



CITY OF CITRUS HEIGHTS

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The City of Citrus Heights is committed to providing high quality economical, responsive city services to our community.

PURCHASING POLICY

SCOPE OF POLICY

The provisions of this policy shall apply to:

- (a) All contracts funded by the City of Citrus Heights and the Citrus Height Redevelopment Agency for research and development, professional studies, design and engineering, construction and construction-related matters, to the extent allowed by applicable law.
- (b) The purchase of goods and services (including professional services, except for the services of physicians or attorneys), leases of real property, or the sale or purchase of real property.
- (c) The disposition of surplus property.

OVERVIEW OF THE PURCHASING PROCESS

The purchasing process is centralized (the Purchasing Agent coordinates purchases) for the following goods and services: computer hardware and software, office supplies and machines, vehicles, and phones. The purchasing process is decentralized (the Initiator, the person or department requesting the merchandise or service, seeks out potential vendors, obtains the bids, and interacts with the vendor) for all other goods and services. The Purchasing Agent/Initiator is responsible for assuring that adequate budgeted funds are available. A purchase order may be requested from the Finance Department. Receipt of the merchandise or service is checked by the Purchasing Agent/Initiator. Approved invoices are forwarded to Finance for payment. Staging of purchases in order to avoid bidding procedures or authorization limits is prohibited. A 5% bid evaluation pricing preference will be given to businesses based in Citrus Heights. Each department is responsible for establishing a system of checks and balances throughout the purchasing process to help deter possible fraudulent activity.

PURCHASING AGENT

The Purchasing Agent shall be the Finance Director and shall report to the City Manager. The Purchasing Agent is responsible for overseeing the procurement of centralized goods and services, the administration of the Contracting and Purchasing Policy and the management of surplus City property.

GIFTS AND UNAUTHORIZED PURCHASES

City employees, officers or officials are not entitled to any special consideration from vendors and merchants in their personal affairs nor are such city employees, officers, or officials to attempt to procure materials for the personal use of any other person. City employees, officers or officials shall not solicit or accept gifts except for those items that can be shared by all staff such

as food and flowers. Except for emergencies or other authorized exemption, no purchases shall be made without specific authorization as outlined in this policy. The person ordering the unauthorized purchase may be held personally liable for the costs of the purchase or contract.

PURCHASING AUTHORIZATIONS

The following authorization limits apply to all purchases except Public Works Projects. See “Special Types of Purchases” (below) for additional information. Public Works Projects purchasing authorizations and information are listed at the end of this document.

Formal Bid – purchases more than \$50,000

Authority to award – City Council.

Formal bid or Request for Proposal process is required.

Award to the lowest cost, responsive, responsible bidder. In the event of a tie, award to the business located in Citrus Heights.

Staging of purchases in order to avoid authorization limits is prohibited.

Formal Bid – purchases more than \$25,000 and up to \$50,000

Authority to award – City Manager.

Quotes must be received from three competitive sources.

Award to the lowest cost, responsive, responsible bidder. In the event of a tie, award to the business located in Citrus Heights.

Staging of purchases in order to avoid authorization limits is prohibited.

Open Market – purchases more than \$5,000 and up to \$25,000

Authority to award – City Manager.

If practical, quotes must be received from three competitive sources.

Award to the lowest cost, responsive, responsible bidder. In the event of a tie, award to the business located in Citrus Heights.

Staging of purchases in order to avoid authorization limits is prohibited.

Small Purchases – purchases of \$5,000 or less

Authority to award – Department Head or authorized designee.

Seek competitive quotations when feasible or rotate awards to local vendors.

Award to the lowest cost, responsive, responsible bidder. In the event of a tie, award to the business located in Citrus Heights.

SPECIAL TYPES OF PURCHASES

- Purchases requiring Competitive Sealed Bids
- Purchases requiring Competitive Sealed Proposals
- Contracting for Professional Services
- Cooperative Purchasing
- Sole Source Purchasing
- Open (Blanket) Purchases
- Petty Cash Reimbursement
- Credit Card Purchases
- Emergency Purchases

Purchases requiring Competitive Sealed Bids

(a) All contracts greater than \$50,000 shall be awarded by competitive sealed bidding. The City Manager is authorized to award contracts up to \$50,000. City Council approval is required for awards greater than \$50,000. Contracts shall not be knowingly staged or separated into smaller units or segments solely for the purpose of evading competitive bidding requirements.

(b) Competitive Sealed Bidding Process.

(1) Invitation and Notice: An invitation for bids shall be issued and shall include specifications and all contractual terms and conditions applicable to the procurement. Adequate public notice of the invitation for bids shall be given not less than ten (10) calendar days prior to the date set forth therein for the opening of bids for contracts under \$50,000 and (thirty) 30 days for contracts over \$50,000. Such notice may include publication in a newspaper of general circulation a reasonable time prior to bid opening. The public notice and all invitations to bid shall state the place, date and time of bid opening and shall state that the bids should be submitted to the City Clerk or designee of the City Clerk.

(2) Bid Opening: Bids shall be opened publicly in the presence of one or more witnesses at the place and not earlier than the time designated in the invitation for bids. The amount of each bid and such other relevant information as the City deems appropriate, together with the name of each bidder shall be open to public inspection in accordance with the policy.

(3) Bid Evaluation and Acceptance: Bids received at or prior to the time set for bid opening shall be unconditionally accepted without alteration or correction, except as authorized in this policy. Bids

shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs, and total or life cycle costs. The invitation for bids shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluations that are not set forth in the invitation for bids.

(4) Correction or Withdrawal of Bids: Subject to any provisions of federal or state granting authorities to the contrary, correction or withdrawal of inadvertently erroneous bids before or after bid opening, or cancellation of awards or contracts based on such bid mistakes, shall be in accordance with this section. Mistakes discovered before bid opening may be modified or withdrawn by written notice received in the office designated in the invitation for bids prior to the time set for bid opening. After bid opening, no corrections to bid or provisions shall be permitted but, in lieu of bid correction, a low bidder alleging a material mistake of fact may be permitted to withdraw its bid if:

(A) The mistake is clearly evident on the face of the bid document; or

(B) The bidder submits evidence that clearly and convincingly demonstrates that a mistake was made. All decisions to permit the correction or withdrawal of bids shall be supported by a written determination made by the City.

(5) Award: The contract shall be awarded by appropriate written notice to the lowest cost, responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids.

(c) Multi-Step Sealed Bidding: When it is considered impractical to prepare initially a purchase description to support an award based on price, an invitation for bids may be issued requesting the submission of unpriced offers to be followed by an invitation for bids limited to those bidders whose offers have been determined to be technically acceptable under the criteria set forth in the first solicitation.

(d) Cancellation of Invitations: An invitation for bids, a request for proposals, or other solicitation may be cancelled, or any or all bids or proposals may be rejected in whole or in part as may be specified in the solicitation. Each solicitation issued by the City shall state that the solicitation may be cancelled and that any bid or proposal may be rejected in whole or in part at the City's discretion with or without a showing of good cause.

(e) Determination of Non-responsibility: If a bidder or offeror who otherwise would have been awarded a contract is found non-responsible, a written determination of non-responsibility, setting forth the basis of the finding, shall be prepared by the City Manager or his or her delegate. The unreasonable failure of a bidder or offeror to supply promptly information in connection with an inquiry with respect to responsibility may be grounds for a determination of non-responsibility with respect to such bidder or offeror. A copy of the determination shall be sent promptly to the non-responsible bidder or offeror. The final determination shall be made part of the contract file and be made a public record.

(f) Right of Nondisclosure: Information furnished by a bidder or offeror in reliance upon a written offer of confidentiality by the City pursuant to this section shall not be disclosed by the City outside of the office of the purchasing agent or using agency without prior written consent by the bidder.

(g) Use of Subcontractors: All contracts between the City of Citrus Heights and its consultants, vendors, and contractors shall state that "should you (the consultant, vendor, or contractor) utilize subcontractors, vendors or consultants to fulfill this contract with the City, you agree to use all reasonable efforts to include Citrus Heights-based businesses in your bidding processes."

(h) Bid and Payment Bonds: Bid and payment bonds or other security may be requested for supply contracts or service contracts, as the City Attorney deems advisable to protect the City's interests. Any such bonding requirements shall be set forth in the solicitation. Bid or payment bonds shall not be used as a substitute for a determination of a bidder's or an offeror's responsibility.

Purchases requiring Competitive Sealed Proposals

(a) When the City determines that the use of competitive sealed bidding is either not practicable or not advantageous to the City, a contract may be entered into by use of the competitive sealed proposals method.

(b) Competitive Sealed Proposals Process.

(1) Request for Proposals and Notice: Proposals shall be solicited through a request for proposals. Adequate public notice of the request for proposals shall be given in the same manner as provided

for Competitive Sealed Bids; provided, the minimum time shall be fifteen (15) calendar days for contracts in the amount of \$50,000 or less and thirty (30) calendar days for contracts in the amount of more than \$50,000.

(2) Evaluation Factors: The request for proposals shall state the relative importance of price and other evaluation factors.

(3) Interviews with Responsible Offerors and Revisions to Proposals: As provided in the request for proposals, interviews may be conducted with responsible offerors whose proposals are responsive to the request for proposals for the purpose of clarification to assure full understanding of, and conformance to, the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of the identity of competing offerors or of any information derived from proposals submitted by competing offerors.

(4) Award: Award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the City, taking into consideration price and the evaluation facts set forth in the request for proposals. No other factors or criteria shall be used in the evaluation. The contract file shall contain the basis on which the award is made.

(c) Cancellation of Invitations: See “Competitive Sealed Bids” (d) above.

(d) Determination of Non-responsibility: See “Competitive Sealed Bids” (e) above.

(e) Right of Nondisclosure: See “Competitive Sealed Bids” (f) above.

(f) Bid and Payment Bonds: See “Competitive Sealed Bids” (g) above.

(g) Use of Subcontractors: See “Competitive Sealed Bids” (h) above.

Contracting for Professional Services

(a) For the purpose of procuring the services of accountants, architects, engineers and other professionals, the City department or agency using such a professional may award a contract for

service in accordance with the purchasing authorizations and limitations of this policy. Special consideration for design/architect services is noted in (b)(4) below.

(b) Selection Procedure.

(1) Request for Qualifications and Notice: Adequate notice of the need for the desired professional services shall be given by the City through a request for qualifications. The request for qualifications shall describe the services required, list the types of information and data required of each offeror, and state the relative importance of particular qualifications.

(2) Statement of Qualifications: Persons engaged in providing the designated types of professional services may submit statements of qualifications and expressions of interest in providing such professional services. The City may specify a uniform format for statements of qualifications. Persons may amend these statements at any time by filing a new statement.

(3) Interviews: The head of the City department or agency or his or her designee using the professional services may conduct interviews with any offeror who has submitted a statement of qualifications for the purpose of ranking the qualifications of the offerors, based on the evaluation factors set forth in the request for qualifications. Interviews shall not disclose any information derived from statements submitted by other offerors.

(4) Award: Award shall be made to the offeror determined to be the best qualified based on the evaluation factors set forth in the request for qualifications, and negotiation of compensation determined to be fair and reasonable. If compensation cannot be agreed upon with the best-qualified offeror, then negotiations will be formally terminated with the selected offeror. If statements were submitted by one or more offerors determined to be qualified, negotiations may be conducted with such other offeror or offerors, in order of their respective qualification ranking, and the contract may be awarded to the offeror then ranked best qualified if the amount of compensation is determined to be fair and reasonable. In the case of design/architect services, the city will pick the most qualified candidate and THEN open the price envelope and negotiate price.

- (c) Cancellation of Invitations: See “Competitive Sealed Bids” (d) above.
- (d) Determination of Non-responsibility: See “Competitive Sealed Bids” (e) above.
- (e) Right of Nondisclosure: See “Competitive Sealed Bids” (f) above.
- (f) Bid and Performance Bonds: See “Competitive Sealed Bids” (g) above.
- (g) Use of Subcontractors: See “Competitive Sealed Bids” (h) above.

Cooperative Purchasing

The City Manager is authorized to enter into cooperative purchasing arrangements with other governmental entities without separate competitive bidding by the City if a governmental agency has solicited bids and awarded a contract for services or materials which the City desires to obtain, and participation in such a purchase is agreeable to the bidder awarded the contract and the City Manager finds that participation in such group purchasing agreement is for the benefit of the City.

Sole Source Purchasing

A contract may be awarded without competition when the City determines in writing, after conducting a good faith review of available sources, that there is only one source for the required supply, service or construction item. The City Manager or his or her designee shall conduct negotiations, as appropriate, as to price, delivery and terms. A statement of the basis for the sole source determination shall be placed in the contract file.

Open (Blanket) Purchases

Open procurement can be used when very similar goods or services are purchased frequently during the year. Generally, the individual purchases are small in relation to the total amount authorized. Examples are dead animal removal and office supplies. Bids and approvals must be obtained annually using the same criteria as for a single item purchase order.

Petty Cash Reimbursement

The Petty Cash Fund is used to reimburse purchases which were originally paid out-of-pocket by a City official or employee. Mileage reimbursement is also paid from the Petty Cash Fund. Petty Cash reimbursements will either be paid in cash or by check, depending on the amount. Reimbursement requests less than \$50 will be paid in cash. Reimbursement requests greater than \$50 will be paid by check on the next accounts payable check date.

Credit Card Purchases

(a) Credit card purchases are limited to Small Purchases only. Guidelines and conditions for Small Purchases as set forth in this policy will be followed. The credit card shall not be used

for: Cash advances, Services, or Alcoholic beverages.

(b) Credit cards are issued to individual employees and are to be used for official City business only. Credit cards belong to the City and can be cancelled or revoked at any time at the discretion of the City Manager. Should any employee lose or have his/her credit card stolen, it is their responsibility to contact the credit card company immediately. Also, they must notify their supervisor in writing one (1) working day after discovery. The supervisor must notify the Purchasing Agent as soon as possible.

(c) It is the responsibility of the employee to furnish receipts for all credit card purchases. Payment for purchases without receipts may become the responsibility of the employee.

Emergency Purchases

Notwithstanding any other provisions of this chapter, the City may make emergency purchases of supplies, services, or construction items when there exists a threat to public health, welfare, or safety; provided that such emergency purchases shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file. In the case of contracts less than \$50,000, this determination shall be made by the City Manager and, in the case of contracts in the amount of \$50,000 or more, this determination shall be made retroactively by the City Council.

OPPORTUNITIES FOR CITRUS HEIGHTS AND SMALL DISADVANTAGED BUSINESS ENTERPRISES

(a) It is the policy of the City of Citrus Heights to ensure full and equitable opportunities for Citrus Heights and Small Disadvantaged Business Enterprises to participate as contractors in the provision of goods and services to the City. Policies and programs that enhance the opportunities and entrepreneurial skills of Citrus Heights and Small Disadvantaged Business Enterprises will best serve the public interest because the growth and development of such businesses will have a significant positive impact on the economic health of the City

(b) It is the City of Citrus Heights' policy that a 5% bid evaluation pricing preference be given to businesses located within its City limits. The public interest is also served by continuing to encourage businesses to locate and remain in Citrus Heights.

(c) Initiators will make it a priority to seek vendors that are members of the Citrus Heights Chamber of Commerce and other Chambers that encourage diversity in the private sector.

SURPLUS SUPPLIES AND EQUIPMENT

(a) Surplus property is used to generically describe any City property that is no longer needed or useable by the holding department. The Purchasing Agent or designee has the authority to declare item(s) with a market value of less than \$10,000 surplus. Items with a market value greater than \$10,000 will be formally declared surplus by the Council. Each department shall periodically review its equipment, material, and inventory, and shall promptly notify the Purchasing Agent of any surplus property.

(b) The Purchasing Agent or designee shall determine or approve one of the following methods of disposition that is most appropriate and in the best interest of the City:

(1) Transfer to Another Department: Surplus property may be transferred between City departments.

(2) Trade-In: Property declared as surplus may be offered as a trade-in credit toward the acquisition of new property. All trade-in offers will be submitted to the Purchasing Agent for review and approval.

(3) Disposal: The Purchasing Agent may offer surplus property for sale. All surplus property is for sale “as is”, with no warranty, guarantee, or representation of any kind, expressed or implied, as to the condition, utility or usability of the property offered for sale. Appropriate methods of disposal are as follows:

(A) Public Auction: Surplus property may be sold at public auction. City staff may conduct Public Auctions, use internet auction sites, or the City may contract with a professional auctioneer.

(B) Sealed Bids: Sealed bids may be solicited for the sale of surplus property. Surplus property disposed of in this manner shall be sold to the highest responsible bidder.

(C) Selling for Scrap: Surplus property may be sold as scrap if the Purchasing Agent deems that the value of the raw material exceeds the value of the property as a whole.

(D) Negotiated Sale: Surplus property may be sold outright if the Purchasing Agent determines that only one known buyer is available or interested in acquiring the property.

(E) No Value Item: Where the Purchasing Agent determines that specific supplies or equipment are surplus and of minimal value to the City due to spoilage, obsolescence of other cause or where the Purchasing Agent determines that cost of disposal of such supplies or equipment would exceed the recovery value, the Purchasing Agent shall dispose of the same in such manner as he or she deems appropriate and in the best interest of the City.

(c) Proceeds from the sale or trade-in of surplus property shall be returned to the appropriate fund.

PUBLIC WORKS PROJECTS

(a) Public works projects over \$5,000 are subject to bidding and other requirements set forth by statutes. "Public works contracts" include contracts for a project for the erection, improvement, painting, or repair of public buildings and works; work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow; street or sewer work, except maintenance or repair; and furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.

(b) Public works projects over \$1,000 are subject to prevailing wage law. "Public works contracts" for the purpose of prevailing wage law are defined as the construction, alteration, demolition, or repair work done under contract and paid for in whole or in part out of public funds.

(c) Most of the public contracting statutes are contained in the California Public Contract Code. Other sources of public contracting statutes can be found in The Public Resources Code, Business and Professions Code, Civil Code, Government Code, Labor Code, and the Code of Regulations.