

CITY OF GARDEN GROVE CITY COUNCIL POLICY MANUAL

SECTION	TITLE
100	ADMINISTRATION AND GOVERNMENT
200	FINANCE AND ACCOUNTING
300	PERSONNEL
400	PLANNING AND ZONING
500	PUBLIC SAFETY AND LAW ENFORCEMENT
600	MAINTENANCE AND OPERATION
700	RECREATION AND PARKS
800	UTILITIES

POLICY NUMBER	ADMINISTRATION AND GOVERNMENT
100-01	NEIGHBORHOOD MEETINGS
100-02	CITY MOTTO
100-03	OFFICIAL FLOWER
100-04	CONSTITUTIONALLY GUARANTEED FREEDOM
100-05	PARTICIPATION IN FEDERAL AID PROGRAMS
100-06	HISTORICAL MONUMENT - 1926 LA FRANCE FIRE ENGINE
100-07	APPOINTMENTS - COMMITTEES, BOARDS AND COMMISSIONS
100-08	ACTIONS OF COMMITTEES, BOARDS, COMMISSIONS AND ZONING ADMINISTRATOR
100-09	NON-USE OF CITY LETTERHEAD OR TITLE ON PERSONAL MATTERS
100-10	DISPLAY OF COUNCIL MEMBERS' PHOTOGRAPHS
100-11	AGING
100-12	MAYOR'S BOX IN THE GEM THEATRE
100-13	EVENTS AND FESTIVALS AT THE VILLAGE GREEN PARK
100-14	ALCOHOLIC BEVERAGES
100-15	CITY COUNCIL COMMITTEE MEETING ATTENDANCE
100-16	EXPENSE GUIDELINES AND EXPENSE REIMBURSEMENT
100-17	CONFERENCES, MEETINGS AND TRAINING
100-18	METHODS AND CLASSES OF TRANSPORTATION
100-19	AUTHORIZATION FOR TRAVEL EXPENSES
100-20	ADVANCES AND PREISSUED CHECKS
100-21	PREPAYMENTS
100-22	CREDIT CARDS

POLICY NUMBER	ADMINISTRATION AND GOVERNMENT
100-23	PETTY CASH
100-24	RESTAURANT USE
100-25	GRANT FUNDS
100-26	EXCEPTIONS
100-27	TRAVEL AND BUSINESS EXPENSE AUDITS
100-28	PURCHASE AND DISPLAY OF GARDEN GROVE CITY FLAG
100-29	CITY MEMBERSHIPS IN MAJOR ORGANIZATIONS
100-30	TIME FOR CITY COUNCIL PUBLIC HEARINGS
100-31	EMPLOYEE GROUPS USE OF COMMUNITY MEETING CENTER OR COURTYARD CENTER
100-32	DISPLAY OF POW/MIA FLAG
100-33	CITY COUNCIL CLOSED SESSIONS
100-34	ORAL COMMUNICATIONS - PUBLIC
100-35	CODE OF ETHICS
100-36	REIMBURSEMENT TO COUNCIL MEMBERS FOR TIME SPENT ON COURT AND RELATED MATTERS CONNECTED TO CITY BUSINESS
100-37	LEGAL COUNSEL DUAL REPRESENTATION
100-38	PROCESS ON QUESTIONS FROM COUNCIL MEMBERS
100-39	AUTHORIZING RELEASE OF LAW ENFORCEMENT RECORDS EXEMPT FROM DISCLOSURE IN CERTAIN CIRCUMSTANCES INVOLVING ELECTED PUBLIC OFFICIALS

POLICY NUMBER	FINANCE AND ACCOUNTING
200-01	FIVE YEAR PLAN
200-02	REVENUE FROM TRANSIENT OCCUPANCY TAX
200-03	PAYROLL DEDUCTIONS FOR CHARITABLE CONTRIBUTIONS
200-04	CITY PURCHASES FROM LOCAL BIDDERS/SUPPLIERS
200-05	RECYCLED PRODUCTS - PROCUREMENT
200-06	DEBT MANAGEMENT
200-07	GENERAL FUND RESERVE
200-08	PENSION FUNDING
200-09	INVESTMENT POLICY
200-10	PURCHASING POLICY

POLICY NUMBER	PERSONNEL
300-01	IDENTIFICATION CARDS
300-02	TEMPORARY JOBS FOR RESIDENT STUDENTS
300-03	CITY EMPLOYEES PARTICIPATION IN HOUSING AND URBAN DEVELOPMENT/COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAMS
300-04	SALARY INCREASES NON-REPRESENTED EMPLOYEES
300-05	OFF-DUTY USE BY FIRERIGHERS OF UNIFORMS AND RESERVE EQUIPMENT

POLICY NUMBER	PLANNING AND ZONING
400-01	TEMPORARY SEASONAL HOLIDAY SALES
400-02	ABANDONED BUILDINGS
400-03	PUBLIC ALLEYS
400-04	MOBILEHOME PARK TENANT NOTIFICATION OF PUBLIC HEARINGS
400-05	POLICY FOR DRIVEWAY OPENINGS INTO SEPARATE PARCEL ON GARDEN GROVE CITY STREETS

POLICY NUMBER	PUBLIC SAFETY AND LAW ENFORCEMENT
500-01	ELEMENTARY SCHOOL ADULT CROSSING GUARDS
500-02	POLICE CALLS OUTSIDE THE CITY LIMITS
500-03	CONDITIONAL USE PERMIT AND ALCOHOLIC BEVERAGE SALE APPLICATION REVIEW BY POLICE CHIEF
500-04	OVERHIRE POLICY FOR FIRE DEPARTMENT

POLICY NUMBER	MAINTENANCE AND OPERATION
600-01	BLOCK PARTY/STREET CLOSURE PERMITS
600-02	BUMPER STICKERS ON MUNICIPALLY OWNED VEHICLES
600-03	SIDEWALKS ALONG SCHOOL ACCESS STREETS
600-04	COMPLETION OF STREET IMPROVEMENTS
600-05	SHOWMOBILE
600-06	USE OF LIGHT STANDARDS BY NON-PROFIT GROUPS

POLICY NUMBER	RECREATION AND PARKS
700-01	MONUMENT POLICY
700-02	USE OF RECREATION AND PARKS FACILITIES
700-03	GUIDELINES FOR NAMING OF PARKS
700-04	RESIDENT PETITION FOR STREET TREE REMOVAL AND REPLACEMENT
700-05	TREE TRIMMING

POLICY NUMBER	UTILITIES
800-01	WATER UTILITY REVENUES AND FUNDS
800-02	FUNDING OF ALL NEW WATER SYSTEM PLANTS
800-03	RESERVE FOR CONTINGENCY
800-04	DELINQUENT WATER ACCOUNTS
800-05	METERING OF WATER ACCOUNTS
800-06	UNDERGROUND UTILITIES
800-07	FACILITY REPLACEMENT PROGRAM FUNDED FROM DEPRECIATION
800-08	FEES AND CHARGES TO COVER EXPENSE
800-09	LIGHTING DISTRICT REVENUES AND FUNDS
800-10	DISCONTINUATION OF RESIDENTIAL WATER SERVICE IN COMPLIANCE WITH SB 998

SUBJECT:

NEIGHBORHOOD MEETINGS

POLICY
NUMBER

100-01

AMENDED:

EFFECTIVE
DATE

06-16-70

04-01-88

It is the policy of the City Council that staff and Council Members conduct neighborhood meetings within the City to discuss matters of mutual interest, and to gain input from local residents.

City Council Members will be notified of all neighborhood meetings and will be provided with a report summarizing the meeting.

SUBJECT:

CITY MOTTO

POLICY
NUMBER

100-02

EFFECTIVE
DATE

11-12-88

It is the policy of the City Council that "CITY OF YOUTH AND AMBITION" is the City motto.

SUBJECT:

OFFICIAL FLOWER

POLICY
NUMBER

100-03

EFFECTIVE
DATE

04-01-75

It is the policy of the City Council that the ORANGE TROPICANA ROSE has been designated the official flower of the City of Garden Grove as adopted by Resolution No. 4761-75.

SUBJECT:

CONSTITUTIONALLY
GUARANTEED FREEDOM

POLICY
NUMBER

100-04

EFFECTIVE
DATE

11-06-68

It is the policy of the City Council that the City will continue to welcome any responsible person into the community regardless of race, religion or national origin.

SUBJECT:

PARTICIPATION IN FEDERAL AID
PROGRAMS

POLICY
NUMBER
100-05

EFFECTIVE
DATE
05-02-72

It is the policy of the City Council that the City of Garden Grove shall make applications to the appropriate government agencies for applicable federal, state, and county grant funds.

SUBJECT:		POLICY	EFFECTIVE
	HISTORICAL MONUMENT	NUMBER	DATE
	1926 LA FRANCE FIRE ENGINE	100-06	02-11-75
		AMENDED:	08-16-2019

It is the policy of the City Council that the 1926 La France Fire Engine is a Historical Monument; that title remain with the City; that control of the equipment shall remain with the City Manager, and that any plans to refurbish and house the fire engine shall meet with the approval of the City Manager.

SUBJECT:		POLICY	EFFECTIVE
	APPOINTMENTS - COMMITTEES,	NUMBER	DATE
	BOARDS AND COMMISSIONS	100-07	04-13-71
		AMENDED:	11-27-18

It is the policy of the City Council that pursuant to Government Code Section 40605 and to the Municipal Code Section 2.21.010, the Mayor, with the approval of the City Council, shall make all appointments to boards, commissions, and committees unless otherwise specifically provided by statute.

On or before December 31st of each year, the City Clerk shall prepare a local appointments list for all regular and ongoing boards, commissions, and committees referred to herein. The local appointment list will contain the following information:

A list of all appointive positions that will expire during the next calendar year, with the name of the incumbent appointee, date of appointment, date the term expires, and the necessary qualifications for the position; and

A list of all boards, commissions, and committees and the necessary qualifications for each position.

SUBJECT:	ACTIONS OF COMMITTEES, BOARDS, COMMISSIONS AND ZONING ADMINISTRATOR	POLICY NUMBER <hr/> 100-08 AMENDED:	EFFECTIVE DATE <hr/> 02-04-75 11-27-18
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It is the policy of the City Council that the Staff provide Council Members with copies of minutes on those matters brought before committees, boards, commissions and the Zoning Administrator at their meetings.

SUBJECT:		POLICY	EFFECTIVE
	NON-USE OF CITY LETTERHEAD	NUMBER	DATE
	OR TITLE ON PERSONAL	100-09	10-14-69
	MATTERS	AMENDED:	02-04-92
		AMENDED:	11-27-18

It is the policy of the City Council that the use of City logo, letterhead, and/or title on personal matters not be permitted.

Further, it is the policy of the City Council that all business cards printed hereafter will contain only the person's name, title, city hall address, telephone number, and city email with home and/or business telephone numbers optional. Business names and/or addresses are prohibited.

SUBJECT:	DISPLAY OF COUNCIL MEMBERS PHOTOGRAPHS	POLICY NUMBER 100-10 AMENDED:	EFFECTIVE DATE 06-17-58 11-27-18
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It is the policy of the City Council that photographs be taken of the Mayor and each Council Member and that they be placed in City Hall.

SUBJECT:

AGING

POLICY
NUMBER
100-11

EFFECTIVE
DATE
08-19-75

The City of Garden Grove finds:

- A. The elderly comprise a large and growing segment of our population.
- B. The contributions of the elderly to society and the economy have been enormous, and most want to continue contributing.
- C. Many elderly, even those who planned carefully for retirement, now find themselves with inadequacies in income, health care, housing, and community services such as transportation, recreation, and other social services. Many are also isolated and lonely.
- D. The institutions and organizations that could help the elderly have become increasingly complex, inaccessible, and narrowly focused on the segment of need they address, while the needs of the elderly cut across all these institutions and organizations and require that a more broad-based, integrative approach be taken.

Therefore, it shall be the policy of the City of Garden Grove to create options that will enable older persons to live in dignity, independence, and health. This will be accomplished by stimulating the development of comprehensive and coordinated services systems that make maximum use of existing and potential resources. Special attention will be focused on those most in need, including the minority and low income elderly. Further, it shall be the policy of the City of Garden Grove to ensure the participation of the elderly in every phase of planning and programming that affects their lives.

Specifically, the City will encourage:

- 1. provision for an adequate income in retirement.
- 2. opportunity for employment without discriminatory age practices.
- 3. the best possible health care for all elderly, regardless of ability to pay, and directed toward maximum independence of the individual.
- 4. housing that is suitable to the needs of the elderly at a cost they can afford.
- 5. effective and available community services, including transportation, education, recreation, and other social services.
- 6. effective information services, including legal advice and advocacy to inform the elderly of what is available to them and rightfully theirs and to assure professional representation.
- 7. improved public understanding of the problems and needs of the elderly and what can and should be done to alleviate them.
- 8. opportunity to participate in the administration and evaluation of programs that affect their lives and well-being.

COUNCIL POLICY NO. 100-11

9. opportunity to participate in civic, cultural, and recreational programs that will reduce isolation and loneliness.

SUBJECT:	MAYOR'S BOX AT THE GEM THEATRE	POLICY	EFFECTIVE
		NUMBER	DATE
		100-12	08-02-79
		AMENDED:	11-17-83
		AMENDED:	11-27-18

It is the policy of the City Council that the Mayor will have first right of refusal for use of the Mayor's Box at the Gem Theatre. The Council Members are encouraged to use the box on a first come, first served basis. The Mayor and City Council Members are also encouraged to use the Village Green Amphitheatre.

If the box is not reserved for use by the Garden Grove Mayor or a City Council Member, it may be reserved for use by the Garden Grove City Manager. If an organization reserves the entire theatre, the organization may also use the Mayor's Box.

Reservations for the Mayor's Box are to be made through the Community Services Department with detailed arrangements being made for each performance separately. It is the intent of this policy that the individual reserving the Mayor's Box be in attendance with guests.

SUBJECT:		POLICY	EFFECTIVE
	EVENTS AND FESTIVALS AT THE	NUMBER	DATE
	VILLAGE GREEN PARK	100-13	07-01-80
		AMENDED:	11-27-18

It is the policy of the City Council that the Village Green Park and its cultural facilities are an integral part of the Civic Center. They have become the focal point for cultural arts programs in Garden Grove and the surrounding community. The area has been designed to represent the people, their hopes, enthusiasm and dreams as expressed through the arts, and we expect our programs and cultural events to represent these ideals.

It is the policy of the City Council that events and festivals held at the Village Green Park and surrounding grounds, provide a balanced mixture of entertainment including dramas, comedies, musicals, and children's theatre. All programs should be suitable for viewing by members of the community and the use of vulgarity or deviant behavior within productions should be discouraged.

SUBJECT:

ALCOHOLIC BEVERAGES

POLICY
NUMBER

100-14
AMENDED:
AMENDED:

EFFECTIVE
DATE

06-24-80
05-07-84
11-27-18

It is the policy of the City Council that no City funds shall be expended directly for the purchase of alcoholic beverages nor shall any City funds be used to reimburse any City employee or elected official for the purchase of alcoholic beverages except under the following circumstances:

- When alcoholic beverages are served as part of a ceremonial occasion such as a dedication, ground breaking, or reception.
- When alcoholic beverages are included as a menu package cost of the meal.
- When alcoholic beverages are served during the course of a meal, and as part of the meal, such costs may be reimbursed on behalf of the City's guests and staff members present where such guests are not employees of the City, or City of Garden Grove elected officials, or do not have any contractual arrangements with the City. No City funds shall be used to reimburse the costs of alcoholic beverages where such alcoholic beverages are consumed by elected City officials, or where dining party consists entirely of City employees, prospective employees, contractual employees or any combination thereof.

It is the legislative intent of this policy to exclude payment for the use of alcoholic beverage for personal consumption or private entertainment expense on the part of elected officials or employees of the City.

SUBJECT:

CITY COUNCIL COMMITTEE
MEETING ATTENDANCE

POLICY
NUMBER

100-15

EFFECTIVE
DATE

08-26-80

It is the policy of the City Council that the Mayor is an ad hoc member of all Council committees, and when a Council committee member cannot attend a committee meeting, the Mayor will attend. If the Mayor cannot attend, he shall designate the Mayor Pro Tem to represent him at committee meetings. In the event that the Mayor Pro Tem cannot attend, another Council Member will be invited to attend, in order of seniority.

SUBJECT:		POLICY	EFFECTIVE
	EXPENSE GUIDELINES AND	NUMBER	DATE
	EXPENSE REIMBURSEMENT	100-16	11-18-80
		AMENDED:	02-28-06
		AMENDED:	04-25-06

A. AUTHORIZED EXPENSES

The following type of occurrences qualify any City Council and other legislative body members, including all City commission members and Council-appointed committee members, to receive reimbursement for expenses incurred in the performance of official duties relating to travel, meals, lodging, and other actual and necessary expenses that constitute authorized expenses, provided the requirements of this policy are met:

1. Communicating with representatives of regional, state, and national government on issues or matters affecting the City or on City adopted policy or political positions;
2. Attending conferences and/or educational seminars designed to improve the member's expertise and information levels, including, but not limited to, ethics training required pursuant to Government Code Section 53234;
3. Participating in regional, state, and national organizations whose activities or interests may affect the City's interests;
4. Attending City sponsored or co-sponsored events or other community events; and
5. Implementing a City-approved strategy for attracting or retaining businesses to the City.

Reimbursement for expenditures incurred in connection with activities and events but not listed above shall be approved by the city Council in a public meeting before the expense is incurred. In addition, the following expenses require prior City Council approval:

1. Out-of-state or international travel;
2. Expenses exceeding any annual budgeted amounts for the above-referenced authorized expenses; and
3. Expenses foreseeably exceeding \$1,500 per trip per member.

Examples of personal expenses that the City will not reimburse include, but are not limited to:

1. The personal portion of any trip taken at City expense;
2. Political contributions or events;

COUNCIL POLICY NO. 100-16

3. Travel companion expenses, including spouse, friend, or partner expenses when accompanying a member on City-related business, as well as children- or pet-related expenses;
4. Charitable contributions;
5. Social events, unless the event has a direct relationship to City business, is approved by the City Manager and does not exceed \$250.00;
6. Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage, and/or golf related expenses), or other cultural events;
7. Non-mileage automobile expenses incurred, including repairs, traffic citations, insurance, or gasoline;
8. Personal losses incurred while on City business (e.g., theft or property destruction); and
9. Under no circumstances shall alcohol be reimbursable for meal or any other expenses.

Any questions regarding the propriety of a particular type of expense should be resolved before the expense is incurred.

B. EXPENSE AND REIMBURSEMENT GUIDELINES

To conserve City resources and keep expenses within appropriate standards for public agencies, expenditures, whether paid directly by the City or reimbursed to a member of a City legislative body, should comply with the following guidelines. Unless otherwise specifically provided herein, reimbursement for travel, meals, lodging, and other actual and necessary expenses shall be at the Internal Revenue Service rates presently in effect as established in Publication 463 or any successor publication. All expenses not covered by this policy, or which are in excess of the reimbursable rates set forth in this policy, shall not be reimbursable unless approved by the City Council at a public meeting before the expense is incurred.

Transportation

The most economical mode and class of transportation reasonably consistent with scheduling needs and space requirements must be used, using the most direct and time-efficient route. In the event that a more expensive transportation form or route is used, the cost borne by the City will be limited to the cost of the most economical, direct, efficient, and reasonable transportation form. Government and group rates offered by a provider of transportation services shall be used when available.

Airfare at the best available economy class rate is reimbursable.

Automobile mileage is reimbursable at Internal Revenue Service rates presently in effect, and as such rates may be periodically adjusted. (See www.irs.gov) these rates are designed to compensate the driver for gasoline, insurance, maintenance,

COUNCIL POLICY NO. 100-16

and other expenses associated with operating the vehicle. This amount does not include bridge and road tolls, which are also reimbursable.

In conjunction with travel outside of the City, members on City business may have need for public transportation, taxi, limousine, or shuttle service to get from transportation terminals and for commuting in destination cities. Reasonable and necessary charges for public transportation, taxi, limousine, or shuttle service are reimbursable at actual cost with receipts.

Rental vehicles may be used during out-of-County travel. Rental vehicles may be used when the efficient conduct of City business precludes the use of other means of transportation or when a car rental is the most economical mode available. Unless the prior approval of the City Manager is obtained, the reimbursable rate shall not exceed the best available rate for an intermediate or mid-sized car. Itemized receipts must be submitted with vehicle rental reimbursement requests.

Lodging

Lodging costs will be reimbursed or paid for when travel on official City business reasonably requires an overnight stay. Government or group rates offered by a provider of lodging services shall be used when available. In the event that government or group rates are not available at the time of booking, lodging rates that do not exceed \$275.00 per night are presumed reasonable and are reimbursable.

If such lodging is in connection with a conference or organized educational activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the member at the time of booking. If the group rate for lodging in connection with a conference or organized educational activity is not available, the member shall use comparable lodging that is: (a) consistent with the Internal Revenue Service rates for reimbursement of lodging as established by IRS Publication 463, or any successor publication; (b) at a government rate, if offered by a lodging provider; or (c) as is otherwise set forth in this policy.

Lodging charges shall be based on single-occupancy rates. The City will not reimburse members for lodging expenses incurred by family members or guests when a member's family, spouse, or guest accompanies him or her, or for any charges above the single occupancy rate if the lodging establishment charges more for additional guests in the same room.

Receipts must accompany all member requests for lodging reimbursements.

Meals

Meal expenses and associated gratuities should be moderate, taking into account for community standards and the prevailing restaurant costs of the area. Actual

COUNCIL POLICY NO. 100-16

meal expenses and associated gratuities will be reimbursed or paid when incurred by the member in the performance of official duties.

Reimbursable meal expenses and associated gratuities may not exceed the following rates:

Breakfast:	\$20.00
Lunch:	\$35.00
Dinner:	\$60.00

Such amounts will be annually adjusted to reflect changes in the cost of living in accordance with statistics published by the United States Department of Labor, Bureau of Labor Statistics Consumer Price Indexes, all urban consumers for the Los Angeles Metropolitan Area. (The annual adjustment will be based on this area whether travel is within the area or not.)

Telephone/Fax/Cellular/Computer

Council Members will be reimbursed for actual telephone, fax, computer and internet expense incurred on City business. Telephone bills should identify which call were made on City business. For cellular calls when the member has a particular number of minutes included in the member's calling plan, the member can identify the percentage of calls made on City business. If other equipment charges are imposed as part of a plan or flat rate charge, the member may identify the percentage of use attributable to City business.

Garage and Parking

Actual parking and/or garage expenses and associated gratuities will be reimbursed or paid when incurred by the member in the performance of official duties. In obtaining the necessary parking or garage space, the member should use facilities which are reasonably convenient and at reasonable rates for the area. Long-term airport parking should be used for travel exceeding 24 hours.

Baggage Charges, Tips and Gratuities

Baggage handling fees of up to \$2 per bag and gratuities of up to 20 percent will be reimbursed or paid when incurred by the member in the performance of official duties.

Other

Miscellaneous expenses for registration, tuition, parking and educational materials provided at conferences are reimbursable for City authorized business. All miscellaneous expenses must be supported with itemized receipts.

COUNCIL POLICY NO. 100-16

Expenses for which members receive reimbursement from another agency are not reimbursable.

C. EXPENSE REPORT CONTENT AND SUBMISSION DEADLINE

Members shall use the standard form provided by the City for documenting their travel and business expenses. This form (A002/8/80, or its successor) is referred to as the Expense Report. Expense Reports must document that the expense in question meets the requirements of this expense reimbursement policy.

Members must submit their Expense Reports within the later of 45 days of an expense being incurred, or from returning from a trip during which an expense was incurred, which shall be accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card receipts, are also part of the necessary documentation.

D. AUDITS OF EXPENSE REPORTS

All expenses are subject to verification of compliance with this policy.

E. BRIEF REPORTS TO THE CITY COUNCIL

At the next regularly scheduled meeting of the member's legislative body following the event for which expenses are incurred, the member shall briefly report, orally or in writing, on the meeting attended at City's expense. If multiple members attended the meeting at City's expense, a joint report may be made to the legislative body.

F. COMPLIANCE WITH LAWS

Members should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All documents related to reimbursable City expenditures, including, but not limited to, expense reports, receipts, and written evidence of direct City advances or payments for expenses, are public records subject to disclosure under the Public Records Act.

SUBJECT:	CONFERENCES, MEETINGS AND TRAINING	POLICY	EFFECTIVE
		NUMBER	DATE
		100-17	11-18-80
		AMENDED:	03-28-85
		AMENDED:	08-18-92
		AMENDED:	01-19-93
		AMENDED:	02-28-06
		AMENDED:	11-27-18

It is the policy of the City Council that City officers and employees attend conferences, meetings and training sessions which are of benefit to the City.

For the purposes of this policy, conferences are defined as meetings organized by professional or technical associations for professional development and training purposes usually characterized by substantial advance notice and a formal program.

Training sessions are conducted for educational purposes and are usually sponsored by colleges or universities, professional associations or independent organizations. They are characterized by substantial advance notice and a formal "classroom/seminar" program.

Meetings may be held for many different purposes and the sponsoring organizations may be another governmental agency or a private organization. Meetings may be called with limited advanced notice and no formal program.

The City Manager shall submit a listing of proposed staff attendance at overnight conferences, meetings, and training opportunities for the Council's approval as part of the annual budget adoption process. Once the City Council has approved this listing, the City Manager is authorized to approve specific attendance at conferences, meetings, and training seminars in conformance with the list. The City Manager also may authorize the substitution of different conferences, meetings, or training seminars for those on the approved listing. Requests for staff conference attendance which are not approved as part of the budget adoption process and are not substitutions for approved conferences must be reviewed as a regular City Council agenda item prior to the conference.

The lodging expense policy defining allowable expenditures is covered in Policy No. 100-16 of this manual. An employee is responsible for all expenses incurred on behalf of family members who accompany him/her on a trip.

Registration fees charged for registration at any conference or training session authorized by the City Manager are allowed for reimbursement. Some verification of such fees must be provided with the Expense Report. These documents often

COUNCIL POLICY NO. 100-17

substantiate conference package arrangements affecting portions of the lodging, meal, and transportation expenses as well as registration fees.

In times of budgetary constraint, staff may be asked to pay for some portion of the costs to attend conferences, meetings, and training seminars.

SUBJECT:		POLICY	EFFECTIVE
	METHODS AND CLASSES OF	NUMBER	DATE
	TRANSPORTATION	100-18	11-18-80
		AMENDED:	11-27-18

It is the policy of the City Council that:

City cars should be used whenever possible except for long distances or trips requiring several working days. Receipts should be obtained for all City car expenses whenever possible.

Private cars should be used for official business only when a City car is not available or it is not feasible to use one. When the use of a private car is authorized, the reimbursement rate will be at the current City rate per mile.

It is the policy of the City Council that travel arrangements be made in advance for City officers and employees who are authorized to travel outside the City and who must use some mode of transportation other than the automobile, i.e., airplane, bus, train.

Air travel should be used for all out of state trips and some medium range trips within the state when time is a major factor. Bus, train or other methods of travel will be authorized in lieu of air travel for justifiable cause under special circumstances which indicate such modes of travel are most appropriate and economical. If a private vehicle is used, reimbursement shall be made pursuant to the AAA mileage guide at the current City rate per mile or round trip air fare, whichever is less.

It may be necessary for a City officer or employee to rent an automobile at his/her destination point because commercial sources of transportation are impractical. The individual authorized to travel should determine this before the trip.

SUBJECT:	AUTHORIZATION FOR TRAVEL EXPENSES	POLICY NUMBER <hr/> 100-19	EFFECTIVE DATE <hr/> 11-18-80
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It is the policy of the City Council that:

Justification for all City paid travel expenses will be evaluated in terms of the benefit to the City of such travel based on the criteria of usefulness of information to be obtained, need for personal representation and contacts by the City, or personnel training.

All anticipated travel expenses should be included in the budget, and no travel should be undertaken unless the anticipated expenses are funded.

All travel by any employees outside of the State of California must receive specific approval by the Department Head, the City Manager and the City Council.

Requests for conference attendance shall be processed through the City Manager as a City Council agenda item if said conference involves an overnight stay.

It is recognized that there may be occasions when due to unusual circumstances or time constraints advance approval for travel cannot be secured. A written statement providing an explanation for the trip and the reason for the exception should be submitted with the Expense Report form.

SUBJECT:	ADVANCES AND PREISSUED CHECKS	POLICY NUMBER <u>100-20</u>	EFFECTIVE DATE <u>11-18-80</u>
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It is the policy of the City Council to provide cash advances or preissued checks where necessary to authorized officers and employees of the City.

Advances may not be made by the City in excess of the estimated "out of pocket" expenses for City business which will be reasonably incurred by the individual.

All such advances and preissued checks shall be accounted for on the City's standard Expense Report form by the individual submitting the report.

SUBJECT:

PREPAYMENTS

POLICY
NUMBER

100-21
AMENDED:

EFFECTIVE
DATE

11-18-80
11-27-18

It is the policy of the City Council that:

Air, bus and train transportation, hotel deposits, conference and seminar registration fees and other costs normally payable in advance of a trip or conference shall be made through the City's authorized purchasing process.

All such prepayments shall be accounted for on the City's standard Expense Report form by the individual submitting the report.

SUBJECT:

CREDIT CARDS

POLICY
NUMBER
100-22

EFFECTIVE
DATE
11-18-80

It is the policy of the City Council to issue major charge cards (bank or general use cards) to selected City officials.

It is the individual official's responsibility to see that the charge card(s) are secured and that they are used in accordance with the City's Travel and Business Expense Policies.

All charge card expenses shall be accounted for on the City's standard Expense Report form by the individual authorized to use the card and who is submitting the report.

The City Manager is the City Officer responsible for authorizing the issuance of charge cards to City officials.

Minor credit cards (defined as vendor credit cards, i.e., gasoline credit cards) are restricted to City business use and require Department Head approval before they can be obtained.

SUBJECT:

PETTY CASH

POLICY
NUMBER

100-23

AMENDED:

EFFECTIVE
DATE

11-18-80

03-03-91

It is the policy of the City Council that City officers and employees will not use department petty cash funds for travel or business expense purposes.

City General petty cash funds may be used for travel or business expenses of less than \$100.

Individuals using petty cash shall not make use of this form of reimbursement as a means of avoiding the preparation of a standard Expense Report form.

SUBJECT:

RESTAURANT USE

POLICY
NUMBER

100-24

EFFECTIVE
DATE

11-18-80

It is the policy of the City Council not to maintain open accounts with local restaurants.

Meal expenses for City business shall be paid for by a City-issued credit card or an expense reimbursement.

SUBJECT:

GRANT FUNDS

POLICY
NUMBER

100-25

EFFECTIVE
DATE

11-18-80

It is the policy of the City Council to use grant funds for business and travel expenses when appropriate.

SUBJECT:

EXCEPTIONS

POLICY
NUMBER

100-26

EFFECTIVE
DATE

11-18-80

It is the City Council's basic position to allow no exceptions to these policies. Nevertheless, there may be occasions when City officers and employees are unable to comply with them. It is the responsibility of the City officer or employee to prepare a full written and signed statement as to why exception(s) should be approved. Approval of exceptions to these policies shall be made by the City Manager and/or the City Council as appropriate.

SUBJECT:	POLICY	EFFECTIVE
	NUMBER	DATE
TRAVEL AND BUSINESS	100-27	11-18-80
EXPENSE AUDITS	AMENDED:	11-27-18

It is the policy of the City Council that the Finance Director shall be charged with the responsibility to develop and carry out an internal audit program of incoming Expense Reports which assures that expenses claimed by City officials and employees are reimbursed in accordance with City policies and procedures pertaining to such expenses.

SUBJECT:		POLICY	EFFECTIVE
	PURCHASE AND DISPLAY OF	NUMBER	DATE
	GARDEN GROVE CITY FLAG	100-28	11-18-80
		AMENDED:	11-27-18

It is the policy of the City Council that the official Garden Grove City Flag shall be made available to any non-profit service, civic, educational, cultural, or church group whose primary purpose is service to the community.

Flag Display: Garden Grove City Flag shall be displayed in the same manner and with the same respect as is shown the Federal, State or any other governmental or organizational flag. The same rules of protocol that govern the placement of other flags also apply to the City Flag in relationship to the Federal Flag.

Flag Purchase: The City Flag may be obtained from the Office of Community Relations. The flags will be sold to organizations as mentioned above, at a price equal to the City's actual costs. The exterior flag will be reserved for use at City facilities.

SUBJECT:

CITY MEMBERSHIPS IN MAJOR
ORGANIZATIONS

POLICY
NUMBER

100-29

EFFECTIVE
DATE

11-18-80

It is the policy of the City Council that City memberships in major organizations be submitted to the City Council prior to payment of dues to the organization.

SUBJECT:		POLICY	EFFECTIVE
	TIME FOR CITY COUNCIL	NUMBER	DATE
	PUBLIC HEARINGS	100-30	11-18-80
		AMENDED:	11-27-18

It is the policy of the City Council that whenever possible no public hearing before the City Council shall begin after the hour of 11:00 p.m.

When it is anticipated that a public hearing will draw a large number of people, the item may be held on a date other than a regular City Council meeting date.

SUBJECT:		POLICY	EFFECTIVE
	EMPLOYEE GROUP USE OF	NUMBER	DATE
	COMMUNITY MEETING CENTER	100-31	06-19-89
	OR COURTYARD CENTER	AMENDED:	11-27-18

It is the policy of the City Council that the City shall allow each of the employee groups to utilize either the Community Meeting Center or the Courtyard Center for one major activity each year at no cost. Due to the high public demand on the weekends, employee groups have been encouraged to schedule these annual activities during non-peak business hours at the Center (non-peak hours are Monday 8:00 a.m. through Thursday and working Fridays at 5:00 p.m.).

SUBJECT:

DISPLAY OF POW/MIA FLAG

POLICY
NUMBER

EFFECTIVE
DATE

100-32

08-03-89

AMENDED:

02-18-92

AMENDED:

11-27-18

It is the policy of the City Council that a flag pole at the Memorial Plaza be available for displaying of a POW/MIA flag on a daily basis.

SUBJECT:

CITY COUNCIL CLOSED
SESSIONS

POLICY
NUMBER

100-33
AMENDED:

EFFECTIVE
DATE

08-06-89
4-26-16

It is the policy of the City Council that Closed Sessions at City Council meetings be held no later than 9:00 p.m. if possible when an outside paid professional is needed in the Closed Session.

SUBJECT:	ORAL COMMUNICATIONS - PUBLIC	POLICY	EFFECTIVE
		NUMBER	DATE
		100-34	11-19-90
		AMENDED:	10-25-16
		AMENDED:	11-27-18

It is the policy of the City Council that all public meetings, other than social functions, of the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development, the Sanitary District, the Housing Authority, the Industrial Development Authority, the Public Finance Authority and any combination thereof, shall have an agenda item of Oral Communications for public comment without the use of electronic media such as PowerPoint presentations.

SUBJECT:

CODE OF ETHICS

POLICY
NUMBER
100-35

EFFECTIVE
DATE
06-27-95

It is the policy of the City Council that public officials be independent and impartial in their judgment and actions; that public office not be used for personal gain; that the public have confidence in the integrity of its government and public officials; and that public deliberations and actions be conducted in an atmosphere free from personal animosity and hostility.

The City Council finds and determines that the adoption of a Code of Ethics for members of the City Council and members of its boards and commissions would further the goals set forth above.

It is the policy of the City Council that the following Code of Ethics be adopted for each member of the City Council and each member of any board or commission.

Each member of the City Council and each member of any City board or commission has a duty to:

1. Respect and adhere to the American ideals of government, the rule of law, the principles of public administration, and high ethical conduct in the performance of public duties.
2. Represent and work for the common good of the City and not for any private interest.
3. Refrain from accepting gifts or favors or promises of future benefits which might compromise or tend to impair independence of judgment or action.
4. Provide fair and equal treatment for all persons and matters coming before the Council (board or commission).
5. Learn and study the background and purposes of important items of business before voting.
6. Faithfully perform all duties of office.
7. Refrain from disclosing any information received confidentially concerning the business of the City or received during any closed session of the Council (board or commission) held pursuant to state law.
8. Decline any employment incompatible with public duty.

COUNCIL POLICY NO. 100-35

9. Refrain from abusive conduct, personal charges, or verbal attacks upon the character, motives, ethics, or morals of other members of the Council (board or commission) or the public, or other personal comments not germane to the issues before the Council (board or commission).
10. Listen courteously and attentively to all public discussions at Council (board or commission) meetings and avoid interrupting other speakers, including other Council (board or commission) members, except as may be permitted by established Rules of Order.
11. Faithfully attend all sessions of the Council (board or commission) unless unable to do so for some compelling reason or disability.
12. Maintain the highest standard of public conduct by refusing to condone breaches of public trust or improper attempts to influence legislation.

SUBJECT:		POLICY	EFFECTIVE
	REIMBURSEMENT TO COUNCIL	NUMBER	DATE
	MEMBERS FOR TIME SPENT ON	100-36	02-11-97
	COURT AND RELATED MATTERS	AMENDED:	11-27-18
	CONNECTED TO CITY BUSINESS		

It is the policy of the City Council that a Council Member shall be entitled to reimbursement from the City for time expended and direct expenses incurred in attending court proceedings, administrative matters, or attendance at meetings required by City's legal counsel arising out of litigation involving the City.

Documentation shall be completed by the Council Member stating the nature of the legal matter, the time expended, direct expenses incurred, and any other information required by the Finance Department.

The amount of reimbursement shall be sufficient to cover the dollar value of time expended by the member based upon that person's compensation (prorated) at his/her regular employment. Reimbursement for out-of-pocket expenses shall be based upon submitted receipts.

SUBJECT:

LEGAL COUNSEL DUAL
REPRESENTATION

POLICY
NUMBER

100-37

EFFECTIVE
DATE

10-08-02

It is the policy of the City Council that legal counsel employed by the City may approve as "to form" legal agreements involving the City and other public agencies also represented by the City's legal counsel where: a) the agreements are ministerial in character (e.g., the award of grant funds by a regional agency to City), and b) there is no substantial involvement in the formation of the agreement by counsel other than to approve as "to form".

In those cases, where a dispute or potential dispute arises or could arise between the two public agencies, city's legal counsel shall give notice to City of such situation as soon as possible.

SUBJECT:

PROCESS ON QUESTIONS
FROM COUNCIL MEMBERS

POLICY
NUMBER

100-38

EFFECTIVE
DATE

7-14-09

It is the policy of the City Council that Council Members do not need to obtain approval by the City Council before making information requests of staff or legal counsel. All Council Members will receive copies of written responses, if any, from staff and/or legal counsel, along with the question generating the written response. Should requests become excessive and cause a strain on resources, the City Manager is to bring the matter to the City Council at a City Council meeting.

SUBJECT:	AUTHORIZING RELEASE OF LAW ENFORCEMENT RECORDS EXEMPT FROM DISCLOSURE IN CERTAIN CIRCUMSTANCES INVOLVING ELECTED PUBLIC OFFICIALS	POLICY NUMBER <hr/> 100-39	EFFECTIVE DATE <hr/> 10-27-2015
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It is the policy of the City Council that notwithstanding the exemption in Government Code Section 6254(f), the City Clerk and Police Department records staff shall release law enforcement complaints and investigatory records, including code enforcement records, involving elected public officials whenever no other exemption applies and disclosure would not interfere with an active law enforcement or code enforcement investigation. Adopted by Resolution No. 9325-15.

SUBJECT:

FIVE YEAR PLAN

POLICY
NUMBER

EFFECTIVE
DATE

200-01

04-13-71

AMENDED:

12-23-75

AMENDED:

11-27-18

In accordance with the Garden Grove Municipal Code Section 2.08.160, it is the policy of the City Council that the City Manager prepare and submit a proposed five-year plan for the City. The plan is to include the five-year forecasts and their allocation with regard to resources, i.e., financial, physical, managerial, and technical. The five-year plan is to be updated and modified concurrently with adoption of the biennial budget.

SUBJECT:

REVENUE FROM TRANSIENT
OCCUPANCY TAX

POLICY
NUMBER

200-02

AMENDED:

EFFECTIVE
DATE

06-09-78

11-27-18

It is the policy of the City Council that revenues received from the Transient Occupancy Tax be placed in the General Fund and be utilized for funding of the City Council Budget.

SUBJECT:		POLICY	EFFECTIVE
		NUMBER	DATE
	PAYROLL DEDUCTIONS FOR	200-03	05-19-59
	CHARITABLE CONTRIBUTIONS	AMENDED:	01-22-80
		AMENDED:	11-27-18

It is the policy of the City Council that the Finance Director make payroll deductions for City employees who desire to contribute to United Way and/or the Community Health Charities Drive in that manner.

SUBJECT:		POLICY	EFFECTIVE
	CITY PURCHASES FROM LOCAL	NUMBER	DATE
	BIDDERS/SUPPLIERS	200-04	12-05-72
		AMENDED:	11-27-18

It is the policy of the City Council that where the price and/or services to be provided by a bidder or supplier are equal, preference shall be given to local merchants.

SUBJECT:

RECYCLED PRODUCTS -
PROCUREMENT

POLICY
NUMBER

200-05

EFFECTIVE
DATE

03-02-93

It is the policy of the City Council that the City of Garden Grove purchase and use recycled products whenever possible except when such use significantly increases costs or negatively impacts health, safety or operational efficiency. Also, the purchase of products that cannot be recycled or reused is strongly discouraged.

SUBJECT:

DEBT MANAGEMENT

POLICY
NUMBER

200-06

City Council
Resolution No.
9408-17
Sanitary District
Resolution No.
3766-17

EFFECTIVE
DATE

1-24-2017

The Debt Policy may be amended or waived pursuant to Section F by City Council as it deems appropriate from time to time in the prudent management of the debt of the City. The Debt Policy will also apply to any debt issued by the Successor Agency to Garden Grove Agency for Community Development, Garden Grove Sanitary District, Garden Grove Housing Authority, Garden Grove Public Financing Authority, or any other public agency or non-profit public benefit corporation affiliated with the City.

1. Debt Management Objectives

The Debt Policy sets objectives in the issuance and management of debt by the City of Garden Grove or its affiliated entities. The Debt Policy shall govern all debt undertaken by the City and its affiliated entities.

The City recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the City's sound financial position;
- Ensure the City has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses;
- Protect the City's credit-worthiness; and
- Ensure that the City's debt is consistent with the City's planning goals and objectives and capital improvement program or budget, as applicable.

The main objectives are to establish conditions for the use of debt:

- To ensure that debt capacity and affordability are adequately considered
- To minimize the City's interest and issuance costs
- To maintain the highest possible credit rating
- To provide complete financial disclosure and reporting
- To maintain financial flexibility for the City.

Debt, properly issued and managed, is a critical element in any financial management program. It assists in the City's effort to allocate limited resources to provide the highest quality of service to the public. A properly managed debt program promotes economic growth and enhances the vitality of the City of Garden Grove for its residents and businesses.

2. Policies

COUNCIL POLICY NO. 200-06

A. Purposes For Which Debt May Be Issued

The City will consider the use of debt financing primarily for capital improvement projects (CIP) when the project's useful life will equal or exceed the term of the financing or otherwise comply with Federal tax law requirements and when resources are identified sufficient to fund the debt service requirements. An exception to this CIP driven focus is the issuance of short-term instruments such as tax and revenue anticipation notes, which are to be used for prudent cash management purposes and conduit financing, as described below. Bonded debt should not be issued to finance normal operating expenses.

If a department has any project which is expected to use debt financing, the department director is responsible for expeditiously providing the City Manager and the Director of Finance with reasonable cost estimates, including specific revenue sources that will provide payment for the debt service. This will allow an analysis of the project's potential impact on the City's debt capacity and limitations. The department director shall also provide an estimate of any incremental operating and/or additional maintenance costs associated with the project and identify sources of revenue, if any, to pay for such incremental costs.

(i) Long-Term Debt. Long-term debt may be issued to finance or refinance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment, and land to be owned and/or operated by the City.

(a) Long-term debt financings are appropriate when the following conditions exist:

- When the project to be financed is necessary to provide basic services; and
- When the project to be financed will provide benefit to constituents over multiple years; and
- When total debt does not constitute an unreasonable burden to the City and its taxpayers and ratepayers; or
- When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

(b) Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.

(c) The City may use long-term debt financings subject to the following conditions:

- The project to be financed has been or will be approved by the City Council or the governing board of the appropriate affiliated entity;
- The City estimates that sufficient income or revenues will be available to service the debt through its maturity;
- The City determines that the issuance of the debt will comply with the applicable requirements of state and federal law; and
- The City considers the improvement/facility to be of vital, time-sensitive need of the community and there are no plausible alternative financing sources.

(d) Periodic reviews of outstanding long-term debt will be undertaken to identify refunding opportunities. Refunding will be considered (within federal tax law constraints, if applicable,) if and when there is a net economic benefit of the

refunding. Refundings which are non-economic may be undertaken to achieve City objectives relating to changes in covenants, call provisions, operational flexibility, tax status of the issuer, or the debt service profile. In general, refundings which produce a net present value aggregate savings of at least three (3) percent of the refunded debt will be considered economically viable. Refundings which produce a net present value aggregate savings of less than three (3) percent or negative savings will be considered on a case-by-case basis, and are subject to City Council approval.

(ii) Short-term debt. Short-term borrowing may be issued to generate funding for cash flow needs. Short-term borrowing, such as commercial paper, Tax and Revenue Anticipation Notes (TRANS), and lines of credit, will be considered as an interim source of funding in anticipation of long-term borrowing. Short-term debt may be issued for any purpose for which long-term debt may be issued, including capitalized interest and other financing related costs. Prior to issuance of short-term debt, a reliable revenue source shall be identified to secure repayment of the debt. The final maturity of the debt issued to finance the project shall be consistent with the economic or useful life of the project. Short-term debt may also be used to finance short-lived capital projects such as lease-purchase financing for equipment.

(iii) Financings on Behalf of Other Entities. The City may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of City. In such cases, the City shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein. In no event will the City incur any liability or assume responsibility for payment of debt service on such debt.

B. Types of Debt

In order to maximize the financial options available to benefit the public, it is the policy of the City to allow for the consideration of issuing all generally accepted types of debt, including, but not exclusive to the following:

- General Obligation (GO) Bonds: General Obligation Bonds are suitable for use in the construction or acquisition of improvements to real property that benefit the public at large. Examples of projects include libraries, parks, and public safety facilities. All GO bonds shall be authorized by the requisite number of voters in order to pass.
- Revenue Bonds/Certificates of Participation (COPs): Revenue Bonds are limited-liability obligations tied to a specific enterprise or special fund revenue stream where the projects financed clearly benefit or relate to the enterprise or are otherwise permissible uses of the special revenue. Generally, no voter approval is required to issue this type of obligation but in some cases, the City must comply with proposition 218 regarding rate adjustments.
- Joint Powers Authority (JPA) Revenue Bonds: As an alternative to COPs, the City may obtain financing through the issuance of debt by a joint exercise of powers agency with such debt payable from amounts paid by the City under a lease, installment sale agreement, or contract of indebtedness.

COUNCIL POLICY NO. 200-06

- Loans: The City is authorized to enter into loans, installment payment obligations, or other similar funding structures secured by a prudent source, or sources of repayment.
- Lease-Backed Debt/Certificates of Participation (Lease Revenue Bonds/COPs): Issuance of Lease-Backed Debt is a commonly used form of debt that allows a City to finance projects where the debt service is secured via a lease agreement and where the payments are budgeted in the annual budget appropriation by the City. Lease-Backed Debt does not constitute indebtedness under the State or the City's constitutional debt limit and does not require voter approval. Lease Revenue Bonds may be issued by the Garden Grove Public Financing Authority on behalf of the City.
- Special Assessment/Special District Debt: The City will consider requests from developers for the use of debt financing secured by property based assessments or special taxes in order to provide for necessary infrastructure for new development under guidelines adopted by City Council, which may include minimum value-to-lien ratios and maximum tax burdens. Examples of this type of debt are Assessment Districts (AD) and Community Facilities Districts (CFD) or more commonly known as Mello-Roos Districts. In order to protect bondholders as well as the City's credit rating, the City will also comply with all State guidelines regarding the issuance of special district or special assessment debt.
- Tax Allocation Bonds: Tax Allocation Bonds are special obligations that are secured by the allocation of tax increment revenues that are generated by increased property taxes in the designated redevelopment area. Tax Allocation Bonds are not debt of the City. Due to changes in the law affecting California redevelopment agencies with the passage of ABX1 26 (as amended, the Dissolution Act) as codified in the California Health and Safety Code, the Garden Grove Agency for Community Development (RDA) was dissolved as of February 1, 2012, and its operations substantially eliminated but for the continuation of certain enforceable RDA obligations to be administered by the Successor Agency to the Garden Grove Agency for Community Development (Successor Agency). The Successor Agency may issue Tax Allocation Bonds to refinance outstanding obligations of the RDA, subject to limitations included in the Dissolution Act.
- Multi-Family Mortgage Revenue Bonds: The City is authorized to issue mortgage revenue bonds to finance the development, acquisition, and rehabilitation of multi-family rental projects. The interest on the bonds can be exempt from Federal and State taxation. As a result, bonds provide below market financing for qualified rental projects. In addition, the bonds issued can qualify projects for allocations of Federal low-income housing tax credits, which can provide a significant portion of the funding necessary to develop affordable housing.
- HUD Section 108 Loan Guarantee Program: The U.S. Department of Housing and Urban Development (HUD) Section 108 Loan Guarantee Program allows cities to use their annual Community Development Block Grant (CDBG) entitlement grants to obtain federally guaranteed funds large enough to stimulate or pay for major community development and economic development projects. The program does not require a pledge of the City's General Fund, only of future CDBG entitlements. By pledging future CDBG entitlement grants as security, the City can borrow at favorable interest rates because of HUD's guarantee of repayment to investors.

COUNCIL POLICY NO. 200-06

- **Refunding Bonds:** The City shall refinance debt pursuant to the authorization that is provided under California law, including but not limited to Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, as market opportunities arise. The Finance Director shall identify refunding opportunities and prepare a present value analysis that describes the economic effects of a refunding. Refundings may be undertaken in order: (i) to take advantage of lower interest rates and achieve debt service costs savings; (ii) to eliminate restrictive or burdensome bond covenants; or (iii) to restructure debt to lengthen the duration of repayment, relieve debt service spikes, reduce volatility in interest rates or free up reserve funds. Generally, the City shall strive to achieve a minimum of 3% net present value savings for a current refunding and a minimum of 5% net present value savings for an advance refunding. Upon the advice of the Finance Director and with the assistance of a financial advisor and bond counsel, the City will consider undertaking refundings for other than economic purposes upon a finding that such a restructuring is in the City's overall best financial interest.

The City may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

To maintain a predictable debt service burden, the City will give preference in the future to debt that carries a fixed interest rate. An alternative to the use of fixed rate debt is variable rate debt. The City has in the past and may choose in the future to issue securities that pay a rate of interest that varies according to a pre-determined formula or results from a periodic remarketing of securities. When making the determination to issue bonds in a variable rate mode in the future, consideration will be given in regards to the useful life of the project or facility being financed or the term of the project requiring the funding, market conditions, credit risk and third party risk analysis, cost benefit of employing interest rate caps, and the overall debt portfolio structure when issuing variable rate debt for any purpose. The use of derivative products can, among other things, increase City financial flexibility and provide opportunities for interest rate savings or enhance investment yields. Careful monitoring of such products is required to preserve City credit strength and budget flexibility. Swaps will not be used to speculate on perceived movements in interest rates. Before the City enters into any derivative product associated with debt, the City Council or appropriate governing body shall consider and approve the plan and product separately.

C. Relationship of Debt to Capital Improvement Program and Budget

The City intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's capital budget and the capital improvement plan.

The City shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear, unless a specific revenue source has been identified for this purpose.

The City shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the City's public purposes.

COUNCIL POLICY NO. 200-06

The decision to incur new indebtedness should be integrated with the City Council adopted annual Operating Budget and Capital Improvement Program Budget. The annual debt service payments shall be included in the Operating Budget.

D. Policy Goals Related to Planning Goals and Objectives

The City is committed to financial planning, maintaining appropriate reserves levels, and employing prudent practices in governance, management and budget administration. The City intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's annual operating budget.

It is a policy goal of the City to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings, if applicable, and the lowest practical borrowing costs.

The City will comply with applicable State and Federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates, and charges. Except as described in Section 2.A., when refinancing debt, it shall be the policy goal of the City to realize, whenever possible, and subject to any overriding non-financial policy considerations minimum aggregate net present value debt service savings equal to or greater than 3% of the refunded principal amount.

E. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the City shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds. The Director of Finance has the responsibility to determine and oversee internal control procedures. The City will periodically review the requirements of and will remain in compliance with the following:

- Federal securities law, including any continuing disclosure undertakings under SEC Rule 15c2-12;
- Any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues;
- The City's investment policies as they relate to the investment of bond proceeds; and
- Government Code section 8855(k) and the annual reporting requirements therein.

The City shall be vigilant in using bond proceeds in accordance with the stated purpose at the time that such debt was issued. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the City will submit written requisitions for such proceeds. The City will submit a requisition only after obtaining the signature of the City Manager or the Director of Finance.

F. Amendment and Waivers of Debt Policy

- The Debt Policy will be reviewed and amended from time to time as appropriate subject to City Council approval.

COUNCIL POLICY NO. 200-06

- There will be circumstances from time to time when strict adherence to a provision of this Debt Policy is not possible or not in the best interest of the City.
- If the City staff has determined that a waiver of one or more provisions of this Debt Policy should be considered by the City Council, it will prepare an analysis for the City Council describing the rationale for the waiver and the impact of the waiver on the proposed debt issuance and on taxpayers, if applicable.
- Upon a majority vote of the City Council, one or more provisions of this Debt Policy may be waived for a debt financing.
- The failure of a debt financing to comply with one or more provisions of the Debt Policy shall in no way affect the validity of any debt issued by the City in accordance with applicable laws.

G. Professional Assistance

The City shall utilize the services of independent financial advisors and bond counsel on all debt financings. The Director of Finance shall have the authority to periodically select service providers as necessary to meet legal requirements and minimize net City debt costs. Such services, depending on the type of financing, may include financial advisory, underwriting, trustee, bond counsel, disclosure counsel, verification agent, escrow agent, arbitrage consulting, continuing disclosure consultants, and special tax consulting. The goal in selecting service providers, whether through a competitive process or when appropriate, a sole-source selection, is to achieve an appropriate balance between service and cost.

SUBJECT:

GENERAL FUND RESERVE

POLICY
NUMBER

200-07
Resolution
No. 9602-19

EFFECTIVE
DATE

12-17-19

It is the City Council Policy to be committed to prudent fiscal practices and maintaining adequate General Fund reserves to ensure consistent, uninterrupted municipal services in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures, as well as the credit worthiness of the City. The General Fund Reserve Policy (the Policy) establishes the appropriate level of unassigned fund balance in the General Fund, sets conditions warranting its use, and outlines the plan to replenish it if the balance fell below the Policy level.

The General Fund is the City's primary operating fund. It is not connected to any one revenue source and pays for general services provided by the City as well as public safety and capital improvements. A key attribute of financially stable organization is having appropriate level of reserves. It allows the City to mitigate current and future financial risks resulting from economic instability or catastrophic loss.

1. The City shall establish and maintain adequate financial reserves in order to prepare for the impact economic cycles and physical disasters have upon essential services to the public and assure annual fluctuation in revenue do not impeded the City's ability to meet expenditure obligations.
2. Fund balance as a measurement of financial resources available in a governmental fund is used in both financial reporting and budget. There are differences between the two and will likely result in different amounts reported in the financial statements and the budget. Financial statements report the total of all General Fund and its sub-funds' fund balances, yet budgetary fund balance typically focuses on the General Fund itself only. In addition, the timing difference in recognition of revenues and expenditures also contributes to the variance between the two. For example, encumbrances arising from purchase orders and contracts reduces budgetary fund balance, yet it has no impact on the financial statements.
3. In the context of financial reporting, the term *fund balance* is used to describe the difference between the assets and liabilities reported in a governmental fund. Under current accounting standards, there are five separate components of fund balance:
 - *Nonspendable Fund Balance* (inherently non-spendable, such as inventory)

COUNCIL POLICY NO. 200-07

- *Restricted Fund Balance* (externally enforceable limitations on use, such as grants, contributions, or endowments)
- *Committed Fund Balance* (self-imposed limitation on use through City Council action)
- *Assigned Fund Balance* (limitation resulting from intended use)
- *Unassigned Fund Balance* (residual net resources)

The first two components listed above are not specifically addressed in the Policy due to the nature of their restrictions.

4. Committed Fund Balance

The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. City Council action to commit fund balance needs to occur within the fiscal period, however, the amount can be determined subsequently.

Three types of committed reserves are set aside by the City to address unforeseen emergencies or disasters, significant changes in the economic environment, and key initiatives including economic development, infrastructure and capital projects.

Catastrophic Reserve

Funds reserved under this category shall be used to mitigate costs associated with public emergency such as a natural disaster or other unforeseen catastrophic events. The Catastrophic Reserve shall be used to respond to extreme, one-time events, such as earthquakes, fires, floods, civil disturbance, and terrorist attacks. This reserve will not be used to meet operation shortfalls or to fund new programs or personnel. It will be restricted and only expanded in the event such expenditures are necessary to ensure the safety of the City's residents and their property.

Stability Reserve

Stability Reserve shall be maintained to mitigate financial risks associated with unexpected revenue shortfalls due to changes in the economic environment. In times of economic downturn, if revenues are insufficient to meet the normal operating requirements of essential services, funds contained in the Stability Reserve may be used if authorized by two-third vote of the City Council.

Designated Revenues Reserve

The City Council may designate certain one-time revenue generated from non-operating activities outside the City's normal operations (Designated Revenues).

These one-time revenues include but not limited to proceeds from sale of City property, settlement, contribution, or one-time project and/or transaction. The Designated Revenues are committed by formal action of the City Council. Upon request from the City Manager, Designated Revenues may be appropriated for departmental use if authorized by two-third vote of the City Council. Those Designated Revenues not appropriated at fiscal year end are reported as Committed Fund Balance.

5. Target Levels for Committed Fund Balance

The Government Finance Officers Association (GFOA) recommends, at a minimum, that general purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their General Fund of no less than two months of regular General Fund operating revenues or expenditures. Following sound financial practices and adhering to the GFOA recommendation, the City commits to maintaining a minimum level of 16.7% (or two months) of adopted operating revenues, with a goal of reaching 30% over time. This target reserve level does not include the amount set aside for Designated Revenues Reserve.

The 30% target reserve level will be allocated as follows:

- 16.7 % Stability Reserve, and
- 13.3% Catastrophic Reserve

6. Methodology to Meet Target Reserve Levels

At the end of each fiscal year, the Finance Department reports on the audited fiscal results. Should actual General Fund revenues exceed expenditures and encumbrances/carryovers, a year-end operating surplus shall be reported. The year-end surplus could be used to support funding the target reserve levels as recommended by the City Manager and approved through the adoption of the biennial budgets.

7. Replenishment of General Fund Reserves

A replenishment schedule shall be adopted simultaneously with the appropriation from the reserve funds, with the exception of the use of the Designated Revenues Reserve. Replenishment shall begin no later than 5 years from the year of the appropriation and be completed within 10 years.

8. Assigned Fund Balance

Amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed, are considered as Assigned Fund Balance. This policy hereby delegates the authority to assign amounts to be used for specific purposes to the City Manager. Assigned Fund Balance could include:

- Encumbrances – goods and services on purchase orders and contracts that are to be delivered
- Carryover – appropriation by City Council for specific projects or programs that were not completed and not encumbered by fiscal year end.
- GASB 31 Gain – unrealized investment gains that have been recorded in the financial statement in accordance with governmental accounting standards.
- Set Asides – amount designated for certain capital replacement, reduction of debt, special events or non-recurring expenditure needs of the City.

9. Unassigned Fund Balance

Unassigned fund balance results from fund balance exceeds the combined total of non-spendable, restricted, committed and assigned fund balances. Upon final close of the fiscal year, any unassigned fund balance may be used to fund liabilities, including but not limited to debt service, pension, and other post-employment benefits. Priority shall be given to those items that relieve General Fund budget or financial and operating constraints in the future.

10. Excess Unrestricted Fund Balance

In the event the unrestricted fund balance exceeds the Policy requirement, at the end of each fiscal year, any excess may be used to fund the activities that relieve budget or financial operating constraints in the future, subject to City Council approval, including but not limited to:

- Debt reduction, including outstanding long-term obligation, pension, and other post-employment benefit;
- Revenue generating initiatives that result in continuous revenue stream; and
- Cost saving efforts that result in ongoing cost reduction; and
- One-time expenditures that advances a goal of the City Council's priorities.

SUBJECT:

PENSION FUNDING

POLICY
NUMBER

200-08
Resolution
No. 9584-19

EFFECTIVE
DATE

08-13-19

It is the policy of the City Council to establish a systematic and disciplined method to accumulate resources to be used towards funding pension liability and future benefit payments, and to provide reasonable assurance that the cost of pension benefits will be funded in an equitable and sustainable manner.

1. The City shall establish a plan to pay down its pension liabilities and/or stabilize future contribution rates.
2. Pension fund contributions shall have the same budget priority as other personnel costs such as salaries and benefits.
3. Actuarially Determined Contribution (ADC) shall be obtained annually and serve as the basis for pension fund contributions to the respective plans.
4. The ADC should be calculated in a manner that fully funds the long-term costs of promised benefits, while balancing the goals of:
 - a. Keeping contributions relatively stable; and
 - b. Equitably allocating the costs over the employees' period of active service.
5. The City shall continue to contribute a minimum of 100% of the ADC annually to the respective plans.
6. Changes in net pension liabilities, each plan's funded status, and other related ratios shall be communicated to the public annually through the publication of the City's Comprehensive Annual Financial Report.
7. Pension benefit increases that require a CalPERS contract amendment should not be recommended nor approved until the pension plan reaches 100% funded status.

SUBJECT:

INVESTMENT POLICY

POLICY
NUMBER

200-09
Resolution
No. 9640-20

EFFECTIVE
DATE

06-23-20

i. MISSION STATEMENT

It is the policy of the City of Garden Grove to invest public funds in a manner that will provide in priority order, maximum security, adequate liquidity and sufficient yield, while meeting the daily cash flow demands of the City and conforming to California Government Code Section 53600, et seq., and related statutes and regulations governing the investment of public funds.

1. PURPOSE

This statement is intended to provide guidelines for prudent investment of the City of Garden Grove's temporary inactive cash and outline the policies for maximizing the efficiency of the City's cash management system.

The City's ultimate investment goal is to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the short and long-term cash flow demands, and conforming to all state statutes governing the investment of public funds.

2. SCOPE

The Policy shall direct the investment of the City's temporarily inactive cash for all funds in the investment portfolio. These funds are accounted for in the City of Garden Grove Comprehensive Annual Financial Report under the following fund types:

- Governmental Funds
- Proprietary Funds
- Fiduciary Funds

The Policy shall also direct all investments related to the Garden Grove Housing Authority, the Garden Grove Sanitary District, and the Garden Grove Public Financing Authority. The Policy will not direct the investment of funds held for employees in deferred compensation plans. Additionally, the Policy will not direct the investment of bond proceeds, which are specifically governed by the individual bond documents and trust indentures.

3. PRUDENCE

The standard of prudence to be used by the investment official shall be the "prudent investor standard" as set forth in California Government Code Section 53600.3 and shall be applied in the context of managing the overall portfolio.

The City's Finance Director will be responsible for maintaining and updating investment policies and procedures. The intent of the procedures will be to ensure that the investment objectives and safeguards stated in this Policy are effectively communicated to all officials involved in the investment of public funds and that they properly reflect the intent of the "Prudent Investor" rule. The procedures will be maintained on file with the City Treasurer and the Finance Director.

4. OBJECTIVES

The City's funds shall be invested in accordance with all applicable City policies and codes, State statutes, and Federal regulations, and in a manner designed to accomplish the following objectives.

Section 53600.5 of the California Government Code defines the investment objectives of the investment of public funds and that the primary objective of a trustee is the safety of the principal of funds under its control. The secondary objective is to meet the liquidity needs of the depositor. The third objective is to achieve a return on the funds under its control.

A. Safety

The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. Safety of principal is the foremost objective of the investment program. City investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The City shall select only those investments that are considered very safe. The City shall not engage in speculation. The City shall diversify its investments by investing funds among a variety of securities and financial institutions offering independent returns.

B. Liquidity

Liquidity is the ability to change an investment into its cash equivalent on short notice at its prevailing market value. The funds in the City's portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrently with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio will maintain a liquidity buffer and invest primarily in securities with active secondary and resale markets.

C. Yield

Yield is the potential dollar earnings that an investment can provide; it is also referred to as the rate of return. The City's portfolio shall be designed to attain a return on investments through economic cycles, taking into account investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives.

5. DELEGATION OF AUTHORITY

In accordance with the State of California Government Code section 53607, the City Council has delegated, by resolution No. 9525-18, the authority to invest with the City Finance Director.

Within the constraints set forth in the Policy, the Finance Director has the authority to direct investment strategy and approve investment transactions for the City's investment portfolio. The Finance Director is responsible for the following:

- Approving daily investment transactions.
- Developing projections of the City's cash requirements for operating needs.
- Reviewing the liquidity position of the investment portfolio.
- Ensuring that the City's cash position is consistent with operating requirements.
- Preparing appropriate investment reports.
- Developing, implementing and monitoring controls over investments.
- Record keeping for investment transactions.

The City may engage the services of external investment management advisors to assist in the management of the City's investment portfolio in a manner consistent with the City's objectives. Such advisors may be granted discretion to purchase and sell investment securities in accordance with the Policy. Such advisors must be registered with the Security and Exchange Commission, and possess experience in public funds investment management. All broker/dealers selected by an external advisor must comply with the requirements of California Government Code Section 53601.5.

6. ETHICS AND CONFLICT OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall comply with the disclosure and disqualification requirements required by state law and any applicable regulations, including those adopted by the Fair Political Practices Commission, or FPPC. In addition, the FPPC's Statement of Economic Interests (Form 700) shall be completed annually and submitted to the City Clerk for all individuals involved in the investment of public funds.

7. ALLOWABLE INVESTMENTS

Allowable investments for the City are listed in the matrix provided herein as Attachment 1. The list is intended to ensure that the investment portfolio is properly diversified so that no single category of investment is over weighted or poses a disproportionate credit risk to the City. It should be noted that any newly developed derivative of an allowable investment that is not specifically mentioned in the Policy must be recommended by the Finance Director for inclusion in the Policy.

Any amendments to the list of allowable investments must be submitted to the City Council for review and approval.

Any prior investment currently held by the City that does not meet the guidelines of this policy shall be exempt from the requirements of the Policy. At maturity or liquidation, such funds shall be reinvested as provided by the Policy.

Should an investment's percentage exceed the Policy limitation due to an incident such as fluctuation in portfolio size, the affected securities may be held to maturity to avoid losses. When no loss is indicated, the Finance Director shall direct the investment advisor to consider reconstructing the portfolio within the Policy established percentage limits.

A thorough investigation of the investment pool/fund is required prior to investing public funds in any local agency investment pool or mutual fund. The investment of any public funds must comply with the rules set forth in the California Government Code Section 53601.

Investment of bond proceeds held by fiscal agents will be made in accordance with California Government Code Section 53601 (m), which states that money from bond proceeds should be invested as specified by bond documents. In most cases, these investments will be made under the same guidelines as other City investments.

8. DELIVERY

All security transactions entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis to ensure that securities are deposited in an eligible financial institution prior to the release of the funds. Securities will be held by a third-party custodian designated by the Finance Director and evidenced by safekeeping receipts and monthly reports.

9. SAFEKEEPING AND CUSTODY

To protect against fraud, embezzlement, or losses caused by insolvency of individual securities dealers, all securities owned by the City shall be held in safekeeping by the City's custodial bank, a third party bank trust account, acting as agent for the City under the terms of a custody agreement.

Except for federally insured Certificates of Deposit, money market funds or the Local Agency Investment Fund (LAIF), all investments evidenced by physical or book-entry securities shall be secured through third-party custody and the following safekeeping procedures:

- All transactions described above shall be executed on a delivery versus payment basis.
- The custodian shall hold assets until the investments mature or the custodial bank receives a request from the City to sell or transfer the securities.
- Bearer instruments shall be held only through third party institutions.

10. COLLATERALIZATION

- Certificates of Deposit - The City shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a non-negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to Government Code Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.
- Repurchase Agreements - The City requires that repurchase agreements be collateralized only by securities authorized in this Policy:
 - a. The securities which collateralize the repurchase agreement shall be priced at market value, including any accrued interest plus a margin. The market value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities.
 - b. Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.
 - c. The City shall receive monthly statements of collateral.

11. MATURITY

The City shall not make any investments in instruments with a stated remaining maturity that exceeds five years at the time of purchase.

The maturity of investment instruments in the portfolio shall be consistent with projected cash requirements.

It is the City's intent, at the time of purchase, to hold the majority of investments until maturity to ensure the return of all invested principal dollars. However, it is realized that market prices of securities will vary depending on economic and interest rate conditions at any point in time. As a result, the City may choose to sell a security short of final maturity to realize a capital gain if it is to the City's economic advantage to do so. It is further recognized, that in a well-diversified

portfolio, occasional measured losses are inevitable due to economic, bond market or individual security credit analysis. These occasional losses must be considered within the context of the overall investment program objectives and the resultant long-term rate of return.

12. LIQUIDITY

In maintaining sufficient liquidity in the City's portfolio, maturities shall be selected to mature prior to or match the timing of the City's projected cash flow needs. It is intended that a liquidity base equal to forecasted cash flow needs for six months should be maintained. Additionally, the marketability of a security shall be important criteria in selecting an investment.

13. DIVERSIFICATION

The City shall diversify its investments by security type, institution, and maturity date to mitigate credit risk in the portfolio.

Credit Risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The City shall mitigate credit risk by adopting the following strategies:

- The diversification requirements included in this section are designed to mitigate credit risk in the portfolio.
- No more than 5% of the total portfolio may be invested in securities of any single issuer, other than the US government, its agencies and instrumentalities.
- The City may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or the City's risk preferences.
- If securities owned by the City are downgraded by a Nationally Recognized Statistical Rating Organization (NRSRO) to a level below the quality required by the Policy, it shall be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio. Moody's, Standard and Poor's, and Fitch are currently used as the NRSRO.
 - a. If a security is downgraded below the level required by the Policy, the Finance Director will use discretion in determining whether to sell or hold the security based on its current maturity, the loss in value, the economic outlook for the issuer, and other relevant factors.
 - b. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the City Council.

14. REPORTING

COUNCIL POLICY NO. 200-09

The Finance Director shall file a monthly investment report with the City Council which provides a clear picture of the status of current investments. The investment report may include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentages of investments by category, possible changes in the portfolio structure and significant changes to investment strategies. The monthly investment report filed with the City Council will contain the following:

- Percentages of the portfolio represented by each investment category.
- An investment inventory including types and amounts of investments, issuing financial institutions and maturities.
- A list of all investment transactions that occurred during the reporting month.
- Investments or programs under the management of contracted parties.
- Average maturity of the portfolio.
- Average total yield to maturity of the portfolio relative to the prescribed benchmarks.
- Current market value of investments with maturities of more than 12 months.
- A statement denoting that the investment portfolio has sufficient liquidity to meet the City's anticipated expenditure requirements for the upcoming six months.
- Percent of portfolio invested by type of instrument.
- Written explanations for any variations to the Policy.

15. PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

The City's yield benchmark shall be the 24-month trailing average yield of the 2-year Constant Maturity Treasury (CMT).

16. INTERNAL CONTROLS

Internal controls shall be established and maintained to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees and officers of the City.

Controls deemed most important include: segregation of duties, separation of transaction authority from accounting and record keeping, custodial safekeeping, clear delegation of authority, specific limitations regarding securities losses and remedial action, control over wire transfers, minimizing the number of authorized investment officials and documentation of transactions and strategies.

The Finance Director shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with the policies and procedures set forth in this document.

GLOSSARY

ACCRUED INTEREST – Interest earned but not yet received.

AGENCIES – Agencies of the Federal government set up to supply credit to various classes of institutions (e.g., S&L's, small business firms, students, farmers, housing agencies, etc.). Examples include Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB) and Federal Farm Credit Bank (FFCB).

BANKERS' ACCEPTANCE (BA) – A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the issuer.

BROKER/DEALER – An individual or firm acting as principal in a securities transaction.

CALLABLES – Securities that the issuer has the right to redeem prior to maturity.

CERTIFICATE OF DEPOSIT (CD) – A time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.

COLLATERAL – Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMMERCIAL PAPER – Short term unsecured promissory note issued by a corporation (including limited liability companies) to raise working capital. These negotiable instruments are purchased at a discount to par value or at par value with interest bearing. Commercial paper is issued by corporations such as General Motors Acceptance Corporation, IBM, Bank of America, etc.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) – The official annual report of the City. It includes five combined statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principles (GAAP). It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COUPON – a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value; b) a certificate attached to a bond evidencing interest due on a payment date.

DELIVERY VS PAYMENT – Delivery of securities with a simultaneous exchange of money.

DEMAND ACCOUNT – An account with a commercial bank from which check withdrawals may be made at any time.

DISCOUNT – The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DIVERSIFICATION – Dividing investment funds among a variety of securities offering independent returns.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) – A Federal agency that insures bank deposits in the United States against bank failure. The standard deposit insurance coverage limit is \$250,000 per depositor, per FDIC-insured bank, per ownership category.

FEDERAL HOME LOAN BANKS (FHLB) – The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA) – FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a Federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

LIQUIDITY – A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value.

LOCAL AGENCY INVESTMENT FUND (LAIF) – The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE – The price at which a security is trading, usually the liquidation value.

MATURITY – The date upon which the principal or stated value of an investment becomes due and payable.

PAPER GAIN OR LOSS – Term used for unrealized gain or loss on securities being held in a portfolio based on comparison of current market quotes and their original cost. This situation exists as long as the security is held while there is a difference between cost value (book value) and the market value.

PORTFOLIO – Collection of securities held by an investor.

PRUDENT PERSON RULE – An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called “legal list.” In other states, the trustee may invest in a security if it is one that would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

RATE OF RETURN – The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond, the current income return.

REPURCHASE AGREEMENT (REPO) – A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate them for this.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO) – A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specific date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

SAFEKEEPING – The service provided by banks and trust companies for clients when the bank or trust company stores the securities, takes in coupon payments, and redeems issues at maturity.

SPREAD – a) The yield or price difference between the bid and offer on an issue; b) the yield or price difference between different issues.

TREASURY BILLS – A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

TREASURY BONDS – U.S. Treasury securities that have initial maturities of more than ten years.

TREASURY NOTES – Intermediate-term coupon bearing U.S. Treasury securities having initial maturities of from one year to ten years.

TRUSTEE – A financial institution with trust powers that acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

YIELD – The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price for the security. (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

YIELD CURVE – Yield calculations of various maturities at a given time to observe spread difference.

YIELD TO MATURITY – The current coupon yield minus any premium above par, or plus any discount from par in the purchase price with the adjustment spread over the period from date of purchase to maturity.

2.Attachment 1 – Allowable Investments

ALLOWABLE INVESTMENTS*						
Instrument	CITY POLICY LIMITS			STATE CODE LIMITS		
	Diversification	Term	Quality	Diversification	Term	Quality
Bankers Acceptances	Not to exceed 25% in any one institution; Not to exceed 20% of portfolio	Not to exceed 180 days	Eligible for purchase by the Federal Reserve System	Not to exceed 30% in any one institution; May not exceed 40% of portfolio	Not to exceed 180 days	Eligible for purchase by the Federal Reserve System
Bonds issued by the City, including Bonds payable solely out of revenue from a revenue producing property owned, controlled or operated by the City	Not to exceed 25% of the portfolio for combined municipal debt	Not to exceed 5 years	"A" or better ranking by nationally recognized rating services	No limit	Not to exceed 5 years	
Bonds, Notes or other evidence of indebtedness of any local agency within California, or state warrants, or Treasury Notes or Bonds of California	Not to exceed 25% of the portfolio for combined municipal debt	Not to exceed 5 years	"A" or better ranking by nationally recognized rating services	No limit	Not to exceed 5 years	
Bonds, Notes or other evidence of indebtedness in any of the other 49 states, in addition to California	Not to exceed 25% of the portfolio for combined municipal debt	Not to exceed 5 years	"A" or better ranking by nationally recognized rating services	No limit	Not to exceed 5 years	
Commercial Paper	Not to exceed 25% of Portfolio; May not represent more than 10% of issuer's outstanding paper	Not to exceed 270 days	"A1/P1" rating for issuer's Commercial Paper; "A2/A" or higher rating on long-term debt; US domiciled corporations with assets greater than \$500 million	Not to exceed 25% of Portfolio; May not represent more than 10% of issuer's outstanding paper	Not to exceed 270 days	Prime quality with the highest letter/number rating and "A" or higher rating on the issuer's long-term debt; US domiciled corporations with assets greater than \$500 million
Discount Notes or Notes issued by agencies of the Federal Government	May not exceed 75% of Portfolio	Not to exceed 5 years		No limit	Not to exceed 5 years	

COUNCIL POLICY NO. 200-09

ALLOWABLE INVESTMENTS*						
Instrument	CITY POLICY LIMITS			STATE CODE LIMITS		
	Diversification	Term	Quality	Diversification	Term	Quality
Diversified Management Companies, as defined by Section 53601(l) of the Government Code	Not to exceed 10% of Portfolio	N/A	Highest ranking by not less than 2 of the 3 largest rating services; Have an SEC registered investment advisor with more than 5 years of experience and assets under management greater than \$500 million	Not to exceed 20% of Portfolio; Not more than 10% of Portfolio in one fund	N/A	Highest ranking by not less than 2 of the 3 largest rating services; Have an SEC registered investment advisor with more than 5 years of experience and assets under management greater than \$500 million
Financial Futures and Financial Option Contracts	Not authorized			Pursuant to Section 53601	Not to exceed 5 years	Pursuant to Section 53601
Medium-Term Notes issued by Corporations	Not to exceed 30% of Portfolio	Not to exceed 5 years	"A" or better ranking by nationally recognized rating service US domiciled corporations or US licensed depository	Not to exceed 30% of Portfolio	Not to exceed 5 years	"A" or better ranking by a nationally recognized rating service US domiciled corporations or US licensed depository
Mortgage-backed Pass-Through Securities Collateralized Mortgage Obligations and Asset –Backed Securities	Not to exceed 20% of investing agency's surplus	Not to exceed 5 years	"A" or higher for issuer debt; must be rated "AA" or higher, by nationally recognized rating service	Not to exceed 20% of investing agency's surplus	Not to exceed 5 years	"A" or higher for issuer debt; must be rated "AA" or higher, by nationally recognized rating service
Negotiable Certificates of Deposit issued by a Nationally or State Chartered Bank, a Federal Association, or a State Licensed Branch of a Foreign Owned Bank (Insured by Federal Government)	Not to exceed 20% of Portfolio May not exceed shareholder's equity of issuing bank or net worth of issuing S & L or Federal Association	Not to exceed 3 years	Bank or Savings & Loans with "A1/P1" or better short term debt rating and "A2/A" or better long-term debt rating	Not to exceed 30% of Portfolio May not exceed shareholder's equity of issuing bank or net worth of issuing S & L or Federal Association	Not to exceed 5 years	Not specified

COUNCIL POLICY NO. 200-09

ALLOWABLE INVESTMENTS*						
Instrument	CITY POLICY LIMITS			STATE CODE LIMITS		
	Diversification	Term	Quality	Diversification	Term	Quality
Repurchase Agreements	Not to exceed 10% of Portfolio	Not to exceed 14 days	Collateral of 102% or greater with securities permitted in the Policy	None	Not to exceed 1 year	Authorized Collateral of 102% or greater
Reverse Repurchase Agreements	Not authorized			None	Not to exceed 1 year	Extensive conditions listed in Section 53601 (i)
Supranationals	Not to exceed 20% of Portfolio	Not to exceed 5 years	“AA” or better ranking by a nationally recognized rating service Washington, D.C. based issuers: IADB, IBRD, and IFC	Not to exceed 30% of Portfolio	Not to exceed 5 years	“AA” or better ranking by a nationally recognized rating service Washington, D.C. based issuers: IADB, IBRD, and IFC
State of California Local Agency Investment Fund (LAIF) or other Local Government Investment Pools established by public entities	Limit set by LAIF	N/A	Instruments consistent with State Code	No requirement	N/A	
United States Treasury Notes, Bonds, Bills, or other certificates of indebtedness backed by the US Government	No limit	Not to exceed 5 years		No limit	Not to exceed 5 years	
Zero Coupon Bonds	Not authorized			Not specified		

** No more than 5% of the total portfolio may be invested in securities of any single issuer, other than the US government, its agencies and instrumentalities.*

SUBJECT:

PURCHASING POLICY

POLICY
NUMBER

200-10
Resolution
No. 9646-20

EFFECTIVE
DATE

06-23-20

MISSION STATEMENT

CITY OF GARDEN GROVE PURCHASING DIVISION

The mission of the Purchasing Division and Central Stores is to assist the City of Garden Grove to obtain the goods and services needed by staff while promoting a spirit of teamwork and unity; to assist and educate staff with all of their procurement needs while respecting their expertise and knowledge of their discipline; to provide prompt and professional attention to each department's needs; to spend the City's money wisely so that maximum value is obtained for its limited financial resources; to maintain a central store of supplies and materials to meet the goals of the City; and to obtain maximum value for surplus and obsolete items. Purchasing and Central Stores will act in accordance with the highest standards of ethics, customer service, transparency, and fairness, and will be accountable for expenditures for goods and services.

Purchasing and Central Stores will conduct its work in accordance with federal and state law. Purchasing will continuously evaluate each process and transaction with a critical eye towards implementing processes that are cost effective and value added.



CODE OF ETHICS

As public employees, purchasing professionals, and staff members of the Purchasing Division for the City of Garden Grove, we owe our institutions our best, unbiased judgment every time we spend their money and/or act on their behalf. All staff members who engage in the procurement process shall agree to, be familiar with 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.

In addition, the following rules of professional conduct shall govern the behavior of Assistant Buyer(s), Buyer(s), Storekeeper(s), Stock Clerk(s) and the Purchasing Division Manager in the fulfillment of their duties.

- A. 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 Purchasing Manual.
- B. Do 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 perceived, by virtue of their use in the Department, as an endorsement of, or preference for a particular product or service.
- C. Declare a conflict of interest when a potential organization is to be selected for contract award that employs him or her, is about to employ him or her, or his or her family members or partner. The officer, employee or 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.
- D. Immediately disclose any real or apparent potential conflict of interest to the employee's supervisor and refrain from all activity with respect to this vendor upon learning that the City is conducting or intends to conduct business with a vendor which the employee, or a member of the employee's family may have a financial interest.
- E. Conduct themselves in a courteous and professional manner with the Department's customers and vendors, and act professionally and without discrimination or bias.

COUNCIL POLICY NO. 200-10

- F. Do not utilize confidential or sensitive information acquired in the course of their duties for personal gain or for the benefit of family or friends.
- G. Immediately inform their supervisor and other department management upon learning of a potential or existing problem that the Department has an interest in. Employees will strive to ascertain all relevant facts in a timely manner as well as analyze all possible solutions, and present what they believe to be the best solution to their supervisor.
- H. Do not willfully or unlawfully conceal, remove, mutilate, falsify or destroy any document or records.
- I. Do not make any false or fictitious statements in connection with any official matter, document or record.

Violation of any provision of this policy may be cause for disciplinary action. Disciplinary action may range from an oral reprimand to termination. The City reserves all rights to pursue appropriate legal action to the fullest extent permitted by law.

CHAPTER 1:
GENERAL PURCHASING OVERVIEW AND STRUCTURE

1.1 INTRODUCTION

This Purchasing Manual has been prepared to provide guidance and training for the procurement of all equipment, materials, supplies and services needed by departments within the City. This manual outlines the steps of each type of procurement process from the beginning to the end. The Garden Grove Municipal Code is the guideline for this manual and can be referenced on the City's Intranet.

The Purchasing Division is responsible for managing the informal and formal bidding process, processing of all purchase requisitions, developing and reviewing contracts, and the administration of the credit card and cell phone programs. The Purchasing Division also oversees the operations of the Central Stores Warehouse which includes receiving and surplus property disposal.

1.2 OVERVIEW

As a public entity, it is critical that the purchasing procedures adopted by the City Council are equitable, transparent and follow the applicable statutory requirements.

The Purchasing Manual was created to serve as a reference tool for departments in translating needs into tangible items and services. The purpose of this manual is to provide the necessary guidance for staff to obtain needed products and services as directed by the Municipal Code, Ordinances and Resolutions, Administrative Regulations, and State and Federal Regulations.

In addition to outlining the basic purchasing processes and threshold limits, this manual also provides detailed information on the informal and formal bidding processes, insurance requirements and the Central Stores Warehouse operations.

This manual cannot address every situation. When an unusual situation occurs or a difficult legal problem arises, the City Council, City Manager or designee, may approve exceptions to this policy, when in the best interest of the City, so long as the proposed exceptions are consistent with local, state, and federal laws. The final authority for City purchasing procedures is the law itself.

It shall be the policy of the City to fully comply with and make purchases or expenditures pursuant to this manual.

The goal of this manual is to present a user-friendly, easy-to-understand document that summarizes the procurement process and provides information that is most useful to the procurement process. If you cannot find the answer to your question in this manual, please call the Purchasing Division for assistance. We are happy to be of service.

1.3 PURCHASING STRUCTURE

The City of Garden Grove operates under a decentralized purchasing function for purchases that do not exceed a total amount of \$25,000 in which specific employees in the various departments are responsible for purchasing decisions for services, equipment, and goods within a certain dollar threshold per the approval of the department head or designee. The Purchasing Division advises and assists the departments as needed, and initiates purchases that benefit the City.

City departments may contact vendors for product information and to obtain informal quotes for materials, supplies and equipment and proposals for services that do not exceed the \$5,000 purchasing threshold. All purchases that do not fall within this dollar threshold must be executed per the guidelines established within this Purchasing Manual.

1.4 THE PURCHASING CYCLE

Purchasing and procurement are citywide functions. Virtually every City employee participates either directly or indirectly in the process. Procurement begins with employees identifying a requirement for a product or service. The purchasing cycle establishes the proper steps for all department staff to follow when requisitioning supplies, materials, and equipment; public works projects; and/or professional/consultant service contracts.

The Budget

Step One: Approval of the City's budget. The budget authorizes the City Manager and designees to purchase the materials, supplies, services, and equipment in the budget document. Purchases for certain dollar amounts are subject to further requirements, such as department head approvals, City Manager/Designee approval, City Council approval, and/or bidding requirements.

Method of Purchase

Step Two: Departments choose the method of purchase according to the type and dollar value of the purchase. A requisition is submitted, routed through the approval process, and is eventually converted into a purchase order or contract.

Risk Management Review

Step Three: Risk Management evaluates the potential risk and determines the appropriate insurance requirements and contract language.

Receiving and Acceptance

Step Four: Once the product or service has been received or accepted, payment authorization can proceed. All goods should be shipped to a City facility to ensure receipt by City staff, unless approved by the Purchasing Division Manager prior to

making the purchase.

1.5 RESPONSIBILITIES

Department Responsibilities

- Know the requirements of your funding source. Grants and Federal funding may have different requirements and always defer to the stricter funding requirements or the City purchasing policies
- Verify available budget prior to making purchases
- Anticipate requirements sufficiently in advance to allow adequate time to obtain goods in accordance with the best purchasing practices
- Determine if prevailing wages are required and confirm DIR registration requirements are met prior to obtaining bids and quotes
- Contact Risk Management to obtain insurance recommendations and contract language prior to obtaining bids and quotes or issuing contracts
- Do not split orders for the purpose of avoiding purchasing and bid requirements or approval levels
- Provide detailed, accurate specifications to ensure goods obtained are consistent with requirements and expectations
- Prepare requisitions according to instructions to minimize processing time
- Limit urgent and sole source purchases and provide written documentation for review when these purchases are necessary

Risk Management Responsibilities

- Review draft contracts and contract amendments and provide insurance recommendations and language
- Contact vendors to obtain additional insurance documents when needed
- Determine if insurance requirements can be waived based on risk assessment

Purchasing Responsibilities

- Ensure full and open competition on all purchases as required by the purchasing policy
- Coordinate vendor relations, locate sources of supply and evaluate vendor performance

COUNCIL POLICY NO. 200-10

- Recommend revisions to purchasing procedures when necessary and keep informed of current developments in the field of public purchasing and state laws pertaining to purchasing
- *Prescribe and maintain all forms and records necessary for the efficient operation of the purchasing function*
- Act as the City's agent in the transfer and disposal of surplus equipment and materials

CHAPTER 2: PURCHASING AUTHORITY & THRESHOLDS AND REQUIREMENTS

2.1 PURCHASING AUTHORITY

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 purchasing functions.

City Council Resolution No. 9212-14 authorizes the City Manager or his/her designee to approve contracts for professional services and for the purchase of supplies and equipment up to \$50,000 per vendor, per fiscal year.

Public Works contracts are authorized under the California Public Contract Code and Chapter 2.52 (Public Works Construction Bid Procedure) of the Garden Grove Municipal Code.

Pursuant to Section 2.50.020 (Purchasing Authority) of the Garden Grove Municipal Code, the City of Garden Grove Purchasing Manager has the authority, as delegated by the Finance Director, to:

A. Purchase or contract for supplies, services, and equipment required by any using agency in accordance with purchasing procedures prescribed by the Code, such administrative regulations as he or she 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;

COUNCIL POLICY NO. 200-10

- 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 ensure 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 that cannot be used or that have become unsuitable for City use; and
- K. Maintain a bidder's list and records needed for the efficient operation of the Purchasing Division (2813 § 1, 2012; 1274 § 1, 1972)

2.2 PURCHASING THRESHOLDS AND REQUIREMENTS

The following charts are reference guides that outline the different types of procurements, the requirements for each process, and the proper channels of approval. Please reference Chapters 7, 8 and 9 of this manual for a detailed explanation of each procurement process.

Purchase of Materials and Supplies, Equipment and other Commodities

Dollar Threshold	Requirements	Requisition Approval/Authority
\$0–\$5,000	Requisition/PO and one (1) informal quote required for amount over \$1,000	Requisition Approval: Department Head/Designee approval required
	Purchases under \$1,001 do not require a Requisition/PO	Authority: Department Head/Designee approval required
\$5,001–\$25,000	Obtain three (3) informal quotes	Requisition Approval: Department Head/Designee approval required
	Requisition/PO Required	Authority: Department Head/Designee approval required

COUNCIL POLICY NO. 200-10

Dollar Threshold	Requirements	Requisition Approval/Authority
\$25,001 and greater	<p>Formal Bid (IFB) Process Required</p> <p>Requisition/PO Required</p>	<p>Requisition Approval: Department Head/Designee approval required</p> <p>Authority: City Manager/Designee approval required up to \$50,000</p> <p>City Council approval required for purchases greater than \$50,000</p> <p>Note: All vehicles require City Council approval regardless of dollar amount</p>

Contracts for Professional Services and Consultant Services

Dollar Threshold	Requirements	Requisition Approval/Authority
\$0-\$5,000	<p>Requisition/PO and one (1) written proposal required for all services that exceed \$1,000</p> <p>Services under \$1,001 do not require a Requisition/PO</p> <p>Contract and insurance validation is not required for services between \$1,001-\$5,000 unless deemed as necessary by Risk Management</p>	<p>Requisition Approval: Department Head/Designee approval required</p> <p>Authority: Department Head/Designee approval required</p> <p>City Manager/Designee signature required on all contracts</p>

COUNCIL POLICY NO. 200-10

Dollar Threshold	Requirements	Requisition Approval/Authority
\$5,001–\$25,000	Requisition/PO, one (1) written proposal and contract required	Requisition Approval: Department Head/Designee approval required Authority: City Manager/Designee signature required on all contracts
	Mini Brooks Act may apply	
	Insurance required as per contract and Risk Management recommendations	
\$25,001 and greater	Formal Request for Proposal (RFP) Process Required	Requisition Approval: Department Head/Designee approval required Authority: City Manager/Designee signature required on all contracts up to \$50,000 City Council approval required for contracts greater than \$50,000
	Mini Brooks Act may apply	
	Requisition/PO, scope of work and contract required	
	Insurance required as per contract and Risk Management recommendations	

Purchase Orders and Contracts for Public Works/Construction Projects

Dollar Threshold	Requirements	Requisition Approval/Authority
\$0–\$5,000	Provide a detailed scope of work to potential contractors and obtain one (1) written quotation which includes prevailing wage rates	Requisition Approval: Department Head/Designee approval required Authority: Department Head/Designee approval required Notice of contract award through DIR's PWC-100 NOT REQUIRED
	Prevailing Wage rates required for work of \$1,000 and greater	
	Requisition/PO and one (1) written quotation required for amount over \$1,000	
	Contract and insurance validation is not required for services between \$1,001–\$5,000 unless deemed as necessary by Risk Management	
	Valid Contractor License required	

COUNCIL POLICY NO. 200-10

Dollar Threshold	Requirements	Requisition Approval/Authority
\$5,001 –\$10,000	<p>Provide a detailed scope of work to potential contractors and obtain one (1) written quotation which includes prevailing wage rates</p> <p>Prevailing Wage rates required for work of \$1,000 and greater</p> <p>Contract and insurance required for projects greater than \$5,000 as per contract and Risk Management recommendations</p> <p>Valid Contractor License required</p>	<p>Requisition Approval: Department Head/Designee approval required</p> <p>Authority: Department Head/Designee approval required Notice of contract award through DIR's PWC-100 NOT REQUIRED</p>
\$10,001-\$60,000	<p>Provide detailed scope of work to potential contractors and obtain three (3) written quotations which include prevailing wage rates</p> <p>Requisition/PO, scope of work and contract required</p> <p>Valid Contractor License required</p> <p>Must provide proof of registration (prime and all sub-contractors) with the DIR unless under the small project exemption</p> <p>Labor/Material and Performance Bonds required for all contracts greater than \$25,000</p> <p>Insurance required as per contract and Risk Mgmt. recommendations</p> <p>Prevailing Wage rates required</p>	<p>Requisition Approval: Department Head/Designee approval required</p> <p>Authority: City Manager/Designee signature required on all contracts up to \$50,000</p> <p>City Council approval required for contracts greater than \$50,000</p> <p>Project Managers are required to submit notice of contract award through DIR's PWC-100 system on projects that fall outside of the small project exemption. The small project exemption applies for all public works projects that do not exceed: -\$25,000 for new construction, alteration, installation, demolition or repair -\$15,000 for maintenance</p>

Dollar Threshold	Requirements	Requisition Approval/Authority
\$60,001-\$200,000	<p>Informal Bid Process Required per GGMC § 2.52.030</p> <p>Requisition/PO, detailed scope of work/plans and contract required</p> <p>Notice of Inviting Bids Required</p> <p>Valid Contractor License required</p> <p>Must provide proof of registration (prime and all sub-contractors) with the DIR: Department of Industrial Relations</p> <p>Labor/Material and Performance Bonds required</p> <p>Insurance required as per contract and Risk Management recommendations</p> <p>Prevailing Wage rates required</p>	<p>Requisition Approval: Department Head/Designee approval required</p> <p>Authority: City Council approval required</p> <p>Contracts AND Purchase Orders for all public works projects that fall outside of the small project exemption must be reported to the DIR by the Project Manager within 30 days of the award/approval date, or before beginning any work.</p>
\$200,001 and greater	<p>Formal Bid Process Required per PCC 22037</p> <p>Requisition/PO, Scope of Work/Plans and Contract required</p> <p>Notice of Inviting Bids Required</p> <p>Valid Contractor License required</p> <p>Must provide proof of registration (prime and all sub-contractors) with the DIR: Department of Industrial Relations</p> <p>Labor/Material and Performance Bonds required</p> <p>Insurance required as per contract and Risk Management recommendations</p> <p>Prevailing Wage rates required</p>	<p>Requisition Approval: Department Head/Designee approval required</p> <p>Authority: City Council approval required</p> <p>Contracts AND Purchase Orders for all public works projects that fall outside of the small project exemption must be reported to the DIR by the Project Manager within 30 days of the award/approval date, or before beginning any work.</p>

CHAPTER 3:
VENDOR INFORMATION AND RELATED POLICIES

3.1 NEW VENDOR APPROVAL PROCESS

Before making purchases other than with petty cash and credit cards, new vendors must be set up in the City's financial system. New vendor requests are to be entered by the departments. New vendors are required to submit a completed W9, Request for Taxpayer Identification Number form to the requesting department. Requesting departments will enter the necessary information including vendor name (if applicable), DBA (if applicable), remittance address, purchasing address, purchasing e-mail, remit e-mail (if available), phone number, business type, and attach the W9 form in the financial system. The vendor request will be submitted to the Purchasing Division for review and approval. Once approved, a vendor number is assigned and the department will be notified. The new vendor is then available to use by all departments

3.2 PLANET BIDS ON-LINE VENDOR REGISTRATION

The Purchasing Division utilizes an online registration and bidding system to conveniently assist and notify vendors and businesses of various bid opportunities, news, and updates. The electronic bidding system provides an easy and accessible way to obtain solicitation documents. Registered companies will receive customized emails notifying them of specific bids, the ability to search for bids, and download documents. The City utilizes a customized list of commodity codes to register and notify potential bidders for opportunities. In order to access the system, vendors must register with the City.

Current and new vendors that would like to receive notification of bid opportunities from the City are encouraged to register online. The system requires all vendors to have email capability to download solicitations, documents, addendums, and award information. Both formal and informal solicitations can be processed through the online bidding system. When a vendor does not have access to register online, Purchasing Division staff will assist in the registration and bidding process. Once registered, all vendors are solely responsible for maintaining current and accurate profile information. Vendors may edit their profile at any time.

This system provides vendors with a searchable online database of current bid and proposal solicitations and opportunities.

Some of the key system features and vendor benefits include:

- A. Vendors' ability to maintain their own profiles as a new or existing vendor
- B. Receive automatic email notifications for selected bid opportunities based on product/service categories
- C. Searches for requests, addenda, plan holders lists, bid results, and awards

COUNCIL POLICY NO. 200-10

- D. Request and download bid document(s) when available
- E. Receive automatic addendum notifications as a bid participant

The City now conducts the majority of its formal bid and proposal solicitations through this on-line bidding system. To receive full advantage of this program, we encourage all vendors to register online by accessing the City's website.

3.3 LOCAL VENDOR 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 2% of the lowest bid received, provided that the dollar amount represented by the 2% difference does not exceed \$5,000. This provision shall only be utilized where bids in the amount of \$5,000 or higher are solicited.

3.4 USING VENDOR CONTRACTS VERSUS APPROVED CITY CONTRACTS

Project Managers may encounter a situation where the vendor prefers for the City to use their contract versus a standard City approved contract. It is recommended that the project manager send the vendor a sample copy of the City's standard contract for review prior to agreeing to use a vendor's contract.

If a decision is made to use the vendor's contract, the following steps must be followed by the project manager to ensure that the proper insurance requirements are included within the contract and that the City is able to comply with all of the terms of the vendor contract.

- A. Risk Management Review: A copy of the vendor contract and the scope of work should be forwarded to Risk Management for review and insurance recommendations and language.
- B. City Attorney Review: Once Risk Management reviews the vendor's contract, it should then be forwarded to the City Attorney for review and approval as to form. The City Attorney will make recommendations and may request that the vendor make changes to their contract prior to obtaining signatures.
- C. Consult with the Vendor: The project manager shall communicate any changes or recommendations back to the contractor for review and revisions to their contract. Once the contract has been revised, signatures can be obtained. In the event that the contractor does not agree with the proposed changes, Risk Management and/or the City Attorney should be contacted for further discussion and negotiation.

CHAPTER 4: METHODS OF PROCUREMENT

The most common methods of procurement are purchase orders and contracts which are discussed in detail in Chapters 7, 8 and 9. This chapter will discuss other methods that are available and the guidelines for each method. These alternate methods of procurement should not be used when a purchase order or contract is required according to the purchasing policies and guidelines.

4.1 REQUISITION/PURCHASE ORDER AND REQUIREMENTS

A requisition and purchase order are required for the following purchases:

1. Materials/Supplies/Commodities
2. Equipment
3. Public Works/Construction contracts
4. Professional Service/Consultant contracts
5. Changes Order requests to make changes to existing purchase orders
6. Requests for Master Blanket Purchase Orders
7. Releases against Master Blanket Purchase Orders
8. Amendments to existing Professional Service/Consultant contracts
9. Change notices to Public Works/Construction contracts
10. Request to initiate a formal bid or request for proposal process
11. If the purchase involves obtaining any of the following items, a requisition and purchase order are always required, regardless of the dollar threshold.
 - Furniture (Chairs, Desks, Systems Furniture/Cubicles, etc.)
 - Software and Computer Products (may require prior approval from the Information Technology Department)
 - Ammunition
 - Weapons

4.2 EXEMPTIONS TO REQUISITION AND PURCHASE ORDER REQUIREMENTS

The following are exemptions to the requisition and purchase order process: The following products and services do not require the submission of a requisition or purchase order.

1. Filing Fees
2. Travel Services – such as hotel reservations, rental cars, and airfare
3. Licenses
4. Utility Payments
5. Professional Membership Dues
6. Registration fees
7. Subscriptions for magazines/periodicals
8. Tuition

COUNCIL POLICY NO. 200-10

9. Other Governmental Agencies
10. Contracts for services under \$1,001
11. Purchases for goods/commodities under \$1,001
12. Reimbursement for items under the petty cash procedure
13. Insurance Premiums, Claims and Settlements
14. Conferences and Business Meetings
15. Mandated Payments

4.3 CITY ISSUED CREDIT CARDS

Obtaining a City Issued Credit Card: City issued credit cards will be issued per the approval of the Finance Director. Credit limits will also be set per the discretion of the Finance Director. To request a credit card, please draft a memo to the Finance Director for review and approval, which includes the name and title of the person whom the credit card will be issued to, suggested credit limit and justification for the need and use of the credit card. Upon receiving approval from the Finance Director, the Purchasing Manager will request the credit card from the bank.

Credit Limit Increases: Credit limit increases are subject to the approval of the Finance Director. To request a credit limit increase, draft a memo to the Finance Director for review and approval. Upon receiving approval from the Finance Director, the Purchasing Manager will request the credit limit increase from the bank.

Cancellation of Credit Cards: Upon retirement or separation from the City, credit cards will be cancelled and must be surrendered to the Purchasing Division.

Please reference Administrative Regulation 5.8: Credit Card Policy

4.4 BLANKET PURCHASE ORDERS

Blanket purchase orders are used for various categories of items such as office supplies, hardware, plumbing supplies, painting supplies and various types of on-call services. Master blanket purchase orders will be established at the beginning of each fiscal year and must be a collaborative effort amongst various City departments. This will ensure discounted pricing based on larger purchases and economies of scale. Pricing should be based on discounted pricing through negotiated contracts or through contracts that have already been formally bid such as state contracts or cooperative agreements.

Master Blanket Purchase Orders

COUNCIL POLICY NO. 200-10

- Master blanket purchase orders are "B" type purchase orders
- The requestor will enter a requisition to initiate a new master blanket purchase order which includes the purchase order amount and negotiated pricing list or contract
- Purchasing will create the master blanket purchase order
- Purchasing will verify annual spending amount based on history to ensure collaboration amongst City departments
- Purchasing staff can assist with negotiated pricing for the items to be purchased under the master blanket purchase order when needed
- Funds are not encumbered (non-encumbered) at the time the master blanket purchase order is created
- Master blanket purchase orders will be renewed at the beginning of each fiscal year
- Master Blanket Purchase Order and Terms and Conditions will be sent to the vendor

Releases against Master Blanket Purchase Orders

- Releases against Master Blanket purchase orders are "P" type purchase orders
- The requestor will enter a requisition to initiate a release against the master blanket purchase order
- Releases are the anticipated spending amount per quarter or time period the user chooses and are encumbered
- Releases can be done on a quarterly basis or as needed
- Release purchase orders against the master blanket purchase orders will not be sent to the vendors

CHAPTER 5:
INFORMAL AND FORMAL BIDDING PROCEDURES

5.1 INFORMAL BIDDING PROCESS

Informal bidding procedures require the solicitation of written informal quotes and proposals from vendors as required per the purchasing thresholds. These may be submitted by email, fax, internet websites, or mail. Informal bidding procedures apply to the following:

- *Purchases – for materials, supplies, equipment and commodities up to \$25,000*
- *Professional/Consultant Service Contracts up to \$25,000*
- *Public Works Contracts up to \$200,000.* Notice of Inviting Bids is not required under the informal bidding process except for Public Works projects over \$60,000.

5.2 FORMAL BIDDING PROCESS

Formal bidding procedures require a formal type of bidding process such as an IFB (Invitation for Bids) or RFP (Request for Proposal) process. Formal bidding procedures apply to the following:

- *Purchases – Materials, supplies and equipment that exceed \$25,000 require a formal IFB process.*
- *Professional/Consultant Service contracts over \$25,000-* All professional and consultant services that exceed \$25,000 require a formal RFP process.
- *Public Works Projects over \$200,000-* All Public Works projects that exceed \$200,000, require a formal IFB (Invitation for Bids) process.

5.3 FORMAL BIDDING PROCESS REQUIREMENTS

A. Vendor List: The City shall maintain a list of vendors which is maintained in the Planet Bids System.

B. Advertising/Notice Inviting Bids: Public Contract Code 22037 requires that the Notice Inviting Formal Bids be published in a newspaper of general circulation at least 14 calendar days before bid opening. Additionally, Public Contract Code 22037 requires that the Notice Inviting Formal Bids be mailed to all applicable construction trade journals not less than 30 calendar days before bid opening. To meet the requirements for formal bids, the City of Garden Grove is required to publish notifications twice, not less than 5 days apart, with the first being published in local newspapers at least 14 calendar days before the opening of the bids.

The Notice Inviting Bids shall include:

COUNCIL POLICY NO. 200-10

- (a) State the time and place for receiving and opening of sealed bids
- (b) Distinctly describe the item(s), service(s), and/or equipment solicited
- (c) Project title and contract number
- (d) Date, time, and place for receiving bids
- (e) City's address and phone number
- (f) Brief description of work to be done
- (g) Bond requirements-required for Public Projects of \$25,000 and greater
- (h) Where plans or scopes of service may be obtained
- (i) If a deposit is required and whether or not the deposit is refundable

C. Formal Bid Opening: Sealed bids can submitted to the Purchasing Division or the City Clerk's Office in paper or electronic format, per bid instructions. DIR registration is verified for all contractors and subcontractors prior to bid opening. Bids are publicly opened and recorded at the time and place stated in the public notices. All bids received will be available for public inspection at the time of the bid opening or within 24 hours if the submittal is electronic. The Purchasing Division or City Clerk's Office will be responsible for tabulating all bids.

5.4 AWARD OF PURCHASE ORDER/CONTRACT

If a purchase order or contract is awarded through an IFB (Invitation for Bid) process, 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, subject to the local vendor preference in Garden Grove Municipal Code Section 2.50.110 (Open Market Procedure). Contracts that are awarded through an RFP (Request for Proposal) process are based upon the specified scoring criteria and not based on the lowest priced proposal submitted.

5.5 NO BIDS RECEIVED/NON-RESPONSIVE BIDS AND PROPOSALS

If no bids or proposals are received through the formal or informal bidding procedure, the goods or services may be secured by negotiated contract.

5.6 REJECTION OF FORMAL BIDS

In the event that a decision is made to not award a formal bid that falls under the authority of the City Council, the department must obtain authorization from the City Council to reject all bids. If a decision is made to re-bid the project, then the department must also obtain City Council approval to re-bid the project. This request would be considered a Consent Item on the City Council agenda and the department must prepare the staff report accordingly.

CHAPTER 6:
EXCEPTIONS TO THE COMPETITIVE BIDDING PROCESS

Purchases of supplies, services, equipment, and the sale of personal property shall be by bid procedures pursuant to Garden Grove Municipal Code Section 2.50.060 (Bidding). Bidding may be dispensed with only when:

- A. The amount is equal to or less than \$25,000;
- B. An emergency requires that the order be placed with the nearest available source of supply and/or service providers, subject to Garden Grove Municipal Code Section [2.50.070 \(Emergency Purchase Justification\)](#);
- C. The Finance Director determines that the commodity can be obtained from only one vendor;
- D. The City has a contract with another governmental agency to purchase a particular item or service on a cooperative basis;
- E. The purchase price and other terms are similar to those in a contract awarded for the same goods and/or services by another public agency or government purchasing cooperative organization based on a competitive process similar to the processes described in Garden Grove Municipal Code Section [2.50.100 \(Formal Contract Procedure\)](#) or [2.50.110 \(Open Market Procedure\)](#);
- F. The contract is for professional services to be let primarily based on qualifications; or
- G. The City Council determines it to be in the best interest of the City.

6.1 EMERGENCY PURCHASES

In the event of an emergency, competitive bidding procedures may be bypassed when time is of the essence.

The City Manager has the final authority on all emergency requests. An emergency memo must be reviewed and signed by the City Manager or his/her designee.

Insurance Requirements will also be waived if the situation does not allow adequate time for the insurance approval process.

An emergency is defined as follows:

EMERGENCY: An emergency situation exists when the life safety, health or welfare of the public or employees is affected by a sudden and unexpected occurrence, which requires immediate action to prevent or mitigate a loss.

COUNCIL POLICY NO. 200-10

An emergency situation does not exist when staff has neglected to allow sufficient time to process an order or obtain a product or service that does not fall under the requirements of an emergency as defined above.

When an emergency situation exists, Purchasing staff or the Finance Director should be contacted whenever possible. Purchasing staff will confirm if the situation qualifies as an emergency, and will assist the department as needed with placing an order or service call with the nearest available source.

If the Purchasing Division or the Finance Director cannot be reached, the Department Director may authorize placing an order or service call with the nearest available source. The Department Director is responsible to notify the City Manager of the emergency situation.

If an emergency situation requires expenditures in excess of \$50,000, a Manager's memo shall be sent to notify the City Manager and the approval of City Council may be required at its next scheduled meeting.

The requesting Department will be responsible for submitting the following documents to the Purchasing Division within 48 hours of the occurrence:

- A. Requisition which is flagged with a requisition code of "99" to mark it as an emergency and enter notes regarding why it is an emergency in the PR notes field and attach the following documents:
 - Emergency Memo-which explains and justifies the emergency situation and is signed by the Department Director or his/her Designee.

For purchasing policies during major disasters and emergencies that may require FEMA reimbursement, please reference Chapter 11: PURCHASING DURING PROCLAIMED EMERGENCY OR DISASTER.

6.2 SOLE SOURCE/PROPRIETARY PURCHASES

In some cases, the competitive bidding process cannot be accomplished due to a sole source condition where the services or products are available only from one source. The Department Director or his/her designee must make this determination which is subject to the approval of the Purchasing Manager and Finance Director.

Sole Source requests should not be made unless the Department is confident that the request is reasonable, appropriately justified to meet the City's requirements, and can withstand a possible audit. Sole source purchasing minimizes or eliminates fair and open competition and should be avoided whenever possible.

Sole sources purchases are not exempt from the purchasing thresholds or the City Manager and City Council approval requirements.

COUNCIL POLICY NO. 200-10

The requesting Department will be responsible for submitting the following documents to the Purchasing Division when requesting a sole source purchase:

A. Requisition which is flagged with a requisition code of "SS" to mark it as a sole source purchase and attach the following:

- A Sole Source Memo that is signed by the Department Director or his/her designee, and should provide an objective written explanation along with any written documentation signed the by sole source vendor to further support the request.

Services performed in connection with project development and permit processing must comply with federal and state environmental laws.

Sole source purchases that fall under the Federal Purchasing Requirements must be properly documented per federal requirements.

6.3 COOPERATIVE PURCHASING AND PIGGYBACKING ON CONTRACTS

If a product or service is available through the utilization of another public entity's contract (included but not limited to City, County, State, Federal, School District, California Communities Programs, Federal GSA, JSPA, and NASPO Value Point), the City can participate in a cooperative purchasing agreement or "piggyback" onto an existing contract and waive the competitive bidding process when all requirements are met.

In the case of a contract, the City will request that the same pricing be honored in the existing contract, but may issue a City approved contract since the City's terms and conditions may vary from other entities.

In order for the City to piggyback onto an existing contract with another public entity, the existing contract with that entity must meet the following requirements:

- A. The product or service must have been competitively bid
- B. The contract must be current
- C. The contract must be for the same product or service
- D. The contract must be approved and awarded by the entity's governing body
- E. The contractor must honor the contract pricing

The following items should be submitted to the Purchasing Division and the City Attorney for review when requesting to piggyback onto an existing contract of another agency:

COUNCIL POLICY NO. 200-10

- A. A copy of the bidder's response to the agency
- B. A complete copy of the existing contract with the other agency
- C. A copy of the clause that allows for another public entity to piggyback onto the existing contract, or written confirmation from the contractor honoring the other agency's pricing to the City
- D. Proof of the approval and award by the governing body of the other agency

6.4 QUALIFICATION BASED SELECTION

The Mini-Brooks Act (California Government Code Sections 4525-4529.5) provides exceptions to awarding a contract to the lowest bidder for the procurement of professional services in areas, which require a substantial amount of professional expertise and judgment.

Examples of such services include architectural and engineering (A/E), environmental, land surveying, and construction management services. The terms of these agreements should be negotiated and awarded to the most qualified and competent firms to perform the scope of work. It is necessary to engage market forces during these procurements through a Qualifications Based Selection (QBS) process to ensure that staff has a thorough understanding of the qualifications of the firms within the given industry and to obtain the best overall value for the City.

The QBS process is defined as follows:

A. Funding

1. Federal-if any federal dollars are involved with contracts for the "Architectural and Engineering" services, the procurement must comply with "Brooks Act," 40 U.S.C. sections 1101-1104.
2. State and Local- if only state and local funds are involved with the contract for "Architectural and Engineering" services, the procurement must comply with "Mini Brooks Act," California Government Code sections 4525-4529.5.

B. ARCHITECTURAL AND ENGINEERING SERVICES

1. Federal-Under the "Brooks Act" architectural and engineering services are defined as:
 - Professional services of an architectural or engineering nature, as defined by state law, if applicable, that are required to be performed or

COUNCIL POLICY NO. 200-10

approved by a person licensed, registered, or certified to provide the services

- Professional services of an architectural or engineering nature performed by contract that are associated with research, planning, development, design, construction, alteration, or repair of real property; and
 - Other professional services of an architectural or engineering nature or incidental service, which members of the architectural and engineering professions (and individuals they employ) may logically or justifiably perform, including studies, investigations, surveying and mapping, tests, evaluations, consultations, comprehensive planning, program management, conceptual designs, plans and specifications, value engineering, construction phase services, soils engineering, drawing reviews, preparation or operating and maintenance manuals and other related services.
2. State and Local-Under the "Mini Brooks Act" architectural and engineering services are defined as:
- Those professional services of an architectural, landscape architectural, engineering, environmental, or land surveying nature as well as incidental services that members of those professions and those in their employment may logically or justifiably perform.
 - Those services provided by a licensed architect, registered engineer, or licensed general contractor which meet the requirements of Government Code section 4529.5 for management and supervision work performed on construction projects.
 - Those services performed in connection with project development and permit processing in order to comply with federal and state environmental laws.

C. PROHIBITIONS

The "Mini Brooks Act" includes a prohibition that local agencies "shall specifically prohibit practices which might result in unlawful activity including, but limited to, rebates, kickbacks, or other unlawful consideration, and shall specifically prohibit government agency employees from participating in the selection process when these employees have a relationship with a person or business entity seeking a contract under this section.

D. SELECTION PROCESS

COUNCIL POLICY NO. 200-10

The goal of the Qualifications Based Selection (QBS) is to assure that the services are engaged on the basis of demonstrated competence and qualifications for the types of services to be performed. Price is not considered until after the most qualified firm has been selected by the agency. Once the most qualified firm is selected, the agency negotiates for services to be supplied at a fair and reasonable price. The process includes the following:

1. Determine if QBS must be utilized-determine what types of services are required and whether they are "Architectural and Engineering" services.
2. Determine Funding Source-determine if federal monies are involved. If so, "Brooks Act" must be followed. If only state and local monies, then the "Mini Brooks Act" must be applied.
3. Establish Evaluation Criteria-establish evaluation criteria to be utilized in selection process to include categories judged and corresponding weights.
4. Solicit Statements of Qualifications/Request for Qualifications-solicit for interested parties using Request for Proposal (RFP) or Request for Qualifications (RFQ). Use agency standard process but ensure price is not a factor to be considered. When pricing is a requirement in the RFQ or RFP, any price proposal must be submitted under a separate sealed envelope and marked as such, and cannot be opened until after selection of the most qualified firm.
5. Develop Short List of Firms-based on a review by selection committee; develop a short list of firms to move on to the interview process. Items to consider are proposal responsiveness and categories set forth in RFP/RFQ.
6. Interview Short List Firms-selection committee interviews firms on short list. Interviews are optional at the discretion of the project manager.
7. Rank Firms-based on the initial review of the proposals and information gathered in the interview process, the selection committee, utilizing the selection criteria set forth in RFP/RFQ, ranks the short listed firms from 1-X.
8. Define the Scope of Work/Contract Terms-the agency, if required, can utilize the top ranked firms in further defining the scope of work, level of effort and contract terms. If agreement cannot be reached on the scope of work, level of effort or contractual terms, the agency must cease negotiations with top ranked firm and begin negotiations with the next ranked firm on the list.
9. Negotiate Price-once the scope of work is fully defined and the contract terms are negotiated, the agency asks the firm for a price proposal. The price proposal, if submitted earlier in a sealed envelope can be opened at

COUNCIL POLICY NO. 200-10

this stage. Utilizing the price proposal the agency and the firm negotiate a price for the scope of work. If an agreement cannot be reached, the agency must cease negotiations with the firm and move on to the next ranked firm on the list.

10. Present recommendations to the City Council-once a fair and reasonable price has been reached, the agency must present the award for City Council approval if the contract amount exceeds \$50,000.

CHAPTER 7:
PURCHASE ORDERS FOR MATERIALS, SUPPLIES, EQUIPMENT
AND OTHER COMMODITIES

Dollar Threshold	Requirements	Requisition Approval/Authority
\$0–\$5,000	Requisition/PO and one (1) informal quotation required for amount over \$1,000	Requisition Approval: Department Head/Designee approval required
	Purchases under \$1,001 do not require a Requisition/PO	Authority: Department Head/Designee approval required
\$5,001–\$25,000	Obtain three (3) informal quotations	Requisition Approval: Department Head/Designee approval required
	Requisition/PO Required	Authority: Department Head/Designee approval required
\$25,001 and greater		Requisition Approval: Department Head/Designee approval required
	Formal Bid (IFB) Process Required	Authority: City Manager/Designee approval required up to \$50,000
	Requisition/PO Required	City Council approval required for purchases greater than \$50,000 Note: All vehicles require City Council approval regardless of dollar amount

7.1 REQUIREMENTS FOR PURCHASES UP TO \$5,000

Purchases that do not exceed the \$5,000 purchasing threshold have no competitive bidding requirements. Staff must obtain approval from the Department Head or his/her designee before making the purchase. All purchases in the amount of \$1,001 or greater require a requisition and purchase order.

7.2 REQUIREMENTS FOR PURCHASES OF \$5,001-\$25,000

Purchases between the amounts of \$5,001-\$25,000 require three written informal quotations. Staff must obtain approval from the Department Head or his/her designee prior to making the purchase. The requesting department shall obtain the quotes and attach them to the requisition. The Purchasing Division will place the order with the supplier providing the lowest price.

7.3 REQUIREMENTS FOR PURCHASES OF \$25,001-\$50,000

Purchases between the amounts of \$25,001-\$50,000 require a formal bid process and City Manager approval.

7.4 REQUIREMENTS FOR PURCHASES OF \$50,001 and greater

Purchases of \$50,001 and greater require a formal bid process and City Council approval.

7.5 CHANGE ORDERS TO PURCHASE ORDERS

Changes to purchase orders require the department to submit a change order request and attach all supporting documentation to process the change.

The Department Head or his/her designee may authorize a change (or cumulative changes) of 10% of the initial purchase order amount or a maximum cumulative increase of \$2,500.

If the cumulative change to a purchase order will result in an amount that exceeds the 10% or the \$2,500 maximum cumulative increase, City Manager or City Council approval will be required.

Minor variances in purchase order amounts can be processed by the Accounting Division (the lessor of \$100 or 10% overpayment) without a Change Order. Minor changes to purchase orders include minor variations in price, fees or taxes.

CHAPTER 8:
PROFESSIONAL SERVICES/CONSULTANT AGREEMENTS

The purchasing process differs when services rather than supplies or equipment are required. Professional services are those services provided by an educated or licensed specialist or a consultant. Consultant services include services that are of an advisory nature, that provide a recommended course of action or personal expertise, and that have an end product, which is basically a transmittal of information.

Examples of purchases in this category are service contracts for technical support, staff assistance, environmental impact and feasibility studies, project design and administration, production and broadcasting, financial advisory and banking services, tax auditing, legal services, architectural and engineering, and educational or instructional services.

Dollar Threshold	Requirements	Requisition Approval/Authority
\$0–\$5,000	Requisition/PO and one (1) written proposal required for all services that exceed \$1,000	Requisition Approval: Department Head/Designee approval required
	Contract and Insurance validation are not required unless deemed necessary by Risk Management	Authority: Department Head/Designee approval required City Manager/Designee signature required on all contracts
\$5,001–\$25,000	Requisition/PO, one (1) written proposal and contract required	Requisition Approval: Department Head/Designee approval required
	Mini Brooks Act may apply Insurance required as per contract and Risk Management Recommendations	Authority: City Manager/Designee signature required on all contracts

\$25,001 and greater	Formal Request for Proposal (RFP) Process Required	Requisition Approval: Department Head/Designee approval required
	Mini Brooks Act may apply	Authority: City Manager/Designee signature required on all contracts up to \$50,000
	Requisition/PO, scope of work and contract required Insurance required as per contract and Risk Management Recommendations	City Council approval required for contracts greater than \$50,000

8.1 PROFESSIONAL SERVICE/CONSULTANT AGREEMENTS UP TO \$5,000

Professional/Consultant services that fall under the purchasing threshold (\$1,001-\$5,000) do not require contract and insurance validation, unless it is deemed necessary by Risk Management. A requisition or purchase order are not required for professional/consultant services in the amount under \$1,001.

8.2 PROFESSIONAL SERVICE/CONSULTANT AGREEMENTS OF \$5,001-25,000

Professional/Consultant services in the amount of \$5,001-\$25,000 are exempt from the competitive bidding process. A Professional Services Agreement and insurance coverage are required for all services in the amount of \$5,001 or greater. If the total value of the contract falls under \$5,001, a professional service agreement and insurance are not required unless it is deemed necessary by Risk Management.

If the department elects to use a contract, which is drafted by the contractor, which is not approved by Risk Management or the City Attorney, then it must be reviewed by them prior to obtaining the required signatures per Section 3.4 of this purchasing manual.

Resolution number 9212-14, by the Garden Grove City Council, authorizes the City Manager, or his designee, the authority to execute all Professional Services Agreements up to total sum of fifty thousand dollars (\$50,000) per individual person or entity in any fiscal year. The competitive bidding process is still required for all contracts over \$25,000 that fall under the City Manager's authority.

To ensure enhancement of full and open competition, contracts are limited to \$50,000 per fiscal year with any given contractor for the same type of services. If the City wishes to enter into multiple contracts with the same contractor in the same fiscal year, the City may do so if the contract is for a different type of service. Contracts with the same contractor, for the same type of service who have reached the \$50,000 fiscal year limit require City Council approval. City staff are encouraged to collaborate with other City departments to enter into one contract for the same type of services.

8.3 REQUIREMENTS FOR PROFESSIONAL/CONSULTANT SERVICES AGREEMENTS OF \$5,001-25,000

The following items must be submitted to the Purchasing Division:

- A. Requisition for review and approval
- B. Scope of Work from the Contractor- This should be on company letter head, attached to requisition and include the following:
 - 1. Scope of the Services/Work signed by the Contractor
 - 2. Cost of the Service/Work to be performed
 - 3. Contact Information: Name, Title, Phone Number, Cell Phone Number, Fax Number, and email address (Insurance Review Request Form located on the Intranet under Risk Management)

Upon receipt of all of the items above, the Purchasing Division will draft the agreement and obtain the required signatures. Once the insurance coverage is submitted and is in compliance, the compliance report will be forwarded to the City Clerk's office so the contract can be executed. The City Clerk's office will forward a copy of the executed agreement to Purchasing, the Project Manager and Contractor. The purchase order will be issued once the executed agreement is received.

8.4 PROFESSIONAL/CONSULTANT SERVICE AGREEMENTS OF \$25,001-and greater

All Professional/Consultant Services Agreements of \$25,001 and greater require a formal RFP (Request for Proposal) process. All agreements greater than \$50,000 require City Council approval.

For multi-year agreements, City Council approval is required if the amount exceeds \$50,000 for the total contract term. Optional terms are not included in the total contract calculation.

Example: If the term of an agreement is one year in the amount of \$25,000, with optional renewal years of \$25,000, City Council approval is not required. If the term of the contract is four years in the amount of \$25,000 per year, resulting in a \$100,000 contract, City Council approval is required.

Insurance is required for all services in an amount of \$5,001 and greater or when it can be determined that a significant amount of risk is involved with the work.

If the Department elects to use a vendor contract, which is not approved by Risk Management or the City Attorney, then the vendor contract must be reviewed and approved prior to obtaining the required signatures per Section 3.4 of this purchasing manual.

8.5 AMENDMENTS TO PROFESSIONAL/CONSULTANT SERVICES AGREEMENTS

A change or cumulative changes to a Professional Services/Consultant Agreement within a given fiscal year, up to the City Manager's authority of \$50,000, may be approved at the discretion of the City Manager. Any changes that cause the contract price to exceed the City Manager's authority shall be processed for City Council approval, and work created by such changes shall not commence until City Council approval is obtained.

A change or cumulative changes to a Professional Services/Consultant Agreement that has already been approved by the City Council, up to a maximum of 10% of the awarded contract amount, may be approved by the City Manager. Any changes that exceed the 10% of the awarded contract amount will require City Council approval, and work created by such change shall not commence until City Council approval is obtained.

8.6 LOW DOLLAR/HIGH RISK SERVICES

Many of the professional service agreements arranged by staff amount to less than \$1,000, and are therefore not required to use a standard City contract. Many of these services have potentially high risk exposures that could otherwise be transferred by indemnification language in the standard City contract. Examples of these services include but are not limited to rock climbing walls, train rides, and reptile shows.

To ensure that the City is covered for these types of services, the requesting Department will be responsible for the following when there is a need for a low dollar/high risk service:

1. Consult with Risk Management for the insurance requirements
2. Collect the required insurance, create a requisition and attach the insurance to the requisition. The requisition would should be noted with the requisition code for a low dollar/high risk service so that purchasing staff is aware that it falls under this category

Once these requirements have been met, the purchase order will be issued to the contractor prior to the event. The purchase order will include the insurance requirements from Risk Management and the City's indemnification language.

Please consult with Risk Management on all low dollar but high risk exposure services.

CHAPTER 9:
PUBLIC WORKS/CONSTRUCTION AGREEMENTS

Note that the definition of “public project” for bidding purposes differs from the definition of “public project” for prevailing wages purposes. PCC 22002 defines a “public project” subject to public bidding as any of the following:

- Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility.
- Painting or repainting of any publicly owned, leased, or operated facility.
- “Public project” does not include maintenance work. “Maintenance work” includes (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.
- In certain circumstances, it may be difficult to determine whether a project should be considered a public works project or maintenance work. In such cases, the project manager may request a determination from the City Attorney.

Examples of projects in this category are contracts for new street construction, major street resurfacing, intersection improvements, construction or renovation of a public facility, parking lot construction, sidewalk construction, and traffic signal installation.

COUNCIL POLICY NO. 200-10

Dollar Threshold	Requirements	Requisition Approval/Authority
\$0 –\$5,000	Provide a detailed scope of work to potential contractors and obtain one (1) written quotation which includes prevailing wage rates	
	Prevailing Wage rates required for work of \$1,000 and greater	Requisition Approval: Department Head/Designee approval required
	Requisition/PO and one (1) written quotation required for amount over \$1,000	Authority: Department Head/Designee approval required
	Contract and insurance validation is not required for services between \$1,001-\$5,000 unless deemed as necessary by Risk Management Valid Contractor License required	Notice of contract award through DIR's PWC-100 NOT REQUIRED
\$5,001-\$10,000	Provide a detailed scope of work to potential contractors and obtain one (1) written	
	Prevailing Wage rates required for work of \$1,000 and greater	Requisition Approval: Department Head/Designee approval required
	Contract and insurance required for projects greater than \$5,000 as per contract and Risk Management recommendations Valid Contractor License required	Authority: Department Head/Designee approval required
		Notice of contract award through DIR's PWC-100 NOT REQUIRED quotation which includes prevailing wage rates

COUNCIL POLICY NO. 200-10

Dollar Threshold	Requirements	Requisition Approval/Authority
\$10,001-\$60,000	Provide detailed scope of work to potential contractors and obtain three (3) written quotations which include prevailing wage rates	Requisition Approval: Department Head/Designee approval required
	Requisition/PO, scope of work and contract required	Authority: City Manager/Designee signature required on all contracts from \$10,000-\$50,000
	Valid Contactor License required	City Council approval required for contracts greater than \$50,000
	Must provide proof of registration (prime and all sub-contractors) with the DIR unless under the small project exemption	Project Managers are required to submit notice of contract award through DIR's PWC-100 system on projects that fall outside of the small project exemption. The small project exemption applies for all public works projects that do not exceed:
	Labor/Material and Performance Bonds required for all contracts greater than \$25,000	- \$25,000 for new construction, alteration, installation, demolition or repair
	Insurance required as per contract and Risk Mgmt. recommendations	- \$15,000 for maintenance
\$60,001-\$200,000	Prevailing Wage rates required	
	Informal Bid Process Required per GGMC § 2.52.030	
	Requisition/PO, detailed scope of work/plans and contract required	Requisition Approval: Department Head/Designee approval required
	Notice Inviting Bids Required	
	Valid Contractor License required	Authority: City Council approval required
	Must provide proof of registration (prime and all sub-contractors) with the DIR: Department of Industrial Relations	Contracts AND Purchase Orders for all public works projects that fall outside of the small project exemption must be reported to the DIR by the Project Manager within 30 days of the award/approval date, or before beginning any work.
	Labor/Material and Performance Bonds required	
	Insurance required as per contract and Risk Management recommendations	
	Prevailing Wage rates required	

Dollar Threshold	Requirements	Requisition Approval/Authority
\$200,001 and greater	Formal Bid Process Required per PCC 22037	
	Requisition/PO, Scope of Work/Plans and Contract required	
	Notice Inviting Bids Required	Requisition Approval: Department Head/Designee approval required
	Valid Contractor License required	
	Must provide proof of registration (prime and all sub-contractors) with the DIR: Department of Industrial Relations	Authority: City Council approval required
	Labor/Material and Performance Bonds required	Contracts AND Purchase Orders for all public works projects that fall outside of the small project exemption must be reported to the DIR by the Project Manager within 30 days of the award/approval date, or before beginning any work.
	Insurance required as per contract and Risk Management recommendations	
	Prevailing Wage rates required	

9.1 UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

The City of Garden Grove has adopted the following bid procedures for public works construction contracts pursuant to the Uniform Public Construction Cost Accounting Act, Public Contract Code Section 22000 et seq. The Uniform Public Construction Cost Accounting Act is a program that was created in 1983 which allows local agencies to perform public project work up to \$60,000 with its own work force if the agency elects to follow the cost accounting procedures set forth in the Cost Accounting Policies and Procedures Manual of the California Uniform Construction Cost Accounting Commission. The Act was codified at Public Contracts Code Sections 22000 through 22045.

A governing body must elect by resolution to become subject to the Act and file a copy of the resolution with the State Controller's Office (PCC 22030). The City of Garden Grove, by Resolution No. 8677-05, elected to become subject to the Uniform Cost Accounting Procedures. Public contracts are subject to the Public Contract code Sections 22000-22045 and the "Public Works Construction Bid Procedure" of Chapter 2.52 of the City of Garden Grove Municipal Code.

In addition, the Act provides for alternative bidding procedures when an agency performs public project work by contract.

COUNCIL POLICY NO. 200-10

A. Public projects of \$60,000 or less may be performed by its own forces, negotiated contract, or by purchase order (PCC 22032(a)).

B. Public projects of \$200,000 or less may be processed via contract by the informal procedures set forth in the Act (PCC 22032(b)). These informal procedures are codified at Section 2.52.030 of the Garden Grove Municipal Code.

C. Public projects of more than \$200,000 shall be processed via contract by formal bidding procedures (PCC 22032(c)). The formal bidding procedures are specified in PCC 22037.

9.2 PUBLIC WORKS PROJECTS up to \$5,000

One (1) informal quote, containing prevailing wage, shall be obtained for Public Works projects in the amount of \$1,001-\$5000. Contract and insurance validation is not required for projects in the amount of \$1,001-\$5,000 unless deemed as necessary by Risk Management. Risk Management should review the Scope of Work to make this determination before proceeding. A requisition or purchase orders is not required for public works projects in the amount of \$1,000 or less, however prevailing wages apply to work of \$1,000 and greater. Notice of contract award through DIR's PWC-100 is not required.

9.3 PUBLIC WORKS PROJECTS of \$5,001-\$10,000

One (1) informal quote, containing prevailing wage, shall be obtained for Public Works projects in the amount of \$5,001-\$10,000. A contract and insurance are required for projects as per contract and Risk Management recommendations. Notice of contract award through DIR's PWC-100 is not required.

9.4 PUBLIC WORKS PROJECTS of \$10,001-\$60,000

Public Works projects in the amount of \$60,000 or less may be performed by the employees of the City of Garden Grove in accordance with section 22032 of the Public Contract Code.

At least three (3) quotes/estimates, containing prevailing wage, shall be obtained for Public Works projects that range from \$10,001 to \$60,000. A contract and insurance are required. Bonds are required for public works contracts greater than \$25,000. The contract will be awarded to the lowest bidder. In the event that the lowest bidder is unable to meet the City's requirements, a fourth informal bid may be required to meet the three informal bid requirement. Notice of contract award through DIR's PWC-100 may be required based on contract amount.

9.5 PUBLIC WORKS PROJECTS of \$60,001-\$200,000 (INFORMAL BID PROCEDURE)

Public Works projects in an amount of \$60,001 to \$200,000 must follow the requirements of the Public Contract Code Section 22034 and Section 2.52.030 of

COUNCIL POLICY NO. 200-10

the Garden Grove Municipal Code. The Purchasing division shall complete an informal bid procedure. Award shall be made by the City Manager, except for contracts that exceed \$50,000, which must be made by the City Council.

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."

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:

- A. Describe the project in general terms.
- B. Describe how to obtain more detailed information about the project.
- C. State the time and place for the submission of bids.

Pursuant to California Public Contracting Code section 22034(a)(1), notice inviting bids shall be mailed to contractors and construction trade journals no less than 10 days prior to bid opening.

All contracts that do not fall under the Small Project Exemption must be registered with the Department of Industrial Relations.

9.6 PUBLIC WORKS/CONSTRUCTION PROJECTS of \$200,001 and greater (FORMAL BID PROCEDURE)

Public Works projects in the amount of \$200,001 and greater are subject to a formal bidding process as required by sections 22032(c) and 22037 of the Public Contract Code and Section 2.52.010 of the Garden Grove Municipal Code. Plans and Specifications are required. Award shall be made by the City Council.

Notifications of the formal bid, in accordance with Section 22037 of the Public Contract Code, shall be published twice in a local newspaper at least 14 calendar days before the opening of the bids.

The formal bid notification shall include:

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

The notice inviting formal bids should be mailed to construction trade journals at least 10 days prior to the bid opening. When time permits, it is recommended that 30 days prior notice inviting formal bids be mailed to construction trade journals in order to foster more competition.

COUNCIL POLICY NO. 200-10

Notifications to trade journals shall include:

- A. Project title and contract number
- B. Date, time, and place for receiving bids
- C. City's address and contact information
- D. Brief description of work to be done
- E. Bond requirements
- F. Where plans may be obtained
- G. Deposit information if one is required and whether or not the deposit is refundable

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

In accordance with Section 22038(a) of the Public Contract Code, the City 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:

- A. Abandon the project or re-advertise
- B. 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 Public Contract 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 of its choice.

All contracts that do not fall under the Small Project Exemption must be registered with the Department of Industrial Relations.

9.7 CHANGE ORDERS

Prior to submitting a Change Order request, the administering department is responsible for ensuring that adequate appropriations are available in the budget to accommodate the additional expenditure. Purchasing will not begin processing the requested change until the Budget Division has confirmed the availability of funds.

If sufficient funds are not available to accommodate the additional expenditure, the Change Order request will be rejected. The requisitioning department is responsible

COUNCIL POLICY NO. 200-10

for seeking approval for additional appropriations from City Council when adequate appropriations are not available in the approved budget.

The City Manager or his/her designee may authorize a change or cumulative changes to a Public Works contract within the approved scope of work, as long as the resultant cost does not exceed 10% of the awarded contract amount. Approved changes to the project include any emergency work or additional work that is directly related to the completion of the original project.

A change or cumulative changes to a Public Works contract greater than 10% of the awarded contract amount must be approved by the City Council, provided that the progress of a public project shall not be interrupted if it would create an emergency situation.

9.8 PREVAILING WAGE RATES AND PUBLIC WORKS PROJECTS

Labor Code 1771 requires the payment of prevailing wages for all public works projects greater than \$1,000. The definition of "public works" under the Labor Code differs from the definition "public works" under the bidding statutes. For purposes of the payment of prevailing wages under Labor Code 1771 and 1720, "public works projects" include construction, re-construction, alteration, renovation, erection, demolition, improvements, installation, or repair work done under contract and paid for in whole or in part out of public funds, to a publicly owned, leased, or operated facility. "Construction" includes work performed during the design and pre-construction phases of construction, including, but not limited to, inspection and land surveying work, and work performed during the post-construction phases of construction, including, but not limited to, all cleanup work at the jobsite. "Installation" includes, but is not limited to, the assembly and disassembly of freestanding and affixed modular office systems. Under Labor Code 1771, prevailing wages applies to contracts let for maintenance work.

The Prevailing wage rate is the basic hourly rate paid on public works projects to a majority of workers engaged in a particular craft, classification or type of work within locality and in the nearest labor market area. California prevailing wage laws ensure that the ability to get a public works contract is not based on paying lower wage rates than a competitor.

In accordance with Labor Code Sections 1770-1773, prevailing wages must be paid to all workers on a "public works" project when the project is over \$1,000 or when government monies are used as the source of funding.

- A. When submitting quotes or proposals for public projects, the contractor must note that the quotation is based on prevailing wages.
- B. Certified payroll will be required to confirm that prevailing wages are being paid by City contractors.

- C. For current prevailing wage rates and information, please refer to the following website: <http://www.dir.ca.gov/DLSR/PWD/>.

9.9 REGISTRATION OF PROJECTS WITH THE CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS (DIR)

The public works reforms brought about by Senate Bill 854 (Stat. 2014, chapter 28) and Senate Bill 96 (Stat. 2017, chapter 28), made several changes to the laws governing how the Department of Industrial Relations (DIR) monitors compliance with prevailing wage requirements on public works projects.

For up to date DIR vendor and City reporting and registration requirements refer to <https://www.dir.ca.gov/>

Each department is responsible for determining if a project is subject to the DIR registration and reporting requirements. As of December 2018, the following key elements apply:

- Public Works projects include construction, alteration, demolition, installation, or repair. Public works projects also include routine, recurring, and usual maintenance work on anything affixed to City real property
- Paid with public funds
- Over \$1,000-Prevailing Wages apply
- Small project exemptions up to \$25,000 for construction and up to \$15,000 for maintenance. These small projects are exempt from registration by the contractor, subcontractors, and the City. Prevailing wages are still required for any public works project over \$1,000. Small project exemption is applied based on the amount of the entire project, not a contractor's subcontracted amount of the project
- Contractors are still required to maintain certified payroll records on a continuous basis, and provide those records to the Labor Commissioner's Office upon request
- Contractors and subcontractors are required to be registered before submitting bids or proposals and remain registered through project completion.
- Contract registration within 30 days of contract award, or prior to the first work day for projects lasting less than 30 days
- Penalties for City noncompliance include fines and/or loss of state funding for one year

9.10 DEPARTMENT OF INDUSTRIAL RELATIONS (DIR) PWC-100 SYSTEM

Per California Labor Code 1773.3, awarding agencies are required to submit notice of contract award through DIR's PWC-100 system on projects that fall outside of the Small Project Exemption, within 30 days of the award, but in no event later than the first day in which a contractor has workers employed upon the public work. The small project exemption applies for all public works projects that do not exceed

COUNCIL POLICY NO. 200-10

\$25,000 for new construction, alteration, installation, demolition or repair and \$15,000 for maintenance.

All contracts that do not fall under the Small Project Exemption must be registered with the Department of Industrial Relations. The PWC 100 form online application can be found at <https://www.dir.ca.gov/pwc100ext/>. Public Works Projects Registration (PWC 100) must be filed within 30 days of the award, or before beginning any work, whichever is first. The PWC 100 form must be completed by the City's Project Manager.

The City is still responsible for administering its project and ensuring that public funds are used appropriately. As partners with DIR's Public Works Enforcement team, the City must also ensure that all public works contractors are in compliance with all labor laws.

A. Changes to the Labor law are listed below:

1. Duty to notify the DIR when awarding a contract for a public works project, using the online [PWC-100 form](#).
2. Elimination of the obligation to pay the DIR for compliance monitoring on state bond-funded projects and other projects that required use of the DIR's Compliance Monitoring Unit (CMU).
3. All contractors and subcontractors who bid or work on a public works project must register with, and pay a fee to the DIR.
4. The City may not accept a bid or enter into a contract for public work with an unregistered contractor, except for work that qualifies under the small project exemption.

B. Notice Requirements:

Effective January 1, 2015: The call for bids and contract documents must include the following information:

1. No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the DIR pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a), and the small project exemption under Labor Code 1725.5(f)].
2. No contractor or subcontractor may be awarded a contract for public work on a public works project unless registered with the DIR pursuant to Labor Code section 1725.5, unless the work comes under the small project exemption under Labor Code 1725.5(f).

COUNCIL POLICY NO. 200-10

3. The contract must contain the statement that, "This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations."

C. Furnishing of Electronic Certified Payroll Records to Labor Commissioner:

All contractors and subcontractors must furnish electronic certified payroll records directly to the Labor Commissioner (aka Division of Labor Standards Enforcement).

CHAPTER 10:

FEDERAL PURCHASING REQUIREMENTS

Dollar Threshold	Requirements	Requisition Approval/Authority
Micro-purchase: \$0 – \$10,000 (NOTE: The Davis-Bacon Act generally applies to contracts in excess of \$2,000 and includes construction, alteration or repair of public buildings and public works)	<p>No bid or quote required if price is considered to be reasonable. Reasonableness could be determined by comparing the price to past purchases or other published prices and/or requesting prices from more than one vendor.</p> <p>Distributed equitably among a range of qualified vendors when practical</p> <p>Requisition/PO required for all purchases/contracts over \$1,000</p> <p>Contract and Insurance validation is not required for services between \$1,001-\$5,000 unless deemed as necessary by Risk Management</p> <p>Contract and insurance required for services greater than \$5,000 as per contract and Risk Management Recommendations</p> <p>Prevailing Wage rates required for work greater than \$1,000</p>	<p>Requisition Approval: Department Head/Designee approval required</p> <p>Authority: Department Head/Designee approval required</p> <p>City Manager/Designee signature required on all contracts</p>

COUNCIL POLICY NO. 200-10

Dollar Threshold	Requirements	Requisition Approval/Authority
<p>Small purchase/Simplified acquisition procedure: \$10,001 – \$250,000</p>	<p>Price or rate quotes must be obtained from adequate number of sources (at least two) Can be informal, e.g., phone call or web search All quotes, including phone calls, web searches, etc., must be documented and kept on file Price does not need to be deciding factor, but all quotes need to be kept in procurement records Requisition/PO and contract required</p> <p>Insurance required as per contract and Risk Management Recommendations</p> <p>Prevailing Wage rates required for work greater than \$1,000</p>	<p>Requisition Approval: Department Head/Designee approval required</p> <p>Authority:</p> <p><u>Material/Supplies/Commodities</u> Department Head/Designee approval required for material, supplies and commodity purchases from \$10,001-\$25,000</p> <p>City Manager/Designee approval required for material ,supplies and commodity purchases greater than \$25,000</p> <p><u>Contracts</u> City Manager/Designee signature required on all contracts from \$10,001-\$50,000</p> <p>City Council approval required for contracts greater than \$50,000</p>
<p>Sealed Bid-Public Works/Construction Related Projects: \$250,001 and greater</p>	<p>Used when selection of successful bidder can be made principally on the basis of price Bids must be solicited from two (2) or more qualified bidders, providing sufficient response time Local governments must publicly advertise bids Invitation for bids must define the items or services in order for bidders to properly respond</p> <p>All bids will be opened at time</p>	<p>Requisition Approval: Department Head/Designee approval required</p> <p>Authority: City Council approval required</p>

Dollar Threshold	Requirements	Requisition Approval/Authority
Sealed Bid-Public Works/Construction Related Projects: \$250,001 and greater (Continued)	and place prescribed in invitation. Local governments must open bids publicly. Firm fixed price contract must be made in writing to the lowest responsive and responsible bidder. Any or all bids may be rejected if there is a sound documented reason.	
	Requisition/PO, scope of work and contract required	
	Valid Contractor License required	
	Must provide proof of registration (prime and all sub-contractors) with the DIR: Department of Industrial Relations unless under the small project exemption	
	Labor/Material and Performance Bonds required for contracts greater than \$25,000	
	Insurance required as per contract and Risk Management recommendations	
	Prevailing Wage rates required	

COUNCIL POLICY NO. 200-10

Dollar Threshold	Requirements	Requisition Approval/Authority
Competitive Proposal: Professional/ Consultant Services: \$250,001 and greater	<p>Must be publicized and identify all evaluation factors and their relative importance</p> <p>Must be solicited from an adequate number of qualified sources</p> <p>Must have a written method for conducting technical evaluations of the proposals and selecting recipients</p> <p>Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered</p> <p>Brooks Act may apply</p> <p>Requisition/PO, scope of work and contract required</p> <p>Insurance required as per contract and Risk Management Recommendations</p>	<p>Requisition Approval: Department Head/Designee approval required</p> <p>Authority: City Council approval required</p>

Dollar Threshold	Requirements	Requisition Approval/Authority
<p>Noncompetitive proposal (Sole Source): \$10,001 and greater</p>	<p>May be used only when the item is available only from a single source, the public exigency or emergency will not permit a delay resulting from competitive solicitation, federal awarding agency or pass-through entity expressly authorizes its use in response to a written request, or after solicitation of a number of sources competition is determined inadequate</p> <p>Justification of the use of noncompetitive proposal must be documented</p> <p>Any research on availability from multiple sources must be documented</p> <p>Documentation of authorization must be retained</p> <p>Any initial solicitations from multiple sources which are concluded to be inadequate, and such reasoning, must be documented</p> <p>Requisition/PO, scope of work and contract required</p> <p>Insurance required for contracts as per contract and Risk Management Recommendations</p>	<p>Requisition Approval: Department Head/Designee approval required</p> <p>Authority:</p> <p>Sole Source must be approved in advance by the Finance Director/Designee</p> <p>Material/Supplies/Commodities Department Head/Designee approval required for material and commodity purchases up to 25,000</p> <p>City Manager/Designee approval required for material/commodities purchases greater than \$25,000</p> <p>Contracts City Manager/Designee signature required on all contracts up to 50,000</p> <p>City Council approval required for contracts greater than \$50,000</p>

10.1 BACKGROUND

A. This chapter summarizes the Federal Purchasing requirements published by the Office of Management and Budget (OMB) on December 26, 2013. The OMB issued the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Rule (aka Uniform Guidance) which applies to all non-federal entities receiving Federal awards, and to all new federal awards and existing awards that receive additional funding (or funding increments) after December 12, 2014.

B. The Uniform Guidance requirements for sub-award and sub-recipient is based on the pass-through agency. If the pass-thru agency is subject to the Uniform Guidance (i.e. if the source of funds are federal and the pass-through agency is subject to Uniform Guidance), then the sub-award or sub-recipient is also subject to the Uniform Guidance.

C. The requirement for a sub-award, no matter when the sub-award was made, flows from the requirements of the original federal award from the federal awarding agency.

10.2. MICRO PURCHASES

A. The maximum aggregated amount for micro purchases is \$10,000. The maximum amount for construction projects is \$2,000 and are subject to the Davis-Bacon Act (Prevailing Wages).

B. There are no requirements for multiple quotations, and to the extent practical the City must distribute micro-purchases equitably among qualified suppliers.

10.3. SMALL PURCHASES

A. Small purchases utilize simple and informal procurement procedures. The acquisition threshold is currently \$10,001-\$250,000. The Uniform Guidance states quotes for small purchases must be obtained from an "adequate" number of qualified sources. There is no specific number of sources required by the Uniform Guidance, thus one quote can be sufficient as long as there is proper documentation.

B. Quotes can be obtained from suppliers or from public websites (i.e., City may use internet searches as documentation).

10.4. SEALED BIDS

A. Sealed bids are required for contracts in excess of \$250,000 and is the preferred method for construction contracts. Sealed bids are also appropriate for fixed price contracts where bidders are provided complete and adequate specifications.

COUNCIL POLICY NO. 200-10

B. Additionally, sealed bids must come from two or more qualified bidders, must be publically advertised and solicited from an adequate number of suppliers.

C. The contract is awarded to the lowest responsive and responsible bidder.

10.5. COMPETITIVE PROPOSALS

A. Competitive proposals are required for contracts in excess of \$250,000 and is the preferred method for architectural, engineering and professional services. Request for Proposals must be publicized and proposals solicited from an adequate number of qualified sources.

B. Competitive proposals are awarded to the most advantageous bid which considers both price and other factors. The City does not have to select the lowest bid.

C. The Brooks Act may apply (qualifications based procurement).

10.6. SOLE SOURCE

A. Sole source must meet at least one of the following criteria:

1. Goods or services are only available from a single source
2. There is a public emergency
3. After soliciting a number of sources, the competition is deemed inadequate
4. Written request has been made and approved by the Federal Agency

B. The City must have written pre-approval from the federal awarding agency. Additionally, the City must have proper documentation as to why a sole source vendor was required in these circumstances. The sole source must be properly documented and the City's Project Manager must maintain the documentation.

CHAPTER 11
PURCHASING DURING PROCLAIMED EMERGENCY OR DISASTER

11.1 PURPOSE AND DEFINITION

A. Purpose. This Policy modifies the City's normal purchasing practices to assure that, in exigent circumstances caused by a proclaimed disaster or emergency, the City is able to acquire the goods and services required to address an immediate threat to life, public health, or safety or an immediate threat of significant damage to improved public and private property while still maintaining an effective purchasing process and complying with applicable local and state purchasing laws. Where the City is included in a major disaster or emergency declared by the President of the United States, this Policy also assures that City procurements comply with federal regulations applicable to FEMA disaster grant reimbursement. In the event of an emergency declaration it is important to keep accurate records for FEMA reimbursement and this shall be the responsibility of the departments.

B. Definitions. For purposes of this Policy, (a) a proclaimed disaster or emergency exists if (i) the Governor has declared a state of emergency for an area which includes the geographic territory of the City; or (ii) the City Manager has declared an emergency in the City. (b) "Emergencies" are situations in which (i) a disaster or emergency has been proclaimed, and (ii) the public exigency for goods and services required to address an immediate threat to health, safety, or improved property will not permit competitive solicitation.

11.2 DELEGATION OF PURCHASING AUTHORITY IN EMERGENCIES

A. If the City Manager determines that goods and services in excess of his/her purchasing authority must be procured before the City Council is able to assemble and approve purchases, the City Manager has authority, subject to the limitations set forth in subparagraphs (1) and (2), to approve the immediate rental or purchase of any equipment, supplies, services or other items necessary to respond to an immediate threat to health, safety or improved property.

(1) Limits of Single Purchase Authority. The City Manager, shall have the authority to make individual purchases up to \$250,000 on his or her signature alone. The City Manager shall have the authority to make purchases in excess of \$250,000 up to a maximum of \$500,000 when countersigned by the Finance Director or in the Finance Director's absence countersigned by the Police Chief. Emergency purchases in excess of \$500,000 will require the Mayor's signature, or in the Mayor's absence, two council members.

(2) Limits of Aggregate Purchase Authority. The City Manager shall have the authority to make aggregate purchases up to \$500,000 on his or her signature alone.

COUNCIL POLICY NO. 200-10

B. Sub-delegation to EOC Director. The EOC Director shall be a designee of the City Manager at any time that the City Manager is not available to approve emergency purchases.

C. Sub-delegation of Purchasing Authority to Department Heads. If neither the City Manager nor the EOC Director is available, the police department watch commander, division chief, and/or public works director shall have authority to rent or purchase from the nearest available source any equipment, supplies, services, or other items necessary for his or her department to respond to an immediate threat to health, safety, or improved property, up to a maximum of \$150,000.

11.3 REPORTING REQUIREMENTS

A. As soon as possible after purchases are made under Section 11.2, the City Manager, EOC Director, or department head shall submit to the Purchasing Division Manager a requisition and a notation that the commodity has been ordered on an emergency basis from the vendor designated.

B. The City Manager will report to the City Council within 48 hours any purchase made under Section 11.2 exceeding \$50,000, individually or in the aggregate.

C. Department Heads will inform the City Manager of any individual purchase with a contract amount greater than \$25,000, and also whenever the aggregate of purchases are greater than \$50,000.

11.4 PROCUREMENT PROCEDURES IN EMERGENCIES

A. The regulations in Title 2 of the Code of Federal Regulations, Part 200, as it may be amended from time to time, are incorporated herein by reference.

B. Upon receipt of requisitions under Section 11.2, the Purchasing Agent shall prepare purchase orders for the emergency equipment, supplies, services or other items in accordance with this section. All purchases or rentals made during a proclaimed emergency or disaster shall require separate invoicing from routine (non-emergency related) purchases. All invoices shall state the goods, services or equipment provided and shall specify where the goods or services were delivered.

C. Noncompetitive Procurements during Emergencies.

(1) Noncompetitive procurements may be used when one or more of the following circumstances exist:

- a. The Emergency circumstances will not permit a delay resulting from competitive procurement;
- b. The item is available only from a single source;

COUNCIL POLICY NO. 200-10

- c. After solicitation of a number of sources, competition is determined inadequate; or
 - d. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the City, County, or State.
- (2) The Department requesting the emergency purchase shall document the justification for noncompetitive procurement and provide a copy to the City Manager.
- (3) When a noncompetitive procurement is used due to an emergency, the procurement shall be limited to that portion of the work that must be performed immediately. Procurement for any additional work shall be conducted through competitive procurement procedures.
- (4) Noncompetitive procurement shall be necessary for one of the following reasons: placement of emergency protective measures; procurement of a scarce commodities, goods, or services; acquisition or rental of emergency equipment, emergency consulting services, emergency road clearance or other emergency requirements.

D. Alternate Competitive Procurements During Emergencies.

- (1) Competitive procurements for Purchases below the Federal Simplified Acquisition Threshold (currently \$150,000) shall not be required to be formally bid.
- (2) Competitive procurements for Purchases equal to or exceeding the Federal Simplified Acquisition Threshold shall be conducted in accordance with the following alternate purchasing procedures:
- (a) The City's normal requirements for sealed bids shall not apply to acquisitions under Section 11.2. However, the Purchasing Agent shall conduct telephonic or other electronic bid solicitation from potential vendors or suppliers, in lieu of written and/or sealed bids, in an effort to obtain multiple competitive proposals when and if time allows in light of the emergency.
 - (b) Locations of Postings for Requests for Proposals or Solicitation of Bids. The Purchasing Agent may waive normal requirements for public posting of requests for proposals or solicitation of bids. Notices soliciting bids or requests for proposals shall be posted at the Emergency Operations Center or Alternate Emergency Operations Center, if the Primary Emergency Operations Center is not being used.
 - (c) Length of Time for Posting Requests for Proposals or Solicitation of Bids. The Purchasing Agent may shorten the normal bid period and

COUNCIL POLICY NO. 200-10

response period to expedite the award of contracts for emergency equipment, goods, or services, but such period shall be no less than 24 hours. The Purchasing Agent should seek to assure that the shortened bid period allows multiple suppliers or contractors to submit responses.

- (d) Number of Bids Required. A minimum of three (3) bids or proposals from qualified sources shall be obtained. Bids and proposals that are non-responsive shall count towards the minimum numbers of bids required.

11.5 RATIFICATION, NOTIFICATION AND POST AWARD PROCEDURES

A. Ratification and Posting of Contract Awards. All contracts awarded that exceed \$50,000 shall be presented to the City Council for ratification at its next available meeting and thereafter shall be publicly posted within 60 days of the award.

B. Authority to Cancel Emergency Procurements. The City Manager or designee shall have the authority to rescind a purchase or contract for non-performance within 24 hours when a contractor or vendor, once awarded a contract, is unable to immediately perform the terms of the contract.

C. Auditing of Invoices for Debris Clearance Prior to Payment. All invoices for debris clearance and removal shall be audited by the City prior to payment to the vendor. Vendors shall be notified of this requirement prior to the awarding of any contract for debris clearance and/or removal. Audits shall be in accordance with procedures for debris removal monitoring specified in FEMA's Publication 325, Debris Management Guide.

CHAPTER 12:
INSURANCE AND CONTRACTUAL RISK TRANSFER

12.1 INCLUSION IN BID MATERIALS

Risk Management shall be consulted to determine appropriate insurance requirements before formal bids are advertised to ensure that those requirements are included in the solicitation documents. It is important that contractors are made aware of the insurance requirements in advance to ensure they have considered any additional costs to obtain the proper coverage before they submit a bid or sign a contract, and to avoid unnecessary delays to City projects.

The Contractor Statement in which the contractor acknowledges they have or can obtain the required insurance should also be included in all formal bid documents. This document can be found under Risk Management on the Intranet for your reference.

12.2 DETERMINATION OF INSURANCE REQUIREMENTS

The process for establishing a contract's insurance requirements is as follows:

1. PROVIDE RISK MANAGEMENT WITH SCOPE OF WORK

A clear scope of work that sufficiently describes the work to be performed and which parties are responsible for certain duties is necessary to determine the appropriate insurance requirements.

2. ANALYZE RISKS AND RELATIONSHIPS

A critical analysis of potential risk exposures will be undertaken by Risk Management and the project manager on a case-by-case basis to determine the appropriate insurance requirements. Keep in mind, the amount of the contract is not necessarily commensurate with the risk exposure. Even the smallest job has the potential for large losses. Considerations in determining amounts of insurance include:

- The extent to which the activity presents a risk of personal injury, bodily injury or death.
- The extent to which the activity presents a risk of property damage.
- The frequency of claims, occurrences, or incidents associated with the activity.
- The ability of contractor to obtain the desired insurance coverages and limits.

3. INSURANCE LANGUAGE PROVIDED BY RISK MANAGEMENT

After the appropriate insurance requirements are determined, Risk Management will provide the project manager with the proper insurance language and coverage amounts that should be included in the bid documents and contracts.

12.3 CONTRACT INDEMNIFICATION AGREEMENT AND INSURANCE

The City's standard contracts contain an Indemnity/Hold Harmless agreement that includes an obligation for the contractor to defend the City, its officers, officials, agents, employees and volunteers, and is meant to be interpreted as broadly as possible in the City's favor. Hold Harmless agreements are language that shifts responsibility for loss or damage arising from the activities of a contract from one party (the City) to the other (the contractor). The contractor acts as the City's representative while performing services for the City, provided they are within the scope of their agreement. Any damages caused to a third party on the City's behalf can result in a claim against the City. "Hold Harmless" language allows the City to tender the claim to the contractor for defense and indemnity by the contractor or their insurer.

Because the contract's indemnification language is vital to the transfer or recovery of losses, project managers should:

A. USE THE CITY'S STANDARD CONTRACT

The City's standard contracts have been drafted and reviewed by the City Attorney. No changes should be made to indemnification section of the contract without prior approval by the City Attorney.

B. GET CITY ATTORNEY APPROVAL FOR ALL OTHER CONTRACTS OR CHANGES

At times you may have to accept a contractor's form or negotiate the terms of the City's indemnity language with a prospective contractor. If you do have to make changes or accept another form, always have the City Attorney review and approve before you send out for signature.

12.4 MINIMUM INSURANCE SPECIFICATIONS

The following are the City's minimum insurance specifications as required in the City's standard contracts.

COMMENCEMENT OF WORK

Contractor shall not commence work under this Agreement until all certificates and endorsements have been received and approved by the City. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify the City of any material change, cancellation, or termination at least thirty (30) days in advance and provide a Waiver of Subrogation in favor of the City.

WORKERS COMPENSATION INSURANCE

For the duration of this Agreement, Contractor and all subcontractors shall maintain Workers Compensation Insurance in the amount and type required by law, if applicable. Insurers shall waive subrogation against the City of Garden Grove its officers, officials, agents, employees and volunteers.

COMMERCIAL GENERAL LIABILITY INSURANCE

Commercial General Liability in an amount not less than \$1,000,000 per occurrence (claims made and modified occurrence policies are not acceptable). Insurance companies must be acceptable to the City and have an AM Best's Rating of A-, Class VII or better, as approved by the City.

COMMERCIAL AUTOMOBILE LIABILITY COVERAGE

Automobile liability, for any/all autos, in an amount not less than \$1,000,000 combined single limit; (claims made and modified occurrence policies are not acceptable); Insurance companies must be acceptable to City and have an AM Best's Guide Rating of A-, Class VII or better, as approved by the City.

PROFESSIONAL LIABILITY/ERRORS AND OMISSIONS (If professional services are provided)

Professional liability (Errors and Omissions) Professional liability in an amount not less than \$1,000,000. Insurance companies must be admitted and licensed In California and have an AM Best's Guide Rating of A-, Class VII or better, as approved by the City. If the policy is written on a "claims made" basis, the policy shall be continued in full force and effect at all times during the term of the agreement, and for a period of three (3) years from the date of the completion of services provided. In the event of termination, cancellation, or material change in the policy, professional/consultant shall obtain continuing insurance coverage for the prior acts or omissions of professional/consultant during the course of performing services under the term of the agreement. The coverage shall be evidenced either by a new policy evidencing no gap in coverage, or by obtaining separate extended "tail" coverage with the present or new carrier.

ADDITIONAL INSURED ENDORSEMENT

An Additional Insured Endorsement, ongoing and completed operations, for the Commercial General Liability policy, shall designate City, 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. Contractor shall provide to City proof of insurance and endorsement forms that conform to city's requirements, as approved by the City.

PRIMARY ENDORSEMENT OR POLICY LANGUAGE

For any claims related to this Agreement, Contractor's insurance coverage shall be primary insurance as respects to City, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City, its officers,

COUNCIL POLICY NO. 200-10

officials, employees, agents, or volunteers shall by excess of the Contractor's insurance and shall not contribute with it.

12.5 HIGH-RISK CONTRACTS

Higher-risk services may require special types of insurance coverages and/or higher commercial general liability per occurrence limits.

Examples of high-risk services include but are not limited to the following:

- Asbestos Abatement Contractors
- Ambulance Services
- Construction Projects
- Elevator Maintenance and Repair
- Festivals and City Events
- Jail Management Services
- Medical Services
- Refuse Transportation and Disposal
- Towing Services
- Transportation Services

Insurance limits may be reached by combining a commercial general liability policy limit with an umbrella/excess policy limit. For example, a contractor may have a general liability policy with a \$1,000,000 limit and a \$1,000,000 umbrella/excess policy. By combining both coverage amounts, the total meets the \$2,000,000 general liability coverage required by the City.

12.6 ADDITIONAL TYPES OF INSURANCE COVERAGES

Different types of insurance or higher limits may be necessary based on the Scope of Work. The following are examples of additional types of coverage that may be required, but are not limited to the following:

- Tow truck drivers will be required to provide proof of cargo, on hook, and garage liability coverage.
- Moving companies will be required to provide cargo coverage.
- Contractors handling hazardous material will be required to provide environmental/pollution or asbestos liability insurance.

COUNCIL POLICY NO. 200-10

- Transporters of hazardous wastes will be required to provide an 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 may require course of construction insurance (Builders All Risk) and employer's liability insurance.
- Contractors who work with children or the elderly will be required to have legal liability coverage for sexual abuse and molestation.
- Financial institutions or other contractors handling financial transactions or that have access to other City assets will be required to provide crime coverage.
- Service providers that keep City or public data will be required to provide cyber liability insurance.

12.7 SURETY BONDS

Per Civil Code section 9550, a public works contract in excess of \$25,000 requires the contractor to provide a material and labor/payment bond prior to starting the work.

A. PERFORMANCE BONDS

(100% of the total bid amount) Guarantees the City that if the contractor fails to complete the work as quoted, the surety will assume the contractor's financial responsibility to have the work completed.

B. MATERIAL AND LABOR BONDS

(100% of the total bid amount) Guarantees the City that laborers, subcontractors and suppliers will be paid the monies they are due from the contractor. Also called payment bonds.

All bonds submitted require that the Surety Company have an AM Best rating of A-VII or better and must be on the City approved bond forms. Proper language for bond rating requirements should be stated within the contract and all bid documents so that potential contractors are properly notified of these requirements. The contract shall not become effective until such bonds are submitted and in compliance with the City's requirements.

Bonds should not be requested from the Contractor until final approval of the project has been granted by the City Manager or City Council, based on level of authority.

12.8 VERIFICATION OF INSURANCE COVERAGE

Risk Management shall verify that the evidence of insurance provided by the contractor meets the requirements as outlined in the contract and shall provide project manager with documentation of the verification.

The project manager is responsible for ensuring that contractors' insurance coverage is kept current and maintained for the full term of the contract. Current and valid insurance coverage will be required to amend existing contracts and insurance compliance must be verified by Risk Management prior to the City's execution of the amendment.

The City reserves the right to suspend and cease all operations during such a period of time the required insurance coverage is not in compliance.

12.9 CITY OF GARDEN GROVE INSURANCE POLICIES/COVERAGE

The City has a Self-Insurance Retention (deductible) of \$2,000,000 per occurrence for General Liability and \$1,000,000 for Worker's Compensation. The City also carries property insurance for all its buildings, vehicles and equipment. Any requests for proof of insurance or letters of self-insurance for the City of Garden Grove should be directed to the Risk Management Division.

Except as required by contract, the City does not cover vendors/contractors under its insurance policies.

12.10 DEFINITIONS

Additional Insured for Ongoing Operations: Affords the City direct coverage under the contractor's policy, including defense, should the City be sued for injuries or damages occur while the contractor is on the job.

Additional Insured for Products-Completed Operations Hazard: Affords the City direct coverage under the contractor's policy, including defense, should the City be sued for damages that arise from defects in the contractor's product or work.

AM Best: Agency that provides credit rating and financial size categories of insurance companies.

Annual Aggregate Limit: The maximum amount the insurance will pay for all covered claims combined in a single policy year.

Certificate of Insurance: Proof of insurance coverage, usually provided by the contractor or contractor's insurance agent or broker, listing types of coverage, insurers, insurance agency, insured, policy numbers, effective dates, limits, certificate holder, cancellation procedure and special provisions.

COUNCIL POLICY NO. 200-10

Claims Made Coverage: Will only respond to a claim that is presented while the policy is in force or during an extended reporting provision.

Per Occurrence Limit: The maximum amount the insurance will pay for one or more covered claims resulting from each accident or out of any one event.

CHAPTER 13:
CENTRAL STORES WAREHOUSE

13.1 SERVICES PROVIDED

The Central Stores Warehouse operates under the Purchasing Division and provides the following services:

A. Receiving and Acceptance of Material:

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

1. Materials and supplies that are inventoried in the warehouse are received into the financial system. All non-inventoried items that are delivered to warehouse are not received into the financial system but are delivered to the requesting department unopened. The requesting department must sign 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 so the issues can be resolved.
3. 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."

B. Warehouse Operation and Inventory Control:

The warehouse operation maintains an inventory of approximately 1700 commonly used items for City departments. It is recommended that staff check the warehouse inventory prior to purchasing common items that may already be stocked in the warehouse inventory. Materials and supplies may be requested in one of two ways:

1. City staff enters a requisition to order items from the warehouse and the order will be sent to the warehouse to fill. The requested items can be picked up from the warehouse or will be delivered on the next scheduled delivery day by warehouse staff.
2. City departments may also fill out a paper requisition at the warehouse, which will be filled upon request for urgent needs or emergencies. For large

COUNCIL POLICY NO. 200-10

orders, staff may require additional time to fill the order and will advise staff when the order will be ready for pick up or delivery.

C. Delivery of Materials and Supplies that are shipped to the warehouse:

1. Departments may elect to have items shipped directly to their location or to the Central Stores Warehouse. If delivery to the warehouse is the preferred method, all packages should be marked as follows:

City of Garden Grove, Central Receiving
13802 Newhope Street
Garden Grove, CA, 92843
Attn: Requesting Person/Department

2. To avoid any delays in delivery, the department should provide the vendor with their contact name and City department/division and ask that they clearly mark this information on the outside of the package.
3. Large and heavy items should be shipped directly to the department or location where the item is required for use.

13.2 SURPLUS PROPERTY AND EQUIPMENT

The Central Stores Warehouse is responsible for the storage and disposition of surplus property. Surplus property is tangible property that is no longer of use to the City because it is obsolete, too costly to repair, or valued only for its base content. Surplus property includes items such as office supplies, vehicles, equipment and furniture. Before any items are considered to be surplus property, the City will make its best effort to reuse, recycle, or reassign the items to another department within the City.

Section 2.50.130 (Surplus Supplies and Equipment) of the Garden Grove Municipal Code states: 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 (Formal Contract Procedure) and 2.50.110 (Open Market Procedure) of the Municipal Code, whichever is applicable.

Departments having City-owned property which is surplus to their needs shall:

1. Complete the Property Disposition Form

COUNCIL POLICY NO. 200-10

2. Place a work order on the City's Intranet or make arrangements with warehouse staff to pick up the surplus property. The Property Disposition Form must accompany the surplus property. Surplus property must be taken to the Central Stores Warehouse since property cannot be declared surplus and remain in the department.

When the Purchasing Manager determines the property is no longer suitable for use by the City, the items will be disposed of by utilizing one of the following methods per Administrative Regulation 1.8 (Surplus Property).

1. Sell by auction or sealed bid (including vehicles-handled by Public Works Department)
2. Trade in on new equipment
3. Sell as scrap
4. Dispose of in trash (for items with no salvage value)
5. Donate surplus items with City Council approval
6. Purchase by City employee at fair market value determined by the Purchasing Manager as approved by the City Manager. The Purchasing Manager and the City Manager cannot purchase such surplus property per Government Code 1090.

Unless otherwise provided, all proceeds from the sale of surplus property will be deposited into the City's general fund.

13.3 CITY RECORD STORAGE

The City record storage is located in the Central Stores Warehouse but is maintained by the City Clerk's office. Central Stores staff assists the City Clerk's office in the pick-up of records from the various departments. Each department is responsible for loading or arranging their boxes on the shelves at the warehouse.

The City Clerk's office determines which City records may be stored in the system and identifies which records may be removed for destruction with department approval.

The Purchasing Division will determine if documents or records that are not part of the City record storage can be stored at the Central Stores Warehouse. Warehouse inventory will be given priority of storage space. Requests to store items in the warehouse will be based on available space and reviewed on a case by case basis.

Please reference Administrative Regulation 1.7 (Storage of Off-Site Records and Other Materials) for more information.

CHAPTER 14:
CELLULAR PHONES AND OTHER DEVICES

The Purchasing Division processes all requests and changes for cellular phones, Wi-Fi devices, and tablets for those positions that are authorized by the Department Director. The authorized position list should be updated by all Department Directors in the department budget.

Please reference Administrative Regulation 2.14 (Cellular, Smartphones, Tablets and Telecommunication Devices) for more information.

APPENDIX
REFERENCE DOCUMENTS

Department of Industrial Relations (DIR) Guidelines

These are public works projects. DIR registration by vendor and subcontractors is required before bidding. Project registration required the sooner of the first day of work or 30 days following award. Prevailing wages required, when over \$1,000. Include DIR language on City PO/contract.

Work done under contract and paid for in whole or in part with public funds?

- Alteration
- Demolition
- Installation
- Repair
- Construction (including design, inspection, or surveying)

Maintenance that is:

- "Routine, recurring, and usual work for the preservation, protection, and keeping of any publicly owned or publicly operated facility for its intended purposes in a safe and continually usable condition for which it has been designed, improved, constructed, altered, or repaired" OR
- "Carpentry, electrical, plumbing, glazing, (touchup painting), or other craft work designed to preserve the publicly owned or publicly operated facility in a safe, efficient, and continuously usable condition for which it was intended, including repairs, cleaning, and other operations on machinery and other equipment permanently attached to the building or realty."
- Landscape and tree trimming.

Construction under \$25,000 and Maintenance under \$15,000 are exempt from DIR PWC-100. Prevailing wages apply. DIR language is included in City contracts.

These are NOT a public works projects. Prevailing wages and DIR registration are not required.

- Repairs and maintenance to equipment not attached to realty.
- Janitorial or custodial services of a routine, recurring, or usual nature.
- Landscape maintenance work done by a "sheltered workshop." Example: California Conservation Corps.
- Protection provided by guards, watchmen, or other security forces.
- Services up to \$1,000.

Awarding body (City) responsibilities

- Register public works projects with DIR.
- Require proof of contractor/subcontractor registration before accepting a bid.
- Ensure posting of jobsite notices.
- Ensure payment of prevailing wages.

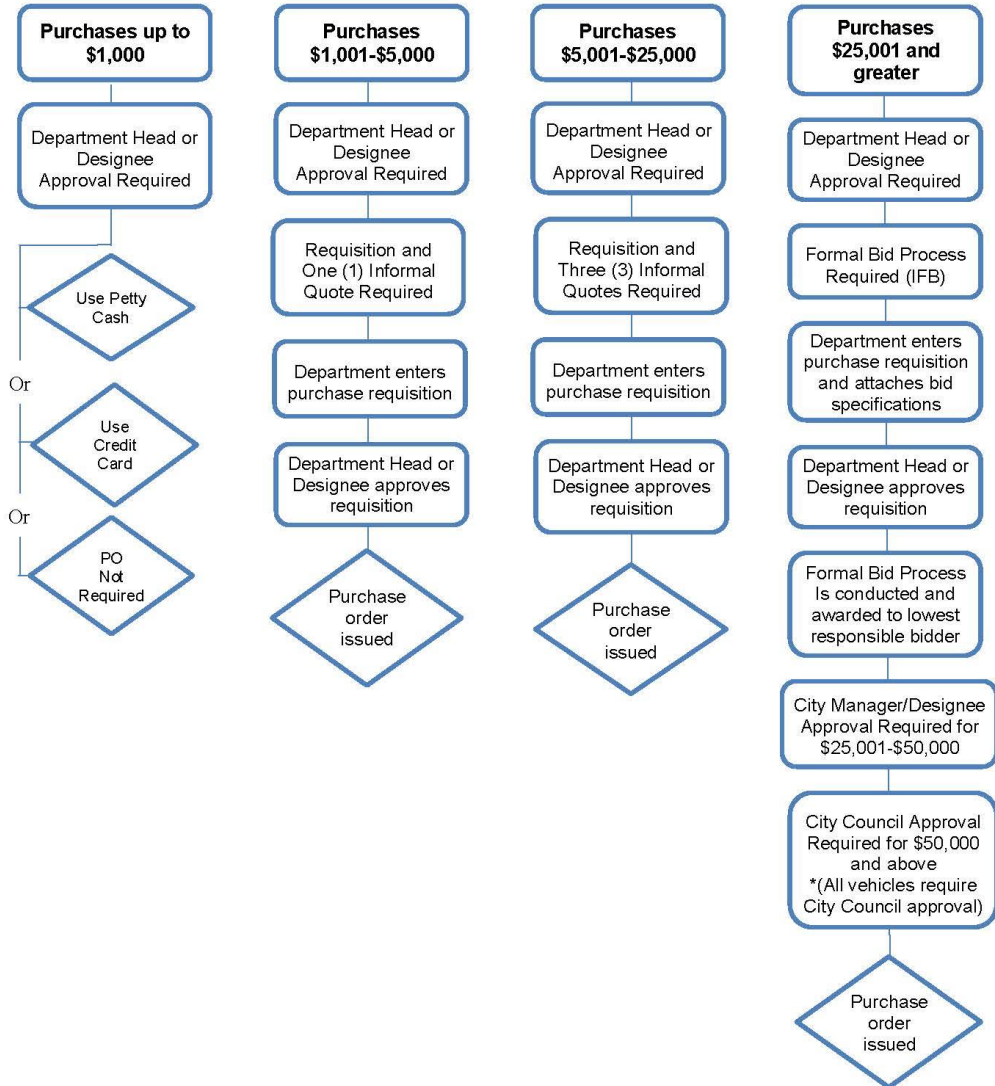
Awarding body (City) penalties for noncompliance

- Fines of \$100 per day up to \$10,000 for:
 - Failure to comply with award notification requirements
 - Permitting an unregistered contractor or subcontractor to work on a project
- Potential loss of state funding for one year for willful violation for two or more projects.

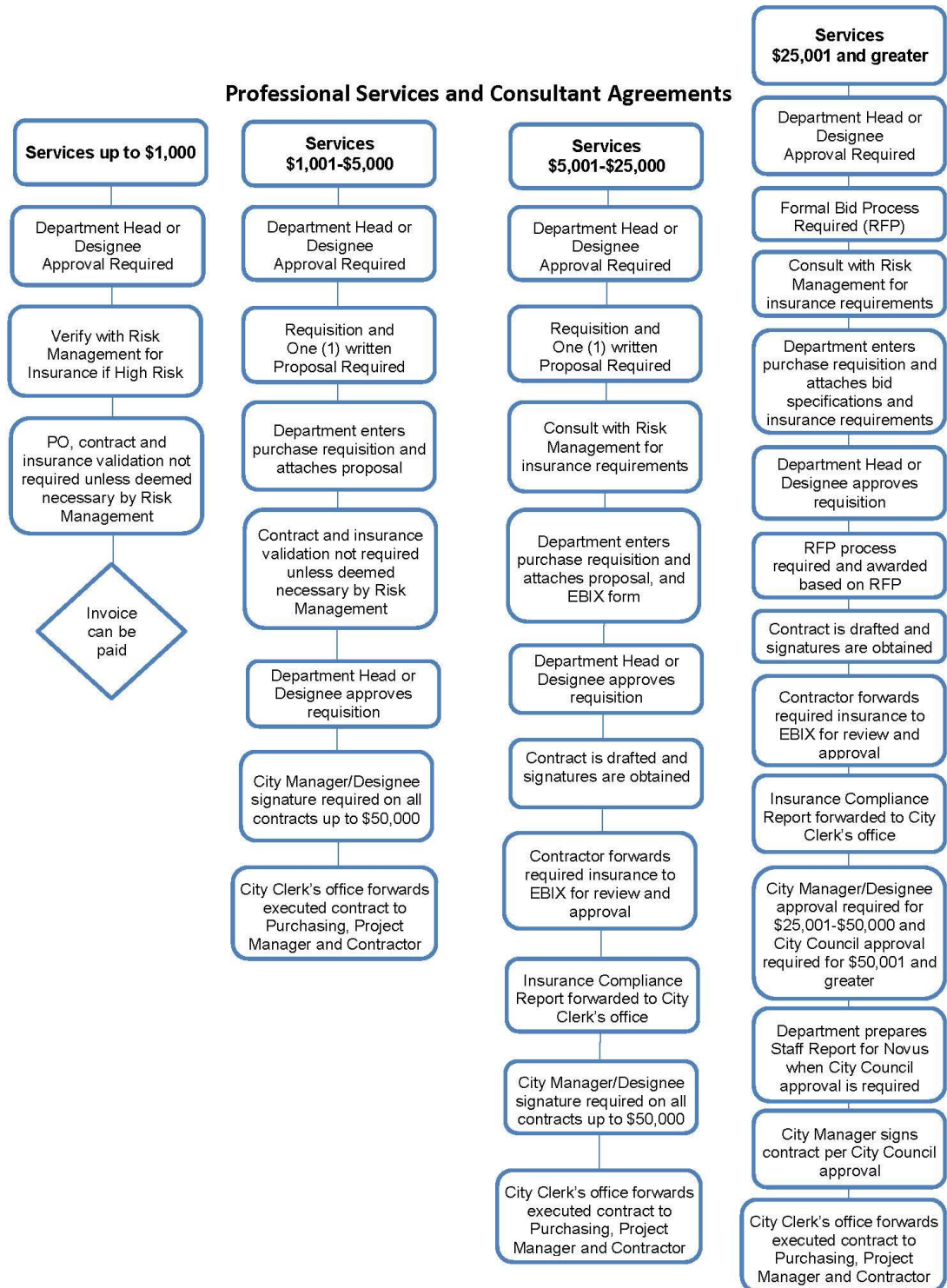
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COUNCIL POLICY NO. 200-10

Purchase of Materials, Supplies, Equipment and other Commodities



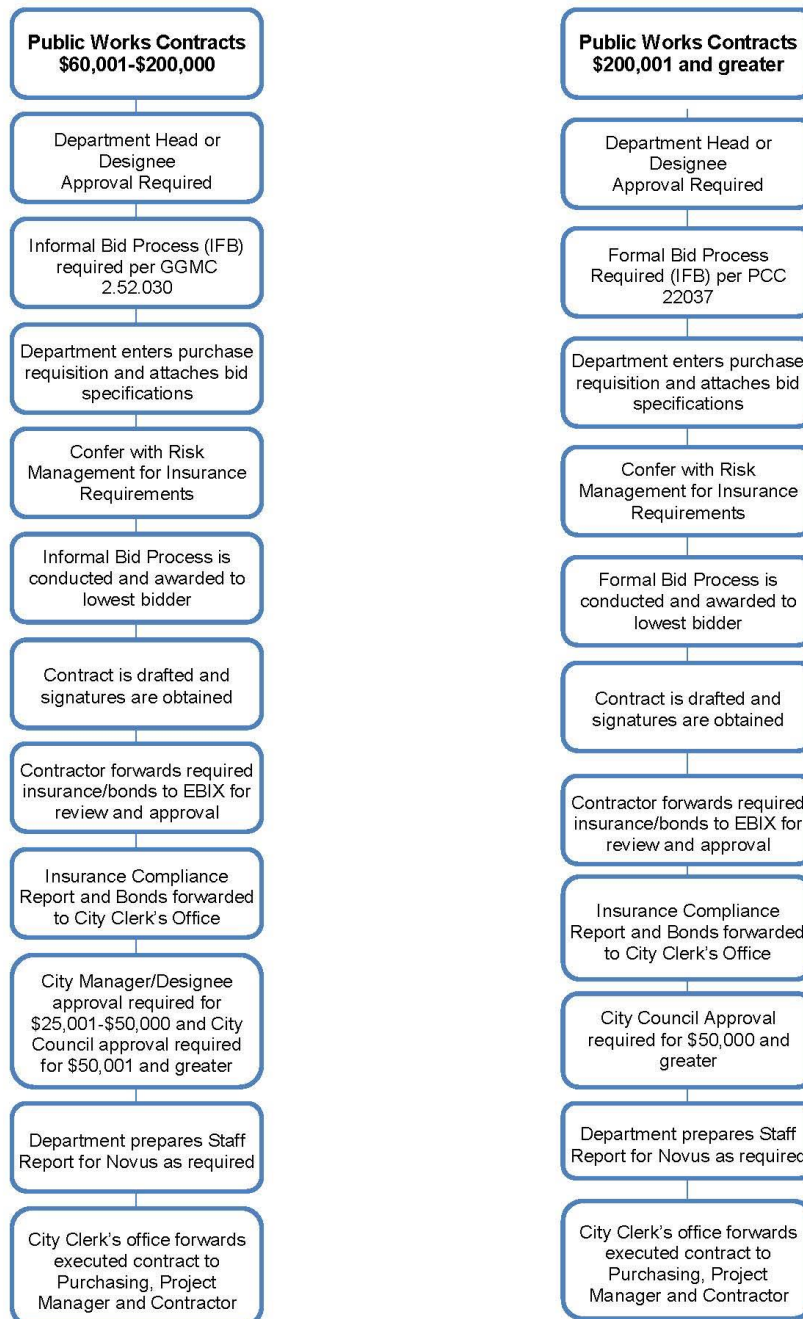
COUNCIL POLICY NO. 200-10



Public Works/Construction Contracts
DIR and Prevailing Wage Requirements Apply

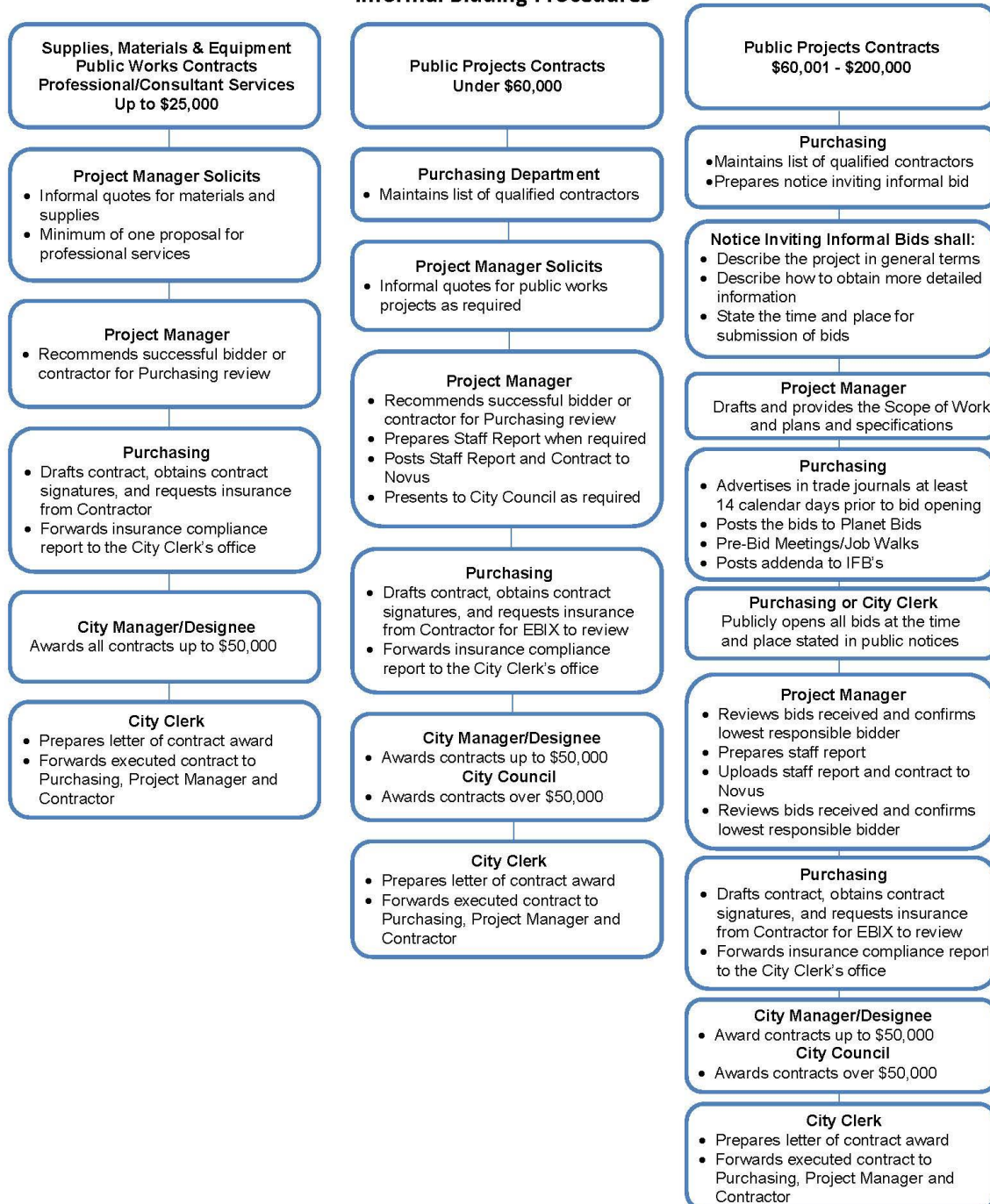


Public Works/Construction Contracts
DIR and Prevailing Wage Requirements Apply, Con't

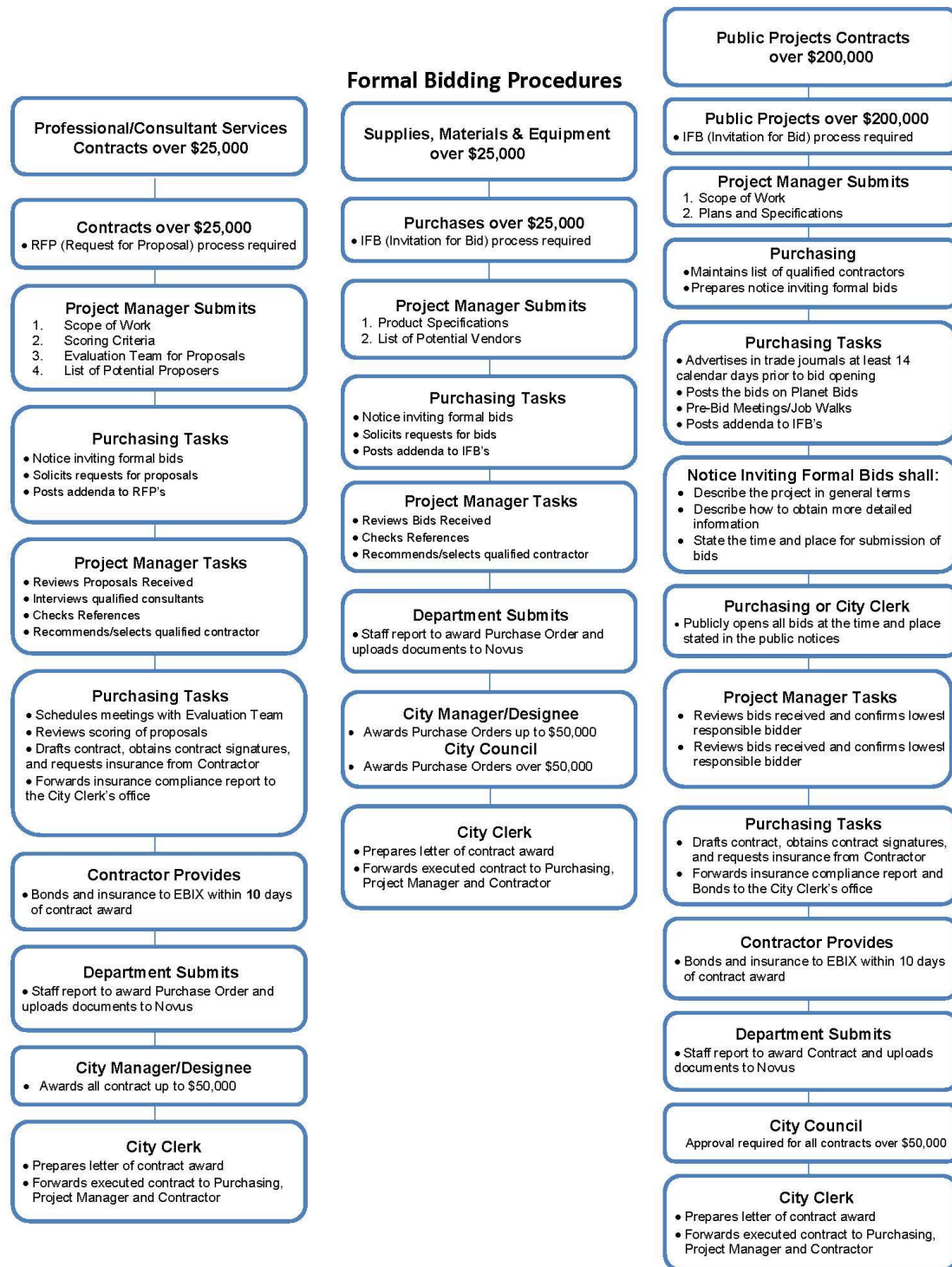


COUNCIL POLICY NO. 200-10

Informal Bidding Procedures



COUNCIL POLICY NO. 200-10



SUBJECT:		POLICY	EFFECTIVE
	IDENTIFICATION CARDS	NUMBER	DATE
		300-01	02-26-57

It is the policy of the City Council that identification cards be provided for City employees.

SUBJECT:

TEMPORARY JOBS FOR
RESIDENT STUDENTS

POLICY
NUMBER

300-02

EFFECTIVE
DATE

06-29-65

It is the policy of the City Council to encourage the use of resident school students for temporary jobs within the budget allocations.

SUBJECT:		POLICY	EFFECTIVE
	CITY EMPLOYEES	NUMBER	DATE
	PARTICIPATION	300-03	01-23-84
	IN HOUSING AND URBAN	AMENDED:	01-15-90
	DEVELOPMENT/COMMUNITY	AMENDED:	11-27-18
	DEVELOPMENT BLOCK GRANT		
	PROGRAMS		

It is the policy of the City Council to encourage residents to participate in the Housing and Neighborhood Improvement programs. In conjunction with this, residents of the City who are either employees or Commissioners shall also be given the opportunity to participate in these programs, subject to those individuals meeting all Federal/State/Local requirements, as prescribed by law. With respect to City employees, the following shall apply:

1. All mid-managers and department directors shall be prohibited from participation in any Housing and Neighborhood Improvement programs.
2. All City employees shall be prohibited from participating in programs to assist owners to rehabilitate rental property.
3. Participation in all other Housing and Neighborhood Improvement programs shall be open to all City employees who meet program guidelines.
4. The Community and Economic Development Director shall review each application and make a recommendation to the City Manager or his designee.

SUBJECT:		POLICY	EFFECTIVE
	SALARY INCREASES	NUMBER	DATE
	NON-REPRESENTED EMPLOYEES	300-04	10-01-90
		AMENDED:	01-28-03
		AMENDED:	11-27-18

It is the policy of the City Council that the City Manager present recommendations regarding salary and benefit changes for the employees in full time classifications not represented by a recognized bargaining unit to the City Council prior to the first of July of each year, as needed. Those recommendations adopted by the City Council will be effective at the beginning of the first full pay period in July.

In setting the salary of non-represented employees who serve in a supervisory capacity, it is the policy of the City Council that such employees be paid at a salary range that is greater than the salary range of the highest paid employee whom they supervise. In line with this policy, the salary of the City Manager shall at all times exceed the salary of the highest paid department director by at least eight percent (8%).

SUBJECT:	OFF-DUTY USE BY FIREFIGHTERS OF UNIFORMS AND RESERVE EQUIPMENT	<u>POLICY NUMBER</u> 300-05	<u>EFFECTIVE DATE</u> 05-28-91
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It is the policy of the City Council that off-duty Garden Grove firefighters be authorized to wear their uniforms and utilize reserve fire apparatus for a once-a-year one-day Muscular Dystrophy Association "Fill the Boot" fund raising campaign.

This event is subject to all required permits and approvals. The fees for any required permit shall be waived.

SUBJECT:		POLICY	EFFECTIVE
	TEMPORARY SEASONAL HOLIDAY	NUMBER	DATE
	SALES	400-01	11-17-64
		AMENDED:	11-27-18

It is the policy of the City Council that permission be granted for staff approval of routine Business Tax License applications for Temporary Seasonable Holiday sales where no zoning problems or other complications exist.

SUBJECT:

ABANDONED BUILDINGS

POLICY
NUMBER

400-02

EFFECTIVE
DATE

10-06-77

It is the policy of the City Council that the Building Official take necessary steps to insure security of abandoned buildings and abate hazards by boarding up or ordering the building demolished in cases of extreme hazard.

SUBJECT:

PUBLIC ALLEYS

POLICY
NUMBER

400-03

EFFECTIVE
DATE

09-10-84

It is the policy of the City Council to discourage the establishment of additional new public alleys. It is also the policy of the City Council to vacate or abandon existing public alleys when all the adjacent property owners concur and agree to establish Covenants, Conditions and Restrictions providing for joint access or appropriate disposition, and maintenance of the alley.

SUBJECT:

MOBILEHOME PARK TENANT
NOTIFICATION OF PUBLIC
HEARINGS

POLICY
NUMBER
400-04

EFFECTIVE
DATE
03-14-88

It is the policy of the City Council that every effort possible be made to notify those residents who reside in a mobilehome park of pending public hearing cases and similar items that may affect their respective park, whether it be direct or indirect. Said notification shall apply to those mobilehome parks that lie within 300 feet of the subject property for which the public hearing case item is being held.

SUBJECT:

POLICY FOR DRIVEWAY
OPENINGS INTO SEPARATE
PARCEL ON GARDEN GROVE
CITY STREETS

POLICY
NUMBER
400-05

EFFECTIVE
DATE
08-15-90

I. DEFINITION OF SEPARATE PARCEL

- A. A parcel of land under one ownership.
- B. A parcel of land under 15 years lease or longer, operated under separate management.
- C. A group of separately owned parcels operated under group management.

II. ALLOWABLE WIDTH (IN FEET) OF ALL DRIVEWAYS ON EACH STREET INTO EACH SEPARATE PARCEL AS DEFINED ABOVE

(Driveway widths shall be measured at bottom of fully depressed area and shall not include any portion of the tapered curb.)

A. Chart

Maximum Total				
		Total Frontage of Parcel	Allowable Width of all Driveways*	Maximum Number of Driveways
		<hr/>		
0	-	40	24	1
41	-	80	30	1
81	-	90	50	2
91	-	150	60	2
151	-	200	70	3
201	-	300	80	3
301	-	400	105	4
401	-	1000	120	4
Over	-	1000	150	5

* Total driveway widths shall not exceed 60% of the parcel frontage.
(Measured at the curb line, not including the curb return.)

COUNCIL POLICY NO. 400-05

- B. Driveways or tapered curbs will not be permitted to encroach into curb return.
- C. No separate driveway shall exceed 30 feet in width unless as determined by the City Engineer when conditions warrant a greater width.
- D. Unless some unusual condition exists, 2 feet (minimum) of full height curb will be required between driveway and property line extended.
- E. Full height curb length between driveways serving the same parcel shall be 22 feet (minimum).
- F. Joint use driveways for adjacent properties may be required at specific arterial highway locations determined by the Traffic Engineer.
- G. Residential properties shall have vehicle access from a local street only, unless as determined by the Traffic Engineer some unusual condition requires the vehicle access to be from an arterial street.
- H. No unused driveway will be permitted to remain.

Reference: Municipal Code Section 11.04.060

SUBJECT:		POLICY	EFFECTIVE
	ELEMENTARY	NUMBER	DATE
	SCHOOL ADULT CROSSING GUARDS	500-01 AMENDED:	02-06-76 11-27-18

The purpose of a policy for the use of elementary school crossing guards is to establish its justification. The criteria to be used are in accordance with the California MUTCD, Section 7E.02, "Adult Crossing Guards."

1. REQUEST FOR INVESTIGATION:

Any person or agency wishing to have an elementary crossing guard at a route to school crosswalk shall first contact the Traffic Engineering Section of the City's Public Works Department to request an investigation. The request shall be in written form.

An investigation will then be conducted.

2. INVESTIGATION:

The investigation shall consist of field observations, school pedestrian volume counts, and vehicular volume counts in the area. The field observations and school pedestrian volume counts shall correspond with the arrival and departure times of students attending the school and shall be conducted by the Traffic Engineering staff and the Police Department. The vehicular volume counts shall be taken for a period of 24 hours and shall survey all vehicular traffic approaching the school crosswalk. The vehicular volume counts shall be conducted under the authority of the Traffic Engineer.

3. CRITERIA:

The criteria for the use of adult crossing guards involve establishing need in the form of numerical requirements such as volume of vehicular and school pedestrian traffic. The school crosswalks which satisfy such warrants will be evaluated separately with emphasis on vehicular and school pedestrian traffic, location with respect to the school, type of street, speed of vehicles, and accidents.

A priority list will be established from these evaluations which will include current locations as well as new locations for adult crossing guards.

4. STUDY:

The California MUTCD, Section 7E.02, "Adult Crossing Guards," shall be used to determine if the school crosswalk in question meets the criteria for the use of an elementary school crossing guard. This section states that crossing guards may be used under the following conditions:

- a. "At uncontrolled crossings where there is no alternate controlled crossing within 600 feet; and
 - i. In urban areas where the vehicular traffic volume exceeds 350 during each of any two hours (not necessarily consecutive) in which 40 or more school pedestrians cross daily while going to or from school; or
 - ii. In rural areas where the vehicular traffic volume exceeds 300 during each of any two hours (not necessarily consecutive) in which 30 or more school pedestrians cross daily while going to or from school.

Whenever the critical (85 percentile) approach speed exceeds 40 mph, the guidelines for rural areas should be applied.

- b. At stop sign-controlled crossings:

Where the vehicular traffic volume on undivided highways of four or more lanes exceeds 500 per hour during any period when the school pedestrians are going to or from school.

- c. At traffic signal-controlled crossings:

- i. Where the number of vehicular turning movements through the school crosswalk exceeds 300 per hour while school pedestrians are going to or from school; or
- ii. Where justified through analysis of the operations of the intersection.

Uncontrolled crossings are crosswalks that are in areas where there are no signs and/or traffic signals to regulate the flow of traffic.

Controlled crossings are crosswalks that are in areas where there are signs and/or traffic signals to regulate the flow of traffic.

5. ACTION:

If the study shows that the criteria is satisfied for the use of an elementary school crossing guard, then the Traffic Engineering staff shall notify the school district and the Police Department and present the study before the Traffic

COUNCIL POLICY NO. 500-01

Commission. If a favorable recommendation is made it will then be submitted to the City Council for approval.

Upon approval by the City Council, the City will initiate negotiations with the school district to establish funding for the implementation of a crossing guard.

In the event that funding sources are not available and the school district wishes to pursue the matter further, one option that can be implemented is for the school district to train and use volunteers from the school as elementary school crossing guards.

If the study does not satisfy the criteria for the use of an elementary school crossing guard, then the Traffic Engineering staff shall notify the school district and the school and explain the reasons why the request was denied based on the study. Should the school district and/or the school wish to pursue the matter further, then staff will set up a meeting to discuss other options that can be implemented.

SUBJECT:

POLICE CALLS OUTSIDE
THE CITY LIMITS

POLICY
NUMBER

500-02

EFFECTIVE
DATE

04-13-71

It is the policy of the City Council that Police Officers shall not be dispatched to calls located outside the City limits unless the call is either in response to a mutual aid request from another law enforcement agency, or the call concerns a matter within the jurisdiction of the Police Department and it is in the best interest of the City that a Police car be dispatched. Should a violation be observed by an on-duty officer, the proper action is to be taken regardless of location.

SUBJECT:	CONDITIONAL USE PERMIT AND ALCOHOLIC BEVERAGE SALE APPLICATION REVIEW BY POLICE CHIEF	POLICY NUMBER <u>500-03</u>	EFFECTIVE DATE <u>12-12-78</u> Rev. 03-7-83 Rev. 4-16-90
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It is the policy of the City Council that whenever deemed necessary, the Police Chief may file a protest on the application for and/or transfer of licenses of establishments whose service is either "on-sale" or "off-sale," as such terms are defined by the State Department of Alcoholic Beverage Control, and which location of that license falls within the criteria set forth in Rule 61.3 or 61.4 of the State Department of Alcoholic Beverage Control. The Police Chief also has the ability, with the review of the City Manager, to file a protest based on his analysis that the application would have a negative impact on the general health, safety or welfare of the community.

In addition, the Police Chief may protest the issuance of a Conditional Use Permit Application for a proposed "on-sale" or off-sale" establishment based upon the high crime and/or undue concentration standards set forth in Rule 61.3 of the State Department of Alcoholic Beverage Control.

SUBJECT:

OVERHIRE POLICY FOR FIRE
DEPARTMENT

POLICY
NUMBER

500-04
AMENDED:

EFFECTIVE
DATE

01-09-79
11-27-18

It is the policy of the City Council that the Fire Department Constant Manning concept include an over-hire provision based on Fire Department needs.

SUBJECT:		POLICY	EFFECTIVE
	BLOCK PARTY/STREET CLOSURE	NUMBER	DATE
	PERMITS	600-01	07-15-69
		AMENDED:	11-27-18

It is the policy of the City Council that, upon receipt of application, the City Manager or his designee is authorized to issue block party permits for a street closure to those adult individuals who have obtained signatures from 100 percent of the properties affected, stating they have no objection to the street closure. When the special street closure is issued, copies of the permit are sent to all City departments involved. Only City of Garden Grove barricades can be used to block off the street and are to be picked up by the permitted applicant at the City Yard located at 13802 Newhope Street. The applicant is responsible for permit and barricade fees and for placement and removal of barricades. The applicant is also responsible for returning the barricades to the City Yard and will be provided with a due date as provided on the permit.

SUBJECT:	BUMPER STICKERS ON MUNICIPALLY OWNED VEHICLES	<u>POLICY NUMBER</u> 600-02	<u>EFFECTIVE DATE</u> 4-13-71
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It is the policy of the City Council that bumper stickers not be permitted on municipally owned vehicles unless authorized by the City Manager.

SUBJECT:	SIDEWALKS ALONG SCHOOL ACCESS STREETS	POLICY NUMBER 600-03 AMENDED:	EFFECTIVE DATE 01-14-75 11-27-18
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It is the policy of the City Council that as resources become available, sidewalks be constructed along local streets where said street is the principal access to a school and requires sidewalks for the safety and welfare of the children.

SUBJECT:

COMPLETION OF STREET
IMPROVEMENTS

POLICY
NUMBER

600-04

EFFECTIVE
DATE

12-23-75

It is the policy of the City Council, whenever possible, to complete street improvements including sidewalks, curbs, gutters, storm drains and landscaping simultaneously.

SUBJECT:

SHOWMOBILE

POLICY
NUMBER

600-05

EFFECTIVE
DATE

10-21-85

It is the policy of the City Council to encourage the use of the City-owned Showmobile for the benefit of the citizens of Garden Grove. The Council shall establish a fee schedule for the use of the Showmobile and reserves the right to establish exemptions for any charge in connection therewith at the Council's sole discretion, if it is in the best interests of the City to do so.

SUBJECT:

USE OF LIGHT STANDARDS BY
NON-PROFIT GROUPS

POLICY
NUMBER
600-06

EFFECTIVE
DATE
01-09-96

It is the policy of the City Council to allow the display by non-profit organizations of appropriate flags, banners, decorations or other devices on light standards in public rights-of-way.

In order to protect the public health, safety and convenience, no such placement shall be allowed without the following:

Express written permission from the City Manager and the owner of the light standard, if other than the City.

Proof of appropriate liability insurance, listing both the City and the light standard owner as additional insured.

An agreement of express indemnification of both the City and the light standard owner by the organization for any liability arising from damage to persons or property caused by the flag, banner, decoration or other device.

If any decoration utilizes electrical power, the organization must also make arrangements for an appropriate deposit to cover the cost of such electricity.

SUBJECT:

MONUMENT POLICY

POLICY
NUMBER
700-01

EFFECTIVE
DATE
06/13/17

SECTION I. PURPOSE AND INTRODUCTION

The City may, from time to time, decide to install permanent outdoor monuments on City property to provide the City's commemoration of persons or events of note, or to otherwise convey the City's position on various topics (referred to as "Government Speech").

By placing monuments on City property, the City intends only to engage in government speech and does not intend to open a public forum for free speech activity.

The purpose of this Policy is to establish criteria and guidelines for the consideration and installation of monuments outdoors in parks or plazas deemed by the City to be appropriate to serve as the site for a monument. In doing so, the City recognizes the following considerations:

- Monuments can convey a powerful connection between Garden Grove and its history, and in some instances its future.
- It is therefore important that the placement of monuments be limited to circumstances of the highest community-wide importance, both to maintain the significance of such monuments and to minimize conflicts with the active and variable use of public spaces.

Notwithstanding the foregoing, the City may decide, in its sole discretion, to reject a proposal for a monument and/or may determine the appropriate site for any and all City monuments.

Additional Review Process if a Monument is Primarily an Original "Work of Art"

The Community Services Director shall recommend and advise the City Manager, whether a proposed monument is primarily an original "work of art". A "work of art" is defined as a monument that is designed by and crafted by or under the supervision of a professional artist. A monument that is deemed primarily a "work of art" shall be considered "public art" and shall become part of the City's Art in Public Places inventory.

For monuments determined to be primarily "public art," the Community Services Department shall:

COUNCIL POLICY NO. 700-01

- Coordinate the review of monuments that are “public art” with the Parks, Recreation and Arts Commission. The Commission shall review and make recommendations regarding the monument as to proposed site, artistic merit, durability, maintainability, and consistency with this Policy. Further, the Community Services Department shall coordinate the findings and recommendations of the Parks, Recreation and Arts Commission to the City Council.
- Coordinate with the Department of Public Works, the inspection, design, location, and other logistical components of monuments that are “public art.”
- Prepare and monitor all necessary records and documentation of monuments that are “public art.”
- Oversee the maintenance of “public art” monuments.

SECTION VII. PUBLIC RIGHT-OF-WAY

The public right-of-way shall not be considered as a site for monuments, except that the City may honor City employees who die or have died in the line of duty while serving the City, by placing a memorial plaque at or near the location of the City employee’s death. The City’s Public Work’s Director is authorized to install memorial plaques in the public right-of-way to commemorate City employees who have died in the line of duty while serving the City if each of the following conditions exist:

- A. The property owner adjacent to the location of the proposed memorial plaque has been consulted on the placement of the memorial. In the event the property owner does not agree to the proposed location, the City will attempt to locate a nearby alternative location.
- B. The memorial plaque must be flat and level with the sidewalk, and placed behind the curb.
- C. The memorial plaque must not interfere with the public use of the sidewalk or right-of-way area.

SECTION VIII. OTHER POLICIES

Nothing in this Policy is intended to supersede or limit any other City Council Policy including without limitation, the City’s Naming of Parks Policy (City Council Policy 700-03).

This Policy does not cover temporary installations on City property, nor does this Policy limit the City’s ability to place signage or plaques on City property to provide

COUNCIL POLICY NO. 700-01

donor or sponsor recognition, public information regarding a City project, or to place historical markers, or to provide other information to the public. City departments may enact administrative guidelines regarding plaques or signage for donor or sponsor recognition in a manner consistent with Policy 700-03.

SUBJECT:

USE OF RECREATION
AND PARKS FACILITIES

POLICY
NUMBER

700-02
AMENDED:

EFFECTIVE
DATE

09-22-59
11-27-18

It is the policy of the City Council that the citizens of Garden Grove be encouraged to properly utilize recreation and parks facilities; that inquiries pertaining thereto be made to the Community Services Department; and that fees and charges, as adopted by Ordinance or Resolution, may be made for the use of said facilities.

SUBJECT:

GUIDELINES FOR
NAMING OF PARKS

POLICY
NUMBER
700-03

EFFECTIVE
DATE
07-18-72

It is the policy of the City Council that the guidelines below be followed in the naming of parks:

II. PARKS TO BE NAMED AFTER PLACES AND FEATURE NAMES - (Priority #1)

- A. The name should reflect a recognizable area, neighborhood, street, or school in the community.
 - 1. The name should aid a person finding the park and should relate to the location name.
 - 2. When parks are adjacent to schools, or are a part of the school property, the park does not necessarily take on the school name. In some cases, however, it may be to an advantage to continue with the same name in order to aid in its location.
- B. Avoid the use of assumed names.
 - 1. A park should be named previous to acquisition or immediately thereafter in order to avoid being named after an assumed name, which may not meet the criteria for the permanent park name.
 - 2. Continuing with assumed names often leads to difficulty in changing the name which more properly meets the criteria for the permanent name.
- C. Naming parks with horticultural type names.
 - 1. Horticultural type names or features should be encouraged for park naming. Names such as Ferndale, Woodland, Forest, etc., often provide good names for park areas.
 - 2. This type of name should be consistent with the horticultural appearance of the park so as to have some logical relationship to the name.

III. NAMING PARKS AFTER MYTHOLOGICAL NAMES - (Priority #2)

- A. The mythological name must fit the general design and concept for the total park.
 - 1. Oftentimes, elements within a park will receive a mythological name to identify that particular segment, such as Atlantis Play Center.
 - 2. The mythological names should have a wholesome connotation and one which can be acceptable by the general community.
 - 3. The name should describe the total area involved.
- B. Parks can be named after a general theme.

1. The theme adopted for the park should logically describe the entire park area.
2. Oftentimes, theme names are utilized only for certain elements or play areas in the park, rather than the total park.
3. A theme name should be used only when the total park is constructed commensurate with the theme name.

IV. NAMING PARKS AFTER HISTORICAL EVENTS - (Priority #3)

- A. The historic event must be of a major local or national significance.
 1. Such events as space missions, early settlement sites, discoveries, etc., would be satisfactory.
 2. The name should definitely tie in the park site with the event, if of local significance only.

V. PARKS TO BE NAMED AFTER PERSONS, UTILIZING PERSONAL NAMES
(Priority #4)

- A. Park areas donated by persons.
 1. The park could be named after the person if the major area of the park is donated by the person, or family.
- B. Naming parks for persons not donating park areas.
 1. The park could be named after persons living or dead, providing the following criteria are met:
 - (a) The person should be a Garden Grove resident who has gained national significance resulting from his public service.
 - (b) He should be as non-controversial as possible and held in high regard by the community.
 - (c) If not a local resident, the person should be recognized nationally for his significant contribution to the national public.
 - (d) The person should not be a contemporary local official. Naming parks after contemporary local officials should be avoided.
 - (e) If deceased, memorials could be named after persons of local significance and/or national significance.
- C. Parks should not be named after commercial businesses, even if land is donated by the business for park purposes. Personal names of businesses should be avoided.
- D. Total park areas would not be named after civic organizations; however, individual units within a park can be named as donated by civic organizations.
 1. The civic organizations often participate in the construction of units or elements in the park. These elements could be named after the organization, or in some way designate the organization as the donor.

COUNCIL POLICY NO. 700-03

2. The park names should avoid giving the impression that the park is for use by a particular group or organization, such as Rotaryland, Girls' Park, Scout Haven, etc.

SUBJECT:		POLICY	EFFECTIVE
	RESIDENT PETITION FOR	NUMBER	DATE
	STREET TREE REMOVAL AND REPLACEMENT	700-04 AMENDED:	11-07-72 11-27-18

It is the policy of the City Council with reference to street tree removal and replacement resultant from citizen-initiated petitions, that:

Petitions presented by citizen action in a given area for the removal and replacement of present City trees, on the premise that, in the opinion of the petitioners, the trees are undesirable; and when the reasons given do not meet the existing criteria for removal, may be granted only if the following conditions are met:

1. The petition must be signed by the adjacent property owners in accordance with the following percentage schedule based upon the number of trees involved:

0 to 15 Trees	75%
16 to 25 Trees	80%
26 trees and over	85%
2. All costs for the removal and replacement with an approved species will be borne by the adjacent property owners.
3. The work is to be performed by contract, under City specifications and administered by the City. The contract cost will be the cost to be borne by the adjacent property owners and would be placed on deposit with the City prior to removal being initiated.
4. It will be the responsibility of the petitioners to collect and deposit the necessary funds with the City to cover the cost of the project.
5. In order to assure uniformity and provide for better appearance, as well as reduce long term maintenance in the area, all trees in the particular area petitioned would be removed and replaced.
6. In that granting requests initiated by petitions is a discretionary matter, each petition request will be considered individually and will be determined on the merits of the individual request.

SUBJECT:

TREE TRIMMING

POLICY
NUMBER

700-05

AMENDED:

EFFECTIVE
DATE

07-19-78

11-27-18

It is the policy of the City Council that City will provide the basic minimum frequency of tree trimming consistent with traffic and pedestrian safety.

SUBJECT:

WATER UTILITY
REVENUES AND FUNDS

POLICY
NUMBER

800-01
AMENDED:

EFFECTIVE
DATE

04-13-72
11-05-90

It is the policy of the City Council that City staff shall use its utmost diligence to ensure that water funds are used solely for the benefit of those supplying the water funds.

SUBJECT:		POLICY NUMBER	EFFECTIVE DATE
	FUNDING OF ALL NEW WATER SYSTEM FACILITIES	<u>800-02</u>	<u>04-13-72</u>
		AMENDED:	11-27-18

It is the policy of the City Council to defray the costs of all new water system facilities from a combination of funds derived from water revenues and bonded indebtedness. The proportion of funds to be derived from bonded indebtedness shall be determined prior to the preparation of water rate studies.

SUBJECT:

RESERVE FOR CONTINGENCY

POLICY
NUMBER
800-03

EFFECTIVE
DATE
04-13-71

It is the policy of the City Council that at least \$500,000 shall be set aside in the Water Fund as a reserve for contingencies. The reserve is intended for emergency appropriation for the water operation or any city operation.

SUBJECT:	DELINQUENT WATER ACCOUNTS	POLICY NUMBER	EFFECTIVE DATE
		800-04	05-17-60
		AMENDED:	11-27-18

It is the policy of the City Council, upon recommendation of the Finance Director, to grant authorization to process delinquent bills for water system services, charges or other obligations in arrears through collection agencies.

SUBJECT:

METERING OF WATER
ACCOUNTS

POLICY
NUMBER

800-05

EFFECTIVE
DATE

09-26-67

It is the policy of the City Council that all water service connections served by the City of Garden Grove be equipped with a metering device, except by special provisions to municipal facilities, whether said accounts are located inside or outside of the City of Garden Grove.

SUBJECT:

UNDERGROUND UTILITIES

POLICY
NUMBER

800-06
AMENDED:

EFFECTIVE
DATE

12-16-69
04-01-75

It is the policy of the City Council to underground utilities wherever possible in connection with major street improvement projects.

SUBJECT:

FACILITY REPLACEMENT
PROGRAM FUNDED FROM
DEPRECIATION

POLICY
NUMBER
800-07

EFFECTIVE
DATE
08-12-75

It is the policy of the City Council that the Water Supply Program have a FUNDED DEPRECIATION - REPLACEMENT PROGRAM, and that this program be a part of the operating budget.

SUBJECT:

FEES AND CHARGES
TO COVER EXPENSE

POLICY
NUMBER

800-08

EFFECTIVE
DATE

08-12-75

It is the policy of the City Council that all water fees and charges established in the Municipal Code be set at a rate to recover the City's expense.

SUBJECT:

LIGHTING DISTRICT
REVENUES AND FUNDS

POLICY
NUMBER
800-09
AMENDED:

EFFECTIVE
DATE
05-23-77
11-19-90

Garden Grove lighting districts are operated and administered pursuant to government code regulations governing such districts.

It is the policy of the City Council that street lighting funds shall not be used for median construction or median maintenance.

SUBJECT:		POLICY	EFFECTIVE
	DISCONTINUATION OF	NUMBER	DATE
	RESIDENTIAL WATER SERVICE	800-10	02-01-20
	IN COMPLIANCE WITH SB 998	Resolution No. 9609-20	02-11-20

1. **Application of Policy.** This Policy on Discontinuation of Residential Water Service (this “Policy”) shall apply to all City accounts for residential water service, but shall not apply to any accounts for non-residential service. To the extent this Policy conflicts with any other rules, regulations, or policies of the City, this Policy shall control.

2. **Contact Information.** For questions or assistance regarding your water bill, the City’s Customer Service staff can be reached at (714) 741-5078. Customers may also visit the City’s Customer Service desk in person Monday through Thursday, from 7:30 a.m. to 5:30 p.m. and alternating Fridays, from 7:30 a.m. to 5:00 p.m. (except on City holidays).

3. **Billing Procedures.** Water service charges are payable to the City once every two (2) months or at such other frequency as determined by the City Council from time to time. All bills for water service are due and payable thirty-five (35) days after mailing or e-mailing by the City. Any bills not paid within such period are considered delinquent.

4. **Discontinuation of Water Service for Nonpayment.** If a bill is delinquent for at least sixty (60) days, the City may discontinue water service to the service address.

4.1 Written Notice to Customer. The City will provide a written notice to the customer of record at least ten (10) days before discontinuation of water service. If the customer’s address is not the address of the property to which service is provided, the City will also mail the notice to the address of the property to which service is provided, addressed to “Occupant.” The notice will include the following information:

- (a) the name and address of the customer;
- (b) the amount of the delinquency;
- (c) the date by which payment or payment arrangements must be made to avoid discontinuation of water service;
- (d) a description of the process to apply for an extension of time to pay the delinquent charges;
- (e) a description for the procedure to petition for bill review and appeal;

COUNCIL POLICY NO. 800-10

- (f) a description of the procedure by which the customer may request a deferred, reduced, or alternative payment schedule, including an amortization of the delinquent charges;
- (g) the procedure for the customer to obtain information on financial assistance, if applicable; and
- (h) the telephone number where the customer may request a payment arrangement or receive additional information from the City.

4.2 Written Notice to Occupants or Tenants.

(a) The City will make every good faith effort to also send a mailed notice to the occupants living at the water service address at least ten (10) days before discontinuation of water service under the following circumstances if the City furnishes individually metered water service to a single-family dwelling, multi-unit residential structure, mobile home park, or farm labor camp and the owner, manager, or operator is the customer of record. The notice will be addressed to "Occupant," and will inform the residential occupants that they have the right to become customers of the City, to whom water service will then be billed, without being required to pay the amount due on the delinquent account. Terms and conditions for occupants to become customers of the City are provided in Section 8 below.

(b) In the case of a detached single-family dwelling:

(i) the City will endeavor to provide a mailed notice of termination at least ten (10) days prior to the proposed termination of water service; and

(ii) in order for the amount due on the delinquent account to be waived, the occupant of a detached single-family dwelling who becomes a customer, must verify to the satisfaction of the City that the delinquent account customer of record is or was the landlord, manager, or agent of the dwelling. Verification may include, but is not limited to, a lease or rental agreement, rent receipts, or other documentation indicating that the occupant is renting the property,

(c) If the City furnishes water through a master meter in a multi-unit residential structure, mobile home park, or permanent residential structures in a labor camp and the owner, manager, or operator is the customer of record, the City will make a good faith effort to inform the occupants, by means of written notice posted on the door of each residential unit at least ten (10) days prior to termination, that the account is in arrears and the water service will be terminated on a date specified in the notice. If it is not reasonable or practicable to post the notice on the door of each unit, the City will post two (2) copies of the notice in each accessible common area and at each point of access to the structure or structures. The notice will inform the residential occupants that they have the right to become customers of the City without being required to pay the amount due on the delinquent account. The notice will also specify what the occupants are required to do in order to prevent termination of, or to reestablish water

COUNCIL POLICY NO. 800-10

service; the estimated monthly cost of water service; the title, address, and telephone number of a representative of the City who can assist the occupants in continuing water service. Terms and conditions for occupants to become customers of the City are provided in Section 8 below.

4.3 Telephonic and In-Person Notice. The City will also make a reasonable, good faith effort to contact the customer of record or adult person living at the premises of the customer in person or by telephone at least ten (10) days before discontinuation of water service. The City will offer to provide in writing a copy of this Policy and to discuss options to avert discontinuation of water service for nonpayment, including but not limited to, alternative payment schedules, deferred payments, minimum payments, procedures for requesting amortization of the unpaid balance, and petition for bill review and appeal.

4.4 Posting of Notice at Water Service Address. If the City is unable to make contact with the customer or an adult person living at the water service address by telephone, and written notice is returned through the mail as undeliverable, the City will make a good faith effort to visit the residence and leave, or make other arrangements for placement in a conspicuous place of, a notice of imminent discontinuation of water service for nonpayment and a copy of this Policy. The notice and copy of this Policy will be left at the residence at least forty-eight (48) hours before discontinuation of water service. The notice will include the information specified in Section 4.1.

4.5 Circumstances Under Which Water Service Will Not Be Discontinued. The City will not discontinue water service for nonpayment under the following circumstances:

- (a) During an investigation by the City of a customer dispute or complaint under Section 5.1 below;
- (b) During the pendency of an appeal to the City Council under Section 5.3 below; or
- (c) During the period of time in which a customer's payment is subject to a City-approved extension, amortization, alternative payment schedule, or reduction under Section 6 below, and the customer remains in compliance with the approved payment arrangement.

4.6 Special Medical and Financial Circumstances Under Which Water Service Will Not Be Discontinued.

- (a) The City will not discontinue water service for non-payment if all of the following conditions are met:
 - (i) The customer, or a tenant of the customer, submits to the City the certification of a licensed primary care provider that discontinuation of water service will be life threatening to, or

pose a serious threat to the health and safety of, a resident of the premises where water service is provided; and

- (ii) The customer demonstrates that he or she is financially unable to pay for water service within the City's normal billing cycle. The customer is deemed financially unable to pay during the normal billing cycle if: (a) any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or (b) the customer declares under penalty of perjury that the household's annual income is less than 200 percent of the federal poverty level; and
 - (iii) The customer is willing to enter into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment with respect to all delinquent charges.
- (b) For any customers who meet all of the above conditions, the City shall offer the customer one of the following options, to be selected by the City in its discretion: (1) an extension of the payment period; (2) amortization of the unpaid balance; (3) an alternative payment schedule; or (4) a reduced payment. The City's Finance Director or designee will select the most appropriate payment arrangement, taking into consideration the information and documentation provided by the customer, as well as the City's payment needs.
- (c) The customer is responsible for demonstrating that the conditions in subsection (a) have been met. Upon receipt of documentation from the customer, the City will review the documentation within seven (7) days and: (1) notify the customer of the alternative payment arrangement selected by the City and request the customer's signed assent to participate in that alternative arrangement; (2) request additional information from the customer; or (3) notify the customer that he or she does not meet the conditions in subsection (a).
- (d) The City may discontinue water service if a customer who has been granted an alternative payment arrangement under this section fails to do any of the following for sixty (60) days or more: (a) to pay his or her unpaid charges by the extended payment date; (b) to pay any amortized amount due under the amortization schedule; (c) to pay any amount due under an alternative payment schedule; (d) to pay the reduced payment amount by its due date; or (e) to pay his

or her current charges for water service. The City will post a final notice of intent to disconnect service in a prominent and conspicuous location at the water service address at least five (5) business days before discontinuation of water service. The final notice will not entitle the customer to any investigation or review by the City.

4.7 Time of Discontinuation of Water Service. The City will not discontinue water service due to nonpayment on a Saturday, Sunday, legal holiday, or at any time during which the City's Finance department is not open to the public.

4.8 Restoration of Water Service. Customers whose water service has been discontinued may contact the City by telephone or in person regarding restoration of water service. Restoration shall be subject to payment of: (a) any past-due amounts, including applicable interest or penalties; (b) any reconnection fees, subject to the limitations in Section 7.1, if applicable; (c) and a security deposit, if required by the City.

5. Procedures to Contest or Appeal a Bill.

5.1 Time to Initiate Complaint or Request an Investigation. A customer may initiate a complaint or request an investigation regarding the amount of a bill within five (5) days of receiving a disputed bill. For purposes of this Section 5.1 only, a bill shall be deemed received by a customer five (5) days after mailing and immediately upon e-mailing.

5.2 Review by City. A timely complaint or request for investigation shall be reviewed by the Finance Director, who shall provide a written determination to the customer. The review will include consideration of whether the customer may receive an extension, amortization, alternative payment schedule, or payment reduction under Section 6. The City may, in its discretion, review untimely complaints or requests for investigation; however, such complaints or requests are not subject to appeal.

5.3 Appeal to City Council. Any customer whose timely complaint or request for an investigation pursuant to this Section 5 has resulted in an adverse determination may appeal the determination to the City Council by filing a written notice of appeal with the City Clerk within ten (10) business days of the City's mailing of its determination. Upon receiving the notice of appeal, the City Manager Clerk will set the matter to be heard and mail the customer written notice of the time and place of the hearing at least ten (10) days before the hearing. The decision of the City Council shall be final.

6. Extensions and Other Alternative Payment Arrangements.

6.1 Time to Request an Extension or Other Alternative Payment Arrangement. If a customer is unable to pay a bill during the normal payment period, the customer may request an extension or other alternative payment arrangement described in this Section 6. If a customer submits his or her request within thirteen (13) days after mailing of a written notice of discontinuation of water service by the City, the

request will be reviewed by the Finance Director. The Finance Director's decisions regarding extensions and other alternative payment arrangements are final and are not subject to appeal to the City Council.

6.2 Extension. If approved by the City, a customer's payment of his or her unpaid balance may be temporarily extended for a period not to exceed six (6) months after the balance was originally due. The City's Finance Director shall determine, in his or her discretion, how long an extension shall be provided to the customer. The customer shall pay the full unpaid balance by the date set by the City and must remain current on all water service charges accruing during any subsequent billing periods. The extended payment date will be set forth in writing and provided to the customer.

6.3 Amortization. If approved by the City, a customer's payment of his or her unpaid balance may be amortized over a period not to exceed twelve (12) months, as determined by the City's Finance Director, in his or her discretion. If amortization is approved, the unpaid balance will be divided by the number of months in the amortization period, and that amount will be added to the customer's monthly bills for water service until fully paid. During the amortization period, the customer must remain current on all water service charges accruing during any subsequent billing periods. The amortization schedule and amounts due will be set forth in writing and provided to the customer.

6.4 Alternative Payment Schedule. If approved by the City, a customer may pay his or her unpaid balance pursuant to an alternative payment schedule that will not exceed twelve (12) months, as determined by the City's Finance Director, in his or her discretion. If approved, the alternative payment schedule may allow periodic lump-sum payments that do not coincide with the City's established payment date or may provide for payments made more or less frequently than the City's regular payment date. During the period of the alternative payment schedule, the customer must remain current on all water service charges accruing during any subsequent billing periods. The alternative payment schedule and amounts due will be set forth in writing and provided to the customer.

6.5 Failure To Comply. If a customer has been granted a payment arrangement under this Section 6 and fails to: (1) pay the unpaid charges by the extension date; (2) pay an amount due under an amortization schedule; (3) pay an amount due under an alternative payment schedule; or (4) pay a reduced payment amount by its due date, then the City may terminate water service. The City will post a final notice of intent to disconnect water service in a prominent and conspicuous location at the service address at least five (5) business days before discontinuation of water service. The final notice will not entitle the customer to any investigation or review by the City.

7. Specific Programs for Low-Income Customers.

7.1 Reconnection Fee Limits and Waiver of Interest. For residential customers who demonstrate to the City a household income below 200 percent of the federal poverty line, the City will:

- (a) Limit any reconnection fees during normal operating hours to fifty dollars (\$50), and during non-operational hours to one hundred fifty dollars (\$150). The limits will only apply if the City's reconnection fees actually exceed these amounts. These limits are subject to an annual adjustment for changes in the Bureau of Labor Statistics' Consumer Price Index for All Urban Consumers (CPI-U) beginning January 1, 2021.
- (b) Waive interest charges on delinquent bills once every 12 months. The City will apply the waiver to any interest charges that are unpaid at the time of the customer's request.

7.2 Qualifications. The City will deem a residential customer to have a household income below 200 percent of the federal poverty line if: (a) any member of the household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or (b) the customer declares under penalty of perjury that the household's annual income is less than 200 percent of the federal poverty level.

8. Procedures for Occupants or Tenants to Become Customers of the City.

8.1 Applicability. This Section 8 shall apply only when the property owner, landlord, manager, or operator of a water service address is listed as the customer of record and has been issued a notice of intent to discontinue water service due to nonpayment.

8.2 Agreement to City Terms and Conditions of Water Service. The City will make water service available to the actual residential occupants if each occupant agrees to the terms and conditions of water service and meets the requirements of the City's rules and regulations. Notwithstanding, if one or more of the occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the City, or if there is a physical means, legally available to the City, of selectively discontinuing water service to those occupants who have not met the requirements of the City's rules and regulations, the City shall make water service available to the occupants who have met those requirements.

8.3 Verification of Tenancy. To be eligible to become a customer without paying the amount due on the delinquent account, the occupant shall verify that the delinquent account customer of record is or was the landlord, manager, or agent of the dwelling. Verification may include, but is not limited to, a lease or rental agreement, rent receipts, a government document indicating that the occupant is renting the property, or

information disclosed pursuant to Section 1962 of the Civil Code, at the discretion of the City.

8.4 Methods of Establishing Credit. If prior water service for a period of time is a condition for establishing credit with the City, residence and proof of prompt payment of rent for that period of time is a satisfactory equivalent.

9. **Language for Certain Written Notices.** All written notices under Section 4 and Section 6.5 of this Policy shall be provided in English, Spanish, Chinese, Tagalog, Vietnamese, Korean, and any other language spoken by ten percent (10%) or more people within the City's service area.

10. **Other Remedies.** In addition to discontinuation of water service, the City may pursue any other remedies available in law or equity for nonpayment of water service charges, including, but not limited to: securing delinquent amounts by filing liens on real property, filing a claim or legal action, or referring the unpaid amount to collections. In the event a legal action is decided in favor of the City, the City shall be entitled to the payment of all costs and expenses, including attorneys' fees and accumulated interest.

11. **Discontinuation of Water Service for Other Customer Violations.** The City reserves the right to discontinue water service for any violations of City ordinances, rules, or regulations other than nonpayment.

12. **Fees and Charges Incurred.** Except as otherwise expressly stated in this Policy, any fees and charges incurred by a customer under any other rules, regulations, or policies of the City, including, but not limited to, delinquent charges, shall be due and payable as set forth therein.

13. **Decisions by City Staff.** Any decision which may be taken by the City's Finance Director under this Policy may be taken by his or her designee.