

**RESOLUTION NO. 2659****A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF SOLEDAD  
ADOPTING A PROCUREMENT POLICY**

**WHEREAS**, the City of Soledad applied for and received a CDBG Grant for the Las Jicamas project; and

**WHEREAS**, a condition of the grant is that the City was required to comply with the grant requirements; and

**WHEREAS**, the State of California performed a monitoring visit on March 9-10, 1998 and found the City to be out of compliance with regards to Procurement of Services; and

**WHEREAS**, the City has developed a Procurement Policy which complies with the requirements set out by the State.

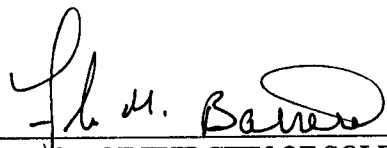
**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Soledad adopts the Procurement Policy.

**PASSED AND ADOPTED** by the City Council of the City of Soledad at a regular meeting duly held on the 18th day of March, 1998, by the following vote:

**AYES**, and in favor thereof, Councilmembers: Ben Jimenez, Jr., Fred Ledesma, Richard Ortiz, Mayor Pro Tem Gary Gerbrandt, Mayor Fabian Barrera.

**NOES**, Councilmembers: None

**ABSENT**, Councilmembers: None

  
MAYOR OF THE CITY OF SOLEDAD

ATTEST:

  
CITY CLERK OF THE CITY OF SOLEDAD

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## PROCUREMENT POLICY

### I. PURPOSE

To establish guidelines in securing supplies, equipment, and services related to City programs, or activities.

### II. SCOPE

This policy applies to purchases of supplies, equipment and contracted services made on behalf of the City, by Supervisors, Department Managers, and employees of the City.

### III. POLICY

The City has established a Procurement Policy in an effort to generate quality supplies, equipment and services at a competitive price. With the exceptions of general office supplies, maintenance and lease contracts; other supplies, and equipment \$50 must be accompanied with a purchase order. Equipment to be purchased valued in excess of \$5,000 is required to be advertised (see Section V). Any contracted services over \$100,000 is required to be advertised (see Section VI).

Sole Source Agreements: Instances where the City is obligated to a sole source agreement may arise. The bidding requirements shall be dispensed with in cases where an;

A. Emergency requires that an order be placed with the nearest available source of supply, or

Emergency exist when:

1. There is a great public calamity,
2. There is immediate need to prepare for national or local defense
3. There is a breakdown in machinery or an essential service which requires that immediate purchase of supplies or services to protect the public health, welfare or safety
4. An essential operations affecting the public health, welfare or safety would be greatly hampered if the prescribed purchasing procedure would cause an undue delay in procurement of the needed items or services.

B. When the amount involved is less than five thousand dollars, or

C. When the commodity, product or equipment can be obtained from only one vendor, or

D. When the City Council determines, by a resolution passed by four-fifths of its members that because of differences in the kinds of types of the particular commodity, products or equipment available on the market, it would be to the City's advantage to make a selection on the basis of the suitability of the same to the City's needs rather than on the basis of price, or

E. Competition was determined to be inadequate after solicitation of proposals from a number of sources.

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#### IV. PROCEDURE

General Provisions: The procedures for procurement are intended to ensure that supplies, and equipment, are in whole or part:

1. Obtained as efficiently and economically, without compromising quality, as soon as possible, and
2. Procured in a manner that provides, to the maximum extent practical, open competition, and
3. Obtained in compliance with City Ordinance 3.24.010 through 3.24.060.

General Guidelines: Whenever possible the following guidelines should be utilized to secure supplies, equipment and services:

1. Records must be maintained to detail history of procurement, and rationale for selecting the methods of procurement used, selection of contract type, and contractor selection/rejection process and the basis for the cost or price of a contract.
2. Qualification of vendors, including minority and/or women owned business, shall be allowed during the time of solicitation,
3. Exclude contractors that develop specifications, requirements, statements of work, invitations for bids and /or request for proposals,
4. If a protest to the contract selection process is submitted, the City Manager will evaluate the process and make a determination as to its validity.

#### V. BIDDING PROCEDURE - CITY:

**Notice Inviting Bids:** Notices inviting bids shall include a general description of the articles to be purchased, shall state where bid blanks and specifications may be secured and the time and place for opening bids.

**Published Notice:** Notice inviting bids shall be published at least ten days before the date of opening of the bids. The notice shall be published at least once in a newspaper of general circulation, printed and published in the city, or if there is none, it shall be posted in at least three public places in the City.

**Bidding List:** the purchasing officer shall also solicit sealed bids from all prospective suppliers whose names are on the bidder's list or who have requested that their names be added thereto.

**Bidding Security:** When deemed necessary by the purchasing officer, or when required by law, bidder's security shall be prescribed in the public notices inviting bids. Bidders shall be entitled to return of bid security; provided, that a successful bidder shall forfeit his bid security upon refusal or failure to execute the purchase contract within ten days after the notice of award of contract has been mailed, unless the city is responsible for the delay. The City Council may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest bidder. If the city council awards the contract to the next lowest bidder, the amount of the lowest bidder's security shall be applied by the city to the differences between the low bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder.

#### V. BIDDING PROCEDURE - CITY:

**Bid Opening:** sealed bids shall be submitted to the purchasing officer and shall be identified as bids on the envelope. Bids shall be opened in public at the time and place stated in the public notice. A tabulation of all bids received shall be open for public inspection during regular business hours for a period of not less than thirty calendar days after the bid opening.

**Lowest Bidder:** In addition to price, the lowest bidder will be determined by the City Council, in its discretion, after the following factors have been required;

- A. The ability, capacity and skill of the bidder to perform the contract or provide the service required;
- B. Whether the bidder has the facilities to perform the contract or provide the service promptly, or within the time specified, without delay or interference;
- C. The character, integrity, reputation, judgement, experience and efficiency of the bidder;
- D. The bidders' record of performance of previous contracts or services;
- E. The previous and existing compliance by the bidder with laws and ordinances related to the contract or service;
- F. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;
- G. The quality, availability and adaptability of the supplies, equipment or services to the particular uses required;
- H. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract.
- I. The number and scope of conditions attached to the bid.

**Rejection of Bids:** In its discretion, the City Council may reject any or all bids presented, waive any informalities or make award on any alternative that may be in the best interest of the City.

**Performance Bonds:** The city council may require a performance bond before entering a contract in such amount as it finds reasonably necessary to protect the best interest of the city. If the city council requires a performance bond, the form and amount of the bond shall be described in the notice inviting bids.

**Identical Bids:** None received, If two or more bids are the same and the lowest, the city council may accept the one it chooses. If no bid is received, the city council, in its discretion, may either:

1. Readvertise; or
2. Direct that the required items or items be purchased without further complying with the provisions of this chapter.

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## VI. BIDDING PROCEDURES - GRANTS:

In these cases where project funding is in whole or in part provided by Federal or State grant funds, the City will be bound by the procurement requirements of the funding source. No contract or purchase award may be made to any party which is debarred or suspended or is otherwise ineligible for participation in federal assistance programs.

**Purchases:** depending on the scarcity of the items or services desired, and the size of the purchase, different methods of procurement are available:

- A. For Small purchases of \$100,000 or less, competition will be sought through oral and written price quotations. The city will document the receipt of an adequate number (usually three) of price or rate quotations from qualified sources.
- B. For Large purchases of more that \$100,000 competitive sealed bids, competitive proposals or sole source may be utilized. Contracts may not be inappropriately broken up into smaller components in order to qualify for the less complicated procedures under "small purchases".

**Sealed Bids:** formal advertisement may be utilized where a firm, fixed price contract is required and can be made on the basis of price.

- A. Advertisement in publications of general circulation is required;
- B. Complete and accurate specifications and pertinent attachments are required;
- C. Bids must be opened publicly at a time and place stated in the bid advertisement;
- D. Two or more bids must be received for each procurement transaction;
- E. Contract must be awarded to the lowest bidder, however no award can be made.

**Competitive Proposals:** may be used when conditions are not appropriate for the use of sealed bids.

- A. The RFP must clearly and accurately state the technical requirements for the services;
- B. RFP's must be publicized to the maximum extent practicable;
- C. Proposals must be solicited from an adequate number of qualified sources, consistent with the nature and requirements of the procurement;
- D. Technical evaluations of all submitted proposals must be conducted to identify the responsible offerors;
- E. City may enter into negotiations with those offerors who are deemed responsible and responsive and fall within the competitive price range, bases on evaluation of the bidders pricing and technical proposals. After negotiation those bidders may submit a "best and final" offer;
- F. After price and other factors are considered, award can be made to those offerors deemed to be the most advantageous source of goods and services.

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## VI. BIDDING PROCEDURES -GRANTS:

**Bonding and Insurance:** for contracts exceeding \$100,000, federal requirements must be followed when bid guaranties, performance bonds and payment bonds are required. These include:

- A. Bid guarantee from each bidder equivalent to five (5%) percent of the bid price. The bid guarantee must be a firm commitment in the form of a bid bond, certified check or other negotiable instruments as assurance that the bidder is prepared to execute a contract within the time specified for the bid amount;
- B. Performance bonds from the contractor for 100 percent of the contract price to secure the contractor's fulfillment of all obligations under the contract; and,
- C. Payment bond from the contractor for 100 percent of the contract price to assure payment of all persons supplying labor and material under the contract.,

**Use of Local, small, minority and women owned business:** the city will make an effort to use local business firms and contract with small, minority owned and/or operated women owned businesses in the procurement process.

## VII. INTERNAL CONTROL PROCEDURES

**Control Procedures:** The procedures addressed below outline the requirements in effect in order to limit and control the validity of expenditures.

- A. Proper authorization of transactions and activities: Each Department Manager shall have the authorization to spend up to \$50. With the exception of the Public Works and Utility Department which have the authority to spend up to \$500. Expenditures over \$500 require two signatures on the Purchase Order. Only the City Manager, Assistant City Manager and the Finance Officer have the authority to sign as a second. Department Managers may designate a Supervisor and/or subordinate as an alternate purchaser but must notify the Finance Officer.
- B. Adequate segregation of duties: Duties must be segregated in order not to give the appearance of any improprieties. Whenever possible individuals authorizing and approving the expenditure shall not be in charge of making payments to vendor. Individuals reconciling daily balances should not be in charge of deposits. The Finance Officer is responsible for separations of duties in an effort to negate any improprieties.
- C. Adequate documents and records: Any expenditures over \$50 must be accompanied by a Purchase Order. Exceptions may exist in situations such as small purchase of office supplies, established maintenance and lease contracts, and contracted service. Other forms of documentation authorizing the expenditures are in the form of Council Resolutions, City Manager authorization (up to \$5,000), contracts entered into by the City. All documentation must be escorted with the expenditure invoice. A records/inventory list must also be maintained.