

City of Clovis
Purchasing Manual and Procedures

Revised May 8, 2019



CITY *of* CLOVIS

CITY OF CLOVIS
PROCEDURES FOR PURCHASING EQUIPMENT,
SUPPLIES AND SERVICES; CAPITAL EXPENDITURES;
AND SELECTION OF CONSULTANTS

I. Application

- A. Authority. The structure of the City's centralized purchasing system; all purchases or disposal of equipment, supplies or service; all capital expenditures; and the selection of engineering and other consultants shall be made in conformance with the Purchasing Ordinance, the Budget Ordinance and these procedures.

- B. Purchasing Department / Purchasing Agent. The General Services Department is designated as the Purchasing Department for the City. The General Services Director, as authorized by the City Manager, serves as the City's Purchasing Agent.

II. Procurement Ethics Policy

The following provisions shall apply to all City of Clovis employees and officers directly or indirectly involved in the procurement of goods and services.

- 1. Strive to maximize the value of every expenditure of public funds.
- 2. Ensure that all procurements are conducted with integrity under the principles of open and fair competition.
- 3. Conduct all City business with professional courtesy, impartiality and objectivity in order to foster respect and confidence of the public.
- 4. Gratuities of any type shall not be accepted, pursuant to Section 3. N. of these procedures.
- 5. All procurement job functions, transactions and interactions shall be performed in accordance with the City of Clovis' Purchasing Ordinance, the City of Clovis' Purchasing Manual, and all applicable state and federal regulations.
- 6. All actual or potential conflicts of interest related to the procurement process shall be reported immediately to the Purchasing Agent / the General Services Director.
- 7. Maintain vendor information confidentiality as required by applicable policies and regulations.
- 8. Positive business relationships shall be fostered and maintained through professional, fair, and equal treatment of all vendors.

III. Procedures

- A. Authorized Employees. All purchases shall be made by or under the approval of authorized employees.
- B. Authorized Employee List. Each department head shall submit a list of employees authorized to approve purchases, including their approval limit, to the Finance Department.
- C. Requisition. All purchases require preparation of a requisition containing information required by the Financial System including, but not limited to:
 - 1. Vendor number, name and address
 - 2. Department name
 - 3. Authorized employee
 - 4. Date
 - 5. Brief description of product or services ordered
 - 6. Account number
 - 7. Estimated purchase price
- D. Purchase Orders. A purchase order shall be issued prior to every purchase unless otherwise provided.
- E. City Manager or Council Approval. For purchases requiring City Manager / City Council approval, requisitions must be approved by the City Manager.
- F. Blanket Purchase Order Process. The Finance Department may issue a "blanket purchase order" to vendors who conduct frequent business transactions with the City. The Blanket P.O. is to be used for routine purchase of supplies and materials and not for capital outlay expenditures. Capital outlay purchases must be processed in the manner as provided for regular P.O.'s.
- G. Emergency Purchases. Emergency situations requiring immediate purchase of equipment, supplies or services are exempt from the restrictions in these procedures. As soon as practical, the purchase should be authorized/confirmed by the appropriate approval level, depending upon the dollar amount of the purchase as defined in Section 2.7.06 of the Purchasing Ordinance. Sufficient documentation should accompany the approval request.
- H. Receipt of Goods. When goods are received, the delivery receipt must be signed by an authorized employee.
 - 1. Vendors will be notified that failure to obtain a signature upon delivery may result in non-payment of the invoice.

- I. Billing Notice. All vendors must be notified that invoices must be addressed as follows for billing purposes: Finance Department, City of Clovis, 1033 Fifth Street, Clovis, CA 93612.

The "ship to" address may be different than the "bill to" address.

- J. Invoice Approval.

1. Vendors must send all invoices to the Finance Department
2. Vendor invoices must show the City's purchase order number.
3. Invoices received in the Finance Department will be forwarded to the appropriate departments for processing.
4. Every invoice found acceptable by the department must be entered into a system batch for payment and the batch documentation sent to the Finance Department for payment. The invoices must contain the name or initials of the appropriate employee authorizing the purchase.
5. Incomplete invoices will be returned for correction.
6. Unless there is a dispute on the price or some other problem with an invoice, its approval should not be delayed. If there has been an error on an invoice, a credit memo or additional invoice for the amount of the error should be issued rather than correcting the invoice. Crossed out or written over amounts can lead to disputes. If an invoice is in dispute, contact the vendor as soon as possible to reach agreement.

- K. Coordination of Purchases. Each budget year, departments may have the need to purchase like items, i.e., office equipment, office supplies, computers, and office furniture. Every attempt should be made to consolidate these purchases in order to obtain quantity price advantages and compatibility between departments.

Departments that are planning purchases that may be consolidated should notify the General Services Department early in the fiscal year. General Services will coordinate the purchase process.

- L. Donations. Donations of equipment, supplies or services may be accepted if the donated equipment, supply or service is of use to the City and would ordinarily be purchased if funds were available for such purpose. The City Manager may approve acceptance of a donation. Prior to acceptance, the affected department shall provide the City Manager with a written description of the donation and how it will be utilized. The Finance Department shall also be notified of the donated item by the department receiving the donation.

- M. Conflict of Interest. No City officer or employee shall participate in the negotiation of any contract in which they have a personal financial

interest. Nor shall any officer or employee have any personal financial interest in a contract made by them or a purchase authorized by them in their official capacity, regardless of whether they participated in the negotiation of the contract.

For the City Council and appointed boards and commissions, no member of the Council or board or commission shall have a personal financial interest in a contract made by the respective Council, board, or commission.

- N. Prohibition on Solicitation and Receipt of Gifts. City employees shall not solicit or accept, directly or indirectly, gifts at any time from any individual, business or organization that does business with the City, seeks to do business with the City, seeks permits or other entitlements from the City, or to whom the City provides services, except those gifts that directly benefit the City, pursuant to the City's Gift Policy.
- O. Purchases of City Items by City Employees / Officers. Unless otherwise authorized by action of the City Council or these procedures, except for retail, promotional items or other items available to the general public on the same terms, no City officer or employee may purchase any item from the City.
- P. Sale of Goods / Services by City Employees / Officers. No City officer or employee may sell any service, materials, supply or equipment to the City, nor have a personal financial interest in any firm which sells any service, material, supply or equipment to the City if prohibited by Section III. M.

IV. Purchases, Local Business Preference, and Disposal of Equipment, Supplies and Services

A. Purchases

- 1. Dollar Limitations. The authority of each department head to purchase equipment, supplies or services for his or her department is limited according to the following schedule:
 - a. \$10,000.00 or Less: Each department head may purchase equipment, supplies or services up to \$10,000.00 in the open market provided said expenditures are within budget limitations.
 - b. \$10,000.01 to \$30,000.00: Each department head may purchase equipment, supplies or services of more than \$10,000.00 up to \$30,000.00 provided said expenditures are within budget limitations. Unless there are fewer than three

(3) available vendors, the department head shall obtain at least three (3) quotes. A formal bid / RFP process shall be used if required by law.

- c. \$30,000.01 to \$60,000.00: Any purchase of more than \$30,000.00 and up to \$60,000.00 shall be approved by the City Manager and shall require at least three (3) quotes, unless there are fewer than three (3) vendors available. A formal bid / RFP process shall be used if required by law.
- d. \$60,000.01 or More: Any purchase of more than \$60,000.00 shall be approved by the City Council.
- e. \$60,000.01 or More: Except as provided below, any single purchase of more than \$60,000.00 shall be made in accordance with the formal bidding procedures provided in Section IV.A.5. Separate purchases of components of equipment or projects solely to avoid bidding / proposal requirements shall not be allowed.

2. Quotations. Quotations must be in writing.

- a. Each Quote must contain the following information:
 - (1) The name of the vendor representative making the Quote;
 - (2) The date of the Quote and the length of time that the Quote shall remain valid;
 - (3) A description of the equipment, supplies or services to be provided; and
 - (4) The amount of the Quote.
- b. The City employee who solicits the Quotes must indicate thereon the date the Quote was solicited and the date the Quote was received. The City employee must also indicate thereon that the Quote was received in response to his or her request.
- c. Whenever Quotes are required, at least three (3) quotes must be received. If less than three (3) vendors are available, the City Manager may authorize a purchase with fewer than three (3) quotes.

3. Purchase of Recycled / Renewable Products. The City of Clovis encourages purchases of recycled / renewable products whenever doing so is in the best interest of the City.

- a. City personnel responsible for making purchasing decisions shall consider purchasing recycled / renewable products when making purchases for the City.
 - b. Where applicable, City bids and Request for Proposals shall include provisions for vendors to identify the availability, cost and quality of recycled / renewable products as alternatives to non-recycled / non-renewable products.
 - c. Provided that fitness, quality, and availability are equal or better, the City shall purchase recycled / renewable products instead of non-recycled / non-renewable products, whenever those products are determined to be a better overall value.
4. Bid Process and Request for Proposal Process. The decision to use a bid process or a request for proposal (RFP) process depends on the type of service, supply, or equipment sought; and, certain provisions of state public purchasing law. The City is a member agency in the Uniform Public Construction Cost Accounting Program. Accordingly, generally, a bid process (either informal or formal as required by Chapter 2.9 of the City Municipal Code) must be used for public construction projects and projects valued over \$60,000 that meet the definition of a “public project” under the Public Contract Code. However, generally, RFP’s may be used for the purchase of goods and supplies; and, maintenance services that are not considered “public projects”, such as landscape maintenance, HVAC maintenance, and street maintenance or repair. Questions concerning the use of a bid vs. a RFP process should be directed to the Purchasing Agent or City Attorney.
5. Formal Bids or Proposals. Unless the Formal Procedures are waived as specified below, the procedures specified in Section 2-7.07 of the City Municipal Code must be followed for any single purchase of equipment, supplies, or services in excess of \$60,000.00. These procedures are as follows:
- a. Notices Inviting Bids or Proposals. Notices inviting bids or proposals shall include a general description of the articles to be purchased or sold; shall state where forms and specifications may be secured and the time and place for opening bids or submittal of proposals.
 - (1) Published Notices. Unless otherwise provided by state law, each notice inviting bids or proposals shall be published once at least ten (10) calendar days

before the date set for opening bids / submittal of proposals. Such publications shall be in a newspaper of general circulation in the City. Such notices shall be signed by the Purchasing Agent or the City Clerk.

- (2) Vendor List. A list of responsible suppliers with whom the City has had a satisfactory relationship shall be maintained. Suppliers of the equipment, supply or service being bid / proposed that are on this list shall receive a copy of the notice inviting bids / proposals.
- (3) Conditions. The bid/proposal form shall state any qualifications for acceptable vendors and state the manner in which bids or proposals will be evaluated.

b. Procedures for Opening Hard-Copy Bids and Proposals.

- (1) Sealed bids and proposals shall be carefully safeguarded until the hour established for opening or submittal of such bids or proposals. Sealed bids shall be submitted to the City Clerk and shall be clearly identified as bids on the envelopes. The bids shall be opened in public at the time and place stated in the public notice. The City Clerk shall read the name of each bidder and the total price. Unit prices will be read upon request. A tabulation of all bids received shall be open for public inspection during regular business hours.
- (2) Sealed proposals shall be submitted to the requesting department and shall be clearly identified. Final results of the proposals shall not be divulged until after the proposals have been analyzed and a staff recommendation issued. Proposals shall be available for inspection after a contract award has been made and a contract has been signed by the vendor and the City.

c. Use of Web-Based E-Procurement System.

- (1) The City maintains a web-based, e-procurement system that may be used for purchases; RFP processes; conducting bid solicitation, bid openings and bid awards; solicitation of quotes; maintenance of vendor lists for goods and services; and, auctions of surplus goods.

(2) Each City department has at least one (1) staff person trained to utilize the e-procurement system and available to provide assistance to staff assigned to make City purchases. Questions or assistance concerning the e-procurement system should be directed to the Purchasing Agent.

d. Procedures for Opening Electronic Bids or Proposals.

Electronic bids and electronic proposals shall be carefully safe-guarded until the hour established for opening such bids or proposals. Electronic bids shall be submitted to the City Clerk through the City's online procurement system and shall be identified as bids in the submissions. The bids shall be opened pursuant to the procedure(s) stated in the public notice. A tabulation of all bids received shall be made available for public inspection through the City's online procurement system, subject to the City Clerk's review and verification. Electronic proposals shall be submitted to the requesting department. Results of the electronic proposals shall not be divulged until after proposals have been analyzed for completeness.

e. Rejection of Bids or Proposals. The Council, in its discretion, may reject any and all bids presented under the formal bidding procedure. Proposals may be rejected by the appropriate department head or the City Manager.

f. Award of Contracts. Contracts shall be awarded to the vendor whose bid is determined to be to the best advantage of the City; or, whose proposal is determined to be the best overall value to the City. Such determination rests in the discretion of the City Council and/or the City Manager in accordance with the dollar limits stated in Section IV.A.1. In reaching a determination of best advantage / overall value, the City may consider the following factors:

Bids

- (1) Price;
- (2) Compliance with bid specifications (i.e., bid must be responsible and responsive.)
- (3) Applicable provisions of the City's Local Business Preference Policy as stated in Section IV.B.1-2 below.

Proposals

- (1) Price;
- (2) Lifecycle costs;
- (3) Quality of Supplies, Services or Equipment;
- (4) Conformity with the Specifications;
- (5) Service;
- (6) Business Reputation of the Vendor;
- (7) Financial Condition of the Vendor;
- (8) Delivery Terms;
- (9) Delivery Schedule;
- (10) Warranty Terms;
- (11) Compatibility of the Supplies, Services or Equipment with Existing City Supplies, Services or Equipment.

In addition to the above-listed factors, the City may consider such other factors as it deems pertinent to determine which bid is to the City's best advantage; or which proposal represents the best overall value to the City.

- g. Late Bids or Proposals. Bids or Proposals which are received after the time specified in the public notice shall not be considered.
- h. Bonds. The City may require a bid bond and/or a performance bond or other security in such amount as the City shall find reasonably necessary to protect the best interests of the City. If such bond(s) or security is(are) required, the form and amount of the bond(s) or security shall be described in the public notice. In no event, however, shall the City accept a bond issued by a surety that has not been admitted by the California Insurance Commissioner.

B. Local Business Preference Policy

1. The Local Business Preference Policy provisions apply to bids involving purchases of supplies, materials, services, equipment and non-professional contract services when price is the determinative factor in the award of a contract:
 - a. When competitive bidding is used pursuant to the City's Purchasing Ordinance / Purchasing Procedures, and the lowest responsible bidder is not a local business, the City will provide the lowest responsible local bidder, who is within 5% of the lowest responsible bidder, with notice and an opportunity to match the bid of the lowest responsible bidder. Should the local business choose to match the lowest responsible bid, the local bidder will be determined to be the lowest responsible bidder and will receive the award.
 - b. If the lowest responsible local business bidder chooses not to match the price of the lowest responsible bidder, the City will provide the next lowest responsible local bidder who is within 5% of the lowest responsible bidder with the opportunity to reduce its bid and match the lowest responsible bidder. This process will continue as necessary until an award is made to either a responsible local business bidder who is within 5% of the lowest responsible bidder, or the lowest responsible bidder itself.
 - c. In cases where a local business and a non-local business submit equivalent lowest responsible bids, the City will give preference to the local business.
 - d. No contract awarded to a local business under the local preference provision will be assigned or subcontracted in any manner that permits more than fifty (50) percent of the dollar value of the contract to be performed by an entity that is not a local business.
 - e. In the event the only bidders are local, the bid will be awarded to the lowest responsible bidder without an opportunity to match.
 - f. In the event there are two (2) or more local businesses whose bids are tied and within 5% of the lowest responsible bid, the City will determine the tie based on existing provisions provided in Section 2.712(b)(7) of the City

Municipal Code. The winner of the tie will be contacted with the option to match the lowest non-local bid pursuant to the process outlined above. If they decline, the local business whose bid was tied will be contacted and given the opportunity to match the bid pursuant to the process outlined above.

- g. For the purpose of this provision, local businesses are defined as: a business enterprise, including but not limited to a sole proprietorship, partnership, or corporation, which has a legitimate business presence in the City of Clovis, California. Evidence of a legitimate business presence in the City of Clovis includes having a current City of Clovis business license (if required); having either a principal business office located in the City of Clovis, or a regional, branch, or satellite office with at least one (1) full-time employee, located in the City of Clovis. Businesses participating in city bid opportunities will verify their status as a “local” or “non-local” business.

- 2. The Local Business Preference provision shall not apply to the following procurements:

- a. Construction agreements or other contracts required by state or federal statutes or regulations to be awarded to the lowest responsible bidder.
- b. Purchases involving legal constraints on the expenditures of funds that would prohibit the application of local preference.
- c. Purchases involving a Request for Proposal process, wherein the contract award criteria may be based on factors other than solely price.

C. Waiver of Formal Bid / Proposal Procedures.

- 1. Unless formal bidding is required by state law or other provisions of the City Municipal Code, a waiver from the formal requirements for purchases over \$60,000.00 may be obtained as follows:
 - a. The City Council must approve the waiver of the formal procedures and authorize the purchase over \$60,000.00.
 - b. Requests for waiver of formal bid / proposal requirements shall include a justification by the respective department head to either the City Manager or City Council based on the purchasing limits specified in Section IV.A.1. Reasons for waiving formal bid / proposal requirements shall normally be limited to:

- (1) Use of public multiple-agency cooperating purchasing contracts utilizing bid / proposal processes comparable to the purchasing requirements of the City of Clovis.
- (2) Lack of viable vendors for a specified purchase.
- (3) Emergency circumstances that preclude the usual purchasing processes, pursuant to Section III. G of these procedures.

D. Disposal of Surplus Supplies, Equipment, Salvage or Confiscated Property.

1. Surplus supplies, equipment, salvage and / or confiscated property shall be disposed of, as necessary, by auction, public bid, or donation to a governmental or certified (IRS Section 501c.3) non-profit organization.
2. Disposal of surplus supplies, equipment, salvage and / or confiscated property through donation to governmental or certified non-profit organizations must be authorized by the City Manager or City Council, subject to the limits of approval provided for purchases in Section IV.A.1.
3. Unless otherwise approved by the City Manager, the disposal of surplus supplies, equipment, salvage and/or confiscated property through auction shall be conducted by a licensed auctioneer, registered internet-based auction service, or via the process established by the City's on-line purchasing system.
4. Department heads shall submit a detailed list to the City Manager of all equipment, supplies, salvage or confiscated property to be sold.
5. A "Fixed Asset Disposal" form shall be completed by the responsible department prior to the sale, disposal, auction or donation of any fixed asset.
6. Surplus supplies, equipment, salvage or confiscated property that has been determined to have no value or useful purpose may be destroyed or discarded upon written recommendation of the appropriate department head and approval of the City Manager.
7. Employees may bid and purchase items at such auctions provided, however, that neither employees nor members of their immediate family may participate in the purchase of items for which such employees had direct or indirect responsibility, or for which the

employee has information concerning the item's value and condition which is not made available to the general public.

8. Each department head may request that a particular item be used as trade on new equipment or supplies. Any such trade shall be approved by the City Manager.

- E. Inventory - Equipment, Materials, Supplies, and Parts. Each Department shall maintain an inventory of items of materials, supplies, (except printed forms) and parts when the items have a normal quantity on hand worth more than \$5,000.00. The inventory shall be maintained in accordance with procedures established by the Finance Department. The Fleet Maintenance Division shall maintain a perpetual inventory of all parts, materials, and supplies. The Finance Department shall maintain the inventory of equipment that has a value of greater than \$5,000.00, but not in the aggregate.

V. Public Works and Capital Improvement Projects

- A. Application of These Procedures. Unless otherwise required by law or the City Municipal Code, these purchasing procedures shall apply to all Public Works and Capital Improvements Projects.
- B. Purchase Orders. Capital Expenditures will require purchase orders even if a bid is involved. As soon as a bid has been awarded, a purchase order will be prepared by the department making the purchase.
 1. Progress Payments. When a bid has been awarded for a major capital expenditure, the Finance Department must be given a projected schedule of estimated progress payments.

VI. Selection of Architect and Engineering Consultants

- A. Purpose. The purpose of this procedure is to establish a set of guidelines for the selection and hiring of Consultants by the City to provide architecture and engineering services, when such services are required by the City.
- B. Eligibility.
 1. Registration. Before being given consideration by the City, a firm proposing to furnish consulting services shall have at least one of its principal members duly registered by the State of California to practice the particular branch of architecture or engineering to be furnished.

2. List of Approved Consultants. The City maintains a list of Consultants who have the qualifications and have expressed a desire to work for the City. Placement on this list does not necessarily guarantee the Consultant a project. It is primarily an indication that the City has determined the firm to be capable of providing the service. The Consultant desiring to provide this service must interview with the City Engineer, or his designee, to demonstrate the firm's capabilities.

C. Selection for Project Assignment.

1. Criteria. The following criteria will be used by the City in selecting a Consultant from the approved list for a particular project:
 - a. Expertise in specific area(s) required by the project;
 - b. Response time needed by Consultant to produce the needed service;
 - c. Number of City projects currently assigned and/or length of time since last previous assignment;
 - d. Performance on previous City projects, including quality and timeliness of work completed; and,
 - e. Desire of firm to accept a particular assignment.

D. Distribution of Projects.

1. General. Every attempt will be made in the selection of Consultants to evenly distribute the work. Selections will be made, taking into consideration the criteria set forth above, on a rotational basis.

In some cases, the City may re-interview several firms for a specific project assignment. In such cases, the firms not selected shall not lose their "position" on the list, unless the City determines a particular Consultant may be "skipping" projects in hopes of obtaining a more lucrative project later on. In such a case, the Consultant may lose his "position" by going to the bottom of the list or, if found to be a repeated occurrence, the Consultant will be removed from the list and may not be given future consideration for work from the City.

2. Capital Improvement Program and Private Development Projects. Consultants selected to implement the Five-Year Capital Improvement Program, or to evaluate private development projects,

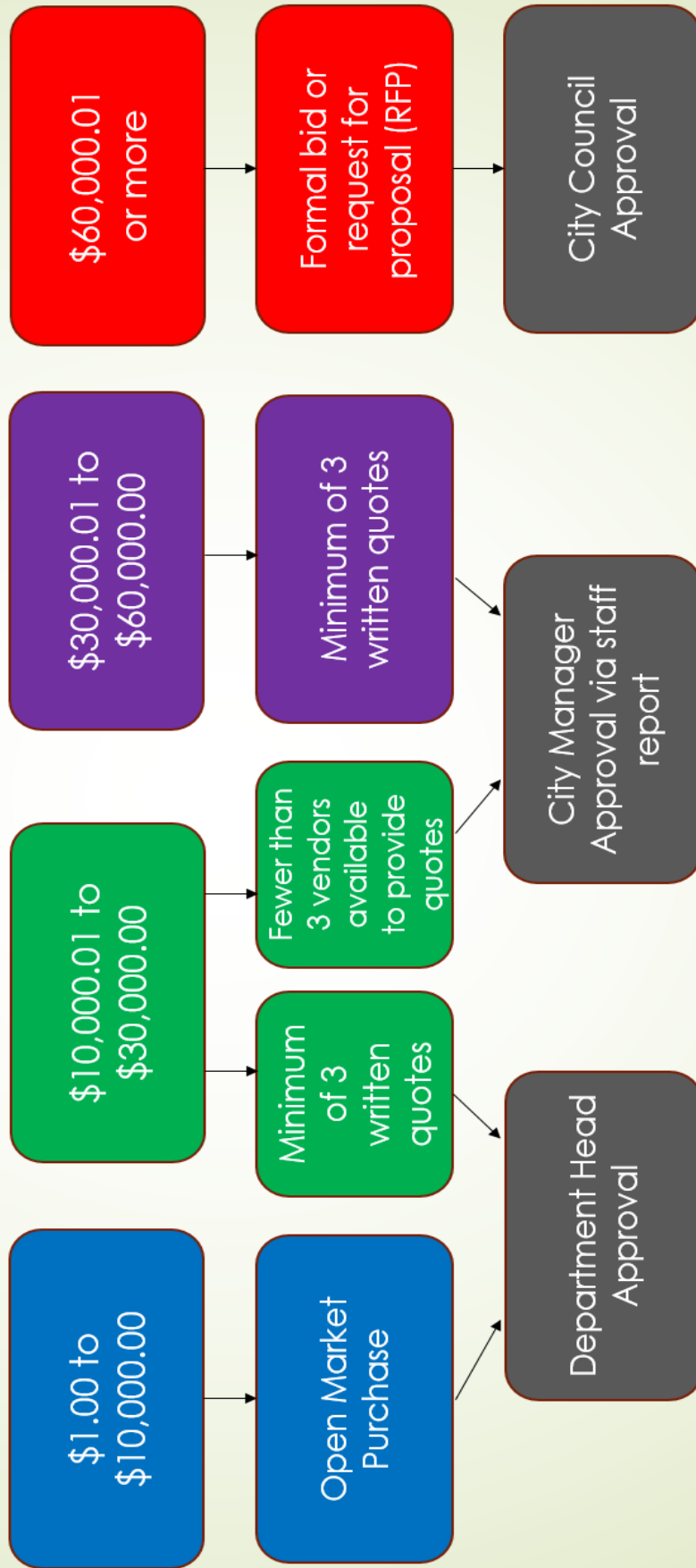
may be selected either from the list of approved consultants according to the criteria set forth above, or through requests for proposals as set forth in the City's Purchasing Ordinance.

- E. Fees. The Consultant's fee shall be a negotiated matter and shall be determined following accepted professional practices. Failure to be selected for a project due to inability or failure to reach an agreement with the City on an appropriate fee shall not cause forfeiture of the Consultant's position on the list, except as provided in Section VI. D., above.

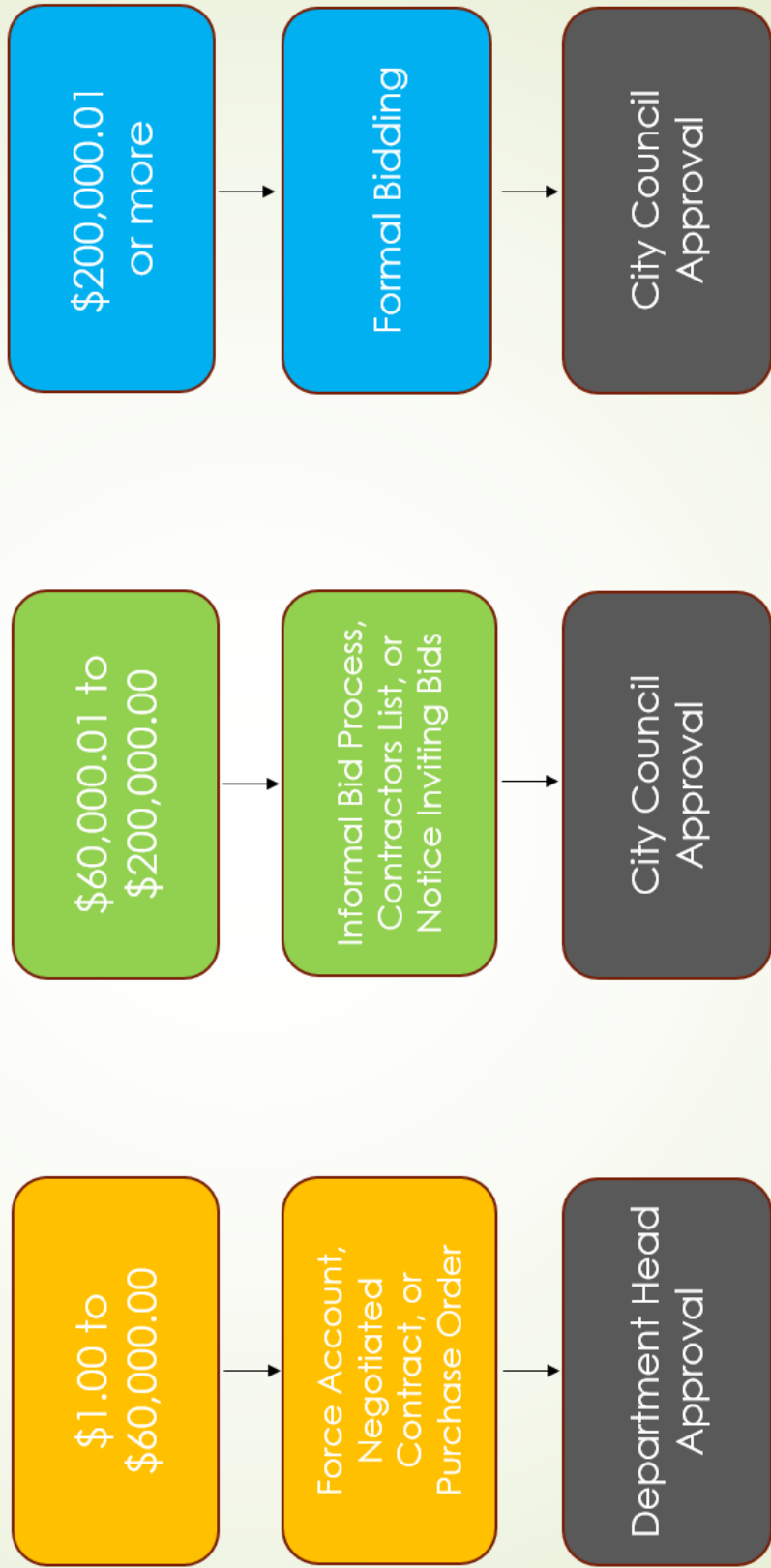
VII. Selection of Professional Consultants Other than Engineers

- A. Purpose. The purpose of this procedure is to establish a set of guidelines for the selection and hiring of Consultants by the City to provide specialized services, when such services are required by the City.
- B. Selection for Project Assignment.
 - 1. Criteria. The following criteria will be used for the selection of a Consultant:
 - a. Expertise in specific area(s) required by the project;
 - b. Response time needed by Consultant to produce the needed service;
 - c. Performance on previous City projects, including quality and timeliness of work completed; and,
 - d. Desire of firm to accept a particular assignment.
- C. Fees. The Consultant's fee shall be a negotiated matter and shall be determined following accepted professional practices. Contracts will be awarded in conformance with the limits provided in Section IV.A.1. of these procedures.

PURCHASING OF GOODS & SERVICES



PUBLIC WORKS PROJECTS



DISPOSAL

SURPLUS SUPPLIES, EQUIPMENT, SALVAGE, or CONFISCATED PROPERTY

Identify Surplus
(if item has fixed asset tag, complete fixed asset form and inform Finance)

Identify Disposal Method

Auction
(licensed auctioneer, registered on-line auction service or City's PlanetBids system)

Public Bid

Donation
(to government or certified non-profit)

Trade
(on new equip. or supplies)

Discard
(if determined to be of no value or useful purpose)

List to City Manager
(employees/immediate family may bid except if employees had direct/indirect responsibility or insider info. not made public)

City Manager or Council Approval
(subject to approval limits)

List for City Manager Approval