

CITY OF ANGELS

PURCHASING POLICY AND PROCEDURE MANUAL

EFFECTIVE JULY 1, 2023

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Overview

THE POLICIES DESCRIBED IN THIS SECTION APPLY TO ALL PURCHASES MADE BY THE CITY OF ANGELS.

The City of Angels requires the practice of ethical, responsible, and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. The policies in this section describe the principles and procedures that all staff should adhere to in the completion of their designated responsibilities.

The goal of these procurement policies is to ensure that materials and services are obtained in an effective manner and in compliance with the provisions of applicable federal statutes and grant requirements.

Responsibility for Purchasing

All department heads or their designees shall have the authority to initiate purchases on behalf of their department, within the guidelines described here. Department directors shall inform the Accounting Department of all individuals that may initiate purchases or prepare purchase orders. The Accounting Department shall maintain a current list of all authorized purchasers within the accounting software security.

The Accounting Department shall be responsible for processing purchase orders. The City Administrator has approval authority over all purchases and contractual commitments and shall make the final determination on any proposed purchases where budgetary or other conditions may result in denial.

Code of Conduct in Purchasing

Ethical conduct in managing the City's purchasing activities is absolutely essential. Staff must always be mindful that they represent the city and share a professional trust with other staff.

- Staff shall discourage the offer of, and decline, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services.
- Staff shall notify their immediate supervisor if they are offered such gifts.
- No officer, council member, employee, or agent shall participate in the selection or administration of a vendor if a real or apparent conflict of interest is involved. Such a conflict would arise if an officer, council member, employee or agent, or any member of his or her immediate family, his or her spouse or partner, or a city that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the vendor selected.
- Officers, council members, employees, and agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or parties to sub-agreements.
- Unsolicited gifts with a value of \$50 or more must be disclosed. Local officials and employees are prohibited from accepting gifts totaling more than \$470 in a calendar year.

Competition

In order to promote open and free competition, purchasers will:

- Be alert to any internal potential conflicts of interest.

- Be alert to any noncompetitive practices among contractors that may restrict, eliminate, or restrain trade.
- Not permit contractors who develop specifications, requirements, or proposals to bid on such procurements.
- Award contracts to bidders whose product or service is most advantageous in terms of price, quality, and other factors. **Except in the case of specific funding requirements, the specific funding sources procurement practices will be used in place of this policy. For services such as construction they are always by lowest price rather than scoring or ranking.**
- Issue solicitations that clearly set forth all requirements to be evaluated.
- Reserve the right to reject any and all bids when it is in the City's best interest.

Nondiscrimination Policy

All vendors or contractors who are the recipients of City funds or who propose to perform any work or furnish any goods under agreements with The City of Angels, shall agree to these important principles:

1. Vendors or contractors will not discriminate against any employee or applicant for employment because of race, religion, color, sexual orientation, or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the vendors or contractors.
2. Vendors or contractors agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause. Notices, advertisements, and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient for meeting the intent of this section.

Procurement Procedures

The following are The City of Angels' procurement procedures:

1. The City of Angels shall avoid purchasing items that are not necessary for the performance of the activities required by a federal award.
2. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the federal government. This analysis should only be made when both lease and purchase alternatives are available to the program.
3. Some form of cost or price analysis shall be done for every procurement action. Price analysis may be made in various ways, including comparison of price quotations submitted or market prices. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability, and allowability.
4. Documentation of the cost and price analysis associated with each procurement decision shall be retained in the procurement files pertaining to each federal award.
5. The City of Angels shall make all procurement files available for inspection upon request by a federal awarding agency.

6. All contracts with vendors shall require the vendor to certify in writing that it has not been suspended or debarred from doing business with any federal agency. (Alternatively, the City may research potential vendors on the Excluded Parties List at the GSA website [www.sam.gov].)

Authorizations and Purchasing Limits

All completed purchase orders must be signed by the preparer and approved by the Department Director and/or City Administrator. The following table lists required approval levels and solicitation processes:

Amount of Purchase	Required Approvals	Required Solicitation	Required Documentation
< \$3,500	<ul style="list-style-type: none"> Authorized Purchasing Agent 	2 bids (oral, Internet)	<ul style="list-style-type: none"> Documentation of bids received. How decision was made if lowest price not used. (a) No contract required.
\$3,501 ≤ \$10,000	<ul style="list-style-type: none"> Authorized Purchasing Agent Dept. Director 	3 written bids (Internet, written)	<ul style="list-style-type: none"> Documentation of bids received. How decision was made if lowest price not used. (a)
\$10,001 ≤ \$50,000	<ul style="list-style-type: none"> Authorized Purchasing Agent Dept. Director City Administrator 	3 written bids (Request for Bids or Request for Proposals)	<ul style="list-style-type: none"> Copy of RFB or RFP. Proposal scoring grids including who participated in the scoring. (a) Proposal and contract of winning bid.
> \$50,000	<ul style="list-style-type: none"> Authorized Purchasing Agent Dept. Director City Administrator City Council 	3 written bids (Request for Bids or Request for Proposals)	<ul style="list-style-type: none"> Copy of RFB or RFP. Proposal scoring grids including who participated in the scoring. (a) Proposal and contract of winning bidder.

(a) Except in the case of specific funding requirements, the specific funding sources procurement practices will be used in place of this policy. For services such as construction they are always by lowest price rather than scoring or ranking.

The City Administrator is authorized to enter into any contract on behalf of The City of Angels. Contracts of \$10,000 or less must be reviewed and approved by the Department Director and the Finance Director but do not require approval from the City Administrator. These policies shall also apply to renewals of existing contracts.

CAL Cards

Employees with a City issued CAL card can make the same types of purchases that are allowed by verbal purchase, that is materials, supplies or equipment up to \$3,500. The CAL Card policies can be found in the Credit Card Policies of this manual.

Approved Vendors

The City of Angels encourages departments to develop lists of approved vendors that can be used throughout the year. The process to identify an approved vendor is as follows.

1. Develop a list of similar, commonly purchased items that can be acquired from a single vendor. Examples are office supplies and classroom supplies.
2. Get cost estimates for the list in total, not for each item. Include shipping costs, if necessary.
3. Obtain 2 or 3 quotes, depending on the level of expected spending for the year.
4. Compare the quotes.
5. The vendors with the lowest prices, including shipping, will be approved for use during the year.
6. This process could result in multiple approved vendors if the prices are within 5% of each other.

This process should be repeated annually, with the approved list produced by June 15. Vendors may be added throughout the year, but all vendors will be reevaluated July 1.

Use of Purchase Orders

The City of Angels utilizes a purchase order system. A properly completed purchase order shall be required for each purchase decision (i.e., total amount of goods and services purchased, not unit cost) in excess of \$3,500, with the exception of travel advances and expense reimbursements, which require the preparation of a separate form described elsewhere in this manual. A properly completed purchase order shall contain the following information, at a minimum:

1. Specifications or statement of services required.
2. Vendor name, address, point of contact and phone number.
3. Source of funding (if applicable)
4. Delivery or performance schedules
5. Delivery, packing, and transportation requirements
6. Special conditions (if applicable)
7. Net price per unit, less discount, if any
8. Total amount of order
9. Authorized signature
10. Date purchase order was prepared.

All purchase orders shall be recorded in a purchase order log in the accounting system. At the end of each accounting period, an aged outstanding purchase order report shall be prepared and distributed to each purchasing representative and the Finance Director. This list will determine which purchase orders can be closed or rolled forward to the next fiscal year.

Extension of Due Dates and Receipt of Late Proposals

Solicitations should provide for sufficient time to permit the preparation and submission of offers before the specified due date. However, an extension may be granted if a prospective offeror requests.

Vendor proposals are considered late if received after the due date and time specified in the solicitation. Late proposals shall be marked on the outside of the envelope and retained, unopened, in the procurement folder. Vendors that submit late proposals shall be sent a letter notifying them that their proposal was late and could not be considered for the award.

Evaluation of Alternative Vendors

Vendors shall be evaluated on a weighted scale that considers some or all of the following criteria as appropriate for the purchase:

1. Adequacy of the proposed methodology
2. Skill and experience of key personnel
3. Demonstrated experience.
4. Other technical specifications designated by the department requesting proposals.
5. Compliance with administrative requirements of the request for proposal (format, due date, etc.)
6. Vendor's financial stability
7. Vendor's demonstrated commitment to the nonprofit sector
8. Results of communications with references supplied by vendor.
9. Ability/commitment to meeting time deadlines.
10. Cost
11. Minority- or women-owned business status of vendor
12. Other criteria (to be specified by the department requesting proposal)

Not all of the preceding criteria may apply in each purchasing scenario. However, the department responsible for the purchase shall establish the relative importance of the appropriate criteria prior to requesting proposals and shall evaluate each proposal on the basis of the criteria and weighting that have been determined.

In the case of specific funding requirements, the specific funding sources procurement practices will be used in place of this policy. For services such as construction they are always by lowest price rather than scoring or ranking.

After a vendor has been selected and approved by the Department Director, the final selection shall be approved by others according to The City of Angels Camp's purchasing approval policies.

Affirmative Consideration of Minority, Small Business, and Women-Owned Businesses

Positive efforts shall be made by The City of Angels Camp to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible. Therefore, the following steps shall be taken:

1. Ensure that small business, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
2. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small business, minority-owned firms, and women's business enterprises.
3. Consider in the contract process whether firms competing for larger contracts tend to subcontract with small businesses, minority-owned firms, and women's business enterprises.
4. Encourage contracting with consortiums of small businesses, minority-owned firms, and women's business enterprises when a contract is too large for one of these firms to handle individually.
5. Use the services and assistance, as appropriate, of such Cities as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the minority-owned firms and women's business enterprises.

Local Preference Policy for Services

The City of Angels Camp recognizes that strategies that promote the use of local suppliers and services providers help create a sustainable economy and preserve local businesses. The use of local businesses helps retain local dollars within the community and strengthen employment.

It is the policy of the City to promote employment and business opportunities for local residents and firms on all contracts and give preference to local residents, workers, businesses and consultants to the extent consistent with the law and interests of the public. A Local Service Provider is defined as a business or consultant who has a valid physical address located within the City of Angles from which the supplier or consultant operates or performs business on a day-to-day basis, and holds a valid business license.

- Departments shall consider the locality of consultants or businesses and their sub-consultants when selecting providers for service contracts.
- For quantitative evaluations of proposal, the locality of the service provider shall be included in RFPS with an extra 5% percentage weighting for local service providers.

Exceptions to local preference policy:

- Services provided under a cooperative purchasing agreement.
- Contracts which are funded in whole or in part by a governmental entity, and the laws, regulations, or policies governing such funding prohibit application of a local preference.
- Contracts procured under authority which requires award to the lowest responsible bidder without an exception for a local preference criterion or which otherwise does not allow consideration of a local preference criterion.
- Contracts let under emergency or noncompetitive situations.
- Services with an estimated cost of \$5,000 or less.
- Application of the local business preference to a particular contract for which the Purchasing Agent is the awarding authority may be waived at the Council's discretion.

Any supplier or consultant claiming to be a local business shall provide a signed declaration on a form provided by the Purchasing Agent. The Purchasing Agent shall not be required to verify the accuracy and shall have sole discretion to determine if a consultant meets the definition of "Local Business". Any supplier falsely claiming to be a local supplier as defined above will be subject to debarment.

Availability of Procurement Records

The City of Angels Camp shall, on request, make available for the federal awarding agency, pre-award review and procurement documents, such as requests for proposals, when any of the following conditions apply:

- The process does not comply with the City of Angels Camp's procurement standards.
- The procurement is expected to exceed the federally-defined simplified acquisition threshold (\$100,000) and is to be awarded without competition or only one bid is received.
- The procurement exceeds the simplified acquisition threshold and specifies a "name brand" product.
- The proposed award exceeds the federally-defined simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed-bid procurement.
- A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the federally-defined simplified acquisition threshold.

Provisions Included in All Contracts

The City of Angels Camp includes all of the following provisions, as applicable, in all contracts charged to federal awards (including small purchases) with vendors and subgrants to grantees:

1. **Equal Employment Opportunity:** All contracts shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
2. **Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c):** All contracts and subgrants in excess of \$2,000 for construction or repair awarded by The City of Angels Camp and its subrecipients shall contain a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations 29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States." This Act provides that each contractor or subrecipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The City of Angels Camp will report all suspected or reported violations to the federal awarding agency.
3. **Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7):** When required by Federal program legislation, all construction contracts of more than \$2,000 awarded by The City of Angels Camp and its subrecipients shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, contractors are required to pay wages to laborers and

mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The City of Angels Camp will place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The City of Angels Camp shall also obtain reports from contractors on a weekly basis in order to monitor compliance with the Davis-Bacon Act. The City of Angels Camp shall report all suspected or reported violations to the federal awarding agency.

4. **Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333):** Where applicable All contracts awarded by The City of Angels Camp in excess of \$2,000 for construction contracts and in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance with Sections 102 and 107 of the Contract Works Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each contractor is required to compute wages of every mechanic and laborer on the basis of a standard workweek of 40 hours. Work in excess of the standard workweek is permissible provided that the worker is compensated at a rate of not less than 1-1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
5. **Rights to Inventions Made Under a Contract or Agreement:** Contracts or agreements for the performance of experimental, developmental or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR Part 401, "Rights to Inventions Made by Nonprofit City and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the award agency.
6. **Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended:** Contracts and subgrants of amounts in excess of \$100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
7. **Byrd Anti-Lobbying Amendment (31 U.S.C. 1352):** For all contracts or subgrants of \$100,000 or more, The City of Angels Camp shall obtain from the contractor or subgrantee a certification that it will not and has not used federal appropriated funds to pay any person or City for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. 1352. Likewise, since each tier provides such certifications to the tier above it, The City of Angels Camp shall provide such certifications in all situations in which it acts as a subrecipient of a subgrant of \$100,000 or more.

8. **Debarment and Suspension (E.O.s 12549 and 12689):** No contract shall be made to the parties listed on the General Services List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with E.O.'s 12549 and 12689, "Debarment and Suspension." This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549. Contractors with awards that exceed the federally-defined simplified acquisition threshold (\$100,000) shall provide the required certification regarding their exclusion status and that of their principal employees.
9. **Remedies 2 CFR Part 215.48(a):** All contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (\$100,000) shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms.
10. **Termination 2 CFR Part 218.48(b):** All contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (\$100,000) shall contain suitable provisions for termination by The City of Angels Camp, including the manner by which termination shall be affected and the basis for settlement. In addition, such contracts shall describe the conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated due to circumstances beyond the control of the contractor.

Special Purchasing Conditions

Emergencies:

Where equipment, materials, parts, and/or services are needed, quotations will not be necessary if the health, welfare, safety, etc., of staff and protection of City property are involved. The reasons for such purchases will be documented in the procurement file.

Single Distributor/Source:

Sole source purchases will be made only when solicitation of multiple vendors is not feasible and one of the following conditions applies:

- The item or service is only available from one source.
- The situation is an emergency.
- The awarding agency approves the purchase.
- Competition is deemed inadequate (insufficient bidders).

A cost/price analysis is required and approval from the funding agency may be required.

Vendor Files and Required Documentation

The Accounting Department shall create a vendor folder for each new vendor from whom The City of Angels Camp purchases goods or services.

The Accounting Department shall mail a blank Form W-9 to new vendors and request that the vendor complete and sign the W-9 (or provide equivalent, substitute information). Completed, signed Forms W-9 or substitute documentation shall be scanned and filed on the server.

Procurement Grievance Procedures

Any bidder may file a grievance with The City of Angels following a competitive bidding process. Once a selection is made, bidders must be notified in writing of the results. The written communication mailed to bidders must also inform them that they may have a right to appeal the decision. Information on the City's appeal procedures must be made available to all prospective contractors, subgrantees or vendors upon request, including the name and address of a contact person.

Receipt and Acceptance of Goods

An employee of the City shall inspect all goods received. Upon receipt of any item from a vendor, the following actions shall immediately be taken:

1. Review bill of lading for correct delivery point.
2. Verify the quantity of boxes/containers with the bill of lading.
3. Examine boxes/containers for exterior damage and note on the bill of lading any discrepancies (missing or damaged boxes/containers, etc.).
4. Sign and date the bill of lading.
5. Remove the packing slip from each box/container.
6. Compare the description and quantity of goods per purchase order to the packing slip.
7. Examine goods for physical damage.
8. Count or weigh items, if appropriate, and record the counts on the purchase order.

This inspection must be performed in a timely manner to facilitate prompt return of goods and/or communication with vendors.

City Contracts

The City Attorney has developed a standard City contracts template to use when acquiring products or services. These contracts address the vendor's and the City's rights and responsibilities, specific tasks to be performed, payment terms, and insurance requirements. Contact the City Clerk for recommended contract and insurance requirements.

Contract Forms – Indemnification and Insurance Requirements

The most commonly used contract forms are contracts, and the contract amendment form. The other forms listed are for more specialized services, such as hiring an instructor to teach tennis lessons (Instructional Services Agreement) or to hire a band for a dance (Performing Arts Agreement). The level of potential risk to the City will determine the insurance requirements. Contact the City Clerk for insurance requirements before bidding and issuing a contract.

Completing the Form

Although the contract is in a standard format, it is flexible enough to accommodate other negotiated terms and conditions. The contract title should be updated to reflect the type of service and the name of the contractor or vendor whose services are being used. Standard payment terms are Net 30; however, you may be able to negotiate a discount for earlier payment, such as 2% 10 Net 30, in which the City will receive a 2% discount for services if payment is made within 10 days.

Signatures

The standard contract form has three signature blocks for the consultant/contractor/vendor. When the contract provider is a corporation. On the City side, the City Administrator and City Attorney sign.

Contracts, change orders, and maintenance contract amendments over \$30,000 require the City Administrator or designee to sign on behalf of the City Council.

If you substantially alter any of the sections of a standard contract form, particularly for insurance requirements or payment terms, please forward the proposed agreement to the City Clerk for review. In some instances, a non-standard contract will also be forwarded to the City Attorney for approval.

Credit Card Purchases

WEX Fuel Card

Each City employee who is assigned a City of Angels vehicle is provided with a WEX Fleet Systems Fuel Card to fuel the vehicle, upon the approval of his/her department head. Purchases are restricted to fuel, oil, and car washes for City vehicles only. Each Department has one card to sign out for employees to take for fuel only during out-of-town City business.

CAL Card Program

Introduction

The City of Angels uses a variety of methods for the purchase of goods and services. However, for small dollar purchases, processing an express or regular purchase order is not always cost-effective or efficient. In addition, occasionally local suppliers refuse to accept either type of purchase order. To address this need, the State of California Department of General Services (DGS) developed a Master Service Agreement with U.S. Bank to provide VISA bank cards to State and local government employees as a payment method for small purchases of goods and/or services. This unique government credit card has the employee's name embossed on it and is identified as a State of California U.S. Bank VISA Card – also known as the “CAL-Card.”

The CAL-Card helps promote increased supplier/contractor acceptance, improves the timely delivery of products and services, and reduces certain business-related costs. For example, using this card will centralize invoice processing and provide opportunities for greater efficiencies. This program has a 45-day payment cycle, along with rebates for early payment.

The CAL-Card program is not intended to, nor will it be used to, circumvent any existing statutes, laws, or City of Angels procurement procedures and policies.

Basic Guidelines/Responsibilities

The following CAL-Card policies and procedures establish guidelines for the use of the credit card by City of Angels employees. The Finance Department will be responsible for the overall coordination and administration of the program.

The person whose name appears on the card is the “Cardholder,” and is the only person authorized to purchase for the City of Angels with the card. The Cardholder must not, under any circumstances, permit the card to be used by another person. The security and correct use of the CAL-Card are the responsibilities of the Cardholder and the Approving Official (whose roles and responsibilities are defined in the following pages).

All Cardholders are assigned to an Approving Official, who must be either a supervisor, manager, or Director.

Purposes and Goals of the CAL-Card Program

- To provide an alternative method for purchasing small dollar items
- To reduce the administrative burden of processing numerous individual invoices
- To expedite purchases of needed supplies and payments to suppliers
- To capture savings through bank rebates for early payments
- To promote overall operational efficiency in the purchasing and accounting processes

CAL-Card Program Structure and Definitions

The City Administrator oversees the entire CAL-Card program, including the administration and setup of new accounts, reporting, and payment processing.

The accountant is responsible for reviewing and importing transactions into the financial system.

The Accounting Department is responsible for reviewing accounts payable information for accuracy prior to posting for payment.

The Approving Official, often the cardholder's direct supervisor, is responsible for reviewing and approving monthly statements for each employee under their supervision at the end of each monthly billing period. The Approving Official is responsible for ensuring that all cardholders' monthly Statements of Account are reconciled and submitted to Accounts Payable within the required time period. The Department Head will appoint Approving Officials. A probationary employee may not serve as an Approving Official, except Directors

The Cardholder is a current regular employee who has been authorized to use the CAL-Card for City-related business purchases. Cardholders are responsible for keeping records of each transaction and must complete the monthly reconciliation within the time frame determined by the Accounting Department. The City Administrator can only issue a CAL-Card with authorization from the employee's Department Director.

Cardholder Responsibilities

The CAL-Card program provides a number of unique controls that ensure the card can be used only for specific purchases and within specific dollar limits. In addition, each Cardholder must certify all purchases, and the Approving Official must verify the cardholder's statement before the bill is submitted to the Accounting Department.

Individual CAL-Card Controls

The CAL-Card has both the cardholder's name and the City of Angels embossed on it. Only the cardholder is authorized to use the card. The CAL-Card has been specially designed to distinguish it from personal credit cards. While it works like a regular credit card, it may not be used for personal purchases.

Compliance with Purchasing Policies and Procedures

Cardholders must comply with the City of Angels Purchasing Policies and Procedures when using the CAL-Card. Use of this card is not to replace effective procurement planning, and the card should never be used to split orders to circumvent established bidding and purchasing requirements. Each transaction may be comprised of multiple items, but the total, including tax, cannot exceed the preestablished single purchase dollar limit. If the vendor does not collect sales and use tax on behalf of the State of California (CA) the total tax due should still be considered as part of the purchase price in relation to bidding and purchasing limits. Any sales and use tax not collected at the time of purchase will be paid directly to CA by finance staff and charged to the same program, fund, and object code of the purchase.

Reconciling Monthly Statements

A CAL-Card Cardholder's Verification of Monthly Statement form (log) has been developed to assist Cardholders with maintaining a monthly list of CAL-Card purchases. The cardholder should enter each transaction and an appropriate account number on the log after each purchase. The log is designed to help with monthly review and verification of all charges to help ensure timely processing of the CAL-Card Statement of Account.

The City has established a billing cycle that runs from the 25th of one month through the 24th of the following month. The day after the close of each billing cycle, the cardholder can review their monthly Statement of Account on-line. A paper statement will be mailed to each cardholder after the 24th of each month.

Upon receipt of the monthly statement, the cardholder must:

- Verify the accuracy of all charges by comparing it with the CAL-Card log, note the appropriate program-fund, object and project/work order (when applicable) for each transaction, print and sign the CAL-Card log
- Attach all itemized receipts and packing slips to the CAL-Card log
- Note any disputed transactions and complete the Statement of Questioned Item form
- Submit the CAL-Card log and all itemized receipts to designated Approving Official within five (5) working days
- Email an Excel version of the CAL-Card log to the Administrative Services Analyst

The Accounting Department is authorized to change this procedure as technologies change. If the Cardholder has purchased an item on the date the billing cycles closes, the purchase may be listed on the next month's statement. If the cardholder has returned an item, the credit voucher should be included with the CAL-Card log on which the credit appears.

If unavailable to review the Statement of Account, forward all receipts and other supporting documentation to Approving Official for proper review/verification of purchases. The Approving Official will have to download the cardholder's Statement of Account, code each transaction, sign and forward the cardholder's CAL-Card log and all itemized receipts to the Accounting Department.

If the Approving Official or Accountant questions a purchase, the Cardholder must be able to explain the nature and purpose of the purchase. If the cardholder cannot substantiate that the purchase was necessary and for official use, the cardholder may be subject to disciplinary action.

Missing Receipts

If the Cardholder does not obtain or loses the receipt, first contact the merchant to request a duplicate receipt. If a duplicate receipt cannot be obtained, the cardholder may be able to obtain a duplicate receipt from U.S. Bank Visa. If the cardholder is still unable to obtain a duplicate receipt, complete a Missing Receipt Form and attach it to the CAL-Card log before forwarding it to Approving Official. The cardholder should not delay processing the monthly statement due to missing receipts.

Approving Official Responsibilities

An Approving Official is a person in the organization who approves cardholder purchases, verifies purchases are made only for official City use, and performs the following functions:

- Ensures CAL-Cards issued under their authority are used properly

- Reviews and certifies reconciled CAL-Card logs to ensure receipts and documentation are in order
- Ensures reconciled CAL-Card log, itemized receipts, and all appropriate documentation are received for each cardholder account
- Sign CAL-Card log indicating verification and approval
- Forward each CAL-Card log to the Accounting Department by the 10th of each month

Departure of Employee

If an employee terminates employment with the city, the CAL-Card must be returned to the Approving Official prior to the last day of employment with the City. The Approving Official forwards the employee's CAL-Card to the Accounting Department who will cancel the card with U.S. Bank and destroy the CAL-Card.

If an employee is transferred to another department, the Cardholder's Approving Official should notify the Accounting Department of this change. In consultation with the new Department Head for the transferred employee, the Accounting Department will determine if the employee continues to use the CAL-Card in their new department. If the Department Head in the new department decides that it is appropriate for the transferred employee to continue using a CAL-Card, the Accounting Department will change the cardholder's Approving Official.

Requesting a CAL-Card

All requests to participate in the City's CAL-Card Program shall be submitted by the Department Head to the City Administrator for approval. The Department Head will complete and sign the Authorization and Request for CAL-Card form, including appropriate dollar limits, transaction limits. After U.S. Bank processes the card request, the Accounting Department will receive and distribute all procurement cards. Each employee participating in the CAL-Card program will be required to complete and sign the Cardholder Agreement Form before receiving their card; this agreement will also be made part of the employee's permanent personnel file.

Prohibited Uses

The State of California has excluded the purchase of certain products or services from the CAL-Card program. The State has disabled the Merchant Category Codes embedded in the CAL-Cards for the following items:

- Financial institution/manual cash
- Financial institution/auto cash
- Financial institutions/merchandise
- Non-Financial Institutions/Foreign Currency/Money Order/Travelers Checks
- Security brokers and dealers
- Timeshares
- Fines
- Bail bond payments
- Wire transfer – money order
- Dating and escort services
- Massage parlors
- Betting/track/casino/lotto
- Tax Payments

The City of Angels also prohibits the following:

- Purchase personal items
- Split purchases to circumvent purchasing dollar limits
- Alcoholic beverages

Disputes

It is the cardholder's responsibility to resolve any questionable or disputed items in the Statement of Account. If any items purchased with the CAL-Card are found to be defective or unacceptable, the cardholder has the responsibility to return the item(s) to the merchant for replacement or credit. If the merchant refuses to replace the item or issue a credit, the purchase of this item will be considered to be in dispute. Any such disputes must be explained on the Cardholder Statement of Questioned Item (CSQI) form. A copy of the completed CSQI form should be retained for any follow-up with U.S. Bank Government Services, and another copy should be attached to the Statement of Account. U.S. Bank Government Services must receive the dispute form on or before the 60th day after the close of the billing cycle, otherwise the dispute will automatically be denied, regardless of its validity. After disputing an item, the cardholder should receive an "Acknowledgement of Dispute" letter from U.S. Bank Government Services. After the dispute is resolved, the cardholder should receive a "Resolution of Dispute" letter.

Mail CSQI form to:

U.S. Bank Government Services

P.O. Box 6346

Fargo, ND 58125-6346

Fax: (701) 461.3466