

## CITY OF WEST SACRAMENTO

**ADMINISTRATIVE POLICY**

NUMBER: IV-B-1

DATE: September 8, 1992  
Revised: August 1, 2007  
Revised: July 1, 2009  
Revised: January 1, 2010  
Revised: July 1, 2011  
Revised: November 26, 2013  
Revised: October 24, 2014

**SUBJECT: PURCHASING**

AUTHORITY: City Council

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### **PURPOSE**

Pursuant to Section 3.04.030 of the West Sacramento Municipal Code, this policy sets forth procedural regulations for the purchase of supplies and equipment, contracting of services and awarding of public project contracts. These regulations are intended to provide a systematic and uniform method of purchasing goods and services for the City. The purpose of these regulations is to ensure that purchases made and services contracted are in the best interest of the public, acquired in a cost-effective manner, and, wherever feasible, reduce the impact of such purchases and services on public health and the environment and support the purchase of recycled and environmentally preferable products.

### **POLICY**

- A. It shall be the City's policy to pay the least amount possible for what is deemed necessary with consideration given, among other things, to:
- the quality of the supplies and equipment, including, but not limited to, whether or not they are durable, long-lasting, reusable, energy- or water-efficient, low-toxicity, able to reduce the City's climate and other environmental impacts, certified as environmentally preferable to meet independent, third-party social and/or environmental product or service standards that are deemed accepted by the City;
  - the ability, capacity and skill of the provider to perform the service,
  - the ability of the provider to perform the service within the time specified, without delay
  - the character, integrity, reputation, judgment, experience and efficiency of the provider,
  - the quality of the provider's performance on previous purchases by, or contracted with the City,
  - the ability of provider to provide further maintenance, repair parts and services for equipment provided,
  - the ability of the provider to offer free or low-cost "take back" services for their products, especially those that contain hazardous materials, to ensure that these items are safely and properly managed at the end of their useful life, and
  - the ability of the provider to assist the city in meeting its environmental, public health and other sustainability goals and in documenting, monitoring, and reporting the climate and other environmental benefits of the products they sell to the city.
- B. In order to validate the policy expressed in "A" it shall also be the City's policy to re-bid service contracts at the end of their term unless a persuasive case can be made that it is in the City's best interest to extend them. In making this case, consideration shall be given to the following:

- Quality of Service. Will rebidding greatly increase the risk of lower service due to inexperience with local conditions? Will service decline appreciably from disruptions due to a lengthy learning curve and/or a complex changeover?
  - Price. Will rebidding greatly increase the risk of higher prices? Does a survey of prices in the Sacramento region show the existing price as relatively low? Will the existing provider provide price concessions?
- C. All purchases shall be in keeping with policies expressed by the City Council through the General Plan, Annual Budget, Ordinance, Resolutions, and Minute Orders. Furthermore, all purchases shall be made from unencumbered appropriations. Accordingly, no open market purchase shall be made, no notice of award shall be issued, no contract shall be signed until the approving authority has determined that the unexpended appropriation is sufficient to defray the amount of such purchase or contract, or until provisions for modifying the appropriation are made.
- D. The City recognizes the many benefits accruing from a flourishing business economy to the community in general and the city organization in particular. Accordingly, the City Council encourages purchasing from businesses with a valid City of West Sacramento Business License.
- E. It shall be unlawful for any officer or employee of the City to obligate the City in any way for purchases by methods other than herein prescribed. Any purchases, orders, commitments or obligations to pay made by an employee contrary to the provisions of this policy, administrative procedures or City ordinance shall subject the employee to discipline up to and including termination.
- F. The Director of Administrative Services (acting as the Director of Finance) shall act as the Purchasing Agent, and shall be responsible for the proper administration of this directive. The Purchasing Agent may delegate such responsibilities and duties assigned to him/her as he/she finds appropriate and desirable.

It shall be the responsibility of City Department Heads to become familiar with this policy. Additionally, Department Heads shall be responsible for adhering to and carrying out this policy in their departments. Failure to know and comprehend the contents of this policy will not be a defense in case of any disciplinary action for violation of any of the procedures. It is understood that no delegation of duties removes this responsibility for compliance from the Department Head.

Accordingly, the Purchasing Agent's responsibility falls short of approving specific purchases. Rather, he/she helps to ensure general compliance with the spirit and letter of the City's purchasing policy. This review may include (i) individual discussions, (ii) inspections of department records, (iii) review of proposed purchase orders over \$3,500, and (iv) review of invoices and departmental certifications.

## **PROCEDURE**

- A. Background:** General law cities have those powers conferred by the California Constitution and by the Legislature through its enactment of general laws. By this same authority, cities have constraints imposed upon them.

Under California law, general law cities have general authority to enter into contracts to carry out necessary functions. This ability to contract provides broad authority to purchase supplies and equipment, services and award public projects.

The City's Purchasing Code (Code), beginning with Section 3.04.010 of the Municipal Code, primarily appoints the Director of Finance as Purchasing Agent, and directs him/her to prepare procedural regulations. Because State law specifically requires cities to adopt procedures for acquiring supplies and equipment, the Code also provides these procedures. These procedures are also provided by this Administrative Policy.

**B. Glossary:** This section sets forth a collection of specialized terms with accompanying definitions.

- *Appropriation:* Pursuant to Section 3.04.050 of the Municipal Code, purchases shall be made from unencumbered appropriations. For this purpose, each budget activity shall have three appropriation categories: Personnel Services; Supplies, Services and Other; and Equipment and Construction. The sum of the various line item appropriations in each category shall be the appropriation for the category.
- *Approval:* Shall mean an authorized signature binding the City in a market purchase (i.e., Department Head, Purchasing Agent, Council).
- *Authorization:* Shall mean the expressed right by General Plan, Ordinance or policy to bind the City in a market purchase.
- *Competitive Bid:* Shall mean an offer, or the process leading to an offer, submitted pursuant to a public notice inviting suppliers to provide the City with specified supplies and equipment, services or public projects; and which offers are submitted as sealed bids.
- *Contractual Service Agreements:* Shall mean any service not performed by City personnel, including the following, but excluding public projects.
  - Telephone, gas, water, electric and other utility service
  - Towel, window washing and cleaning services
  - Banking, loaning, leasing and other financial services
  - The rental of equipment and facilities.
  - The services of attorneys, physicians, architects, engineers, consultants or other individuals or organizations possessing a high degree of technical and professional skills.
  - Insurance, maintenance agreements and other forms of guarantee.
  - Labor and materials provided by individuals acting as independent contractors or by organizations, unless provided as part of a public project.
  - Other items not considered supplies and equipment or public projects.
- *Environmentally Preferable Products or Services:* Shall mean products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. This comparison may consider raw materials acquisition, product, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product or service
- *Open Market Purchase:* Shall mean the purchase of supplies and equipment, services, or the sale of surplus property without the need for soliciting sealed bids or awarding to the lowest bidder.
- *Personnel Services:* Shall mean any service performed by an officer or employee of the City, whether elected or appointed, full or part-time. Disbursements associated with personnel services shall include all forms of compensation, including salary, wages, and employee benefits.
- *Public Project:* Shall have the meaning ascribed to it in section 20161 of the Public Contracts Code, as follows:
  - A project for the erection, improvement, painting or repair of public buildings and works.

- Work in or about streams, bays, waterfronts, embankments, and other work for protection against overflow.
- Street or sewer work except maintenance or repair.
- Furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.
- *Purchase*: Shall mean all obligations to disburse public funds except for personnel services. All such purchases shall be included in one of the following categories;
  - Supplies and Equipment
  - Services
  - Public Projects
- *Responsible Bidder*: Shall mean a bidder who has furnished, when requested, information and data to provide that his financial resources, production or service reputation and experience adequate to make satisfactory delivery of supplies and equipment to satisfy any provision of the Ordinance.
- *Supplies and Equipment*: Supplies shall mean those regularly purchased and consumed by the City. These items include, but are not limited to, office supplies, janitorial supplies, building and maintenance materials and supplies, asphalt, fertilizers, chemicals, pipes, fittings, etc. Equipment shall mean mechanical implements and apparatus used in an operation or activity, such as motors, pumps, rolling stock. Equipment shall include capitalized fixed assets, as well as items entirely expensed in the year purchased.

**C. Solicitation Requirements:** It shall be the City's practice to do whatever solicitation is called for to ensure policy compliance. The form of solicitation may include personal shopping, use of catalogues, oral or written quotes, or competitive bid.

It shall be in conflict with the spirit of this section to split or separate into smaller orders any order for the purpose of evading the proper approving authority.

1. Delegation of Duties: The Purchasing Agent delegates all solicitation duties to Department Heads.
2. Estimated Value: The appropriate level of control is set by estimated value; the higher the value, the more formal the solicitation requirement. Estimated value refers to the maximum amount the City could be obligated to pay.
3. Rule of Three: Items having an estimated value including and between \$1,000 and under \$3,500 shall have three oral quotes. Items having an estimated value including and between \$3,500 and under \$15,000 shall have three written quotes. Items \$15,000 and over in estimated value require either three written quotes or competitive bidding as determined by the Purchasing Agent or designee. This rule shall not apply under any of the following circumstances:
  - The item has an estimated value of under \$1,000.
  - The item is part of a group purchase with another public entity. This includes vehicles purchased through the State of California, Department of General Services, Office of Procurement (vendor no. 044310). Policy IV-B-6 sets forth instructions for ordering vehicles through the State of California.
  - The item is being purchased through a purchasing alliance, which means the City is "piggybacking" onto a contract that has been extended to local governments where competitive bidding has been satisfied. (e.g., FedBid).
  - The item is provided by only one source. A memorandum of the justification of the sole source shall be approved by the Purchasing Agent and/or designee when sole source

method of purchasing is used. This should be done in advance of securing a contract or agreement.

- The item is needed for an emergency, described as follows: Emergency contracts which require prompt execution of the contract because of an imminent threat to the safety or welfare of the public, of public property, or of private property; circumstances which place the City or its officers and agents in a position of serious legal liability; or circumstances which are likely to cause the City to suffer financial harm or loss, the gravity of which clearly outweighs the benefits of competitive bidding in the usual manner. The City Council shall be notified of any emergency contract which would have normally required their approval as soon as reasonably possible.

4. Request for Qualifications/Proposal: In some cases, the Department Head may informally solicit and consider the qualifications of at least three persons or firms who appear to be capable of meeting their requirements. If the amount is at or over \$3,500 the responses should be in writing. In other cases, however, the Department Head may formalize the solicitation process through a written Request for Qualifications (RFQ).

For services with an estimated value of \$15,000 and over, this determination shall be made by the Purchasing Agent or designee.

- a. RFQs shall be evaluated on the following criteria:

- The individual or organization must be of high ethical and professional standing, and must be prepared to submit references from persons of known repute;
- When applicable, the individual or a principal member of the organization must have significant recent experience in responsible charge of work of the type required;
- The individual or organization must have the professional, technical and financial resources adequate to accomplish the work efficiently, effectively and responsibly in the required time.

- b. After evaluation, candidates shall be rated in order of desirability. The Department Head shall then request a sealed bid from the top three candidates.
- c. After receiving the sealed bids, the top three candidates will again be evaluated based upon the criteria used to evaluate qualifications as well as bid price.
- d. The Approving Authority shall discuss the requirements and needs of the City in detail with the individual or organization considered to be the best qualified, and negotiate terms and compensation. If agreement cannot be reached, the negotiations shall be terminated and the individual or organization notified. A similar interview shall then follow with the second ranking individual or organization and, failing accord, the third shall be called.
- e. Any discussion or negotiations shall be on a confidential basis and in no case shall the compensation or work approach of one candidate be disclosed to another, unless required pursuant to the Public Records Act.

5. Competitive Bid: When a competitive bid is required, it shall be contracted for and let to the lowest responsible bidder after notice in accordance with the State Public Projects Code.

6. Used Supplies and Equipment: Previously owned equipment and other used items present unique comparison shopping problems. Accordingly, alternative means of establishing market value need to be considered on a case-by-case basis. Such means may include "blue book" values and public auction.

**D. Requisition Procedure:** It shall be the City's practice to issue purchase orders for all purchases. This requisition procedure sets forth the steps necessary to have a purchase order issued.

This requisition procedure is designed for efficiency and to allow the Purchasing Agent to monitor compliance with the Manual before the City is obligated to pay.

1. Data Entry: Each Department shall perform the data entry work necessary to request a Purchase Order. Purchase Order System Instructions and Requisition Form Instructions are available upon request from the Finance Department.
2. Approval: The appropriate level of control is set by estimated value; the higher the value, the higher the approving authority.
  - a. Hierarchy of Authority - Items having an estimated value of \$3,500 or under may be approved by the Department Head or designee. Items having an estimated value under \$15,000 may be approved by the Purchasing Agent or designee. Items having an estimated value of \$50,000 or under may be approved by the City Manager or designee. And items over \$50,000 in estimated value require Council approval either as an itemized cost in the budget or as a separate action.
  - b. Supplies and Equipment - Municipal Code Section 2.08.050H provides powers and duties of the City Manager, "To be responsible for purchasing pursuant to the provisions of chapter 3.04 for all departments of the city". Accordingly, pursuant to Section 2.08.050, the maximum amount the City Manager can commit the city to for supplies and equipment is \$50,000.
  - c. Contractual Service Agreements - Government Code Section 37103 provides that "the legislative body may contract with any specially trained and experienced person, firm or corporation for special services and advice in financial, economic, accounting, engineering, legal or administrative matters." Municipal Code Section 2.08.050 provides powers and duties of the City Manager "To approve agreements for contractual services as defined in Chapter 3.04 and in accordance with administrative policies adopted by the City Council, which shall, among other things, establish the maximum compensation that may be provided for in any such agreement." Accordingly, pursuant to Section 2.08.050, the maximum amount the City Manager can commit the City to by written agreement is \$50,000.
  - d. Although Council has delegated purchasing approval authority at or below \$50,000, all purchases, regardless of cost, that have policy implications shall be submitted to Council for approval.
  - e. Solicitation Compliance Form - This form (copy attached to this policy) should be used to document compliance with Solicitation Requirements. A completed form should be available to the approving authority and should accompany the invoice sent to Finance to request payment.
3. Supplies and Equipment: This section sets forth special considerations for purchases of supplies and equipment.
  - a. Splitting Order - It shall be in conflict with the spirit of this section to split or separate into smaller orders any order for the purpose of evading the proper approving authority.
4. Services: This section sets forth special considerations for contracting for services.
  - a. Competitive Proposal Procedure - Awards shall be to the most qualified proposer whose proposal has been solicited, received and approved in accordance with the following:

- i. Notice Inviting Proposals: The notice inviting proposals shall include:
    - A general description of the project.
    - The location where the proposal forms, specifications and criteria, including price upon which the most qualified proposal will be selected, may be secured.
    - The time and place for opening proposals, if necessary.
  - ii. Opening and Public Record: Proposals shall be opened in public at the time and place stated in the notice for public projects as defined in Public Contract Code section 20160, *et seq.* A tabulation of all proposals received shall be prepared and presented to the approving authority. This tabulation shall summarize the criteria used to select the most qualified proposal and the ranking of each proposal in accordance with this criterion.
  - iii. Award of Contract: The award shall be given to any qualified proposer. Cost can be a consideration in the final selection.
- b. Vendor Service Contract - When a vendor requires his standard contract for service, the City Manager may sign those contracts within his/her approving authority.
- c. Formal Contract - When a service requires a formal contract below \$50,000, the City Attorney may be called upon to approve, as to form prior to its being signed by the Approving Authority. Department Heads should exercise discretion.
5. Award of Public Project: This section sets forth general rules for awarding Public Projects.
- a. Splitting Project - It shall be improper to split or separate into smaller projects any project for the purpose of evading City Council award or competitive bidding.
  - b. Competitive Bid Procedure - Awards shall be to the lowest responsible bidder whose bid has been solicited, received and approved in accordance with the State Public Project Code.
    - i. Notice Inviting Bids: The notice inviting bids shall include:
      - A general description of the project.
      - The location where bid forms and specifications may be secured.
      - The time and place for opening bids.
      - The type and character of the bidder's security required.
    - ii. Presentation of Bids; Accompanying Security: All bids shall be presented under sealed cover and accompanied by one of the following forms of bidder's security in an amount at least equal to 10% of the amount bid:
      - Cash.
      - Cashier's Check made payable to the City.
      - Certified check made payable to the City.
      - A bidder's bond executed by an admitted surety insurer made payable to the City.
    - iii. Opening and Public Record: Bids shall be opened in public at the time and place stated in the Public Notice. A tabulation of all bids received shall be prepared and presented to the City Council.

- iv. Award of Bid: The award shall be given to the lowest responsible bidder except as otherwise provided in the State Public Contract Code.
- c. Contract: It shall be the City's normal practice to have the Mayor and City Clerk sign public project contracts awarded by the City Council.
- d. Contract Change Orders: All changes in scope of the project after award of the bid resulting in a greater price shall be tentatively approved by the Department Head in the field and finally approved by the City Manager as follows: for contracts of \$300,000 or less, the lesser of 30% or \$50,000; and for contracts over \$300,000, 15%.
- e. Agenda Reports: Department Heads shall prepare an Agenda Report to request the following City Council actions:
  - Award of Bid
  - Approval of Contract Change Orders beyond amounts authorized in bid award
  - Acceptance of Notice of Completion for public projects

**E. Purchase Orders:** Purchase Orders are a form of legal contract between a vendor who promises to deliver certain goods and services and the City who agrees to pay for them. Because they are binding on the City, care must be given in their issuance. For this reason, Purchase Orders are not valid unless signed by the Department Head or his/her designee who has previously been given authorization to approve for a specified dollar amount.

1. Types of Purchase Orders: Generally, a Regular Purchase Order is issued and an order is placed for specific items after completion of the requisition process. Two exceptions to this rule are the Open Purchase Order and the Accepting Purchase Order.
2. Open Purchase Order: This section sets forth the circumstances in which an Open Purchase Order is permitted and the limitations required.
  - a. Open Purchase Orders may be issued for vendors from whom the Department purchases items of a small quantity and low unit cost on a regular basis.
  - b. Each Open Purchase Order shall specify the month the order is issued for, and the maximum dollar amount to be issued for that month.
  - c. Open Purchase Orders can only be issued to qualifying vendors. To be qualified, the Finance Division must approve.
3. Accepting Purchase Order: An Accepting Purchase Order shall be used in special situations or under unusual circumstances in which time is of the essence. Normally, a Department Head shall order sufficiently in advance to permit the issuance of a Regular Purchase Order before taking delivery. Therefore, it is understood that Accepting Purchase Orders aside from those used to reimburse petty cash or for payment of credit cards are the exception to the rule.
4. Regular Purchase Order: Normally, a Department Head shall order sufficiently in advance to permit the issuance of a regular purchase order before taking delivery.
  - a. Regular Purchase Orders are issued for:
    - i. To cover one-time specific item purchases.
    - ii. Ongoing service requests such as classified ads, typewriters or office machine repair, or pre-employment physicals.
    - iii. To cover a large quantity of an item that becomes a contractual commitment on fixed price, e.g., asphalt, sand, gravel, etc.
    - iv. To cover a contract for services on a time and materials basis.



5. Dissemination of Purchase Orders: After the requisition process has tested for appropriation balance and approval, an encumbrance will be posted and the appropriate copies of the Purchase Order may be printed.
  - a. Vendor Copy – If required, this copy should be sent to the vendor to place the order.
  - b. Receiving Copy - Give this copy to the employee most likely to receive delivery. The employee, then, shall use this copy to report that the good or service was received and accepted.
  - c. Finance Copy - This copy (along with invoice, receiving copy and any other pertinent information such as a solicitation compliance form or bid summary) should be sent to Finance to request payment.
  - d. Department Copy – May be printed if needed for Department records.

**F. Disbursement of City Funds:** This section sets forth the various modes of disbursement. Each mode has its own set of guidelines to ensure against loss or misuse.

1. Petty Cash: Items \$50 and under may be purchased from Petty Cash. Such items typically are non-routine in nature, and often are needed on an emergency basis.
  - a. Upon request of a Department Head, Finance shall establish a Petty Cash Fund of \$150 (or greater if approved by the Director of Finance). At the same time, Finance shall also make available custodial guidelines for proper control.
  - b. Department Head shall assign one individual to act as custodian of the Petty Cash Fund.
  - c. The Petty Cash Fund may be reimbursed as needed through the accounts payable process, using an Accepting Purchase Order.
2. Credit Cards:
  - a. Use of credit cards is set forth in Policy No. IV-B-3.
  - b. Payment for Card charges shall be through the accounts payable process, using an Accepting Purchase Order.
3. Accounts Payable: Items shall be processed for payment by Finance after it receives the appropriate documentation, which may include some or all of the following:
  - Finance copy of P.O.
  - Receiving copy of P.O.
  - Invoice
  - Solicitation Summary
  - Other pertinent information (if applicable)
  - a. Time of Payment - It shall be the practice of Finance to pay bills weekly
  - b. Early Payment - Finance may pre-write checks in special situations or under unusual circumstances only.
  - c. Method of Payment – Payment of items, after receipt of the appropriate documentation, may be made by check, the use of electronic fund transfer, wire transfer, e-payable process, or other electronic methods that reduce exposure to check fraud and expedite payment to vendors.

**G. Public Project Administration:** This Section sets forth the standards of documentation required of those responsible for administering construction projects. It is believed that good documentation fosters good administrative practices.

1. Project Files: All Public Projects shall have four types of project files:
  - a. Administrative File - This file shall contain general correspondence, project notes and items not assigned to other files
  - b. Contract File - This file shall contain:
    - City Council Agenda Reports (Notice inviting bids, award of bid, approval of change orders, and notice of completion).
    - Signed copy of original contract.
    - Insurance, Bonds and other items required by contract.
  - c. Progress Payment File - This file shall contain support of progress payments, including reports from project inspectors, change orders approved by Department Head, and "Project Summary Sheets."
  - d. Subcontract File - This file shall contain all information supplied by subcontractors, including preliminary notices, proof of insurance, certified payrolls, etc.

**H. Petty Cash Procedures:** This section sets forth the custodial guidelines for proper control of petty cash.

1. Purpose: Petty cash may be used to purchase low cost, non-routine items. Usually the cost is too small to justify a purchase order, or the need is too urgent to wait for one. Petty cash shall not be used to purchase any items over \$50 per receipt.
2. Duties of Custodian: Department Heads may assign one individual to act as custodian of the petty cash fund. Checks drawn to establish and reimburse the fund will be drawn in the name of the custodian who will cash the check and deposit the cash in a locking metal box. The custodian shall keep the box and its key secured in separate locations when not in use.
3. Mixing Funds: Under no circumstances shall petty cash be intermixed with cash receipting money. Moreover, petty cash shall not be used to make temporary loans to the cash-receipting moneybox, nor shall the petty cash box borrow money from cash receipting funds.
4. Disbursement of Petty Cash: To obtain funds from petty cash, the requesting employee must first complete a petty cash voucher. Advances may be made, but all vouchers must be supported by sales receipt at the time the petty cash fund is reimbursed.
5. Reimbursement of Petty Cash Fund: The petty cash fund shall be reimbursed through the accounts payable process. The following items must be submitted along with the Purchase Order:
  - A reconciliation of the fund (the total amount of cash left in the petty cash box plus the total amount of petty cash vouchers should equal the amount of the fund).
  - An envelope with all vouchers (and corresponding sales receipts).

**I. Year End Procedure:** In order to close the City's books in a timely manner in accordance with generally accepted accounting practices, the following practices shall be followed.

1. After June 1 of each fiscal year, purchase orders for the old fiscal year may be created only if there are reasonable expectations that the goods or service will be received and paid for by the first of July.
2. After June 15 of each fiscal year, no more purchase orders for the old fiscal year shall be created unless approved by the Director of Finance.
3. Beginning July 1 of each fiscal year, purchase orders for the new fiscal year may be created. No purchase orders for the new fiscal year can be created prior to July 1.

**J. Preapproved Vendors:** From time to time the City may solicit proposals or bids from vendors on behalf of all City departments. When this occurs and a vendor or vendors are selected to be "approved," all departments are required to purchase supplies and equipment or services from them, except as follows:

Emergency Purchases  
Special Item Purchases  
Purchases Made After Soliciting Separate Written Quotes

The type of supplies, equipment and services having approved vendors include:

Automotive Parts  
Automotive Repairs  
Office Supplies  
Petroleum Products

A copy of the pre-approved vendor list must be submitted to the Finance Division. The list shall be valid for two years with an option to extend for one additional year pursuant to Purchasing Agent approval.

**K. Sales Tax Considerations:** In the determination of lowest price, sales taxes need to be considered for two reasons: (i) rates vary among counties, and (ii) 1% of taxable sales made in the City's limits is returned to us. Sales Taxes are distributed based upon "point-of-sale," defined as follows:

Supplies and equipment picked up in locations outside of the City's limits - point of sale is outside the City's limits.

Supplies and equipment delivered within the City's limits - point of sale is within the City's limits.

**L. Conflict of Interest:** In recognition that some vendors, as company policy for purposes of product promotion and/or client relations, extend certain discounts and/or other benefits to employees of their clients, this section is intended to prevent even the appearance of conflict between what is best for the city and what may be good for employees of the city. In no case will it ever be acceptable to accept less than the best deal for the city because of discounts or other benefits accruing to employees.

Moreover, the city will not recognize and participate in such vendor programs for employees unless all the points below apply:

- Any employee discount or other benefit shall not be a factor in the selection of a vendor. Ideally, decision makers shall not even know of such vendor programs.
- Any employee discount or other benefit shall accrue to all employees in equal measure.
- Decision makers shall comply with the Fair Political Practices Commission's (FPPC's) Conflict of Interest procedures regarding disclosure of gifts.

**M. Local Vendor and Service Provider Preference:** For purposes of this section, a local vendor or service provider is one located within the city limits and in possession of a West Sacramento business license.

In support of local business and for the possibility of increased revenue to the city, local vendors, suppliers or professional service providers will be considered a preferred provider as follows:

- **Vendors, Suppliers, Contractual Service Providers other than Professional Service Providers**

For city purchases requiring solicitation of quotes or competitive bidding per section C of this policy, local vendors, suppliers, or contract service providers shall be selected if the cost for the supplies or service is the lowest qualified response after adding 5% to the lowest solicitation or bid response.

- **Professional Service Providers**

Local attorneys, physicians, architects, engineers, consultants, or other individuals possessing a high degree of technical and professional skills shall be given preference for city contracts provided:

- The proposer is responsive to the solicitation or bid by submitting a complete and thorough proposal;
- The individual or organization is of the highest ethical and professional standing and is willing to submit references from persons of known repute;
- The method and manner of service proposed is of the highest quality and the caliber of skill and qualifications of the assigned personnel is appropriate for the work performed and the proposer is deemed to be the most qualified;
- When applicable, the individual or principal member of the organization must have significant recent experience in responsible charge of work of the type required;
- The individual or organization must have the professional, technical and financial resources adequate to accomplish the work efficiently, effectively and responsibly in the required time; and
- The proposed cost is no more than 5% more than the lowest qualified bidder or responder.

***This section does not apply to public works contracts awarded under the Public Contracts Code.***

**N. Solicitation and Utilization of Disadvantaged Business Enterprises:** For all procurement related to construction, equipment, services and supplies using Federal funds, the City shall comply with the applicable agency requirements for the utilization of small, minority and women business enterprises. Further, the City will ensure that sub-recipients, loan recipients, and prime contractors under these federally funded programs comply with the applicable agency requirements. In addition, the City shall make good faith efforts to solicit and utilize small businesses, minority owned firms, women's business enterprises (collectively "Disadvantaged Business Enterprises or DBEs). Examples of good faith efforts include, but are not limited to, the following:

- Ensuring that DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities.
- Making information on forthcoming opportunities available to DBEs and arrange time frames for contacts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process.
- Considering in the contracting process whether firms competing for large contract could subcontract with DBEs.
- Encouraging contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
- Using the services and assistance of the Small Business Association and the Minority Business Development Agency of the Department of Commerce, or equivalent State or local agencies.
- If the prime contractor awards subcontracts, requiring the prime contractor to take the same good faith efforts listed above.

**O. Debarment and Suspended Parties:** The City will not solicit or accept offers from, give awards to or consent to subcontracts with contractors or vendors who are debarred or suspended from government contracting and/or government-approved subcontracting.

**P. Use of State and Federal Grant Funds:** The City receives funds through the grant process from state and federal sources from time to time. In order to ensure sound accounting practices and to provide consistency in the administration of grants, and to be sure to be compliant with all laws, rules and regulations involving the use of state and federal grant moneys, it is imperative and incumbent upon any person who is purchasing items using grant moneys to be aware of all provisions of the specific grant and be certain to be in compliance with all requirements, rules and laws therein. It should be noted that these purchasing procedures and guidelines do not supersede any state statute, administrative rule, federal law or regulation that may govern each specific grant program. The laws and regulations that must be complied with include, but are not limited to, the following:

- California Local Assistance Procedures Manual (LAPM)
- California Labor Code
- Federal Grant Management OMB Circulars
- 48 and 49 Code of Federal Regulations (CFR)