

# PURCHASING POLICIES AND PROCEDURES

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**Continuity  
Uniformity  
Fairness  
Equity  
Responsibility**

**City of Yuba City Purchasing**



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# **CITY OF YUBA CITY PURCHASING POLICIES AND PROCEDURES**

**Effective January 2022**

## **SECTION 1: PURPOSE AND POLICY STATEMENT**

### **1-1. Purpose:**

The purpose of these policies and procedures is to provide the City of Yuba City a means of assuring continuity and uniformity in its purchasing practices; to provide for the fair and equitable treatment of all persons involved in the procurement process; to define the responsibilities of the Purchasing Officer, Finance Department, Engineering Division, City Clerk, and operating departments; and to develop a purchasing manual.

The guiding principle of these purchasing procedures shall be to comply with state law, the City's Municipal Code, and the adopted budget on all purchases and contracts.

Guidelines for purchasing materials, supplies and services are provided herein and the "City of Yuba City Procurement Card Handbook," which is available on CityNET.

### **1-2. Policy Statement:**

The policies and procedures contained herein are promulgated under the authority of the Yuba City Municipal Code Title 2, Chapter 6, Section 21, which states: "The Purchasing Officer shall establish, and from time-to-time amend, all rules and regulations authorized by this chapter and others necessary to its operation. Such rules and regulations, and amendments thereto, shall be subject to the approval of the Council by resolution."

The Finance Director is charged with the responsibility and authority for coordinating and managing the procurement of the City's materials, supplies, and services.

Procedures outlined herein are to be followed by the Finance Department and operating departments when procuring materials, supplies, and services.

## **SECTION 2: ETHICS, GIFTS, AND UNAUTHORIZED PURCHASES**

### **2-1. Code of Ethics:**

1. To regard public service as a sacred trust, giving primary consideration to the interests of the public agency and citizenry that employ us.
2. To purchase without prejudice, seeking to obtain the maximum value for each dollar expended.
3. To avoid unfair practices, giving all qualified vendors equal opportunity.
4. To honor our obligations and require that obligations to our public agency be honored.

5. To accord vendor representatives courteous treatment, remembering that these representatives are important sources of information and assistance in solving our purchasing needs.
6. To refuse to accept any form of commercial bribery and prevent any appearance of so doing.
7. To be receptive to counsel from our colleagues and to cooperate with them to promote a spirit of teamwork and unity.
8. To conduct ourselves with fairness and dignity, and to demand honesty and truth in the purchasing process.
9. To strive for greater knowledge of purchasing methods and of the materials we purchase.
10. To cooperate with all organizations and individuals involved in activities designed to enhance the development of the purchasing profession, remembering that our actions reflect on the entire purchasing profession.

## **2-2. Gifts and Special Considerations:**

City employees shall not procure or assist in procuring any materials, supplies, services, or equipment for the personal use of any employee, officer, or official of the City.

City employees, officers, or officials by virtue of position are not entitled to any special consideration from vendors and merchants in their personal affairs, nor are they to attempt to procure materials for personal use or for any other person.

City employees shall not solicit or accept gifts, entertainment, or anything more than \$50.00 in value from vendors or others. Examples of acceptable gifts might include pencils, scratch pads, and other advertising supplies.

## **2-3. Unauthorized Purchases:**

Except for procurement card purchases, emergencies, or other authorized exemptions, no purchases shall be made without an authorized purchase order. Purchases without an authorized purchase order or otherwise falling within an exception are void and not considered an obligation of the City. See Section 9 (Special Procurement Circumstances) for further information on exemptions from the purchase order process.

Invoices without an authorized purchase order, except for procurement card purchases and other authorized exemptions per Section 9, may be returned to the vendor unpaid at the discretion of the City.

The person ordering the unauthorized purchase may be held personally responsible for the error per the Personnel Rules and Regulations Section 1.16 – Discipline.

### **SECTION 3: PURCHASING OFFICER RESPONSIBILITIES**

When there is reference to the Purchasing Officer, it refers to the City Manager or their designee. The Purchasing Officer duties are generally delegated to the Finance Director or their designee. The Purchasing Officer shall:

1. Be charged with the responsibility and authority for coordinating and managing the procurement of the City's materials, supplies, and services.
2. Negotiate, purchase, and/or contract for the City the needed quality in equipment, supplies, and services from the lowest responsible bidder.
3. Endeavor to promote full and open competition on purchases when at all possible.
4. Monitor and ensure (or cause to be) that no single professional services consultant or sole-sourced vendor is paid more than \$100,000 per fiscal year without prior Council authorization.
5. Revise and maintain these policies and procedures as needed to ensure Municipal Code compliance and protect the interest of the City of Yuba City.
6. Ensure adequate funding is secured in the fund accounts against which any purchase is to be charged.

When there is reference to the City Manager by title, it refers to the City Manager in their role as the Chief Executive Officer and their authority to approve and sign contracts and purchase orders.

### **SECTION 4: FINANCE DEPARTMENT RESPONSIBILITIES**

The Finance Department shall ensure that the purchasing functions operate efficiently and assist operating departments. Finance shall:

1. Maintain open communication with operating departments and become acquainted with the needs of the various City departments and divisions.
2. Support department/division requisitions.
3. Assist purchasing, as needed, materials, supplies, and services required by any department/division.
4. Follow-up, expedite, and resolve problems with orders as requested.
5. Identify, evaluate, and utilize purchasing arrangements which best meet the needs of the City (e.g., cooperative purchases, blanket purchase orders, contractual agreements, etc.)
6. Assist operating departments with research and recommendations for developing specifications, and review specifications for completeness of information and open and competitive language.
7. Issue purchase orders to the requesting operating departments after completion of all required procurement processes.
8. Recommend revisions to purchasing procedures when necessary and keep informed of current developments in the field of purchasing.

9. Act as the City's agent in the disposal and transfer of surplus materials. The Finance Department may designate the operating departments to assist in or conduct this process.
10. Prescribe and maintain all forms and records necessary for efficient operation. The most current and acceptable mandatory and voluntary forms and templates shall be readily accessible to the operating departments on CityNet. The Standard Agreement and Professional Services Agreement templates shall be as approved by the City Attorney.
11. Maintain approved direct pay vendor list.

## **SECTION 5: PUBLIC CONTRACT CODE**

The City's Engineering Division of the Public Works Department is the focal point for all "public projects." As per City Municipal Code 2-6.02(d) (Public project):

The City elects to be subject to the Uniform Public Construction Cost Accounting Act as set forth in Section 22000 et seq. of the Public Contract Code ("Act"), and the uniform construction cost accounting procedures as set forth in said Act. Public project shall be as defined in the Act and shall be performed or awarded in accordance with the Act as the Act now reads or as hereinafter amended.

### **5-1. Engineering Division Responsibilities:**

1. Maintain a bid numbering system to be used citywide for all informal and formal Public Contract Code bids.
2. Maintain the City's required public record for all Public Contract Code bids.
3. Mail a written notice in November, of each year, to construction trade journals/exchanges in accordance with the Cost Accounting Policies and Procedures Manual of the California Uniform Public Construction Cost Accounting Commission.
4. Maintain a Public Works construction projects formal and informal bidding matrix.
5. Assign a project lead for all Public Works formal bid projects being conducted for the City.
6. Have a representative attend their bid opening to be held publicly.

## **SECTION 6: CITY CLERK RESPONSIBILITIES**

City Clerk or designee shall:

1. Receive and hold Finance formal and Public Contract Code bids prior to the bid opening.
2. Date and time stamp bids at the time of receipt. Bids will also be logged into a tracking system devised by the Office of the City Clerk.
3. Open and read bids publicly at the location, date, and time specified.

4. Maintain and publicly post the official bid clock; the clock shall be clearly visible and marked.

## **SECTION 7: OPERATING DEPARTMENTS RESPONSIBILITIES**

Any department that utilizes the goods and/or services purchased under a requisition shall be referred to as an operating department. Operating departments shall:

1. Maintain open communication with the Finance Department.
2. Monitor for any problems with vendor relations, shipping, (e.g., damaged goods, late delivery, wrong items delivered, incorrect quantity delivered, etc.) and any situations and/or concerns as necessary, in order to follow-up and resolve the problem.
3. Review and update annually, or as needed, an authorized signature list designating those individuals who are delegated the authority to sign purchase orders, Request for Payment forms, and invoices eligible for payment and their specified dollar limits. The Department Head shall provide this authorized signature list to the Purchasing Officer or designee on the form provided on CityNet.
4. Anticipate requirements sufficiently in advance, allowing adequate time to obtain materials, supplies, and services in accordance with the best purchasing practices.
5. Provide detailed and accurate specifications to ensure materials, supplies, and services obtained are consistent with expectations and requirements.
6. Coordinate and establish vendor relations, locate vendors, and evaluate vendor performance, bids, and responses.
7. Strive to obtain the highest quality goods consistent with operational needs, from the most responsible bidder, offering a price that is the most advantageous to the City.
8. Prepare purchase orders/requisitions carefully and properly in accordance with instructions; submit purchase requisitions to the Finance Department through the City's finance management software (Pentamotion at time of policy approval).
9. Minimize emergency and sole source purchases and, when such purchases are necessary, fully comply with the Municipal Code and this policy, including obtaining City Council or City Manager approval whenever necessary.
10. Make written recommendations, as required, based upon specification criteria, as well as perform reference checks to assist in determining lowest responsible bidder/proposer. Present a written memorandum to Finance when less than three quotes have been received or when not awarding to the lowest responsible vendor.
11. Ensure adequate funding is available in the fund accounts against which any purchase is to be charged.
12. Authorized individuals may purchase materials, supplies, and services by small purchase order or procurement card of a value up to \$5,000. Departments must exercise reasonable prudence in seeking price quotes when purchasing such items. All such purchases shall be made with funds in an unencumbered appropriation.

## SECTION 8: PROCUREMENT PROCEDURES

The primary purchasing objective is to obtain suitable goods, services, and construction at economic prices, as these acquisitions are direct costs to the taxpayer. The Municipal Code and purchasing policy require competition for all purchases over \$5,000 and sealed competitive bids for over \$100,000.

1. Bidding limits are generally “per order,” and orders are not to be split to circumvent the specified limits.
2. The estimated full-value cost of the item plus tax before any discount is the amount to be considered in determining bidding requirements. Even though the net purchase price could be lower than the bid thresholds, the asset value would be the full price of the item.

All purchases of supplies, equipment, and technical/maintenance services which qualify as part of a public project as defined by the Uniform Construction Cost Accounting Act shall be made in accordance with the Public Contract Code and Municipal Code Section 2-6.02. (see Section 5).

### 8-1. Informal Procurement:

The bidding limits below refer to supplies and technical/maintenance services and do not include professional/consultant services (see Section 10) or “public projects” (see Section 5). The bidding limits are below.

#### 8-1.1. Bidding Limits and Requirements:

Bidding Limit	Approving Authority	Procurement Requirement	Document Retention
Up to \$5,000	Authorized staff	No competition required	No separate retention – invoice should be attached to small PO or procurement card report for Accounts Payable
\$5,000.01 to \$25,000	Department Head	Informal bid (3 quotes if possible) OR Sole Source Justification approved by Department Head	Retained by operating department with purchase order
\$25,000.01 to \$50,000	Finance Director Department Head	Informal bid (3 quotes if possible) OR Sole Source Justification approved by Department Head	Retained by Finance with record of purchase order

\$50,000.01 to \$100,000	City Manager Finance Director Department Head	Informal bid (3 quotes if possible) OR Sole Source Justification approved by City Manager	Retained by Finance with record of purchase order
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### **8-1.2 Informal Procurement Rules**

1. Documents to be retained include written quotations and/or sole source justification, a copy of the agreement, and other associated required documents as applicable. Retention shall be in accordance with the City's retention guidelines. Original contracts shall be given to the City Clerk's office for retention.
2. Small purchase order or procurement card systems may be used for procurements up to \$5,000; above \$5,000 must use large purchase order system.
3. Staff procuring items via small purchase order or procurement card must be approved by the Department Head up to an appropriate procurement limit via the authorized signatures list maintained by the Finance Department.
4. Purchases that in total exceed a bidding limit are not to be split in order to obtain equipment, materials, or services under a lesser level of approval and procurement requirements.
5. A Request for Quotation form is recommended, though not required, for any informal bid above \$25,000, and should be accompanied by specifications, insurance requirements, and contract agreement as applicable.

### **8-1.3. Justification:**

Whenever the bidding/proposal process is dispensed with or the lowest bidder is not used, recommendation and justification for doing so shall be in writing and forwarded to the Finance Department at the time the requisition is prepared. It shall be signed by the requesting Department Head.

### **8-2. Formal Procurement Over \$100,000 (Not for Public Projects)**

1. Formal procurement process is required.
2. Competitive bidding is required unless otherwise authorized in these policies and procedures.
3. Written sole source justification can be used in certain circumstances with City Council approval, as per Section 9-3.
4. City Council approval is required.
5. Formal bids for public projects, including associated dollar thresholds, shall be done in accordance with Public Contract Code Section 22030 et seq., as per Section 5 of this policy.

### **8-2.1. Formal Bids:**

Formal quotations are written bids or proposals requiring a formal closing time/date. Public notices are posted on the City's website and/or advertised in the local newspaper, at least ten days prior to the opening of the bids. When advertised in the newspaper, invitations for bid will be published at least two times. Formal bids are opened in public.

### **8-2.2. Formal Proposal Process:**

The formal proposal process may be used in procurements involving complicated and performance-type specifications which may require involved negotiations or communications with vendors to clarify proposals submitted. The proposal process should be utilized in negotiated procurements or those procurements where the answer to a certain approach or a specific item necessary to satisfy the City's needs is unknown. Public notice advertisements requesting invitations for proposal will be posted on the City's website and/or published in the local newspaper at least two times; the first insertion must be at least ten days prior to the opening date. Formal proposals are made public upon execution of a signed contract.

### **8-2.3. Lowest Responsible Bidder:**

Bids will be awarded to the responsive bidder who submits the lowest responsible bid that is most advantageous to the City and is consistent with the requirements of this procurement policy. The term "lowest responsible bidder" as used in the City's bidding documents shall mean the lowest bidder whose offer best corresponds in quality, fitness, and capacity to the requirements of the proposed work or usage.

Sellers, vendors, suppliers, and contractors of supplies and equipment who maintain places of business located within the limits of the City shall be given preference if quality, price, and service are equal. In awarding the purchase, staff may consider the benefit derived by the City from sales tax revenues received by it in tabulating the lowest responsive bidder.

In determining the "lowest responsible bidder," the following elements shall be given consideration (in addition to price):

1. The ability of the product offered to provide the quality, fitness, and capacity for the required usage.
2. The ability, capacity, and skill of the bidder to perform the contract or provide the service required.
3. The character, integrity, reputation, judgment, experience, and efficiency of the bidder, particularly with reference to past purchases by the City.
4. Whether the bidder can perform the contract and/or deliver the materials, supplies, and services within the time required.
5. The quality of performance and/or quality of products provided in previous contracts or services.

6. Other information secured and having a bearing on the decision to award the contract.
7. Continuity of service.

#### **8-2.4. Responsiveness:**

A responsive bid is one which is in substantial conformance with the requirements of the invitation to bid, including specifications and the City's contractual terms and conditions. Bidders who substitute terms and conditions or who qualify their bids in such a manner as to nullify or limit their liability may be considered a non-responsive bidder and reject on those grounds. Conformance with the requirements of the invitation to bid may also include, but is not limited to, completion of forms, inclusion of references and attachments, and completion of required responses.

#### **8-2.5 Rejection of Bids/Proposals:**

The authority to reject is based on the authority to award. The City of Yuba City reserves the right: (1) to reject any or all bids or any part thereof and (2) to waive any informalities and/or negotiate minor deviations to the bid with the successful firm. The City of Yuba City's decision shall be final.

#### **8-2.6. Late Formal Bids/Proposals:**

Formal bids or proposals submitted after the designated closing time shall be returned unopened and not accepted.

#### **8-2.7. Tie Bidders:**

If two or more bids are received which are in all respects equal, the City Council may award to the local vendor. If both are local vendors or none are local vendors, City Council may draw lots, re-bid, or the award may be made to the one deemed in the best interest of the City.

#### **8-3. Technical/Maintenance Services:**

Services of a general nature (as opposed to professional/consulting services) shall be contracted by following a Request for Proposal or Bid process. The method of selection shall be determined by the Purchasing Officer and may include both qualification of the service provider and cost of the service. If it is determined by the operating department in consultation with the Purchasing Officer that all vendors providing a service classification can equally provide the service satisfactorily, a bid process would be appropriate; however, if factors other than price need to be considered in awarding the contract, a proposal process may be used.

Proposals evaluated by the City for technical/maintenance services should be based on a combination of qualifications and cost. Examples of areas other than price that may be

important in awarding the contract include: experience level, competence, resources/equipment, staffing levels, service availability/time factors, and other qualifications identified by the operating department responsible for recommending the service contract. Following committee interviews and selection, staff may further refine the scope of work and additional cost negotiations may take place.

The bidding limits and requirements are the same for technical/maintenance services whether the vendor was selected by bid or proposal.

An executed Standard Agreement and documents provided by the vendor meeting the City's insurance requirements are required for any services that will be provided to the City.

#### **8-4. Standard Agreement**

All general services (not professional services) must use a Standard Agreement approved by the City Attorney. Work should not commence until all documentation has been acquired and the agreement and purchase order have been executed by the appropriate parties of the City, as determined by the dollar limits and responsibilities outlined above.

Standard Agreements must include the following:

1. Fully executed agreement by all parties
2. Specification(s), quotes, and/or sole source justification
3. Insurance documentation meeting the City's insurance requirements

The City shall, whenever possible, use the City agreement form as approved by the City Attorney, available on CityNet. Should another agreement be considered for technical/maintenance services, the agreement will require City Attorney review and approval as to form prior to execution by the City.

The City Attorney shall review and approve as to form all Standard Agreements prior to City Council approval for all purchases over \$100,000.

#### **8-5. Blanket Purchase Orders:**

Blanket purchase orders provide equipment or supplies on an as-needed and/or over-the-counter basis in unspecified amounts from a selected vendor. Blanket purchase orders provide a mechanism whereby items which are uneconomical to stock may be purchased quickly, allowing operations timely access to necessary materials. Blanket purchase orders are valid for the current fiscal year. Blanket purchase orders shall not be used to purchase capital assets.

Once a blanket purchase order is issued to a vendor, any authorized City employee may contact the vendor directly to place orders per the terms and conditions specified in the blanket purchase order.

The Finance Department will review blanket purchase order requests based upon the following criteria:

1. Geographic location
2. Responsiveness and capabilities
3. Average dollar value and type(s) of items to be purchased
4. Frequency of need
5. Vendor pricing methodology

Blanket purchase orders do not take the place of competitive quote, bid, or proposal processes.

#### **8-6. Changes to and Cancellation of Purchase Orders:**

The operating department will notify Finance when initiating changes which alter the purchase order. Purchase orders that need to be canceled or closed must be forwarded to Accounts Payable. The last payment against a purchase order that does not increase the purchase order total by 10% can be processed without obtaining a purchase order change order.

The City Manager will approve any change orders that have the purchase order total amount exceed \$50,000, up to \$100,000. Change orders cannot be requested that exceed Council-approved appropriations or Council contract award amounts without additional Council authorization.

### **SECTION 9: SPECIAL PROCUREMENT CIRCUMSTANCES**

#### **9-1. Finance Department Procurements**

The Finance Department is charged with the duty to contract for purchase of the following equipment, materials, and services:

1. New or replacement vehicles or equipment
2. Items purchased from state contracts
3. Computer hardware and software (through the Information Technology Division)
4. Other items as may be determined in the future
5. When it is in the best interest of the City to negotiate an extension of an existing contract for supplies or technical services, based on satisfactory performance. Such negotiated price must be fair and reasonable. This shall also apply to products or services purchased through prior recent bidding.

## **9-2. CDBG and Other Applicable Federal Grants:**

In compliance with the City's Community Development Block Grant, HOME funds, and other applicable federal funds administered by the United States Department of Housing and Urban Development (HUD), procurement procedures shall comply with federal regulations (24 CFR 85.36). The City will follow the Office of Management and Budget Guidance 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

## **9-3. Sole Source Purchases:**

When competitive quotations for goods and services are not possible, such purchases shall be made through negotiated procurement. Sole source purchases may require City Manager or City Council approval, based upon procurement limits and Municipal Code requirements.

A sole source justification form must be signed by the requestor's Department Head and City Manager (if applicable), then forwarded to the Finance Department and filed to justify the sole source purchase. Sole-source specifications should be avoided whenever possible as they minimize or eliminate competition.

When the use of said sole-source vendor is expected to be repeated or ongoing, the operating department may indicate that it is a "recurring" sole source on the sole source justification form. The sole source justification shall then be valid for three years from date of approval by the Department Head.

### **9-3.1. Sole Source is Appropriate When:**

1. The requested product is an integral repair part or accessory compatible with existing equipment and is only available from one vendor.
2. The requested product has unique design/performance specifications or quality requirements which are essential to department operations and are not available in comparable products.
3. Only known manufacturer of this product.
4. The requested product is one with which department staff have specialized training and/or extensive expertise. Retraining would incur substantial cost in time and/or money.
5. Only vendor authorized to sell/service this product in our region.
6. Upgrade to existing software. Available only from the producer of this software who sells on a direct basis only.
7. Emergency purchase.
8. Public project procurements under the requirements established by Public Contract Code Section 22032(a).
9. Special situations as they arise.

### **9-3.2. City Manager Approval:**

Sole source requests between \$50,000.01 and \$100,000 require the approval of the City Manager.

### **9-3.3. City Council Approval:**

Sole source requests over \$100,000 require the approval of the City Council.

### **9-4. Emergency Purchases up to \$100,000 (Not for Public Projects):**

Emergency purchases may be made without the benefit of competitive bidding when time is of the essence. Emergency purchases should be made only for the following reasons: (1) to preserve life, health, or property; (2) upon a natural disaster; (3) to correct or forestall a shutdown to maintain essential public services; or (4) other unforeseeable events (as authorized by the City Manager). Emergency purchases are not valid for contrived urgencies resulting from lack of planning and organization. Since emergency orders do not normally provide the City an opportunity to obtain competitive quotes, nor properly encumber funds, such orders should be kept to an absolute minimum. Emergency purchases shall be approved by the Department Head or designee.

### **9-5. Emergencies Over \$100,000 (Not for Public Projects):**

Emergency purchases over \$100,000 require the approval/signature of the City Manager. The City Manager shall provide a report after any emergency purchase over \$100,000 at the next City Council meeting following the emergency purchase.

### **9-6. Emergency Public Projects:**

Public projects shall be completed according to Public Contract Code 22050 and the City's Municipal Code Section 2-6.15.

### **9-7. Cooperative Purchases:**

The City may participate in purchases and contracts conducted by other political jurisdictions, provided that the cooperative agreement is established following a competitive bid process. In a cooperative purchase, one agency represents several agencies by soliciting bids including the needs of the other agencies in the bid specifications. This higher product volume may result in lower unit cost for all agencies, and also reduces the time and cost of the City administering its own bid process.

Needed documentation includes:

1. Copy of the other jurisdiction's bid document(s)
2. Any Board or Council action awarding the contract
3. The contract documents

The City Manager may authorize the award of cooperative purchase agreements for amounts not more than \$100,000; City Council approval is required for the award of any cooperative purchase exceeding \$100,000.

**9-8. Piggyback onto Existing Contract:**

“Piggybacking” is the use of an existing contract for goods between another government agency and a vendor for the purchase of those same goods. When piggybacking onto a contract, the City must use the terms of the contract and price of the item must be as specified in the contract or awarding document. The contract for consideration must have been awarded through a competitive bidding process prepared and awarded by another local, state, or federal government agency.

Needed documentation includes:

1. Copy of the other jurisdiction’s bid document(s)
2. Any Board or Council action awarding the contract
3. The contract documents

The City Manager may authorize the award of piggyback purchases for amounts not more than \$100,000; City Council approval is required for the award of any piggyback purchase exceeding \$100,000.

**9-9. Exemptions from Obtaining a Purchase Order:**

The Finance Department shall maintain an approved direct pay list for which no purchase order is required due to unique purchasing circumstances, such as invoices from government agencies, utility providers, and subscription services.

The following is a non-inclusive list of the direct pay categories and/or vendors at the time of policy adoption:

- Actuarial studies
- Advertising
- Assessment district administration costs
- Attorney services
- Bond issuance costs (bond counsel, rating agency fees, and trustee fees)
- Cafeteria plan administration
- CDBG and Home Rehabilitation Loans
- Claim settlements (for liability claims)
- Conference or seminar registration
- Copy machine maintenance and leasing under contract
- Debt service payments
- Department of Health Services
- Department of Water Resources

- Deposit refunds
- Document destruction
- Downtown Business Improvement District remittance of cash receipts
- Employment Development Department
- Family Intervention Team program expenditures
- Feather River Air Quality Management District
- Fingerprinting (Department of Justice)
- Fingerprinting (Sutter County – Live Scan)
- Fire Department stipend checks
- Fuel for storage tanks
- General Liability insurance premiums
- Gilsizer Drainage District
- Housing consultant
- Land/property
- Lobbying activities
- Meals (per diem or travel reimbursement)
- Membership dues
- MuniFinancial
- Net 5 purchases (Secretary, City of Marysville)
- Office equipment O&M
- Office supplies (consumable only)
- Parking Citation Hearing Officer
- Payroll deduction remittances
- Petty cash reimbursements
- Postage & freight
- Pre-employment physicals, medical blood, DATCO (substance abuse testing)
- Refunds
- Retirement administration: Phase II Systems for PARS trust administration
- State Board of Equalization (diesel fuel tax, sales and use tax)
- State Division of Administrative Services (seismic fees)
- State Water Resources Control Board
- Subdivision Agreement reimbursements
- Subscriptions
- Supplies or refreshments reimbursement
- Sutter-Yuba Mosquito Vector Control District
- Teambuilding (Amistad Associates)
- Telephone
- Temporary help (personnel agency)
- Training programs
- Travel & meetings
- Trustee fees
- Tuition reimbursements
- Uniform rental and cleaning (under contract)
- Utilities

- Vehicle allowance
- Water delivery service
- Yuba-Sutter Economic Development Corporation

An authorized signature and appropriate budget number(s) should be provided by the purchaser to Accounts Payable for invoices up to \$5,000. Invoices above \$5,000 should be accompanied by a check request form, approved by the Department Head.

## **SECTION 10: PROFESSIONAL SERVICES**

### **10-1. Definition:**

Those services by independent consultants such as legal, engineering, programming, planning, environmental, economic, financial, testing, specialized temporary employee services, medical, dental, accounting, surveying, landscape architecture, advertising, design, etc., are considered to be “professional services”. This may also include services requiring peculiar or specialized abilities which by state law do not require competitive bidding.

### **10-2. Operating Department Responsibilities:**

1. Prepare specifications or scope of work.
2. Solicit, review, and select qualified consultant/firm.
3. Provide written documentation justifying selection of the successful consultant/firm. Staff may utilize the Professional Services Justification form on CityNet.
4. Prepare a City Professional Services Agreement and obtain consultant’s signature.
5. Compile all exhibits/attachments described or referenced in the contract.
6. Secure and review required insurance documents for conformance to City contract requirements.
7. Submit the contract to the City Attorney for review and approval, if applicable.
8. If between \$50,000 and \$100,000, obtain City Manager approval.
9. If over \$100,000, obtain Council approval.
10. Submit requisition to Finance to issue a purchase order.
11. Submit original signed contract, complete with exhibits, attachments, and insurance, to the City Clerk.
12. Provide the consulting firm a signed copy of the contract.

### **10-3. Decentralized:**

Due to the specialized and technical nature of professional services, contracting for professional services is decentralized and shall be the responsibility of each applicable Department Head.

#### **10-4. Solicitation of Proposals:**

Solicitation of professional service proposals is the responsibility of the operating departments. The Finance Department may be contacted to assist and support the formal request for proposal process.

#### **10-5. Selection of Consultant:**

Contracts negotiated by the City for professional services will be based on demonstrated competence, professional qualifications for the services required, availability, fair and reasonable cost, and other relevant factors as determined by the operating department. Competitive bidding is encouraged whenever possible; however, it is not mandatory.

#### **10-6. City Attorney Review and Approval:**

The City shall, whenever possible, use the City's Professional Services Agreement form, which as been approved as to form by the City Attorney and is available on CityNet. Should another agreement be considered for professional services, review and approval as to form by the City Attorney is required prior to execution by the City.

The City Attorney shall review and approve as to form all Professional Service Agreements prior to City Council approval for contracts over \$100,000.

#### **10-7. Procurement Limits — Professional/Consultant Services:**

Specified procurement limits are tabulated per consultant firm per fiscal year and are not to be split to circumvent the determined limits. No professional services consultant shall be paid more than \$100,000 per fiscal year for the City as a whole without prior Council authorization.

##### **10-7.1. Contracts of \$50,000 or Less:**

Contacting three (3) firms, although encouraged, is not required for contracts \$50,000 or less. Department Heads are authorized to sign Professional Service Agreements totaling \$50,000 or less.

##### **10-7.2. Contracts \$50,000.01 up to \$100,000:**

Operating departments should, whenever possible, contact three (3) consultants/firms and select the most qualified firm. The City Manager is authorized to sign Professional Service Agreements totaling \$100,000 or less.

##### **10-7.3. Contracts Over \$100,000:**

Operating departments shall solicit written proposals and negotiate with a minimum of three (3) consultants/firms, whenever possible. Professional Service Agreements over \$100,000 require City Council approval. If the contract is a multiple year agreement,

information regarding multiple years must be presented to Council in the staff report at the time of approval.

#### **10-8. Changes to and Cancellation of Purchase Orders:**

The operating department will notify Finance when initiating changes which alter the purchase order. Purchase orders that need to be canceled or closed must be forwarded to Accounts Payable. The last payment against a purchase order that does not increase the purchase order total by 10% can be processed without obtaining a purchase order change order.

The City Manager will approve any change orders that have the purchase order total amount exceed \$50,000, up to \$100,000. Change orders cannot be requested that exceed Council-approved appropriations or Council contract award amounts without additional Council authorization.

### **SECTION 11: CONTRACT AMENDMENTS FOR TECHNICAL/MAINTENANCE OR PROFESSIONAL SERVICES**

Ongoing City contracts with technical/maintenance vendors or professional services consultants may require amendments for a number of reasons, including change in scope of work, time extension to complete the project or renew for an additional period of time, and unforeseen costs.

Operating departments should utilize the City's amendment forms, available on CityNet. Should a firm's agreement be considered, review and approval as to form by the City Attorney is required prior to execution by the City.

#### **11-1. Operating Department Responsibilities:**

1. Prepare a City amendment and obtain appropriate signatures from both parties.
2. Compile all exhibits/attachments referenced in the amendment. Update the insurance documents if necessary.
3. Obtain City Manager and/or City Attorney approval, if applicable.
4. When the contract plus amendment total over \$100,000, obtain City Council approval.
5. Submit request to Finance for a purchase order change order if the amendment alters the dollar amount.
6. Submit original signed amendment, complete with exhibits and attachments, to the City Clerk.
7. Provide the consultant (professional services) or vendor (technical/maintenance services) a signed copy of the amendment.

## **11-2. Amendment Cost Limits:**

Contract amendments can only be approved within their cost limits. Cost limits are calculated as the existing contract total plus any cost changes in the amendment.

### **11-2.1. Contract Total of \$50,000 or Less:**

Amendments can be approved by the Department Head if the contract total, including all amendments, does not exceed \$50,000.

### **11-2.2. Contract Total of \$50,000.01 to \$100,000:**

Amendments can be approved by the City Manager if the contract total, including all amendments, does not exceed \$100,000.

### **11-2.3. Contract Total Over \$100,00:**

Amendments must be approved by City Council and executed by the City Manager if the amended contract will exceed the amount previously approved by City Council or if an amendment will cause the contract to exceed \$100,000.

### **11-2.4. Prior Approved Contingency:**

City Council may award a contract amount plus a contingency for a project or service that will or potentially will exceed \$100,000. In such a case, the contract would originally reflect the primary contract amount, but may be amended later up to the contingency authorized as part of the Council item without further Council action.

## **SECTION 12: SPECIFICATIONS**

Accurate specifications are essential for effective bidding. It is the responsibility of each department to provide detailed, accurate specifications when requisitioning supplies and services.

### **12-1. Developing Specifications:**

Well-developed specifications are necessary to ensure quality that will fulfill the operating department's needs while also avoiding unnecessary costs for the taxpayer. A good specification should be:

1. Simple and straightforward, yet specific enough that the bidder cannot evade any of the provisions or underbid with products that do not meet the department/division's needs.
2. Clear and easily identified, including any necessary measurements, material standards, or similar product types on the market.
3. Flexible and reasonably tolerant of discrepancies and different products.

4. As fair to the seller as reasonably possible without compromising the City's interests, and capable of being met by multiple bidders in order to promote competition.
5. Capable of being checked in order to determine if the quality is sufficient and the bid is valid.

#### **12-2. Standardization:**

Standardization of specifications for items common to several divisions enables collaborating departments to buy quantity and generally receive lower pricing due to larger orders. The Finance Department will support operating departments in the establishment of standard specifications for articles in common use.

#### **12-3. "Or Equal":**

When brand names are specified, the words "or equal" must be added unless compelling reasons make only a single brand acceptable. Use of a brand name for "equal to" specifications should be for the purpose of describing the standard of quality, performance, and characteristics the City desires and not be intended to limit or restrict competition. Use of "equal to" specifications should, whenever possible, identify a minimum of two brand names as approved equals.

Using specifications provided by a specific manufacturer should be avoided and, if used, the name of the manufacturer, model number, etc., should be indicated. It should also be stated, that use of the manufacturer's specifications are for the sole purpose of establishing an "equal to" criteria. When specifications designate "or equal," the City reserves the right to determine and approve any other as being equal or acceptable.

#### **12-4. Vendor Assistance in Writing Specifications:**

There may be occasions when vendor assistance may be required in developing specifications. Such specifications should be written in general terms. The vendor should be clearly informed that the information provided might be used in developing specifications for a competitive bidding process. The Purchasing Officer or their designee shall approve such specifications.

#### **12-5. Review of Specifications:**

It is the operating department's responsibility to assure that specifications are complete and accurate. The department will review for completeness of information, terms and conditions, insurance/compliance, and open and competitive language. To assure bid/proposal specifications and terms meet the City needs, the operating department may request review or assistance by the Finance Department, the City Attorney, or other pertinent City staff in the development of specifications.

## **SECTION 13: VENDOR RELATIONS**

It is to the City's advantage to maintain and promote good relations with suppliers. The City's vendor relations reflect the public image of the City organization. Finance and the operating departments are responsible for promoting fairness, integrity, courtesy, and goodwill in their vendor relations.

Operating departments may make direct contact with vendors for such purposes as obtaining price quotes (less than \$100,000), developing service contracts, initiating informal bid or proposal processes, obtaining technical information, obtaining cost estimates for budgeting or purchasing purposes, preparing purchase requisitions, and placing orders for authorized purchases.

The Finance Department may be the main contact in formal bid situations. Finance may also serve as an intermediary between operating departments and vendors when requested by operating departments or in conflict resolution matters.

## **SECTION 14: PROTEST PROCEDURE AND ADMINISTRATIVE APPEAL**

### **14-1. Bid Protests (Not for Public Projects):**

In the event of a bid protest, the alleged aggrieved protesting bidder must file in writing to the Finance Director the exact reason for the protest. In no event shall a protest be considered if all bids are rejected or after award of the contract. Failure to comply in the manner prescribed shall constitute a failure to exhaust administrative remedies and shall automatically relieve the City of Yuba City from accepting that protest.

Any others who wish to protest the outcome of a bid or procurement must utilize the public comment process during the regularly scheduled City Council meetings.

#### **14-1.1. Protest Procedure Prior to Bid Opening:**

Any bidder wishing to file a protest prior to bid opening concerning the specifications or bid procedure must do so in writing. This written protest must be received by Finance no later than four working days prior to bid opening. If a protest that is received cannot be resolved by the designated time of the bid opening, the Finance Director may delay the bid opening until the protest is addressed to the City's satisfaction.

#### **14-1.2. Protest Procedure After Bid Opening:**

Any bidder wishing to protest based on information that only became evident after the bid opening must file the protest in writing. This written protest must be received by Finance no later than five working days after the City of Yuba City notifies all bidders of the apparent low bid or the proposal selected by the committee for procurements under the formal bid limit, or within five working days from when bids or proposals over the formal bid limit are opened in public.

### **14-1.3. Protest Review:**

The Finance Director shall review the written protest and, within five working days after receipt of the written protest, issue a decision in writing. The decision shall state the reasons for the action taken as well as inform the protesting bidder of the right to administrative appeal. A copy of the decision will be forwarded to the City Manager.

A decision rendered by the Finance Director as outlined in this section shall be final and conclusive. If the alleged aggrieved protesting bidder has complied with the protest procedures, they shall have the right to commence an administrative appeal.

### **14-2. Administrative Appeals:**

The Finance Director's decision regarding a bid protest may be appealed to the appropriate approving authority, based upon the procurement limits. The protestor will be notified regarding the appropriate administrative appeal procedure in the written decision from the Finance Director.

#### **14-2.1. Informal Bids:**

The City Manager is the approving authority for all administrative appeals for all purchases up to \$100,000. Appeals must be written and submitted to the City Manager's Office within five working days after the aggrieved bidder is notified of the Finance Director's decision. A written decision will be issued within ten working days after receipt of the written appeal. The decision by the City Manager is final.

#### **14-2.2. Formal:**

The City Council is the approving authority for formal appeals for the City of Yuba City for all purchases over \$100,000. Appeals must be written and submitted to the City Manager's Office within five working days after the aggrieved bidder is notified of the Finance Director's decision. The City Council may consider the appeal concurrently with its decision on the award. The decision by the City Council is final.

### **14-3. Public Project Protests and Appeals:**

Protests and appeals regarding public projects shall be per the procedures established in the Public Contract Code.

## **SECTION 15: SURPLUS AND UNCLAIMED PROPERTY**

### **15-1. Surplus/Unclaimed Property:**

The Purchasing Officer shall have the authority to sell, exchange, or trade in all supplies, materials, and equipment which are no longer used, have become obsolete, worn out, or scrapped, or which have become unsuitable for public use.

The Purchasing Officer shall also have the authority to sell unclaimed property. All unclaimed property shall be sold or otherwise disposed of in accordance with Civil Code § 2080 et seq.

All sales shall be in accordance with the provisions outlined in Section 2-6.08 and 2-6.09 of the City's Municipal Code.

### **15-2. Disposal of Personal Property (Less than \$500):**

Pursuant to Welfare and Institutions Code § 217, in lieu of the provisions contained in Civil Code § 2080, an alternative procedure is established with respect to the disposal of unclaimed personal property not worth more than \$500. The Purchasing Officer is authorized with respect to said property, which has been unclaimed for at least 90 days, to transfer and deliver any such items to the Probation Officer of the County, to the Welfare Department of the County, or to any charitable or nonprofit organization which is authorized under its articles of incorporation to participate in a program or activity designed to prevent juvenile delinquency and which is exempt from income taxation under federal or state law, for use in any program or activity designed to prevent juvenile delinquency.

## **SECTION 16: FEDERALLY DECLARED EMERGENCIES**

In the event of an emergency declared by the President of the United States, the City of Yuba City must comply with federal procurement standards as a condition of receiving public assistance funding from the Federal Emergency Management Agency (FEMA) for contract costs for eligible work. FEMA funding is governed by Title 2 of the Code of Federal Regulations (CFR) Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

## **CITY OF YUBA CITY PURCHASING POLICIES AND PROCEDURES**

### **APPENDIX I: DEFINITIONS**

**Amendment** – A modification of terms and/or pricing for goods, professional services, or technical/maintenance services contracts or task orders.

**Bid** – A comparative price offer made by an intended seller in reply to an Invitation for Bid or Request for Quotation.

**Bid Document** – A document soliciting pricing for materials, supplies, and services purchases. The bid document includes all pertinent information related to the purchase (specifications), plus instructions to the vendor on how to prepare the document, terms and conditions, and any insurance requirements necessary.

**CAL-Card** – The City's procurement card issued under California Department of Goods and Services, utilized as a payment mechanism for purchases by authorized City staff.

**Consultant** – A provider of professional services, such as the examples provided in Section 10-1. Should be contracted via a Professional Services Agreement. See Section 10 for procurement guidelines.

**Contract** – Any agreement or written document which produces a contractual agreement between the City and another party for the procurement or disposition of materials, services, professional services, or construction projects.

**Department Head** – The director of a department or their designee.

**Equipment** – Furnishings, machinery, vehicles, rolling stock, and other personal property used in the City's business.

**Force Account** – Construction work performed by City labor.

**Goods** – Any and all supplies, materials, and/or equipment which are moveable at the time of sale, and can be furnished to or be used by the City. This also includes goods purchased separately for City projects and goods purchased with installation services.

**Procurement (Purchase)** – Buying, purchasing, renting, leasing, or otherwise obtaining of any materials, equipment, supplies, or services. Also included are all activities related to obtaining the above items.

**Proposal** – A comparative written offer made by an intended consultant (professional services) or vendor (technical/maintenance services) for evaluation by City staff in reply to a Request for Proposal.

**Public Project** – "Public Project" shall have the meaning as set forth in the California Public Contract Code Sections 20161 and 22002, as amended.

**Public Works Construction Project** – A public construction project that is subject to the regulations of the state Public Contract Code, such as the erection, construction, alteration, major painting, repair, or demolition of public buildings, streets, walkways, water and sewer facilities, drainage facilities, or other public facilities, whether owned, leased, or operated by the City. Public works does not include maintenance work as defined in said Code.

**Purchase Order** – A document generated by the Finance Department after the bidding requirements have been met and the purchase has been awarded. A purchase order authorizes the purchase of goods or services. It is a written legal document signed by the Purchasing Officer, Finance Director, and/or Department Head (as required per the procurement limits) stating all terms and conditions of purchase transaction or referring to such terms and conditions as may exist in an accompanying contract.

**Purchase Order Change Order** – A change order to an existing purchase order may occur for a variety of reasons including, but not limited to, increasing the dollar amount of the purchase order, adding or deleting a line item, changing an account number on a line item, or increasing or decreasing the quantity on a line item.

**Purchasing Officer** – The City Manager or a designated representative.

**Purchase Requisition** – A request for a purchase order. The request comes from the operating department that needs to order specific goods or services. This is completed through the City's operating Finance software (Pentamotion at the time of policy adoption).

**Request for Proposal** – The complete assembly of related documents (whether attached or by reference) furnished to a prospective consultant or vendor for specific services for the purpose of soliciting a proposal for a City professional service or technical/maintenance service procurement. These shall be evaluated and awarded based on a number of factors, rather than just price.

**Request for Quotation** – The complete assembly of related documents (whether attached or by reference) furnished to a prospective contractor/supplier for specific products or services for the purpose of presenting a quote for a City procurement. These shall be reviewed and awarded to the lowest responsible bidder.

**Sole Source** – Unique commodities or services that can be obtained from only one vendor or one distributor authorized to sell in the area or region, with singular characteristics or performance capabilities, or which have specific compatibility components with existing City products are exempt from the competitive bidding requirements and are deemed sole source purchases. Sole source purchases may include proprietary items sold directly from the manufacturer.

**Solicitation** – An invitation or request by which the City invites a person to participate in a procurement, such as an Invitation for Bids, a Request for Proposals, a Request for Qualifications, or a Request for Quotations.

**Specification** – A description in the bid, proposal, or quote of the sought item or service which informs prospective vendors what is specifically required and provides the basis for determining the responsive bid and the resulting purchase order or contract. In addition, it establishes the standard against which inspections and tests are made.

**Uniform Construction Cost Accounting Procedures** – Uniform construction cost accounting procedures shall mean those procedures and rules established by the State Uniform Construction Cost Accounting Commission pursuant to Section 22000, et seq. of the Public Contract Code.

**Vendor** – A seller of materials and supplies or technical/maintenance services, such as installation. If any work is to be done by the vendor, it should be contracted via Standard Agreement. See Section 8 for procurement guidelines.