

PURCHASING POLICY AND PROCEDURE MANUAL OF THE CITY OF DINUBA

A. PURPOSE AND SCOPE

The purpose of this Purchasing Policy for the City of Dinuba, California, is to provide guidelines and procedures for the purchase of supplies and equipment, to secure for the City supplies and equipment at the lowest possible cost commensurate with the quality needed, to exercise positive financial control over purchases, and to clearly define authority in purchasing decisions. The City Manager is empowered to make all purchases and award all contracts not in excess of \$32,200 (as adjusted herein), but may delegate the responsibility. All City Department Directors will be responsible for following the correct applicable purchasing procedures.

B. ETHICS

City employment in a purchasing or material management position is a public trust and requires all such employees to maintain a special awareness of that trust. Each employee must avoid a conflict or appearance of a conflict between their public employment and their private lives. They must avoid any action, whether or not specifically prohibited by this or other instruction or law, that results in or can reasonably be expected to create the appearance of:

Using public office for private gain;

Giving preferential treatment to any person or entity;

Impeding City efficiency or economy;

Making a City decision outside official channels; or

Adversely affecting the confidence of the public in the integrity of City government.

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C. CONFLICT OF INTEREST

When a city employee or manager is involved in a procurement activity by inviting or evaluating offers from a supplier or contractor with whom he or she has some pecuniary or personal interest or personal bias against, he or she is obliged to declare that interest or bias to the City Manager and distance himself or herself from any further involvement in that negotiation. Pecuniary interests include the form of share holdings, partnerships, or offering some form of financial support to that supplier. Personal interests include the involvement of immediate family in the supplier's operation either as shareholders or employees.

D. DEFINITIONS

1. Post-Consumer Recovered Material – A finished material which would normally be disposed of as a solid waste, having reached its intended end-use and completed its life-cycle as a consumer item, and does not include manufacturing or converting wastes.
2. Pre-Consumer Recovered Material – Material or by-products generated after the manufacture of a product is completed but before the product reaches the end-use consumer. Pre-consumer material does not include mill and manufacturing trim, scrap, or broke which is generated at a manufacturing site and commonly reused on-site in the same or another manufacturing process.
3. RFP - Request for Proposals - An RFP may be used to request proposals from qualified bidders to provide a professional service or product to the City. An RFP may contain an understanding of the scope of work to be performed, background and qualifications of the firm submitting the proposal, listing of licenses and qualifications, biographical sketches of the key employees, and the costs proposed.

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4. RFQ - Requests for Qualifications - An RFQ may be used to establish an approved list of specialists. An RFQ will request the specialists to submit details of their qualifications, licensure, staffing of their agencies, and possibly references.

E. PURCHASING

The Administrative Services Director shall act as the Purchasing Agent for the City. Under the administrative direction of the City Manager, the Purchasing Agent may:

1. Purchase or contract for supplies and equipment required in accordance with purchasing procedures herein described or any other rules and regulations proscribed by the City Manager or the City Council.
2. Assist City Staff in negotiating and recommending executing contracts for the purchase of supplies and equipment.
3. Act to procure for the City the needed quality in supplies and equipment at the least reasonable expense to the City.
4. Obtain as full and open competition as possible on all purchases.
5. Join with other government units in cooperative purchasing plans when the best interests of the City would be served thereby.
6. Assist City Staff with the inspection of supplies and equipment purchased to insure conformance with specifications.

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F. COMPREHENSIVE POLICY

All purchases made by all departments within the City of Dinuba are covered under this policy, except as listed in Section H of this policy. No competitive bidding is required for contracts for employment or for specialized services, or for any products or services the total purchase of which is under the amount of \$32,199. For purchases totaling between the amounts of \$32,200 and \$96,599, informal bid procedures apply, as listed in Section I of this Policy. For purchases totaling \$96,600 or greater, see Section J. The amounts in this Policy are exclusive of taxes and/or shipping charges. Also refer to Section O for the annual revision of the amounts in this Section.

Preferences may be given to local vendors and contractors, even though their bid price for goods or services are higher than the lowest responsible bid, if the local bid is within five percent of the lowest responsible bid received.

If any one vendor or contractor is awarded contracts or purchases which cumulatively total \$96,600 or more in any three consecutive fiscal year period, then the competitive process set out in this Policy shall be followed prior to the award of any subsequent contracts to this vendor.

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G. RECYCLING

- A. All City Departments shall use recycled products and recyclable products whenever practicable. Special emphasis shall be placed on the purchase of products manufactured with post-consumer recycled material.
- B. The City shall require its contractors and consultants to use and specify recycled products and recyclable products in fulfilling contractual obligations whenever practicable.
- C. Contractors shall provide certification of the content of recycled and recyclable materials and report of the amounts used.
- D. It is recommended that, whenever practical and fiscally responsible, to purchase products which contain, in order of preference, the following:
 - a. The highest percentage of recycled content of post-consumer recovered material, available in the marketplace.
 - b. The highest percentage of “pre-consumer recovered material” available in the marketplace.
- E. Caveats:
 - a. Nothing contained in this policy shall preclude user departments from specifying “recycled” material content as a bid specification.
 - b. Nothing in this policy shall be construed as requiring a department or contractor to procure products that do not perform adequately for their intended use or are not available at a reasonable price in a reasonable period of time.
 - c. Nothing in this policy shall be construed as requiring a department or contractor to procure products where the warranty for recycled products is not equal to virgin products or where the recycled material voids, shortens, interrupts, or cancels warranty of other supplies or units of components.

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H. EMERGENCY PROCUREMENT

In case of a great public disaster or emergency, the Council may declare an emergency, suspend the normal requirements of this Purchasing Policy, and authorize the City Manager to proceed without advertising for bids or quotations. The City Manager shall retain all requisitions and delivery records and shall, within a reasonable time, present them along with a full written explanation of circumstances necessitating the expenditures to City Council to be filed for public record.

I. INFORMAL BIDDING PROCEDURES - FOR PURCHASES \$32,199 TO \$96,599

Purchases within this category require written quotes from at least three qualified vendors or professionals. Written quotations shall indicate what items or services will be provided, the name of the company, the name of the person and his/her authority to quote prices, and the applicable prices. In the event that three qualified providers cannot be located, a memorandum to that effect shall be placed in the file to document this fact.

Contracts or purchases will be to the lowest responsible bidder or vendor meeting specifications. A staff report will be prepared for the City Manager detailing the need, the bid procedures performed, and recommending the contractor or vendor. Council will make the ultimate decision as to the award of the contract/purchase.

Documentation of the quotations will be submitted to the Administrative and Community Services Manager along with the invoice for payment. All documentation shall be held by the requesting Department Manager for a period of one year from the date of purchase.

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J. FORMAL BIDDING PROCEDURES - FOR PURCHASES ABOVE \$96,600

All single purchases falling within this category shall go through a formal bidding process. Purchases or services shall be by written contract or agreement with the lowest responsible bidder pursuant to the procedure hereinafter proscribed.

The requesting Department Manager shall receive authorization from the City Manager to go out to bid. Upon receiving the authorization, the Department Manager shall develop the necessary specifications to prepare the bid package. Projects which involve public works or require engineering and/or other permits shall be reviewed by the Community Development Department Manager prior to soliciting bids.

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

Notices inviting bids shall be published at least ten days before the date of the opening of bids; the opening of the bids shall be published at least twice not less than five days apart in the newspaper of general circulation in the area.

The requesting Department Manager shall also solicit sealed bids from all responsible prospective suppliers whose names are on the Bidder's List, who have made written request that their names be added thereto, or who have been determined to meet the appropriate qualifications.

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- B. Bidder's Security: When required, bidder's security may be proscribed in the public notices inviting bids. Bidders shall be entitled to return of bid security, provided, however, that a successful bidder shall forfeit his/her bid security upon his/her refusal or failure to execute the contract within ten days after the notice of award of contract has been mailed, unless in the latter event the City is solely responsible for the delay in executing the contract. The City Council may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsible bidder, the amount of the lowest bidder's security shall be applied by the City to the contract price differential between the lowest bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder.
- C. Award of Bids: Contracts or purchases will be awarded to the lowest responsible bidder or vendor meeting specifications. A staff report will be prepared for the City Manager detailing the need, the bid procedures performed, and recommending the contractor or vendor. Council will make the ultimate decision as to the award of the contract/purchase.

K. OPEN PURCHASE ORDERS

An Open Purchase Order (Blanket Purchase Order) is a Purchase Order placed with a vendor for a specified length of time, usually one fiscal year, authorizing the sale of materials to an authorized employee of the City, according to listed conditions. Open Purchase Orders may not be placed for items or services totaling over \$32,200, except as otherwise provided in this policy or specifically authorized by the City Manager or City Council.

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An Open Purchase Order will be placed with numerous vendors the City deals with on a regular basis. A list of Open Purchase Orders will be provided by the Administrative Services Director to each Department at the beginning of each fiscal year. Department Managers may request additional Open Purchase Orders at that time, or at any time during the year when new vendors are authorized. This policy is intended to facilitate efficient operation in situations where personnel frequently find it necessary to purchase materials and supplies.

L. COOPERATIVE PURCHASING

The City has authorized the Purchasing Agent, by resolution, to participate in the purchase of products through the State of California Department of General Services and the County of Tulare. The intent is to provide the best possible prices for the City, while complying with applicable laws and regulations and the policies herein presented. He/she is also authorized to participate in the purchase of products through other Governmental Agencies who go through the competitive bidding process for materials.

M. PAYMENT OF ACCOUNTS

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City employees or representatives shall receive an invoice or receipt for any supplies or services received. It shall clearly describe the materials purchased, date of purchase, and the total price. The employee or representative shall sign the invoice (with a full signature rather than just initials) and deliver it to the Department Head or his/her designee for approval. The Department Head shall cause the appropriate accounting expenditure code to be assigned, sign it (again using a full signature), and forward it to the Administrative Services Director. If there is no Open Purchase Order for this vendor, a Purchase Order must be prepared and signed and submitted with the invoice, providing that the invoice total is in excess of \$2,500.00.

The Administrative Services Director shall prepare payments to vendors. Monthly statements which are provided by vendors on Open Purchase Orders will be checked against the signed invoices and paid when in conformity.

The Administrative Services Director will determine the payment schedule for invoices due from the City. Payments for all approved invoices will be made not less than twice per month, but may be made on a weekly basis if work schedules permit. A listing containing, at a minimum, the names of payees and the amounts of the warrants, will be submitted to the Council for inclusion in the next calendar.

N. PETTY CASH

Each City Department Manager has at least one Petty Cash Fund for the purpose of making purchases from local vendors when the item costs less than \$250.00. The Administrative Services Director will verify expenditures from receipts and will replenish each Department Manager's Petty Cash Fund when requested, but in no case more than twice each month.

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O. ADJUSTMENTS FOR INFLATION/DEFLATION

In accordance with the Charter for the City of Dinuba, Section 5.05C, the amounts determining the requirements for the formal and informal bid process shall be revised annually as a part of the City's budgeting process.

P. PENALTIES, SANCTIONS OR DISCIPLINARY ACTIONS FOR VIOLATIONS

Violations by the grantee, grantee's officers and employees will be subject to the disciplinary actions prescribed in "Chapter 13: Disciplinary Procedures" included in the City of Dinuba's Personnel Policies and Practices Manual.