

Agenda Report Reviewed by:

City Manager: 

CITY OF SEBASTOPOL  
CITY COUNCIL  
AGENDA ITEM

Meeting Date: December 7, 2021  
To: Honorable Mayor and City Councilmembers  
From: Councilmember Neysa Hinton  
Subject: Amendment to City Purchasing Policy  
Recommendation: That the City Council approve the Revised Purchasing Policy  
Funding: Currently Budgeted:  Yes  No  N/A  
Net General Fund Cost: None

Account Code/Costs authorized in City Approved Budget AK (verified by Administrative Services Department)

**INTRODUCTION/PURPOSE:**

The item tonight is for City Council Approval of the Revisions to the City's Purchasing Policy.

**BACKGROUND:**

On October 19, 2021, Councilmember Hinton brought forward the City's Purchasing Policy for discussion and direction to City staff to review the current processes and consider revisions and updating it to make the process more clear and consistent.

On November 16, 2021, the City Council reviewed the proposed revisions to the policy and discussed and directed staff to make minor changes to the revised Purchasing Policy to ensure consistency throughout the documentation.

**DISCUSSION:**

The agenda item tonight is for the City Council to approve the revised Purchasing Policy. Staff reviewed and revised the documentation as directed. The clerical revisions mostly occurred in the "Methods of Procurements" as follows (highlighted in aqua color):

1. Removed the type of service definition as it was deemed not to have much added value and can be confusing.
2. Revised the purchasing limit to remain at \$50,000 level for professional services to be consistent with the chart in the policy.

The overall purpose and original intent of the revised Purchasing Policy was to provide clarity and at the same time strengthen, streamline the process as it reflects best practices, ensure adherence to proper standards of conduct by City officers and employees, ensure compliance with applicable laws and regulations; and establish and maintain professional, business-like, ethical relationships with contractors; treat prospective contractors, consultants, and vendors in an equal and equitable manner.

**GOALS:**

This action supports the following City Council Goals and General Plan Actions:

- Operate City government in a fiscally responsible and responsive manner.

- Develop and Implement Sound Financial Management Policies and Procedures
- Review the City Council Financial Polices to ensure they meet the needs of the City
- Create easy to read documents that educate the public and community on City Finances.
- Encourage and increase public awareness of City Policies, decisions, programs and all public processes and meetings

**PUBLIC COMMENT:**

As of the writing of this staff report, the City has not received public comment. If staff receives additional public comment from interested parties following the publication and distribution of this staff report, such comments will be provided to the City Council as supplemental materials before or at the meeting. In addition, public comments may be offered during the public comment portion of this item.

**PUBLIC NOTICE:**

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date.

**FISCAL IMPACT**

There is no fiscal impact associated with the approval of this item.

**RECOMMENDATION:**

That the City Council approve the revised purchasing policy.

**ATTACHMENTS:**

Revised City Purchasing Policy

# PURCHASING POLICY

Effective September 5, 2017

Revised: December 7, 2021

Council Policy # 89

## I. OVERVIEW

This policy is written to document the policies and procedures that shall be followed when purchasing goods or services. All purchases of materials, supplies, equipment, vehicle and services required by the City shall be made in accordance with the following, and pursuant to applicable provisions of the Government Code. This policy will be reviewed with new members of the City Council and new Department Heads/Managers as soon as possible after they assume office/responsibility. This policy shall also be reviewed as part of the annual budgeting process.

## II. ETHICS AND RESPONSIBILITY

The City Manager (or designee) serves as the Purchasing Agent, and is charged with the responsibility and authority for coordinating and controlling the City's purchasing function in accordance with Purchasing Policies.

The Purchasing Agent and all departments shall adhere to the Purchasing Policy when procuring materials, supplies, equipment, vehicles and services. All purchases shall be limited to the approved budget or as otherwise authorized by the City Manager. Purchasing dollar limits specified in the Purchasing Policy is "per order" unless otherwise indicated.

Applicable competitive bidding categories, authorization limits or contract award procedures will be based on unit cost, total purchase cost for consolidated bid items, or fiscal year aggregates in the case of standing purchase orders or similar ongoing purchasing arrangements. Staging of purchases to avoid competitive bidding procedures or authorization limits is prohibited.

All personnel engaged in the purchasing function shall exercise good judgment in the use and stewardship of City resources, and all purchasing functions shall be conducted with absolute integrity and objectivity. Purchases are subject to public scrutiny; employees shall follow a strict rule of personal conduct that will not compromise the City in the conduct of its business. Any employee intentionally and/or repeatedly making purchases in a manner that circumvents, ignores or fails to comply with Purchasing Policies will be subject to disciplinary action, in accordance with City Personnel procedures.

Code Of Conduct – Employees are responsible for providing access to City procurement opportunities in a fair and impartial manner to all responsible suppliers, vendors, and contractors. In addition, all employees shall behave in a manner that avoids improprieties or the appearance of improprieties to maintain the public's confidence in the integrity of the City's purchasing system.

Conflict Of Interest - If a city officer or employee has a real or apparent conflict of interest, said individual may not participate in the selection, award, or administration of any contract, including those supported by a federal award or funding, that implicates that conflict of interest. If a city

officer or employee participates in making a contract where said individual has a real or apparent conflict of interest, such conflict may nullify or void a contract. As nullification or voiding of a contract is a serious matter with potentially significant consequences for the City, every officer or employee is responsible for recognizing and reporting a potential conflict of interest in timely manner.

A conflict of interest may arise when the city officer or employee has a direct financial interest in, or would receive a direct or material benefit arising from a contract. City officers and employees shall not be financially interested in any contract made by them in their official capacity, as such terms are defined in California Government Code Sections 1090 et seq. and 87100 et seq., and relevant case law. Prohibited interests include interests of immediate family members, domestic partners, and their respective employers or prospective employers.

City officers and employees shall report any potential or actual conflict of interest to their respective Department Head or to the City Attorney as soon as a conflict is suspected or discovered. If city officers or employees are uncertain about whether they have a conflict of interest regarding a particular contract, the individual shall consult the City Attorney's Office as soon as practicable.

It is important to note that consultants of a public entity are considered public officials under Government Code section 1090 and are subject to the requirements therein. City officers and employees should consult the City Attorney on potential conflict of interest issues with respect to the City's third-party consultants and contractors.

### **III. PURCHASING AGENT RESPONSIBILITIES**

The City Manager or his/her designee shall act as the City's Purchasing Agent. The Purchasing Agent is responsible for procurement of materials, supplies, equipment, vehicles and services; administration of purchasing policies and procedures; and management of surplus City property. To perform these functions efficiently and assist departments, the Purchasing Agent shall:

- a. Coordinate and manage procurement of the City's materials, supplies, equipment, vehicles and services from the lowest responsive and responsible bidder when required by the Purchasing Policies.
- b. Ensure full and open competition on all purchases as required by the Purchasing Policies, and make purchase award recommendations to the appropriate authority.
- c. Identify, evaluate and utilize purchasing methods that best meet the needs of the City (cooperative purchases, standing purchase orders, contractual agreements, etc.)
- d. Recommend revisions to purchasing policies and procedures when necessary, and keep informed of current developments in the field of Public Purchasing.
- e. Act as the City's agent in the transfer and disposal of surplus equipment, vehicle and materials.

#### IV. DEPARTMENT RESPONSIBILITIES

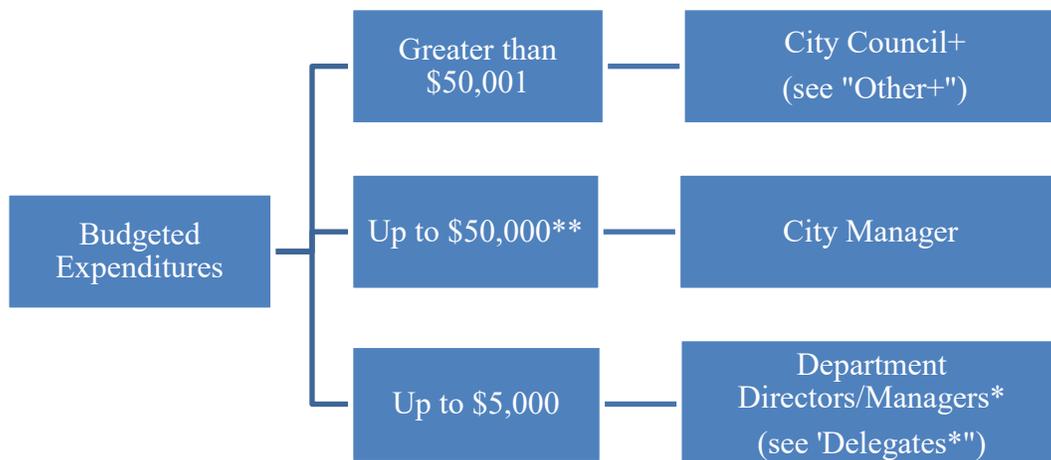
Each Department is responsible for facilitating prudent, efficient and cost-effective purchases. To meet these responsibilities, Departments shall:

- a. Ensure staff is trained on the terminology and requirements set forth in the Purchasing Policies.
- b. Minimize urgent and sole source purchases, and provide written findings and documentation when such purchases may be necessary.
- c. Refrain from “splitting” orders or projects for the purpose of avoiding procurement requirements or authorization limits.
- d. Anticipate requirements sufficiently in advance to allow adequate time to obtain goods in accordance with best purchasing practices.
- e. Maximize coordination of purchases into a lesser number of large transactions to take advantage of cost savings for bulk purchases of commonly used goods and services.

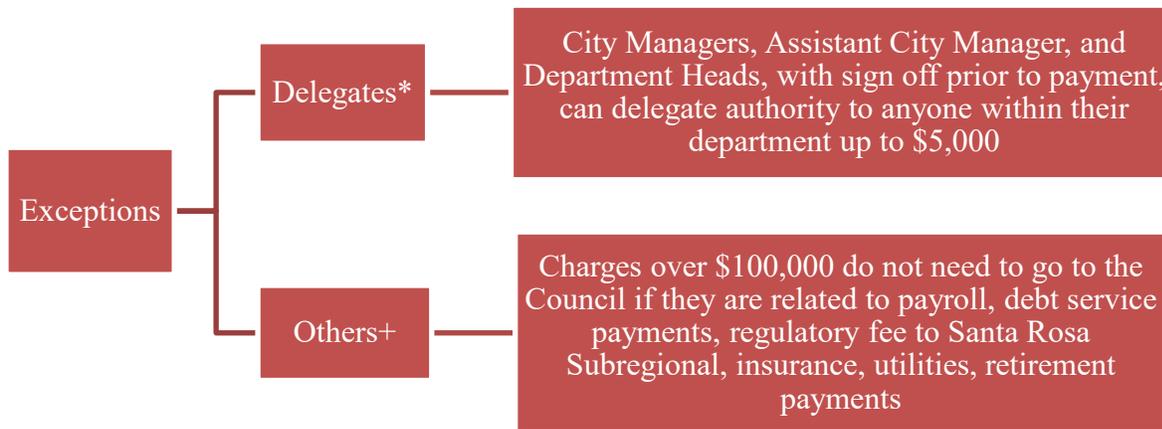
#### V. PURCHASING AUTHORITY

The City Council adopts an annual budget, which includes detail of all capital items, professional fees for services and all other expenditures. Items referred to hereafter as "budgeted" refer to expenditures that have been appropriated in the adopted budget or approved for expenditure by the Council after the budget is adopted for the current fiscal year.

Authority to approve expenditures shall be determined as shown in the diagrams below. Expenditures shall not be broken down or divided into sub-groups for purposes of avoiding the guidelines.

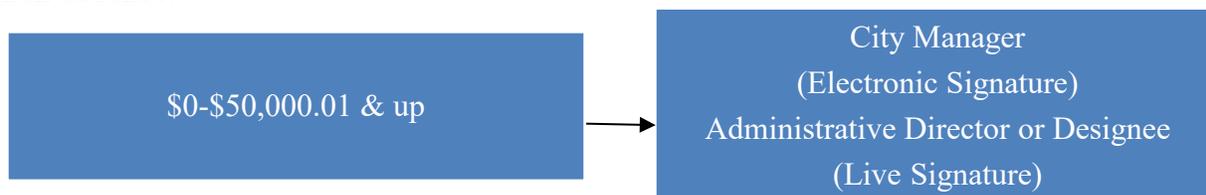


\*\* Subject to competitive bidding if requirement herein



**CONTRACT or CHECK SIGNING AUTHORITY**

The City Manager and Administrative Services may designate their signature authority in their absence.



In the course of conducting City business, the City is required to make a variety of different types of purchases. The type of purchase dictates the policies and procedures for procuring and formalizing the purchase. Before employees make a purchase, they should identify the type of purchase and the proper method for completing that purchase. This category of purchases includes the purchase of tangible durable and non-durable goods by the City. Examples of these types of purchases include fuel, tools, office supplies, chemicals, machinery, food, and furniture. These types of purchases are distinct from the purchase of nontangible services.

Competitive Process – This policy is designed to promote full and open competition among potential vendors. Through full and open competition, the City is able to realize better pricing and more favorable terms. In interpreting this policy, staff should rely on interpretations that favor greater and more robust competition among vendors.

Best Overall Value – This policy is designed to ensure that the City is getting the best value for its money when making purchases. When not required by law to select the lowest bidder, the principle permits the City to consider factors other than just price in determining what constitutes the best overall value to the City.

Fairness And Transparency – This policy is designed to promote fairness and transparency in the City’s purchasing system. Complying with this policy fosters equal opportunities for vendors wishing to do business with the City and ensures that public expenditures are made in an open and consistent manner.

Compliance With Law And Best Practices – This policy is informed by and incorporates applicable laws, regulations, and best practices applicable to public procurements. Compliance with this policy ensures that purchases are conducted in accordance with the City’s legal and ethical obligations and responsibilities.

Conduct With Vendors All employee interactions with vendors shall be conducted in a fair, open, and transparent manner. Employees shall:

- i. Refrain from showing favoritism to vendors or being unduly influenced by external factors outside the criteria outlined in this policy.
- ii. Select all vendors on the basis of meeting appropriate and fair criteria in accordance with the requirements of this policy.

No Gratuities - No City employee shall solicit, demand, accept, or agree to accept, and shall avoid the appearance of accepting, a gift of goods or services, payment, loan, advance, deposit of money, or employment offer presented, promised in return for, or in anticipation of favorable consideration in a City procurement.

### SERVICES DEFINITION

~~This category of purchases includes the hiring of individuals, firms, or entities to perform services for the benefit of the City. There are two categories of services: general services and consultant/professional services.~~

- ~~1. General Services – General services are non-professionalized services that are often purchased to maintain or service the City’s equipment or facilities. Examples of these types of services include office equipment maintenance, cleaning services, disposal services, and food delivery services.~~
- ~~2. Consultant/Professional Services – Consultant/Professional services are specialized services where the City hires an individual or firm to perform professional or technical tasks. Examples of these types of services include engineering and design services, audit services, architectural services, IT support services and legislative affairs services.~~

## VI. METHODS OF PROCUREMENTS

The type of purchase and the amount of a purchase dictates the method of procurement. Smaller and less complex purchases involve less stringent competitive requirements. Conversely, more valuable and more complex purchases require stricter, more formalized competitive processes.

#### Informal Procurement

Micro purchases need not be awarded competitively, but the price must be determined to be fair and reasonable and should be distributed equitably among qualified suppliers. Micro Purchases do not require advertising or solicitation of quotes/bids. However, seeking multiple quotes/bids, even when not required, is a best practice and helps to ensure that the City receives better pricing for its purchases. Micro purchasing may be used for purchases of goods/general services valued under \$5,000.

#### Informal Solicitation

Informal solicitation involves seeking three (3) written quotes from potential vendors. These written quotes may be informally documented, such as through emails between City employees and potential vendors. Informal solicitation may be used for purchases of goods, general services, non-public works construction projects, and consultant/professional services valued at \$50,000 or less.

#### Formal Competitive Proposals (RFP)

In a formal competitive proposal process, the City must: (i) prepare a request for proposal document identifying the project requirements, vendor qualifications, and evaluation factors; (ii) send the RFP to an adequate number of qualified sources as determined by the relevant department head or the City Manager; (iii) post the RFP on the City's website at least ten (10) days prior to the deadline for receipt of proposals; and (iv) establish and implement procedures for evaluation of proposals. Formal competitive proposals shall be used for purchases of consultant/professional services valued at more than \$50,000.

#### Cooperative Procurement

Cooperative purchasing allows the City to buy goods or services based on a competitively bid contract prepared by another public agency, when that other agency and the vendor(s) agreed in advance to a cooperative process. Use of purchasing cooperatives is encouraged as a way to obtain goods and services by aggregating volume, securing value pricing, and reducing administrative overhead. Measured use of purchasing cooperatives can significantly reduce the time and resources needed to competitively purchase goods and services.

#### Sole Source Procurement

Regardless of the estimated cost of a purchase, the City is not required to engage in a competitive procurement process, either formal or informal when a competitive procurement is infeasible for the reasons articulated in this section. In all cases, the City must verify and document that a particular procurement meets the criteria for a sole source identified below, and the use of sole source must be approved by the City Manager. Sole source procurement is authorized if one of the following conditions are met:

- a. Unique or Innovative Concept - The vendor demonstrates a unique or innovative concept or capability not available from another source. "Unique or Innovative Concept" means a new, novel, or changed concept, approach, or method that is the product of original

thinking, the details of which are kept confidential or are patented or copyrighted, and is available to the City only from one source and has not in the past been available to the City from another source;

- b. Patents or Restricted Data Rights – Patent or data rights restrictions preclude competition;
- c. Substantial Duplication Costs – In the case of a subsequent contract for the continued development or production of highly specialized equipment or products and/or major components thereof, when it is likely that award to another contractor would result in substantial duplication of costs that are not expected to be recovered through competition;
- d. Unacceptable Delay – In the case of a subsequent contract for the continued development or production of highly specialized equipment or products and/or major components thereof, when it is likely that award to another contractor would result in unacceptable delays in fulfilling the City's needs.

### Emergency Procurement

Emergency procurements are those purchases necessary to avoid or mitigate a clear and imminent threat or danger where delay could result in loss of life or danger to health, welfare, or property or threaten the continued operation of the City or the provision of essential City services. (See Section XI Urgent and Emergency Purchases for more details)

### Exempt Procurement

This Section outlines types of procurements that are exempt from the standard competitive requirements outlined in this policy and also includes special considerations related to those exempt procurements. Despite the fact that a procurement may be exempt, the City may still conduct negotiations as to price, delivery and terms in connection with the award of a contract that does not require a competitive process. Nothing in this section shall preclude the solicitation of competitive bids or proposals when possible. The following is a list of procurements that are exempt from the competitive requirements outlined in this Policy.

- 1. Emergency procurements as defined above;
- 2. Specified materials or equipment that can be obtained from only one source and there is no adequate substitute in accordance with the criteria outlined in sole source section above;
- 3. Legal or professional services that are highly specialized;
- 4. Procurements funded by grants, donations or gifts when any special conditions require the purchase of particular materials and/or services;
- 5. Purchase of surplus property owned by another public entity, or payment to other public entities or utilities;
- 6. Membership dues, conventions, training, travel arrangements, or advertisements in magazines, newspapers, or other media;
- 7. Works of art, entertainment or performance; and
- 8. Where competitive bids or proposals have been solicited and no bid or proposal has been received. In such situations the City Manager may proceed to have the goods procured or services performed without further competitive bidding.

## VII. LOCAL VENDOR PREFERENCE:

Whenever possible, the City wishes to support, promote the use of local businesses, suppliers and services providers to help create a sustainable economy, preserve local businesses, and make a commitment to circulate tax dollars within city limits.

## Environmentally Preferable Purchasing (EPP) Policy.

### Purpose:

- Conserve natural resources, such as water, fuels, fiber, and minerals.
- Encourage waste stream diversions and reduced land filling of waste.
- Minimize environmental impacts, such as pollution and habitat destruction.
- Eliminate or reduce toxics that create hazards to workers, our community, and the environment.
- Support strong recycling markets, reduce City operating costs where possible, and reduce materials that are landfilled.
- Identify and increase the use of environmentally preferable products.
- Consider life cycle cost analysis when making purchasing decisions

### Policy:

- Select environmentally preferable products and services that include recycled content, are durable and long-lasting, conserve energy and water, use agricultural fibers and residues, use unbleached or chlorine-free manufacturing processes, are lead-free and mercury-free, and reduce greenhouse gas emissions, when feasible.
- Promote product efficiency and effectiveness.
- Purchase products and services that minimize environmental impacts, toxics, pollution, waste, and hazards to worker and community safety to the greatest extent practicable.
- Encourage and support standardization and consider life cycle costs when making purchases for the City, such as vehicles, computers, etc.
- Encourages diversion to the waste stream through beneficial reuse.

### Procedure:

- The health and safety of workers and citizens is of utmost importance and takes precedence over all other policies.
- Nothing contained in this policy shall be construed as requiring a department, purchaser, or contractor to procure products that do not perform adequately for their intended use, exclude adequate competition, or are not available at a reasonable price in a reasonable period of time.
- Nothing contained in this policy shall be construed as requiring the City, department, purchaser, or contractor to take any action that conflicts with local, state or federal requirements.

### Specifications:

#### *I. Source Reduction*

- a. The City shall purchase remanufactured and recycled products.
- b. The City shall require equipment purchased to be compatible with City source reduction targets, when practicable.
- c. The City shall consider short-term and long-term costs in comparing product alternatives, when feasible. This includes evaluation of total costs expected during the time a product is owned, including but not limited to, acquisition, extended

warranties, operation, supplies, maintenance, disposal costs, and expected lifetime compared to other alternatives.

- d. Products that are durable, long lasting, reusable, or refillable are preferred whenever feasible.
- e. Suppliers of electronic equipment, including but not limited to, cell phones, computers, monitors, printers, and copiers shall be encouraged to take back equipment for reuse or environmentally safe recycling when the City has completed its use of that equipment or discards or replaces it, whenever possible. The City shall encourage the purchase of rechargeable batteries whenever possible.

## II. Recycled Content Products

- a. All products for which the United States Environmental Protection Agency (U.S. EPA) has established minimum recycled content standard guidelines, such as those for printing paper, office paper, janitorial paper, construction, landscaping, parks and recreation, transportation, vehicles, miscellaneous, and non-paper office products, shall contain the highest post-consumer content practicable, but no less than the minimum recycled content standards established by the U.S. EPA Guidelines, whenever practical. The EPA has developed the Comprehensive Procurement Guidelines (CPG) for the designation of products.
- b. Copiers and printers bought or leased shall be designed for use with recycled content products.
- c. The City shall purchase re-refined lubricating and industrial oil for use in its vehicles and other equipment, as long as it is certified by the American Petroleum Institute (API) as appropriate for use in such equipment.
- d. When specifying asphalt, concrete, aggregate base, or Portland cement concrete for road and other construction projects, the City shall use recycled, reusable, or reground materials, when practicable.
- e. The City shall encourage the use of fly ash and other recyclable material content in any concrete foundation projects.
- f. The City shall specify and purchase recycled content transportation products, including signs, cones, parking stops, delineators, and barricades, whenever practical.
- g. All pre-printed recycled content papers intended for distribution that are purchased or produced shall contain a statement that the paper is comprised of recycled content.
- h. Allow, as a general rule, the procurement of a product with a recycled or recyclable content over a virgin product if the price is within 2.5% of the virgin product, when products are equivalent (See 2.1 EPA Guidelines).
- i. The City shall make previously used and/or left over office supplies available for
- j. office reuse, located in each City office building. Examples of these supplies are binders, folders, organizers, etc.

## III. Energy Savings:

- a. Where applicable, energy-efficient equipment shall be purchased with the most up-to-date, economically feasible, and proven energy efficiency functions. This includes but is not limited to, high efficiency space heating systems and cooling systems.

- b. When practicable, the City shall replace inefficient lighting with energy-efficient equipment.
- c. All products purchased by the City and for which the U.S. EPA Energy Star certification is available shall meet the Energy Star certification and possess the Energy Star label, when practicable. When products with Energy Star labels are not available, choose energy-efficient products that are in the upper 25% of energy efficiency as designated by the Federal Energy Management Program.

*IV. Green Building – Construction and Renovations:*

- a. The City will comply with the adopted Green Building Code guidelines and green points system for the construction of all permanent municipal building and renovation projects which exceed 2,000 sq. ft. in area.

*V. Water Savings:*

- a. The City shall purchase water-saving products, whenever practicable.

*VI. Landscaping:*

- a. All landscape renovations, construction, and maintenance by the City, including workers and contractors providing landscaping services for the City, shall employ sustainable landscape management techniques for design, construction, and maintenance whenever possible, including but not limited to, integrated pest management, grass cycling, drip irrigation, composting, and procurement and use of mulch and compost that give preference to those produced from regionally generated plant debris and/or food waste programs.
- b. Plants should be selected to minimize water waste and increase survivability by choosing species that are appropriate to the microclimate, species that can grow to their natural size in the space allotted them, and perennials rather than annuals for color. Native and drought-tolerant plants that require no or minimal watering once established are preferred. Invasive species shall be avoided.
- c. Hardscapes and landscape structures constructed of recycled content materials are encouraged. The City shall limit the amount of impervious surfaces in the landscape, where practicable and where life cycle costs are considered. Permeable substitutes such as permeable asphalt or pavers are encouraged for walkways, patios, and driveways, when practical and considering the Americans with Disabilities Act (ADA), and other code or compliant issues.

*VII. Toxics and Pollution:*

- a. To the extent practicable, no cleaning or disinfecting products (i.e. for janitorial or automotive use) shall contain ingredients that are carcinogens, mutagens, or teratogens. These include chemicals listed by the U.S. EPA or the National Institute for Occupational Safety and Health on the Toxics Release Inventory and those listed under Proposition 65 by the California Office of Environmental Health Hazard Assessment.
- b. The use of chlorofluorocarbon (CFC) containing refrigerants, solvents, and other products shall be phased out, and new purchases shall not contain them.
- c. All surfactants and detergents shall be biodegradable, where practicable, and shall not contain phosphates.

- d. When maintaining buildings and landscapes, the City shall manage pest problems through prevention and physical, mechanical, and biological controls. The City has adopted Resolution No. 5108 and practices using the least toxic methods practicable.
- e. When maintaining buildings, the City shall use products with the lowest amount of volatile organic compounds (VOCs), highest recycled content, and low or formaldehyde free when purchasing materials such as paint, carpeting, adhesives, furniture, and casework where practicable.
- f. The City shall reduce or eliminate its use of products that contribute to the formation of dioxins and furans. This includes but is not limited to purchasing paper, paper products, and janitorial paper products that are unbleached or that are processed without chlorine or chlorine derivatives, whenever practicable, and prohibiting purchase of products that use polyvinyl chloride (PVC) such as but not limited to, office binders furniture, flooring, and medical supplies, whenever practicable.
- g. The City shall purchase products and equipment with no lead or mercury, whenever possible.
- h. When purchasing or replacing vehicles, the City shall consider fuel efficient and decreased emission alternatives, such as compressed natural gas, bio-based fuels, hybrids, electric batteries, and fuel cells, as available, and as they meet the City's work needs.
- i. Vehicle fuels made from renewable energy sources, such as non-wood, plant-based contents (e.g. vegetable oils), are encouraged whenever practicable and
- j. where approved by State air pollution control bodies and the Original Equipment Manufacturer (OEM)

*VIII. Forest Conservation:*

- a. To the greatest extent practicable, the City shall not procure wood products such as lumber that originates from forests harvested in an environmentally unsustainable manner. When possible, the City shall give preference to wood products that are certified to be sustainably harvested by a comprehensive, performance-based certification system. The certification system shall include independent third-party audits, with standards equivalent to those of the Forest Stewardship Council (FSC) certification.

*IX. Agricultural Bio – Based Product*

- a. Paper, paper products, and construction products made from non-wood, plant-based contents such as agricultural crops and residues are encouraged, whenever practicable.

Implementation:

- The City Manager or their designee shall implement this policy in coordination with other appropriate City personnel.
- Successful bidders shall certify in writing that the environmental attributes claimed in competitive bids are accurate. In compliance with State law, vendors shall be required to specify the minimum or actual percentage of recovered and post-consumer material in their products, even when such percentages are zero.

- Upon request, City employees making the selection from competitive bids shall be able to provide justification for product choices that do not meet the Environmentally Preferable Purchasing criteria in this policy.
- Purchasers are encouraged to include businesses certified by the Bay Area Green Business Program in requests for products and services.
- Vendors, contractors, and grantees shall be encouraged to comply with applicable sections of this policy for products and services provided to the City, where practicable.

## X. PUBLIC PROJECTS

The City reserves the right in its discretion to determine whether it will seek competitive bids for public works projects. Public Projects are subject to definitions, terms and conditions specified in the California Public Contract Code and/or the Uniform Construction Cost Accounting Procedures (“UCCAP”) set forth in the Uniform Public Construction Cost Account Act (“The Act”), as they may be amended from time to time. When Public Contract Code (PCC) requirements contradict City requirements, the PCC will apply. PCC §22002(c), as may be amended, defines a Public Project for formal bidding purposes as:

(c) "Public project" means any of the following:

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

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

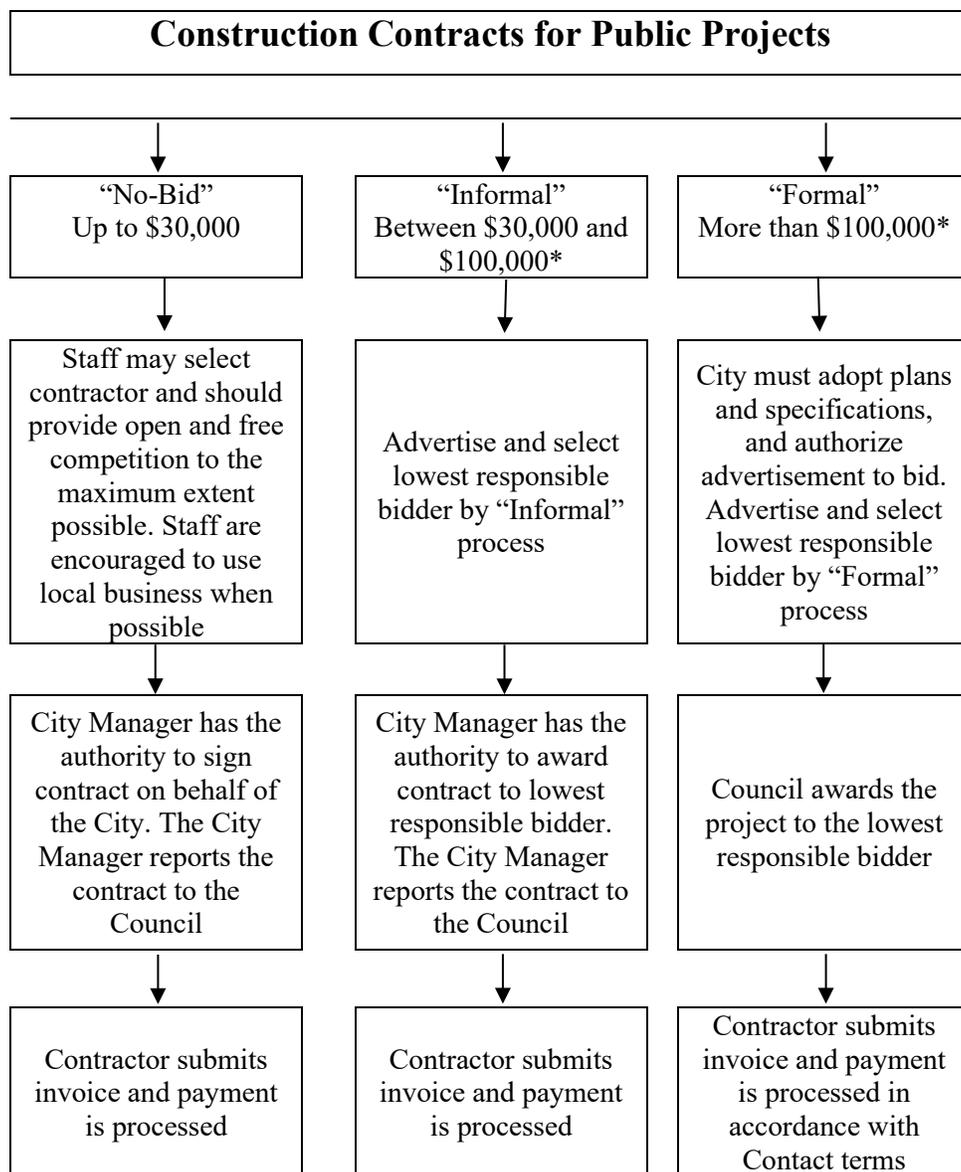
- 1) Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes.
- 2) Minor repainting.
- 3) Resurfacing of streets and highways at less than one inch.
- 4) Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.
- 5) Work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including, but not limited to, dams, reservoirs, power-plants, and electrical transmission lines of 230,000 volts and higher.

(e) For purposes of this chapter, "facility" means any plant, building, structure, ground facility, utility system, subject to the limitation found in paragraph (3) of subdivision (c), real property, streets and highways, or other public work improvement.

(f) Every November of each year, Department of Public Works send out a written notice to all constructions trade journals designated for the City under PCC §22036(c), inviting all licensed contractors to register on the City’s Bidders List for Notification of Informal Bids for the following calendar year. A qualified bidders’ list can be obtained at the Public Works Department.

(g) Projects valued at less than \$100,000 may be let to informal bidding, in accordance with the informal bidding procedures of the Uniform Public Construction Cost Accounting Act. When a project is to be awarded via informal bidding, contractors that have been registered on the informal bidders list will be notified with a general project description, location of where to obtain more detailed information, and the time and place of bid submission at least 10 days in advance of the submission deadline and bid opening.

The following diagram illustrates the steps to follow for construction contracts:



## EXCEPTIONS TO COMPETITIVE BIDDING

Competitive bidding may be waived in the case of an emergency as defined above or when:

- ▶ The items or services to be furnished are in such short supply that there is no competition.
- ▶ Where the specifications or other restrictions limit the number of prospective suppliers.
- ▶ Where the skill or knowledge of a particular individual is sought.
- ▶ “Piggy-backing” or consolidating its procurement with that of another agency or entity constituted for governmental purposes; provided that the commodities or contractual services to be procured have been subjected to competitive bidding by said other agency or entity and documentation of such competitive bidding exists.

## **CHANGE ORDERS, TASK ORDERS, AND CONTRACT AMENDMENTS**

A substantial change to a Purchase Order or Contract (i.e., pricing, terms and conditions, specifications and/or scope of work) shall be documented as a Change Order, Task Order, or Contract Amendment.

- a. Department Heads or their designees may sign Change Orders, Task Orders, and Contract Amendments for purchases and contracts up to \$5,000.
- b. When the initial purchase or contract exceeds \$5,000, the signature authority for that purchase shall be the City Manager or his/her designee.
- c. Change Orders, Task Orders, and Contract Amendments generally should not exceed 10% of the original contract amount, unless authorized by the City Manager or his/her designee. A new scope of work and/or a new contract may be required when the change exceeds 10% of the original amount. The signature authority for this purchase shall be the City Manager or his/her designee
- d. A Change Order, Task Order or Contract Amendment is not required when taxes, shipping and/or handling cause a purchase to exceed the authorized (Purchase Order) amount; the signatory limit may also be exceeded in that circumstance.

This section replaces and rescinds Council Policy #27 (Change Orders), Administrative Policy # 2 (Work Order Procedures), #3 (Small Purchase Order Procedures) and #17 (Processing Invoices)

## **XI. URGENT AND EMERGENCY PURCHASES**

Sound judgment shall be used in keeping urgent and emergency purchases to an absolute minimum. Specific procedures for managing these purchases shall apply, as determined by the Purchasing Agent.

- a. **Urgent Purchases** – Immediate purchases of material, supplies, equipment, vehicle and services may be made when an urgent circumstance (as defined in the Purchasing Policies) exists, and procurement should not be delayed by use of normal competitive and financial procedures. Urgent purchases of up to \$5,000 shall be authorized by the Department Head or designee; the City Manager may authorize urgent purchases up to \$50,000. Urgent purchases shall be followed, as soon as practical, with submission of a written justification for the purchase having been made outside normal procedures.
- b. **Emergency Purchases** – In an emergency (as defined in the Purchasing Policy), the City Manager or designee may authorize the immediate purchase of material, supplies, equipment, and services, including those in excess of his/her City Council-approved signature threshold. Such purchases shall be followed, as soon as practical, with submission of a written justification for the purchase having been made outside normal procedures. City Council shall be notified, at its next regular meeting, of any emergency purchases in excess of \$50,000.
  - a. Poor and/or lack of planning does not constitute justification for an urgent and emergency condition. An urgent and/or emergency condition is defined as “a situation that creates a threat to public health, welfare, safety, or public property such as floods, epidemics, riots, fire, unexpected equipment failures, or such other reasons as may be determined by the City Manager or his/her designee.” An urgent and emergency purchase may be made when the existence of an urgent and/or emergency condition creates an immediate and serious need for goods or services that cannot be met through normal procurement methods.
- c. In the case of a disaster or for civil defense, nothing contained in this document shall limit the authority of the City Manager to make purchases and take such other emergency steps as are, or may be, authorized by the City Council, including opening a line or lines of credit to accommodate necessary purchases.
- d. Emergency purchases related to Public Projects are authorized under jurisdiction of the Public Contract Code/UCCAP, and are subject to definitions, regulations and processes that vary from City policy. Emergency purchases to repair or replace public facilities may proceed prior to adoption of the working details, drawing, plans and specifications, only when in accordance with the UCAAP definition and requirements. Staff responsible for Public Projects shall be held accountable for compliance with these requirements.
- e. Should any urgent or emergency purchase cause any budget line item to exceed the approved budget, the Department shall request City Manager approval to exceed and amend the budget, subject to subsequent City Council approval of an additional budget appropriation or budget amendment to cover the purchase. This section runs concurrent with the Amended City Council Policy #69 (Financial Policies).

## **XII. DISPOSAL OF SURPLUS PROPERTY**

The City Manager or designee is authorized to exchange, trade-in, sell and dispose of surplus property having salvage value in the open market, by public auction, by competitive sealed bids

or by exchange or trade in for new goods. The sale or lease of surplus property to a governmental, public or quasi-public agency may be without advertisement for or receipt of bids. Employees are not eligible to receive or purchase surplus property, however, employees may receive personalized items, and receive or purchase at market value items considered to be memorial or commemorative in nature, subject to City Manager approval. This section replaces and rescinds Council Policy #3 (Disposal of Surplus City Property to Qualified Charitable Organizations)

### **XIII. PROPERTY WITH NO SALVAGE VALUE**

Surplus property with no salvage value, as determined by the Department and recommended by the Administrative Services Director to the City Manager or designee, shall be disposed of in a manner that salvages recyclable components, if practical.

### **XIV. UNCLAIMED, SEIZED OR ABANDONED PROPERTY**

The Department is hereby authorized to make recommendation to the City Manager to sell or dispose of all goods in the possession or custody of the Police Department which are unclaimed, seized and/or abandoned and may be legally disposed of by the City.

### **XV. DONATIONS OF SURPLUS PROPERTY**

Upon approval in advance in writing by the Administrative Services Director with the City Manager approval, surplus property may be donated to governmental, public or quasi-public agencies, charitable or non-profit organizations on a first-come first-served basis to be utilized for non-profit purposes.

### **XVI. REPORTING**

The Department shall provide regular reports to the City Manager indicating surplus property disposed of, the method of disposal, and the amounts received from disposal, and shall maintain records for public inspection relative to the disposal of surplus property for a period of time in compliance with State law and the City's records retention schedule. Annual reports shall be provided to City Council accordingly.

### **XVII. CAPITAL EQUIPMENT**

Purchase of equipment or furniture at a unit cost of \$10,000 or greater with a useful life greater than 5 years shall be capitalized. At the time of receipt, an asset number shall be issued and affixed to the asset.

### **XVIII. INFORMATION TECHNOLOGY-RELATED PURCHASES**

To keep costs under control and assure implemented technologies work together harmoniously and meet staff needs, the City shall work with our I.T consultant to standardize and control all purchases of equipment, including but not limited to desktops, laptops, and other electronic devices.

- a. With limited exceptions, the department shall include in its annual budget funding to support technology purchases. While the Information Technology consultant may provide support for specific departmental technology needs, those needs shall be funded through department budgets.
- b. The list of those authorized by the City Manager to request technology purchases shall be maintained by the Administrative Services (Finance) Department.

**XIX. CREDIT CARDS**

The City Manager or designee may acquire credit cards in the name of the City for use by designated City Department Heads. The City shall maintain a written log of credit cards. Department Heads assigned credit cards will sign an acknowledgement form (Exhibit A) agreeing to the limitations of the card use as described below.

- ▶ May be used to charge necessary supplies and equipment, authorized travel, food and lodging for the person in possession of the credit card and any other City employee.
- ▶ May be used for the purchase of gas, oil, supplies, and repairs for City vehicles.
- ▶ May be used to purchase conference/seminar registration, airline, hotel, meals, car rental costs for the City Council, City Manager, or other City employee.
- ▶ May be acquired for vendors (i.e. Office Depot, Sebastopol Hardware, etc.)
- ▶ May not be used for personal benefit or personal use.
- ▶ May not be issued to members of the City Council. They will be reimbursed according to the City’s established Reimbursement Policy.
- ▶ Must be returned to the City upon termination or resignation prior to receiving their last paycheck.

Misuse of the credit card privilege can result in disciplinary action, including termination.

Receipts for all credit card expenditures must be promptly turned into the Administrative Services (Finance) Department along with appropriate documentation stating the purpose of the expenditure.

Credit card limits are as follows:

City Manager	\$10,000
Assistant City Manager/City Clerk	\$10,000
Administrative Services Director	\$10,000
Planning Director	\$5,000
Building Official	\$5,000
Engineering Manager	\$5,000
Police Chief	\$5,000

Fire Chief	\$5,000
Public Works Superintendent	\$5,000

This section replaces and rescinds Council Policy #71 (Credit Card Use Policy)

**XX. PURCHASE ORDERS**

A signed purchase order will be made for all expenditures in excess of \$5,000 and a copy will be given to the Administrative Services (Finance) Department. Purchase orders should be approved (signed by the City Manager or his/her designee) prior to making the actual purchase or commitment of funds. It is the responsibility of each department directors/managers to verify that the funding amount of the requested purchase is available before authorizing the purchase order.

**XXI. PETTY CASH FUND**

A Petty Cash fund of \$200 will be established for each City department. Expenditures up to \$20 may be made for postage, freight, permit fees, licenses and similar charges, and employee expenses. In each instance a written receipt for payment is required. The Administrative Services Director or designee will be responsible for the Petty Cash Fund.

**XXII. PREVAILING WAGES**

State Law requires that contractors pay their workers "prevailing wages" when a project is a "public work". The meaning of "public works" is defined in the California Labor Code Section 1720-1743. Therefore, the City will affirmatively state in all "public works" contracts over \$1,000 that contractors are required to pay their workers "prevailing wages".

**XXIII. GRANT COMPLIANCE**

Grant-required language will be incorporated in bid documents, professional services agreements, equipment supply contracts and construction contracts as needed. City contracts will provide language required to be in all subcontracts and disclosure of an audit requirement.

**EXHIBIT A**

**CITY OF SEBASTOPOL CREDIT CARD HOLDER AGREEMENT**

Employee: \_\_\_\_\_ Department: \_\_\_\_\_  
(Cardholder)

The Cardholder has been issued a City credit card and hereby agrees to comply with all terms and conditions set forth in the City’s Purchasing policy, including but not limited to:

1. **Official Use Only.** Charging personal expenses on City cards is a misuse of public funds even if the intent is to reimburse the City at a later time and may result in disciplinary action, including termination, at the City Manager’s discretion.
2. **Timely, Accurate and Supported Payments.** Credit card payments will be processed on a timely basis, and adequate supporting documentation (such as vendor order forms, receipts, invoices and credit card receipts) will be retained for all charges and submitted to the Administrative Services (Finance) Department.
3. **Disputed Charges.** It is the responsibility of the cardholder to immediately notify the vendor and issuing bank of any disputed charges.
4. **Lost or Stolen Cards.** The issuing bank and the Administrative Services (Finance) Department will be notified immediately of a lost or stolen card. Failure to do so could make the Cardholder responsible for any fraudulent use of the card.
5. **Surrender Upon Request or Separation.** The credit card will be immediately surrendered upon separation from the City or upon request of the City Manager or designee. Use of the credit card for any purpose after its surrender is prohibited. The bottom section of this form will be signed upon return of the credit card.
6. **Credit Card Limit.** The credit limit of this card is \$ \_\_\_\_\_.

\_\_\_\_\_  
Cardholder Signature Date

**RETURN OF CREDIT CARD UPON SEPARATION FROM CITY EMPLOYMENT**

I HEREBY SURRENDER the credit card issued to me by the City of Sebastopol to the Administrative Services Director. I declare that all outstanding charges on the credit card are for official City business and will be paid through established procedures.

\_\_\_\_\_  
Cardholder Signature Date Administrative Services Director  
Date