



City of Manteca Purchasing Policy

Last Revision Date 09/06/2023 by Reso 2023-119 – pages 2-10 adopted by Council; limits updated

1 INTRODUCTION

1.1 Purpose

The City of Manteca Municipal Code (MMC) states that all purchases of supplies, services, and equipment in the city of Manteca shall be in compliance with the “Purchasing Policy” which has been approved and adopted by resolution of the city council. (MMC 3.24.020). This document is the Purchasing Policy.

Resources the City uses for purchasing come from taxpayers. As such, the City must ensure proper and judicious use of those resources. The purpose of this Purchasing Policy is to ensure the City’s use of resources complies with related local, state, and federal guidelines. The City applies the most stringent requirements whenever there is conflict among these guidelines. These guidelines are found in:

1. City of Manteca Municipal Code (MMC)
2. City of Manteca Purchasing Policy (CMPP)
3. California Public Contract Code (PCC)
4. California Government Code (CGC), specifically Sections 54201 – 54205
5. Code of Federal Regulations (CFR), specifically Title 2, Subtitle A, Chapter II, Part 200

Additionally, the City secures quality supplies, services, vehicles, commodities, and equipment in a competitive, most cost-effective manner possible. By complying with guidelines and pursuing the best value, the City acts as good stewards of the resources with which it has been entrusted.

1.2 Roles

1.2.1 City Council

City Council sets policy. City Council may amend this Purchasing Policy by resolution. City Council has sole discretion to adjust the purchasing authority by resolution in as much as such changes would not conflict with PCC or CFR.

Additionally, the City Council adopts, and may make amendments to, an annual budget, which provides necessary appropriations for general, routine, and specific purchases.

1.2.2 City Manager

The City Manager implements policy. The City Manager is the Purchasing Officer, but may designate the Finance Director as the Purchasing Officer. The City Manager may make administrative adjustments to this Purchasing Policy to address operational needs, but cannot change purchasing authority limits.

1.2.3 Finance Director

The Finance Director oversees purchasing operations. The Finance Director may make administrative adjustments to this Purchasing Policy to address operational needs, but cannot change purchasing authority levels. Any administrative adjustments must be approved by the City Manager.

1.2.4 City Staff

City staff continuously seek for more effective and efficient ways to operate, accomplish tasks, and achieve goals while following all applicable guidelines. Each department has the authority to procure budgeted supplies and services as outlined in this policy. This allows for the continuous supply of goods and services necessary to support the City's operation and meet the City's obligations to the public.

1.3 Purchase Categories

This Purchasing Policy divides purchases in two categories.

1.3.1 General Purchases

General purchases includes supplies and other goods. These are resources used by the staff in the execution of their duties. Some are routine, such as paper, fuel, or chemicals, which the City endeavors to keep on hand to avoid disruptions in services. Routine purchases are included in the annual budget and are not subject to the processes in the CMPP. Others supplies are not regularly replenished so their purchases are not routine, such as a plot printer or flooring for a building remodel. These are subject to the processes outlined in the CMPP.

As explained in the General Purchases section below, the City uses different purchase thresholds to determine whether a purchase is recorded as a Capital Outlay or as Capital Improvement Project.

1.3.2 Services

The City secures services by agreement (i.e. contract). The City no longer separates Services Agreements (SA) as General Services or Professional Services.

SA can be used to provide, complement, or augment the services typically done by City staff. Some SA are used for operations, repair and maintenance, or other services. A limited selection of these services include:

- Maintenance or non-structural repair of city buildings, structures or improvements which does not require engineering plans, specifications or design including but not limited to, fire extinguisher maintenance, minor roof repairs, plumbing, electrical, HVAC, elevator maintenance, custodial services, and pest control;
- Maintenance of landscaping and public grounds;
- Maintenance and repairs of office machines and city equipment;
- Lease or rental of office equipment;

- Laboratory services including the cleaning, analysis, and testing of city supplies, equipment, and waste products;
- Providing temporary personnel services; and,
- Providing other services to facilitate city operations such as telecommunications and utilities.

Other SA are used for services provided by independent contractors, which may include, but are not limited to, the following:

- Architectural;
- Engineering;
- Scientific;
- Land Development;
- Environmental;
- Planning;
- Finance;
- Legal;
- Construction Management;
- Governmental Operations; and,
- Project Management.

2 GENERAL PURCHASES

2.1 Summary

Non-routine general purchases in aggregate of \$5,000 or more require a Capital Improvement Project Number for tracking and reporting purposes. Purchases in aggregate of \$25,000 or more must be included in the Capital Improvement Project Plan (CIP).

2.2 Purchasing Cost Ranges

All cost ranges are inclusive of sales tax, shipping, and all other charges associated with the purchase. Purchases shall not be split or separated into smaller purchases for the purpose of evading the provisions of the CMPP.

All purchases over \$5,000 require an approved purchase order. No purchase in excess of this amount can be made until an authorized purchase order has been issued.

Prior to proceeding with any purchase, the Department Director, or designee, shall determine that unencumbered funds are available in the budget.

2.2.1 Non-material Purchases

For general purchases of \$5,000 or less, authorized department personnel may exercise personal discretion with regard to vendor choice with preference given to local merchants.

2.2.2 Informal and Formal Quote Requirements

Purchases of more than \$5,000 up to \$25,000 require at least three (3) *informal* quotes, which means oral, written, or Internet quote sources. Purchases of more than \$25,000 up to \$100,000 require *formal*, written quotes from at least three (3) vendors. Each vendor must be given the exact information provided to all other vendors. Department staff shall maintain records of all informal and formal quotes using the Purchase Order Quote Form, which requires:

- Date of request for quote
- Department
- G/L Account and Project number (if required)
- Exact items/quantity requested for quote
- Vendor information (contact information including vendor number)
- Vendor's response to request for quote
- Justification for selection of vendor

A purchase order will be initiated at the department level. The Purchase Order Quote Form along with all related documentation will be submitted to the Finance Department for review, final approval, and formal issuance of a purchase order.

2.2.3 Purchases of more than \$100,000

A formal bid is required if the estimated dollar amount of the purchase, including tax, shipping and other related costs, is more than \$100,000, or if the accumulated amount of multiple purchases of the same item is expected to exceed \$100,000 in any one fiscal year. In all cases, price shall be the determining factor of bid selection.

1. The Department Director or designee shall prepare a bid package to solicit bids from qualified vendors. The bid package shall consist of the following elements:
 - a. Notice Inviting Bids
 - b. Information to Vendors
 - c. Product Specifications
 - d. Proposal Format
 - e. City of Manteca Insurance Requirements (if applicable)
2. The City Clerk or designee shall follow bid procedures regarding posting of notices, receiving bids, and opening and processing bids.
3. The Department Director or designee shall prepare an agenda report recommending the City Council award the purchase to the lowest responsible bidder for all purchases of more than \$100,000.
4. Upon award of the purchase by the City Council (or City Manager if the purchase is \$100,000 or less), the Department Director or authorized department personnel shall submit a purchase order request with award recommendation and documentation including contract and signed City Council resolution, if applicable, to the Finance Department for final approval and issuance of a purchase order.

3 SERVICES AGREEMENTS

3.1 Summary

The City uses SA when it does not have the personnel, expertise, resources, or right to perform the service with City staff.

3.1.1 Selecting Services Agreements

Both qualifications and pricing shall be considered when awarding SA. While cost efficiency should be held in the highest regard, other considerations may be taken into account. These factors include, but are not limited to, ability of the vendor to deliver, ability to service, prior experience, quality, compatibility with existing City equipment and other particular needs of the City. Contracts must be based on demonstrated competence, professional qualifications for the services required, availability, and fair and reasonable cost.

3.2 Agreement Execution

Prior to proceeding with any SA, the Department Director or designee shall determine whether unencumbered funds are available in the budget. The Department Director, or designee, shall be responsible for monitoring the project account balance during to ensure that overages do not occur. The tracking number or resolution number (if Council approval was required) shall accompany all requests for payment to the Finance Department.

All agreement thresholds are inclusive of sales tax, shipping, and all other charges. Services shall not be split or separated into smaller purchases for the purpose of evading the provisions of the Purchasing Policy.

The following approvals are required for all Contracts:

1. **City Attorney:** review and approve the agreement as to form. The City's standard contract should be used for all agreement.
2. **City Clerk:** assign agreement number for tracking and review draft agreement for required signatures and supporting documentation.
3. **Risk Management:** review and approve required insurance documentation. Generally, if there is a risk of personal injury or property damage from the City's procurement of services, insurance will be required as a condition of contract approval.
4. **Finance:** review and confirm that the services requested have been budgeted and that sufficient unencumbered funds are available.
5. **Signatures:** the agreement should be signed by the other party except in the instance of a public entity in which instance the agreement may be signed first by the authorized City representative.
6. **Final Execution:** the City Clerk will process the final execution of all agreements. One original copy of the agreement shall be retained by the City Clerk's Office as the official record. One original copy of the agreement will be forwarded to the initiating department to be forwarded to the vendor.

3.3 Agreement Authority

1. **City Council** - City Council approval is required for each Agreement unless otherwise granted to staff as follows.
2. **Department Directors** - Department Directors are authorized to award and sign Agreements in an amount up to \$25,000 in cumulative total cost provided that funding for the services requested was appropriated by the City Council in the approved City budget. This authorization cannot be delegated and contracts cannot exceed five years in length.
3. **City Manager** - The City Manager is authorized to award and sign Agreements in an amount up to \$100,000 in cumulative total cost provided that funding for the services requested was appropriated by the City Council in the approved budget. This authorization cannot be delegated and contracts cannot exceed five years in length.

3.4 Authorization to Amend Agreements

If circumstances, arise that were not reasonably foreseeable by the parties at the time of executing the Agreement, which make extra work necessary for the proper completion of the service originally contracted for, a contract amendment and corresponding increase in total contract amount may be necessary. For purposes of this policy, “total agreement amount” shall be defined as the total consideration paid over the term of the agreement, including any previous amendments to the contract. “Original agreement amount” shall be defined as the amount of compensation agreed upon when the agreement was first executed. Amendment authority may not exceed 10% of the original agreement amount.

1. **Department Directors** - Department Directors overseeing the agreement may sign an agreement amendment not to exceed 10% of the original agreement amount, if the original amount of the agreement was \$25,000 or less.
2. **City Manager** - The City Manager may sign an agreement amendment not to exceed 10% of the original agreement amount, if the original amount of the agreement was \$100,000 or less.
3. **City Council** - For all amendments to Agreements entered into with City Council approval, unless otherwise authorized by Resolution, City Council approval will be required.

3.5 Agreement Award Process

3.5.1 Purchase Orders

Contracts do not require purchase orders.

3.5.2 Agreements of \$5,000 or less

Contracts are not required for services of \$5,000 or less. Authorized department personnel may exercise discretion with regard to vendor choice with preference given to local merchants.

3.5.3 Agreements of more than \$5,000 and up to \$25,000

Services of greater than \$5,000 and up to \$25,000 require a written agreement. Authorized department personnel shall acquire informal quotes from at least three (3) vendors; however, this requirement may be waived by the City Manager depending upon the nature of the service to be provided. Each vendor must be given the exact information provided to all other vendors. Responses, including non-responsive vendors, shall be taken into consideration when awarding a contract.

3.5.4 Agreements of more than \$25,000 and up to \$100,000

Services of greater than \$25,000 and up to \$100,000 require a written agreement. Authorized department personnel shall acquire formal written quotes from at least three (3) vendors; however, this requirement may be waived by the City Manager depending upon the nature of the service to be provided. Each vendor must be given the exact information provided to all other vendors. Responses, including non-responsive vendors, shall be taken into consideration when awarding a contract.

3.5.5 Agreements of more than \$100,000

Contracts of more than \$100,000 require a formal Request for Proposal (RFP) process. As a rule, proposals from a minimum of three prospective vendors shall be solicited. The RFP is a competitive formal bid process in which the City solicits proposals from potential vendors. Proposals are evaluated against both stated requirements and pre-defined evaluation criteria in which price is not the only factor. Proposals from a minimum of three prospective vendors shall be solicited.

Each vendor must be given the exact information provided to all other vendors. Responses, including non-responsive vendors, shall be taken into consideration when awarding a contract. The RFP describes the City's requirements and desired outcomes within a written specification, solicits vendors for their proposed solutions, describes key criteria to be used in the evaluation of proposals and outlines the terms and condition under which the vendor will operate or provide services.

The formal RFP process shall include:

1. **Request for proposals:** The RFP shall include:
 - a. General description of services to be provided
 - b. Required qualifications
 - c. Evaluation criteria
 - d. Time and place for submission of proposals
 - e. Requirement for the proposals to be sealed
 - f. Request for Pricing (unless precluded by State or Federal law)
 - g. Proposed services agreement
 - h. Insurance requirements
2. **Evaluation of proposals:** All responsive proposals shall be reviewed and evaluated by the City in order to determine which proposer best meets the City's needs by demonstrating the competence and qualifications necessary for the satisfactory performance of the required

services. Cost efficiency should be held in the highest regard; however, other considerations may be taken into account. The City reserves the right to reject any and all proposals or waive any irregularities in any proposal or the proposal process.

3. **Award of agreement:** The City Council shall award all agreements requiring an RFP.
4. **Term of agreement:** The term of an agreement shall not exceed five years. When agreements exceed three years, the preference is for years four and five to be optional one-year extensions at the City's discretion.
5. **Post award tracking:** All contracts of \$5,000 up to \$25,000 require a project number and all contracts of \$25,000 or more should be in the Capital Improvement Plan.
6. **Exception:** The formal RFP process may be waived when processed through a cooperative purchase agreement with another public agency as outlined in Additional Purchasing Options – Cooperative Purchasing Program.