be applicable:

- a. Description of the public urgency or emergency (Note: Time constraints will not be considered a factor if staff has not sought competitive bids in a timely manner. Examples of public emergencies include natural disasters or other incidents requiring an urgent or immediate response).
- b. Need for the contract and period of performance.
- c. Impact on project if deadline/dates are not met.
- d. How long it would take an alternate contractor to reach the same required level of competence (equate to dollar amounts, if desired).
- e. Any additional information that would support the case.

Section 6: Cooperative or Piggyback Procurement

One of the procurement tools that may be utilized is using existing competitive bids/proposals awarded by other public agencies (cities, counties, states, etc.) or cooperative purchasing groups (i.e., US Communities Government Purchasing Alliance, Sourcewell, etc.) at any dollar level. Often referred to as Cooperative or Piggyback contracts, these contracts can save time, money, and resources as well as leveraging economies of scale.

The Purchasing Officer makes the final decision as to whether the contract or documentation presented for a Cooperative or Piggybacking Procurement can be utilized by the City, based on procurement policies and the following factors:

- Solicitation was competitively bid and publicly advertised
- Contract is currently active
- Contract's price, quantity, and scope of work match the City's procurement needs
- Contractual term/renewal verbiage matches the City's requirements
- Compliance with the California Procurement Code

Section 7: Purchasing Recycled Materials and Recovered Organic Waste Products

It is the policy of the City to be a good steward of the environment by conserving and protecting natural resources along with demonstrating compliance with the Waste Management Reduction Act and SB 1383. The maintenance of a quality environment for the citizens of the City is an ongoing endeavor. Considering these statements, it is the policy of the City to encourage the use of recycled materials whenever possible, where the fitness and quality of recycled materials are equal to and cost no more than non-Recycled Products. It is also the policy of the City to encourage the Procurement of Recovered Organic Waste Products to assist the City in meeting its Annual Recovered Organic Waste Procurement Target pursuant to 14 CCR Section 18933.1.

Whenever Practicable, departments shall use Recycled Products, Recycled Materials and Recovered Organic Waste Products to meet their needs.

A. Definitions

Annual Recovered Organic Waste Product Procurement Target: The amount of Organic Waste in the form of Recovered Organic Waste Products that the City is required to procure annually, as determined by CalRecycle, pursuant to 14 CCR Section 18993.1.

Direct Service Provider: means A person, company, agency, district, or other entity that provides a service or services to the City pursuant to a contract or other written agreement; or, as otherwise defined in 14 CCR Section 18982(a)(17).

Organic Waste: Solid wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, yard trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing And Writing Paper, manure, biosolids, digestate, and sludges; or, as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a).

Paper Products: Include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or, as otherwise defined in 14 CCR Section 18982(a)(51).

Post-consumer: Finished materials or products that have served their intended use and would normally be disposed as solid waste. Examples of Post-Consumer recovered materials include the following: old newspaper, office paper, yard waste, steel, glass, aluminum cans, plastic bottles, oil, asphalt, concrete and tires.

Practicable: Sufficient in performance and available at a reasonable price within a reasonable time period.

Printing and Writing Papers: Include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, note pads, writing tablets, newsprint, and other uncoated writing papers, posters, index cards, calendars, brochures, reports, magazines, and publications; or, as otherwise defined in 14 CCR Section 18982(a)(54).

Procurement: The purchase or acquisition of Recovered Organic Waste Products, Paper Products or Printing and Writing Paper (e.g., free delivery or free distribution from a hauler or other entity via a written agreement or contract), either directly by the City or by Direct Service Providers or vendors through written contracts or agreements for Procurement of Recovered Organic Waste Products, Paper Products or Printing and Writing Paper at the City's behest, and end use by the City or others.

Publicly-Owned Treatment Works or POTW: Has the same meaning as in Section 403.3(r) of Title 40 of the Code of Federal Regulations.

Recovered Organic Waste Products: Products made from California, landfill-diverted recovered Organic Waste processed at a permitted or otherwise authorized operation or facility; or, as otherwise defined in 14 CCR Section 18982(a)(60).

SB 1383 Recordkeeping Officer: The public employee, or designee, appointed by the City Manager under Chapter 1, Section 3.

Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper: Products that consist of at least thirty percent (30%), by fiber weight, postconsumer fiber, consistent with the requirements of Sections 12200, 12209, and 22150 to 22154 of the Public Contract Code, as amended.

Recycled Material: Waste material and by-products that have been recovered or diverted from the solid waste stream and that can be utilized in place of raw material in a product. Recycled materials may consist of material derived from Post-Consumer waste, manufacturing waste, industrial scrap, agricultural waste and other items, all of which can be used in the manufacture of new products.

Recycled Products: Products manufactured with Recycled Materials, including but not limited to, Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper.

SB 1383: Senate Bill 1383 of 2016 approved by the California Governor on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants, as amended, supplemented, superseded, and replaced from time to time.

SB 1383 Eligible Compost: The product resulting from the controlled biological decomposition of organic solid waste that is source separated from the municipal solid waste stream or which is separated at a centralized facility that, pursuant to 14 CCR Section 18993.1(f)(1), is either produced at a compostable material handling operation or facility permitted or authorized under 14 CCR Chapter 3.1 of Division 7 or produced at a large volume in-vessel digestion facility that composts on-site as defined and permitted under 14 CCR Chapter 3.2 of Division 7 and meets the State's composting operations regulatory requirements and any applicable limitations of Public Contract Code Section 22150.

SB 1383 Eligible Electricity: Electricity generated from a biomass facility that converts recovered Organic Waste, such as wood and prunings, from the municipal stream, into electricity and that, pursuant to 14 CCR Section 18993.1(i), receives its feedstock directly from one or more of the following facilities during the duration of the applicable procurement compliance year:

1. A compostable material handling operation or facility as defined in CCR Section 17852(a)(12) (other than a chipping and grinding operation or facility as defined in CCR Section 17852(a)(10)), that is permitted or authorized under 14 CCR Division 7; or
2. A transfer/processing facility or transfer/processing operation as defined in 14 CCR Sections 17402(a)(30) and (31), respectively, that is permitted or authorized under 14 CCR Division 7; or
3. A solid waste landfill as defined in Public Resources Code Section 40195.1 that is permitted under CCR Division 2 of Title 27.

SB 1383 Eligible Mulch: Mulch that meets the following conditions for the duration of the applicable procurement compliance year pursuant to 14 CCR Section 18993.1(f)(4):

1. Is produced at one or more of the following facilities:
 - a. A compostable material handling operation or facility as defined in 14 CCR Section 17852(a)(12), that is permitted or authorized under 14 CCR Division 7, other than a chipping and grinding operation or facility as defined in 14 CCR Section 17852(a)(10); or
 - b. A transfer/processing facility or transfer/processing operation as defined in 14 CCR Sections 17402(a)(30) and (31), respectively, that is permitted or authorized under 14 CCR Division 7; or,
 - c. A solid waste landfill as defined in Public Resources Code Section 40195.1 that is permitted under 27 CCR Division 2.
2. Meets or exceeds the physical contamination, maximum metal concentration, and pathogen density standards for land application specified in 14 CCR Sections 17852(a) (24.5) (A)1 through 3 as enforced by Section 8.29.120 of the City's Municipal Code and applicable contracts.

SB 1383 Eligible Renewable Gas: Gas derived from Organic Waste that has been diverted from a landfill and processed at an in-vessel digestion facility that is permitted or otherwise authorized by CCR Title 14 to recover Organic Waste and is used for fuel for transportation, electricity or heating applications, and, if procured from a POTW, meets all of the conditions for the applicable procurement compliance year set out in 14 CCR Section 18993.1(h).

SB 1383 Regulations: The Short-Lived Climate Pollutants: Organic Waste Reductions regulations developed by California Department of Resources Recycling and Recovery and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of regulations of 14 CCR and 27 CCR.

B. General Policies

1. All City departments shall use Recycled Products and Recovered Organic Waste Products whenever Practicable. Special emphasis shall be placed on the procurement and purchase of

Recycled Materials, including the procurement of Recovered Organic Waste Products and the purchase of products manufactured with Post-Consumer Recycled Products.

2. All departments may, at their option and with purchasing department concurrence, require procurement of designated Recycled Materials, including Recycled Products and Recovered Organic Waste Products above the levels required by this Purchasing Policy.
3. The City's contractors and consultants shall use and specify Recycled Materials, including Recycled Products, and Recovered Organic Waste Products in fulfilling contractual obligations whenever Practicable.
4. The City shall promote the use of Recycled Materials, including Recycled Products, and Recovered Organic Waste Products by publicizing this Policy when appropriate.

C. Annual Recovered Organic Waste Procurement Target.

1. The City will annually procure for use or giveaway a quantity of Recovered Organic Waste Products that meets or exceeds its Annual Recovered Organic Waste Product Procurement Target through the implementation of this Policy.
2. The City shall comply with Chapter 3, Section 7.C.1 by one or both of the following:
 - d. Directly procuring Recovered Organic Waste Products and documenting such procurement;
 - e. Requiring, through a written contract or agreement, that a Direct Service Provider procure Recovered Organic Waste Products and provide written documentation of such procurement to the City.
3. The City shall identify additional procurement opportunities within the City's departments for expanding the use of Recovered Organic Waste Products pursuant to 14 CCR Section 18993.1(k) to assist in compliance with Chapter 3, Section 7.C.1 of this Policy.
4. The following products are eligible to meet the Annual Recovered Organic Waste Product Procurement Target, whether procured directly by the City or through a Direct Service Provider:
 - a. SB 1383 Eligible Compost;
 - b. SB 1383 Eligible Mulch;
 - c. SB 1383 Eligible Renewable Gas; and
 - d. SB 1383 Eligible Electricity.

D. Recovered Organic Waste Product Procurement

1. Requirements for City Departments
 - a. SB 1383 Eligible Compost and SB 1383 Eligible Mulch Procurement. City Departments shall:
 - i. Use SB 1383 Eligible Compost and SB 1383 Eligible Mulch for landscaping, maintenance, renovation, or construction, as Practicable, whenever available, and capable of meeting quality standards and criteria specified in this Policy.
 - ii. Comply with Chapter 4 of Division 10 of the City's Development Code and Section 8.29.110 of the City's Municipal Code.

- iii. Keep and submit records as required under Chapter 3, Section 7.D.3 of this Policy.
 - iv. When procurement of SB 1383 Eligible Mulch occurs through a Direct Service Provider, enter into a written contract or agreement or execute a purchase order with enforceable provisions that includes: (i) definitions and specifications for SB 1383 Eligible Mulch; and, (ii) an enforcement mechanism in the event the Direct Service Provider is not compliant with the requirements.
- b. SB 1383 Eligible Renewable Gas Procurement. City Departments shall:
- i. Procure SB 1383 Eligible Renewable Gas to the degree that it is available and Practicable for the City.
 - ii. Keep and submit records as required under Chapter 3, Section 7.D.3 of this Policy.
- c. SB 1383 Electricity. City Departments shall:
- i. Procure SB 1383 Eligible Electricity to the degree that it is available and Practicable for the City.
 - ii. Keep and submit records as required under Chapter 3, Section 7.D.3 of this Policy.
2. Requirements for Direct Service Providers.
- a. SB 1383 Eligible Compost and SB 1383 Eligible Mulch.
- i. Direct Service Providers of landscaping maintenance, renovation, and construction shall:
 - 1. Use SB 1383 Eligible Compost and SB 1383 Eligible Mulch for all landscaping renovations, construction, or maintenance performed for the City, whenever Practicable, and capable of meeting quality standards and criteria specified in this Policy.
 - 2. If applicable, comply with Chapter 4 of Division 10 of the City’s Development Code and Section 8.29.110 of the City’s Municipal Code.
 - 3. Enter into a written contract or agreement or execute a purchase order with enforceable provisions that includes: (i) definitions and specifications for SB 1383 Eligible Mulch; and, (ii) an enforcement mechanism in the event the Direct Service Provider is not compliant with the requirements.
 - 4. Keep and provide records as required under Chapter 3, Section 7.D.3 of this Policy.
 - ii. Direct Service Provider of Organic Waste collection services shall:
 - 1. Provide a specified quantity of SB 1383 Eligible Compost or SB 1383 Eligible Mulch to the City and its customers via periodic “giveaways” as specified in the applicable franchise agreement or other agreement.
 - 2. Keep and provide records as required under Chapter 3, Section 7.D.3 of this Policy.
- a. Renewable Gas Procurement.
- i. Direct Service Providers transporting solid waste, Organic Materials, and/or Recyclable Materials shall procure some or all of their fuel as SB 1383 Eligible Renewable Gas if required to do so in Requests For Proposals and Requests For

Qualifications released by the City for such services or as required by permit, license, written agreement, or written contract with the City.

- ii. Direct Service Providers procuring SB 1383 Eligible Renewable Gas shall keep and submit records as required under Chapter 3, Section 7.D.3 of this Policy.

3. Procurement Records. For Recovered Organic Waste Products procured by the City, either directly or through a Direct Service Provider, the procuring City Department and/or Direct Service Provider shall keep and submit to the SB 1383 Recordkeeping Officer, on a schedule to be determined by the SB 1383 Recordkeeping Officer and not less than annually, records of the following:

a. General procurement records for all Recovered Organic Waste Products:

- i. General description of how and where the product was used and applied, if applicable;
- ii. Name, physical location, and contact information for each entity, operation, or facility from whom the Recovered Organic Waste Products were procured;
- iii. Type of Recovered Organic Waste Products procured;
- iv. Quantity of each Recovered Organic Waste Product procured; and,
- v. Invoice or other record demonstrating purchase or procurement of the Recovered Organic Waste Product.

b. Additional Records for SB 1383 Eligible Compost and SB 1383 Eligible Mulch.

- i. For SB 1383 Eligible Compost and SB 1383 Eligible Mulch provided to residents through giveaway events or other types of distribution methods, records of the amount of SB 1383 Eligible Compost and SB 1383 Eligible Mulch provided to residents.
- ii. For SB 1383 Eligible Compost provided by a Direct Service Provider of Organic Waste Collection services, the date SB 1383 Eligible Compost or SB 1383 Eligible Mulch was provided in giveaways pursuant to a franchise agreement or other agreement.
- iii. For procurement of SB 1383 Eligible Mulch, an updated copy of the ordinance or enforceable mechanism(s) requiring that the SB 1383 Eligible Mulch, see Section 8.29.120 of the City's Municipal Code and applicable contracts, procured by the City or Direct Service Provider on behalf of the City meets the land application standards specified in 14 CCR Section 18993.1(4), as it may be amended from time to time.

c. Additional Records for SB 1383 Eligible Renewable Gas from a POTW.

- i. Pursuant to 14 CCR Section 18993.2, an annual written certification by an authorized representative of the POTW, under penalty of perjury and in a form and manner determined by the City, certifying to the following for the applicable procurement compliance year:

1. The POTW is in compliance with the exclusion in 14 CCR Section 17896.6(a)(1);

2. The total tons of Organic Waste received from the facilities listed in 14 CCR Section 18993.1(h)(1); and
 3. The percentage of biosolids that the POTW produced and transported to activities that constitute landfill disposal.
- d. Additional Records for SB 1383 Eligible Electricity:
- i. An annual written certification by an authorized representative of the biomass conversion facility, under penalty of perjury and in a form and manner determined by the City, certifying, for the applicable procurement compliance year, that the biomass feedstock was received from a permitted solid waste facility identified in 14 CCR Section 18993.1(i).

E. Recycled-Content Paper Procurement

1. Requirements for City Departments. City Departments shall:

- a. If fitness and quality of Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper are equal to that of non-recycled items, purchase Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper that consist of at least thirty percent (30%), by fiber weight, postconsumer fiber, whenever available at the same or a lesser total cost than non-recycled items, consistent with the requirements of Public Contract Code Sections 12200, 12209, and 22150 through 22154 and Sections 12200 and 12209, as amended.
- b. Require all Paper Products and Printing and Writing Paper procured by the City Department to be eligible to be labeled with an unqualified recyclable label, as defined in Title 16 Code of Federal Regulations Section 260.12, as published January 1, (2013).
- c. Provide records pursuant to Chapter 3, Section 7.3 of this Policy.

2. Requirements for Vendors.

- a. All vendors that provide Paper Products and Printing and Writing Paper to the City shall:
 - i. If fitness and quality of Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper are equal to that of non-recycled items, provide to the City Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper that consist of at least thirty percent (30%), by fiber weight, postconsumer fiber, whenever available at the same or a lesser total cost than non-recycled items, consistent with the requirements of Public Contract Code Sections 12200, 12209, and 22150 through 22154 and Sections 12200 and 12209, as amended.
 - ii. Provide only Paper Products and Printing and Writing Papers that are eligible to be labeled with an unqualified recyclable label as defined in Title 16 Code of Federal Regulations Section 260.12 (2013).
 - iii. Certify in writing, under penalty of perjury, in a form and manner determined by the City, the minimum percentage, or exact percentage if known, of postconsumer material in the Paper Products and Printing and Writing Paper offered or sold to the City. This certification requirement may be waived by the City if the percentage of postconsumer material in the Paper Products or Printing and Writing Paper can be

verified by a product label, catalog, invoice, or a manufacturer or vendor internet website.

- iv. Certify in writing, under penalty of perjury, in a form and manner determined by the City, that the Paper Products and Printing and Writing Paper offered or sold to the City is eligible to be labeled with an unqualified recyclable label as defined in Title 16 Code of Federal Regulations Section 260.12 (2013).
 - v. Provide records pursuant to Chapter 3, Section 7.3 of this Policy.
- b. All vendors providing printing services to the City via a printing contract or written agreement shall use Printing and Writing Paper that consists of at least thirty percent (30%), by fiber weight, postconsumer fiber consistent with the requirements of Public Contract Code Sections 12200, 12209, and 22150 through 22154 and Sections 12200 and 12209, as amended.
- 3. Procurement Records.** All City Departments and vendors shall provide the following records to the SB 1383 Recordkeeping Officer, on a schedule to be determined by the SB 1383 Recordkeeping Officer and not less than annually, of all the City Department and employee Paper Products and Printing and Writing Paper purchases (for both recycled-content and non-recycled content):
- a. A copy of the invoice, receipt, or other documentation of purchase that describes the procurement of Paper Products and Printing and Writing Paper by volume and type;
 - b. Written certifications as required in Chapter 3, Section 7.E.2.a. of this Policy;
 - c. Vendor name;
 - d. Purchaser name;
 - e. Quantity purchased;
 - f. Date purchased;
 - g. Recycled content (including products that contain none); and
 - h. If non-Recycled-Content Paper Products and/or non-Recycled-Content Printing and Writing Paper are provided, for reasons other than cost, include a description of why Recycled-Content Paper Products and/or Recycled-Content Printing and Writing Paper were not provided.

Section 8: Emergency Condition

When a public emergency will not allow for the normal advertising or solicitation of bids due to the urgency of the incident, and it is determined by the City Council that the situation meets the definition of an emergency situation which creates a threat to public health, welfare, or safety such as, may arise by reason of flood, epidemics, riots, equipment failures, infrastructure failures, earthquakes, or such other reason as may be declared an emergency by the City Manager (subject to the conditions defined below) or City Council, competitive bidding may be waived. The existence of such condition must create an immediate need for goods or services that cannot be met through normal procurement methods, and the lack of which would seriously threaten the function of city government, the preservation or protection of public or private property, or the health or safety of any person, and the following will apply:

- a. Purchases under this paragraph shall be based on a need that is compelling and of unusual urgency, such as when the City would be seriously injured financially or otherwise if the goods or services were not furnished by a certain time, and when they could not be procured by that time by means of advertising, bidding and or solicitations of quotations as previously provided.
- b. Emergency procurement shall be limited to those goods and services necessary to meet the emergency and whenever practical, approval by the City Council shall be obtained.
- c. The department for whom the emergency purchases are made shall, as soon as practical, file a written report with the City Manager, which shall contain the following information:
 - The conditions which created the emergency and a description of the threat to the health, welfare, or safety of the public pursuant to finding that an emergency exists;
 - The basis for the selection of the particular contractor or supplier and a description of what efforts were utilized to identify and contact alternative suppliers or contractors;
 - The contractor's or supplier's name and address, along with a list of the goods and services made under the procurement.
 - Completed and signed purchase orders with attached invoices requesting payment for the emergency purchases.
- d. The City Manager shall review the report submitted and, if appropriate, shall declare the condition an emergency and shall approve the report and requisitions and authorize the payment of the emergency purchases.

The City Manager is empowered to declare a state of emergency when, in her/his opinion, such condition(s), as set out above exist(s), and, when the amount to be expended to meet such emergency does not exceed \$25,000 unless it is in the case of a regional disaster.

Where the City Manager finds and declares an emergency, under paragraph 4a, above, the City Manager, in conjunction with the department for whom the emergency purchases are made, shall, as soon as practical, file a written report with the Mayor and City Council which shall contain summary information similar to the report the department submitted to the City Manager.

The City Council shall review the report submitted, and if appropriate, shall ratify the City Manager's declaration of the condition an emergency, and shall approve the report and requisitions and authorize the payment of the emergency purchases.

Section 9: Risk Management

The City shall maintain requirements in relation to risk management to which vendors must comply. The City Manager/Designee is responsible for maintaining and enforcing these requirements. The City Manager/Designee should receive advice regarding these requirements from the City Attorney and any insurance professionals authorized to provide advice to the City, and the requirements should generally be consistent with said advice.

These risk management requirements may include but are not limited to the following: 1) certain types of insurance coverage and related limits and terms, 2) other certain contractual terms that appropriately manage the risk of the City, 3) the submission by the vendor of any documentation

needed to verify compliance of risk requirements, and 4) any other requirements deemed necessary by the City Manager/Designee.

Section 10: Grant Procurement Restrictions

In the case where procurement restrictions made by a granting agency are imposed on the City, the City will be required to follow the more stringent procurement policy section, whether imposed by the City or granting agency.

Section 11: Contract/Insurance requirements

Contract and insurance requirements shall conform with respective requirements made by State law, the City Attorney and the City's insurance provider, and shall be defined by the City Manager.

CHAPTER 4 – GOODS & ALL SERVICES (NON-PUBLIC PROJECT) – BID/PROPOSAL PROCEDURES

Section 1: Overview

All purchases and professional contracts, whether by sealed bid, quotation, or negotiation, shall be made on a competitive basis to the maximum practical extent except as permitted for Public Projects defined below under Chapter 5 (see California Uniform Public Construction Cost Accounting Act).

Section 2: Informal Procedures

See YMC Chapter 2.24.012 of Title 2 for Authority Limits

1. The requesting Department shall obtain three (3) competitive quotations for purchases and keep a record of who was contacted and the price that was quoted. Quotes/proposals may be obtained from direct vendor solicitation, consulting current catalogues, internet sites, advertising flyers or other methods. Obtaining more quotations is encouraged. Prudent judgment shall be always used.
2. If three quotes cannot be obtained, the Purchasing Officer/Designee and City Manager/Designee have the authority to waive the requirement for three quotes up to their respective Authority Limit as defined in YMC Chapter 2.24.012 of Title 2. In either case, documentation of the process should indicate why less than three were obtained and should be placed on file with the quotes that were obtained.
3. Written competitive bids/proposals are required for purchases above the Purchasing Officer's Authority Limit as defined in YMC Chapter 2.24.012 of Title 2. However, the City Manager may waive this requirement, acting in the best interest of the city, based on extenuating circumstances that warrant a waiver.
4. The Requesting Department shall submit a requisition request, which includes the recommended vendor, with all supporting documentation. Supporting documentation shall include competitive price quotes obtained, names of vendors contacted, and description of the items required.
5. The Purchasing Officer/Designee may award the purchase to the lowest responsive and responsible vendor whose quote fulfills the intended purpose, quality, and delivery needs of

the solicitation, provided that an unencumbered appropriation for that item exists. In lieu of awarding the purchase, the Purchasing Officer/Designee may reject quotes or may negotiate further to obtain terms more acceptable to the City.

6. The City Manager/Designee may also determine that the interest of the City is best served to require the Formal Contract Procedures for purchases within this range.

Every effort to utilize a local business shall be exercised.

Section 3: Formal Procedure – Goods and Non-Professional Services

1. Except as otherwise provided by ordinance or within this Purchasing Policy and the California Uniform Public Construction Cost Accounting Act, all formal procurements for goods and non-professional services, shall be awarded by formal competitive procedure to the lowest qualified bidder. A Request For Quote (RFQ) and related notices shall be distributed, and the Department Heads shall keep a list of the date the bids were distributed and a list of the vendors to whom the bids were distributed.
2. Under the Formal Procedure, the RFQ shall include a procurement description and all terms and conditions applicable to the procurement and shall, at a minimum, be posted via one of the following methods:
 - a. E-procurement, an online bidding system;
 - b. Physically at City Hall; or
 - c. In appropriate trade publications.
 - d. Other acceptable forms of general circulation or publications to maximize distribution.

The date of posting or publication shall be at least fourteen (14) days before the date of opening of the bids, or the final date for accepting bids. All formal bids shall be sealed and shall be publicly opened and read at the date, time, and place indicated in the published notice. Specification packages should be made available to interested bidders. The using or requesting Department Head shall determine if a security deposit is necessary. This should be part of the request made to the City Council before initiating the procurement process. The requesting Department Head shall also determine if a payment is necessary for a prospective bidder to acquire a specifications package.

3. Received bids shall be reviewed for compliance with specifications by the using or requesting City Department. All deviations from the specifications shall be fully documented by the requesting City Department and the impact of the deviations on the performance or suitability of the procured item shall be detailed. Depending on the findings of the requesting City Department regarding the deviations, the bid may be rejected (must be in writing), or a recommendation may be made to the City Council. Various recommendations may be made depending on the outcome of the procurement, including selecting a vendor, rejecting all the bids, or deciding to modify the bids, and re-advertise.

A. Evaluation of Bid:

1. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this Purchasing Policy.
2. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and will be considered in evaluation for award shall be objectively measurable. The criteria may include discounts, transportation costs, and total or life cycle cost. No criteria may be used in bid evaluation that is not set forth in the invitation for bids.
3. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards or contracts based on such bid mistakes, shall be permitted in accordance with rules and regulations set out in the bid notice.
4. After bid opening no changes in bid prices or other provisions of bids prejudicial to the interest of the City or fair competition shall be permitted. Except as otherwise provided by this Purchasing Policy or rules and regulations set out in the bid notice, all decisions to permit the correction or withdrawal of bids or to cancel awards or contracts based on bid mistakes shall be supported by a written determination made by the City Manager or City Council, depending on the value of the bid received, and in accordance with the provisions of this Purchasing Policy.
5. The contract shall be awarded with reasonable promptness by written notice to the lowest responsive and responsible bidder whose bid meets the requirements and criteria set forth in the invitation for bids. In the event all bids for a project exceed available funds as certified by the City Director of Finance or City Manager and the low responsive and responsible bid does not exceed such funds by more than 10%, the City Manager is authorized, in situations where time or economic considerations preclude re-solicitation of work of a reduced scope, to negotiate an adjustment of the bid price, including changes in the bid requirements, with the three lowest responsive and responsible bidders, in order to bring the bid within the amount of available funds.
6. When it is considered impractical to prepare initially a purchase description to support an award based on price, an invitation for bids may be issued requesting the submission of unpriced offers to be followed by an invitation for bids limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.

B. Rejection of Bids:

1. An invitation for bids or other solicitation may be canceled, or any or all bids may be rejected, in whole or in part, as may be specified in the solicitation, when it is in the best interests of the City in accordance with rules and regulations as set out in the bid notice or invitation. The reasons for such rejections shall be made part of the contract or bid file.
2. Bids may be rejected when the City Council, with the advice of the City Manager and such department personnel as the City Manager may determine appropriate, determines that bid prices, after advertising once for all competitive bids, are not reasonable (either as to all or as to some part of the requirement), exceed the estimated project cost of a public improvement project by an amount that is unacceptable, or have not been independently determined to be in open competition, provided that no negotiated purchase or contract

may be entered into under this paragraph after the rejection of all of the bids received unless the stipulations below are met:

a. **NOTIFICATION TO NEGOTIATE:** Notification of the intention to negotiate and reasonable opportunity to negotiate shall have been given to each responsible bidder whose bid conformed to the invitation for bids; and,

b. **NEGOTIATED PRICE:** The negotiated price is the lowest negotiated price offered by a reasonable supplier; and provided further, that the City Manager may, at her/his discretion, elect to re-advertise for bids with approval of the City Council.

C. Extension of Bids:

The City Manager may extend the time for opening of bids, if in her/his opinion it is in the public interest to do so. Notice of the extension shall be given to all prospective bidders in such manner as is most practical under the circumstances. Such extension shall not exceed fourteen working days. No extension may be granted for the purpose of qualifying a bid that was delivered after the time advertised for the original opening.

D. Late Bids:

No bids shall be received or accepted at any time after the time indicated in the announcement. Any bids delivered by mail, or any other means, after the appointed deadline shall not be opened.

E. Lowest Responsible Bidder:

The City shall award contracts which are required to be let by competitive bidding under this Purchasing Policy to the lowest responsible bidder. The City may reject any low bid and accept the next lowest bid if the City determines that the low bid was made by a bidder who is not responsible.

The City may consider any or all of the following when determining whether a bidder is responsible:

1. Whether the bid fully complies with the invitation for bids;
2. The bidder's financial responsibility;
3. The bidder's references;
4. Whether the bidder has the skill and business judgment to complete the contract;
5. The bidder's experience;
6. Whether the bidder has the facilities and equipment to complete the contract;
7. The bidder's conduct under other contracts, regardless of whether the contracts were with the City or with other parties;
8. The quality of the bidder's other work, regardless of whether the work was performed for the City or for other parties; and

9. Any other matter that might have bearing on the likelihood that the bidder will promptly and efficiently perform the contract, if it is awarded to the bidder can be considered.

If the City determines that the low bidder does not meet the criteria of a responsible bidder as defined above, the City shall notify the bidder in writing that it is rejecting the bidder's bid. The notice shall also contain a short description of the reasons for the rejection.

Section 4. Formal Procedure – Professional Services

1. A Request for Proposal (RFP) shall outline the City requirements and project description, services to be performed, specific identification of what is to be accomplished or provided, as well as the due date for submittal.
2. The appropriate Department Head shall prepare a scope of work or services consistent with budget and project authorization of the City Council. The list of solicited firms will be drawn from firms who, in the opinion of the Department Head, can perform the work. A Request for Qualifications (RFQ) may first be necessary if the required services are particularly specialized or if the qualifications of the available consultants are unknown. The list of solicited firms may be limited to between 3 to 5 due to time constraints or specialties involved.
3. The initial review of proposals shall be conducted by the involved Department Head(s) who shall make a recommendation to the City Manager regarding which consultants should be invited to interviews. Interviews will be conducted by the appropriate department staff members.
4. Qualifications should be the determining factor in the selection of a professional consultant. Staff shall then negotiate the final fee based upon the agreed scope of work.
5. Prior to approval of a contract, the Department Head of the requesting or using Department shall conduct appropriate background and reference checks and ensure that adequate bonding or security, if required, is posted.
6. Prospective vendors shall comply with all regulations and laws dealing with conflict-of-interest disclosure and reporting. Prospective vendors shall not be engaged if a conflict of interest exists.
7. The following shall apply to the selection or professional services which are needed on a continuous or project by project basis:

Professional firms may be retained on a continuing basis to provide professional services. The City 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 five years these arrangements shall be reviewed, and every effort shall be made to initiate another competitive selection for the provided services. This is to ensure the City is receiving the best value and there is no stoppage for the provision of these services.

Section 5. Exclusions

The process of selecting environmental impact report consultants for non-City projects shall be conducted by the Director of Development Services due to time restraints and application processing requirements. The final consultant selection and fee shall be reviewed and approved by the City Manager.

The City Council shall also review and approve each bond issue in concept with approval for the selection of certain professional consultants, as needed, to be selected by the Director of Finance, and approved by the City Manager. City staff may utilize prior vendors with familiarity of the City's historic debt issuance as a sole source, if in the best interest of the City.

CHAPTER 5 – PUBLIC PROJECTS – BID PROCEDURES

Section 1. Overview

1. This chapter is enacted for the purpose of implementing bidding procedures in undertaking public works projects.
2. All capital improvement projects must stay within budget.
3. Prior to proceeding with solicitation of your bid, please be aware of the following:
 - a. An award to the lowest responsive, responsible bidder is required. Public construction contracts must be awarded to the lowest responsible bidder, (i.e., qualified to do particular works under consideration). Non-compliance may result in a voided contract. The law requires the competitive bidding process to reduce costs, improve contractor performance, curb fraud, and promote accountability.
 - b. Payment of prevailing wage is required on all public works projects, California Labor Code Section 1771.
 - c. According to State Law, a Contractor's License is required for all public works projects. The bid must specify the classification of the contractor's license which the contractor shall possess at the time of submitting bids.

Section 2. Informal Bid Procedures

See Yucaipa Municipal Code.

Section 3. Formal Bid Procedures

See Yucaipa Municipal Code.

Section 4. Bidders Security for Public Projects

When deemed necessary, bidder's security may be prescribed in the formal or informal notices inviting bids. Bidders shall be entitled to return of bid security; provided, however, that a successful bidder shall forfeit his bid security upon his refusal or failure to execute the contract within ten days after the notice of award of contract. The City Council may, at its option, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsive and responsive bidder, and 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 contract price differential between the lowest bid and the second lowest bid, subtracting actual administrative costs, and any surplus, if any, shall be returned to the defaulted bidder.

Bidders may be required to supply deposits of good faith, or bonds with sufficient sureties, in such amounts as shall be deemed adequate and approved by the City Manager or City Council, as set out in the bid notice, not only to insure performance of the contract or purchase order in the time and manner prescribed, but also to save, indemnify, and hold the City harmless against losses, damages, claims, liabilities, judgments, costs, and expenses which may accrue in consequences of the granting of the contract or purchase orders.

Before any contract for the construction, alteration or repair of any public building, public work or public improvement of City of Yucaipa is awarded to any person, that person shall furnish to the City such bonds as are required by the California Public Contracts Code or other applicable law.

Section 5. Bid Opening Procedure for Public Projects

Sealed bids shall be submitted to the City and shall be identified as "bids" on the envelope. Bids shall be opened in public at the time and place stated in the bid 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 calendar days after the bid opening.

Section 6. Lowest Responsible Bidder Determination

An award to the lowest responsive, responsible bidder is required. In determining the "lowest responsible bidder," the following factors may be considered in addition to price:

1. The ability, capacity, and skill of the bidder to perform the contract or provide the service required.
2. The character, integrity, reputation, judgment, experience, and efficiency demonstrated in previous contracts or services for the City or other contracting parties.
3. The quality of performance demonstrated in previous contracts or services for the City or other contracting parties.
4. The previous and existing compliance by the bidder with the laws and ordinances relating to a contract or service.
5. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the services.
6. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract.

Section 7. Tie Bids

If two 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 for re-advertising for bids, the City Council may, in its discretion, accept the bid it chooses or accept the lowest bid made by and after negotiations with the tie bidders.

Section 8. Waiver of Irregularity, Rejection of Bids; Failure to Receive Bids; Options on Public Projects

1. At its discretion, the City Council may waive any irregularity in any bid received and award the contract.
2. At its discretion, the City Council may reject all bids presented. If the City Council, prior to rejecting all bids, declares that the project can be more economically performed by City employees and furnishes a written notice to an apparent low bidder mailed at least two (2) business days prior to the public meeting at which the City intends to reject the bid, the City Council may:
 - a. Abandon the project or readvertise for bids.
 - b. By a four-fifths vote declare by resolution that the project can be performed more economically by City employees, and order the project done by force account.
 - c. If no bids are received, the project may be performed by the City employees by force account or by negotiated contract entered into without need for further bidding.

Section 9. Change Orders to Public Projects

The City Manager is delegated authority to approve, without seeking new bids, contract change orders to public projects up to the total contract amount, including any contingency, authorized by Council.

CHAPTER 6 – CREDIT CARD POLICY

It is sometimes in the best interest of the City and expediency to make purchases via credit card. In these instances, a City-issued credit card may be used to secure those items. City credit card holders must always abide by the City of Yucaipa's Credit Card Policy. When using a City credit card, the following considerations shall be given to the procurement of any goods or service:

1. Credit cards are issued to Councilmembers, department directors, and others, subject to acknowledgement, - as approved by City Manager – and shall not be utilized by unauthorized employees.
2. Each purchase will be, at a minimum, subject to the Authority Limits specified in Section 2.24.012 of the Municipal Code. The Purchasing Officer has the authority to set individual card limits lower than these Authority Limits.
3. The use of credit cards should be not used to circumvent standard purchasing procedures.
4. Credit cards shall only be used for City related business.
5. Items purchased or secured shall be done only if unencumbered funds are available in the department's budget.

Section 1. Credit Card Procedure

The following procedures shall apply to all credit card purchases:

1. The cardholder shall obtain a cash register receipt or invoice to cover the purchase made.

2. The receipt or invoice, as well as any other information - such as indications of expense account for transactions - as required by the Finance Department, must be submitted in a manner specified by the Finance Department to Accounts Payable for proper processing.
3. All individual credit card holder statements are to be approved by the card holders' supervisor, or other specified appropriate approver, in a manner and time specified by the Finance Department.
4. In a timely manner after the receipt of the full City credit card statement, Accounts Payable will cause the necessary payment to be disbursed, consistent with the Purchasing Policy.

CHAPTER 7 – PETTY CASH POLICY

Petty cash funds shall be established at the discretion of the Purchasing Officer by the issuance of a check from the Finance Department and restricted to a level appropriate to conduct City business in an efficient but responsible manner. Petty cash transactions shall be subject to the same authorized expenditure controls as any other invoice presented for payment through accounts payable.

Once established, a custodian will be identified for each petty cash fund that is responsible for its safeguarding, maintenance, and compliance with policy. Petty cash funds shall be maintained on an imprest basis, that is, the amount of the fund will remain constant with the custodian of the fund requesting a reimbursement check from the Finance Department for amounts disbursed. A check will be issued only upon the presentation and surrender of satisfactory evidence of such disbursements. The amount of the reimbursement will always be the exact amount of the aggregated disbursements made from the fund. Reimbursements will be made only as frequently as the fund requires replenishment. No check shall be cashed from petty cash funds. Authorized personnel can make unannounced counts of petty cash or any other similar working fund, e.g., change drawer, at any time.

The following types of expenditures **will not** be reimbursed through petty cash:

1. Membership dues.
2. Publications/Subscriptions.
3. Travel expenses.
4. Invoices more than \$100.00.
5. Expenditures to account numbers without available funds.

Petty cash may be used for local purchases by City personnel for supplies, materials, or services in the amount of one hundred dollars (\$100.00) or less. Examples of appropriate petty cash disbursements are small office supplies, parking fees, lunches, etc.

All requests for petty cash must be authorized by the appropriate department prior to distribution of funds. Petty cash disbursements may be made on either a cash advance or reimbursement basis.

Section 1. Petty Cash Procedure for Cash Advances

For cash advances from Petty Cash, the procedures shall be as follows:

1. A petty cash form will be prepared by the requesting department with the following information:
 - a. Nature or purpose of the expenditure
 - b. Amount of cash advance requested.
 - c. Date requested.
 - d. Authorized signature.
 - e. Account number.
 - f. Signature of person receiving cash.
2. Upon proper completion of the petty cash form, the Petty Cash Custodian will issue funds as indicated on request.
3. The vendor will submit a cash register receipt or invoice covering the purchase to the employee making the purchase.
4. Proof of purchase shall be submitted to the Petty Cash Custodian.

No cash advances from Petty Cash will be made except as provided under Section 1. No IOUs will be accepted.

Section 2. Petty Cash Reimbursement Procedure

For reimbursement of purchase made by employee, the procedures shall be as follows:

1. Employee will contact the vendor in person to obtain desired supplies or services.
2. The vendor will submit a cash register receipt or invoice covering the purchase to the employee making the purchase.
3. The employee will submit a receipt or invoice to the Petty Cash Custodian.
4. In addition to number 3 above, a petty cash form will be prepared by the requesting department with the following information:
 - a. Amount of expenditure.
 - b. Date of expenditure.
 - c. Place and nature or purpose of the expenditure.
 - d. Business relationship of person(s) present: name, occupation, and title (if applicable).
 - e. Date requested for reimbursement.
 - f. Authorized signature.
 - g. Account number.
 - h. Signature of person receiving cash.

5. Upon completion of the process, the Petty Cash Custodian will issue the amount to be reimbursed.

On a periodic basis, the Petty Cash Custodian will reconcile the petty cash account with invoices or receipts and remaining cash. Also, the Finance Department may periodically audit petty cash. The reconciliation will be submitted to the Accounts Payable Department for reimbursement of the Petty Cash fund.

CHAPTER 8 – FIXED ASSET POLICY

The City of Yucaipa maintains a fixed asset inventory listing as required by generally accepted accounting principles, which includes all capital outlay items purchased by the City of Yucaipa.

Capital outlay is a capital expenditure for the acquisition of infrastructure, buildings and improvements, equipment, furniture, and personal property and must possess primary attributes:

1. An initial useful life greater than one year.
2. Used in City operations.
3. Capital asset purchases more than \$10,000 and infrastructure (capital projects) greater than \$100,000 are capitalized.

When considering capital outlay, the following procedures shall apply:

1. Departments annually submit their capital outlay requests for inclusion on the City-wide capital outlay draft budget.
2. City Council authorizes funds annually in the budget for the specific purposes of capital outlay.
3. The City's Purchasing Policy dictates approved procurement processes.

CHAPTER 9 – DISPOSAL OF SURPLUS PERSONAL PROPERTY POLICY

Personal Property (Materials, Supplies, Equipment, Furnishings, and other similar property) that has become obsolete, or otherwise has become unfit, unsuitable for City use or is undesirable, may be considered surplus and therefore, disposable. To dispose of surplus Personal Property, the following considerations shall be applied:

1. The head of any department may declare any personal property, held by such department, as potentially surplus.
2. Declaration of surplus Personal Property shall be in writing to the Purchasing Officer.
3. Declaration of surplus Personal Property shall include the following information:
 - a. Description of item
 - b. Department
 - c. Current location
 - d. Estimated value
 - e. Department director authorization

f. Recommendation for disposition

4. Disposal of surplus Personal Property shall be approved by the Department Director and the City Manager. Disposal of Personal Property with a value greater than \$10,000, shall also be approved by the City Council.
5. The Purchasing Officer shall notify all other departments of items scheduled for disposal. If any department director has a use for such property, he/she may so request it from the Purchasing Officer, who shall have the authority to assign the property to any department (able to make best use of such property). If no department has need of Personal Property, it shall be declared surplus.
6. Once a Personal Property item is deemed surplus, and is authorized for disposal, the department director shall have the authority to approve one of the following methods for disposal:
 - a. Trade-in: When requesting bids or quotations for new supplies, materials and equipment, a trade-in allowance may be requested when the trade-in allowance is determined to be adequate and advantageous.
 - b. Sale in Open Market: The department director shall have authority to dispose of any surplus Personal Property by sale, auction or otherwise, after receiving bids which provide the maximum return to the City.

Notice of any disposal of Personal Property for sale shall be made at least once, not later than three days prior to the sale, in a newspaper of general circulation, published and/or distributed in the City. The notice shall set forth the date of the sale, locations where items may be examined and sold, location where purchase price is to be paid and a general description of items to be sold.

The appropriate authority or designee is authorized to sell to the highest bidder in accordance with the rules established in this section.

- c. Donation: The City Manager shall have authority to approve the donation or long-term loan of surplus equipment to other government agencies or local not-for-profit organizations. The Purchasing Officer shall be responsible for maintaining adequate records of such loans or donations.
 - d. Trash/Recycle: Equipment that is broken, unusable, or has no value left, and cannot be sold or donated, may be discarded by recycling the item or disposing it in the trash. The Purchasing Officer or his/her designee is authorized to dispose of such items for the highest scrap value that can be obtained, and if a reasonable effort to do so produces no opportunity to sell the item for scrap, he/she may cause its destruction or any disposition.
7. The department director or other authorized representative shall issue a receipt to the purchaser of such property and shall keep a copy of the receipt for City records.
 8. A copy of the receipt shall be forwarded to the Finance Department along with the money collected from the sale.
 9. The Finance Department shall make appropriate entries in accounting records, including fixed asset listing to reflect disposal of equipment.