

City of Garden Grove

**PURCHASING
AND
CENTRAL STORES
MANUAL**



GARDEN GROVE

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: All Departments
From: Kingsley Okereke
Dept: Finance
Subject: PURCHASING AND CENTRAL STORES MANUAL
Date: December 8, 2005

This Purchasing and Central Stores Manual is for City of Garden Grove staff who are responsible for requisitioning supplies, equipment and services, and to assist in the preparation and processing of required forms. These designated City personnel should become familiar with the contents of this manual and adhere to its procedures. The manual will be kept current with periodical updates.

For assistance or questions regarding the manual, please contact the Purchasing Division.

KINGSLEY OKEREKE
Finance Director

By: Thomas C. Meng
Purchasing Agent

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SECTION I

PURCHASING AUTHORITY, POLICY AND AUTHORIZED PROCEDURES

CENTRALIZED PURCHASING AND CENTRAL STORES

Purpose and Goals

City of Garden Grove ordinance 1274, dated August 1, 1972, Section 2.50.020, Purchasing Authority states:

As established in Chapter 2.20, the Finance Director shall have the following authority, any part of which may be delegated to the Purchasing Division.

The goal of centralized purchasing is to procure needed supplies, services, and equipment at the correct quality, within the required time, and at the best price for the City of Garden Grove in a manner consistent with legal requirements, good business practice and proper fiscal control. The goal is to serve the public with integrity while ensuring the receipt of the best value for the tax dollar. The Purchasing Division has established authorized procedures in accordance with the City of Garden Grove ordinance 1274.

A. PURCHASING AUTHORITY

The Finance Director has been given the authority to purchase or contract for all supplies, services, or equipment

Purchasing Authority is established in chapter 2.50 of the Municipal Code

Under the provisions of Chapter 2.50.020 of the Garden Grove Municipal Code, the Finance Director has been given the authority to purchase or contract for all supplies, services or equipment required by any City department. The Municipal Code further sets forth formal and open market procedures to be followed in carrying out the purchasing function.

Service Agreements are authorized under City Resolution No. 8596-04.

Public Work Contracts are authorized under chapters 1 & 2 of part 3 of the California Contract code and City Ordinance No. 2674.

The City of Garden Grove Purchasing Agent has the authority, as delegated by the Finance Director, to:

1. Purchase supplies, services, and equipment required by any using agency or department.
2. Negotiate contracts and recommend the execution of contracts , including the purchase of supplies, services, and equipment.
3. Act to procure for the city the needed quality in supplies, services, and equipment, at the least expense to the City.
4. Discourage uniform bidding and endeavor to obtain as full and open competition as possible on all purchases.
5. Identify, evaluate, and utilize the purchasing arrangement which best meets the needs of the City (e.g., cooperative purchases, open order purchase, contractual agreements, etc.).
6. Prepare and recommend to the City Council, through the City Manager, rules, along with revisions and amendments, governing the purchase of supplies, services, and equipment.
7. Purchase with positive fiscal control to ensure adherence to the City's policy on budget, expenditures, and encumbrances.
8. Dispose of all obsolete and/or surplus property.
9. Keep informed of current developments in the field of purchasing, prices, market conditions, and new product.
10. Prescribe forms and maintain such forms as are reasonably necessary for the operation of the Purchasing Division.
11. Maintain a bidder's list, vendors' catalog file, and records needed for the efficient operation of the Purchasing Division.

SECTION II
PUBLIC CONTRACTS
BID PROCEDURE

The Purchasing Division has been given the authority to purchase or contract for all supplies, services, or equipment

Public works projects are subject to the Public Contract code Sections 22000-22045 and Chapter 2.52 of the City of Garden Grove Municipal Code

A. PUBLIC CONTRACTS

Public contracts are subject to the Public Contract code Sections 22000-22045 and Chapter 2.52 entitled, "Public Works Construction Bid Procedure" of the City of Garden Grove Municipal Code.

The types of "Public Contracts" are covered under Section 22002 of the Public Contract Code.

Public Projects of \$30,000 or less may be performed by the employees of the City of Garden Grove in accordance with section 22032 of the Public Contract Code.

Section 22033 of the Public Contract Code states, "It shall be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading the provisions of this article requiring work to be done by contract after competitive bidding."

PROJECTS \$30,000 OR LESS

At least three (3) informal quotes shall be obtained for Public Contract projects up to \$30,000. Exceptions to this requirement are as follows:

1. The amount involved is less than \$5,000.
2. An urgent or emergency situation exists (refer to Purchasing Manual section VIII).
3. The item can be obtained from only one source. Note: A Sole Source memorandum must be submitted to the Purchasing Agent along with the purchase requisition.

PROJECTS BETWEEN \$30,000 AND \$50,000

Projects in an amount above \$30,000 and up to \$50,000 must follow the requirements of the Public Contract Code Section No. 22034. The Purchasing division shall complete a formal bid procedure. Award shall be made by the City Manager

The Purchasing Division shall maintain a list of qualified contractors, identified according to categories of work in accordance with Section 22034 (a) of the Public Contract Code. All contractors in the category of qualified contractors list shall be mailed a notice inviting bids.

The notice shall:

1. Describe the project in general terms.
2. Describe how to obtain more detailed information about the project.
3. State the time and place for the submission of bids.

Pursuant to California Public Contracting Code section 22034 (c), notice inviting bids shall be mailed to contractors and construction trade journals no less than 10 days prior to bid opening

PROJECTS OF \$50,000 AND ABOVE

Public Projects of \$50,000 or more shall be performed with the use of a formal bidding process in accordance with sections 20160-20175 -1 of the PCC, as required by section 22032(c) of the California Public Contract Code and Section 2.52.010 of the Municipal Code. Award shall be made by the City Council.

The Purchasing Division shall maintain a list of qualified contractors, identified according to categories of work in accordance with Section 22034 (a) of the Public Contract Code.

Notifications of the formal bid, in accordance with Section 22037 of the California Public Contracting Code, shall be published in local newspapers at least 14 calendar days before the opening of the bids.

The formal bid notification shall include:

1. State the time and place for receiving and opening of sealed bids.
2. Distinctly describe the project (plans, specifications, etc.).

The notice inviting formal bids shall be mailed to all construction trade journals at least 30 days prior to the bid opening.

Notifications to trade journals shall include:

1. Project title and contract number
2. Date, time, and place for receiving bids
3. City's address and phone number
4. Brief description of work to be done
5. Bond requirements
6. Where plans may be obtained
7. If a deposit is required and whether or not the deposit is refundable.

In accordance with Section 22038 (c) of the California Public Contracting Code, if no bids are received through the formal or informal procedure, the project may be performed by the employees of the City or negotiated contract.

In accordance with Section 22038 (a) of the California Public Contracting Code, the City of Garden Grove may reject all bids presented if the City, prior to rejecting all bids and declaring that the project can be more economically performed by employees of the agency, furnishes a written notice to the apparent low bidder. If bids are to be rejected, notification to the bidders informing them of the agency's intention to reject the bids shall be mailed at least two business days prior to the hearing at which the agency intends to reject the bid.

If after the first invitation of bids where all bids were rejected, after reevaluating its cost estimates or scope of the project, the City shall have the option of either of the following:

1. Abandon the project and re-advertise
2. Declare that the project can be performed by employees. This requires a resolution approved by four-fifths of the City Council.

In accordance with Section 22038.(b) of the California Public Contracting Code, if the contract is awarded, it shall be awarded to the lowest responsible bidder. If two or more bids are the same and the lowest, the City may accept the one it chooses.

All formally bid public contracts of \$50,000 or more must be approved by the City Council.

AUTHORIZATION OF CHANGE NOTICES

PURPOSE: To provide a procedure for the authorization and processing of Change Notices to public Projects, Personal Service Agreements, and Contracts for Materials, Supplies, and Equipment which have been formally bid, and approved by the City Council.

AVAILABILITY OF FUNDS:

Prior to submitting a Change Notice Request, the administering department is responsible for ensuring that there are adequate appropriations available in the associated budget, at the package level, to accommodate the additional expenditure. If necessary, the administering department may attach a completed Budget

The following
is copied from
Administrative
Regulation
No. 5.7

Allocation Change Form to the Change Notice Request and submit to Accounting for funds transfer. Purchasing will not begin processing the requested contract change until Accounting has confirmed the availability of funds.

If sufficient funds are not available to accommodate the additional expenditure, the Change Notice Request will be rejected. The requisitioning department is responsible for seeking approval for additional appropriations from City Council when adequate appropriations are not available in the budget.

REGULATION:

1. The City Manager, or designated Department Director, is authorized by the City Council to enter into professional consultant agreements that do not exceed \$50,000 per consultant per calendar year. Consultant agreements that exceed \$50,000 must be approved by the City Council. All formally bid public projects must be approved by the City Council.
2. The Director or the administering department may authorize a change (or cumulative changes) within the contract's approved scope of work, as long as the resultant cost does not exceed 10% of the awarded contract amount, or \$10,000, whichever is greater. For contract amounts less than \$100,000, changes may be approved that exceed 10%, but not \$10,000. (For example, a \$25,000 contract with a \$5,000 change equals a 20% increase, but can be approved by the Department Director.) Such changes should be processed with no interruption of project work.
3. A change (or cumulative changes) which exceeds \$10,000, and which is between 10% and 25% of the awarded contract amount, may be authorized by the City Manager. Such changes should be processed with no interruption of project work.
4. A change or cumulative changes totaling greater than \$10,000 and between 10% and 25% of the awarded contract amount shall be processed for City Council approval. Work created by these changes shall not be started until approved by the City Council.
5. In no event shall the progress of a public project be interrupted if it would create an emergency situation.
6. Authorized Change Notices shall be processed by the administering department with expediency, and forwarded to Purchasing for changing of the purchasing records.

SECTION III

PURCHASE OF MATERIALS, SUPPLIES, AND EQUIPMENT (OPEN MARKET PROCEDURE)

Municipal Code
Section No.
2.50.110

A. OPEN MARKET PROCEDURE

Section 2.50.060 of the Municipal Code states that purchase of supplies, services, equipment and the sale of personal property shall be by bid procedures pursuant to Sections 2.50.100.

Purchase of materials, supplies, and equipment must be awarded to the lowest responsible bidder unless the City Council directs award of the purchase order to a different bidder. The open market procedure differs from the formal bid procedure in that no published advertising and no bid bonds are required. The only exceptions to the Open Market process are:

- a) When award is to be made to a party other than the lowest responsible bidder.
- b) When the purchase is for vehicles.

1. PURCHASES OF \$1,999 OR LESS

Purchases of \$1,999 or less have no competitive requirements

2. PURCHASES BETWEEN \$2,000 AND \$24,999

Purchases between the amounts of \$2,000 and \$24,999 require three written quotations. The requesting department or the Purchasing Division may obtain the quotes. The Purchasing Division will place the order with the supplier providing the lowest price.

3. PURCHASES OF \$25,000 AND ABOVE

Purchases over \$25,000 require a formal bid procedure, and are submitted to City Council for award before a purchase order is issued.

Local Merchants
Preference
City Ordinance:
2169 (1, 1991)
1274 (1, 1972)

B. LOCAL MERCHANTS PREFERENCE

Where the services to be provided by a bidder or supplier are equal, preference shall be given to local merchants when the local merchants' bids are within two (2) percent of the lowest bid received, provided the dollar amount represented by the two percent difference does not exceed five thousand dollars. This provision shall only be utilized where bids in the amount of five thousand dollars or higher are required.

Departments may request that an open purchase order be negotiated

Open purchase order amounts vary

Open orders shall not be used to purchase items available from Central Stores

Do not split orders to avoid expenditure limitations

C. OPEN ORDERS

1. To facilitate the acquisition of supplies and services needed by various departments in their day-to-day operation and to reduce the number of small value purchase orders, a number of blanket purchase orders, referred to as "open orders," have been issued to local area vendors by the Purchasing Division. Departments that have a requirement for an open order may request one by submitting a requisition to Purchasing.
2. Open orders provide a means by which specified items or categories of items can be obtained, as required, at established prices or discounts, during a specified period of time. The orders further outline terms and conditions, purchase limits, and the departments or divisions authorized to make purchases under the order. Open orders shall not be used to purchase items available from Central Stores. Purchases shall not be split to avoid the expenditure limitations contained in the purchase orders.
3. Two types of open orders are in use in the City of Garden Grove. The first is the un-priced order in which pricing is usually based on discounts from specified selling prices or by reference to established price lists. This type of order is used for various categories of items such as hardware, plumbing supplies, painting supplies, etc., when the required individual items or quantities cannot be determined in advance and the dollar expenditures involved will be small. Open orders with high volume or high total dollar usage may be established by the use of a competitive bid process when determined appropriate by the Purchasing Division.

The second type of open order is the long-term purchase agreement. This type of purchase order is used to obtain commodities or services such as asphalt, plant mix, car washing services, sand and gravel, etc. The long-term agreement contains fixed prices valid during the period specified in the order and identifies the specific items or services to be obtained. Only the quantities required are indefinite. Pricing is based on either competitive bid or cooperative purchase from another public entity.

On a quarterly basis, each department is provided an updated list of open purchase orders

Open Purchase Order Procedure

- Make selection
- Identify yourself as a City employee
- Sign the vendor's sales slip or invoice and add employee number

Code and approve invoice and forward to Accounts Payable within one week of receipt

4. A list of open purchase orders showing commodity or service, vendor, vendor number, vendor phone number, purchase order number, expiration date, authorized users, applicable procedure, and purchase limitations is issued quarterly and distributed to each department by the Purchasing Division.
5. The procedure to obtain supplies or services under an open order is as follows:
 - City employees authorized by their department to make purchases against open orders identify themselves to the vendor and request the needed supplies or services in accordance with the provisions of the applicable order.
 - Upon receipt of the supplies or services, the employee acknowledges receipt by signing the vendor's sales slip or invoice and writing his/her employee identification number and the purchase order number.
6. Invoices submitted by vendors for supplies or services furnished under open orders should include the purchase order number in order to avoid processing delays.
7. It is the responsibility of the requesting department to code the invoice and approve it for payment. Approved invoices should be forwarded to Accounts Payable within one week of receipt so payment can be made within the payment terms specified by the purchase order.
8. The Purchasing Division will provide the originating department a 90-day advance notice prior to the expiration date of an open order. This notification is accomplished by sending a copy of the purchase order to the originating department with a Renewal/Approval form attached. It is the responsibility of the originating department to complete the form by either approving or disapproving the renewal of the open order. After completion, the form should then be sent back to the Purchasing Division within one week of receipt. This methodology will eliminate any disruptions in the payment of open order invoices.
9. The Purchasing Division will evaluate the open orders due for renewal. In cases where additional time is required to complete the purchasing function, such as a form bid, the Purchasing Division will notify the originating department director of the additional time required, in writing. The director is to approve the time extension by signing the notification form and returning it to the Purchasing Division.

Bulk items are purchased through County and State contracts resulting in a lower price due to cooperative purchasing

D. COOPERATIVE PURCHASING

The City of Garden Grove Purchasing Division may participate in cooperative purchase agreements, with other cities, school districts, special districts, counties, and states to obtain supplies and services which have been competitively bid and awarded by their governing body.

Petty Cash Expenditures

- Individual expenditures cannot exceed \$100
- Need department Manager approval

Petty Cash Procedure

- pay cash
- sign and keep invoice receipt
- present invoice to department petty cash administrator for reimbursement

E. PETTY CASH

1. A petty cash fund may be authorized by the Finance Director for departments that can establish a need. The amount of the fund and procedures for administering the fund will be determined by the Finance Director. The petty cash fund may be used for purchases that meet the following requirements:
 - a. The service or item is required immediately and is not available from Central Stores.
 - b. The maximum for a single expenditure cannot exceed one hundred dollars (\$100.).
 - c. Purchases cannot be split to avoid the per item limitation on expenditures.
2. When a department Manager authorizes a petty cash purchase, the employee shall:
 - a. Pay cash for the item to the vendor and receive a receipted invoice or sales slip made out to the City of Garden Grove that describes the item(s) purchased and the total cost. The employee shall sign the invoice or sales slip acknowledging receipt of purchased items. Cash register receipts containing required information are acceptable if the vendor does not furnish a sales slip or invoice.
 - b. Present the invoice or sales slip to the department petty cash fund administrator for reimbursement. If the department does not have a petty cash fund, the invoice or sales slip together with a "Petty Cash Reimbursement Request" should be presented through Accounting to the Cashier in the Finance Department for reimbursement. (See Appendix: F-1)
3. To reimburse a petty cash fund, the department petty cash fund administrator will periodically submit an "Office Fund Voucher Envelope" to Accounts Payable. This form must be properly completed and contain all the receipted invoices or sales slips for reimbursement. (See Appendix: F-5)
4. Petty Cash Funds are subject to periodic audits by the Finance Department.

SECTION IV

PERSONAL SERVICES AGREEMENTS

AGREEMENTS EXECUTED BY THE CITY MANAGER OR AUTHORIZED DESIGNEE

Personal Services Agreements are authorized under City Resolution No. 8596-04

Resolution number 8596-04, by the Garden Grove City Council, authorizes the City Manager, or the City Manager's designee, the authority to execute all personal services agreements, including, but not limited to architectural, legal, landscape architectural, city planning, economic analysis, financial analysis, property appraisal, etcetera, up to the total sum of twenty-five thousand dollars (\$25,000.00) per individual agreement in any fiscal year.

MINI-BROOKS BILL

Agreements with private architectural, engineering, land surveying, and construction project management firms, which fall under the Mini-Brooks Bill, shall follow the process outlined in the City Manager memorandum dated May, 26,1994, entitled Consultant Selection Process.

PERSONAL SERVICE AGREEMENTS OF \$25,000 OR LESS

No competition is required for personal services agreements of \$25,000 or less. A standard City contract form is required for personal services agreements starting at \$1,000.

Departments requiring personal services agreements in an amount of more than \$1,000 should submit a standard requisition (Form PA-1), with the contractor's proposal attached, to the Purchasing Division. A contract will be developed, insurance documents obtained, and City Manager approval requested. Upon award of the contract, a standard purchase order will be issued for accounting purposes only.

PERSONAL SERVICES AGREEMENTS OF \$25,000 OR MORE

All personal service agreements in an amount greater than \$25,000 shall be awarded by City Council.

Departments may develop their own personal services agreement and conduct their own request for proposal process.

Requesting department submits a purchase requisition and the technical specification

Once City Council approval has been obtained, a completed purchase requisition and a copy of the fully executed service agreement must be sent to the Purchasing Division where a purchase order will be issued for accounting purposes only. All invoices associated with the service agreement will be paid through the assigned purchase order.

Departments requesting that Purchasing develop a personal service agreement should send a completed standard requisition (Form PA-1) and provide a Scope of Work to the Purchasing Division. Purchasing will develop a contract document, obtain signatures, and obtain the required insurance verification forms from the contractor. Purchasing will then forward the contract to the City Attorney for review and forward the insurance documents to Risk Management for approval. The final package is sent to the City Clerk for contract execution.

For personal service agreements requiring a Request for Proposal (RFP) process, the Purchasing Division will:

- Develop and issue an RFP
- Advertise as required
- Conduct a pre-proposal meeting
- Receive the proposals
- Form and chair the Source Selection Committee (SSC)
- Develop the evaluation/award recommendation memorandum
- Develop the original Personal Services Agreement.
- Send three copies of the Personal Services Agreement to the contractor requesting signature and the required insurance documents
- Forward the insurance documents to Risk Management for approval
- Send final package to the City Clerk for personal services agreement execution
- Send completed contracts to City Clerk to obtain City Manager approval for contracts under \$25,000 or City Council award for contracts above \$25,000.
- Issue purchase order for accounting purposes

SECTION V

INSURANCE REQUIREMENTS FOR CONTRACTS

4. Insurance Requirements.

- 4.1 COMMENCEMENT OF WORK. CONTRACTOR/CONSULTANT shall not commence work under this Agreement until all certificates and endorsements have been received and approved by the CITY/AGENCY. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify the CITY/AGENCY of any material change, cancellation, or termination at least thirty (30) days in advance.
- 4.2 WORKERS COMPENSATION INSURANCE. For the duration of this Agreement, CONTRACTOR/CONSULTANT and all subcontractors shall maintain Workers Compensation Insurance in the amount and type required by law, if applicable.
- 4.3 INSURANCE AMOUNTS. CONTRACTOR/CONSULTANT shall maintain the following insurance for the duration of this Agreement:
- (a) Commercial general liability in the amount of \$1,000,000 per occurrence; (**claims made and modified occurrence policies are not acceptable**); Insurance companies must be acceptable to CITY/AGENCY and have a Best's Guide Rating of A-Class VII or better, as approved by the CITY/AGENCY.
 - (b) Automobile liability in the amount of \$1,000,000 per occurrence; Insurance companies must be acceptable to CITY/AGENCY and have a Best's Guide Rating of A-Class VII or better, as approved by the CITY/AGENCY.
 - (c) Professional liability in the amount of \$1,000,000 per occurrence; Insurance companies must be acceptable to CITY/AGENCY and have a Best's Guide Rating of A-Class VII or better, as approved by the CITY/AGENCY.
 - (d) Environmental, pollution, or asbestos, in the amount of \$1,000,000; Insurance companies must be acceptable to CITY/AGENCY and have a Best's Guide Rating of A- Class VII or better, as approved by the CITY/AGENCY.

An Additional Insured Endorsement for the policy under section 4.3 (a) shall designate CITY/AGENCY, its officers, officials, employees, agents, and volunteers as additional insureds for liability arising out of work or operations performed by or on behalf of the

CONTRACTOR/CONSULTANT. CONTRACTOR/CONSULTANT shall provide to CITY/AGENCY proof of insurance and endorsement forms that conform to CITY's/AGENCY's requirements, as approved by the CITY/AGENCY.

An Additional Insured Endorsement for the policy under section 4.3 (b) shall designate CITY/AGENCY, its officers, officials, employees, agents, and volunteers as additional insureds for automobiles owned, leased, hired, or borrowed by the CONTRACTOR and/or CONSULTANT. CONTRACTOR/CONSULTANT shall provide to CITY/AGENCY proof of insurance and endorsement forms that conform to CITY's/AGENCY's requirements, as approved by the CITY/AGENCY.

For any claims related to this Agreement, CONTRACTOR's and/or CONSULTANT's insurance coverage shall be primary insurance as respects CITY/AGENCY, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the CITY/AGENCY, its officers, officials, employees, agents, or volunteers shall be excess of the CONTRACTOR's/CONSULTANT's insurance and shall not contribute with it.

For major Public Work projects, such as, sewer improvements, asphalt overlays, installation of new medians, reservoir and well improvements, etc., the commercial general liability insurance limit requirement will be \$5,000,000 per occurrence.

Tow truck drivers will need cargo, on hook, and garage liability coverage – contact Risk Management for details.

Moving companies will need cargo coverage – contact Risk Management for details.

Transporters of hazardous wastes will need the automobile liability policy to be endorsed to delete the Pollution and/or the Asbestos exclusion and add the Motor Carrier Act endorsement (MCS-90), TL 1005, TL 1007 and/or other endorsements required by federal or state authorities.

Construction contracts will also require course of construction insurance (builders risk) and employer's liability insurance. There may be other requirements depending on the project.

Other unusual or specialty work by contractors or vendors may need special insurance. Please contact Risk Management when you are preparing your agreement for insurance requirements. The insurance requirements in the agreement need to match the scope of work. The above are common examples. For example, not all agreements will

need professional liability. In this case, delete this requirement. However, in your next agreement, if professional liability is required, remember to re-insert the professional liability requirement.

Obviously, every detail has not been addressed here, as that would take a whole manual in itself! Please feel free to contact Risk Management as you are preparing your agreement for the most up-to-date insurance requirements for your particular situation.

All certificates and endorsements are to be received and approved by the City/Agency **before** work commences.

SECTION VI

PURCHASING EVALUATION MEMORANDUM

The Purchasing Division issues the evaluation document

An Evaluation Memorandum will be issued by the Purchasing Division upon completion of each formal procurement. At a minimum, evaluations will include the following sections:

- Objective
- Analysis
- Evaluation
- Recommendation

SECTION VII

CITY COUNCIL AGENDA MEMORANDUM

The requesting department issues the City Council Agenda memorandum

All purchase and contract memos to City Council should request Council to authorize the City Manager or his designee to execute agreements, contracts, and related documents.

Departments submitting City Council Agenda memorandums for all operational items will use the following format:

RECOMMENDATION

It is recommended that City Council:

- Award a contract to the apparent low bidder, XXXXXXXXXXXX, Inc.
- Authorize the City Manager to execute the contract

The only exceptions are when the item involves the purchase of real estate, DDAs, and agreements with other governmental entities. In these cases, the request format would be:

It is recommended that City Council:

- Award a contract to the apparent low bidder, XXXXXXXXXXXX, Inc.
- Authorize the Mayor to execute the contract

Debt issuances such as bonds and COPs will be dealt with on case by case basis.

SECTION VIII

EMERGENCY AND URGENT PURCHASES

Bid procedures may be dispensed with in emergencies or in urgent situations when the amount is less than \$2,500

Procedure for emergency purchases:

- First contact Purchasing or the Finance Director.

- Department director may authorize placing order with nearest source.

- Submit requisition along with a written justification to Purchasing within 48 hours.

Procedure for urgent purchases:

Three methods are available for urgent purchases:

Petty cash

Open orders

Purchase Requisition

1. Chapters 2.50.060 of the Garden Grove Municipal Code allows bid procedures to be dispensed with in an emergency situation, or in an urgent situation when the amount involved is less than \$5,000. The following definitions shall apply in determining whether an emergency or urgent situation exists.

a. EMERGENCY – A hazardous or life threatening situation requiring immediate action.

b. URGENT – An unforeseen situation that, if not rectified through prompt action, will result in significant financial loss to the City or inability to provide essential services to the public.

2. In an emergency situation, first contact the Purchasing Division or the Finance Director. The Purchasing Division will assist the department by placing an order with the nearest available source of supply, as needed to rectify the situation. If the Purchasing Division or the Finance Director cannot be reached, the department director may authorize placing an order with the nearest available source of supply. This is done, however, at the director's discretion and possible personal liability. In this circumstance, a requisition, together with a written justification explaining the emergency conditions necessitating the placement of the order, must be submitted to the Purchasing Division within 48 hours (Section 2.50.070, Municipal Code). The department head is responsible to notify the City Manager. If time permits, the procedures outlined for URGENT purchases should be followed:

3. In an urgent situation, the three purchase methods available to a department are:

a. Petty cash - \$100 or less

b. Open orders – within open purchase order limits

c. Purchase requisition - \$5,000

If Petty cash or open order is not used, a purchase requisition must be forwarded to the Purchasing Division together with a written urgent justification outlining the nature of the urgency and signed by the department head.

Verbal urgent purchase orders are issued to the Municipal Service Center

4. Due to the distance from City Hall, Purchasing will issue verbal purchase orders to meet urgent requirements for activities located at the Municipal Service Center. This procedure, however, will be limited to items or services required within 24 hours (normally within the same day) to prevent work stoppages or disruptions to necessary services, or to effect essential repairs.

To ensure that legal requirements are met and to keep paperwork and processing problems to a minimum, the following procedure will be followed:

- a. Requesting department contacts Purchasing by telephone with the following information:
 - (1) Name of requesting individual
 - (2) Package number
 - (3) Requisition number
 - (4) Nature of urgency
 - (5) Description of item(s) or services required, quantity, and prices quoted, if any. If pricing is not available, a "NOT TO EXCEED" amount is to be furnished.
 - (6) Date product or service is required
 - (7) Is product to be picked up or delivered
 - (8) Recommended service provider or vendor
 - (9) Name of vendor representative contacted.
- b. Purchasing will, if deemed necessary, immediately contact vendor to verify pricing, availability, terms, conditions, etc., and place verbal order.
- c. Purchasing will advise the requesting department of the purchase order number and give pick-up/delivery information and any special instructions, or authorize activity to arrange for pick-up of items using the authorized purchase order number.
- d. The Requesting department will forward a confirming, funded requisition containing urgent justification to Purchasing within 48 hours. Any delivery tickets, packing slips, or invoices received from vendor at time of pick up or delivery shall be forwarded with the requisition.
- e. Purchasing will issue a confirming written purchase order to vendor upon completion of the foregoing.

Purchasing will give purchase order number over the phone or contact vendor to place order

The requisition, invoice, or packing slip must be forwarded to Purchasing within 48 hours

SECTION IX

PURCHASE REQUISITION PROCEDURE

Submit a requisition for:

- Supplies
- Materials
- Equipment

- Personal -
Services
Agreements

- Request a new
open order

Do not submit a
requisition for:

Renewal of
Open purchase
orders
Petty cash items

1. The standard requisition (Form PA-1) shall be used by all departments to request supplies, materials, equipment, public contracts, or personal services agreements needed to meet operating requirements. (See Appendix: F-4). The standard requisition shall be used to request changes to, or cancellation of, previously submitted requisitions or purchase orders.
2. The purchase requisition should not be used to request items included under an existing open or blanket purchase order by departments authorized to issue "Requests for Delivery" against such orders, or to request reimbursement for items purchased under the petty cash procedure.

A purchase requisition is used to request a new open/blanket order.

NO PURCHASE REQUISITION REQUIRED

Some products/services do not require completion of a purchase requisition. Items in this category may be code stamped with the appropriate coding, signed approved, and forwarded to Accounts Payable for payment. Items not requiring a purchase requisition are as follows:

- Dues
- Filing Fees
- Hotel Reservations
- Licenses
- Memberships
- Registration Fees
- Subscriptions
- Tuition
- Other Governmental Agencies

Purchases under \$2,000 (including taxes and freight charges) do not require a purchase requisition with the exceptions of certain commodities. If the purchase involves obtaining the following items, a purchase requisition is required and should be submitted to the Purchasing Division:

- Furniture
- Software
- Ammunition
- Weapons
- Computer products

All other purchases under \$2,000 can be ordered by the department directly with the vendor. All orders need to be received through Central Stores and therefore, all packages should be sent to:

City of Garden Grove, Central Receiving
13802 Newhope St.
Garden Grove, CA, 92843
Attn: Requesting person/Department

To avoid any delivery delays, the department will need to provide the vendor their contact name and department/location so that it is clearly visible on the outside of the package.

Any questions can be directed to the Purchasing Division staff before sending a requisition.

A completed purchase requisition should include:

- Recommended Vendor
- Department
- Division
- Date items are required
- Requisition date

3. A properly completed requisition form will facilitate processing and avoid unnecessary delays in ordering required items or services. The following instructions are designed to assist in the proper preparation of requisitions. Complete the requisition fields as follows:

- a. RECOMMENDED VENDOR - Furnish the names of any known vendors if the items are not normally purchased. For repeat purchases, furnish the name of the vendor from whom the item was last obtained and include purchase order number, if known.
- b. DEPARTMENT - Indicate department originating the request.
- c. DIVISION - Indicate the divisional unit initiating the requisition. Single division departments may leave

- Account number
- Estimated dollar amount
- Delivery address only if it is not going to Central Receiving; otherwise leave blank
- Signature
- Stock number, if Central Stores items. Do not mix Central Stores and non-Central Store items on the same requisition
- Description of items
- Quantity
- Unit of measure
- DO NOT WRITE IN THE PRICE OR TOTAL COLUMN OR BELOW THE DOUBLE HEAVY LINE.
Purchasing will complete the balance of needed information

this space blank.

- d. DATE REQUIRED - Enter the date for which the requested items are actually required. (The time normally required to process a requisition and place the order is one to three weeks, except for personal services agreements which may require up one month). Items obtained through formal advertised bid procedures require a minimum of 60 - 90 days. Added to this time is the vendor delivery time, which can vary from as little as one day, for stock items, to 60 days or more for items such as special printed forms. Additionally, items such as special purpose vehicles and equipment or radio communications and electronics equipment may require in excess of 90 days for long production lead-time. Requirements should be planned and requisitioned sufficiently far in advance to avoid disruptions in operations or service due to material or equipment shortages. Refer to the procedures outlined under URGENT REQUIREMENTS or EMERGENCY PURCHASES when material or services are urgently required to prevent a work stoppage or disruption in necessary operations and the required items cannot be obtained in sufficient time using normal purchasing procedures.
- e. REQUISITION DATE - Indicate the date the requisition is prepared.
- f. ACCOUNT NUMBER - Enter the account number in accordance with "Instructions for Coding the Receipt and Obligation of Funds" issued by the Office of the Finance Director.
- g. ESTIMATED AMOUNT - Enter the estimated amount of purchase. If funds are limited or restricted by budget limitations, the maximum amount available for the purchase should be entered in this space with "Max" written after the dollar amount.
- h. DELIVERY ADDRESS - Delivery to "Central Receiving" is normally specified by Purchasing with further delivery being made to the requesting department upon completion of initial receiving inspection. If delivery to another location is required, indicate the location street address, otherwise leave the field blank.

- i. PHONE EXTENSION - Indicate the phone extension of the person signing the requisition.
- j. ACCOUNTING APPROVAL - This space is reserved for use by Accounting to verify funding.
- k. SIGNATURE - Each requisition must be signed by the department director or person authorized to sign requisitions.
- l. DESCRIPTION - A complete and accurate description of the item being requested is necessary to avoid delays and to assure satisfactory delivery of supplies and materials. Include the make and model number or reference to a catalog and catalog number, if available, in this field. If the item is to be purchased to a specification, reference the specification and attach a copy to the requisition. For previously purchased items that have proven satisfactory, use the purchase description from the previous purchase order. For difficult-to-describe items, forward a sample, photograph and/or manufacturer's specifications, product data sheets, or brochures. If special packaging is required, indicate instructions in the description field. For items ordered by the package, case, box, drum, roll, etc., indicate the quantity per case, box or drum, or the length per roll. If more than one grade or finish is available, specify which grade or finish is required. If items are ordered by a particular brand name, the words "or equal" should follow such description. If a particular brand name for items is required, and no substitution can be accepted, a complete justification must be forwarded with the requisition. Exceptions to this requirement are replacement parts for existing equipment or proprietary items for which there is but one source. Space has been provided for 14 single spaced or 7 double spaced typewritten lines. Double spacing is preferred to allow insertion of changes, corrections, additional information, etc. Additional requisition forms may be used as additional pages, if required. When used, pages should be numbered (example: page 1 of 2, page ___ of ___, etc.).
- m. QUANTITY - Enter the number of units required.
- n. UNIT - Show the standard unit of measure of packaging for the items requested such as ea., ft., lb.,

pkg., gal., ream, etc.

- o. PRICE, TOTAL and all spaces below the double heavy line such as ORDERED FROM, PURCHASE ORDER NO., etc., are for Purchasing Division use and should be left blank. Exceptions are requisitions issued to cover urgent or emergency verbal purchase orders issued by Purchasing. In the latter case, the vendor's name and address should be entered under ORDERED FROM and the PURCHASE ORDER number entered in the appropriate space.

Urgent and emergency requirements will be given special handling by Purchasing

(See Section VII)

- 4. URGENT REQUIREMENTS involving less than \$2,500 for supplies, equipment, or services needed to prevent work stoppages or disruptions to required services, or to effect essential repairs, shall be given priority and special handling by the Purchasing Division. See Section VIII (Emergency and Urgent Purchases) for specific procedures for handling urgent requisitions.
- 5. EMERGENCY PURCHASES shall be handled through Purchasing whenever possible. However, if a department finds it necessary to place an order with the nearest source of supply to meet an emergency situation, the procedures outlined in section VIII (Emergency and Urgent Purchases) should be followed.

Approved by
Finance Director
on 8/12/02

SECTION X

CENTRAL STORES

The Central Stores Section of the Purchasing Division is composed of the following five operations:

1. Receiving, Shipping
2. Accepting Material
3. Stock Room Operation/Inventory Control
4. Pick-Up & Delivery of Materials & Supplies
5. Archival Maintenance

A. Receiving/shipping and Accepting Materials

The receiving and acceptance function is the final phase of the purchasing cycle. At this point, final determination is made as to whether requirements specified in the purchase documents have been met. The Following outline describes this process:

1. All purchased materials/supplies are received/logged in by Central Stores staff. These items are then delivered to the requesting department. The requesting department signs for receipt of the items.
2. The requesting department is responsible for the initial inspection of the goods. Any apparent damage or shortages observed at the time of delivery should be noted on the shipping documents and reported to the Purchasing Division. The Purchasing Division will handle any discrepancies.
3. Upon satisfactory completion of service or delivery of material, the requesting department, , must authorize the receiving and inspection copy (Goldenrod) of the purchase order and forwarded it to the Purchasing Division.

The requesting department is responsible for the initial inspection of the goods

Sign and return the acceptance copy of the purchase order to Purchasing

Changes in quantity or dollar amounts require a "Change Order"

4. Changes in quantity or dollar amounts from the original purchase order at the time of delivery must be handled through the submission of a "Change Order" requisition to the Purchasing Division.

B. Stock Room Operation/Inventory Control

The Stock Room Operation maintains an inventory of approximately 2500 commonly used items for requesting departments. Materials/Supplies may be requested in two ways as follows:

- 1) City staff members may complete a Stores Online Requisition (available on the City's Intranet) for supplies. The requested supplies will be delivered the next business day by Central Stores staff.
- 2) City staff may also complete a paper Central Stores requisition at Central Stores, which will be filled while staff waits.

C. Pick-up and Delivery of Materials and supplies
Central Stores staff pick-up and deliver supplies/materials to requesting departments. This includes pick-up of surplus equipment and archival records from requesting departments.

D. Archival Record Maintenance

The City Archival System is located in Central Stores and operated by Central Stores staff. Central Stores staff members pick up archival records from requesting departments, assist requesting departments in storing their records, and assist in the removal and disposal of the City records.

The City Clerk determines which City records may be stored in their section of the archival system and when the records may be removed for disposal.

The Finance Department determines which City records may be stored in their section of the archival system and when the records may be removed for disposal.

SECTION XI

SURPLUS PROPERTY

Authority

Surplus Property Procedure

- Complete and sign the Property Disposition Form.
- Central Stores will pick up the item or make arrangements for delivery to Central Stores. The Property Disposition form must accompany surplus property.
- The storekeeper will sign the Property Disposition form and give a copy to the requesting department.
- Periodically, a list of usable surplus property will be sent to departments.
- Property no longer needed by the City will be disposed of by Purchasing Agent.

Section 2.50.130 of the City Municipal Code states:

Surplus supplies and equipment. All using departments shall submit to the Purchasing Division, at such times and in such form as prescribed, reports showing all supplies and equipment which are no longer used or which have become obsolete and/or worn out. The Purchasing Division shall have authority to sell all supplies and equipment which cannot be used by any departments or which have become unsuitable for city use, or to exchange the same for, or trade in the same on, new supplies and equipment. Such sales shall be made pursuant to Sections 250.060, 2.50.100 and 2.50.110, of the Municipal Code whichever is applicable.

1. Departments having City-owned property which is surplus to their needs shall complete the Property Disposition Form (See Appendix: F-2). Information required on the form includes:
 - A. Department name
 - B. Date
 - C. Fixed asset number (if applicable)
 - D. Description
 - E. Serial No. (if applicable)
 - F. Condition of item
 - G. Department authorization
2. Arrangements will be made by Central Stores to move the surplus property to the warehouse. Central Stores staff may need to obtain assistance from the Public Works Department for removal of some larger items. A Property Disposition form must accompany the surplus property. Surplus property must be taken to the Central Stores. Property cannot be declared surplus and remain in the department.
3. The Storekeeper will receive the surplus property, sign the Property Disposition form, return the Department Copy to the requesting department, and keep all other copies.
4. The Storekeeper will periodically forward a list of usable surplus property to all departments for possible transfer to departments who have a need for such items.
5. The Purchasing Agent will dispose of City property that is no longer needed.

6. Final disposition of the surplus property will be reported to Accounting by Purchasing including a report of all funds received for such property as listed in items a-c below.
 - a. When the Purchasing Agent authorizes the sale of surplus property through an auction house, the Storekeeper will prepare a listing of the items to be auctioned and obtain a signature for surplus items from Auction pick-up person. Upon receipt of check from the auction house, the Storekeeper will:
 - 1) Deposit the check with the City Cashier
 - 2) Complete Property Disposition Form; retain copy for Central Stores and forward to Purchasing Agent for review.
 - 3) Once the Purchasing Agent has reviewed the action taken, the Agent will then sign the Property Disposition Form, retain a copy for the Purchasing Department and send the final copy to Accounting.
 - b. When the Purchasing Agent determines the property is no longer suitable for use by the City, said City property will be disposed of by utilizing one of the following methods:
 - 1) Sell by auction or sealed bid (including vehicles).
 - 2) Trade in on new equipment.
 - 4) Sell as scrap.
 - 5) Dispose of in trash (Item has no recoverable value)
 - c) When the Purchasing Agent determines the property should be sold by using a bid process, he will issue a bid document and conduct a formal bid process including advertising in the local newspaper. The Purchasing Agent shall award the bid to the highest bidder. Proceeds obtained from the sale will be handled as follows:
 - 1) Deposit the check with the City Cashier
 - 2) The Storekeeper will complete Property Disposition, retain copy for Central Stores and forward the remaining copies to the Purchasing Agent for review.
 - 3) Once the Purchasing Agent has reviewed the action taken, the Agent will then sign the Property Disposition Form, retain a copy for the Purchasing Department and send the final copy to Accounting.

SECTION XII

Purchasing Dollar Thresholds Matrix

The matrix below is a quick reference guide which outlines when quotations/proposals/bids are required for the purchase of supplies, equipment, or services.

Purchase of Supply/Commodity Items		
Starting Amount	Limit	Remarks
Zero to	\$1,999	No requirements
\$2,000	\$24,999	Obtain three (3) written Proposals
\$25,000	And Above	Formal Bid (IFB) Required (Note: All vehicles require City Council Approval)

Public Contracts		
Starting Amount	Limit	Remarks
Zero to	\$4,999	No requirements
\$5,000	\$29,999	Obtain three (3) written Quotes
\$30,000	\$50,000	Formal Bid (IFB) Required – Approved by City Manager
\$50,000	And Above	Formal Bid (IFB) Required – Approval by City Council

Service Contracts		
Starting Amount	Limit	Remarks
Zero to	\$25,000	Approved by City Manager
\$25,000	And Above	Requires Approved by City Council

SECTION XIII

Adjustment of Dollar Thresholds for Bids/Service Contracts

The City Manager may adjust the dollar thresholds for obtaining quotes, bids, and service contracts stated in this manual every five (5) years, provided the cost of living index has increased by more than 15 percent over the five (5) year period based on the Los Angeles, Riverside, Orange Counties Consumer price Index (all urban section). However, Public Works project adjustments may only be made when the State of California has approved such an adjustment.

SECTION XIV

PURCHASING DIVISION ETHICS CODE

	<p style="text-align: center;">City of Garden Grove Finance Department Purchasing Division Employee Ethics Code</p> <p>All staff members of the Purchasing Division who place purchase orders shall agree to, and be bound by the City of Garden Grove Code of Ethics for Public Officers and Employees as set forth in Chapter 2.02 of the Municipal Code.</p> <p>In addition, the following rules of professional conduct shall govern the behavior of Assistant Buyers, Buyers, Storekeepers, and the Purchasing Agent in the fulfillment of their duties.</p> <ul style="list-style-type: none">• Act impartially and with the highest degree of integrity to foster public confidence in City Government, and make every effort to ensure open and fair competition for available City Business in accordance with the Garden Grove Municipal Code and the Garden Grove Purchase Purchasing Manual.• Promise not to accept, directly or indirectly, any tangible or intangible benefit, the value of which is five dollars (\$5.00) or more, including, but not limited to, money, gifts, favors, entertainment, discounts, passes, transportation, accommodation, hospitality, or offers of employment that may influence or give the appearance of influencing procurement-related decisions. This includes those items exceeding said value that have an imprinted company logo and could be received, by virtue of their use in the Department, an endorsement of, or preference for a particular product or service.• Declare a conflict when an organization is to be selected for contact award that employs him or her, is about to employ him or her, or his or her family member or partner. The officer, employee of agent shall not solicit or accept gratuities, favors or anything exceeding five dollars (\$5.00) in value from contractors, potential contractors, or parties to sub-agreements and subcontracts.• Upon learning that the City is conducting or intends to conduct business with a vendor with which he/she, or a member of his/her family have financial interest,
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	<p>immediately disclose this real or apparent potential conflict of interest to his/her supervisor and refrain from all activity with respect to this vendor.</p> <ul style="list-style-type: none">• Conduct himself or herself in a courteous and professional manner with the Department's internal customers, vendors and citizenry with whom he or she comes into contact, striving always to act objectively and without discrimination or bias of any form.• Will not utilize confidential or sensitive information acquired in the course of his or her duties for personal gain or for the benefit of family or friends, and will act only within the official level of his or her authority.• Keep his or her supervisor and other department management informed as necessary, immediately upon learning of a potential or existing problem in which the Department has an interest. He/she will strive to ascertain all relevant facts in a timely manner as well as analyze all possible solutions, and present what he or she believes to be the one best solution to his or her supervisor.• Not willfully or unlawfully conceal, remove, mutilate, falsify or destroy any government document or record, nor will he/she make any false or fictitious statements in connection with any official matter, document or record. <p>Violation of any provision of this Policy shall be cause for disciplinary action. Disciplinary action may range from an oral reprimand to dismissal from City services depending upon the degree of violation. Furthermore, the City reserves all rights to pursue appropriate legal action to the fullest extent permitted by law.</p>
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SECTION XV

Appendices

PUBLIC CONTRACT CODE SECTION 22000-22003

22000. This chapter shall be known and may be cited as the "Uniform Public Construction Cost Accounting Act."
22001. The Legislature finds and declares that there is a statewide need to promote uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the state. This chapter provides for the development of cost accounting standards and an alternative method for the bidding of public works projects by public entities.
22002. (a) "Public agency," for purposes of this chapter, means a city, county, city and county, including chartered cities and chartered counties, any special district, and any other agency of the state for the local performance of governmental or proprietary functions within limited boundaries. "Public agency" also includes a nonprofit transit corporation wholly owned by a public agency and formed to carry out the purposes of the public agency.
- (b) "Representatives of the construction industry" for purposes of this chapter, means a general contractor, subcontractor, or labor representative with experience in the field of public works construction.
- (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, powerplants, 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, powerplants, 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.

22003. A public agency which has, by resolution, elected to become subject to the uniform construction cost accounting procedures set forth in Article 2 (commencing with Section 22010), may utilize the bidding procedures set forth in Article 3 (commencing with Section 22030) when contracting for "maintenance work," as defined in Section 22002, or when contracting for any other work which does not fall within the definition of "public project," as defined in Section 22002.

PUBLIC CONTRACT CODE
SECTION 22010-22020

22010. There is hereby created the California Uniform Construction Cost Accounting Commission. The commission is comprised of 14 members.

(a) Thirteen of the members shall be appointed by the Controller as follows:

- (1) Two members who shall each have at least 10 years of experience with, or providing professional services to, a general contracting firm engaged, during that period, in public works construction in California.
- (2) Two members who shall each have at least 10 years of experience with, or providing professional services to, a firm or firms engaged, during that period, in subcontracting for public works construction in California.
- (3) Two members who shall each be a member in good standing of, or have provided professional services to, an organized labor union with at least 10 years of experience in public works construction in California.
- (4) Seven members who shall each be experienced in, and knowledgeable of, public works construction under contracts let by public agencies; two each representing cities, counties, respectively, and two representing school districts (one with an average daily attendance over 25,000 and one with an average daily attendance under 25,000), and one member representing a special district. At least one of the two county representatives shall be a county auditor or his or her designee.

- (b) The member of the Contractors' State License Board who is a general engineering contractor as that term is defined in Section 7056 of the Business and Professions Code shall serve as an ex officio voting member.
22011. The Controller, in an effort to select highly qualified commission members, shall solicit from organized representatives of the construction industry and public agencies recommendations for appointments to the commission.
22012. At least one commission member of the seven representing the construction industry and at least one of the seven representing public agencies shall have previous accounting experience.
22013. The commission members shall select a chairperson from among its membership. The chairperson shall serve as chair for a term of one year from the date of selection or February 1, whichever comes first. In no event shall two consecutive chairpersons be appointees representing either the construction industry or public agencies.
22014. (a) The members of the commission shall hold office for terms of three years, and until their successors are appointed, except as otherwise provided for in this section.
- (b) In the case of members initially appointed by the Controller, two representing the construction industry and two representing public agencies shall be appointed to serve until July 1, 1985; two representing the construction industry and two representing public agencies shall be appointed to serve until July 1, 1986; and three representing the construction industry and three representing public agencies shall be appointed to serve until July 1, 1987.
- (c) Members may be reappointed for subsequent terms of three years.
- (d) The Controller shall, within 45 days after the expiration of any term, appoint a replacement to fill the vacancy on the commission.
22015. (a) The Controller shall make available for the conduct of the commission's business, such staff and other support as does not conflict with the accomplishment of the other business of the office of the Controller.
- (b) Each member of the commission shall serve without compensation, but shall be reimbursed for travel and other expenses necessarily incurred in the performance of the member's duties.
- (c) The commission may accept grants from federal, state, or local public agencies, or from private foundations or individuals, in order to assist it in carrying out its duties, functions, and powers under this chapter.
22016. The commission shall meet not less than once each year, at a time and place chosen by its membership.
22017. The commission shall do all of the following:

- (a) After due deliberation and study, recommend for adoption by the Controller, uniform construction cost accounting procedures for implementation by public agencies in the performance of, or in contracting for, construction on public projects. The procedures shall, to the extent deemed feasible and practicable by the commission, incorporate, or be consistent with construction cost accounting procedures and reporting requirements utilized by state and federal agencies on public projects, and be uniformly applicable to all public agencies which elect to utilize the uniform procedures. As part of its deliberations and review, the commission shall take into consideration relevant provisions of Office of Management and Budget Circular A-76.
- (b) After due deliberation and study, recommend for adoption by the Controller cost accounting procedures designed especially for implementation by California cities with a population of less than 75,000. The procedures shall incorporate cost accounting and reporting requirements deemed practicable and applicable to all cities under 75,000 population which elect to utilize the uniform procedures. For purposes of these cost accounting procedures, the following shall apply:
 - (1) Cities with a population of less than 75,000 shall assume an overhead rate equal to 20 percent of the total costs of a public project, including the costs of material, equipment, and labor.
 - (2) Cities with a population of more than 75,000 may either calculate an actual overhead rate or assume an overhead rate equal to 30 percent of the total costs of a public project, including the costs of material, equipment, and labor.
- (c) Recommend for adoption by the Controller, procedures and standards for the periodic evaluation and adjustment, as necessary, of the monetary limits specified in Section 22032.
- (d) The commission shall make an annual report to the Legislature with respect to its activities and operations, together with those recommendations, as it deems necessary.

22018. The Controller shall, upon receipt of the commission's recommendations, review and evaluate the recommended procedures and either formally adopt or reject the recommended procedures within 90 days of submission by the commission.

22019. Upon determining that the recommended uniform construction cost accounting procedures will serve the best interests of the state and public agencies, and upon formal adoption by the Controller, the Controller shall promulgate the uniform procedure for all public agencies electing to participate, together with instructions for their adoption and implementation by any public agency.

22020. In accordance with procedures and standards adopted pursuant to Section 22017, every five years the commission shall consider whether there have been material changes in public construction costs and make

recommendations to the Controller regarding adjustments in the monetary limits prescribed by Section 22032, but in no case shall the amount, as adjusted, be less than fifteen thousand dollars (\$15,000). Any adjustment shall be effective beginning with the fiscal year which commences not less than 60 days following the Controller's notification to affected public agencies of the adjustment.

PUBLIC CONTRACT CODE
SECTION 22030-22045

22030. This article applies only to a public agency whose governing board has by resolution elected to become subject to the uniform construction cost accounting procedures set forth in Article 2 (commencing with Section 22010) and which has notified the Controller of that election. In the event of a conflict with any other provision of law relative to bidding procedures, this article shall apply to any public agency which has adopted a resolution and so notified the Controller.
22031. Nothing in this article shall prohibit a board of supervisors or a county road commissioner from utilizing, as an alternative to the procedures set forth in this article, the procedures set forth in Article 25 (commencing with Section 20390) of Chapter 1.
22032. (a) Public projects of twenty-five thousand dollars (\$25,000) or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order.
- (b) Public projects of one hundred thousand dollars (\$100,000) or less may be let to contract by informal procedures as set forth in this article.
- (c) Public projects of more than one hundred thousand dollars (\$100,000) shall, except as otherwise provided in this article, be let to contract by formal bidding procedure.
22033. It shall be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading the provisions of this article requiring work to be done by contract after competitive bidding.
22034. Each public agency that elects to become subject to the uniform construction accounting procedures set forth in Article 2 (commencing with Section 22010) shall enact an informal bidding ordinance to govern the selection of contractors to perform public projects pursuant to subdivision (b) of Section 22032. The ordinance shall include all of the following:
- (a) The public agency shall maintain a list of qualified contractors, identified according to categories of work. Minimum criteria for development and maintenance of the contractors list shall be determined by the commission.

- (b) All contractors on the list for the category of work being bid or all construction trade journals specified in Section 22036, or both all contractors on the list for the category of work being bid and all construction trade journals specified in Section 22036, shall be mailed a notice inviting informal bids unless the product or service is proprietary.
- (c) All mailing of notices to contractors and construction trade journals pursuant to subdivision (b) shall be completed not less than 10 calendar days before bids are due.
- (d) The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time and place for the submission of bids.
- (e) The governing body of the public agency may delegate the authority to award informal contracts to the public works director, general manager, purchasing agent, or other appropriate person.
- (f) If all bids received are in excess of one hundred thousand dollars (\$100,000), the governing body of the public agency may, by adoption of a resolution by a four-fifths vote, award the contract, at one hundred ten thousand dollars (\$110,000) or less, to the lowest responsible bidder, if it determines the cost estimate of the public agency was reasonable.

22035. (a) In cases of emergency when repair or replacements are necessary, the governing body may proceed at once to replace or repair any public facility without adopting plans, specifications, strain sheets, or working details, or giving notice for bids to let contracts. The work may be done by day labor under the direction of the governing body, by contractor, or by a combination of the two.

(b) In case of an emergency, if notice for bids to let contracts will not be given, the public agency shall comply with Chapter 2.5 (commencing with Section 22050).

22035.5. In counties that are under court order to relieve justice facility overcrowding, the procedures and restrictions specified in Section 20134 shall apply to all contracts issued under this chapter.

22036. The commission shall determine, on a county-by-county basis, the appropriate construction trade journals which shall receive mailed notice of all informal and formal construction contracts being bid for work within the specified county.

22037. Notice inviting formal bids shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project. The notice

shall be published at least 14 calendar days before the date of opening the bids in a newspaper of general circulation, printed and published in the jurisdiction of the public agency; or, if there is no newspaper printed and published within the jurisdiction of the public agency, in a newspaper of general circulation which is circulated within the jurisdiction of the public agency, or, if there is no newspaper which is circulated within the jurisdiction of the public agency, publication shall be by posting the notice in at least three places within the jurisdiction of the public agency as have been designated by ordinance or regulation of the public agency as places for the posting of its notices. The notice inviting formal bids shall also be mailed to all construction trade journals specified in Section 22036. The notice shall be mailed at least 30 calendar days before the date of opening the bids. In addition to notice required by this section, the public agency may give such other notice as it deems proper.

22038. (a) In its discretion, the public agency may reject any bids presented, if the agency, prior to rejecting all bids and declaring that the project can be more economically performed by employees of the agency, furnishes a written notice to an apparent low bidder. The notice shall inform the bidder of the agency's intention to reject the bid and shall be mailed at least two business days prior to the hearing at which the agency intends to reject the bid. If after the first invitation of bids all bids are rejected, after reevaluating its cost estimates of the project, the public agency shall have the option of either of the following:
- (1) Abandoning the project or re-advertising for bids in the manner described by this article.
 - (2) By passage of a resolution by a four-fifths vote of its governing body declaring that the project can be performed more economically by the employees of the public agency, may have the project done by force account without further complying with this article.
- (b) If a contract is awarded, it shall be awarded to the lowest responsible bidder. If two or more bids are the same and the lowest, the public agency may accept the one it chooses.
- (c) If no bids are received through the formal or informal procedure, the project may be performed by the employees of the public agency by force account, or negotiated contract without further complying with this article.

22039. The governing body of the public agency shall adopt plans, specifications, and working details for all public projects exceeding the amount specified in subdivision (c) of Section 22032.

22040. Any person may examine the plans, specifications, or working details, or all of these, adopted by the public agency for any project.

22041. This article does not apply to the construction of any public building used for facilities of juvenile forestry camps or juvenile homes, ranches, or camps established under Article 15 (commencing with Section 880) of Chapter 2 of Part 1 of Division 2 of the Welfare and Institutions Code, if a major portion of the construction work is to be performed by wards of the juvenile court assigned to those camps, ranches, or homes.
22042. The commission shall review the accounting procedures of any participating public agency where an interested party presents evidence that the work undertaken by the public agency falls within any of the following categories:
- (a) Is to be performed by a public agency after rejection of all bids, claiming work can be done less expensively by the public agency.
 - (b) Exceeded the force account limits.
 - (c) Has been improperly classified as maintenance.
22043. In those circumstances as set forth in subdivision (a) of Section 22042, a request for commission review shall be in writing, sent by certified or registered mail received by the commission postmarked not later than five business days from the date the public agency has rejected all bids. In those circumstances set forth in subdivision (b) or (c) of Section 22042, a request for commission review shall be by letter received by the commission not later than five days from the date an interested party formally complains to the public agency. The commission review shall commence immediately and conclude within 30 days from the receipt of the request for commission review. During the review of a project that falls within subdivision (a) of Section 22042, the agency shall not proceed on the project until a final decision is received by the commission.
22044. The commission shall prepare written findings. Should the commission find that the provisions of this chapter or of the uniform cost accounting procedures provided for in this chapter were not complied with by the public agency, the following steps shall be implemented by that agency:
- (a) On those projects set forth in subdivision (a) of Section 22042, the public agency has the option of either (1) abandoning the project, or (2) awarding the project to the lowest responsible bidder.
 - (b) On those projects set forth in subdivision (b) or (c) of Section 22042, the public agency shall present the commission's findings to its governing body and that governing body shall conduct a public hearing with regard to the commission's findings within 30 days of receipt of the findings.
22045. (a) No later than January 1, 1985, the commission shall recommend, for adoption by the Controller, written procedures implementing the accounting procedures review provided for in this article.

- (b) The Controller shall, upon receipt of the commission's recommendation, review and evaluate the recommended procedures and either formally adopt or reject the recommended procedures within 90 days of submission of the commission.

RESOLUTION NO. 8596-04

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE AUTHORIZING THE CITY MANAGER OR DESIGNEE TO EXECUTE CERTAIN AGREEMENTS

WHEREAS, the City Council, in 1985, granted the City Manager the authority to execute various small development and planning related agreements in an amount of up to \$15,000 per year per contractor; and,

WHEREAS, the City Council, in 1993, expanded this authority to personal services contracts in general, at the same \$15,000 per year level; and,

WHEREAS, the depth and breadth of regulations under which the City must operate continues to increase, requiring, in some cases, the retention of professional assistance in understanding and adequately responding to the regulatory mandates; and,

WHEREAS, due to inflation, the 1985 contract limit of \$15,000 would have to be \$26,362 in 2004 to represent an equivalent buying power; and,

WHEREAS, the efficient operation of City government would be enhanced by the increasing of the City Manager's personal services contract limit to recover the lost buying power of the original contract limit and to facilitate meeting the City's legal responsibilities in providing services to the community;

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Garden Grove does hereby repeal Resolution No. 7575-93; and,

BE IT FURTHER RESOLVED as follows:

Section 1: Personal Services Agreements—The City Manager, or the City Manager's designee, shall have the authority to execute all personal services agreements, including but not limited to architectural, legal, landscape architectural, city planning, economic analysis, financial analysis, property appraisal, etc., up to the total sum of twenty-five thousand dollars (\$25,000.00). This authorization limits the amount of all contracts with an individual party to the contract, not to exceed twenty-five thousand dollars (\$25,000.00) in any City fiscal year.

Section 2: Public Works Contracts Under \$5,000—The City Manager, or the City Manager's designee, shall have the authority to execute all agreements involving public works items of less than five thousand dollars (\$5,000.00). This authorization limits the amount of all contracts with an individual contractor, not to exceed twenty-five thousand dollars (\$25,000.00)

per City fiscal year. Any public works contract involving five thousand dollars (\$5,000.00) or more shall be subject to the procedures set forth in the California Public Contracts Code.

Adopted this 27th day of July 2004.

/s/ BRUCE A. BROADWATER
MAYOR

ATTEST:

/s/ RUTH E. SMITH
CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS:
CITY OF GARDEN GROVE)

I, RUTH E. SMITH, City Clerk of the City of Garden Grove, do hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Garden Grove, California, at a meeting held on the 27th day of July 2004 by the following vote:

AYES: COUNCILMEMBERS: (5) DALTON, LEYES, ROSEN, TRAN, BROADWATER
NOES: COUNCILMEMBERS: (0) NONE
ABSENT: COUNCILMEMBERS: (0) NONE

/s/ RUTH E. SMITH
CITY CLERK

TITLE 2: ADMINISTRATION AND PERSONNEL

CHAPTER 2.50: PURCHASE AND SALE OF PROPERTY

- Section 2.50.010: Adoption of Purchasing System
- Section 2.50.020: Purchasing Authority
- Section 2.50.030: Exemptions from Centralized Purchasing
- Section 2.50.040: Estimates of Requirements
- Section 2.50.050: Requisitions
- Section 2.50.060: Bidding
- Section 2.50.070: Emergency Purchase Justification
- Section 2.50.080: Purchase Orders
- Section 2.50.090: Encumbrance of Funds
- Section 2.50.100: Formal Contract Procedure
- Section 2.50.110: Open Market Procedure
- Section 2.50.120: Inspection and Testing
- Section 2.50.130: Surplus Supplies and Equipment

SECTION 2.50.010: Adoption of Purchasing System

To establish efficient procedures for the purchase of supplies, services, and equipment; to secure for the City supplies, services, and equipment at the lowest possible cost commensurate with quality needed; to exercise positive financial control of purchases; to clearly define authority for the purchasing function; and to assure the quality of purchases a purchasing system is hereby adopted. (Ord. 1274 § 1 (part), 1972).

SECTION 2.50.020: Purchasing Authority

As established in Chapter 2.20, the Finance Director shall have the following authority, any part of which may be delegated to the Purchasing Division:

- (a) Purchase or contract for supplies, services, and equipment required by any using agency in accordance with purchasing procedures prescribed by this chapter, such administrative regulations as he shall adopt for the internal management and operation of the Purchasing Division, and such other rules and regulations as shall be prescribed by the City Council or City Manager;
- (b) Negotiate and recommend execution of contracts for the purchase of supplies, services, and equipment;
- (c) Act to procure for the City the needed quality in supplies, services, and equipment at the least expense to the City;
- (d) Discourage uniform bidding and endeavor to obtain as fully and open competition as possible on all purchases;
- (e) Prepare and recommend to the City Council through the City Manager, rules governing the purchase of supplies, services, and equipment for the City;
- (f) Prepare and recommend to the City Council through the City Manager, revisions and amendments to the purchasing rules;
- (g) Keep informed of current developments in the field of purchasing, prices, market conditions, and new products;
- (h) Prescribe and maintain such forms as reasonably necessary to the operation of this chapter and other rules and regulations;

- (i) Supervise the inspection of all supplies, services, and equipment purchased to insure conformance with specifications;
- (j) Recommend the transfer of surplus or unused supplies and equipment between departments as needed and the sale of all supplies and equipment which cannot be used by any agency or which have become unsuitable for City use;
- (k) Maintain a bidder's list, vendor's catalog file and records needed for the efficient operation of the Purchasing Division. (Ord. 1274 § 1 (part), 1972).

SECTION 2.50.030: Exemptions from Centralized Purchasing

The Finance Director may authorize any department or division to purchase or contract for specified supplies, services, and equipment independently of the Purchasing Division; but he shall require that such purchases or contracts be made in conformity with the procedures established by this chapter. (Ord. 1274 § 1 (part), 1972).

SECTION 2.50.040: Estimates of Requirements

All using agencies shall file detailed estimates of their requirements in supplies, services, and equipment in such manner, at such time, and for such future periods as the Finance Director shall prescribe. (Ord. 1274 § 1 (part), 1972).

SECTION 2.50.050: Requisitions

Purchases of supplies, services, equipment, and the sale of personal property shall be by bid procedures pursuant to Sections 2.50.100 and 2.50.110. Bidding may be dispensed with only when:

- (a) The amount is less than twenty-five thousand dollars (\$25,000); or
- (b) The Finance Director determines that the supplies, services, and equipment are urgently required and the amount involved is less than five thousand dollars (\$5,000); or
- (c) An emergency requires that an order be placed with the nearest available source of supply; or
- (d) The Finance Director determines that the commodity can be obtained from only one vendor. (Ord. 2674 § 1 (part), 2005; Ord. 1274 § 1 (part), 1972).

SECTION 2.50.060: Bidding

Purchases of supplies, services, equipment, and the sale of personal property shall be by bid procedures pursuant to Sections 2.50.100 and 2.50.100. Bidding may be dispensed with only when:

- (a) The amount is less than twenty-five thousand dollars (\$25,000); or
- (b) The Finance Director determines that the supplies, services, and equipment are urgently required and the amount involved is less than five thousand dollars (\$5,000); or
- (c) An emergency requires that an order be placed with the nearest available source of supply; or
- (d) The Finance Director determines that the commodity can be obtained from only one vendor. (Ord. 2674 2005 § 1, 2005; Ord. 1987 § 1, 1987; Ord. 1319 § 1, 1973; Ord. 1274 § 1 (part), 1972.)

SECTION 2.50.070: Emergency Purchase Justification

- (a) When bidding procedures are dispensed under Section 2.60.060(a), the department which places such orders with the nearest available source of supply must submit a written justification to the Purchasing Division within forty-eight (48) hours explaining the emergency conditions necessitating the placement of said order.
- (b) In cases of emergency, when repair or replacements are necessary, the City Council may proceed at once to replace or repair any public facility without adopting plans, specifications, strain sheets, or working details, or giving notice for bids to let contracts. The work may be done by day labor under the direction of the governing body, by contractor, or by a combination of the two.
- (c) In case of an emergency, if notice for bids to let contracts will not be given, the public agency shall comply with Chapter 2.5 of Part 3 of the California Public Contract Code. (Ord. 2674 § 1 (part), 2005; Ord. 1274 § 1 (part), 1972).

SECTION 2.50.080: Purchase Orders

Purchases of supplies, services, and equipment shall be made only by purchase order. (Ord. 1274 § 1 (part), 1972).

SECTION 2.50.090: Encumbrance of Funds

Except in cases of emergency, the Purchasing Division shall not issue any purchase order for supplies, services, or equipment unless there exists an unencumbered appropriation in the fund account against which said purchase is to be charged. (Ord. 1274 § 1 (part), 1972).

SECTION 2.50.100: Formal Contract Procedure

Formal contract procedures, describe herein, shall be followed for all public purchases where required by state and federal laws and may be followed when the Finance Director determines that formal contract procedures might best serve the public interest.

- (a) Notice Inviting Bids. Notices inviting bids shall include a general description of the articles to be purchased or sold, shall state where bid blanks and specifications may be secured, and the time and place for opening bids.
 - (1) Published Notice. The first notice inviting bids shall be published at least ten (10) days before the opening of the bids. Notice shall be published at least twice, not less than five (5) days apart, in a newspaper of general circulation, printed and published in the City, or if there be none, it shall be posted in at least three (3) public places in the City that have been designated by ordinances as the places for posting public notices.
 - (2) Bidders' List. The Purchasing Division shall also solicit sealed bids from all responsible prospective suppliers whose names are on the bidders' list.
 - (3) Bulletin Board. The Purchasing Division shall also advertise pending purchases or sales by a notice posted on a public bulletin board in the City Hall.
- (b) Bidder's Security. When deemed necessary Bidder's Security may be prescribed in the public notices inviting bids. Bidders shall be entitled to return of bid security, provided that a successful bidder shall forfeit his bid security upon refusal or failure to execute the contract within ten (10) days after the notice of award of contract has been mailed, unless the City is responsible for the delay. The City Council may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsible bidder. If the City Council awards the contract to the next lowest bidder, the amount of the lowest bidder's

security shall be applied by the City to the difference between the low bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder.

- (c) Bid Opening Procedure. Sealed bids shall be submitted to the Purchasing Division and shall be identified as bids on the envelope. Bids shall be opened in public at the time and place stated in the public notices. A tabulation of all bids received shall be open for public inspection during regular business hours for a period of not less than thirty (30) calendar days after the bid opening.
- (d) Rejection of Bids. In its discretion, the City Council may reject any and all bids presented and readvertise for bids.
- (e) Award of Contracts. Contracts shall be awarded by the City Council to the lowest responsible bidder, except as otherwise provided herein.
- (f) Tie Bids. If two (2) or more bids received are for the same total amount or unit price, quality and service being equal, and if the public interest will not permit the delay of readvertising for bids, the City Council may accept the one it chooses or accept the lowest bid made by negotiation with the tie bidders at the time of the bid opening.
- (g) Performance Bonds. The City Council shall have authority to require a performance bond before entering a contract in such amount as it shall find reasonably necessary to protect the best interests of the City. If the City Council requires a performance bond, the form and amount of the bond shall be described in the notice inviting bids. (Ord. 1274 § 1 (part), 1972).

SECTION 2.50.110: Open Market Procedure

Purchases of supplies, equipment, contractual services and sales of personal property shall be made by the Purchasing Division following the open market procedure described herein where State and Federal laws and directives of the Finance Director do not require observing the procedure described in Section 2.50.100.

- (a) Minimum Number of Bids. Open Market Purchases shall, wherever possible, be based on at least three (3) bids.
- (b) Notice Inviting Bids. The Purchasing Division shall solicit bids from prospective vendors by written requests, and/or by telephone, and/or by public notice posted on a public bulletin board in the City Hall.
- (c) Written Bids. The Purchasing Division shall maintain records of all sealed written bids and open market orders resulting therefrom for a period of one (1) year after the submission of the bids for the placing of orders. This record, while so kept, shall be open to public inspection during regular City Hall working hours.
- (d) Award of Purchase. Open Market Purchases shall be awarded to the lowest responsible bidder as determined by the Finance Director, unless by minute order the City Council directs the award of the purchase order to a different bidder. In addition, where the services to be provided by a bidder or supplier are equal, preference shall be given to local merchants when the local merchants' bids are within two percent (2%) of the lowest bid received, provided the dollar amount represented by the two percent (2%) difference does not exceed five thousand dollars (\$5,000). This provision shall only be utilized where bids in the amount of five thousand dollars (\$5,000) or higher are required. (Ord. 2169 § 1, 1991; Ord. 1274 § 1 (part), 1972).

SECTION 2.50.120: Inspection and Testing

The Purchasing Division shall inspect supplies and equipment delivered, and contractual services performed, to determine their conformance with the specifications set forth in the order

or contract. The Purchasing Division shall have authority to require chemical and physical tests of samples submitted with bids and samples of deliveries which are necessary to determine their quality and conformance with specifications. (Ord. 1274 § 1 (part), 1972).

SECTION 2.50.130: Surplus Supplies and Equipment

All using agencies shall submit to the Purchasing Division, at such times and in such form as prescribed, reports showing all supplies and equipment which are no longer used or which have become obsolete and/or worn out. The Purchasing Division shall have authority to sell all supplies and equipment which cannot be used by any agency or which have become unsuitable for City use, or to exchange the same for, or trade in the same on, new supplies and equipment. Such sales shall be made pursuant to Sections 2.50.100 and 2.50.110, whichever is applicable. (Ord. 1274 § 1 (part), 1972).

TITLE 2: ADMINISTRATION AND PERSONNEL

CHAPTER 2.52: PUBLIC WORKS CONSTRUCTION BID PROCEDURE

SECTION 2.52.010: Bid Procedures for Public Works Construction

- (a) The following bid procedures are adopted for public works construction pursuant to Public Contracts Code sections 22000 et seq.
- (b) Public Works projects costing up to thirty thousand dollars (\$30,000) may be performed by force account, negotiated contract, or purchase order. Staff shall secure at least three (3) informal bids for the work for projects over five thousand dollars (\$5,000) and up to thirty thousand dollars (\$30,000) before proceeding with the work.
- (c) Public Works projects costing over thirty thousand dollars (\$30,000) shall be formally bid and awarded according to the bid process set forth in Public Contract Code sections 22000 et seq.
- (d) The City Manager shall have the authority to award and approve construction agreements up to and including fifty thousand dollars (\$50,000). Contracts over fifty thousand dollars (\$50,000) shall be awarded and approved by the City Council. (Ord. 2674 § 1 (part), 2005)