



CITY OF AZUSA

**PURCHASING POLICIES
AND
PROCEDURES MANUAL**

**By:
FINANCE DEPARTMENT
PURCHASING DIVISION**

Effective Date: 12/22/2015

PREFACE

A successful Purchasing manual provides users with quick answers to questions they may have regarding a particular type of purchase. This document is intended to provide assistance to users on how to properly purchase supplies, services, and equipment while explaining the policies and procedures within Article VII of Chapter 2 (Sections 2-511 through 2-540) of the Azusa Municipal Code and other applicable legal regulations. For definitions of certain terms throughout this document, reference Section 2-512.

This manual is written in “hybrid” format: The first part of this manual provides a general overview of the City’s purchasing rules in text format. The second part of this manual outlines the procedures for specific types of purchases, such as bidding/RFP requirements, dollar limits for approval of purchases, change/task orders, etc. These procedures are set out in tabular/graphic format for ease of review.

This manual is intended as a quick reference guide to answer the most common questions staff may have about purchasing supplies, services and equipment for the City of Azusa. Of course, questions may arise that are beyond the scope of this manual. If you have any such questions, please contact Purchasing staff at (626) 812-5256.

SECTION 1. Purpose and Policy Statement

A. Purpose: The proper Purchasing process is REQUIRED when using Public Funds to acquire supplies, materials, equipment, construction and professional services for the City. This Purchasing Policies and Procedures Manual provides guidance for meeting the City's purchasing requirements as set forth in Article VII of Chapter 2 (Sections 2-511 through 2-540) of the Azusa Municipal Code.

With exceptions noted in this manual, these policies and procedures shall apply to all expenditure of funds by City departments, regardless of the source of funds. However, nothing in these policies and procedures shall prevent City Departments from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with the law.

1. In its discretion, the City Council may at any time, without amending the Municipal Code, waive the purchasing procedures or alter these proceedings to fit a specific purchase or contract, when such waiver is not in violation of state or federal law.
2. A request for waiver should occur only when unforeseen circumstances arise that justify an exception to following the provisions of the ordinance and is in the best interest of the City.

B. Amendments to Manual: The Purchasing Officer has sole responsibility for maintaining the current status and accuracy of the manual. The manual shall be revised per the Municipal Code as deemed necessary to incorporate policy and procedural changes. Amendments to the manual will be communicated to City Departments through a Purchasing Division Bulletin, and a record of all changes (including the section of the manual being changed and the effective date) will be incorporated into the manual.

SECTION 2. Ethical Standards and Conflict of Interest

The City expects all employees involved in the purchasing process to follow high standards of conduct. Employees are expected to discharge their duties impartially so as to assure fair, competitive access to purchasing opportunities by responsible contractors, and to foster public confidence in the integrity of the City's purchasing policies and procedures. The Code of Conduct requires adherence to the following ethical standards.

Conflicts of interest occur when a conflict exists between the public interest and the private monetary interest of the public official or employee. The term also applies to situations in which contractors have some influence that would gain them an unfair competitive advantage in purchasing.

A. Ethical Standards: In general, City employees shall not make any attempt to realize personal gain directly or indirectly through a purchase or service provided to the City, including the following:

1. The employee or any member of the employee's immediate family has a financial interest in the purchase or service.
2. A business or organization, in which the employee or any member of the employee's immediate family has a financial interest, is involved in the purchase or service.
3. Any other person, business or organization, with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment, is involved in the purchase or service.
4. No City employee operating a business outside of their current City employment shall do business or provide a service for the City through their outside employment.
5. City employees shall not solicit or accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subcontractors.

B. Employee Conflict of Interest

1. **Kickbacks.** It is improper for any City employee to solicit consideration in any form, from a bidder/proposer, with the implication, suggestion or statement that the bidder/proposer's payment of consideration may secure more favorable treatment for the bidder/proposer in the award of the contract, or that the bidder/proposer's failure to pay such consideration may reflect negatively on the bidder/proposer's submission. ("kickbacks")

A proposer shall not offer or give, either directly or through an intermediary, consideration in any form, to a City employee for the purpose of securing favorable treatment with respect to the award of a contract.

A proposer shall immediately report any attempt by an employee to solicit such improper consideration. Failure to report such a solicitation may result in the proposer's submission being eliminated from consideration.

2. **Use/Disclosure of Confidential Information.** Employees shall not knowingly use confidential information for actual or anticipated personal gain or for the gain of any other person. Disclosure of any bids before the opening, or information contained in proposals before award to any person not authorized by the Purchasing Officer to receive such information is a breach of ethical standards.
3. **Participation Conflict of Interest.** No City employee shall participate directly or indirectly in the drafting of a solicitation, selecting a recommended vendor for award, or administering any contract if a conflict,

real or apparent, would be involved. Such conflict would arise when a financial or other interest in a firm selected for award is held by:

- An employee participating in any stage of the purchasing process.
- Any member of his/her immediate family.
- An organization which employs, is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

SECTION 3. Responsibilities of Purchasing Office

A. The Purchasing Office is responsible for the procurement of supplies, general services, equipment, and special equipment (which are not included within a construction contract). To perform these functions efficiently and assist operating departments, the Purchasing Office shall:

1. Ensure that all City staff have adequate knowledge of the purchasing process and requirements.
2. Review bid proposals in conjunction with the appropriate department.
3. Ensure a cooperative working relationship with all City departments concerning purchasing, accounting, budgeting, and Finance/Purchasing software.
4. Ensure full and open competitive bidding.
5. Review and approve all Purchase Order Requisitions and contracts submitted by the City departments.
6. Recommend the execution of contracts for the purchase of supplies, general services, special equipment, and services.
7. Keep informed of the current developments concerning purchasing, prices, market conditions and new products and recommend revisions to purchasing procedures when necessary.
8. Prescribe and maintain all forms and records necessary for the efficient operation of the purchasing system.
9. Supervise and coordinate the process with City departments for the inspection of all purchased supplies, general services, special equipment, and services, to assure conformance with City specifications. Receive all incoming supplies and equipment, inspecting and verifying said receipts, and delivering to appropriate City departments.

10. Ensure that requisitions and contracts have complete information and documentation in compliance with these Purchasing policies and procedures, including, but not limited to, property contract type and appropriate signature authority.
11. Supervise the transfer of surplus and unused supplies and equipment or sale/disposal of such.
12. Maintain an up-to-date vendor list. Coordinate vendor relations, locate sources of supply, maintain vendor listing, and evaluate and document vendor performance.
13. Assist operating departments with research and recommendations in developing specifications; review specifications for completeness of information, and ensure that purchasing specifications are open and non-restrictive to encourage full competition.
14. Tracking and maintaining proper inventory levels at the Central Stores Warehouse.
15. Identify, evaluate, and utilize purchasing agreements that best meet the City's needs (i.e., cooperative purchases, blanket purchase orders, contractual agreements, etc.).
16. Perform such other tasks as may be necessary for the proper conduct of purchasing supplies, general services, and equipment (AMC §2-513).

B. The Purchasing Agent is the Director of Finance or his/her designated representative (AMC §2-512 (m)) and is responsible for overseeing all purchasing functions, including the duties and responsibility of the Purchasing Office. The **Purchasing Officer** is the City Manager or his/her designated representative. The Purchasing Officer duties generally are delegated to the Director of Finance. When there is reference to the City Manager, it refers to the City Manager in his/her role as the Chief Executive Officer and his/her authority to approve and sign contracts. The **Purchasing Division** is under the supervision of the Purchasing Officer and Purchasing Agent, and consists of Purchasing Support Staff, Central Stores Warehouse, and Storekeepers.

SECTION 4. Responsibilities of Operating Departments

- A. Operating departments are charged with the following responsibilities in the purchasing process:
 1. Provide at the beginning of each fiscal year, an updated authorized signature list to the Finance Director designating those individuals who are delegated the authority to make purchases pursuant to the policies and procedures as described herein. The authorized signature list shall be

included in the City of Azusa Approval Guide that is updated and distributed periodically.

2. Departments may purchase a contract for specified and limited supplies, equipment, special equipment/supplies, and services independently of the Purchasing Officer of a value less than Five Thousand and no/100ths (\$5,000.00) dollars. Departments must keep a record of such purchases and exercise reasonable prudence in seeking price quotes when purchasing such items. All such purchases shall be made with funds in an unencumbered appropriation.
3. Communicate and coordinate all purchases (\$5,000 and over) with the Purchasing Office, so that the Purchasing Office can advise as to the appropriate procedure (formal bid/RFP, informal bid/RFP, direct purchase, etc.).
4. Anticipate requirements sufficiently in advance to allow the Purchasing Office adequate time to obtain goods in accordance with the best purchasing practices.
5. Ensure that there exists an unencumbered appropriation in the fund accounts against which any purchase is to be charged.
6. Inspect all supplies, general services, special equipment, and services purchased to assure conformance with City specifications.
7. Provide detailed, accurate specifications to ensure goods obtained are consistent with requirements and expectations.
8. Submit to the Purchasing Agent a requisition on the Purchasing Agent's approved form prior to initiating any procurement. Prepare requisition in accordance with instructions to minimize the processing effort. The *Requisition Form*, available on the City's intranet under Finance/Purchasing, must be completed and submitted to the Purchasing Office.
9. Inform the Purchasing Office of any vendor relations problems, shipping problems (i.e., damaged goods, late delivery, wrong items delivered, incorrect quantity delivered, etc.) and any situations which should be brought to the attention of the Purchasing Office.
10. Minimize emergency and sole source purchases and provide written documentation signed by the Department Head when such purchases may be necessary.
11. Assist the Purchasing Office with the review of all bids received for compliance with specifications, and provide the Purchasing Office with written documentation regarding findings. After purchasing review,

prepare a recommendation to City Council/Utility Board for award of the bid.

12. Notify vendors of purchase award when authorized by the Purchasing Officer.

SECTION 5. Unauthorized Purchases

- A. A purchase order is required for all purchases. An exception to this would be for emergencies as defined in the AMC §2-535.
 1. Unauthorized purchases are void and not considered an obligation of the City.
 2. Invoices without an authorized purchase order may be returned to the department or vendor unpaid.
 3. Purchase orders shall be issued to a vendor when ordering supplies and services and not "after the fact" for work already done or materials already ordered.
 4. Exemptions from the purchase order process are identified in Section 7 of this policy and subject to review and approval by the Purchasing Agent and the City Attorney.

SECTION 6. Vendor Relations

- A. It is to the City's advantage to maintain and promote good relations with suppliers of goods and services. Purchasing and operating department staff shall conduct their dealings with vendors in a professional manner and shall promote equal opportunity and demonstrate fairness, integrity, and courtesy in all vendor relations.
- B. Operating departments may make direct contact with vendors for such purposes as obtaining price quotes (less than \$25,000), developing service contracts, utilizing RFP/Q's, obtaining technical information, obtaining cost estimates for budgeting or purchasing purposes, for preparing purchase requisitions and for placing orders for authorized purchases. The Purchasing Office will be the main contact in bid situations. The Purchasing Office will normally serve as an intermediary between operating departments and vendors when requested by the operating department and in conflict resolution situations.

SECTION 7. Methods of Purchasing and Allowable Exemptions

- A. **Purchase Order:** Purchases of supplies, general services, special equipment/supplies, general equipment, and construction contract or public work specification of \$5,000 and over shall be made by purchase orders issued by the Purchasing Agent. Appropriate documentation, demonstration of selection

process, appropriate approval, scope of work, and contracts (including contract amendments, change orders, and task orders) are required as part of the purchase order. The *Summary of Price Quotations* form, available on the City's intranet under Finance/Purchasing, is to be completed and used as the cover page.

Under certain circumstances there are exemptions for obtaining purchase orders. Examples of exemptions are below.

1. Exemptions from obtaining a purchase order include:

- a. Utility usage payments (electric, gas, phone)
 - b. Payments to other Governmental Units
 - c. Claims/Legal settlement payments
 - d. Membership dues
 - e. Debt service payments
 - f. Employee benefit payments
2. The Purchasing Agent shall not issue any purchase order, authorize the execution of any contract, or enter into any contract for purchasing of supplies, equipment, services or construction, unless there exists an unencumbered appropriation in the fund account against which such purchase is to be charged (AMC §2-516).
 3. Operating departments shall verify the existence of an unencumbered appropriation prior to submitting purchase requisitions to the Purchasing Office.
 4. Operating departments shall supply support documentation to the Purchasing Office when requesting a purchase order indicating purchase approval, selection process they followed, and a copy of the contract (including amendments, change orders, and task orders) for professional, management, special, consulting and general services.

B. Dollar Limits for Bidding and Approval of Purchases: Depending upon the type and amount of the purchase, operating departments shall follow the City's applicable bidding/RFP process to ensure fair competition, and shall secure the approval of the City official(s) with authority to approve the purchase, including any change/task orders to an existing agreement. These rules are specifically set forth in the Azusa Municipal Code and a summary of these rules is provided in tabular/graphic format later in this manual.

C. Purchase Order Changes: A purchase order is a contract between the City and a vendor for equipment and supplies and is a supplemental confirmation of a contract for services. Any substantial change to a purchase order and/or its contract for services shall be documented on a change order (new requisition) initiated by the operating department. Change orders shall be reviewed by the Purchasing Office and shall be approved by the Purchasing Agent.

SECTION 8. Contracts

- A. Contracts shall be prepared for professional, management, general or special services, and construction services for \$5,000 and over (AMC §2-518(a)). All City contracts shall be prepared on the City contract template unless approved by City Attorney. Contract templates established by City Attorney's Office can be found on the City's Intranet. If requiring City Council/Utility Board approval, contracts and amendments shall be prepared and submitted to City Clerk's Office for final processing. The *Contract Checklist Form*, available on the City's intranet under Finance/Purchasing, must be completed and used as the cover page to ensure that the approvals are acquired from the appropriate parties. In addition, the *eContract Form*, available on the City's intranet under Finance/Purchasing, must also be completed for the City Clerk's Office to input the approved contracts into the contract database.

SECTION 9. Staging Purchases

- A. Purchases, contracts, and public works contracts shall not knowingly be staged or separated into smaller units or segments solely for the purpose of circumventing the competitive formal or informal bidding requirements of this chapter.

SECTION 10. Local Preference

Local Preference is for purchase of supplies, materials, and equipment.

- A. To promote economic development and maintain a healthy economic base in the City of Azusa, as well as encourage businesses to move into the City's jurisdiction, the City supports employment and local business opportunities, which in turn promotes the City's economic growth. As such, the City has determined it is in its best interest to provide a preference to local businesses to the extent consistent with the law and interest of the public.
- B. When bidding or procuring supplies, a 5% or \$5,000 (whichever is lower) local preference may be given to a responsible, responsive local business located in the City of Azusa.
- C. The granting of this vendor's preference shall be based on a determination by the Purchasing Officer/Agent that quantity and quality of the local product is equal to that of the next lowest bidder.
- D. In order for the local business to be eligible to claim the preference, the business must provide a copy of its current business tax certificate issued by the City.
- E. This local vendor preference is expressly made **inapplicable to:**
1. Bids for public projects as defined by Public Contracts Code Sections 20161 and 22002.

2. Bids funded by grants, which prohibit its use.
3. Contracts for professional, management, and special services.

SECTION 11. Debarment. Debarment is an action taken by Federal, State and County contracting agencies, which results in a contractor being prohibited from bidding, proposing, or being awarded and/or performing work on a contract with that agency. A contractor may be debarred for non-responsibility for any of the following reasons:

- Violating a term of a contract
- Committing an act or omission which negatively reflects on the contractor's quality, fitness, or capacity to perform under a contract.
- Committing an act or omission which indicates a lack of business integrity or business honesty.
- Making or submitting a false claim against the agency or any other public entity.

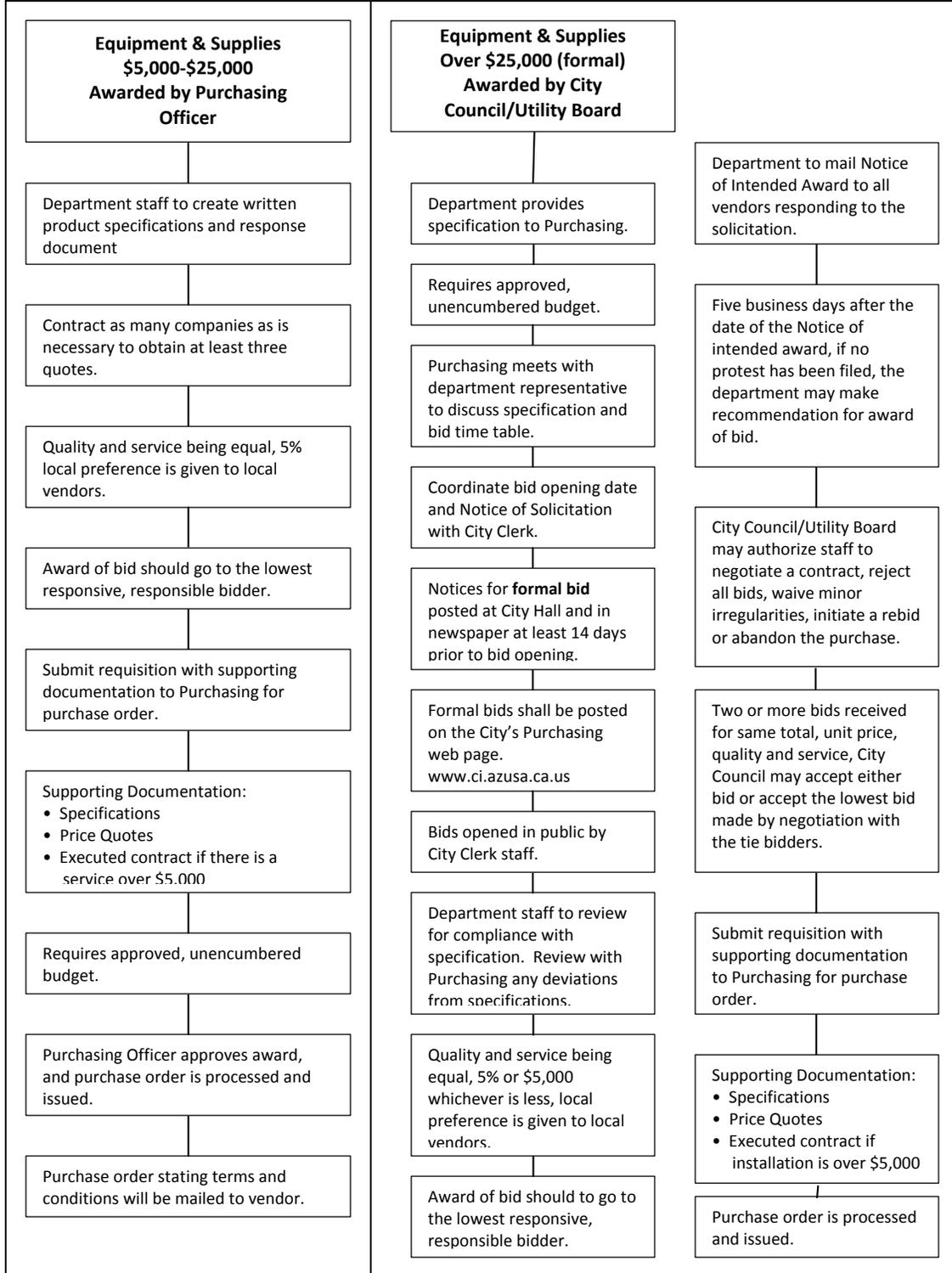
Federal, State and County Governments maintain a database of currently debarred contractors. The list of parties excluded for Federal Procurement or Non-Procurement Programs may be accessed on the internet at <http://epls.arnet.gov>.

City employees must ensure that bids and proposals are not accepted from contractors on a Federal, State or County debarment list.

TABLES/GRAPHICS

RE: BID/RFP PROCESS AND MONETARY
APPROVAL THRESHOLDS FOR SPECIFIC
TYPES OF PURCHASES

PURCHASING SUPPLIES & EQUIPMENT



GENERAL SERVICES \$25,000 AND LESS

Services Under \$5,000 Approved by Department Head

Department staff to contact at least two service providers, discuss project, qualifications, and price.

Purchase Order is required.

Vendor may begin work upon Project Manager approval.

Services \$5,000 - \$25,000 Awarded by City Manager

Department staff must create an informal RFP and send to as many vendors as necessary to obtain a minimum of three responses

A written response from the vendor is required.

Obtain approval from Department Head and Purchasing Officer. Prepare a contract to be signed by City Attorney, department Head, Contractor, City Manager, and City Clerk.

Submit requisition with supporting documentation to Purchasing for purchase order.

Supporting documentation:

- Copy of written solicitation or copy of three quotes
- Executed contract

Requires approved, unencumbered budget.

City Manager approves award.

Purchase order is processed and issued.

Purchase order and executed contract are needed prior to starting work.

GENERAL SERVICES OVER \$25,000

Services over \$25,000 Awarded by City Council/Utility Board

Prepare an RFP/Q, using the template on the City's Intranet, Finance, Forms.

City Attorney, Purchasing, and other staff as appropriate should review the RFP/Q.

Coordinate publication of Notice of Solicitation with City Clerk.

A Notice of Solicitation must be posted in the newspaper 14-21 days prior to opening date.

RFP/Q must be posted on the City's Purchasing website. Send an electronic copy of the document to the IT Department, and staff will post the document on the City's Purchasing website.

RFP/Q's are not opened publicly.

Review the RFP/Q's for compliance with scope of work and qualification requirements. Prepare a "short list" to be interviewed by the selection committee when applicable.

Provide committee with a copy of RFP/Q document. Prepare questions based on selection criteria identified in RFP/Q.

Price may be considered as a selection factor as long as the service is not one identified in Govt. Code Section 4526, which does not allow price as a factor in initial qualifying process.

Committee members to hear presentations, ask questions and rank vendors based on criteria, and select one vendor.

Once the committee has selected the most qualified vendor, staff may negotiate scope of work and price with this vendor. If staff cannot come to terms, then negotiations will begin with the second most qualified vendor.

After final selection of a vendor, a staff report and contract must be submitted to City Council/Utility Board for award of the RFP/Q and contract.

Submit requisition with supporting documentation to Purchasing for purchase order.

Supporting documentation:

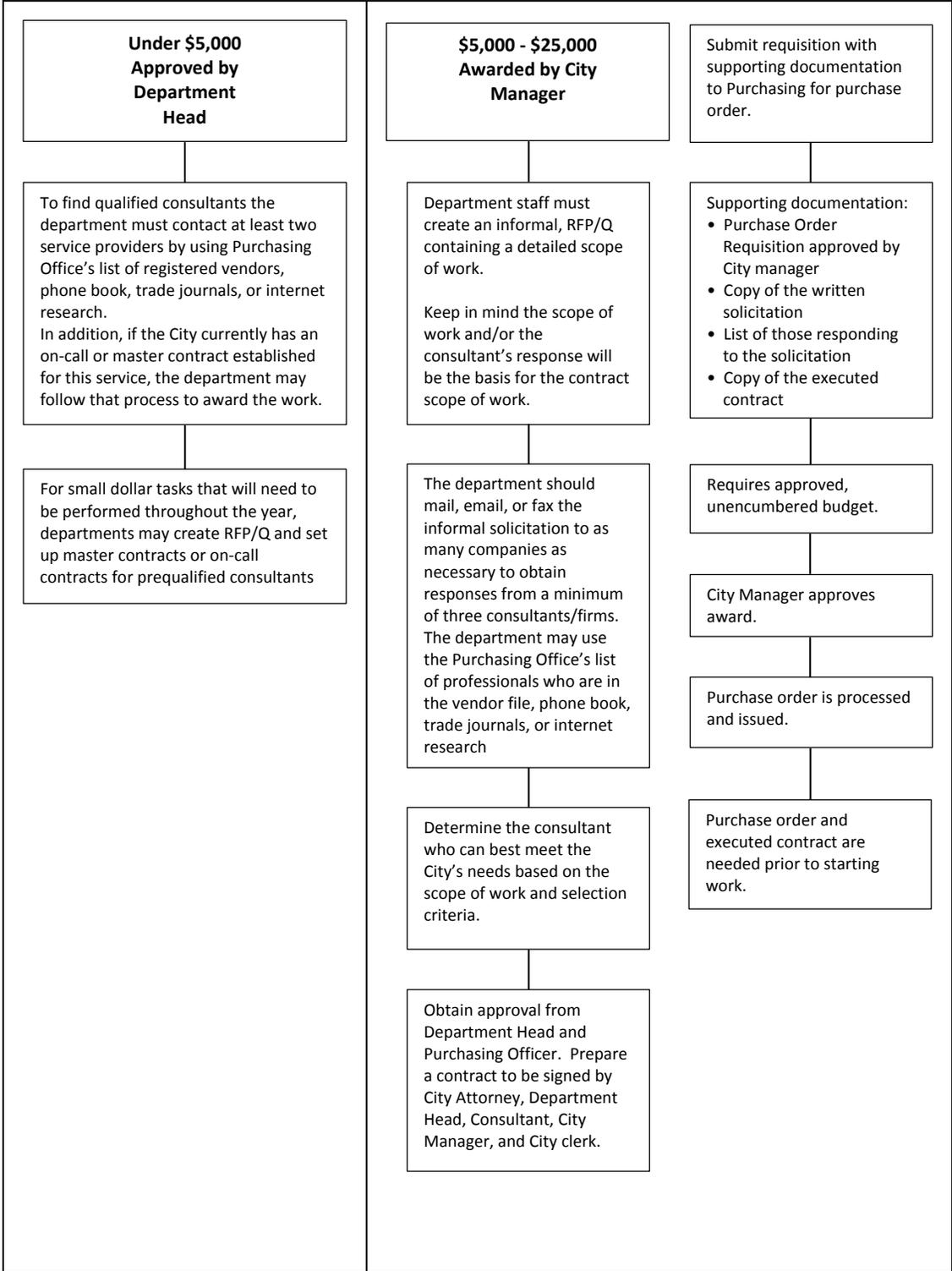
- Type of selection process
- Copy of approved staff report or minutes of City Council/Utility Board meeting showing approval
- Executed contract

Requires approved, unencumbered budget.

Purchase order is processed and issued.

Purchase order and executed contract are needed prior to starting work.

RFP/Q PROCEDURES PROFESSIONAL/CONSULTANT



RFP/Q PROCEDURES PROFESSIONAL/CONSULTANT

**Over
\$25,000
Awarded by
City Council/Utility Board**

The department will use the formal RFP/Q template located on the City's Intranet, Finance, Forms. Be sure to develop a detailed scope of work and selection criteria to be included in the document.

Project Manager to coordinate the notice of publication date with the City Clerk Department.

City Attorney, Purchasing, and other staff as appropriate should review the RFP/Q.

Notices for formal RFP/Q's posted on the City's web page, and published in the newspaper at least 14 days prior to the date of submittal.

Project Manager to set up evaluation criteria before receiving the submittals, and each committee member will evaluate and rank proposals based on the criteria.

The Project Manager will receive and tally the committee member's results of their evaluation and create a "short list" of consultants to be interviewed.

Consultants who are on the "short list" will be invited to meet with the committee. During the interview process the committee will individually rank the consultants.

Once the top candidate has been determined to be the most qualified, the project scope of work and price can be further negotiated.

If the selected consultant's pricing exceeds the budget, the City may end negotiations with the first consultant and begin negotiations with the next most qualified consultant, and so forth.

After final selection of a consultant, a contract and staff report discussing the selection process and the determining factors for selecting the consultant must be submitted to City Council/Utility Board for approval and award.

Submit requisition with supporting documentation to Purchasing for purchase order.

Supporting documentation:

- Type of selection process
- Copy of approved staff report or minutes of City Council/Utility Board meeting showing approval
- Executed contract

Requires approved, unencumbered budget.

Purchase order is processed and issued.

Purchase order and executed contract are needed prior to starting work.

**RFP/Q PROCEDURES
FOR MASTER CONTRACTS (ON-CALL) FOR
PROFESSIONAL OR GENERAL SERVICES**

The annual not-to-exceed amount of master (on-call) contracts generally exceeds the \$25,000 threshold; therefore, these contracts are established and approved using procedures for purchases over \$25,000.

On-call contracts will be available for Citywide use by any City department.

A formal RFP/Q must be developed at least every three years by the lead division which is responsible for managing jobs within the specific category.

It is that division's responsibility to schedule and coordinate the RFP/Q process with Purchasing.

The department will use the formal RFP/Q template located on the City's Intranet, Finance, Forms.

Project Manager to coordinate the notice of publication dates with City Clerk Department.

City Attorney Office, Purchasing, and other staff as appropriate should review the RFP/Q.

Notices for formal RFP/Q's posted on the City's web page, www.ci.azusa.ca.us, and published in the newspaper at least 14 days prior to the date of submittal.

RFP/Q's will be reviewed by multi-division/department review committee/selection team. Members will base their evaluation on pre-established qualification criteria.

The Project Manager will collect and tally the committee member's results of their evaluation and create a "short list" of consultants to be interviewed.

Consultants who are on the "short list" will be incited to meet with the committee. During the interview process the committee will individually rank the consultants.

Once the committee has selected the most qualified consultants, a master contract with a general scope of work must be presented to City Council/Utility Board for approval and award of a specific dollar amount.

Contracts may be established for up to a three-year period. Extensions to such contracts are not recommended as it prevents new consultants from being considered for small dollar jobs.

There can only be one on-call master contract per consultant per category.

It is the responsibility of the originating department to track all task orders used against their master contract and to ensure that the not-to-exceed amount is not surpassed.

Task orders shall be issued pursuant to the master contract against the annual not-to-exceed amount.

Public Works/Utilities Procurement & Agreement Processing

Consultant Agreements and Task Orders

On – Call (Task Orders)	Amount \$	Documents	Approvals Req'd	Procurement Method
	< \$5,000	Task Order No Memo	Public Works Department (PWD) or Utility Department (UD)	Rotational Basis
	\$5,000 - \$25,000	Task Order Memo to PW Accounting(1)	PWD/UD+City Manager (CM)	Rotational Basis
	> \$25,000 - \$125,000	Task Order Council/Utility Staff Report	PWD/UD+City Council (CC)/Utility Board (UB) Sec. 2-518(c)(3)	Min. 3 Quotations
> \$125,000		Don't use On-Call Sec. 2-518(c)(4)		

New Agreements	Amount \$	Documents	Approvals Req'd	Procurement Method
	< \$5,000	No P.O.(2)	PWD/UD Sec. 2-538(b)	Two Quotes (Phone contacts)
	\$5,000 - \$25,000	Agreement Memo from PW/U Director to City Manager	PWD/UD(3)+CM Sec. 2-518(a) Sec. 2-538(c)(2)&(3)	Min. 3 Proposals Select Best Value Sec. 2-538(c)(1)
> \$25,000	Agreement Council/Utility Staff Report	PWD/UD+CC/UB Sec. 2-518(a) Sec. 2-538(d)(6)	RFP/Q Process Sec. 2-538(d)(1-5)	

Amendments to Consultant Agreements and Consultant Task Orders

Agreement/T.O.	Amount \$	Documents	Signatures Req'd
Agmnt/T.O. < \$25,000 + All Amendments	Up to \$25,000	Amendment Memo to PW/U	PWD/UD+CM Sec. 2-518(b)(1)
	> \$25,000	Amendment Council/Utility Staff Report	PWD/UD+CC/UB Sec. 2-518(b)(1)
Agmnt/T.O. > \$25,000 + All Amendments	< Total Approved Expenditure (Including Contingencies)	Amendment(4) Memo from PWD/UD to City Manager	PWD/UD+CM Sec. 2-518(b)(2)
	> Total Approved Expenditure (Including Contingencies)	Amendment(5) Council/Utility Staff Report	PWD/UD+CC/UB Sec. 2-518(b)(2)

- (1) If any exceptions to the selection process, a memo from PWD/UD to Purchasing is also required.
- (2) Purchase order is required unless the total for the specific Vendor is less than \$5,000 within the fiscal year.
- (3) For contracts under \$25,000, if format deviates from CAO approved template, signature of the CAO is required.
- (4) Any single Amendment over \$25,000 must be approved by the City Council/Utility Board. [Sec.2-518\(b\)\(2\)](#).
- (5) All Amendments in this case must be approved by the City Council/Utility Board. [Sec.2-518\(b\)\(2\)](#).

Public Works/Utilities Procurement & Agreement Processing

Construction Contracts and Maintenance Task Orders

On-Call Maintenance Task	Amount \$	Documents	Approvals Req'd	Procurement Method
	< \$5,000	Task Order No Memo	Public Works Dept. (PWD) or Utilities Department (UD)	Rotational Basis
	\$5,000 - < \$25,000	Task Order Memo to PW/U Accounting ⁽¹⁾	PWD/UD + City Manager (CM)	Min. 3 Quotations Select the Lowest
	\$25,000 & Over		Don't use On-Call Sec. 2-518(g)(1)	

New Contracts	Amount \$	Documents	Approvals Req'd	Procurement Method
	< \$5,000	No P.O. ⁽²⁾	PWD/UD Sec. 2-518(e)	Two Quotes (by phone) Sec. 2-529(a) & 2-531
	\$5,000 - < \$30,000	Contract Memo from PWD/UD City Manager	PWD/UD+CM Sec. 2-518(e)	Three Quotes PCC - 22032
	\$30,000 - \$125,000 ⁽⁵⁾	Contract Memo from PWD/UD to City Manager	PWD/UD+CM Sec. 2-518(e)	Informal Bid Process Sec. 2-529(b)
> \$125,000 ⁽⁵⁾	Contract Council Staff Report	PWD/UD+City Council (CC)/Utility Board (UB) Sec. 2-518(e)	Formal Bid Process Sec. 2-529(c)	

Change Orders to Construction Contracts and Maintenance Task Orders

Contract/T.O.	Amount \$	Documents	Signatures Req'd
Contract/T.O. < \$30,000 + All Change Orders	< \$30,000	Change Order or T.O. Memo to PW/U Accounting	PWD/UD (for T.O. only) PWD/UD+CM
	> \$30,000 (This cannot happen)		
Contract < \$125,000 ⁽⁵⁾ + All Change Orders	> \$30,000 up to \$125,000	Change Order ⁽³⁾ Memo to PW/U Accounting	PWD/UD+CM Sec. 2-518(f)(1)(a)
	> \$125,000	Change Order ⁽⁴⁾ Council/Utility Staff Report	PWD/UD+CC/UB Sec. 2-518(f)(1)(b)
Contract > \$125,000 ⁽⁵⁾ + All Change Orders	< Total Approved Expenditure (Including Contingencies)	Change Order ⁽³⁾ Memo from PWD/UD to City Manager	PWD/UD+CM Sec. 2-518(f)(2)(a)
	> Total Approved Expenditure (Including Contingencies)	Change Order ⁽⁴⁾ Council/Utility Staff Report	PWD/UD+CC/UB Sec. 2-518(f)(2)(a)

- (1) If any exceptions to the selection process, a memo from PW Director to Purchasing is also required.
- (2) Purchase Order is required unless the total for the specific Vendor is less than \$5,000 within the fiscal year.
- (3) Any single Change Order over \$25,000 must be approved by the City Council, except for emergencies. [Sec.2-518\(f\)\(1\)\(c\)](#).
- (4) All Change Orders in this case must be approved by the City Council. [Sec.2-518\(f\)\(1\)\(b\)](#).
- (5) \$150,000 for enterprise-funded projects. Enterprise funded projects > \$150,000 require Utility Board approval.