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CITY OF GREENFIELD

ISSUE DATE 12/9/99

ADMINISTRATIVE POLICIES

POLICY NO 99-2

AND PROCEDURES

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APPROVED BY City Manager

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SUBJECT: PURCHASING

DISTRIBUTION: ALL EMPLOYEES

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**SUBSECTION 1 - PURPOSE**

The purpose of this policy is to provide the City of Greenfield a means of assuring continuity and uniformity in its purchasing operation, and to define the responsibilities for purchasing supplies, services and equipment for the City of Greenfield. These guidelines are not intended to address every issue, exception, or contingency that may arise in the course of purchasing activities. The basic standard that should always prevail is to exercise good judgment in the use and stewardship of City resources, including keeping within the budget authorized by the City Council.

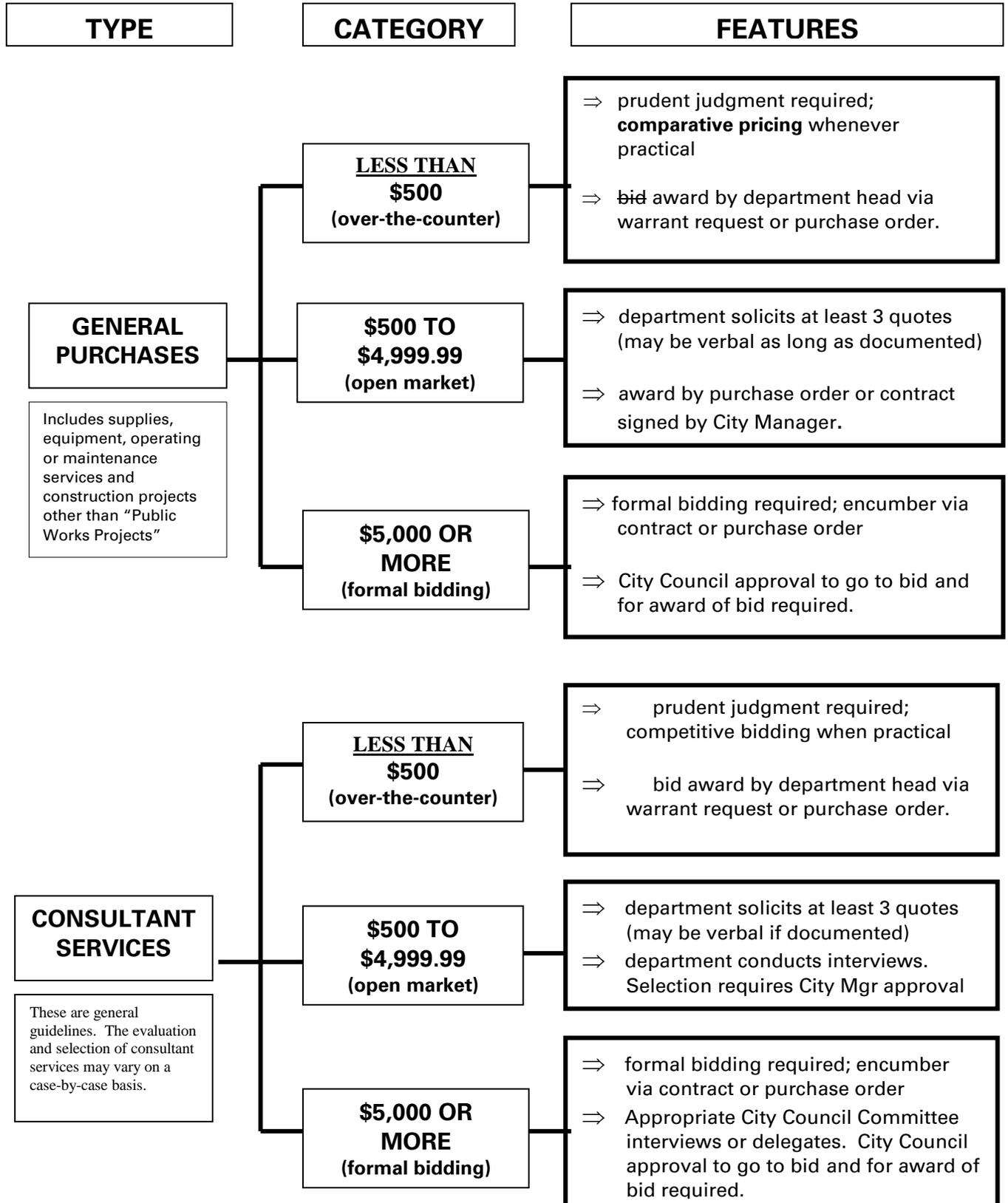
**SUBSECTION 2 - POLICY STATEMENT**

The policy contained herein was developed under the authority of Chapter 3.12 of the Greenfield Municipal Code. The City Manager is designated as the Purchasing Officer for the city and may delegate the administration of the program. The Purchasing Officer/Designee is charged with the responsibility and authority for coordinating and managing the procurement of the city's supplies, services and equipment according to this policy.

The policy outlined herein is to be adhered to by all departments when procuring supplies, services and equipment. This Policy strives to define decision making with prudent review and internal control procedures and to maintain departmental responsibility and flexibility in evaluating, selecting, and purchasing, supplies, equipment and services.

Excluded from this policy is the purchase of supplies, services and equipment which is included within the specification of a "Public Works Contract" construction project and is subject to the regulations contained in the State of California Public Contract Code. Also excluded is the award of Professional Design and Consulting Services, governed by California Government Code Section 4525-4529. See Subsection 11 herein.

## PURCHASING SYSTEM OVERVIEW



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**SUBSECTION 3 - UNAUTHORIZED PURCHASES**

Except for urgencies, departmental purchases, or other authorized exemptions stated in these guidelines, no purchase of supplies, services, or equipment shall be made without an authorized purchase order. Otherwise:

- A. such purchases are void and not considered an obligation of the city.
- B. invoices without an authorized purchase order may be returned to the vendor unpaid.
- C. the person ordering the unauthorized purchase may be held personally liable for the costs of the purchase or contract.

Purchase orders shall be issued prior to ordering supplies, equipment and services and not “after the fact” for work already done or materials already ordered.

**SUBSECTION 4 - RESPONSIBILITIES OF THE PURCHASING OFFICER**

The Purchasing Officer is responsible for 1) the procurement of general supplies, services and equipment; 2) the administration of the purchasing policy; and 3) the management of surplus city property. To perform these functions efficiently and assist departments, the Purchasing Officer shall:

- A. Be charged with the responsibility and authority for coordinating and managing the procurement of the city’s general supplies, services and equipment from the lowest responsive and responsible bidder when required by this policy.
- B. Ensure full and open competition on all purchases as required by this policy.
- C. Identify, evaluates and utilize purchasing methods which best meet the needs of the city (i.e., cooperative purchases, blanket purchase orders, contractual agreements, etc.).
- D. Assist all departments with research and recommendations in developing specifications; review specifications for completeness of information to ensure specifications are not unnecessarily restrictive.
- E. Coordinate vendor relations, locate sources of supply, and evaluate vendor performance.
- F. Recommend revisions to purchasing procedures when necessary and keep informed of current developments in the field of public purchasing.
- G. Prescribe and maintain all forms and records necessary for the efficient operation of the purchasing function.
- H. Act as the city’s agent in the transfer and disposal of surplus equipment and materials.
- I. Investigate the cost of recycled and non-recycled products to determine if the purchase of recycled products is practical and economical. To be considered economical, the added costs should not exceed 10% of the lowest non-recycled product price.
- J. Make purchase award recommendations to the appropriate authority.

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**SUBSECTION 5 - RESPONSIBILITIES OF DEPARTMENTS**

Departments are charged with the following responsibilities in the purchasing process:

- A. To provide to the Purchasing Officer at the beginning of each fiscal year, an updated authorized signature list designating those individuals who are delegated the authority to make purchases per the policies and procedures as described herein.
- B. To anticipate requirements sufficiently in advance to allow adequate time to obtain goods in accordance with the best purchasing practices.
- C. To communicate and coordinate purchases with the Purchasing Officer, as necessary.
- D. To provide detailed, accurate specifications to ensure goods obtained are consistent with requirements and expectations.
- E. To prepare requisitions in accordance with instructions so as to minimize the processing effort.
- F. To inform the Purchasing Division of any vendor relations problems, shipping problems (i.e., damaged goods, late delivery, wrong items delivered, incorrect quantity delivered, etc.) and any situations which could affect the purchasing function.
- G. To minimize urgent and sole source purchases and to provide written documentation when such purchases may be necessary.
- H. To assist the Purchasing Division with the review of all bids received for compliance with specifications, and provides the Purchasing Division with written documentation regarding their findings.
- I. To notify vendors of purchase award when authorized by Purchasing Officer.
- J. To not “split” orders for the purpose of avoiding procurement requirements. See Definitions.
- K. To consider the use of recycled products when practical and economically feasible. To be considered economical, the added costs should not exceed 10% of the lowest non-recycled product price.

**SUBSECTION 6 - VENDOR RELATIONS**

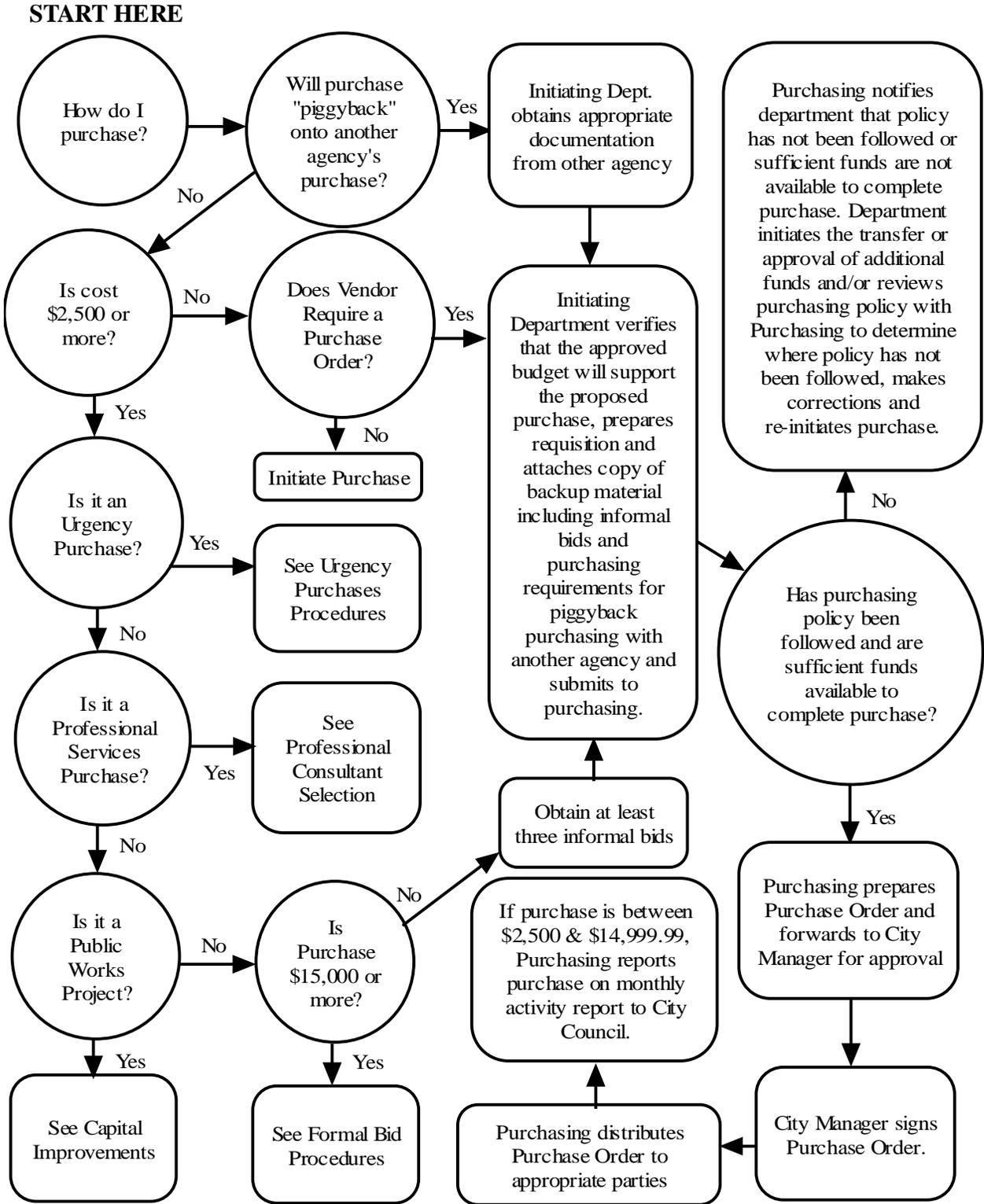
It is to the city’s advantage to promote and maintain good relations with vendors. The Purchasing Division and operating department staff shall conduct their dealings with vendors in a professional manner and shall promote equal opportunity and demonstrate fairness, integrity, and courtesy in all vendor relations. When feasible to do so, vendors within the City of Greenfield should be utilized for supplies, services and equipment.

**SUBSECTION 7 - PURCHASING METHODS**

- A. Requirements for certain purchasing dollar limits.  
  
Purchasing dollar limits are “per order”. This policy specifically prohibits splitting an order to circumvent the specified dollar limits. Departments shall contact the Purchasing Division to coordinate volume bids of repetitive requirements (i.e., the frequent purchase of items such as chemical, paper goods, etc., which annually exceed the specified limits).

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**THE PURCHASING PROCESS**



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1. Purchases of Less than \$400 – Over-the-Counter

For purchases of less than \$400, the authority to award is the Department Head. Comparative pricing is not required but shall be used when practical. Prudent judgment shall be used at all times. All departments may purchase supplies, equipment, and services, of less than \$400 without competitive bidding and without a purchase order (GMC 3.12.050). A purchase order may be requested by the department if required by the vendor or if the department wishes to use the purchase order as a mechanism to encumber funds.

2. Purchases Between \$401.00 - \$4,999.99 – Open Market

For purchase of between \$401 - \$4,999.99 the authority to award is the City Manager. Department staff shall not award purchase orders for \$401 or more without the approval of the City Manager or designee, except in the event of an urgency purchase (see F, Urgency Purchases). All departments shall obtain three oral or written competitive quotations whenever possible for purchases. The Purchasing Division may be requested to assist in this process. The department shall submit a requisition, which includes the recommended vendor, with all supporting documentation to the Purchasing Division. Supporting documentation shall include competitive price quotes obtained, names of vendors contacted, description of the items required, and certificates of insurance as applicable. The Purchasing Division shall review the recommendation and supporting documentation and may contact additional sources for quotations.

The City Manager or designee may award purchase to the lowest responsive and responsible bidder whose quote fulfills the intended purpose, quality, and delivery needs of the solicitation, provided that an unencumbered appropriation for that item exists. In lieu of awarding the purchase, the City Manager or designee may reject bids, or may negotiate further to obtain terms more acceptable to the city.

3. Purchases of \$5,000 or More – Formal Bid

Purchases that exceed \$4,999.99 require a Formal Bid Process, and City Council approval. See Subsection 8.

B. Blanket Purchase Orders

A Blanket Purchase Order is an agreement whereby the City contracts with a vendor to provide equipment or supplies on an as-needed and often over-the-counter basis. Blanket Purchase Orders provide a mechanism whereby items which are uneconomical to stock may be purchased in a manner that allows field operations timely access to necessary materials. Blanket Purchase Orders shall not be used to purchase services, capital assets or items maintained in stock.

The Purchasing Division shall request confirmation of Blanket Purchase Orders annually, before the beginning of the fiscal year. Requests for Blanket Purchase Orders may also be submitted to the Purchasing Division on an as-needed basis. The Purchasing Division shall review Blanket Purchase Order requests based upon the following criteria:

1. Geographic location.
2. Responsiveness and capabilities.
3. Average dollar value and type of items to be purchased.
4. Frequency of need.

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All Blanket Purchase Orders shall include the following information:

- a. A general description of the equipment or supplies which may be charged.
- b. The period of time the order will remain open, not to exceed one year.
- c. The maximum total amount which may be charged on the purchase order.
- d. The maximum amount which may be charged each time the employee implementing a purchase enters the vendor's place of business, or if unspecified, \$250 and/or \$750 per month.
- e. Items excluded from the purchase, if applicable.
- f. The phone number of the purchasing agent for questions or approval of charges which exceed the limit.
- g. Identification of the department(s) and employee(s) who may charge against the order.
- h. Requirement that the employee show CITY identification.
- i. Requirement that employees print and sign their names when picking up goods.
- j. Account number(s) to be charged.

Once a Blanket Purchase Order is issued to a vendor, any authorized City employee may contact the vendor directly to place orders per the terms and conditions specified in the Blanket Purchase Order.

C. Contract Purchases Orders

Contract Purchase Orders are the preferred method of purchasing repetitive-use items or services, which may be common to several departments or within one department. Establishing Contract Purchase Orders provides a means of obtaining volume pricing based upon the combined needs of all departments, reduces the administrative costs associated with seeking redundant competitive bids and processing a Purchase Order each time an order is placed, and allows departments to order as needed, reducing the requirement to maintain large inventories of stock.

If a Contract Purchase order exists, departments shall order all of their requirements from the successful vendor. No other source shall be used without prior approval of the Purchasing Officer. Departments shall submit, in writing to the Purchasing Division, any performance problem encountered immediately following the occurrence so that corrective action may be taken.

Contract Purchase Orders are annual and may include option for renewal for specific products, product types, or services at agreed upon prices or pricing structure and for a specified period of time.

D. Cooperative Purchases

The Purchasing Division may participate in purchases and contracts established by other political jurisdictions, provided the cooperative agreement is established following a competitive bid process. The City Manager may authorize the award of cooperative purchase agreements up to \$4,999.99. City Council approval is required for the award of any cooperative purchase of \$5,000 or more.

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E. Sole Source Purchases

Commodities and services, which can be obtained from only one vendor, are exempt from competitive bidding. Sole source purchases may include proprietary items sold directly from the manufacturer, items that have only one distributor authorized to sell in this area or a certain product has been proven to be the only product that has proven to be acceptable. All sole source purchases shall be supported by written documentation signed by the appropriate department head and forwarded to The Purchasing Division. Final determination that an item is a valid sole source purchase will be made by the purchasing officer or designee.

F. Urgency Purchases (Required Bidding Exceptions – GMC 3.12.040)

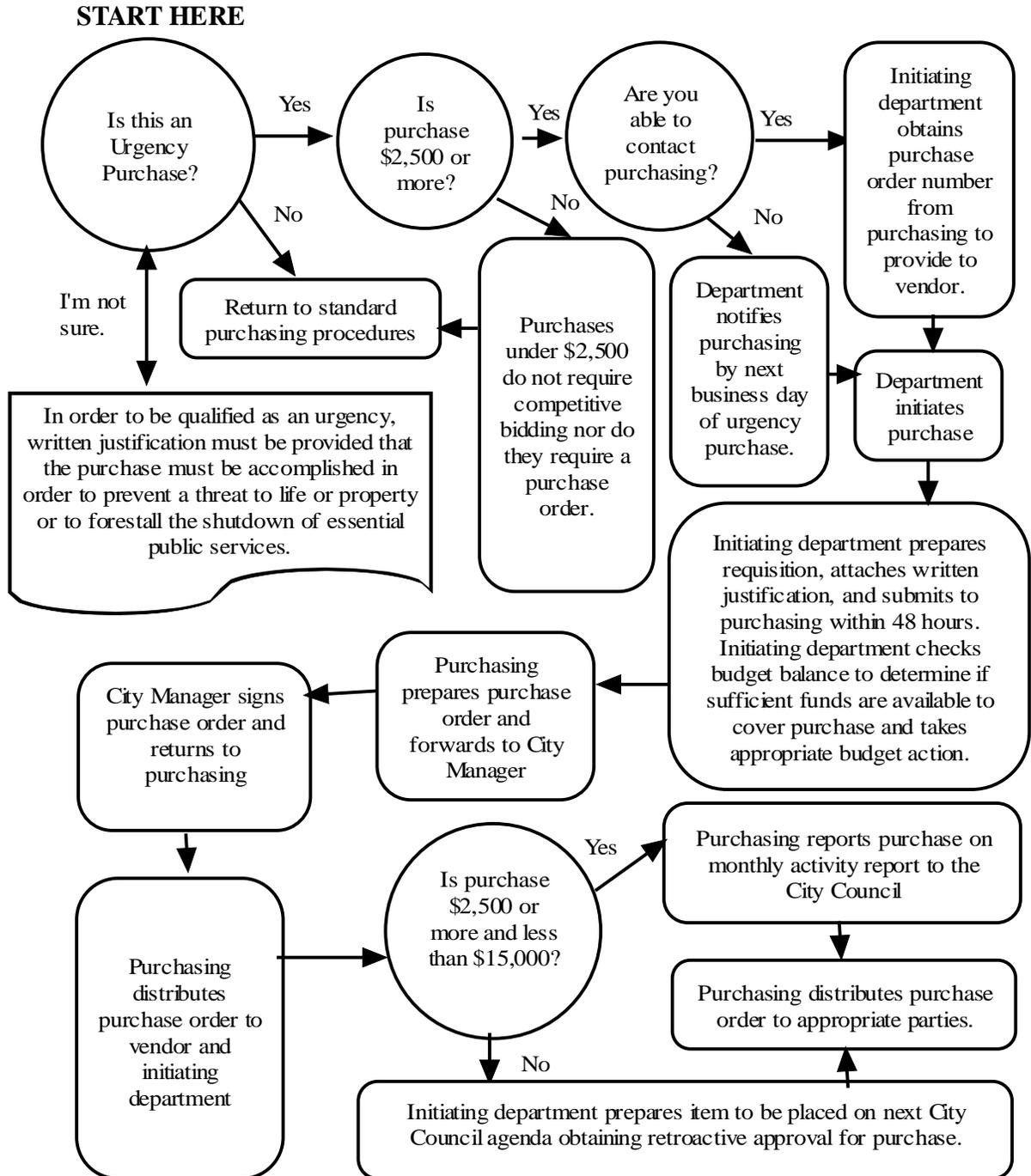
Urgency purchases may be made without competitive bidding when time is of the essence, and shall be made only for the following reasons:

1. to preserve or protect life, health or property; or
2. Upon natural disaster; or
3. To forestall a shutdown of essential public services.

Since urgency purchases do not normally provide the City an opportunity to obtain competitive quotes or properly encumber funds committed, sound judgment shall be used in keeping such orders to an absolute minimum. In addition, the following requirements shall apply:

4. The Purchasing Division shall be contacted as soon as possible for an advance purchase order number, which may be given verbally, to cover the urgent transaction. If unable to contact the Purchasing Division, place the order and contact the Purchasing Division the next workday.
5. A completed purchase requisition shall be submitted to the Purchasing Division within two working days, or as soon as the information is available. All purchase requisitions for urgent purchases shall be signed by the appropriate department head.
6. Documentation explaining the circumstances and nature of the urgency purchase shall be submitted by the appropriate department head as follows:
  - a) Purchases less than \$500: Use standard purchasing procedures.
  - b) Purchases in the amount of \$500 - \$4,999.99: Report to the City Manager by processing requisition within one week.
  - c) Purchases of \$5,000 or more: 1) Report to City Manager within two working days, and 2) Report to the City Council at its next scheduled meeting for ratification.
7. If the urgency purchase causes any budget line item to exceed the approved budget, it shall be the responsibility of the department requesting the purchase to obtain subsequent City Council approval for an additional appropriation or to make a transfer to cover the purchase.

### URGENCY PURCHASING PROCEDURES FLOWCHART



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G. Purchase Order Exemptions

Certain purchases are not readily adaptable to the open market and formal bidding process. These purchases are generally for items where the competitive bid process is not applicable or where a check is required to accompany the order. Following is a list of allowable exemptions:

Advertisements and Notices	Payments to Other Governmental Units
Attorney Services	Petty Cash Replenishment
Consultant services	Property Rentals
Courier/Delivery/Messenger Services	Real property/easement acquisition
Dept Purchases under \$2,500 (see A.1)	Subscriptions
Fuel	Trade circulars or books
Insurance Claims and Premiums	Travel Expense/Advances
Medical Payments (Physicians, lab, etc.)	Utility Payments
Membership dues	

Exemptions are limited to those items listed above. Departments may submit written requests for additional exemptions to the Purchasing Officer. If warranted, additional exemptions will be added to this list.

If a vendor requires a Purchase Order to process an order, the department shall submit a purchase order requisition to the Purchasing Division to initiate a purchase order.

H. Purchase Award

1. Lowest Responsive and Qualified Bidder

- a. Bids shall be awarded to the “responsive” and “qualified” bidder who submits the lowest bid.
- b. In determining the lowest “responsive” bid, the following elements shall be considered in addition to price:
  - (1) A responsive bid is one, which is in substantial conformance with the requirements of the invitation to bid, including specifications and the City’s contractual terms and conditions. Bidders who substitute terms and conditions or who qualify their bids in such a manner as to nullify or limit their liability shall be considered non-responsive bidders.
  - (2) Conformance with the requirements of the invitation to bid may also include providing proof of insurance, completing all forms, including references, and all other information as requested in the bid document.
  - (3) The successful bidder must demonstrate the ability to successfully fulfill a contract, including rendering of subsequent and continuing service. Staff may request proof of a prospective bidder’s reliability. Prospective bidders may be requested to furnish proof of financial resources, a list of current or

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previous customers, and other pertinent data. Such action may also be taken after receipt of bids.

- (4) A bidder may be determined to be non-responsive if a prospective bidder fails to furnish proof of qualifications when required.
- c. In determining the lowest “qualified” bidder, the following elements shall be considered in addition to price:
- (1) That the products offered provide the quality, fitness, and capacity for the required usage.
  - (2) That the bidder has the ability, capacity and skill to perform the contract satisfactorily and within the time required.
  - (3) That the bidder’s experience(s) regarding past purchases by the City or other public agencies demonstrates the reliability of the bidder to perform the contract.
- d. When a bid is recommended to be awarded to other than the low bidder, written justification is required. The written statement, signed by the appropriate department head, shall be attached to the purchase requisition.

2. Rejection of Bids

The Purchasing Officer or the requesting department may recommend rejection of any or all bids if it is determined to be in the best interests of the city. Reasons for rejection may include, but are not limited to, the following: a bid is determined to be non-responsive, the number of bids received is inadequate, bids received are not reasonably uniform in price, or the lowest bid received is deemed to be too high. The Purchasing Officer may, in any given case, reject all bids with or without cause and submit the supplies, equipment or service involved to a new bidding process. If all bids are rejected, the Purchasing Division may be authorized to re-solicit bids, negotiate a contract for the purchase, or abandon the purchase.

3. Tie Bids

If two or more bids are received which are in all respects equal, the Purchasing Division may accept the one deemed to be in the best interests of the city.

I. Change Orders

Purchase Orders represent a contract between the City and the Vendor. Any substantial change to a Purchase Order shall be documented as a change order. Change Orders shall be reviewed by the Purchasing Division and shall be approved by the City Manager. A purchase order may not be increased by more than 10% or \$2,500, whichever is less, without a change order, except for taxes, shipping and handling as discussed below.

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Taxes, shipping and handling may cause the purchase order to exceed the authorized purchase order amount. These items do not require a Change Order, even if they exceed 10% of the original purchase order amount.

The Requisition Form shall be used to change a quantity, description, size, color, vendor name or address, unit price, delivery location, terms and conditions and to delete or add to the order. It shall also be used to terminate a purchase order and to correct errors in the original purchase order.

**SUBSECTION 8 - INFORMAL AND FORMAL BID PROCESS**

Except as otherwise exempted in the policy, supplies, services and equipment with an estimated value of \$500 to \$4,999.99 shall be purchased following an Informal Bid Process and purchases \$5,000 or more shall be made following a Formal Bid Process.

To initiate the informal/formal bid process, the department making the request shall provide specifications for the item to be purchased and documentation showing the existence of an unencumbered appropriation for the item in the current approved budget. The purchasing division or requesting department shall solicit informal/formal bids as prescribed by the City of Greenfield Municipal Code.

Informal bids may be posted at City Hall, mailed to prospective bidders a minimum of ten calendar days before the due date, or solicited over the phone. Formal bids shall be posted at City Hall and shall be published at least once in a newspaper of general circulation as required by State law, and, if applicable, in appropriate trade publications. The date of publication shall be at least 10 days before the due date. All formal bids shall be sealed and shall be publicly opened and read at the date, time, and place indicated in the published notice.

Bids shall be reviewed for compliance with specifications by the requesting department. All deviations from the specifications shall be fully documented by the requesting department and the impact of the deviations on the performance or suitability of the bid item shall be detailed. Staff will prepare and forward a recommendation for approval of purchase. Informal bids shall be approved by the City Manager. Formal bids shall be approved by the City Council.

**SUBSECTION 9 - CREDIT CARD USAGE**

Under certain circumstances, the use of a city credit card may be the most appropriate method for certain purchases. The following policies and procedures are established to insure internal control and timely payment of charges.

- A. City bank, gasoline and telephone credit cards will be signed out on an as-needed basis to City Council or staff at the sole discretion of the Purchasing Officer or the appointed designee, in accordance with internal control procedures. Failure to comply with established procedures may result in discontinuance of use by the employee/department.
- B. Because of Internal Revenue Service (IRS) tax reporting requirements, except for Urgency Purchases, city credit cards may not be used to purchase services provided by vendors who are doing business as partnerships or sole proprietors. Examples of this include, but are not limited to:
  - 1. Labor charges for auto repair
  - 2. Plumbers
  - 3. Construction contractors

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- C. City credit cards shall be available to the City Council and staff for the conduct of official City business, included, but not limited to the following purposes:
  - 1. Gasoline purchases
  - 2. Telephone charges
  - 3. Authorized travel expenses and hotel charges, which shall subsequently be documented on the travel reconciliation report.
  - 4. To charge the cost of meals when required in the conduct of official business, except when an employee is traveling on a per diem basis.
  - 5. Other circumstances where the use of a credit card best meets the city's purchasing needs as determined by the Purchasing Officer or the appointed designee.
  
- D. Only the City Manager and Deputy City Manager are authorized to carry a bank credit card at all times. City bank credit and gasoline cards may be signed out by an employee authorized to purchase items under Administrative Policy and may be distributed by that authorized employee to personnel under their supervision as long as that authorized employee later approves the receipt. Once the purchase is complete, the credit card shall be returned. Gas and telephone credit cards may be assigned to specific individuals to carry at all times.
  
- E. A City credit card may only be used to obtain a cash advance in extreme circumstances such as an emergency where the credit card cannot be used to pay for a purchase that must be made immediately. Any unused cash advanced shall be returned to the City along with the receipt. Such cash advance shall be followed with a written report to the City Manager which includes the name of the person receiving the advance, the amount of the advance, the location and date of the advance and why the card holder deemed it necessary to obtain the cash advance. The report shall be forwarded to the City Manager within five (5) workdays of the advance.
  
- F. All receipts must be turned in when credit card is turned in.
  
- G. No personal items shall be charged on any City credit card except those charges that might be incidental to another charge made on the card for travel or meetings. These incidental charges may include a spousal airline ticket purchased in conjunction with the employee's ticket for authorized travel and/or meals or movies charged to a hotel room that is paid with a City credit card. Whenever one of these personal charges is made on the City credit card, the charges will be reconciled and reimbursed to the City when the travel reconciliation is completed. Under no circumstances shall a single personal charge be made on a City credit card.

**SUBSECTION 10 - SPECIFICATIONS**

It is the responsibility of each department to provide detailed, accurate specifications when requisitioning supplies, equipment and services. Accurate specifications are essential for effective bidding.

A. Sole Source Specifications

Sole source specifications shall be avoided whenever possible, as they minimize or eliminate competition. The appropriate authority (City Manager if total purchase is less than \$5,000; City Council if total purchase is \$5,000 or more) may waive bidding requirements if sufficient written justification for a sole source purchase exists. An example of sole source is where equipment or supplies are required in order to be compatible with existing equipment or to perform a complex or

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unique function. Written documentation signed by the appropriate department head shall accompany the requisition for any sole source request.

B. Standardization

Standardization of specifications for items common to several divisions and/or departments can facilitate the purchasing process. The Purchasing Division and departments shall work together to establish standard specifications for such items.

C. Brand Name, or Equal, Specifications

In purchasing equipment or supplies needed to be compatible with existing equipment, or to perform complex or unique functions, the Purchasing Officer may limit bidding to a specific product type or a brand name product.

Use of brand names in specifications shall be for the purpose of describing the standard of quality, performance, and characteristics the city desires and not be intended to limit or restrict competition. If a brand name is incorporated into a specification, a minimum of two acceptable brands shall be listed whenever possible and shall be followed by the statement “or approved equal” unless the sole source rule applies.

Using specifications provided by a specific manufacturer should be avoided, however, if used, the name of the manufacturer, model number, etc., should be indicated. The bid document shall clearly state that the use of the manufacturer’s specifications is for the sole purpose of establishing the level of quality desired. The Purchasing Officer reserves the right to determine and approve any product submitted as an “or equal.”

D. Vendor Assistance in Writing Specifications

There may be occasions when vendor assistance is required to develop a specification. Such specifications shall be written in general terms and the vendor shall be informed that the information they provide may be used to develop specifications for a competitive bid process. The vendor shall be allowed to submit a bid, but will not be given any preference over the other bids.

**SUBSECTION 11 - PROFESSIONAL CONSULTANT SELECTION**

A. Selection of Consultants for Professional Services (General):

1. The following criteria shall be used to determine approval authority for Professional Consultant Service Contracts:

Contracts under \$2,500	Department Head Approval
Contracts of \$2,500 - \$4,999.99	City Manager Approval
Contracts of \$5,000 or greater	City Council Approval

2. This policy specifically prohibits splitting a purchase to circumvent the limits set forth in item 1, above.

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3. The appropriate department head, with the approval of the City Manager, shall prepare a scope of work consistent with budget and project authorization of the City Council. The Request for Proposal (RFP) shall outline the City requirements and project description. The list of solicited firms will be drawn from firms who, in the opinion of the department head, can perform the work. A Request for Qualifications may first be necessary if the required services are particularly specialized or if the qualifications of the available consultants are unknown. The list of solicited firms may be limited to a minimum of 3 to 5 due to time constraints or specialties involved.
4. The initial review of proposals shall be conducted by the involved department head(s), who shall make a recommendation to the City Manager regarding which consultants should be invited to interviews.

Interviews (Contracts less than \$5,000) will be conducted by the appropriate department staff members.

Formal interviews (for Contract of \$5,000 or more) will be conducted or delegated to a senior staff committee by the City Council Committee which deals with the subject matter of the proposal or an ad hoc committee shall be formed to conduct the oral interviews for selected consultants. The Committee will make a recommendation to the City Council for final selection. The City Council may also delegate the authority to a senior staff committee to conduct the interviews and to make a recommendation to the City Council.

5. Qualifications should be the determining factor in the selection of a professional consultant. Staff shall then negotiate the final fee based upon the agreed scope of work.
6. Prior to approval of a contract, the department head shall conduct appropriate background and reference checks and ensure that adequate bonding or security, if required, is posted.
7. Consultants shall comply with all regulations and laws dealing with conflict of interest disclosure and reporting. Consultants shall not be engaged if a conflict of interest exists.
8. Approval of "Additional Work" items shall comply with the limits of Subsection 11-A.1.

B. Selection of Consultants for Professional Services for Capital Improvement Projects:

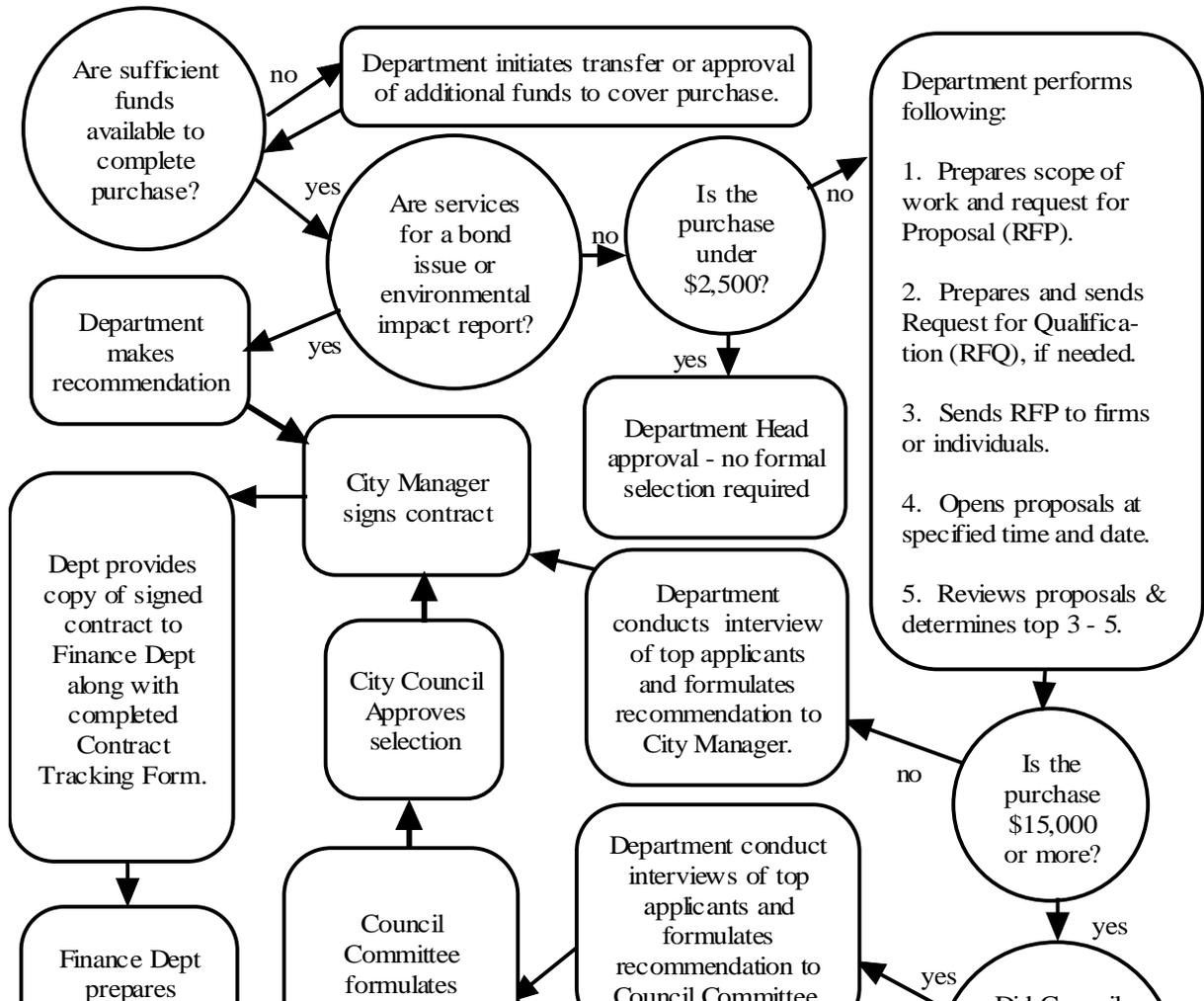
1. After the City Council adopts the next year's Capital Improvement Program (CIP), the Director of Public Works shall develop a list of projects recommended for 1) appropriate Council Committee review and interview of consultants, or 2) staff to determine the selection of consultants. The Policy and Procedure Committee shall review the list and either adopt or revise it.
2. The Policy and Procedure Committee decision shall be the basis for implementing the program even if committee membership changes in the next fiscal year.
3. Consultant selection shall be from a list of qualified professionals prepared by the department responsible for the project.

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- 4. If the project is to be reviewed by a council committee, a formal presentation and interview process will be arranged by the Director of Public Works. If the project is to be reviewed by staff, the Director of Public Works and the City Manager will determine the RFP review process.
- C. Selection of Consultants for Professional Services for Continuing Services:
  - 1. Professional firms providing engineering, land surveying, transit, planning, environmental, auditing, landscape architecture or other services may be retained on a continuing basis to provide professional services. The department head, with the approval of the City Manager, may contract on a project-by-project or on a retainer basis for additional work/services without going through the RFP and selection process. At least every three years these arrangements shall be reviewed and every effort shall be made to receive proposals from at least three consultants to perform the same services. This is to ensure the city is receiving the best value in their services.

**SELECTION OF CONSULTANT AND PROFESSIONAL SERVICES**

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2. Beginning each fiscal year, the Purchasing Division shall make a written request to each department head to submit to the City Manager a list of consultants currently under contract by their department, setting forth name of firms, type of services, cost of contracts, length of contracts and date entered into, and the number of years retained by the City.
- D. Exclusions
1. City Council shall also review and approve each bond issue in concept with approval for the selection of certain professional consultants, as needed, to be selected by and as approved by the City Manager.
- E. All consultant and professional services agreements, except time and material agreements, shall be encumbered on an Encumbrance Order (EO). (see definitions)

SUBSECTION 12 - SURPLUS PROPERTY

The Purchasing Officer is responsible for the transfer and disposition of surplus City property. "Surplus property" is used generically to describe any City property that is no longer needed or useable by the holding department. The Purchasing Officer or designee has the authority to declare item(s) surplus.

Surplus property that may result from the termination of a lease agreement shall be specifically reported to the Purchasing Officer prior to the termination of the lease. The report shall include all information about the lease, including purchase price at the commencement of the lease, residual value at the end of the lease, the total payments through the end of the lease and the fair market value at the end of the lease. In determining the fair market value, each department shall document the methods used to make such determination including tools such as Kelly Blue Book, classified advertisements, and local vendors with similar products available.

Each department shall periodically review its equipment, material, and inventory, and shall promptly notify the Finance Department of any surplus property. A surplus property listing shall be completed and submitted for each surplus property item.

A. Methods of Disposition

The Purchasing Officer or designee shall determine or approve one of the following methods of disposition that is most appropriate and in the best interests of the City.

1. Transfer to Another Department

Surplus property may be transferred between City departments. Departments wishing to transfer surplus property to or from another department shall complete a Surplus Property Memorandum and submit it to the City Manager for review. All transfers of items with an estimated value of \$1,000 or more require approval of the Department Heads from each department affected by the transfer.

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2. Trade-In

Property declared as surplus may be offered as a trade-in for credit toward the acquisition of new property. All trade-in offers will be submitted for the review and approval of the Purchasing Division. If surplus property is to be applied to a purchase order, the trade-in value shall be itemized on the Purchase Order. The amount charged against the expenditure account will be the value of the purchase before application of the trade-in credit.

3. Return to Manufacturer

Surplus property may, when possible, be returned to the manufacturer for buy-back or credit toward the purchase of new property.

4. Disposal

Surplus property may be offered for sale by the Purchasing Officer. All surplus property is for sale “as is” and “where is”, with no warranty, guarantee, or representation of any kind, expressed or implied, as to the condition, utility or useability or the property offered for sale. Appropriate methods of sale are as follows:

- (a) Public Auction - Surplus property may be sold at public auction. Public Auctions may be conducted by City staff, or the City may contract with a professional auctioneer including professional auction services.
- (b) Sealed Bids - Sealed bids may be solicited for the sale of surplus property. Surplus property disposed of in this manner shall be sold to the highest responsible bidder.
- (c) Selling for Scrap - Surplus property may be sold as scrap if the Purchasing Officer deems that the value of the raw material exceeds the value of the property as a whole.
- (d) Negotiated Sale - Surplus property may be sold outright if the Purchasing Officer determines that only one known buyer is available or interested in acquiring the property.
- (e) No Value Item – Where the Purchasing Officer determines that specific supplies or equipment are surplus and of minimal value to the city due to spoilage, obsolescence or other cause or where the Purchasing Officer determines that the cost of disposal of such supplies or equipment would exceed the recovery value, the Purchasing Officer shall dispose of the same in such a manner as he or she deems appropriate and in the best interest of the City.

B. Proceeds

Proceeds from the sale or trade-in of surplus property shall be returned to the appropriate fund.

**SUBSECTION 13 - DEFINITIONS**

<b>AGREEMENT</b>	An understanding or arrangement between two or more parties. Also see “ <i>Contract</i> ” and “ <i>Purchase Order</i> ”.
<b>APPROPRIATION</b>	City Council authorization to expend public funds for a specific purpose.
<b>AS IS</b>	A term indicating that goods offered for sale in existing condition are without <i>Warranty</i> or <i>Guarantee</i> .
<b>AWARD</b>	The acceptance of a <i>Bid</i> or <i>Proposal</i> .
<b>BID</b>	The executed document submitted by a <i>Bidder</i> in response to a <i>Notice Inviting Bids (NIB)</i> , a <i>Proposals</i> , or a <i>Requests for Quotations</i> .
<b>BIDDER</b>	A person or legal entity who submits a bid in response to a solicitation. Proposer. See <i>Bid</i> or <i>Proposal</i> .
<b>BLANKET PURCHASE ORDER</b>	An <i>Agreement</i> of no more than one year between the <i>City</i> and a <i>Vendor</i> allowing authorized <i>City</i> employees to charge repetitive <i>Purchases</i> of supplies, equipment or services at pre-arranged prices, dollar limits and/or other terms and conditions.
<b>BRAND NAME</b>	A trade name which serves to identify a product or particular manufacturer.
<b>CHANGE ORDER</b>	Written modification or addition to a <i>Purchase Order</i> or <i>Contract/Agreement</i> authorized by the appropriate authority.
<b>CITY</b>	<i>City</i> shall mean the City of Greenfield, the Greenfield Redevelopment Agency and other such authorities, or agencies as may be governed by the members of the City of Greenfield <i>City Council</i> .
<b>CITY ATTORNEY</b>	Shall mean and include the <i>City Attorney</i> of the City of Greenfield, Legal Counsel to the Redevelopment Agency.
<b>CITY COUNCIL</b>	Shall mean and include the <i>City Council</i> of the City of Greenfield and the Board of Directors of the Greenfield Redevelopment Agency. It shall also mean the governing boards of such other districts, authorities, or agencies as may be governed by the <i>City Council</i> of the City of Greenfield.
<b>CITY MANAGER</b>	Shall mean and include the <i>City Manager</i> of the City of Greenfield and the Executive Director of the Greenfield Redevelopment Agency.
<b>COMPETITIVE BIDDING</b>	The submission of prices by individuals or firms competing for a <i>Contract</i> , privilege, or right to supply merchandise or services.
<b>CONTRACT</b>	A verbal or written, legally binding mutual promise between two parties, e.g., an accepted <i>Purchase Order</i> .
<b>CONTRACT PURCHASE ORDER</b>	A <i>Purchase Order</i> (usually issued for one year) which outlines unit prices to be charged by the <i>Vendor</i> for the term of the <i>Purchase Order</i> . This type of <i>Purchase Order</i> is generally used for such things as electrical, plumbing and other goods and

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services, which are anticipated to be needed periodically throughout the year. The *Bids* are usually expressed at hourly rates plus parts expressed at a specific *Discount* below list price.

**CONTRACT TRACKING FORM**

A form used to communicate to the Purchasing Officer that a Contract has been awarded and that certain dollar values, representing the amount expected to be spent during the current and future fiscal years, are to be encumbered. This form precedes the issuance of an Encumbrance Order.

**DESIGNEE**

A duly authorized and appointed representative of an employee that holds a superior position to the person appointed to represent him or her.

**DISCOUNT**

An allowance or deduction from a normal or list price extended by a seller to a buyer to make the unit price more competitive.

**DISPOSE OF**

To transfer or part with, to sell; to get rid of; to throw out.

**EMERGENCY PURCHASE**

See *Urgency Purchase*.

**ENCUMBRANCE**

Committing budgeted funds prior to receiving supplies, equipment or services; funds are shown as an encumbrance until supplies, equipment or services are received, at which time funds are actually expended.

**ENCUMBRANCE ORDER**

Direction provided to the Purchasing Division using a Contract Tracking Form to encumber contracts without the issuance of a Purchase Order.

**EQUIPMENT**

Personal property necessary to conduct the City's business, including, but not limited to furnishings, machinery, vehicles, rolling stock, and other property used to conduct the *City's* business.

**FORMAL BID**

A *Bid* which must be submitted in a sealed envelope and in conformance with a prescribed format, to be opened and announced at a specified time at a public opening.

**GENERAL SERVICES**

Services such as janitorial, uniform cleaning, maintenance, and other services for which the performance of such activities do not require any unique skill, special background or training.

**GUARANTEE**

A pledge or assurance that something is as represented and will be replaced or repaired if it fails to meet the stated *Specifications*.

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<b>INFORMAL BID</b>	Written or verbal <i>Quotations</i> for less supplies, equipment and services which pursuant to this policy are not required to meet the formal bidding requirements. <i>Informal Bids</i> include unsealed written quotes, verbal quotes and quotes received via fax.
<b>LOWEST (RESPONSIVE AND) RESPONSIBLE BIDDER</b>	The <i>Bidder</i> submitting the lowest price and capable of performing the proposed <i>Contract</i> . See also “ <i>Responsive Bidder</i> ” and “ <i>Responsible Bidder</i> ”.
<b>NON-RESPONSIVE BID</b>	A <i>Bid</i> that does not conform to the essential requirements of the <i>Notice Inviting Bids</i> . Non-Conforming <i>Bid</i> . Unresponsive <i>Bid</i> .
<b>NOTICE INVITING BIDS (NIB)</b>	A formal notice, published in the newspaper or elsewhere or sent directly to potential <i>Bidders</i> , notifying them that the <i>City</i> is accepting bids for a specific purpose.
<b>PROFESSIONAL SERVICES</b>	Any work performed by an auditor, attorney, doctor, architect, engineer, land surveyor, construction project manager, appraiser, expert, or consultant, for example.
<b>PROPOSAL</b>	The executed document submitted by an offer or in response to a <i>Request for Proposals</i> (and the basis for subsequent negotiation).
<b>PUBLIC CONTRACT CODE</b>	Shall mean the <i>Public Contract Code</i> of the State of California.
<b>PUBLIC PROJECT (definition is from State of California Public Contract Code)</b>	<ol style="list-style-type: none"><li>a) A project for the erection, improvement, painting, or repair of public buildings and works.</li><li>b) Work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow.</li><li>c) Street or sewer work except maintenance or repair.</li><li>d) Furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.</li></ol>
<b>PUBLICLY OWNED, LEASED or OPERATED FACILITY</b>	Any plant, building, structure, ground facility, utility system, real property, streets and highways or other capital improvement which project is to be undertaken by the <i>City</i> .
<b>PURCHASE</b>	Renting, leasing, purchasing, licensing or a trade of <i>Equipment</i> or <i>Supplies</i> .

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<b>PURCHASE ORDER</b>	A <i>Purchaser's</i> document to formalize a <i>Purchase</i> transaction with a <i>Vendor</i> . Acceptance of a <i>Purchase Order</i> constitutes a <i>Contract</i> ; a <i>Purchaser's</i> written offer to a supplier stating all terms and conditions of a proposed transaction.
<b>PURCHASING DIVISION</b>	The division and/or department within the organization to which the purchasing function has been delegated by the <i>Purchasing Officer</i> .
<b>PURCHASING OFFICER</b>	The <i>City Manager</i> or his/her designated representative.
<b>QUALIFIED BIDDER</b>	A “qualified” bidder, is a bidder that demonstrates the following characteristics: <ol style="list-style-type: none"><li>(1) Can provide product quality, fitness, and capacity for the required usage.</li><li>(2) Has the ability, capacity, and skill to perform the contract or provide the service required.</li><li>(3) Has demonstrated character, integrity, reputation, judgment, experience, and efficiency, particularly with reference to past purchases by the city or other public agencies.</li><li>(4) Has the ability to perform within the time required.</li><li>(5) Has shown quality of performance and/or of products provided in previous contracts or services with the city or other public agencies.</li><li>(6) Note: Previous documented incidents of unsatisfactory performance and/or unsatisfactory delivery, materials, or services may also result in a determination of unqualified.</li></ol>
<b>QUOTATION</b>	A <i>Bid</i> . A statement of price, terms of sale, and description of goods or services offered by a prospective seller to a prospective <i>Purchaser</i> , usually for <i>Purchases</i> below the amount requiring <i>Formal Bidding</i> .
<b>REQUEST FOR PROPOSAL (RFP)</b>	All documents, whether attached or incorporated by reference, utilized for soliciting competitive <i>Proposals</i> . The <i>RFP</i> procedure permits negotiation of <i>Proposals</i> and prices as distinguished from <i>Competitive Bidding</i> and a Notice Inviting <i>Bids</i> . The procedure allows changes to be made after <i>Proposals</i> are opened and contemplates that the nature of the <i>Proposals</i> and/or prices offered will be negotiated prior to <i>Award</i> .
<b>REQUEST FOR QUOTATION (RFQ)</b>	The document generally used for seeking competition on small <i>Purchases</i> or on any <i>Purchase</i> that does not require competitive <i>Sealed Bidding</i> . Can be used for obtaining price and delivery information for <i>Sole Source</i> and emergencies. Also, see <i>Quotation</i> .
<b>RESPONSIBLE BIDDER</b>	A person who has the capability in all respects to perform in full the <i>Contract</i> requirements, and the integrity and reliability which will assure good faith performance.
<b>RESPONSIVE BIDDER</b>	(1) A person who has submitted a <i>Bid</i> , which conforms in all material respects to the Notice Inviting Bids (NIB) or (2) One, whose <i>Bid</i> conforms in all material respects to the terms and conditions, <i>Specifications</i> and other requirements of the NIB.

**SEALED BID**

A *Bid* which has been submitted in a sealed envelope to prevent its contents from being revealed or known before the deadline for the submission of all *Bids*; required on *Formal Bids*.

**SOLE SOURCE**

An *Award* for a commodity or service to the only reasonably known capable supplier due to the unique nature of the requirement, the supplier, or market conditions.

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**SPECIFICATIONS**

A description of what the *Purchaser* seeks to buy or accomplish, and consequently, what a *Bidder* must be responsive to in order to be considered for *Award* of a *Contract*. A *Specification* may be a description of the physical or functional characteristics, or the nature of a supply or service. It may include a description of any requirements for inspecting, testing, or preparing a supply or service item for delivery.

**SPLIT**

To divide a *Purchase* into two or more parts in order to avoid the requirements of the Purchasing Policy. This action is prohibited by the Policy.

Example :

Split:

If a department knows it will use \$6,000 of a particular supply in one fiscal year and they place two orders six months apart to keep each order below the \$5,000 limit, the action is considered *Splitting* and is not allowed under the policy.

Not Split:

If a department hires ABC Engineering to prepare a fee study for \$2,000 and also hires the same company to oversee a capital improvement project for \$4,000, the action is not considered splitting.

**SUPPLIES**

Office *Supplies*, janitorial *Supplies*, materials, goods, tools, or other commodities used in the general conduct of the *City's* business, excepting *Supplies* or materials for a *Public Work* which is regulated under the *Public Contract Code* section 20160, et seq.

**SURPLUS PROPERTY**

Any city personal property that is no longer needed or usable by the holding department.

**VENDOR**

A supplier of goods or services.

**WARRANTY**

The representation that something is true. Not to be confused with "*Guarantee*". A representation of utility, condition, and durability made by a *Bidder* or offerer for a product offered.

