



CITY OF SAN PABLO

City of New Directions

PURCHASING

STANDARD OPERATING PROCEDURES

FINANCE DEPARTMENT

8/1/2012

CITY OF SAN PABLO PURCHASING PROCEDURES

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CITY OF SAN PABLO PURCHASING PROCEDURES

A. PURPOSE.

These Purchasing Procedures implement the City's purchasing ordinance, (San Pablo Municipal Code Chapter 3.16) as authorized by Section 3.16.020 A. These procedures define in more detail the policies and procedures for the procurement and disposition of goods and services for the City. Procedures for Public Works Contracts are excluded from these Purchasing Procedures; such contracts shall be bid as required by the Uniform Public Construction Cost Accounting Act set forth in Chapter 3.16 of the San Pablo Municipal Code, and the State Public Contracts Code, Sections 22000 through 22045. The dollar thresholds set forth in the Public Contracts Code shall take precedence over the dollar thresholds set forth in the Municipal Code.

B. POLICY.

The City Manager directs and supervises the acquisition of all goods and services under the authority of §2.04.230.¹ The City Manager has assigned the responsibility for administering purchasing policies and procedures to individual departments through the Director of Finance Director (§ 3.16.020). This decentralized system of purchasing (§3.16.030) provides the departments with the ability to contact vendors directly.

It is the City's policy to establish efficient procedures for the purchase of goods and general services at the lowest possible cost commensurate with quality needed, to exercise positive financial control over purchases, to clearly define authority for the purchasing function, and to assure the quality of purchases.

C. DEFINITIONS.

Best value. The best value to the city based on all factors, including: cost; contractor's ability, capacity or skill; ability to perform within the time required; character, integrity, reputation, judgment, experience and efficiency; quality of contractor's performance on previous purchases or contracts, if applicable; and the ability of the contractor to provide future maintenance, repair, parts and services, if necessary.

Bid. A written offer, more formal than a quote, to furnish supplies, equipment, vehicles, services in conformity with the specifications, delivery terms, and conditions required at a guaranteed maximum cost. The initiating Department will sometimes prepare a Notice Inviting Bids, which is formal notification, through posting and advertisement, that the City is soliciting goods or services. (See §3.16.080 A.1.) This gives widespread exposure to the City's needs, expanding the vendor base, and fulfills the legal responsibility of giving a fair opportunity to all vendors for supplying the City's needs. The notice must include a general description of the goods or general services to be purchased; state where bid forms and specifications may be secured; and state the final time and place for submitting bids. For purchases of over \$25,000, the notice must be published at least 10 days before the bid opening date. The Purchasing Officer, or a designee, will publicly open and declare the content of bids received at the time and place specified in the notice. The bid results will be made available to all interested parties as soon as possible following the bid reading.

¹ Section 2.14.230 outlines the powers and duties of the City Manager: "The City Manager shall be responsible for the purchase of all supplies for all of the departments or divisions of the City. No expenditures shall be submitted or recommended to the City Council except on report and approval of the City Manager".

Bid security. Financial security provided to guarantee that a bidder will enter into a contract with the city if a bid is awarded. It may be in the form of cash, cashier's check, certified check, or surety bond, in an amount not to exceed 10% of the aggregate amount of the bid.

Professional services or consultant services. The services of an attorney, architect, accountant, engineer, financial consultant, planning or environmental consultant, investment advisor, bank or trustee officer, or other professional.

Public Works Project. (1) Construction, reconstruction, erection, alteration, renovation, improvement, demolition or repair work involving any publicly owned, leased, or operated facility; or (2) Painting or repainting of any publicly owned, leased or operated facility. Public project does not include maintenance work: (1) routine, recurring, and usual work for the preservation or protection of any publicly owned or operated facility for its intended purposes; (2) minor repainting; (3) resurfacing of streets and highways at less than one inch thickness; or (4) landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems. (Public Contract Code 22002).

Purchase order (PO). A document generated by the Finance Department to formalize a purchase transaction with a vendor or to assure the proper set-aside of funds for a purchase. The purchase order should contain sufficient information to fill the order in an accurate and timely fashion. The vendor's acceptance of a purchase order constitutes a contract.

Quote. A verbal or written promise from the vendor/contractor guaranteeing that the cost of specific goods, supplies, or services.

Request for proposal (RFP). All documents used for soliciting competitive proposals. The RFP defines, in detail, the terms, conditions, and specifications of goods or services required by the City. An RFP is primarily intended for large, complex projects where cost and performance are equally important.

Request for qualifications (RFQ). A request seeking a written presentation of the professional qualifications and experience of a proposed contractor, vendor or professional.

Supplies. Goods in a manufactured state kept in the ordinary course of business for regular use or consumption (e.g., pencils, light bulbs, street signs).

D. TYPES OF PURCHASING TRANSACTIONS.

There are many types of purchasing transactions in the City. These policies relate ONLY to the first two below: the purchase of goods and services.

1. Goods.

Goods include tangible goods, supplies, equipment, vehicles, materials, printing and insurance. If goods and services are combined in one contract, the requirements for a general services contract apply.

2. Services.

- a. General services. (See §3.16.110.)
- b. Professional services contracts. (See § 3.16.110.)

- 3. **Public works contracts.**
- 4. **Franchise agreements.**
- 5. **Labor contracts with employees.**

E. PURCHASING GUIDELINES.

1. Vendor relations.

City employees will conduct all purchasing functions in a professional manner and shall promote equal opportunity and fairness in all vendor relations.

Ethics and standards of behavior. All purchasing functions shall be conducted impartially to assure fair competitive access by responsible vendors. In addition, public employees should conduct themselves, and the purchasing process, in a manner that will foster public confidence in the procurement process.

2. Local preference.

Purchasing goods and services from local vendors is desired because it stimulates the local economy and recognizes that our local vendors are valued members of our community. If factors such as quality, previous performance, and availability are equal among vendors, a vendor whose business is located in City of San Pablo shall be awarded a contract if their quote or bid is within 5% of the low bid. Section 3.16.100 C.

3. Multi-year contracts.

A contract for supplies or services may be entered into for any period of time deemed to be in the best interest of the City, provided that the term of the contract and renewal provisions are included in the original solicitation process. Adequate funds must be available to fulfill the first fiscal year's obligation at the time of contract execution. Subsequent years' appropriations are subject to authorization by the City Council. (Cal. Const. art.XVI, §18).

4. Purchasing authority. See §2.04.230

Contracting authority. The City Manager, or his or her designee, is authorized to enter into and sign on behalf of the city the following contracts. At the discretion of the City Manager, any contract may be submitted to the City Council for its approval.

- a. Goods and services contracts. A purchase or contract for goods or services if funds have been appropriated in the budget. The City Manager may also enter into change

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orders or amendments, which, cumulatively, do not exceed 15% of the original contract price. (Cite to Authorizing Resolution here.)

- b. Professional services contracts. A purchase or contract for professional services for up to \$25,000 if funds have been appropriated in the budget. The City Manager may also enter into change orders or amendments, which, cumulatively, do not exceed 15% of the original contract price.

5. Business license.

Any person or company providing services or delivering goods to the City must have a City business license, unless otherwise set forth in the bid solicitation. The department making the purchase or contracting for the service is responsible for checking that the vendor or contractor has a business license.

6. Insurance and Indemnity.

Insurance and indemnity may be required in connection with a purchase or contract: which involves service performed on city property; is a professional services contract; or whenever there is an inherent risk of personal injury in the activity involved. When insurance and indemnity are required, the contractor / consultant / vendor should hold the city harmless, agree to defend, and maintain insurance for property damage, general liability and workers' compensation (if there are any employees) in the form and amounts determined by the City Attorney in conjunction with the Contra Costa Municipal Pooling Authority. See Subsection G below for further information.

7. Record keeping.

Each department is responsible for maintaining its own purchasing records. At the conclusion of a contract, the original contract and any bids, specifications, and other pertinent data shall be retained by the department for a period of at least three years. These are public records, available for public inspection upon request.

F. PURCHASING AND PAYMENT PROCEDURES.

PURCHASE ORDERS

1. Purchase Orders represent a commitment related to unperformed contracts for goods or services between a city department and a vendor. When a PO is issued, Finance staff enters the information into the accounting system and creates an "encumbrance" against the line-item budget identified in the PO. The use of encumbrance accounting is a critical element of budgetary control in governmental accounting systems and serves three distinct purposes:
 - a. Provides a written contract between the City of San Pablo and a vendor.
 - b. Decreases the available budget by an amount equal to the purchase order. This procedure lessens the chance of overspending a line-item budget.

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- c. At the end of the fiscal year, unexpended encumbrances are added to the next fiscal year's line item budget so that sufficient budget is available to meet the prior fiscal year's commitments. Encumbrances without any activity for a period of one year will be released at the end of the fiscal year.

2. When is a Purchase Order Needed?

A purchase order request must be prepared under the following circumstances and when the amount exceeds \$10,000:

- a. Professional service contracts
- b. Equipment purchases
- c. Monthly maintenance contracts that exceed \$10,000 annually
- d. Public Works contracts

3. Requesting a Purchase Order

Preparing purchase orders is the responsibility of the Fiscal Clerk I. Before he/she can generate a PO, a Purchase Order Request form must be submitted. This form provides the relevant information needed to prepare the PO. A sample copy of the Purchase Order Request and Purchase Order form are included **in the forms section of this manual.**

4. Processing Payments Against a Purchase Order

When an invoice is received against a PO, the PO number shall be indicated on the Accounts Payable Coversheet. This action will ensure that the invoice payment will be deducted from the outstanding encumbrance associated with the PO. The Department that is using the PO shall track expenditures and remaining budget funds.

5. When Not to Use a Purchase Order

A PO is not to be used after receipt of goods or services. A PO should be requested when a contract is executed or goods are ordered.

6. Special Situations

- a. If a PO request is for a project that was not included in the Biennial Operating Budget or Capital Improvements Project budget, attach a copy of the City Council Resolution or minutes showing approval of the expenditures and the name of the contractor. Please be sure to indicate the account that should be encumbered.
- b. If funding needs to be transferred from one or more accounts, please indicate the account where expenditures were originally budgeted. Finance will prepare the budget revision form to transfer the funds at the same time the purchase order is prepared.

REQUEST FOR PAYMENT

1. Routine Payment

When you wish to pay a vendor, prepare a Request for Payment Form. **A sample copy of the form is included in the forms section of this manual.**

- a. Complete the form. (If the request is for a partial payment on a purchase order, the purchase order number must be written in the "P.O. Number" field on the Request for Payment Form.)
- b. Attach the original invoice and packing slips if available, to substantiate the payment and the receipt of the goods or services; sign the request as the preparer.
- c. Obtain appropriate signatures for approval, depending on the amount.

Approval limits:

- Supervisor up to \$1,000
- Division Manager up to \$5,000
- ACM / Department Heads up to \$10,000
- City Manager up to \$25,000

For those items over \$25,000 the City Manager needs to approve plus City Council Resolution

- d. Submit these documents to the Fiscal Clerk I.

2. Urgent/emergency payment (manual check)

The issuance of manually prepared checks is discouraged and should be done only when the specific circumstances necessitate expediting payment. When requesting urgent/emergency payment, the requesting department should personally deliver the request to the Finance Director with the required approval signatures. In addition:

- a. Complete a Request for Payment Form, noting on the request "HAND CHECK"
- b. Note the date and time the check is needed.
- c. Note whether the check should be mailed or held for pickup.

OPEN ACCOUNTS

1. Open accounts are created by the Finance Department and are entered into with vendors that are expected to supply products or services to the City on an ongoing and/or regular basis where the total volume or total dollar amount cannot be reasonably estimated.
2. When an employee purchases an item on an open account, he/she should sign the receipt (legibly) and show a City photo identification card. Examples of open accounts include: recurring costs such as office equipment, paper and envelopes.

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CREDIT CARD PURCHASES

1. City credit cards are issued by the Finance Department only with the express authorization of the City Manager and shall be used for City business only - no cash withdrawals are allowed.
2. Whenever possible, City credit cards should NOT be used to pay for either general, large dollar amount or professional services to the City (maintenance agreements, rentals, etc). It is preferred, due to past occasions of abuse in other public agencies, that all services be invoiced and paid for by City checks to the vendors, not charged to City credit cards. Use of City credit cards for personal purchases shall be grounds for discipline, up to and including termination. A crime under Penal Code section 424 occurs and is complete when a City credit card is used to make a personal purchase or to pay for a personal item or when advanced funds that are not used are not promptly returned. Restitution to the City is not a defense to the crime of misappropriation of public funds. (People v. Omar Bradley (Aug.1, 2012) 2012 DJDAR 10597). Violation of Section 424 may be punished by imprisonment in state prison and will disqualify the violator from holding any public office in the State of California.
3. Credit Card Limits: Each credit card has both a single item limit and monthly limit. In general the limits are:
 - Clerical: \$2,000
 - Supervisor: \$5,000
 - Division Manager: \$2,000 to \$5,000
 - ACM/Department Head: \$5,000 to \$10,000
 - Department Credit Card: \$7,500 to \$15,000

CREDIT CARD PAYMENTS

1. Retain receipt for every purchase made with your City credit card and hold onto the original receipt until the billing statement arrives at the end of the month. Ensure that the item purchased is properly clarified with a budget code and purchase description on the receipt.
2. Whenever meals are charged, write on the receipt the names of those attending and the business purpose of the meal
3. Monthly statement worksheet is posted online after the 22nd of each month in the citywide folder N:\\Citywide\\CalCard Monthly Transactions. Departments are responsible for completing their own section of the worksheet by providing accounting code and description for each transaction. After completion, each department must obtain Department review and approval for payment.
4. Forward the completed worksheet with the original receipts to the Finance Department for payment no later than the 10th of the subsequent month.

PETTY CASH

1. Petty cash is available to City staff as a reimbursement if personal funds have already been used. A petty cash fund is maintained in the Finance, Recreation and Police departments. Petty cash may be used to make minor purchases of up to \$50 when no other purchasing option is available.
2. For reimbursement of personal funds already spent:
 - a. Complete the petty cash form including the date, amount, account code, and description. (A copy of this form appears in the forms section of this manual).
 - b. Attach the receipt to the form.
 - c. Write the name of the person being reimbursed on the "Received By" line.
 - d. If someone other than that person collects the funds, they must initial the form.
 - e. Have an authorized signer for that department sign.
3. For a large cash advance (several hundred dollars), please plan ahead and request a check in the weekly A/P check run.

G. INSURANCE REQUIREMENTS.

Insurance may be required in connection with a purchase or contract: which involves service performed on City property; is a professional services contract; or whenever there is an inherent risk of personal injury in the activity involved. When insurance and indemnity are required, the contractor should hold the City harmless, agree to defend, and maintain insurance for commercial general liability, automobile liability and workers' compensation (if there are any employees) in the form and amounts determined by the City Attorney.

The City Attorney has prepared standard insurance requirements, which are included under the "Contracts" tab and should be incorporated into any vendor-provided contract whenever insurance and indemnification are required. These standards may be lessened in particular cases upon a determination by the Contra Costa Municipal Pooling Authority, in consultation with the City Attorney, that the risk is manageable and acceptable. It is the responsibility of the department staff preparing the contract to obtain insurance certificates from the contractor evidencing the required insurance, and to attach such certificates to the original contract to be filed with the City Clerk.

- A. General, Automotive, and Employer's Liability, and Workers' Compensation Provisions. On or before beginning any of the services or work called for by any term of this agreement, Contractor or Consultant, at its own cost and expense, shall carry, maintain for the duration of the agreement, and provide proof thereof that is acceptable to the City the insurance specified herein below with insurers and under forms of insurance satisfactory in all respects to the City. Contractor or Consultant shall not allow any subcontractor to commence work on any subcontract until all insurance required of the Consultant has also been obtained for the subcontractor. Consultants shall maintain limits no less than set forth below.

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If the contractor or consultant maintains higher limits than the minimums shown above, the City shall be entitled to coverage for the higher limits maintained by the contractor or consultant.

1. General Liability: \$2,000,000
(Includes operations, products and completed operations.)
Per occurrence for bodily injury, personal injury, and property damage.
2. Automotive Liability: \$1,000,000
Per accident for bodily injury and property damage
3. Workers' Compensation: As Required by the State of California. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor or Consultant, its employees, agents and subcontractors.
4. Employers' Liability: \$1,000,000 each accident;

\$1,000,000 policy limit bodily injury by disease, \$1,000,000 each employee bodily injury by disease.
5. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Contractor or Consultant shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

6. Other Insurance Provisions

The General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:

- The City, its officers, officials, employees, and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor / Consultant; and with respect to liability arising out of work or operations performed by or on behalf of the Contractor / Consultant including materials, parts or equipment furnished in connection with such work or operations. General Liability coverage shall be provided in the form of an Additional Insured endorsement (form CG 20 10 11 85, or forms CG2010 version 10/01 and GC 2037 versions 10/01 or equivalent) to the Contractor / Consultant's insurance policy, or as a separate owner's policy.
- For any claims related to this project, the Contractor / Consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-

insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the insurance and shall not contribute with it.

- Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days prior written notice has been provided to the City.
- Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:
 - i. City, its officers, employees, agents, and volunteers are to be covered as insureds as respects each of the following: liability arising out of activities performed by or on behalf of Contractor / Consultant, including the insured's general supervision of Consultant; products and completed operations of Contractor / Consultant; premises owned, occupied or used by Consultant; or automobiles owned, leased, hired, or borrowed by Contractor / Consultant. The coverage shall contain no special limitations on the scope of protection afforded to City, its officers, employees, agents, or volunteers.
 - ii. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.
 - iii. An endorsement must state that coverage is primary insurance and that no other insurance affected by the City will be called upon to contribute to a loss under the coverage.
 - iv. Any failure of Contractor / Consultant to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.
 - v. Notice of cancellation or non-renewal will be provided to the additional insured as provided in the policy.
- Deductibles and Self Insured Retentions. Contractor / Consultant shall disclose the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this agreement. During the period covered by this agreement, upon express written authorization of City Manager, Contractor / Consultant may increase such deductibles or self-insured retentions with respect to City, its officers, employees, agents, and volunteers. The City Manager may condition approval of an increase in deductible or self-insured retention levels upon a requirement that Contractor / Consultant procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

- Notice of Reduction in Coverage. In the event that any coverage required under this section of the agreement is reduced, limited, or materially affected in any other manner, Contractor / Consultant shall provide written notice to City at the earliest possible opportunity and in no case later than five days after notified of the change in coverage.

7. Waiver of Subrogation.

Contractor / Consultant hereby agrees to waive subrogation which any insurer of Contractor / Consultant may acquire from Consultant by virtue of the payment of any loss. Contractor / Consultant agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

8. Acceptability of Insurers.

Insurance is to be placed with insurers with a current A.M. Best rating of no less than A: VII unless otherwise acceptable to the Entity. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

9. Verification of Coverage.

Contractor / Consultant shall furnish the City with endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that Insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the city, unless the insurance company will not use the City's forms. All endorsements are to be received and approved by the City before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements. As an alternative to the City's forms, the Contractor / Consultant's insurer may provide complete copies of all required insurance policies, including endorsements effecting the coverage required by the specifications. If the project extends beyond the expiration of the current coverage period show on the certificate of insurance, the contractor must submit a new certificate of insurance to City.

10. Subcontractors.

Contractor / Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.

H. CONTRACTS.

1. General Services Contracts.

The following provisions apply to general services agreements for goods or services. Splitting of the purchase of goods or services into smaller orders for purposes of evading the competitive bidding provisions is not permitted.

- a. Services less than or equal to \$25,000. (See §3.16.090)

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1. Obtain verbal or written quotes for services (preferably three).
 2. Select quotation representing the best value and considering any local preference.
 3. Prepare contract and PO request form. If necessary review vendor's contract form, and submit to city attorney for approval.
 4. If using vendor's form, attach standard insurance requirements (see form under "Contracts" tab) if work is to be performed on City property or involves unusual risk.
 5. Obtain appropriate insurance certificates from vendor, if required.
 6. If work is to be performed on City property or involves unusual risk, have city attorney initial contract to signify approval of insurance.
 7. Have vendor sign agreement and obtain business license.
 8. The City Manager, or his/her designee, is authorized to sign contracts for goods or services if funds have been appropriated in the budget.
 9. If funds have not been appropriated in the budget, City Council approval must be obtained.
- b. Services greater than \$25,000 (See § 3.16.080)
1. Prepare notice inviting bids including a general description of the articles or general services to be purchased; where bid forms and specifications may be secured; and final time and place for submitting bids.
 2. Publish notice 10 days before the bid opening date at least once in a newspaper of general circulation.
 3. Consider requiring bidders' security or performance bond, or both.
 4. Open bids and prepare a tabulation of all bids received.
 5. Department director awards contract to lowest responsible bidder, taking local preference into account.
 6. Review vendor's contract form, and prepare purchase order.
 7. If using vendor's form, attach standard insurance requirements (a sample copy of this form is included in the forms section of this manual) if work is to be performed on City property or involves unusual risk.
 8. Obtain appropriate insurance certificates from vendor, if required.

9. If work is to be performed on City property or involves unusual risk, have City Attorney initial contract to signify approval of insurance.
 10. Have vendor sign agreement and obtain business license.
 11. The City Manager, or his/her designee, is authorized to sign contracts for goods or services if funds have been appropriated in the budget.
 12. If funds have not been appropriated in the budget, City Council approval must be obtained.
- c. Exceptions. (See §3.16.110)

The department may dispense with quotation or bidding procedures for purchasing goods or general services in any of the following circumstances:

1. Emergency. In an emergency as defined in §3.16.110 D.
2. Specialized Services Combined With Equipment/Products. (§3.16.110B). Examples include hardware, software or communications equipment combined with training and servicing.
3. Sole or limited source (§ 3.16.110 C). Occasionally, required goods are unique, of a proprietary nature, or of specific design or construction. In these cases, quotation or bidding procedures could be meaningless. The department shall keep a written record of the basis for this determination.
4. Cooperative purchasing. (§ 3.16.110 E) If such purchases are based on an agreement or cooperative purchasing program entered into by any of the following, regardless of whether the City is a named party to the agreement or an actual participant in such a program: (a) any public agency situated within the state, if the underlying purchase was made using quotation or bid procedure substantially similar to the city's; or (b) the California Multiple Award Schedules (CMAS).
5. Leases and Lease/Purchases, and Used Equipment. (§ 3.16.110 F and G) Used items, or items obtained by lease or lease purchase, are exempt from the bidding requirements.

The affected department head shall state in writing the basis for a determination that this section applies.

2. Professional Services Agreements. (See § 3.16-110 A.)

The following provisions apply to contracts with professionals for services by architects, accountants, attorneys, engineers, planners, environmental consultants, technicians, and similar services. Such contracts need not be competitively bid, but must be awarded on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required at a

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fair and reasonable price to the City. Government (Code section 4526). Price can be considered, and fee information solicited, but may not be the sole determining factor.

a. Professional Services less than or equal to \$25,000

1. Obtain quotes for services (preferably three) or prepare requests for proposals (RFP) or requests for qualifications (RFQ) for large or complex projects.
2. Select quotation based on demonstrated competence and qualifications, and then considering price, which may be the sole determining factor.
3. Prepare short form Professional Services Agreement (see form under "Contracts" tab).
4. Have vendor sign agreement and obtain business license.
5. Submit agreement and insurance certificates to City Attorney for approval.
6. The City Manager, or his/her designee, is authorized to sign professional services agreements for services up to \$25,000 if funds have been appropriated in the budget.

b. Professional Services over \$25,000

1. Obtain quotes for services (preferably three) or prepare requests for proposals (RFP) or requests for qualifications (RFQ) for large or complex projects.
2. Select quotation based on demonstrated competence and qualifications, and then considering price, which may be the sole determining factor.
3. Prepare Professional Services Agreement (see form under "Contracts" tab).
4. Have vendor sign agreement and obtain business license.
5. Submit agreement to City Council for approval.
6. Submit agreement and insurance certificate to city attorney for approval after City Council authorizes entering into contract.
7. City Manager can sign agreement after City Council approves and City Attorney approves insurance.

I. RECEIVING OF GOODS/EQUIPMENT.

1. Inspections and testing.

The ordering Department shall inspect and/or test all goods upon receipt (or services upon completion), to assure conformance with the specifications set forth in the order. If a product is determined to be unusable, or not what was ordered, the Department shall reject it and return it to the vendor as the vendor directs, and at the vendor's expense, for credit or replacement.

2. Acceptance.

When goods have been received or a project has been completed to the satisfaction of the ordering Department and the specifications, the packing slip and/or other completion documentation shall be signed-off by the employee receiving or inspecting. Information to be noted on the documents must include, at a minimum, the employee's signature and a legible rendering of their name and the date of receipt/completion. The employee signing must note on the receiving documents any deviation from the exact ordering specifications.