

ORDINANCE NO. 645 N.S.

AN ORDINANCE OF THE CITY OF EL PASO DE ROBLES AMENDING THE EL PASO DE ROBLES MUNICIPAL CODE TO ADD CHAPTER 6.04 ENTITLED: "PURCHASING AND PAYMENT PROCEDURES"

BE IT ORDAINED by the City Council of the City of El Paso de Robles as follows:

SECTION 1: Chapter 6.04 of Article II of the El Paso de Robles Municipal Code is hereby repealed.

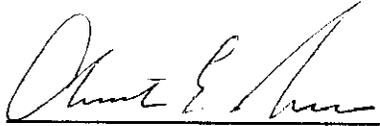
SECTION 2: Chapter 6.04 is hereby added to Article II of the El Paso de Robles Municipal Code to amend the City's purchasing and payment procedures as set forth in Exhibit "A", consisting of six (6) pages, attached hereto and incorporated herein by this reference.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles, this 20th day of October, 1992, on the following vote:

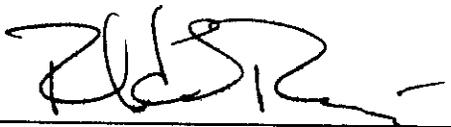
AYES: Heggarty, Macklin, Martin, Picanco, and Iversen

NOES: None

ABSENT: None


Christian E. Iversen, Mayor

ATTEST:


Richard J. Ramirez, City Clerk

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CHAPTER 6.04

PURCHASING AND PAYMENT PROCEDURES

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CHAPTER 6.04

PURCHASING AND PAYMENT PROCEDURES

Article 1 - General Provisions

SECTION 6.04.10 Applicability of Chapter

All expenditures by the city for supplies, services, equipment and public works projects shall be made only in accordance with and pursuant to the provisions of this chapter.

SECTION 6.04.11 Declaration of Policy

A purchasing control system for the city is hereby adopted in order:

- (a) To secure those items set out in Section 6.04.10 at the lowest possible cost commensurate with quality requirements;
- (b) To ensure effective financial control over expenditures;
- (c) To clearly define authority and accountability for the purchasing function;
- (d) To minimize the written documentation, administrative actions, and expense of processing purchase transactions;
- (e) To assure the quality of purchases made on behalf of the city;
- (f) To facilitate accurate forecasting and planning of department needs and expenditures; and
- (g) Implement the City's Fiscal Policy.

SECTION 6.04.12 Purchasing Authority

The City Manager, or his designated representative(s), shall be the purchasing authority whose functions shall include the following powers and duties:

- (a) To develop and prescribe, for the departments, such administrative policies, forms and files as may be reasonable necessary for the internal management and operation of these purchasing procedures;
- (b) To purchase or contract for those items listed in Section 6.04.10 and required by departments in accordance with these purchasing procedures;
- (c) To negotiate, recommend, and execute contracts for purchase of those items listed in Section 6.04.10;
- (d) To procure the needed quality in supplies, services, equipment and public works projects at minimum expense;
- (e) To ensure as full and open competition as possible on all purchases;
- (f) To set as a goal the consolidation of department orders for like items, ensuring quantity discount pricing whenever possible;
- (g) To develop and maintain department awareness of purchasing and pricing principles, marketing conditions and new products;
- (h) To inspect supplies and equipment delivered, as well as contractual services performed, to determine their conformance with the specifications set forth in the orders and contracts; and, in this connection, to have the authority to require chemical, physical or other tests of samples submitted with quotations or bids, or

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of delivery sampling ---, or necessary to determine quality and conformance with specifications;

- (i) To establish procedures for, and assign duties to, personnel engaged in receiving, storing and issuing purchased supplies, thereby ensuring that supply levels are consistent with usage requirements;
- (j) To facilitate the transfer of supplies and equipment among departments as needed; and
- (k) Subject to relevant requirements of state law, to sell or exchange surplus supplies and equipment, provided that the same cannot reasonable be used by any department.
- (l) To purchase through the use of other government entities bids for goods and services.

SECTION 6.04.13 Purchasing Manual

Pursuant to the provisions of this chapter the City Manager shall approve and implement a manual of purchasing policies and procedures and shall make such manual available to the Council for inspection.

SECTION 6.04.14 Purchasing Documents

All departments shall expend money for those items set forth in Section 6.04.010 only in such manner, at such times, and by submission of such purchase documents as the purchasing authority shall prescribe.

SECTION 6.04.15 Bidding Procedures

Purchase of those items listed in Section 6.04.010 shall be by bid procedures as set forth in this chapter. Such procedures may be dispensed with, at the discretion and judgment of the purchasing authority as to the best interests of the city, as follows:

- (a) When the amount to be expended is less that the bid requirement amount which shall be specified by resolution of the Council;
- (b) When an emergency requires that an order be placed with the nearest available source of supply;
- (c) When the item(s) to be purchased can be obtained from only one vendor or supplier;
- (d) When supplies or equipment have been uniformly adopted in the city or otherwise standardized;
- (e) When the purchase will be made cooperatively with one or more other units of government, or by use of another agencies bid procurement provided it meets the standards established by this Ordinance;
- (f) When reasonably necessary for the preservation or protection of public peace, health, safety or welfare of persons or property; or
- (g) When, given the indeterminate nature of the city's need, a request for proposal will result in a more favorable and efficient comparison of supplies, equipment and/or services.

SECTION 6.04.16 Authority to Hire Consultants

The restrictions and provisions of this chapter shall not apply to contracts involving the acquisition of professional or specialized services such as, but not limited to, those rendered by architects, attorneys, engineers, programmers, economists, and other specialized consultants. Selection for such services will be made by an evaluation of proposals solicited from capable

professionals, and approved by the () the cost of the work to be performed is of an estimated value in excess of the amount specified by Council resolution. This section shall not prohibit the purchasing authority from requiring proposals for work with an estimated cost of less than the Council specified amount it, in the discretion of the purchasing authority, selection based on the valuation of proposals would better serve the interest of the City.

Article 2 - Open Market Purchase Procedure

^{6.04.200} Purchases of supplies, equipment and contractual services, having an estimated value less than that specified by Council Resolution for bid, may be made by the purchasing authority in the open market without observing the formal contract procedures set forth in Article 3.

SECTION 6.04.21 Quotations - Notice of Invitation

The purchasing authority shall invite, either by verbal or written request, quotations from prospective sellers, vendors, suppliers or contractors.

SECTION 6.04.22 Quotations - Submission in Writing

Written quotations shall be submitted to the purchasing authority, who shall keep a record of open market quotations and orders for a period of ninety days after the receipt of such quotations.

SECTION 6.04.23 Quotations - Number Required

Open market purchases shall be based, whenever reasonably possible, on at least three quotations.

SECTION 6.04.24 Quotations - Rejection

The purchasing authority may reject:

- (a) Any quotations which fail to meet the specific purchase requirements in any respect; or
- (b) All quotations, for any reason whatsoever, and may invite new quotations.

SECTION 6.04.25 Award of Purchase Orders

Purchase orders shall be awarded by the purchasing authority to the person submitting the lowest responsible quotation, except as follows:

- (a) If two or more quotations are received for the same total amount or unit price, quality and service being equal, and if, at the discretion of the purchasing authority, the public interest will not permit the delay of inviting new quotations, then the purchasing authority may accept the lower quotation obtained through negotiation with the persons submitting the tie quotations;
- (b) Sellers, vendors, suppliers and contractors who maintain places of business located within the limit of the city shall be given preference if quality, price, service, and all other relevant factors are equal; or
- (c) If no quotations are received the purchasing authority may make the required purchase without further notice.

Article 3 - Formal Contract Procedure

SECTION 6.04.30 Requirement for Purchase

Except as otherwise provided in this chapter, purchases and contracts for supplies, services, equipment and public works which are equal to or in excess of the bid requirement amount specified by Council Resolution, shall be by written contract with the lowest responsible

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bidder pursuant to the procedures pr

SECTION 6.04.31

Bids - Notice of Invitation/Submission

- (a) Notices inviting bids shall include, but not be limited to, the following:
- (1) A general description of the item(s) or service(s) to be purchased, or the public work to be constructed or improved;
 - (2) The location where bid blanks and specifications may be secured;
 - (3) The time and place assigned for the opening of sealed bids;
 - (4) The type and character of bidder's security required, if any; and
 - (5) The location and deadline for submission of bids.
- (b) Notices inviting bids shall be published at least once in the official newspaper of the city, with the first publication occurring at least ten days before the date of opening the bids.
- (c) Sealed bids shall be identified as bids on the envelopes and shall be submitted to the City Clerk.

SECTION 6.04.32

Bids - Security Requirement

Bidder's security may be required when deemed necessary by the purchasing authority. Bidders shall be entitled to return of bid security. However, a successful bidder shall forfeit his bid security upon refusal or failure to execute a contract within fifteen days after notice of award of that contract, unless the city is responsible for the delay. The contract may be awarded to the next lowest responsible bidder upon the refusal or failure of the successful bidder to execute the contract within the time herein prescribed.

SECTION 6.04.33

Bids - Opening/Retention

Sealed bids shall be opened in public at the time and place stated in the notice inviting bids. A tabulation of all bids received shall be made available for public inspection until the award of a contract. All bids shall be retained on file for a period of not less than two years. All bids shall be opened in the presence of the purchasing authority.

SECTION 6.04.34

Bids - Rejection

The purchasing authority may reject:

- (a) Any bid that fails to meet the bidding requirements in any respect; or
- (b) All bids, for any reason whatsoever, and may re-advertise for new bids.

SECTION 6.04.35

Award of Contract

Subject to the prior approval of the City Manager, contracts shall be awarded by the purchasing authority to the lowest responsible bidder, except as follows:

- (a) If, at the time of bid opening, two or more bids received are for the same total amount or unite price, quality and service being equal, and if in the discretion of the purchasing authority the public interest will not permit the delay of re-advertising for bids, then the purchasing authority may accept the one he chooses or the lowest bid obtained through subsequent negotiation with the tie bidders;
- (b) Sellers, vendors, suppliers, and contractors who maintain places of business located within the limit of the city shall be given preference if quality, price, service and all other factors are equal.

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SECTION 6.04.36

Criteria of Successful Bidder

The purchasing authority may require as a condition to executing a contract on behalf of the city, a performance bond or a labor and material bond, or both, in such amounts as the purchasing authority shall determine appropriate to protect the best interests of the city. The form and amounts of such bond(s) shall be described in the notice inviting bids.

SECTION 6.04.37

Determination of Lowest Responsible Bidder

In addition to the bid or quotation price, criteria for determining the lowest responsible bid or quotation, for the purposes of this chapter, may include, but not be limited to, the following:

- (a) The character, integrity, reputation, judgment, experience and efficiency of the bidder (this may include an analysis of previous work performed for the city);
- (b) The ability of the bidder to perform the contract, or provide the supplies, equipment or services required, within the time specified, without delay or interference;
- (c) The ability of the bidder to provide future maintenance, repair parts and replacement of purchased equipment or supplies;
- (d) Compliance by the bidder with federal acts, executive orders and State of California statutes governing nondiscrimination in employment; and
- (e) The results of any evaluation relating performance and price, such as testing, life-cycle costing, and analysis of service, maintenance and technical data.

SECTION 6.04.40

Payment Requirements

All purchases shall be made by requisition, or other prescribed document, signed by the purchasing authority and paid by warrant signed by the City Manager or Finance Director. Payment will only be made upon the satisfaction of the City Manager or Finance Director that:

- (a) Sufficient monies have been appropriated for the purchase;
- (b) The expenditure is in accordance with budget authority; and
- (c) The proposed expenditure is legal.

SECTION 6.04.41

Warrant/Accounting Documents

The Finance Department shall prepare a warrant after receiving properly completed accounting documents as prescribed by the Finance Director and the purchasing authority. Such accounting documents include, but are not limited to, purchase authorizations, purchase orders, receiving reports and vendor invoices.

SECTION 6.04.42

Payment Date

The Finance Director shall determine and assign the dates of warrant preparation, the frequency of which shall be no less than twice each month.

SECTION 6.04.43

Signature/Payment

The Finance Director shall sign each warrant, which shall be honored if there is sufficient money in the city's account.

SECTION 6.04.44

Disbursement Reporting

Following each disbursement a copy of the warrant register, including all warrant numbers and dollar amounts, will be made available for inspection by the council and the City Manager.

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