

RESOLUTION NO. _____ (2022 SERIES)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS
OBISPO, CALIFORNIA, UPDATING THE CITY'S FINANCIAL
MANAGEMENT MANUAL – SECTION 200 PURCHASING POLICY**

WHEREAS, in the course of conducting City operations it is necessary to purchase a broad range of goods and services; and

WHEREAS, in addition to the requirements of the City's Charter, the Council has adopted policies and procedures as set forth in Chapter 3.24 of the Municipal Code that require the Council to specify by resolution the dollar amount of purchases and contracts requiring the use of either open market or formal bidding procedures, and the level of authority required to authorize solicitations, award contracts, and approve Job Order Contract Task Orders; and

WHEREAS, on December 16, 2014, the City Council amended the *Productivity* section of the City budget policies to include, "Maintaining City purchasing policies and procedures that are as efficient and effective as possible;" and

WHEREAS, the Council adopted Resolution No. 16021 (2015 Series) which set forth existing purchasing thresholds and authority levels; and

WHEREAS, in May 2018, in preparation for the implementation of the new Enterprise Resource Planning (ERP) system that implemented a new purchasing module, the City Council adopted Resolution 10888 (2018 Series) that amended the purchasing policy as currently in use; and

WHEREAS, Council desires to update existing guidelines to reflect current conditions and implement improved procedures, including implementing updated approval authority thresholds, and updating guidance on policies and procedures for California SB 1383 regulations, standardizing contract templates, and insurance risk management; and

WHEREAS, the updated Purchasing policy will further streamline purchasing processes to effectively use the Oracle system, while maintaining appropriate fiduciary checks and balances.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of San Luis Obispo as follows:

SECTION 1. The City's Financial Manual purchasing guidelines are hereby amended as set forth in Exhibit A to this resolution..

SECTION 2. Resolution Number 10888 (2018 Series) is hereby amended and superseded to the extent inconsistent herewith.

Upon motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote:

AYES:

NOES:

ABSENT:

The foregoing resolution was adopted this _____ day of _____ 2022.

Mayor Erica A. Stewart

ATTEST:

Teresa Purrington
City Clerk

APPROVED AS TO FORM:

J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, on _____.

Teresa Purrington
City Clerk

R _____

Update to Section 200
Financial Management Manual
Purchasing Policy



Section 201

INTRODUCTION

Per requirement, in Chapter 3.24.040 of the Municipal Code, this chapter shall guide staff in purchasing goods and services on behalf of the City and provide sufficient detail to enable City departments to:

- Be fully aware of, and comply with purchasing policies and procedures, and
- Effectively and efficiently participate in the City's purchasing program.

These guidelines do not address every issue, exception, or contingency that may arise in purchasing activities. Accordingly, the primary standard that should always prevail is to exercise sound judgment in the use and stewardship of City resources. Questions about the City's purchasing system and policies should contact the City's Purchasing Division.

PURCHASING SYSTEM PURPOSE

The City's purchasing ordinance, Chapter 3.24 of the Municipal Code, the City Charter, and the policies and procedures outlined in this manual form the City's purchasing control system.

The purpose of the purchasing control system adopted in (*Municipal Code 3.24.020*) is:

- To purchase goods, professional services, and public works projects at the lowest cost commensurate with quality requirements;
 - To ensure effective financial control over expenditures;
 - To clearly define authority and accountability for the purchasing function;
 - To minimize the written documentation, administrative actions, and expense of processing purchase transactions;
 - To assure the quality of purchases made on behalf of the City; and
 - To facilitate accurate forecasting and planning of department needs and expenditures.
- (Ord. 1618 § 1 (Exh. A (part)), 2015: Ord. 954 § 2 (part), 1983: prior code § 2950.2)

AUTHORITY

The City Manager, or their designated representative(s), shall be the purchasing authority whose functions include the following powers and duties (*Municipal Code 3.24.030*)

- To develop and prescribe, for the departments, such administrative policies, forms, and files as may be reasonably necessary for the internal management and operation of these purchasing procedures;
- To purchase or contract for those items listed in Section 3.24.010 required by departments following these purchasing procedures;
- To ensure fair and open competition for purchases;
- To develop and maintain department awareness of purchasing and pricing principles;
- To consolidate department orders for like items, ensuring discount pricing whenever possible;

Introduction

- To inspect supplies and equipment delivered, as well as contractual services performed, to determine their conformance with the specifications in orders and contracts; and, in this connection, to have the authority to require chemical, physical, or other tests of samples submitted with quotations or bids, or of delivery samplings, which may be necessary to determine quality and conformance with specifications;

- To establish procedures for and assign duties to personnel engaged in receiving, storing, and issuing purchased supplies, thereby ensuring that supply levels are consistent with usage requirements;

- Subject to Charter Section 906, to sell or exchange surplus supplies and equipment; provided that the same cannot reasonably be used by any department. (Ord. 1618 § 1 (Exh. A (part)), 2015: Ord. 954 § 2 (part), 1983: prior code § 2950.3)

PURCHASING DIVISION

The City operates as a de-centralized procurement organization with policy compliance auditing conducted by the Finance Department – Purchasing Division. Purchasing is independent of other departments as the independent exercise of procurement authority is an important piece of the City's overall system of internal controls. The purchasing division's primary objectives include:

- Supporting the City's strategic goals and purchasing control system adopted in (*Municipal Code 3.24.020*);

- Develop and adopt clear written policies and procedures that appropriately balance the culture of the City, the experience and knowledge of the staff, and compliance with regulations and best practices;

- Develop template documents for request for bids, proposals, qualifications (RFB, RFP, RFQ), purchase orders, contracts, and insurance;

- Work jointly with the City's Risk Management Department to assess contractual risk and coordinate with City Departments to ensure adequate insurance coverages on contracts

- Report on citywide purchasing metrics;

- Ensure fair and open levels of competition for all purchases;

- Ensure compliance with administrative, state, and federal regulations and policies;

- Audit citywide purchases and contracts to ensure compliance with City policies;

- Develop policy and procedures to operate efficiently in the City's finance Oracle ERP system;

- Provide training to staff delegated with responsibility for procurement and contracting.

- Analyze purchasing of items to ensure pricing and terms are most advantageous to the City and consolidate purchases for like items from multiple suppliers when feasible ((*Municipal Code 3.24.030*)).

Exhibit 201A Purchasing Control System Responsibilities

Voters	<ul style="list-style-type: none"> ■ Approve City Charter
City Council	<ul style="list-style-type: none"> ■ Adopt purchasing ordinance ■ Adopt resolutions setting purchasing guidelines ■ Approve <i>Requests for Bids</i> (RFBs) and <i>Requests for Proposals</i> (RFPs) documents for purchases specified in Section 202 ■ Delegate authority to award contracts if they are within budget to the City Manager
Purchasing Authority / City Manager Designee	<ul style="list-style-type: none"> ■ Implement purchasing policies ■ Delegate purchasing authority ■ Approve RFP's for purchases specified in section 202 ■ Award contracts specified in section 202
Finance Director / Budget Manager	<ul style="list-style-type: none"> ■ Develop and implement purchasing guidelines ■ Monitor and evaluate system performance ■ Set payment schedules ■ Approve purchase requests in section 202
City Attorney	<ul style="list-style-type: none"> ■ Review City contracts to ensure compliance with the City's policies, rules, and laws
Financial Analyst Purchasing	<ul style="list-style-type: none"> ■ Develop and adopt clear written policies and procedures that appropriately balance the culture of the City, the experience and knowledge of the staff, and compliance with regulations and best practices. ■ Develop templates for requests for bids, proposals, qualifications (RFB, RFP, RFQ), purchase orders, contracts, and insurance coverages. ■ Provide training to staff delegated with responsibility for procurement and contracting. ■ Review and approve purchase requisitions, purchase orders, and contracts for proper authority and terms ■ Coordinate and assist departments in the development of competitive bid solicitations (RFB / RFP / RFQ) ■ Route contracts and maintain a complete database for all City contracts ■ Audit city departments for compliance with the city's purchasing policies ■ Coordinate with the risk management administrator to the city's contractual risk transfer program for the city's contracts.
Risk Management	<ul style="list-style-type: none"> ■ Review and evaluate risk and insurance requirements for all City contracts ■ Coordinate with the purchasing division on the city's supplier risk management policy and program for the city's contracts.

Introduction

City Engineer	<ul style="list-style-type: none">■ Develop and implement procurement policies and procedures for the city's Public Works Capital Improvement Planning (CIP) Division■ Approve RFB specifications for public projects■ Approve Job Order Contracts (JOC) task orders for public projects as specified in Section 202
Department Heads	<ul style="list-style-type: none">■ Develop and implement department purchasing procedures■ Delegate departmental purchasing authority■ Approve departmental purchase requests and award departmental contracts as specified in section 202■ Department Heads should make expectations clear to managers that they will be held accountable for following proper procurement practices set forth in the City's policies
Authorized Employees	<ul style="list-style-type: none">■ Requisition goods and services in compliance with City purchasing policies■ Receive (approve) invoices or payment requests for departmental purchases■ Notify suppliers of business license requirements (when required)

Section 202

PURCHASING TYPES AND APPROVAL AUTHORITY THRESHOLDS

Under the policy framework outlined in Chapter 3.24 of the Municipal Code, City purchases and contracts (including those for rentals and leases, but excluding those for real property) will be made according to these guidelines.

Approval authority applies thresholds to a single transaction purchase total and/or a cumulative series of purchases over the fiscal year.

Staging purchases to avoid these competitive bidding procedures or authorization limits is prohibited.

The City has three types of purchases:

- **Goods.** Contracts and purchases for supplies and equipment.
- **Professional Services.** Professional work is provided to the City by trained and experienced individuals or firms.
- **Public Projects and Job Order Contracts.** Construction, reconstruction, erection, alteration, renovation, improvement, demolition, painting, repainting, and repair work involving any publicly owned, leased, or operated facility governed by (Public Contract Code 22002c).

The type of purchase and its cost determine the approval authority levels.

Exhibit 202A and 203A summarize the authority levels and the approval process flows within the City's Oracle ERP system.

Purchasing Types and Approval Authority Thresholds

Exhibit 202-A

General Goods

Tier	Amount	Approval Authority and workflow in Oracle ERP System	
1	\$0 - \$10,000	<ul style="list-style-type: none"> No Bidding Process Required Requisition approved by Fiscal Officer* Purchase order approved by Finance - Purchasing 	Division
2	\$10,001 - \$74,999	<ul style="list-style-type: none"> Three written or electronic quotes If only one quote? A sole source memo is required for the purchase Requisition approved by Fiscal Officer and Department Head* Purchase order approved by Finance - Purchasing 	Division
3	\$75,000 - \$199,999	<ul style="list-style-type: none"> Formal bidding process (RFP – RFB) City Manager Report Requisition approved by Fiscal Officer and Department Head Purchase order approved by Finance - Purchasing 	Division
4	\$200,000 or more	<ul style="list-style-type: none"> Council approval through Council Agenda Report Formal bidding process (RFP – RFB) Requisition approved by Fiscal Officer Purchase Order approved by Finance - Purchasing 	Division

Purchasing Types and Approval Authority Thresholds

Exhibit 202-A

Professional Services

Tier	Amount	Approval Authority and workflow in Oracle ERP System
1	Under \$10,000	<ul style="list-style-type: none"> No Bidding Process Required Requisition approved by Fiscal Officer* Purchase order approved by Purchasing Division
2	\$10,000 - \$39,999	<ul style="list-style-type: none"> Three written or electronic proposals / quotes If only one quote? A sole source memo is required for the purchase Requisition approved by Fiscal Officer and Department Head* Purchase order approved by Purchasing Analyst
3	\$40,000 - \$69,999	<ul style="list-style-type: none"> Formal bidding process (RFP – RFB) Requisition approved by Fiscal Officer and Department Head* Purchase order approved by Purchasing Analyst
4	\$70,000 - \$150,000	<ul style="list-style-type: none"> Formal bidding process (RFP – RFB) City Manager approval through City Manager Report Requisition approved by Fiscal Officer * Purchase order approved by Purchasing Analyst
5	\$150,000 or more	<ul style="list-style-type: none"> Council approval through Council Agenda Report Formal bidding process (RFP – RFB) Requisition approved by Fiscal Officer Purchase Order approved by Purchasing Analyst

Section 203

PUBLIC WORKS PROJECTS, CONSTRUCTION CONTRACTS, AND JOB ORDER CONTRACTS

The City awards construction contracts following the Uniform Public Construction Cost Account Act.

Construction projects and bid procedures are managed by the City's Public Works Department with Finance and City Attorney oversight.

The City's Public Works Department CIP Design Manual Guide governs policies and procedures for entering into Construction Contracts, Construction Change Orders, and Job Order Contracts.

See the CIP Manual at:

[CIP Manual](#)

Exhibit 203-A

Construction Public Projects

Tier	Amount	Approval Authority and workflow in Oracle ERP System
1	Under \$15,000	<ul style="list-style-type: none">No bidding process requiredRequisition approved by Fiscal OfficerPurchase order approved by Purchasing Division
2	\$15,001 - \$59,999	<ul style="list-style-type: none">Three quotes (if possible)If only one quote? A sole source memo is required for the purchaseRequisition approved by Fiscal Officer*Purchase order approved by Purchasing Analyst
3	\$60,000 - \$199,999	<ul style="list-style-type: none">Formal bidding process (RFP – RFB)City Manager approval through City Manager ReportRequisition approved by Fiscal Officer *Purchase order approved by Purchasing Analyst
4	\$200,000 or more	<ul style="list-style-type: none">Council approval through Council Agenda ReportFormal bidding process (RFP – RFB)Requisition approved by Fiscal OfficerPurchase Order approved by Purchasing Analyst

Public Works Projects, Construction Contracts, and Job Order Contracts

*The purchase thresholds identified in the above section do not apply to purchase orders for on-call consultants if the on-call consultants are selected from an RFP/RFQ. The reason is Council authorized the Finance Director to execute contracts up to the project budget (i.e., budget per the Financial Plan)

Exhibit 203-A

JOB ORDER CONTRACTS

Tier	Amount	Approval Authority and workflow in Oracle ERP System
1	Under \$60,000	<ul style="list-style-type: none">▪ Requisition approved by City Engineer▪ Purchase order approved by Purchasing Analyst
2	\$60,001 - \$200,000 Head	<ul style="list-style-type: none">• Requisition approved by Fiscal Officer & Department▪ Purchase order approved by Purchasing Analyst
3	\$200,000 or more within annual limit	<ul style="list-style-type: none">▪ City Manager approval through City Manager Report▪ Requisition approved by Fiscal Officer *▪ Purchase order approved by Purchasing Analyst
4	\$175,000 or more outside annual limit	<ul style="list-style-type: none">▪ Council approval through Council Agenda Report▪ Requisition approved by City Engineer▪ Purchase Order approved by Purchasing Analyst

CONSTRUCTION CONTRACT CHANGE ORDERS

When the City awards a construction contract, the need for contract change orders (CCO) is not unusual. A CCO is required whenever the scope of work changes from the original contract or an unknown condition requires a change in the scope of work.

Usually, a contingency amount is established when the project is authorized for advertisement or award to accommodate limited CCO's. The purpose of this policy is to establish limits of authority for approving construction project CCO.

GOALS

- Ensure appropriate authority and accountability in the approval of change orders.
- Minimize the time needed to approve a CCO to avoid project delays.
- Establish a system at the organizational level at which the approval is commensurate with the size of CCO and the project.
- Eliminate the potential for approval of a CCO when contingency funds are insufficient.

POLICIES

Conditions for Approval of CCO's by Staff

- Sufficient contingency funds are budgeted and available for the Public Works Director or City Manager (approved designees) to approve a CCO.
- The nature of work in the CCO is not significantly different from that in the contract.
- Authorization limits are based on an individual CCO amount, not the aggregate amount of all CCO.
- Authorization limits apply to CCO for increases in contract amounts only.
- Work will not be broken up into multiple CCOs to circumvent this policy.
- All CCO must be in writing and approved by the appropriate contract parties consistent with the authorized limits established in this policy.

CONSTRUCTION CHANGE ORDERS

- A copy of each approved CCO will be transmitted to the Finance Department with monthly progress payments.
- The Purchasing Authority may approve CCO over \$199,999 under the following circumstances (all three factors must be present):
 - Immediate approval of the CCO is necessary to avoid delay.
 - The CCO is an integral and mandatory component of the project.
 - The costs associated with the delay of the project would be excessive. The Project Manager is responsible for carrying out this policy.
- The Purchasing Authority is also authorized to approve CCO over \$199,999 related to Job Order Contract Task Orders.

AUTHORIZATION LIMITS

Public Works Director/ Designee

- Not to exceed \$60,000

Purchasing Authority (City Manager/Designee)

- Not to exceed \$200,000

City Council*

- Greater than contract or \$200,000

* See circumstances above where the Purchasing Authority may approve CCO's in excess of \$200,000.

Section 204

PURCHASING METHODS

There are two purchase methods for departments to acquire goods and services:

- 1) Purchase Order via invoice account
- 2) Credit Card

The City's preferred method for securing the majority of its purchases is by purchase order.

For a guide to purchase order types, see the City's Purchasing SharePoint document "what type of purchase order do I need?" See [What type of PO do I need?](#)

For credit card purchases, please refer to (See Section 275).

SUMMARY GUIDE TO PURCHASE TYPES:

Purchase Type	Dollar Threshold	Requirements
Purchase Order	\$100– Unlimited	Must obtain approvals required in section 202; Exhibit 202-A
Credit Card	\$5,000 Manager Card \$2,500 Single Limit \$2,000 Employee Card \$900 Single Limit	See Section 275 for credit card policy

PURCHASE REQUISITIONS

Purchase Requisitions

Purchase requisitions (PR) are a request to purchase goods and services. PR's are entered into the City's Oracle ERP system. PR's accomplish the following:

- Initiates a purchase order request;
- Identifies the equipment, materials, supplies, goods, or services required;
- Identifies the specific funds (account codes) that will be used to pay for the order;
- Is approved by appropriate City staff in Exhibit 202A to make the purchase;
- Upon approval, pre-encumbers funds to support the purchase.

All PR's are entered into the Oracle ERP system by the requestor. The requestor is responsible for entering and validating the accuracy of the following:

- Item/services description
- Quantity or Amount
- If requesting Fiscal Year Open PO, a budgeted or estimated amount*
- NIGP Expense Type Category *see NIGP code description document for more detail*
- Charge Account
- Supplier
- Supporting Documents (attach all applicable):
 - Quotes/Proposals
 - Quote Summaries
 - Agreement (Standard Agreement, On-Call Agreement, Cooperative Agreement)
 - JOC Task Order
 - Sole Source Approvals
 - Council Action Report or City Manager Report

PURCHASE ORDERS

A purchase order (PO) formalizes a purchase transaction with a supplier. It sets the supplier's obligations and the City's responsibilities and requirements. POs should be issued after all required policies and procedures are met.

A supplier's acceptance of a PO constitutes a contract. POs allow the City to communicate its intentions to suppliers, and their terms and conditions protect the City from risk.

When staff purchase goods and services outside of a PO, the City and its taxpayers face undue risk.

POs include:

- Quantity or Amount
- Description of the requested item(s) or services
- Delivery terms and transportation mode
- Standard terms and conditions,
- All supporting documentation submitted by the requisitioner
 - Quotes/Proposals
 - Quote Summaries/Comparisons
 - Agreement (Standard Agreement, On-Call Agreement, Cooperative Agreement)
 - JOC Task Order
 - Sole Source Approvals
 - Council Action Report or City Manager Report

PURCHASE ORDER TYPES

The City utilizes three main purchase order types.

1) Standard Purchase Order

A PO for a definitive quantity, amount, and delivery schedule.

- It is most appropriate for one-off purchases of goods and services when you know the amount, quantity, and delivery date.

2) Open Fiscal Year PO

A PO that allows for multiple purchases in a fiscal year (*more than 12 times per fiscal year*)

- Ideal for ongoing goods and services purchases for approved suppliers
- PO is an estimated budget amount, not a guarantee the City will purchase the total amount
- Staff must close open POs at the end of each fiscal year and choose whether or not to re-open in the next Fiscal Year

3) Contract Purchase Order – tied to a City Contract

A PO tied to a formal contract.

- Upon execution of a contract for a fixed dollar amount – an open PO can be issued for that fixed amount
- Fixed price contract POs can carry over multiple fiscal years until the end of the contract term

NON-PURCHASE ORDER EXCEPTIONS

Below is a list of categories that do not require a PO

- Bank fees

- Filing fees: used for filing city and county permits
- Training
- Postage
- Travel Reimbursements and Advances
- Tax payments; property taxes
- Instructor and artist services related to programs offered through Parks & Recreation community programs
- Personal Protective Equipment (Boot Allowance) reimbursement
- Dues, fees, and memberships in trade or professional organizations
- Fees for trade or career fairs,
- Fees for job-related seminars and training
- Subscriptions, periodicals, newspapers, books and library materials, electronic subscriptions, media maps, or similar publications in printed or electronic form
- Water, sewer, telecommunications, electrical, or other utility services
- Revenue refund or reimbursement payments
- Payments related to fringe benefits (dental, vision, life insurance, employee assistance, CalPERS)

NO BID PURCHASING

Municipal Code Chapter 3.24.060A sets forth guidelines for when bidding procedures are not required. All Tier 1 purchases fall within this category. (see Exhibit 202A; 203A) for thresholds). However, staff should seek cost comparisons whenever practical.

EMERGENCY PURCHASING

Municipal Code Section 3.24.060 B defines an emergency purchase as a purchase to address a situation that is an immediate and serious need for goods or services that cannot be met through normal purchasing procedures and where the lack of such goods or services would seriously threaten the functioning of city government, the preservation of property, public peace, or the health or safety of any person.

City staff must not use the emergency purchase process to circumvent the general purchasing policy or supplier licensing requirements. City staff should seek quotes and determine the reasonableness of pricing when making an emergency purchase whenever possible. Contracts for frequent as-needed emergency services should be established with competitive bidding procedures.

Emergency purchases must be justified in sufficient detail to explain the basis for suspending the usual competitive procurement process. Whenever possible, City staff in need of an emergency purchase should receive prior approval from the Purchasing Division by submitting the City's Emergency Purchase Justification Form (located on the Purchasing SharePoint page).

Emergency PO template

If prior approval is not feasible, City staff should submit the Emergency Purchase Justification Form to the Purchasing Analyst as soon as possible and at least within 24 hours after the purchase

has been made.

Unless a City credit card is used for the purchase, City staff must enter a Purchasing Requisition for the emergency purchase as soon as possible and should attach the justification backup to the requisition.

SOLE SOURCE PURCHASING

Municipal Code Section 3.24.060 dictates that certain acquisitions can be purchased from a single “sole-source” without engaging in bidding procedures. Staff must justify their sole-source purchases through one of the following criteria as set forth below in Municipal Code 3.24.060:

- A. When the amount to be expended is less than the bid requirement amount which shall be specified by resolution of the council;
- B. When an emergency purchase is made to address a situation that creates an immediate and serious need for equipment, supplies, or services that cannot be met through normal purchasing procedures and where the lack of such equipment, supplies or services would seriously threaten the functioning of city government, the preservation of property, or the health or safety of any person;
- C. When the item(s) to be purchased can be obtained from only one vendor or supplier;
- D. When supplies or equipment have been uniformly adopted in the city or otherwise standardized;
- E. When the purchase will be made cooperatively with one, or more, other units of government, or from a local dealer within the city limits that can provide the same brand, model and configuration of item(s) identified in cooperative purchase agreement(s) at or below the cooperative purchasing net cost within the same terms and conditions;
- F. When reasonably necessary for the preservation or protection of public peace, health, safety or welfare of persons or property; or
- G. When, given the indeterminate nature of the city’s need, a request for proposal will result in a more favorable and efficient comparison of supplies, equipment and/or services. (Ord. 1618 § 1 (Exh. A (part)), 2015; Ord. 1608 § 1, 2014; Ord. 954 § 2 (part), 1983: prior code § 2950.6)

Examples of non-legitimate sole source purchases include:

- Purchases of proprietary goods or services that may be sold by more than one source (i.e., multiple resellers may sell one proprietary piece of software)
- Brand name preferences: exception: If a specific line of products was previously chosen through a proper process and has been adopted citywide (e.g., Dell computer products)
- The purchase will solely save staff time. Staff time must be accompanied by one of the justification reasons set forth in Municipal Code 3.24.060.

Staff must draft a “Sole-Source” memorandum to justify the purchase using the template

located on the purchasing SharePoint page at Sole-source template. Sole Source memos should provide enough detail so that a person from the public, who has no information on the purchase can understand the basis for the purchase. Sole Source memos are public records, and answers to the questions must be accurate.

The Purchasing Analyst must approve the sole-source before the purchase. Approved Sole Source Justifications should be attached to requisitions when submitted for a purchase order. An approved sole source is effective for the term of the contract or purchase order.

COOPERATIVE AGREEMENT PURCHASING

Section 3.24.060 (E) - City staff may use established cooperative agreements for purchases without a competitive bidding process. Cooperative agreements take advantage of already negotiated competitively bid RFP contracts. City staff, in coordination with the Purchasing Division, are responsible for researching cooperative agreements to ensure the bidding process complies with City competitive bidding rules.

If a local dealer, as defined in Municipal Code 3.24.060 (E) as **being a supplier within City limits**, can provide the same brand, model, and configuration of any item in a cooperative purchase agreement at or below the cooperative agreement supplier's cost with the same terms and conditions, City staff may use the local dealer without initiating a separate competitive bidding process.

COPROCURE

Staff are encouraged to research active Cooperative Agreements at CoProcure at <https://www.coprocure.us/>

SMART PROCURE

Staff are encouraged to research the pricing of products at Smart Procure – a site that aggregates millions of contracts and purchase orders across the USA at <https://smartprocure.us/>

If the pricing in a cooperative agreement is not reasonable, City staff should initiate a competitive bidding process rather than leveraging the cooperative agreement.

Section 207

SOFTWARE AND INFORMATION TECHNOLOGY CONTRACTS

The City's Information Technology Policies and Procedures Manual governs software and hardware related purchases.

Refer to the Policy at:
IT Policy

GUIDELINES

- Direct purchases are prohibited; Staff must follow the procedures in the City's IT policy.
- All software, software as service, and software-related contracts must be approved by the IT steering committee before a purchase is made.
- Staff must attach backup to all requisitions, including the approved steering committee form documenting that the purchase was approved by IT.
- All hardware and software purchases without the form attached will be rejected by Finance.

COOPERATIVE PURCHASING AND PIGGYBACKING

- The City will use cooperative purchasing through the State of California and other Cooperative Purchasing Contracts in buying desktop and laptop workstations and mobile data computers (MDC's).
- The City has used a number of Cooperative purchasing strategies over the years in attempting to ensure quality, reliable computer workstations, laptops, and MDC's at a reasonable cost.
- Staff should always research whether a Cooperative contract is available to piggyback on, such as through the State's *California Multiple Award Schedule* (CMAS) program, *Western States Contracting Alliance* (WSCA), OMNIA Partners, Sourcewell, or similar cooperative purchasing programs accomplish the following goals

*Cooperative purchasing policy was approved by the Council on December 5, 1995
Revised by the City Manager on January 20, 2010, to expand to laptops and mobile data computers*

SECTION 210

ETHICAL CONDUCT

The purpose of this policy is to set forth the ethical standards of professional behavior expected of all officials and employees conducting purchasing activities on behalf of the City.

STANDARDS OF CONDUCT

Every employee or official engaging in purchasing activities on behalf of the City is required to adhere to the following standards of conduct:

Consider, first, the interests of the City in all transactions and your fiduciary obligation to be a responsible steward of the citizen's taxpayer funds.

- Carry out the established policies of the City.
- Purchase without prejudice, seeking to obtain the maximum value for each expenditure of public funds.
- Subscribe to and work for honesty and truth in buying and selling and to denounce all forms and manifestations of commercial bribery.
- Cooperate with all organizations and individuals engaged in activities designed to enhance the development of purchasing practices.
- Respect obligations to others, and require the same respect from others for their obligations.

PROHIBITED PRACTICES

The following practices are prohibited in performing purchasing activities on behalf of the City:

- Having a financial or personal beneficial interest (directly or indirectly) in any contract or purchase order for supplies, equipment, services, or projects furnished to the City.
- Accepting or receiving (directly or indirectly) from any person, firm, or corporation to whom any contract or purchase order may be awarded (by rebate, gift, or otherwise) any money or anything of value, or any promise, obligation, or contract for future reward or compensation. Inexpensive advertising items bearing the name of the firm—such as pens, pencils, paperweights, or calendars—are not considered articles of value or gifts under this policy.
- Using information available to officials and employees solely because of their City position, for personal profit, gain, or advantage.
- Directly or indirectly furnishing services or information not available to all prospective bidders to any person or firm bidding on, or who may reasonably be expected to bid on, a contract with the City.
- Providing confidential information to persons to whom issuance of such information has not been authorized.
- Using a position or status in the City to solicit (directly or indirectly) business of any kind, or to purchase products at special discounts or upon special concessions for personal private use from any person or firm who sells or solicits sales to the City.
- Serving the interests of any organization (either as an officer, employee, member of

the board of directors, or in any capacity for consideration) which transacts or attempts to transact business with the City for profit when such employee holds a City position of review or control—even though remote—over such business transactions.

RESPONSIBILITY

■ **Employees.** Each employee is responsible for following these practices. Violation of this policy may result in disciplinary action, termination of employment, or criminal prosecution.

■ **Department Heads.** Department heads are responsible for ensuring that all employees of their department who conduct purchasing activities possess a thorough understanding of these standards of ethical conduct and prohibited practices.

Section 215

BUSINESS LICENSE AND TAX REQUIREMENT

BUSINESS LICENSES & TAX CERTIFICATE

The City requires entities that execute contracts with and do business within or transacting with the City to obtain a business license and tax certificate, according to Chapter 5.01 of the Municipal Code.

Businesses that have a place of business within City limits must have a business license. City staff may not transact with such businesses that have failed to maintain a business license.

Consultants and services suppliers who execute contracts with the City for ongoing services, whether or not they travel into the City to perform the services, must have a Business License.

Services providers who have a business address outside of City limits and travel into City limits and perform services within the City must have a business license.

Whenever possible, City staff should direct purchases to suppliers who have a valid business license.

A current listing of businesses that have valid business licenses is located with the City's Revenue Division.

No purchases may be made from any supplier that does not have a valid business license unless specifically exempted from that requirement, as specified below.

EXCEPTIONS

The following types of suppliers are exempt from the business license requirement:(exempted by the Finance Director, according to the adjustment powers outlined in Section 5.01.501)

- A business owned and operated solely by minors under the age of 18;
- Charitable, religious, and nonprofit organizations;
- Any business for which requiring a business license would violate Federal or State laws or contractual agreements;
- Out-of-state businesses (exempted by the Finance Director, pursuant to the adjustment powers set forth in Section 5.01.501;
- Businesses which are not located in the City and for which the only transaction or business with the City is an online purchase initiated by the City (exempted by the Finance Director, pursuant to the adjustment powers set forth in Section 5.01.501.

POSSIBLE EXEMPTIONS (CASE-BY-CASE DETERMINATION)

Competitive Bidding Criteria and Standard Bid Documents

Businesses who do not have a place of business within the City and do limited, low-cost (less than \$5,000) and/or one-time transactions with the City may not be subject to the business license requirement. This is determined on a case-by-case basis by the Purchasing Analyst, as the Finance Director's designee, after a determination of whether the business has a sufficient nexus with the City.

City staff should contact Purchasing prior to making a purchase if there is any uncertainty as to whether a business license is required.

SECTION 250

COMPETITIVE BIDDING CRITERIA AND STANDARD BID DOCUMENTS

BIDDING TYPES AND AWARD CRITERIA

	RFB	RFPs	RFQ	Quotes
Goal	Lowest responsive bid submitted by responsible bidder	Most qualified bidder that provides the best proposal	Most qualified bidder	Lowest amount of most qualified bidder
Public Opening Requirements	Opened publicly and read aloud in public or bidders are in attendance	Opened publicly and pricing read aloud if public or bidders are in attendance	Not opened publicly - List of suppliers who submit qualifications made publicly available	Not opened publicly
Response Evaluated By	Department project team	Department project team	Department project team	Department with purchasing assistance
Specific Evaluation Process	Determine whether bid is responsive, then select lowest responsive bid submitted by responsible bidder. No scoring of specification response is involved.	Responses reviewed to determine most qualified bidder. Responsible proposals are reviewed for factors listed in Section 3.24.210 of the Municipal Code	Statement of qualifications evaluated and a score assigned. Some specification responses can be pass/fail only with no associated score.	Determine whether quote is responsive, then select lowest, most qualified responsive quote. No scoring of specification response is involved.
Cost Evaluation Process	Costs for responsive bids are compared to each other to identify lowest cost	Cost for responsible bids are compared to each other to identify most qualified lowest cost bidder	If applicable, costs of labor or services are scored	Costs for responsive quotes are compared to each other to identify lowest, most qualified cost
Negotiation Allowed after Selection	No, unless all bidders are asked for a best and final Offer (BAFO)	Yes	Yes	No, unless all bidders are asked for a best and final Offer

Competitive Bidding Criteria and Standard Bid Documents

	Award	Lowest	Lowest	Evaluation	Lowest most
Basis		responsible bidder	most qualified	Committee	qualified responsive
		wins	responsible	Recommendation	quote wins
			proposal wins		

BID DOCUMENT TEMPLATES

Bid templates are located on the City's contract template SharePoint site at: Contracts Templates SharePoint. The templates contain the City's standard terms and conditions, which are *not negotiable* unless approved by the City Attorney. Staff should use the standard templates to reduce the amount of time required for preparation and administrative review.

The City advertises competitive bids via BidSync www.bidsync.com. The preferable method for bid submission is in electronic format (paperless).

Public Works CIP bids are submitted according to the procedures in the CIP Design Manual. (Bid documents for construction projects are excluded from the Purchasing SharePoint site since Public Works centrally manages all construction projects, and they are responsible for maintaining standard bid documents for construction projects.)

A procedure guide for drafting RFP's can be found at **RFP drafting procedure**

Section 255

City Contracts

INTRODUCTION

The City enters into numerous types of contractual agreements with suppliers of goods and services.

This procedure document is written for City employees who are tasked with drafting contracts with suppliers to provide goods and services for their departments. The purpose of this procedure document is to provide high-level clarity on roles and responsibilities in the contract drafting and routing process and to equip the staff member tasked with entering a contract with guidance on internal procedures for completing such a task. Additional detail on the City's purchasing procedures is set forth in Section 200 of the [City's Financial Management Manual](#).

What is a contract, and what does it do?

A contract is a legal instrument that protects the City's interests by clearly establishing the roles and responsibilities of the parties to the contract and establishing the terms and conditions under which a service is to be performed, or goods are to be provided.

Contract Templates

The City has standard [templates](#) for the following types of contracts:

1. Professional Services Agreement
2. Design Professional Services Agreement
3. Amendments to Template Agreement
4. Contract Instructor Agreement
5. Community Partnership Agreement
6. Special Events Agreement
7. Tree Maintenance Agreement
8. Developer Impact Fee Reimbursement Agreement
9. Standard Supplier Contract

If staff has questions about the appropriate template to use, please review the [Contract Template Matrix](#), and if questions remain, contact the Purchasing Analyst.

The City's practice is to require suppliers to agree to its terms and conditions as set forth in the City's various template agreements.

This expectation and practice should be emphasized in the bid documents and consistently signaled to interested suppliers throughout the negotiation process. There may be instances where the City's standard contract templates or specific provisions of a template are not appropriate to use for a particular engagement, in which case staff should contact the Purchasing Division first, and if not successful in negotiating after, contact the City Attorney's Office.

KEY ROLES IN CONTRACT DRAFTING AND ROUTING PROCESS

1. Initiating Staff Member (ISM): The ISM is any City staff member who has been tasked with procuring goods or services for their respective department. The ISM is responsible for ensuring their contract complies with the City's Charter, Municipal Code, and Purchasing Policy, and should work closely with the Purchasing Analyst to accomplish this and complete all Steps of the contract's procedure (which begins on the following page) (the "Procedure"). The ISM should also reach out to the City Attorney's Office with questions about contract terms, and the Risk Manager with questions about insurance coverage requirements as soon as those questions arise (and well before the contract is ready to route for signatures).

2. Purchasing Analyst: The Purchasing Analyst is a position in the Finance Department. The Purchasing Analyst is the primary point of contact should an ISM have questions about procurement methods or contract drafting procedures and will work closely with the ISM through all Steps of the Procedure.

3. Risk Manager: Risk Manager is a position in the Human Resources Department. The Risk Manager is the person most knowledgeable as to why the City's insurance requirements are set at certain levels and when they can be reduced or should be increased. If the ISM believes the City's standard insurance templates are not appropriate for a particular purchase or needs assistance making that determination, the Risk Manager should be looped in early in the drafting process, but after the ISM has complied with Steps 1 and 2 of the Procedure.

4. City Attorney's Office (CAO): Requests for attorney assistance should be initiated through the CAO intake form, located on the CAO's SharePoint home page. Use of the form allows workload to be distributed to the attorney best suited to answer an ISM's questions within the shortest timeframe. The CAO should be contacted if there are questions about the applicability of a template to a specific purchase or if a bidder is requesting changes to the City's contract terms. If this type of assistance is needed it should be requested early in the drafting process.

- *Note:* When the contract routes for signature (Step 7), the City Attorney will approve "as to form" only. This is not the appropriate step to ask for substantive legal advice because it is required that the ISM, with the assistance of the Purchasing Analyst, will have already worked through all Steps of the Procedure to ensure all necessary authorizations have been obtained and procurement methods followed as required by City rules and regulations. The CAO will rely on the ISM's compliance with the Procedure when approving "as to form."

5. Approval Authority: The Approval Authority is the person authorized to execute the final contract documents. The Approval Authority will vary based on the contract type and its dollar amount. Determination of the appropriate Approval Authority is Step 1 of the Procedure and contract signatories (Approval Authority and CAO) are relying on the ISM and Purchasing Analyst to have completed all Steps of the Procedure prior to routing for signatures.

CONTRACT DRAFTING & ROUTING PROCEDURE

The ISM responsible for drafting and routing a contract should follow the steps in the order outlined below. *The procedure set forth below applies to most City purchases of goods and services; it does not apply to contracts for the use of City facilities or property, special events,¹ developer reimbursement agreements, or Public Works construction contracts.²*

Step 1 (Identify Tier of Approval Authority): Determine the threshold approval authority required for the contract pursuant to [Section 202A of the City's Financial Management Manual](#).

Note: If City Council approval is required, the ISM will need to coordinate placing the item on a meeting agenda and drafting a staff report seeking authorization to issue bid documents and/or execute the contract, and if City Manager approval is required, the ISM will need to draft and route a City Manager Report requesting authorization for the same.

Step 2 (Identifying Procurement Method): Determine the appropriate method for soliciting and procuring the necessary goods and services pursuant to [Section 203 of the City's Financial Management Manual](#) and [Chapter 3.24 of the Municipal Code](#). Contact the Purchasing Analyst for assistance as needed to determine the appropriate procurement method. If applicable, prepare the appropriate bid document using the [RFP/RFQ/RFB template](#) provided on the City's Contract SharePoint site.

- *Caveat for IT Services:*
 - Purchases for IT Services are often made pursuant to a Cooperative Agreement pursuant to [Section 3.24.060\(E\)](#) of the Municipal Code. Contact the Purchasing Analyst for assistance researching existing Cooperative Agreements.
 - Staff must follow the [City's Information Technology Policy and Procedures](#) for all hardware and software purchases.
 - Notify the City's IT Manager and IT Analyst of the planned purchase and fill out the [IT Steering Committee Project Proposal Form](#). If approved by IT, review the City's IT Service Agreement template to determine if it's appropriate for the purchase (see Step 3).

Step 3 (Identifying Contract Template): Identify and prepare the appropriate contract template for the engagement. This template will be an exhibit to the bid document. If no bid document is required under Step 2, contract will simply be routed to the Supplier under Step 5, along with the insurance requirements required in Step 4. [Contract templates](#) can be found on the City's Contract SharePoint page. Contact the Purchasing Analyst for assistance determining the appropriate contract template.

¹ The procedure for executing facilities use and special events agreements are specifically excluded from this Procedure as those contracts are managed by Parks & Recreation. Please contact the Recreation Manager (Facilities) for questions about the procedure for executing those agreements.

² The procedure for construction contracts is specifically excluded from this document as those projects are managed by Public Works, and they are responsible for maintaining standard bid documents. Please refer to CIP Design and Construction Guide for procedures related to Public Works Construction contracts: [CIP Design and Construction Guide.docx](#)

Step 4 (Identifying Insurance Coverage Requirements): Identify the appropriate insurance coverage template that will be an exhibit to the contract. The standard insurance templates are located on the City's Contract SharePoint page in the same folder as the correspondence insurance template (e.g., the standard Professional Services Insurance Template is in the [Professional Services](#) contract folder). The ISM should evaluate the risk of the engagement, understanding that there may be instances where the City's standard insurance coverage templates are not appropriate to use for a particular engagement.³ Determining appropriate insurance coverage is dependent on a variety of details and the ISM should always reach out to the Risk Manager with any questions or concerns. Necessary coordination with the Risk Manager regarding insurance coverage requirements and/or refinements to language should occur well in advance of proceeding to Step 5.

Step 5 (Obtaining Approval Authority Authorization): Once the ISM has prepared the draft bid document under Step 2, if applicable, and the draft contract under Steps 3 and 4, the package should be routed to the Approval Authority for review and approval.

- *Caveat for contracts requiring RFP/RFQ:* Typically, if Council approval is required for a purchase that will be procured by an RFP or RFQ, staff will request Council approval through a Council Agenda Report to issue the bid documents and also to delegate authority to execute the contract with the selected bidder to the City Manager if the bid is within a certain dollar amount, so staff does not have to return to Council for approval of the award once the bidder has been selected. Similarly, if City Manager approval is required for a purchase that will be procured by an RFP or RFQ, staff will request City Manager approval through a City Manager Report to issue the bid documents and to delegate authority to execute the contract with the selected bidder to the appropriate Department Head.

- *Caveat for contracts not requiring RFP/RFQ:* If bid documents are not required under Step 2 and the ISM is presenting the contract to the Approval Authority for authority to execute, the ISM must obtain the signature of the Supplier on the agreement prior to presenting it to the Approval Authority.

Step 6 (Posting of Bid Package—if applicable): If the procurement method determined by Step 2 requires issuance of RFP or RFQ send the approved bid package to the Purchasing Analyst. This package should contain the RFP or RFQ document, the contract template selected under Step 3, and the insurance coverage requirements identified under Step 4. The Purchasing Analyst will complete a final review and post the documents to BidSync, the City's electronic bid platform.

Step 7 (Selecting the Bidder—if applicable): If the procurement method determined by Step 2 results in issuance of an RFP or RFQ, Purchasing Division staff will open the bids and post the bid responses in a shared folder for the project review team. Project review team will review and recommend to the originating department to award the contract to the "lowest responsible bidder."⁴

- *Note:* As the City's RFP/RFQ template states, if a bidder wishes to request changes to the City's standard contract terms and conditions, this should be done within the proposal/submission of qualifications. This allows such requests to be considered when determining whether to award the

³ Additional non-standard insurance templates that may better suit the ISM's needs are located on the Contract SharePoint page: [Insurance Templates](#)

⁴ [Section 3.24.210 of the Municipal Code](#) identifies the criteria the review team may consider when selecting the "lowest responsible bidder."

contract or not, with any proposed changes being reviewed with the CAO prior to award of the contract.

Step 8 (Routing of Contract for Signature): Once Steps 1-7 have been satisfied, ISM should forward the contract to the Purchasing Analyst or their department-designated staff for routing to all parties via DocuSign (the City's electronic signature software platform).

■ Note: The Clerk's Office will route contracts requiring Council approval, specifically those requiring the Mayor's signature, through DocuSign. See step 5 for additional detail regarding when the Mayor's signature may be required, or when contract execution can be delegated to the City Manager, in which case the contract can be routed through the Purchasing Division.

Section 256

CONTRACT MANAGEMENT

Following the award of a contract, management actions must be taken to ensure full compliance with the terms and conditions contained within the contract document, including price. Payment, monitoring of progress, inspection and acceptance, quality assurance, monitoring and surveillance, modifications, negotiations, contract closeout, and other activities encompass contract management.

Project Managers are responsible for the day-to-day management of their contracts and should be aware of the contract terms and scope of work and be aware of renewal dates.

For each contract executed with a supplier, it is the responsibility of the project manager assigned to oversee the project to ensure that the contract performs to the requirements, standards, and deliverables established in the contract.

The contract manager performs periodic inspections and reviews of the contractor's performance and provides feedback to the contractor to maintain a regular crossflow of information and feedback. As much as possible, contract managers should document such communication in writing, whether it be of a positive or negative nature, as this information is critical to resolving disputes and as a reference for future Supplier performance reviews.

Contract managers assigned to oversee Supplier performance must attend contracts administration training provided by the Purchasing Department. Staff members who do not attend this training should not be appointed as contract managers.

The contract manager's responsibilities include, but are not limited to:

- After execution of the agreement, keep a file a copy of the executed agreement.
- Submitting a requisition for a purchase order to encumber the funds.
- The Supplier must not begin any performance until an executed contract is approved.
- On construction projects, the purchase order may serve as the Notice to Proceed.
- Notifying the contractor when to begin work.
- Monitoring contract compliance.
- Reviewing progress reports, status reports, and compliance with time schedules.
- Approving the final goods or services by accepting the deliverables in writing.
- Providing copies of any contract administration documentation or communication to the Purchasing Department.
- Monitoring expenditures, ensuring funding availability, and proper fiscal encumbrances through purchase orders when the contract extends over multiple years.
- Verifying the accuracy of invoices and approving those invoices for payment.
- Requesting amendments, addendums, change orders, and/or contract renewals in a timely manner.
- Verifying all work is completed and accepted by the department prior to the contract expiration date.

Contract Management

- Performing contract closeout activities:
- Notifying the Finance Department when funds can be dis-encumbered.
- Reporting any contract disputes immediately to the Purchasing Department.
- Keeping an accurate, auditable, documented trail of contract administration.

Contract managers are **not** authorized to:

- Instruct the contractor to start work before the contract is fully executed.
- Change the scope of the agreement without doing so through the formal process set forth in this policy
- Direct the contractor to perform work that is not described in and funded by the contract.
- Extend the time period of the contract without the execution of an approved amendment.
- Allow the contractor to incur any additional costs over the limit set by the contract.
- Sign a contract as the department's authorized signatory unless authorized in writing.
- Sign any contractor's contract form.

Section 257

CONTRACT AMENDMENTS

After contract award—whether by purchase order or formal contract—amendments may be needed to reflect changes in the scope of goods or services to be provided. The following summarizes what is required to authorize and document contract changes.

The City’s contract amendment templates are on the Contracts Policy and Procedures SharePoint site.

Amendments should be numbered.

AUTHORIZING AGREEMENT CHANGES

Construction Contracts

Authorization levels for approving construction contract change orders are outlined in Section 203 of this manual.

Goods

General Policy. Staff has the authority to amend agreements to the cumulative amended contract amount (original amount of the contract plus the amount of any amendments) that they are otherwise authorized to award contracts. (See exhibit A)

In those cases where a higher purchasing authority awarded the original contract, staff have the authority to amend those contracts by a cumulative amendment amount (amount of only the amendment itself) that they are otherwise authorized to award contracts. (See exhibit B)

Budget Constraints. In all cases, however, staff authorization to increase contract amounts is subject to existing budget availability.

Staging of Contract Costs and Amendments. Using the amendment process to avoid competitive bidding or higher authorization levels at the contract award stage is prohibited.

The following provides general guidelines for authorization levels in approving changes to purchase orders and agreements.

Exhibit A – Amendments originally approved by a lower authority

Amendments and Change Orders

Purchase or Contract approved at lower authority cumulative amendments increase to higher authority

Starting contract price of \$5000 (Tier 1 approval)

Tier	Amount	Authority
1	Cumulative Amendments up to a total price of \$10,000	Fiscal officer
2	Cumulative Amendments up to a total price of \$69,999	Dept. Head
4	Cumulative Amendments up to a total price of \$149,999	City Manager
5	Cumulative Amendments up to a total price of \$150,000 or more	Council
6	Cumulative Amendments of \$10,000 (Total price up to \$160,000)	Fiscal Officer
7	Cumulative Amendments of \$69,999 (Total price up to \$229,999)	Dept Head
8	Cumulative Amendments of \$149,999 (Total price up to \$299,999)	City Manager Report
9	Cumulative Amendments \$150,000 or more (Total price up to \$300,000)	Council approval

Exhibit B - Amendments originally approved by a higher authority

Amendments and Change Orders

Purchase or Contract approved at higher authority - amendments start at lower authority and increase

Starting contract price of \$150,000 (Tier 5 - Council approval)

Tier	Amount	Authority
1	Cumulative Amendments to \$10,000 (Total price up to \$160,000)	Fiscal officer
2	Cumulative Amendments to \$69,999 (Total price up to \$229,999)	Dept. Head
4	Cumulative Amendments to \$149,999 (Total price up to \$299,999)	City Manager
5	Cumulative Amendments \$ 150,000 or more (Total price \$300,000 or more)	Council
6	Cumulative Amendments to \$10,000 (Total price up to \$310,000)	Fiscal Officer
7	Cumulative Amendments to \$69,999 (Total price up to \$369,999)	Dept Head
8	Cumulative Amendments to \$149,999 (Total price up to \$449,999)	City Manager Report
9	Cumulative Amendments \$150,000 or more (Total price \$450,000 or more)	Council approval

Revised September 2, 2003, to reflect changes in the City's Purchasing Guidelines approved by the Council on April 15, 2003, and again on June 2, 2015

Section 274

RISK MANAGEMENT & INSURANCE

Purchasing and Risk Management may require insurance coverage from the supplier selected for the award to protect the interests of the City. The insurance coverage shall be in the form and amounts as required by the solicitation.

All City procurements should be assessed for potential risk. If the risk is low, then generally, staff can proceed with the procurement. If risk assessment is medium to high – staff should consult with Purchasing, Risk Management, and the City Attorney's office to determine appropriate insurance coverage.

Factors to Determine Risks for Statements of Work and Terms and Conditions

- Provide a description of what service and information the good or service will provide
- Is there a high level of complexity in the services procured?
- Will the contract terms be non-standard? High dollar? Environmental concerns?
- Is the procurement mission-critical, highly visible, or potentially controversial?
- Is the procurement funded by grants with expiration dates?
- What security, access, confidentiality, or customer information is necessary to perform the work?
- What City systems are impacted, or will it require an interface to implement or use this software?
- Will the supplier require access to the City's network during the performance of the work?
- Will the contractor be on-site on City property during the performance of the contract?
- Will chemicals or hazardous materials be purchased – will they require pollution and professional liability coverage

Contract awards may be contingent upon the submission of required insurance coverage and performance and payment bonds. If the Supplier selected for the award fails to fulfill these requirements, default actions can be initiated.

For contracts up to Tier 3, the City Manager or designee may render the Supplier in default, re-award the contract to the next lowest-priced responsive and responsible supplier, and subject the defaulted Supplier to re-procurement charges, or forfeiture of the bid, or offer bond, or security in an amount equal to the damages sustained by the City because of the default.

For contracts greater than Tier 4, the City may re-award to a new Supplier who participated in the solicitation but was not awarded any portion of the contract. The City Manager will obtain approval from the City Council.

City Issued Credit Cards

If the City Manager determines that the Supplier should not be suspended or debarred, the City Manager shall have the right to require certain corrective actions by the Supplier by a prescribed date and time.

The decision of the City Manager in these proceedings shall be final and not open to appeal by the Supplier or the Supplier's legal representative.

The City shall reject any offer to do business from a Supplier who is suspended or debarred under these procedures for the entire term of the suspension or debarment.

Section 275

CITY-ISSUED CREDIT CARDS

POLICY OVERVIEW

To provide secure payment options for employees who travel or at times have to make emergency purchases, the City issues credit cards registered to individuals under the City umbrella.

In this context, it is important to understand the fiduciary responsibility of utilizing a City credit card and the required audit control over purchases. This policy outlines the use, accounting, and reporting obligations that come with this fiduciary responsibility and the ramification of violating these obligations.

Employees assigned a City credit card will be bound to the criteria outlined in this policy, and individual user agreements will be signed to ensure that a contract between the City and the credit card holder exists for reference.

This policy establishes the City's allowable uses, the fiduciary responsibility, the procedures, and reporting obligations when using City credit cards in making **emergency purchases** or paying for travel and training-related expenses. Refer to the City's Municipal Code for the definition of an emergency purchase @ Municipal Code

This policy cannot cover every scenario, exception, or contingency that may arise in using City credit cards. Accordingly, the primary standard that should always prevail is to use common sense and good judgment in the use and stewardship of City financial resources.

POLICIES AND PROCEDURES AT-A-GLANCE

A summary document of primary cardholder responsibilities has been made available for easy reference. ***See policies & procedures At-A-Glance @ At a Glance***

A procedure handbook for how to request a card; due dates for reconciliations; How to Oracle guides for expense report submission; and compliance auditing can be found @ Credit Card Procedure Handbook

The Oracle' how-to' guide for submitting expense reports can be found @ Expense Report - How to Submit Guide

1.0 GENERAL GUIDELINES

Charges can originate in-store, online, or by phone. The primary responsibility for ensuring the appropriate use of credit cards lies with each employee holding a card. Acceptance of a City credit card indicates an employee's agreement to follow all policies and procedures, laws, and regulations.

1.1 EMERGENCY OPERATIONS CENTER - EMERGENCIES

City Issued Credit Cards

Emergency Operations Center (EOC) - In cases of declared emergencies, the City Manager or their designee may authorize an increase in credit card limits and individual transaction limits as well as authorize cards to be temporarily re-assigned to designated staff. The Procurement Cardholder whose Procurement Card was temporarily reassigned shall include a cover memorandum explaining the date and reasons for activation of the EOC with the monthly statement of account and affirm that the Procurement Card was temporarily reassigned in accordance with this policy. All receipts must be submitted in accordance with the rest of this policy.

2.0 TRAINING

Cardholders are strongly encouraged to attend training on their role and responsibilities outlined in this policy. Cards are issued to cardholders who certify they have read, understand, and will comply with this policy. Failure to follow this policy may result in termination of card privileges and disciplinary action.

Given the ramifications tied to incorrect administration of credit cardholder responsibilities, the Finance Department will hold annual training opportunities to ensure that roles and responsibilities are clearly understood and cardholders have all the tools necessary to complete their administrative obligations correctly. The material is available online and can be accessed at any time.

The training module is located on the Purchasing SharePoint site at [Training](#).

Once the training is completed, you are required to sign the user agreement; once signed, Finance will activate the credit card. This same process is followed for department cards.

3.0 TYPES OF CITY CREDIT CARDS

Standard Credit Card – a card issued to individual City employees similar to a consumer credit card but is paid in full at the end of each month. The card can be used for acquiring goods and services in emergency situations or when encountering unexpected circumstances in the field. The card does not replace the purchasing guidelines set in section 202 of the City's Purchasing Policy and should not be used to circumvent planning and requisitioning. The card can be used for training, travel, and meeting-related expenses, as explained in the Travel & Meeting Policy of the Financial Management Manual - Section 350.

Department Card – A multi-user card issued to a division. A department card is issued to a specific employee recognized as the Card Coordinator or Reconciler. A Department card will have the name of the specific department or workgroup that it is assigned to.

4.0 LIMITS AND INCREASE REQUESTS

Department Heads and managers have two options for spending limits for employees:

Department / Division Cards:

Option 1 - Monthly limit of \$5,000 with a single purchase limit of \$2,500/\$5000

Individual Cards

City Issued Credit Cards

Option 1 – Monthly limit of \$5000 with a single purchase limit of \$2500

Option 2 - Monthly limit of \$2,000 with a single purchase limit of \$900

Managers and Supervisors are more appropriate for option 1.

Employees under a manager's responsibility are more appropriate for option 2.

Purchase limits can be increased but must be approved by Finance. Cardholders should send an email requesting the increase to their Department Head, the Program Administrator, and Financial Analyst - Purchasing and include the following:

- Amount requested for the single purchase or monthly limit and business reason for the increase
- Supplier name for whom the single purchase is requested

If a single purchase or monthly limit exceeds the amounts outlined, you must obtain approval from the Fiscal Officer/Department Head before making the purchase or using the purchase order process.

5.0 COMPETITIVE BIDDING THRESHOLDS

City employees shall not piecemeal credit card purchases to circumvent the allotted maximum credit card limit. If the cost of an **emergency** purchase exceeds the limit, staff can request a temporary limit increase as outlined in this policy.

6.0 TRAVEL EXPENSES

The City credit card must be used in paying for travel expenses to avoid personal reimbursements. Please reference the City's travel and meeting policy for all applicable rules and regulations. Please note food purchases while traveling cannot be paid via the City's credit card as they are reimbursed/advanced per diem.

7.0 PERSONAL USE OF CITY CREDIT CARDS STRICTLY PROHIBITED

Employees shall not use City credit cards for personal expenses even if the intent is to reimburse the City later. Nor can personal credit cards be used for City business. Charging personal expenses on City credit cards is a misuse of City funds and a breach of the City's ethics policy. The same holds true for the use of a personal credit card for City businesses in order to reap the benefits in the form of travel miles or other incentives.

Note: it is strictly prohibited to register City Cards to any personal accounts such as Uber, Instacart, or Amazon. Purchases on Amazon can only be approved through the City's Amazon account.

A violation, as outlined above, will lead to suspension of the credit card upon the second violation. The first violation will lead to a violation notices, the second violation will lead to a **one-year suspension** of card privileges. Should subsequent violations occur, card privileges will be terminated.

8.0 NEGLECT OR VIOLATION OF THE MONTHLY FIDUCIARY OBLIGATION

The monthly credit card statements are distributed on or around the first day of the month. It is the credit card holder's responsibility to submit the reconciling expense report, including all itemized receipts, through the Oracle system no later than the 10th day of the month.

The following will lead to the suspension of credit card privileges:

- Itemized receipt is missing
- Expense report is submitted past the 10th of the month
- Expense report is submitted incorrectly despite multiple training opportunities
- The expense report submitted does not match the bank statement

Violations, as outlined above, will lead to suspension of the credit card as follows:

- The second violation will lead to a six-month suspension;
- The third violation will lead to a one-year suspension of card privileges. Should a subsequent violations occur, the card would be terminated.

Please note: if you are not able to submit your expense report due to extenuating circumstances (such as a personal/family emergency), it is your responsibility to delegate the submittal of the report or inform Finance of the delay in the submittal.

9.0 PROJECT ACCOUNTS

At no time shall credit cards be used for project-related expenditures. Using a credit card to circumvent payments of project-related expenditures that are subject to requisitioning will lead to immediate termination of the credit card privileges.

10.0 FRAUD

Employees are responsible for ensuring that City-issued credit cards are protected from fraudulent use or loss and for ensuring that all purchases are made in accordance with the City's policies. Failure to follow policies and procedures regarding the use of credit cards is no different from failure to follow policies and procedures in any other aspect of an employee's job.

It is the cardholders' responsibility to immediately alert the bank should any suspicious activity occur on the card statement.

11.0 LOST OR STOLEN CARDS

Cardholders are responsible for ensuring that the issuing bank and the Department of Finance are notified immediately if the card is lost or stolen. The cardholder has been set up to directly contact the issuing bank (using the bank's customer service number) to report a lost or stolen card. Failure to do so may result in holding the cardholder responsible for any fraudulent use of the card.

12.0 DISPUTED CHARGES

Cardholders are responsible for ensuring that the Supplier and issuing bank are notified immediately of any charges that are disputed. The City pays the statement in full, including any disputed amounts, to avoid finance charges and late fees; when resolved, the amount will be credited to the account on the next monthly statement. Any charge that has not been validated and accepted in Oracle Expense Management within a month is deemed a disputed charge, and it is the responsibility of the cardholder and the applicable department to have the dispute resolved before the next billing cycle.

13.0 CREDIT CARD FEES

Any processing fee or charge from the issuing bank is the responsibility of the cardholders' department operating budget like any other charge on the monthly expense statement.

14.0 SURRENDER OF CARD UPON REQUEST OR TERMINATION

Cardholders will immediately surrender their credit card upon request of their department head. Departments are responsible for retrieving the credit card when an employee separates from the City and returning the card to the Finance Department for cancellation and destruction. The use of the credit card for any purpose after its surrender is prohibited.

15.0 MISUSE OF CARDS

Misuse of City funds is a serious breach of the City's ethics policy. Doing so – even if the intent is to reimburse the City later – can result in disciplinary actions, up to and including termination. The Finance Department will notify Department Heads and Human Resources for appropriate follow-up.

RESTRICTED CATEGORIES

The City's credit card policy allows for the blocking of 'Merchant Category Classification' (MCC Codes). The code identifies the Supplier's primary product or service. Examples of blocked MCC codes include liquor stores, cocktail lounges, nightclubs, spas, and massage parlors, and gambling casinos.

The Finance Director has the authority to designate any MCC code as restricted.

ROLES AND RESPONSIBILITIES DEFINITIONS

Credit Card Holder – Employee given responsibility for a City credit card to use for purchasing required in their job-function

Credit Card Reconciler or Group Reconciler – Cardholder or employee designated to perform the transaction reconciliation process in Oracle for an individual account or a group in a division. If an employee is reconciling more than one account, they are known as a 'Group Reconciler'

Credit Card Approver – The manager responsible for the approval of charges to an individual card within the system approval process. This process includes not only pertain to approving the monthly expense report but each individual charge itself. An employee acting as a reconciler for charges cannot be the approver of those charges. A charge must be approved by someone other than the Credit Card Reconciler, most likely the cardholder's supervisor.

Department Credit Card Coordinator/Reconciler – The individual responsible for a Department Card is called the Department Card Coordinator. The employee is responsible for securing the card and tracking the use/users of the card. The Card Coordinator is responsible for reconciling the transactions in Oracle. The coordinator and reconciler may be two different people.

Internal Credit Card Compliance Auditor – The employee responsible for monitoring credit card transactions and policy compliance. For the City of San Luis Obispo, this is performed by the Program Administrator (Financial Analyst – Purchasing) with oversight from the Finance Director.

Outside Accounting Auditor – External Accounting Auditors or Auditing Firm employed by the City of San Luis Obispo to complete the annual audit of the City Accounting functions.

Department Head - Department Heads determine the type of card the employee will carry and are responsible for ensuring that their staff is aware of their responsibilities and for implementing review and payment procedures within their department.

Financial Analyst - Purchasing - Manager of the Purchasing Division and responsible for internal audit of credit card transactions, compliance to policy, and training

Program Administrator – The designated City employee who serves as the point of contact between the City and the bank. This position has authority over the program in Policy and Procedures with the Financial Analyst – Purchasing and is generally the first stop for any issues pertaining to the credit card program.

Finance Director - The Finance Director is responsible for administering the review of credit card statements to ensure that the proper documentation and purchase approvals have been provided.

SECTION 276

SUSTAINABLE PURCHASING

Municipal Code 3.24.075

It is the intent of the City Council that the City of San Luis Obispo takes a leadership role not only in recycling its waste products but also in the purchase of recycled products for use in the delivery of City services. It is the purpose of this section to provide direction to the City Administrative Officer in the procurement and use of recycled products. For the purpose of this section, “recycled materials” are defined as any materials (e.g., glass, paper, plastic, etc.) that are separated by type, reprocessed by industrial methods, and used as raw materials for the manufacture of new products.

It is the policy of the City of San Luis Obispo to purchase and use recycled products whenever possible to the extent that such use does not negatively impact health, safety, or operational efficiency.

It is the policy of the City of San Luis Obispo to encourage the purchase of products that can be recycled or reused.

The City will purchase and use recycled paper for masthead stationery, envelopes, and printing purposes. In addition, recycled paper shall be purchased and used in all copy machines which will accept it. City staff will encourage the copier industry to develop high-speed copiers which will accept recycled paper.

City departments shall examine their purchasing specifications and, where feasible, purchase equipment, supplies, and services that result in less harm to the natural environment. This involves the purchase of equipment, supplies, and services in a manner that uses less harmful materials, employs recycled or recovered materials (where appropriate and available), and utilizes techniques intended to result in less impact on the environment than other available methods.

It is the policy of the City of San Luis Obispo that City funds shall not be used to purchase single-use plastic bottled beverages of less than twenty-one ounces or single-use plastic drink containers or single-use plastic beverage containers, as provided in Chapter 8.07.

A ten percent preference, not to exceed one thousand dollars per contract, may be given to recycled products. The fitness and quality of the recycled product must be at least equal to unrecycled products as determined by the City. The preference percentage shall be based on the lowest bid or amount quoted by the supplier or suppliers offering nonrecycled products.

Amount preferences may be offered in excess of the ten percent ceiling established in this section, if it can be shown that purchase of a recycled product or material will result in greater long-term savings to the City. Award of a bid in excess of the ceiling, however, requires the approval of the city administrative officer or city council as established in the City’s purchasing manual. (Ord. 1644 § 2, 2018: Ord. 1618 § 1 (Exh. A (part)), 2015: Ord. 1178 § 1, 1990)

Ord. No. 1178 added § 3.24.080, which the editor has renumbered § 3.24.075 since the chapter already contained a § 3.24.080.

Section 277

Recycled Content Paper Procurement Requirements – SB 1383

This policy provides guidelines for the City to follow in its effort to meet or exceed Senate Bill 1383 regulatory requirements related to recycled content paper purchasing. This policy also supports the City's sustainability policy (Section 277), and the City's commitment to achieving carbon neutrality.

REQUIREMENTS FOR DEPARTMENTS

Option 1. Comparable or more favorable pricing: If fitness and quality of Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper are equal to that of non-recycled items, all City departments and divisions shall purchase Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper that consists of at least thirty percent (30%), by fiber weight, post-consumer fiber, whenever available at the same or a lesser total cost than non-recycled items, consistent with the requirements of the Public Contract Code, Sections 22150 through 22154 and Sections 12200 and 12209, as amended.

Option 2. If fitness and quality of Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper are equal to that of non-recycled items, all City departments and divisions shall purchase Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper that consists of at least thirty percent (30%), by fiber weight, post-consumer fiber, whenever the total cost is the same or a lesser total cost than non-recycled items or whenever the total cost is no more than 10 percent (10%) of the total cost for the non-recycled items, consistent with the requirements of the Public Contract Code, Sections 22150 through 22154 and Sections 12200 and 12209, as amended.

BA11 Paper Products and Printing and Writing Paper shall be eligible to be labeled with an unqualified recyclable label as defined in Title 16 Code of Federal Regulations Section 260.12 (2013).

Provide records to the Purchasing Division of all Paper Products and Printing and Writing Paper purchases on a schedule to be determined by Recordkeeping Designee. (both recycled-content and non-recycled content, if any is purchased) made by a division or department, or employee of the City. Records shall include a copy of the invoice or other documentation of purchase, written certifications as required in Section 2.2.A.3-4 for recycled-content purchases, Supplier name, purchaser name, quantity purchased, date purchased, and recycled content (including products that contain none), and if non-Recycled-Content Paper Products and/or non-Recycled-Content Printing and Writing Paper are provided, including a description of why Recycled-Content Paper Products and/or Recycled-Content Printing and Writing Paper were not provided.

REQUIREMENTS FOR SUPPLIERS

A. All Suppliers that provide Paper Products (including janitorial Paper Products) and Printing and Writing Paper to the City shall:

City Issued Credit Cards

1. Provide Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper that consists of at least thirty percent (30%), by fiber weight, post-consumer fiber, if fitness and quality are equal to that of the non-recycled item and available at an equal or lesser price or available at no more than 10% of the total cost for non-recycled paper products.
2. Only provide Paper Products and Printing and Writing Papers that meet the Federal Trade Commission Recyclability standard as defined in Title 16 Code of Federal Regulations Section 260.12 (2013).
3. Certify in writing, under penalty of perjury, the minimum percentage of postconsumer material in the Paper Products and Printing and Writing Paper offered or sold to the City. This certification requirement may be waived if the percentage of postconsumer material in the Paper Products, Printing, and Writing Paper, or both can be verified by a product label, catalog, invoice, or a manufacturer or Supplier internet website.
4. Certify in writing, under penalty of perjury, that the Paper Products and Printing and Writing Paper offered or sold to the City is eligible to be labeled with an unqualified recyclable label as defined in Title 16 Code of Federal Regulations Section 260.12 (2013).
5. Provide records to the Recordkeeping Designee of all Paper Products and Printing and Writing Paper purchased from the Supplier within thirty (30) days of the purchase (both recycled-content and non-recycled content, if any is purchased) made by a division or department or employee of the Jurisdiction. Records shall include a copy of the invoice or other documentation of purchase, written certifications as required in Section 2.2.A.3-4 for recycled-content purchases, purchaser name, quantity purchased, date purchased, and recycled content (including products that contain none), and if non-Recycled-Content Paper Products and/or non- Recycled-Content Printing and Writing Paper are provided, include a description of why Recycled-Content Paper Products and/or Recycled-Content Printing and Writing Paper were not provided.

B. All Suppliers providing printing services to the City via a printing contract or written agreement shall use Printing and Writing Paper that consists of at least thirty percent (30%), by fiber weight, post-consumer fiber, or as amended by Public Contract Code Section 12209.

Recordkeeping Responsibilities

A. The Finance Department will be the responsible department and will select an employee to act as the Recordkeeping Designee that will be responsible for obtaining records pertaining to Procurement of Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper, as well as reporting such records to the Reporting Designee.

B. The Recordkeeping Designee will do the following to track Procurement of Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper:

1. Collect and collate copies of invoices or receipts (paper or electronic) or other proof of purchase that describe the procurement of Printing and Writing Paper and Paper Products, including the volume and type of all paper purchases; and copies of certifications and other required verifications from all departments and/or divisions procuring Paper Products and Printing and Writing Paper (whether or not they contain recycled content) and/or from the Suppliers providing Printing and Writing Paper and Paper Products. These records must be kept as part of the City's documentation of its compliance with 14 CCR Section 18993.3.

City Issued Credit Cards

3. Collect, collate, and maintain documentation submitted by the City departments and divisions, Direct Service Providers, and/or Suppliers, including the information reported to the Recordkeeping Designee in accordance with Section 3.A.5.

4. Compile an annual report on the City's direct procurement and Supplier/other procurement on behalf of the City of Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper, consistent with the recordkeeping requirements and 14 CCR Section 18993.4 for Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper procurement. This report shall be made available to the City's responsible entity for compiling the annual report to be submitted to CalRecycle (which will include a description of compliance on many other SB 1383 regulatory requirements) pursuant to 14 CCR Division 7, Chapter 12, Article 13.

This Policy shall go into January 1, 2022.

Authority cited: Public Resources Code Sections 40502, 43020, 43021, and 42652.5, and Health and Safety Code Section 39730.6. Reference: Public Resources Code Section 42652.5; Health and Safety Code Section 39730.6; and Public Contracts Code Sections 22150, 22151, 22152, 22153, and 22154.

SECTION 279 –

NIGP – NATIONAL INSTITUTE OF GOVERNMENT PROCUREMENT COMMODITY CODE CLASSIFICATION SYSTEM

The NIGP Commodity/Services Code classifies products and services in public procurement. The codes are the standard taxonomy for classifying commodities and services for 1000's government entities across the USA and the world.

The codes are used to track data within strategic sourcing and spending to detail where the money is spent and what kinds of items are purchased most. The City uses these codes to track purchasing activity and expense report purchases for budgeting and management reporting, for tracking purchases, and for classifying suppliers by the types of products they provide.

The codes allow the City to look at suppliers' spending across all departments and also compare spending across peer governments. Is Utilities paying the same amount as Public Works? Is a peer government getting a better rate for a category than SLO?

The codes are classified by digit categories; the longer the digits, the more detailed the classification.

The City uses the NIGP 5 Digit code structure to classify spending.

Structure	Sample Code	Description
3 Digit (Class) Code	918	Consulting Services
5 Digit (Class-Item)	918-43	Consulting Services – Environmental

There are over 98,000 codes and subcodes to choose from. The City does not use all 98,000 codes.

To increase operational efficiencies and simplify the process for staff choosing amongst the 1000's NIGP codes, the City has developed a smaller standardized list.

The City's most common NIGP codes are in the below link:

- [SLO NIGP Code Master List](#)

Section 280

PROCURE TO PAY PROCESS (P2P)

The procure-to-pay (P2P) process begins with the requisition of goods or services by a requesting department and ends with payment to the supplier.

Between these two points, common practices and procedures must be followed.

Delivery of goods/services to the City does not constitute acceptance for payment.

Final acceptance for payment shall be given only after delivery and inspection by department requesters that the good/service meets the purchase order conditions.

Final acceptance for payment is verified by departments 'receiving' the invoice in Oracle, ensuring the PO# is on the invoice, and sending the validated final received invoice to Finance for payment.

The following activities and department responsibilities form the P2P process.

Department	Responsibility
Requesting Department	<ul style="list-style-type: none">▪Determine need▪Prepare requisition in Oracle▪Attach to the requisition detailed specifications, quotes, sole-source, CMR, contract, etc.
Budget	<ul style="list-style-type: none">▪Budget approval will auto-approve in Oracle
Purchasing	<ul style="list-style-type: none">▪Review purchase requests for appropriate backup documentation, scope, quote, contracts, authority, etc.▪Ensure policy requirements are met by requesters▪Review purchase terms and conditions
Supplier	<ul style="list-style-type: none">▪Ship supplies to departments or performs service▪Submit the invoice to the requester who will receive the invoice in Oracle and send to accounts payable for payment
Requesting Department	<ul style="list-style-type: none">▪Accept and inspect supplies or service for compliance▪Resolve non-compliant purchases▪Receive purchase in Oracle▪Send invoice to Accounts Payable for payment

Finance Department	<ul style="list-style-type: none">▪ Enter invoice for payment into Oracle▪ Match PO, receiving, and invoice for payment
---------------------------	--

Responsibilities

Finance Department – It shall be the responsibility of the Finance Department to develop and implement procedures for the following:

- Notifying departments of improper invoicing. (within 10 days of receipt of the invoice in AP);
- Providing prompt payment of invoices **within 30 days of receipt by the Finance department;**
- Entering invoices, credit memos, etc. required for payment into the Oracle accounts payable system;
- Providing payment processing procedures to be followed by all City departments.

Requesting Departments – It shall be the responsibility of the departments to develop and implement procedures for the following:

- Entering requisition information with appropriate charge account, amount, and descriptions of what is being purchased into the Oracle system;
- Ensuring that all purchases, except for non-PO exceptions, have purchase order numbers;
- Entering receiving information into Oracle;
- Identifying and resolving receiving issues;
- Working with Finance to resolve payment disputes and issues.

General - The following applies to all external procurement of goods or services for the City:

1. All invoices must be received by the requester in Oracle then sent to Accounts Payable.

2. Accounts Payable will pay after delivery and receiving of the goods/services by the departments and matching the supplier's invoice with the purchase order (3-way match)

Procure to Pay Process (P2p)

3. If an invoice is sent directly to the department – the department shall verify if the invoice is tied to a purchase order. If so, invoice can be sent to Accounts Payable for payment.

4. If the invoice does not have a purchase order number and does not meet an exception, the requester must submit the invoice for a purchase order number, even if after the fact purchase.

5. The invoice shall contain:

- Name of the supplier
- Date of invoice
- Invoice number
- The authorizing City purchase order number
- The correct quantity, amount, and total cost
- Manufacturer name and item number of the goods
- Address to which payment should be made

6. Invoices sent to Accounts Payable must have the purchase order number and receipt number stamped on the invoice.

It is the responsibility of the Finance Department (AP) to conduct the 3-way match.

PUBLIC CONTRACT CODE – SB1383

PUBLIC CONTRACT CODE – PCC DIVISION 2. GENERAL PROVISIONS [1100 - 22355]; (Division 2 enacted by Stats. 1981, Ch. 306.) PART 3. CONTRACTING BY LOCAL AGENCIES [20100 - 22178]; (Part 3 added by Stats. 1982, Ch. 465, Sec. 11.); CHAPTER 3.5. Recycled Product Procurement Mandates Pertaining to Local Governments [22150 - 22154]; (Chapter 3.5 added by Stats. 2005, Ch. 590, Sec. 39.)

22150.

*(a) If fitness and quality are equal, each local public entity shall purchase recycled products, **as defined in Section 12200**, instead of nonrecycled products whenever recycled products are available at the same or a lesser total cost than nonrecycled items.*

(b) A local public entity may give preference to suppliers of recycled products.

(c) A local public entity may define the amount of this preference.

(Added by Stats. 2005, Ch. 590, Sec. 39. Effective January 1, 2006.)

22151.

In bids in which the local government has reserved the right to make multiple awards, the recycled product preference cost shall be applied, to the extent possible, so as to maximize the dollar participation of firms offering recycled products in the contract award.

(Added by Stats. 2005, Ch. 590, Sec. 39. Effective January 1, 2006.)

22152.

(a) All local public entities shall require all business, as defined in Section 12200, to certify in writing the minimum, if not exact, percentage of postconsumer materials in the products, materials, goods, or supplies, offered or sold. All contract provisions impeding the consideration of recycled products shall be deleted in favor of performance standards.

*(b) With respect to printer or duplication cartridges that comply with the **requirements of subdivision (e) of Section 12156**, the certification required by this subdivision shall specify that the cartridges so comply.*

(Added by Stats. 2005, Ch. 590, Sec. 39. Effective January 1, 2006.)

22153.

All printing contracts made by any local public entity shall provide that the paper used shall meet the recycled content requirements of Section 12209.

(Added by Stats. 2005, Ch. 590, Sec. 39. Effective January 1, 2006.)

22154.

(a) All businesses shall certify in writing to the contracting officer, or his or her representative, the minimum, if not exact, percentage of postconsumer material in the products, materials, goods, or supplies being offered or sold to any local public entity.

(b) With respect to printer or duplication cartridges that comply with the requirements of subdivision (e) of Section 12156, the certification required by this section shall specify that the cartridges so comply.

(c) A local public entity may waive the certification requirement if the percentage of postconsumer material in the products, materials, goods, or supplies can be verified in a written advertisement, including, but not limited to, a product label, a catalog, or a manufacturer or Supplier Internet Web site.

(Amended by Stats. 2007, Ch. 130, Sec. 198. Effective January 1, 2008.)

PUBLIC RESOURCES CODE – PRC; DIVISION 30. WASTE MANAGEMENT [40000 - 49620]; (Division 30 added by Stats. 1989, Ch. 1096, Sec. 2.); **PART 3. STATE PROGRAMS [42000 - 42999];** (Part 3 added by Stats. 1989, Ch. 1096, Sec. 2.); **CHAPTER 13.1. Short-Lived Climate Pollutants [42652 - 42654];** (Chapter 13.1 added by Stats. 2016, Ch. 395, Sec. 6.)

42652.5.

(a) The department, in consultation with the State Air Resources Board, shall adopt regulations to achieve the organic waste reduction goals for 2020 and 2025 established in Section 39730.6 of the Health and Safety Code. The regulations shall comply with all of the following:

(1) May require local jurisdictions to impose requirements on generators or other relevant entities within their jurisdiction and may authorize local jurisdictions to impose penalties on generators for noncompliance.

(2) Shall include requirements intended to meet the goal that not less than 20 percent of edible food that is currently disposed of is recovered for human consumption by 2025.

(3) Shall not establish a numeric organic waste disposal limit for individual landfills.

(4) May include different levels of requirements for local jurisdictions and phased timelines based upon their progress in meeting the organic waste reduction goals for 2020 and 2025 established in Section 39730.6 of the Health and Safety Code. The department shall base its determination of progress on relevant factors, including, but not limited to, reviews conducted pursuant to Section 41825, the amount of organic waste disposed compared to the 2014 level, per capita disposal rates, the review required by Section 42653, and other relevant information provided by a jurisdiction.

(5) May include penalties to be imposed by the department for noncompliance. If penalties are included, they shall not exceed the amount authorized pursuant to Section 41850.

(6) Shall take effect on or after January 1, 2022, except the imposition of penalties pursuant to paragraph (1) shall not take effect until two years after the effective date of the regulations.

(b) A local jurisdiction may charge and collect fees to recover the local jurisdiction's costs incurred in complying with the regulations adopted pursuant to this section.

(Added by Stats. 2016, Ch. 395, Sec. 6. (SB 1383) Effective January 1, 2017.)

PUBLIC RESOURCES CODE – PRC; DIVISION 30. WASTE MANAGEMENT [40000 - 49620]; (Division 30 added by Stats. 1989, Ch. 1096, Sec. 2.) **PART 1. INTEGRATED WASTE MANAGEMENT [40000 - 40511];** (Part 1 added by Stats. 1989, Ch. 1096, Sec. 2.)

CHAPTER 3. Department of Resources Recycling and Recovery [40400 - 40511]; (Heading of Chapter 3 amended by Stats. 2009, Ch. 21, Sec. 7.); **ARTICLE 3. Powers and Duties [40501 - 40511];** (Article 3 added by Stats. 1989, Ch. 1095, Sec. 22.)

40501.

The Department of Resources Recycling and Recovery may hold any hearings and conduct any investigations in any part of the state necessary to carry out its powers and duties.

(Amended by Stats. 2009, Ch. 21, Sec. 15. (SB 63) Effective January 1, 2010.)

40502.

(a) The board shall adopt rules and regulations, as necessary, to carry out this division in conformity with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The board shall make available to any person, upon request, copies of proposed regulations.

(b) (1) The board shall adopt regulations regarding city, county, and regional agency source reduction and recycling elements and nondisposal facility elements, required to be submitted to the board pursuant to Section 41791.5, which shall be deemed to be emergency regulations and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of public peace, health and safety, or general welfare. These emergency regulations shall not alter the deadlines for the submission of countywide and regional agency integrated waste management plans specified in Section 41791.

(2) Prior to adopting the emergency regulations required pursuant to paragraph (1), the board shall do all of the following:

(A) Make available to any person, upon request, a copy of the proposed regulations at least 30 days prior to adoption.

(B) Hold at least two public hearings in different parts of the state in order to receive public comment on the regulations.

(C) Publish notice in the California Regulatory Notice Register of the proposed adoption of the emergency regulations, the identity of a contact person at the board from whom copies of the proposed regulations may be obtained, and the dates, times, and locations of the public hearings that are required pursuant to subparagraph (B).

(c) Any emergency regulations adopted by the board pursuant to paragraph (1) of subdivision (b) shall be filed with the Office of Administrative Law at the earliest feasible date, but not later than December 31, 1993. Notwithstanding subdivision (e) of Section 11346.1 of the Government Code, any emergency regulations adopted pursuant to paragraph (1) of subdivision (b) shall remain in effect for not more than three years from the date of adoption.

(Amended by Stats. 1993, Ch. 1169, Sec. 3. Effective October 11, 1993.)

PUBLIC RESOURCES CODE – PRC; DIVISION 30. WASTE MANAGEMENT [40000 - 49620]; (Division 30 added by Stats. 1989, Ch. 1096, Sec. 2.); **PART 4. SOLID WASTE FACILITIES [43000 - 44820];** (Part 4 added by Stats. 1989, Ch. 1095, Sec. 22.); **CHAPTER 1. Solid Waste Facility Standards [43000 - 43050];**(Chapter 1 added by Stats. 1989, Ch. 1095, Sec. 22.); **ARTICLE 2. Handling and Disposal Standards [43020 - 43035];** (Article 2 added by Stats. 1989, Ch. 1095, Sec. 22.)

43020.

The board shall adopt and revise regulations which set forth minimum standards for solid

waste handling, transfer, composting, transformation, and disposal, in accordance with this division, and Section 117590 of, and Chapter 6.5 (commencing with Section 25100) of Division 20 of, the Health and Safety Code. The board shall not include any requirements that are already under the authority of the State Air Resources Board for the prevention of air pollution or of the state water board for the prevention of water pollution.

(Amended by Stats. 1996, Ch. 1023, Sec. 405. Effective September 29, 1996.)

43021.

Regulations shall include standards for the design, operation, maintenance, and ultimate reuse of solid waste facilities, but shall not include aspects of solid waste handling or disposal which are solely of local concern or which are within the jurisdiction of the State Air Resources Board, air pollution control districts and air quality management districts, or the state water board or regional water boards.

HEALTH AND SAFETY CODE – HSC; DIVISION 26. AIR RESOURCES [39000 - 44474]; (Division 26 repealed and added by Stats. 1975, Ch. 957.); **PART 2. STATE AIR RESOURCES BOARD [39500 - 39961];** (Part 2 added by Stats. 1975, Ch. 957.); **CHAPTER 4.2. Global Warming [39730 - 39734];** (Chapter 4.2 added by Stats. 2014, Ch. 523, Sec. 1.)

39730.6

(a) Consistent with Section 39730.5, methane emissions reduction goals shall include the following targets to reduce the landfill disposal of organics:

(1) A 50-percent reduction in the level of the statewide disposal of organic waste from the 2014 level by 2020.

(2) A 75-percent reduction in the level of the statewide disposal of organic waste from the 2014 level by 2025.

(b) Except as provided in this section and Section 42652.5 of the Public Resources Code, the state board shall not adopt, prior to January 1, 2025, requirements to control methane emissions associated with the disposal of organic waste in landfills other than through landfill methane emissions control regulations.

(Added by Stats. 2016, Ch. 395, Sec. 3. (SB 1383) Effective January 1, 2017.)

PUBLIC CONTRACT CODE – PCC; DIVISION 2. GENERAL PROVISIONS [1100 - 22355]; (Division 2 enacted by Stats. 1981, Ch. 306.; **PART 2. CONTRACTING BY STATE AGENCIES [10100 - 19150];** (Heading of Part 2 added by Stats. 1982, Ch. 1120, Sec. 6.); **CHAPTER 4. State Agency Buy Recycled Campaign [12153 - 12217];** (Heading of Chapter 4 amended by Stats. 2005, Ch. 590, Sec. 7.); **ARTICLE 4. Recycled Materials, Goods, and Supplies [12200 - 12217];** (Article 4 added by Stats. 1989, Ch. 1094, Sec. 10.)

12200.

For the purpose of this article, the following definitions shall apply:

(a) “Board” means the California Integrated Waste Management Board, as defined pursuant to Section 40110 of the Public Resources Code.

(b) “Business” includes bidders, contractors, and other interested parties that provide services to, or sell products to, the state.

- (c) “Department” means the Department of General Services.
- (d) “Director” means the Director of General Services.
- (e) “Postconsumer material” means a finished material that would have been disposed of as a solid waste, having completed its life cycle as a consumer item, and does not include manufacturing wastes.
- (f) “Product categories” include paper products, printing, and writing papers, compost, cocompost, or mulch, glass, oil, plastic, paint, tires, tire-derived products, antifreeze, and metal.
- (g) “Purchase” means any contractual agreement that state agencies use to obtain goods or materials.
- (h) “Recycled products” mean goods or materials that meet the requirements identified in Section 12209, including any good or material that has been reused or refurbished without substantial alteration of its original form.
- (i) “Reportable purchase” means the purchase of any goods or materials, with recycled content or not, that may be reported or categorized or classified within one of the product categories identified in Section 12207.
- (j) “Reportable recycled product purchase” means the purchase of any goods or materials that meet the requirements identified in Section 12209, that may be reported or categorized or classified within one of the product categories identified in Section 12207, including any good or material that has been reused or refurbished without substantial alteration of its original form.
- (k) “SABRC” means the State Agency Buy Recycled Campaign.
- (l) “Secondary material” means fragments of finished products or finished products of a manufacturing process, that has converted a resource into a commodity of real economic value, but does not include excess virgin resources of the manufacturing process, such as fibers recovered from wastewater, trimmings of paper machine rolls, mill broke, plastic, or metal trimmings, or shavings, or other residue from a manufacturing process. Secondary material does not include postconsumer material, so that the secondary material plus the postconsumer material plus the virgin material adds up to 100 percent of the product.
- (m) “State agency” means each entity identified in Section 11000 of the Government Code, and includes the California State University.
- (Amended by Stats. 2005, Ch. 590, Sec. 25. Effective January 1, 2006.)

12201.

(a) The Legislature finds and declares that it is the policy of the state to conserve and protect its resources. The Legislature further finds and declares that the use of recycled products produced as the result of the superior waste management efforts by the state and local governmental entities will help conserve resources.

(b) It is the intent of the Legislature that the state pursue all feasible measures to improve markets for recycled products including, but not limited to, bid evaluation preferences for purchases made by the state.

(c) If fitness and quality are equal, each state agency shall purchase recycled products instead of nonrecycled products whenever recycled products are available at the same or a lesser total cost than nonrecycled products.

(Added by Stats. 2005, Ch. 590, Sec. 26. Effective January 1, 2006.)

12203.

Each state agency shall ensure each of the following:

- (a) (1) Before January 1, 2020, at least 50 percent of reportable purchases are recycled

products.

(2) On and after January 1, 2020, at least 75 percent of reportable purchases are recycled products, except for paint, antifreeze, and tires.

(3) On and after January 1, 2020, at least 50 percent of reportable purchases of paint, antifreeze, and tires are recycled products.

(b) The requirements specified in this article apply to all reportable purchases of state agencies for product categories listed in this article.

(c) The reportable purchases of state agencies shall meet each requirement for, and be applied to the total dollar amount of, each specified product category as defined in this article. The purchase of a recycled product from one category may not be applied toward the requirements for, or the total dollar amount of, any other category listed in this article.

(d) Each state agency shall require the businesses with whom it contracts to use, to the maximum extent economically feasible in the performance of the contract work, recycled products.

(Amended by Stats. 2014, Ch. 617, Sec. 1. (AB 2675) Effective January 1, 2015.)

12205.

(a) (1) All state agencies shall require all businesses to certify in writing the minimum percentage, if not the exact percentage, of postconsumer material in the products, materials, goods, or supplies offered or sold to the state regardless of whether the product meets the requirements of Section 12209. The certification shall be furnished under penalty of perjury. The certification shall be provided regardless of content, even if the product contains no recycled material.

(2) With respect to printer or duplication cartridges that comply with the requirements of subdivision (e) of Section 12156, the certification required by this subdivision shall specify that the cartridges so comply.

(3) A state agency may waive the certification requirement if the percentage of postconsumer material in the products, materials, goods, or supplies can be verified in a written advertisement, including, but not limited to, a product label, a catalog, or a manufacturer or Supplier Internet Web site.

(b) (1) All businesses shall certify in writing to the contracting officer or his or her representative the minimum percentage, if not the exact percentage, of postconsumer material in the products, materials, goods, or supplies being offered or sold to the state regardless of whether the product meets the requirements of Section 12209. The certification shall be furnished under penalty of perjury. The certification shall be provided regardless of content, even if the product contains no recycled material.

(2) With respect to printer or duplication cartridges that comply with the requirements of subdivision (e) of Section 12156, the certification required by this subdivision shall specify that the cartridges so comply.

(3) A state agency may waive the certification requirement if the percentage of postconsumer material in the products, materials, goods, or supplies can be verified in a written advertisement, including, but not limited to, a product label, a catalog, or a manufacturer or Supplier Internet Web site.

(Repealed and added by Stats. 2005, Ch. 590, Sec. 29. Effective January 1, 2006.)

12207.

This article applies to the purchase of goods and materials from the following product categories:

(a) Paper products, including, but not limited to, paper janitorial supplies, cartons,

wrapping, packaging, file folders, and hanging files, building insulation and panels, corrugated boxes, tissue, and toweling.

(b) Printing and writing papers including, but not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, note pads, writing tablets, newsprint, and other uncoated writing papers, posters, index cards, calendars, brochures, reports, magazines, and publications.

(c) Mulch, compost, and cocompost products including soil amendments, erosion controls, soil toppings, ground covers, weed suppressants, and organic materials used for water conservation.

(1) “Compost” means a product that meets the following requirements:

(A) It results from the controlled biological decomposition of organic materials, including, but not limited to, yard trimmings and wood byproducts that are separated from the municipal solid waste stream at the source of generation or at a centralized facility, or other source of organic materials.

(B) It is produced by a public or private supplier that is in compliance with the board’s composting operations regulatory requirements.

(2) “Cocompost” means a product that meets the following requirements:

(A) It results from the controlled biological decomposition of a blend of organic materials, including, but not limited to, yard trimmings and wood byproducts that are separated from the municipal solid waste stream at the source of generation or at a centralized facility, and also including, but not limited to, biosolids or other comparable substitutes such as livestock, horse, or other animal manure, food residues, or fish processing byproducts.

(B) It is produced by a public or private supplier that is in compliance with the board’s composting operations regulatory requirements.

(3) “Mulch” means a product that meets the following requirements:

(A) It results from the mechanical breakdown (chipping and grinding) of materials, including, but not limited to, yard trimmings and wood byproducts that are separated from the municipal solid waste stream at the source of generation or at a centralized facility.

(B) It is produced by a public or private supplier that is in compliance with the board’s composting operations regulatory requirements.

(d) Glass products including, but not limited to, windows, test tubes, beakers, laboratory or hospital supplies, fiberglass (insulation), reflective beads, tiles, construction blocks, desktop accessories, flat glass sheets, loose-grain abrasives, deburring media, liquid filter media, and containers.

(e) Lubricating oils including, but not limited to, any oil intended for use in a crankcase, transmission, engine, power steering, gearbox, differential chainsaw, transformer dielectric fluid, cutting, hydraulic, industrial, or automobile, bus, truck, vessel, plane, train, heavy equipment, or machinery powered by an internal combustion engine.

(f) (1) Plastic products including, but not limited to, printer or duplication cartridges, diskette, carpet, office products, plastic lumber, buckets, wastebaskets, containers, benches, tables, fencing, clothing, mats, packaging, signs, posts, binders, sheet, buckets, building products, garden hose, and trays.

(2) For purposes of this subdivision, “printer or duplication cartridges” has the same meaning as described in paragraph (2) of subdivision (f) of Section 12209.

(g) Paint, including, but not limited to, water-based paint, graffiti abatement, interior and exterior, and maintenance.

(h) Antifreeze, including recycled antifreeze, and antifreeze containing a bittering agent or

made from polypropylene or other similar nontoxic substance.

(i) Tires including, but not limited to, truck and bus tires, and those used on fleet vehicles and passenger cars.

(j) Tire-derived products including, but not limited to, flooring, mats, wheelchair ramps, playground cover, parking bumpers, bullet traps, hoses, bumpers, truck bedliners, pads, walkways, tree ties, road surfacing, wheel chocks, rollers, traffic control products, mudflaps, and posts.

(k) Metal including, but not limited to, staplers, paper clips, steel furniture, desks, pedestals, scissors, jacks, rebar, pipe, plumbing fixtures, chairs, ladders, file cabinets, shelving, containers, lockers, sheet metal, girders, building and construction products, bridges, braces, nails, and screws.

(Added by Stats. 2005, Ch. 590, Sec. 30. Effective January 1, 2006.)

12209.

For purposes of this article, the following minimum content requirements apply:

(a) Recycled paper products shall consist of at least 30 percent, by fiber weight, postconsumer fiber.

(b) (1) Recycled printing and writing paper shall consist of at least 30 percent, by fiber weight, postconsumer fiber.

(2) Printed newspapers that meet the requirements of Chapter 15 (commencing with Section 42750) of Part 3 of Division 30 of the Public Resources Code shall be considered in compliance with the requirements of this section.

(c) For recycled compost, cocompost, and mulch, at least 80 percent of the product shall consist of materials, including, but not limited to, the materials listed in subdivision (c) of Section 12207, that would otherwise be normally disposed of in landfills.

(d) For recycled glass, the total weight shall consist of at least 10 percent postconsumer material.

(e) Rerefined lubricating oil shall have a base oil content consisting of at least 70 percent rerefined oil.

(f) (1) For recycled plastic products, other than printer or duplication cartridges, the total weight shall consist of at least 10 percent postconsumer material.

(2) Recycled printer or duplication cartridges shall comply with either the requirements set forth in subdivision (e) of Section 12156 or the general requirement for recycled plastic products set forth in paragraph (1).

(g) Recycled paint shall have a recycled content consisting of at least 50 percent postconsumer paint. Preconsumer or secondary paint does not qualify as “recycled paint” pursuant to this subdivision. If paint containing 50 percent postconsumer content is unavailable, or is restricted by a local air quality management district, a state agency may substitute paint with at least 10 percent postconsumer content.

(h) Recycled antifreeze fluid shall have a recycled content of at least 70 percent postconsumer materials.

(i) Retreaded tires must use an existing casing that has undergone an approved or accepted recapping or retreading process, in accordance with Chapter 7 (commencing with Section 42400) of Part 3 of Division 30 of the Public Resources Code.

(j) For tire-derived products, the total content shall consist of at least 50 percent recycled used tires.

(k) For recycled metal products, the total weight shall consist of at least 10 percent postconsumer material.

*(l) For reused or refurbished products, there is no minimum content requirement.
(Added by Stats. 2005, Ch. 590, Sec. 31. Effective January 1, 2006.)*

12211.

(a) A state agency shall report annually to the board its progress in meeting the recycled product purchasing requirements using the SABRC report format provided by the Department of Resources Recycling and Recovery.

(b) On or before October 31 of each year, the department shall provide to the Department of Resources Recycling and Recovery the following information:

(1) A list, by category, of individual reportable recycled products, materials, goods, and supplies that were available for purchase by state agencies from a statewide-use contract, agreement, or schedule during the previous fiscal year.

(2) A list, by category, of all reportable products, materials, goods, and supplies that were available for purchase by state agencies from a statewide-use contract, agreement, or schedule, including contract, agreement, or schedule tracking numbers, during the previous fiscal year.

(Amended by Stats. 2014, Ch. 617, Sec. 2. (AB 2675) Effective January 1, 2015.)

12215.

Each state agency may, at the discretion of the individual agency director or his or her designee, print a statement on recycled products selected by the agency director. This statement shall be determined by the department, in consultation with the board, and shall be similar to the following: "Contains at least ____ percent postconsumer material."

(Added by Stats. 2005, Ch. 590, Sec. 35. Effective January 1, 2006.)

12217.

(a) If at any time a requirement has not been met, the department, in consultation with the board, shall review purchasing policies and shall make recommendations for immediate revisions to ensure that the recycled product purchasing requirements are met.

(b) In determining purchasing specifications, with the exception of any specifications that have been established to preserve the public health and safety, all state purchasing specifications shall be established in a manner that results in the maximum state purchase of recycled products.

(c) If a recycled product, as defined in subdivision (h) of Section 12200, costs more than the same product made with virgin material, the state agency shall, if feasible, purchase fewer of those more costly products or apply the cost savings, if any, gained from buying other recycled products towards the purchase of those more costly products to meet the solid waste diversion goals of Section 41780.

(d) Each state agency shall establish purchasing practices that ensure the purchase of goods and materials that may be recycled or reused. Each state agency shall continue activities for the collection, separation, and recycling of recyclable materials and may appoint a recycling coordinator to assist in implementing this section.

(e) To assist the state in meeting the requirements of this article, each state agency, and the department, in consultation with the board, may also establish recycled product-only bids, cooperative purchasing arrangements, or other mechanisms to meet the requirements for recycled products and to encourage the maximum state purchase of recycled products.

(f) The department, in consultation with the board, shall review and revise the purchasing specifications used by state agencies in order to eliminate restrictive specifications and discrimination against the purchase of recycled products and to ensure that they are drafted in a

manner that results in the maximum state purchase of recycled products. All contract provisions impeding the consideration of recycled products shall be deleted in favor of performance standards.

(g) Any state agency that is required to submit an SABRC report to the board, pursuant to Section 12211, is subject to a review conducted by the board or its designee.

(Added by Stats. 2005, Ch. 590, Sec. 36. Effective January 1, 2006.)

PUBLIC CONTRACT CODE – PCC DIVISION 2. GENERAL PROVISIONS [1100 - 22355]; (*Division 2 enacted by Stats. 1981, Ch. 306*); **PART 2. CONTRACTING BY STATE AGENCIES [10100 - 19150];** (*Heading of Part 2 added by Stats. 1982, Ch. 1120, Sec. 6.*); **CHAPTER 4. State Agency Buy Recycled Campaign [12153 - 12217];** (*Heading of Chapter 4 amended by Stats. 2005, Ch. 590, Sec. 7.*); **ARTICLE 1. General Provisions [12153 - 12156];** (*Article 1 added by Stats. 1989, Ch. 1094, Sec. 10.*)

12156.

(a) Except as provided in subdivision (b), no state agency shall purchase any printer or duplication cartridge for which the manufacturer, wholesaler, distributor, retailer, or remanufacturer places restrictions on the recycling or remanufacturing of that cartridge by any other person. For purposes of this section, these restrictions include, but are not limited to, all of the following:

(1) Reducing the price of the cartridge in exchange for any agreement not to remanufacture the cartridge.

(2) A licensing agreement on the cartridge that forbids remanufacturing.

(3) Any contract that forbids the remanufacturing or recycling of the cartridge.

(b) Notwithstanding subdivision (a), a manufacturer, wholesaler, distributor, retailer, or remanufacturer who establishes a recycling or remanufacturing program that is available to its customers may enter into signed agreements with those customers consenting to the return of the used cartridge to the manufacturer, wholesaler, distributor, retailer, or remanufacturer, only for either of the following purposes:

(1) Recycling and remanufacturing, for purposes of making the remanufactured cartridge available for purchase.

(2) Recycling.

(c) Each state agency shall print a statement on the cover of its printer or duplicator cartridge bid packages, or in some other noticeable place in the bid packet, notifying all bidders that it is unlawful to prohibit a printer or duplication cartridge that is sold to the state from being recycled or remanufactured, except as specified in subdivision (b).

(d) This section does not authorize any violation of the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code) or the Unfair Practices Act (Chapter 4 (commencing with Section 17000) of Part 2 of Division 7 of the Business and Professions Code).

(e) As used in this section, the following terms mean:

(1) "Printer or duplication cartridge" means a cartridge, including, but not limited to, a toner or ink cartridge, used in printer or duplication equipment for business or personal use.

(2) "Recycled" means a printer or duplication cartridge that would otherwise become solid waste, but which has undergone a process of collecting, sorting, cleansing, treating, or reconstituting, and which has been returned for the manufacture of new products or the remanufacture of used cartridges.

(3) "Remanufactured" means a printer or duplication cartridge that has served its intended

end use, but, rather than being discarded or disposed of, has instead been restored, renovated, repaired, or recharged, without substantial alteration of its form.

(Added by Stats. 1999, Ch. 910, Sec. 1. Effective January 1, 2000.)