



OFFICE OF THE CITY MANAGER

Administrative Instruction
Section IV
No. 8

Delegation of Purchasing Authority

Supersedes: October 14, 2014

Effective Date: May 16, 2016

Purpose

The purpose of this Administrative Instruction (AI) is to delegate the City Manager's authority for purchases and contract execution. In accordance with South San Francisco Municipal Code Chapter 4.04, purchasing authority is delegated to the City Manager, or his or her designee. The South San Francisco Municipal Code (Section 4.04.030) designates the City Manager as the City's purchasing authority. Further, the City Manager may delegate the duties of purchasing to department heads or any other city employee.

In South San Francisco's decentralized purchasing environment, the City Manager can delegate purchasing responsibility and authority to each department head under the condition that they monitor their department's purchases for adherence to the purchasing guidelines in the South San Francisco Municipal Code and this Administrative Instruction.

Policy

To improve the efficiency of executing low dollar value purchases, this AI specifies the parameters and method(s) of purchasing transactions permitted under this delegation. Transactions made under this delegation are subject to all state and local laws, regulations, ordinances and AI policies governing the procurement of goods and services by the City.

Scope of Delegation

After determining funds have been appropriated in the budget process for a particular purchase, **Department Heads are authorized to enter into contracts on behalf of the City for purchases up to and including twenty five thousand dollars (\$25,000.00).**

Department Heads purchasing or entering into contracts pursuant to this delegation of authority

assume the role of the City purchasing agent in those situations, and as such are responsible for tracking orders, processing returns, and ensuring that all purchases are compliant with all governing laws, regulations, and policies.

Superseded

To the extent that procedures stated herein are inconsistent with portions of AIs within this Section IV, the provisions of the most recently adopted AI shall control.



Mike Futrell
City Manager

Dated: May 16, 2016



OFFICE OF THE CITY MANAGER

Administrative Instruction
Section IV
No. 1

Purchasing Procedures

Supersedes: May 2, 2011
Effective Date: May 1, 2016

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I. PURPOSE

The purpose of this Administrative Instruction is to describe procedures in accordance with City of South San Francisco Municipal Code (SSFMC) Chapter 4.04. These procedures are designed to ensure that the City receives competitive prices on its purchases; vendors are chosen in a fair/competitive manner; and the City is shielded from unnecessary legal or liability exposure from activities arising out of purchasing of equipment, goods and services.

II. POLICY

The SSFMC (Section 4.04.030) designates the City Manager as the City's purchasing authority. In South San Francisco's decentralized purchasing environment, the City Manager has delegated purchasing authority to each department under the condition that they monitor their department's purchases, including responsibility for not exceeding funds appropriated in the budget process and for adherence to the purchasing guidelines set forth in the municipal code, as well as in this Administrative Instruction.

The guidelines below provide direction on approval authority, purchasing procedure, and when to use which type of City contract/agreement.

III. APPROVAL AUTHORITY

The SSFMC (Section 4.04.096) establishes monetary thresholds of approval for purchasing acquisitions.

a. PUBLIC PROJECT CONTRACTS

- i. Public Projects \$75,000 and under may be approved by the City Manager
- ii. Public Projects \$75,000 or over must be approved by the City Council. City Council resolution approving/authorizing the contract must be attached to the packet before circulating the packet for approval signatures.

b. PURCHASE OF GOODS/SERVICES CONTRACTS

- i. Contracts for the purchase of goods/services \$25,000 or less may be approved by the Department Head
- ii. Contracts for the purchase of goods/services between \$25,001-\$75,000 may be approved by the City Manager
- iii. Contracts for the purchase of goods/services over \$75,000 must be approved by the City Council. City Council resolution approving/authorizing the

contract must be attached to the packet before circulating the packet for approval signatures.

c. EXCEPTIONS TO THE ABOVE APPROVAL AUTHORITY:

- i. All real property acquisitions or real property lease contracts with a term of three years or more, regardless of amount, must be approved by City Council.
- ii. If item or service is explicitly listed and approved in the annual budget book during the budget adoption process by City Council, this may constitute City Council approval. However, this is considered on a case by case basis, determined by purchase amount and description and only with explicit approval by the City Manager.

IV. PURCHASING PROCEDURE REQUIREMENTS

Depending on the type of purchase and the value of the contract, bidding or open market procedures may be required.

a. PUBLIC PROJECT

- i. Public Projects \$45,000 or less do not require bidding
- ii. Public Projects between \$45,001-\$175,000 require informal bidding (Appendix I)
- iii. Public Projects over \$175,000 require formal bidding (Appendix II)

Typically, a “public project” is any construction project that is paid for out of public funds. Determining whether a project is a “public project” is important because when a “public project” is above a certain value, then the Public Contract Code (PCC) requires that public entities engage in specific bidding procedures. If it is a mixed project or it is unclear, consult with the City Attorney for guidance on how the project should be characterized.

PCC section 20161 states that “public project” means:

- A project for the erection, improvement, painting, or repair of public buildings and works.
- Work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow.
- Street or sewer work except maintenance or repair.
- Furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.

*The threshold amounts depicted above are predicated on the January 2012 dollar amounts adopted by the California State Controller pursuant to the

PCC. Should the dollar amounts change, these guidelines shall be adjusted to reflect current PCC dollar amount thresholds.

b. SUPPLIES AND SERVICES

i. Purchase of Supplies

1. Contracts for the purchases of supplies \$10,000 or less do not require open market procedures
2. Contracts for the purchases of supplies over \$10,000 require open market procedures

ii. Purchase of Services

1. Contracts for the purchases of services \$10,000 or less do not require open market procedures
2. Contracts for the purchases of services over \$10,000 require open market procedures
3. When selecting a contractor for professional, personal or specialized services, the skill, ability and expertise of the entity or person performing the services is a key component of the selection criteria. The selection should therefore be on the basis of demonstrated competence, overall value to the City, and on the professional qualifications necessary for the satisfactory performance of the services required. Cost is only one factor in determining selection (SSFMC § 4.04.080).

c. OPEN MARKET PROCEDURES

Open Market Procedures is the City's vendor selection process for goods and services. The process is outlined in SSFMC § 4.04.080 and requires department heads to solicit quotes or bids by written request from prospective vendors by telephone, mail, email or by posting a public notice in City Hall or on the City's website.

Open Market Procedures are required for the purchase of goods or services that are in excess of \$10,000.

- i. For projects of \$25,000 or less, the department shall obtain at least three (3) quotes. Quotes are typically informal offers to perform work at a stated price.
- ii. For projects exceeding \$25,000, the department shall obtain at least three (3) written bids. Bids are typically more formalized offers to perform work at a stated price and are often submitted in response to a Request for Proposals ("RFP").
- iii. The department shall keep records of all quotes/bids for one year after the submission of the bid or placing of the order. These records shall be made available for public review upon request.
- iv. Open market procedures are only used for purchases of goods or services. They may NOT be used for "public projects."

- v. When selecting a vendor, departments should remember, as stated above, that a professional, personal or specialized services contract is for the skill, ability and expertise of the entity or person and as such the selection should be based on competence and overall value to the city. Cost is only one factor.

d. ADDITIONAL TYPES OF PURCHASES

i. Petty Cash

Authorized purchases made by an employee using personal funds may be reimbursed through Petty Cash. Requirements for Petty Cash reimbursement are as follows:

- Purchase may not exceed \$50.00
- Reimbursement requests must be accompanied by a Petty Cash Voucher
- Voucher must be signed by Department Head or Supervisor
- Receipt for purchase must accompany the voucher.
- Vouchers can be redeemed by one of the Petty Cash Custodians throughout the City, including Finance, Fire Administration, Police Administration, Recreation Administration, West Orange Library, Water Quality Control Plant, and City Manager’s Office.

If reimbursement exceeds \$50.00, follow the above guidelines; however, use the Statement of Expense form rather than the Petty Cash Voucher. The Statement of Expense, along with all supporting documentation, will need to be entered into the accounting system, and a check will be issued upon approval.

ii. Piggybacking

Piggybacking can be an efficient and appropriate way to utilize other agencies’ bid processes to take advantage of already contracted low bid prices. SSFMC § 4.04.040 allows for “piggybacking” under the following circumstances:

1. The requesting department verifies with City Attorney, in writing, that all purchases or contracts by other governmental agencies were made in conformance with state law.
2. Initial requesting government agency’s bid and purchasing process substantially conforms to the procedures established by state law and the SSFMC Purchasing Ordinance.
3. Bid process should be confirmed as completed within the last year.

All other purchasing procedures for contracts/agreements obtained via piggybacking shall be followed in accordance to the terms of this Administrative Instruction and would exclude allowance for public projects over \$45,000, which must follow appropriate bid procedures.

iii. Sole Source

Sole source procurement is any transaction in which the services and/or supplies can be obtained from only one source. This is usually necessary if the specification or requirement for purchase is so unique, that only one possible source could meet the established standards. These purchases require documented analysis of sole source requirements as well as possible review by the City Attorney and approval by the City Manager. Justification will be based on the following:

1. The contractor or supplier is the sole provider of the service or supply.
2. The contractor or supplier is the only source permitted to provide the service or supply because of the manufacturer's agreement with the contractor or supplier as sole representative in a certain geographical area.

V. REQUISITION, PURCHASE ORDER, AND ENCUMBRANCE PROCESS

Purchase orders can be beneficial to ensuring competitive pricing and as such, are part of the City's recommended best practice. The use of purchase orders is strongly recommended when anticipating large or repetitive purchases throughout the year. This is especially important to ensure adequate funding for pending purchases and to also negotiate best pricing on a larger commitment of purchases from a vendor. Purchase orders also encumber funds for items or services ordered, which helps avoid overspending, and provides for appropriation carryover into the following fiscal year in the event that the items or services are not provided and invoiced until then. The sequence of events below demonstrates how to process purchase orders.

1. Department submits requisition to the Finance Department via the accounting system. This should include all documentation, including W-9's, bids/quotes, contracts and insurance information. There should also be adequate funding available in the account(s) designated in the request.
2. After receiving the requisition, Finance considers all attached documentation and confirms funding availability and approves the request in the accounting system, thus generating a purchase order number and document. This document is then sent back to the requesting department.
3. Once received, the department may send the purchase order to the vendor, thus allowing them to ship the purchase or provide service. The vendor can then invoice against the purchase order number which should be reflected on the invoices.
4. Issuance of the purchase order creates an encumbrance in the budget line item,

thus reserving those funds specifically for those purchases identified in the initial requisition. Any remaining encumbrances that have not been spent down at the end of the fiscal year will have the opportunity to be rolled into the following fiscal year if there is sufficient budget, allowing for continued purchases against that purchase order.

5. To close out a purchase order with any remaining funds, once the purchase is complete, the department should send notification to the Finance Department, and they will unencumber the funds to make them available in the budget line item again.

VI. CONTRACTS/AGREEMENTS

The City has 6 contract templates. The type of purchase and the level of complexity of the purchase dictates which contract template to use. However, due to the unique nature of some purchases, the templates may need to be modified to fit the situation. If you are unclear which template to use, contact the City Attorney for guidance before you start drafting. The 6 contract templates are:

CONSULTING SERVICE AGREEMENT

This template should be used for purchases of services from non-design professionals. It can also be used for purchases that are a combination of goods and services.

SHORT FORM SERVICES AGREEMENT

This template should be used for purchases of services for a short duration and uncomplicated contractual relationships.

CONSULTING SERVICES AGREEMENT—DESIGN PROFESSIONALS

This template should be used for agreements with architects, landscape architects, professional engineers, professional land surveyors and design firms.

SHORT FORM PURCHASE AGREEMENT

This template should be used for purchases of supplies and equipment.

MINOR CONSTRUCTION AGREEMENT

This template should be used for public projects that are valued at \$45,000 or less and thus, do not require bidding.

PUBLIC WORKS AGREEMENT INCLUDING PROJECT SPECIFICATIONS AND BOND DOCUMENTS

This template should be used for Public Projects in excess of \$45,000 where bidding is required.

a. PROCEDURES IF VENDOR WILL NOT ACCEPT TEMPLATE

In some cases, vendors may refuse to enter into an agreement using the City’s templates. It is always preferable to use the City’s templates. However, a department may enter into an agreement using a vendor’s template, but the City Attorney’s Office and the Risk Manager still need to review and approve the non-City template.

b. INSURANCE REQUIREMENTS

Vendors must provide the City with an insurance certificate that demonstrates that the vendor has sufficient insurance to satisfy the City’s insurance requirements. The City’s insurance requirements can only be waived with the approval of the City’s Risk Manager.

i. A few things to look for on insurance certificates:

- Does the vendor’s certificate show evidence of commercial general liability, automobile, worker’s compensation and professional liability insurance (if a licensed professional) for the requisite amounts?
- Does the certificate indicate that coverage under the policies is on an “occurrence basis”?
- Does the insurance certificate name “The City of South San Francisco and its elected and appointed officers, officials, employees, agents, contractors and consultants” as additional insureds?
- Does the insurance certificate indicate whether the vendor has a self-insured retention (SIR)?
- If the vendor has a SIR, does the certificate indicate that the City can pay the SIR if the vendor refuses or is unable?

c. CITY ATTORNEY APPROVAL AS TO FORM

Prior to contract execution, all contracts regardless of amount must be approved by the relevant department head and approved by the City Attorney as to form. In order to approve a contract, the City Attorney must be able to verify that the information contained in the contract is accurate and consistent and the insurance certificate shows that the vendor has obtained all of the required insurance.

d. CONTRACT AGREEMENT APPROVAL FORM (SEE APPENDIX III)

Once the process for obtaining quotes, or bids, informal or formal is complete, the steps outlined in the Contract Agreement Approval form shall be fulfilled accordingly and routed to the appropriate offices for approval.

e. CONTRACT RENEWAL

Contracts for services provided to the City are recommended to be reviewed and renewed every two to three years, including solicitation of new Requests for Proposal. This best practice procedure will ensure the City is continuing

to receive favorable pricing and to evaluate if the City's needs for the requested service(s) are being adequately met.

VII. MISCELLANEOUS

a. SUSTAINABILITY

As the responsible parties in purchasing decisions and in compliance with the City's Purchasing Ordinance and this Administrative Instruction, department heads are encouraged to increase the use of environmentally preferable products and services in the City of South San Francisco when financially feasible, and to evaluate opportunities for the use of products manufactured with recycled materials. By including environmental consideration in purchasing decisions, the City can promote practices that safeguard public and worker health, conserve natural resources and reward environmentally conscious manufacturers, while remaining fiscally responsible. Considerations should include the following:

- i. Promote purchases of environmentally preferred products pursuant to California Public Contract Code Section 12400;
- ii. Identify environmentally preferred alternatives;
- iii. Foster development of recycled products; and
- iv. Expand opportunities to conserve natural resources.

b. HEALTH (WELLNESS) RESOLUTION

As a Healthy Eating Active Living (HEAL) city, South San Francisco strives to promote health and wellness by being a role model to promote healthy beverages and food options at City sponsored events. Per City Resolution 69-2013, adopted on July 10, 2013, purchases for these events should fall within the Wellness Guidelines (Appendix IV) established and adopted by Council.

c. LOCAL VENDOR

The City of South San Francisco desires, wherever quality and price are equal, to contract with local qualified vendors to provide goods and services to the City.

VIII. DEFINITIONS

BIDS

Prices provided from the vendor that are fixed in cost or fixed in the cost per unit. Bids are required for supplies, materials or services where the department is required to take the lowest cost.

ENCUMBRANCE

Process completed by finance staff to reserve funds for purchase orders.

NON-PROFESSIONAL SERVICES

Services that are not considered professional services due to lack of official certification, training or formal education which may include, cleaning services, laborers, or other “learn on the job” professions.

OPEN MARKET PROCEDURE

A transparent procurement process designed to encourage fair and competitive pricing and purchasing of materials, supplies, equipment or services.

PIGGY-BACKING

A form of intergovernmental cooperative purchasing in which an agency requests competitive bids, enters into a contract and arranges as part of that contract, for other public purchasing agencies to purchase from the selected vendor under the same terms and conditions as itself.

PROFESSIONAL SERVICE

Services rendered by members of a recognized profession or those possessing a unique or specialized skill. Such services are generally acquired to obtain information, advice, training, or direct assistance. These include services related to architecture, construction management, construction surveys, material testing, inspection services, appraising, ad campaigns, engineering, environmental, finance, fine arts, insurance, land surveying, landscape architecture, legal management, and consultants.

PUBLIC PROJECT

A public project is defined by the California Public Contract Code as:

- Construction, reconstruction, erection, alteration, renovation, improvement, demolition and repair work involving any publicly owned, leased or operated facility. Painting or repainting of any publicly owned, leased or operated facility.
- Maintenance is excluded from the definition of a Public Project
- All cost elements -- personnel, materials, supplies, subcontracts, equipment and overhead -- associated with a project must be recorded and reported at the project level.

PURCHASE ORDER

A legal document sent to a supplier or vendor, authorizing the purchase and subsequent payment of requisitioned items and is used to communicate the City’s terms and conditions and authorizes an encumbrance. It is a contractual agreement to pay for agreed upon goods and services received.

QUOTES (PROPOSAL)

Estimates of the costs of supplies and services from a vendor that are subject to variation based on the scope of requested purchase.

REQUEST FOR PROPOSAL

A solicitation made through a bidding process by the City, in the interest of procuring materials, equipment, supplies and/or services.

REQUISITIONS

An internal request made through the accounting system from a department to the Finance Department that communicates the need to enter into a contractual relationship for delivery of goods and/or services. This process creates the purchase order that is issued to the vendor.

SOLE SOURCE

A purchase made from the only source of supply and/or a purchase that has no advantage that can be gained through competitive bidding.

Mike Futrell
City Manager

Dated May 1, 2016

APPENDIX I – INFORMAL BID PROCESS

Informal Public Contract Bidding—Public Projects Between \$45,001 to \$175,000

The City of South San Francisco has adopted the Uniform Public Construction Cost Accounting Act, Sections 22000 et seq., (Section 4.04.073), which allows the City to have an informal bid process for public projects valued between \$45,001 and \$175,000.

- A. Create Bidders List—Under SSFMC § 4.04.071, the City is required to develop and maintain a list of contractors, according to categories of work, and in accordance with the provisions of Section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Accounting Commission. To that end, each November, the Public Works Department invites licensed contractors to be added to the City’s bidder list, by specialty, for the following calendar year. The Department must mail, e-mail, or fax such invitation to the two trade journals listed below:

1. CONSTRUCTION BIDBOARD (EBIDBOARD)
Attention: James Moriarty—CEO
11622 El Camino Real
San Diego, CA 92130
Phone (800) 688-0585; fax (619) 688-0585
e-mail: planroom@ebidboard.com
2. MCGRAW-HILL CONSTRUCTION DODGE (FORMERLY F.W. DODGE)
4300 Beltway Place, Suite 180
Arlington, TX 76018

In addition, in accordance with Public Contract Code § 22036, the Department must mail (and may also e-mail or fax) such an invitation to two of the five trade journals listed below:

1. PENINSULA BUILDERS EXCHANGE
735 Industrial Road
San Carlos, CA 994070
Phone (650) 591-4486; Fax (650) 591-8108
e-mail: tom@constructionplans.org
2. SAN FRANCISCO BUILDERS EXCHANGE
850 South Van Ness Avenue
San Francisco, CA 94110-1911
Phone (415) 282-8220; Fax (415) 821-0363
e-mail: denna@bxosf.com

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3. BUILDERS EXCHANGE OF SANTA CLARA COUNTY
400 Reed Street
Santa Clara, CA 94577
Phone (510) 483-8880; Fax (510) 352-1509
e-mail: mm@bxseco.com
 4. BUILDERS EXCHANGE OF ALAMEDA COUNTY
P.O. Box 1978, 3055 Alvarado Street
San Leandro, CA 94577
Phone (510) 483-8880; Fax (510) 352-1509
e-mail: spleary@beac.com
 5. MARIN BUILDERS ASSOCIATION
660 Las Gallinas Avenue
San Rafael, CA 94903
Phone (415) 462-1220; Fax (415) 462-1225
e-mail: dave@marinaba.org

The notice shall require that the contractor provide their name and address to which a notice to contractors or proposal should be mailed, their phone number, the type of work in which the contractor is interested and currently licensed to do, together with the class of the contractor's license held and contractor license number.

The Public Works Department must revise their bidders list starting January 1st of each year. The Department may include any contractor they so desire, but at a minimum, the list must include contractors that responded to the November list invitation with the required information. It is recommended that contractors who submitted at least one valid bid in the preceding year be included on the list. Contractors may be added to the list at any time by providing Public Works with the required information.

- B. Advertising Bids—Not less than 10 calendar days before bids are due, a notice inviting bids shall be mailed or emailed to all contractors on the City's bidder's list for the category of work to be bid and to the five trade journals listed above, or if the list of journals is amended by the California Uniform Construction Cost Accounting Commission ("Commission") pursuant to Section 22036 of the Public Contract Code, then to the trade journals otherwise specified. Additional contractors or construction trade journals may be notified at the discretion of the department soliciting bids, provided however, that (1) if there is no list of qualified contractors for the particular category of work, then the notice shall only be sent to the construction trade journals specified by the Commission; (2) if a product or service is proprietary in nature, such that it can only be obtained from one contractor or contractors, then the notice may be sent exclusively to that one contractor or contractors.

Generally, the bids should include the following information:

- General description of the project
 - Method for how to obtain more detailed information about the project
 - Time and place for submission of bids
 - Project title and number
 - Cost range
 - Location of site
 - Who is accepting bids (Project Engineer)
 - Date and time that bids are due
 - Property owner's address and phone number
 - Architect's address and phone number
 - Brief description of work to be done
 - Where plans may be obtained/deposit required and whether it is or is not refundable
 - Percentage of bid bond/percentage of performance bond/percentage of payment bond
- C. Bidder's Security--When deemed necessary, bidder's security may be required for informal public project contract bids between \$45,001 and \$175,000. See Appendix II(G) for bidder's security requirements.
- D. Selection—Opening of bids and selection of the lowest responsible bidder may be done by the department soliciting bids. The City Manager signs all contracts, regardless of amount. Contracts between \$45,001--\$74,999 may be approved by the City Manager. Contracts \$75,000 or more must be brought to the City Council for award.

If the engineer's reasonable estimate is below \$175,00, then informal bid procedures may be used. If it turns out that all bids received exceed \$175,000, then the City Council may award the contract (with four-fifths vote) up to \$187,000 to the lowest responsible bidder.

APPENDIX II—FORMAL BID PROCEDURES

Formal Contract Bidding—Public Projects Over \$175,000

- 1) **City Council Authorization to Advertise**—For public projects over \$175,000, the City Council adopts the plans and specifications and authorizes advertising of the bid. The department prepares a staff report to the City Council recommending this action by resolution. The department should also make sure that there is sufficient budget for the estimated contract cost and make plans for obtaining funding for any shortfall. A budget amendment, if necessary, can be done at this time or when the City Council awards the contract.
- 2) **Specifications**—The department requesting the work shall prepare the bid specifications.
 - a. **Quality**—In considering and development specifications, it must always be borne in mind that expenditures derived from public sources and administered by public bodies cannot be expected to provide for “deluxe” or luxurious levels of quality. It is, therefore, necessary to follow a general policy of purchasing standard grades of merchandise that represent an optimum relationship between quality and price.
 - b. **Adequacy**—Bids and quotations must be based on adequate specifications. A lengthy specification composed or designed solely for the purpose of eliminating competition other than those able to supply a particular brand-name commodity should be avoided. An actual brand name should be used only when no other of its kind would be equally satisfactory. Specifications should be detailed so as to afford a basis for full and fair competitive bidding upon a common standard, and they should be free from restrictions that would tend to stifle competition.
 - c. **Changes**—Once an invitation to bid has been mailed, no changes in the specifications can be made unless all prospective bidders are so notified by means of an amendment. This amendment shall be forwarded to the bidders via ebidboard.com, email, or certified mail with return receipt requested. The return receipt request is proof of notification and will be filed with the bid. Amendment may be sent via facsimile machine when time does not permit mailing.
- 3) **Notice Inviting Bids**—The department requesting the work shall prepare a notice inviting bids. Such notice shall include the following information:
 - a. A general description of the project;
 - b. Where bid blanks and specifications may be secured; and
 - c. The time and place for receiving and opening sealed bids

In order to facilitate the bid process, the department requesting the work shall also:

- Determine a bid number
- Establish the date for bid openings to be included in the notice inviting bids
- Reserve a room for the date of bid openings, either: (a) City Hall Large Conference Room, or (b) Annex Conference Room

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- 4) **Advertise in Newspaper**—The department requesting the work shall advertise the bid in at least one newspaper of general circulation, printed and published in the City. Usual publications are San Mateo County Times and the San Mateo Daily Journal. San Jose Mercury News and San Francisco Chronicle may be used for very large jobs:
 - a. This notice inviting bids shall be published at least 14 calendar days before the date of opening of the bids;
 - b. Letter listing advertising dates of bid and a copy of the Notice Inviting Bids will be forwarded to the newspaper for advertising. This letter will be acknowledged by signature of newspaper agent and returned to the Engineering Division where it will be filed in the corresponding Bid folder.

 - 5) **Advertise to Bidder's List /Trade Journals/City's Website** – 30 days before bid opening, the department requesting the work shall mail and email invitations to bid to the contractors on the City's bidder's list created pursuant to SSFMC § 4.04.071 and shall mail and email invitations to bid to the five construction trade journals listed under the Appendix I (A) "Informal Contract Bidding - Create Bidders List" section above. It is recommended that ebidboard.com be used for advertising all bids. Engineering Division can assist to publish bids on ebidboard.com. As stated in Section (C) above, the invitations to bid should include a general description of the project, where bid blanks and specifications may be secured, and the time and place for receiving and opening sealed bids. In addition, the invitation to bid should also include the information suggested in Appendix I (B) (project title and number, cost range, location, etc.). The invitation to bid shall also be posted on the City's website or other website used for bidding on public projects. Interested contractors would then contact Engineering Division to get official bid packets.

 - 6) **Fee** – The department requesting work will notify the Engineering Division of the fee to be charged to recipients of bid packets along with the revenue account number to credit.

 - 7) **Bidder's Security** – Bidder's security is required for formal public project bids above \$175,000. When deemed necessary, bidder's security may be required for informal public project contract bids between \$45,001 and \$175,000. Bidder's security requirements should be included in the notice of invitation to bid advertised in any newspaper or submitted to any trade journal or sent to contractors on the City's bidder's list.
 - a. **Form** – Bidder's Security shall be in the form of a bid bond (signed by bidder and admitted surety insurer), cashier's check, certified check or cash. A personal check is not acceptable. A bid shall not be considered unless of the forms of bidder's security is enclosed with it.
 - b. **Amount** – Bidder's Security shall be in the amount of not less than ten percent of the bid amount.
 - c. **Return** – Engineering Division shall retain the Bidder's Security of the three lowest bidders until a contract has been entered into between the City and the

successful bidder. The department requesting the work will immediately prepare purchase requisition for the contract (with signed copy of contract forwarded to Finance Department via a purchase order requisition), from which the Engineering Division may return the successful Bidder's Security. The Bidder's Security shall be forfeited if the successful bidder fails to execute the contract within ten days after the notice of award of contract has been mailed, unless the City is responsible for the delay. Upon refusal or failure of successful bidder to execute the contract, the City Council may award the bid to the next lowest responsible bidder. The amount of the lowest Bidder's Security shall be applied to the difference between the lowest bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder.

- 8) **Bid Opening** - Sealed bids shall be received by the department identified in the invitation for bids and shall be identified as bids on the envelope. Bids shall be opened at the time and place stated in the public notice.
- 9) **Public Inquiry** – The project manager is responsible for responding to public inquiries regarding general bid information (e.g. telephone calls regarding bid information submitted or copies requested) and the project manager shall receive technical project inquiries. A tabulation of all bids received shall be open for public inspection during regular business hours for a period of not less than 30 calendar days after the bid opening.
- 10) **Award of Bid** – The department requesting the work will recalculate the bid and examine the package of the apparent lowest bidder. City Council must award the contract to the lowest responsible bidder. Sufficient budget appropriation must exist for the contract. In its discretion, the City Council may reject any and all bids presented and re-advertise for bids.
 - a. **City Council Award** – The department requesting the work writes the staff report and drafts a Resolution awarding the contract. Then, submits the documents to the City Attorney for review. The staff report should include the award amount, a listing of all bids received, a cost summary of project phases and the project budget. If there is insufficient budget for the award, include language in the Resolution to amend the budget.
 - b. **Contract** – After Council approval, the department requesting the work will submit three original contracts (signed by vendor), performance bonds, and proof of insurance (if required) to the City Attorney. The City Attorney will review the contract and if complete, will forward the contract to City Manager for signature (see the Contract Routing Form contained Appendix IV). The final signature is by the City Clerk. Originals are given to the vendor, City Clerk, and the department requesting the work. A copy of the contract should be scanned into LaserFiche and attached to the Purchase Order in the Eden financial system.

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- 11) **No Bids** – If no bids are received, the City Council may award the project by negotiated contract.
 - 12) **Tie Bids** – If two or more bids are for the same amount or unit price, quality and service being equal, and if the public interest will not permit delay of re-advertising for bids, the City Council may choose which bid to accept, may accept the lowest bid made by negotiation with the tie bidders, or may use a public drawing.
 - 13) **Performance Bond** – A performance bond may be required before entering a contract. If required, the form and amount of the performance bond must be described in the notice inviting bids.
 - 14) **Rejection of Bids** - No bid will be accepted for consideration:
 - a. If it is received after the time and date specified in the invitation or proposal to bid unless the delay is due to mishandling on the part of a City employee. Upon receipt of any late bid before or after an award, the bid shall be returned unopened to the bidder (by certified mail). However, a late bid may be opened for identification purposes.
 - b. If the bid does not contain the bidder's security as requested in the notice and invitation to bid. The bidder's security must be received prior to the time of the opening specified in the notice and invitation to bid. Bids may be rejected if they contain uncalled for items, omissions, and/or irregularities of any kind (except arithmetic errors).
 - 15) **Bid Cutoff Date** - All bids (except capital improvement projects) should be opened by May 30 of the fiscal year. This will allow time for contract negotiations and award of bid prior to the fiscal year end cutoff for purchase orders.

APPENDIX III – CONTRACT AGREEMENT APPROVAL FORM



CONTRACT/AGREEMENT APPROVAL FORM

Name of Contract/Agreement: _____

Services/Goods to be provided: _____

Vendor: _____

Originating Department/Responsible Person: _____

Date: _____ Contract Amount: \$ _____

Original Amendment

Type of Agreement (See purchasing procedures) **If this is an amendment, please fill out page 2**

Budget Authorization

Capital Improvement Budget _____/_____
Operating Budget _____/_____
Resolution Attached _____/_____

(Contracts over \$75k Require Council Approval. Contracts
Up to \$10,000 can be approved by Department Head *)

All Exhibits Attached _____/_____
Vendor Executed the Agreement _____/_____
W-9 attached _____/_____
Department Head Approval _____/_____
(Please send to City Attorney)

City Attorney/Risk Manager Insurance Approval _____/_____ (Initialed Insurance agreement attached)

City Attorney Agreement Approval _____/_____

Follow-up needed by department _____/_____ (Typically from City Attorney
or Risk Manager, attach notes)

(Please sign and send to the City Manager's Office if over \$10,000, if under forward to City Clerk) *

Assistant City Manager Approval _____/_____

City Manager Approval _____/_____
(Please sign and forward to the City Clerk's office)

File with City Clerk _____/_____
(Please attest, keep a copy for your files, and return to Originating Department)

Copy sent to Vendor _____/_____

March 30, 2016

Page 2: Fill out this info IF you are submitting a contract amendment only

Original Agreement (a) \$ _____

Total of any prior amendments (b): \$ _____

Total to date (a + b) \$ _____

Date of Original Agreement: _____

Did original agreement or any amendments
go to Council for approval? Yes _____ No _____

If yes to the prior question, please attach a copy of prior Resolution(s), and save a scanned copy of the original contract and subsequent amendments in the X drive folder below, under the subfolder for your department. Please give a title to that contract on the X drive that matches the name of the contract/amendment as listed on page 1 above

APPENDIX IV – WELLNESS GUIDELINES

Healthy Beverage Position Statement:

South San Francisco strives to promote health and wellness by being a role model to promote healthy beverages. At all South San Francisco sponsored and/or coordinated meetings and events, both in the community and work site, for staff and clients where beverages will be provided, the selection must be in accordance with the South San Francisco Healthy Beverage Guidelines.

Therefore South San Francisco will:

Provide access to free, safe drinking water

Require that there is access to free, safe drinking water wherever beverages are offered and/or sold. At meetings, for example, it is recommended that safe tap water, rather than individual bottles of water, be offered. If safe tap water is not available, then it is recommended that large jugs of water are utilized.

Comply with Beverage Standards

All beverages served (e.g., at meetings) and sold (e.g., in the cafeteria and vending machines) in South San Francisco facilities can only include:

- Water with no added sweeteners;
- Unflavored non-fat or cow's milk with no added sweeteners
- Unflavored non-dairy milk alternatives with no added sweeteners. o No more than 2.5 grams of fat per 8 fluid ounces
- Fruit or vegetable-based juice drinks that have a maximum of 160 calories and 230 mg of sodium per container and no added sweeteners.
- 100% fruit or vegetable juices with a maximum of 160 calories, 230 mg of sodium per container and no added sweeteners.
- Coffee and tea with no added sweeteners;
- Diet beverages with non-caloric sweeteners.

Healthy Food Position Statement:

South San Francisco strives to promote health and wellness by being a role model to promote healthy foods. At all South San Francisco sponsored and/or coordinated meetings and events, both in the community and work site, for staff and clients where foods will be provided, the selection must be in accordance with the South San Francisco Healthy Food Guidelines.

Therefore South San Francisco will:

- Increase the range and availability of healthy food options on our premises, including break areas, at meetings, and events. Food selection should emphasize fruit, vegetables, whole grains, and nonfat or low fat dairy products.
 - Aim to make half the plate fruits and vegetables. Provide red, orange, and dark green vegetables whenever possible.
 - Encourage lean meats, poultry and fish.
 - For starches such as rice, pasta, and bread products, the recommended portion size is about X of the plate.
 - Aim to select food with no trans fats and low in saturated fats, sodium, and added sugar.
 - Encourage high calorie foods/desserts only as an occasional small treat. The items are offered as a side dish along with healthier food choices.
 - Encourage cooking with healthier ingredients and providing snacks through the following ideas: employee newsletter, recipe board in break room, healthy foods at meetings.
- Ensure that only healthy food and beverage options are provided as vouchers, prizes, or giveaways to South San Francisco employees and clients.
- Move towards providing fresh fruits and vegetables in break rooms.

APPENDIX V – QUICK REFERENCE GUIDE

Type of Purchase	Value	Procedures to Choose a Vendor	Approval Authority
Public Project	\$45,000 or less	No bidding required	City Manager
	Between \$45,001--\$75,000	Informal bidding required	City Manger
	Between \$75,001--\$175,000	Informal bidding required	City Council
	Above \$175,000	Formal bidding required	City Council

Goods/Services Chart

Type of Purchase	Value	Procedures to Choose Vendor	Approval Authority
Goods/Services	\$10,000 or less	No open market procedures required	Department Head
	Between \$10,001--\$75,000	Open market procedures required	City Manager
	Above \$75,000	Open market procedures required	City Council

APPENDIX VI – QUICK STEPS TO PURCHASING

Quick Steps to Purchasing Services, Supplies and Equipment on Behalf of the City

1. Step 1: Determine What Kind of Purchase
 - a. Is it a “public project”?
 - b. Is it a purchase of supplies?
 - c. Is it a purchase of services?
 - d. What kind of service? professional service? design service?
2. Step 2. Choose a Vendor—Depending on the type of purchase and the value of the contract, bidding or open market procedures may be required to choose a vendor.
 - a. Public Projects
 - i. Public Projects \$45,000 or less do not require bidding
 - ii. Public Projects between \$45,001-\$175,000 require informal bidding
 - iii. Public Projects over \$175,000 require formal bidding
 - b. Purchase of Supplies
 - i. Contracts for the Purchases of Supplies \$10,000 or less do not require open market procedures
 - ii. Contracts for the Purchases of Supplies over \$10,000 require open market procedures
 - c. Purchase of Services
 - i. Contracts for the Purchases of Services \$10,000 or less do not require open market procedures
 - ii. Contracts for the Purchases of Services over \$10,000 require open market procedures
 - iii. When selecting a contractor for professional, personal or specialized services, the skill, ability and expertise of the entity or person performing the services is a key component of the selection criteria. The selection should therefore be on the basis of demonstrated competence, overall value to the City, and on the professional qualifications necessary for the satisfactory performance of the services required. Cost is only one factor in determining selection (SSFMC § 4.04.080).
3. Step 3. Prepare a Contract
 - a. Choose a City contract template. The 6 contract templates are:
 - i. Consulting Services Agreement
 - ii. Short Form Services Agreement
 - iii. Consulting Services Agreement—Design Professionals
 - iv. Short Form Purchase Agreement
 - v. Minor Construction Agreement
 - vi. Public Works Agreement including Project Specifications and Bond Documents
4. Step 4. Obtaining Proper City Approval
 - a. All Contracts Must Be Approved by City Attorney as to Form

b. Public Project Contracts

- Public Projects \$75,000 and under may be approved by the City Manager
- Public Projects over \$75,000 must be approved by the City Council. Attach the City Council resolution approving/authorizing the contract to the packet before circulating the packet for approval signatures.

c. Purchase of Goods/Services Contracts

- Contracts for the purchase of goods/services \$25,000 or less may be approved by the Department Head
- Contracts for the purchase of goods/services between \$25,001-\$75,000 may be approved by the City Manager
- Contracts for the purchase of goods/services over \$75,000 must be approved by the City Council. Attach the City Council resolution approving/authorizing the contract to the packet before circulating the packet for approval signatures.

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