

Chapter 4.08 - PURCHASING SYSTEM

4.08.010 - Legislative purposes.

- A. This chapter is adopted to establish a purchasing system that enables the city to achieve the following goals:
1. Improve internal controls and checks and balances by separating the functions of identifying the city's needs for equipment, goods, materials, supplies and services, of making actual purchases, of receiving the purchases, of comparing what is received with what was purchased, of authorizing payments and of making actual payments.
 2. Obtain the best prices for needed equipment, goods, materials, supplies and services by forecasting the needs for them in the near and long term, by quantifying the city's need for such items by utilizing best available technology and the quality thereof, by enabling access to all sources of such items and by utilizing competitive bidding and/or competitive negotiations.
 3. Reduce the number of transactions by purchasing sufficient quantities to meet the city's needs, by minimizing the periods during which purchases are made and by establishing and implementing criteria for extraordinary or unanticipated purchases.
 4. Reduce the amount of staff time to make purchases by integrating and coordinating purchases by the various departments and by eliminating duplicate functions and procedures and by automating purchases to the greatest extent.
 5. Reduce or eliminate inventories of needed equipment, goods, materials and supplies by forecasting the need and timing of such items, by tracking inventories of such items and by entering into arrangements for expedited or timed deliveries.
 6. It is also the purpose of this chapter to authorize and direct the city manager to implement the goals and provisions in this section by monitoring and reporting the implementation of this chapter. Further, the city manager may adopt any and all guidelines that he or she deems necessary to interpret or implement the goals and provisions in this section. Thereafter, the city manager may promulgate such guidelines by signing, and dating them.

(Ord. 893 § 2 (part), 2003)

4.08.020 - Definitions.

As used in this chapter, the following words and terms are defined as follows unless the context indicates that a different meaning is intended:

"Bidders list" is a list of sources of equipment, goods, materials or supplies for each category of purchases needed by the city.

"City" means the city of Coachella.

"Department" means a department, division or section of the city.

"Coachella procurement procedures and regulations" means any interpretation or implementation measure promulgated by the city manager pursuant to his or her authority hereunder.

"Professional services" means the services of attorneys, architects, auditors, consultants, engineers, specialized printers, or other individuals or firms possessing a high degree of professional, unique, specialized, technical skill or expertise, not adaptable to competitive bidding, or where the service needed is for special activities, negotiations for the acquisition of land, trash services, or any other municipal service engaged for a particular project or series of projects.

"Public project" means a public work as defined in the Public Contract Code § 20161 that requires competitive bidding.

"Public works" means those public works that do not constitute public projects under Public Contract Code § 20161.

"Purchases" means any and all purchases of equipment, goods, materials, supplies, other personal property and services, or the rental thereof, made, or to be made, by the city. It also refers to the leasing or acquisition of real property.

"Services" means any and all services, including, but not limited to, equipment service contracts. The term does not include services rendered by city officers or employees, nor professional or other contractual service for which the procurement is specifically provided by law or approved city procedures or are in their nature unique and not subject to competition.

(Ord. 893 § 2 (part), 2003)

4.08.030 - Centralization of purchases.

- A. All purchases of goods, equipment, materials, supplies and services shall be centralized under the control and direction of the city manager. All employees of the city shall comply with the provisions of this chapter and the guidelines promulgated by the city manager regarding the purchase, payment, receipt, distribution and storage of all purchases by the city for use by the city or its employees.
- B. For this purpose, a purchasing function is established within the finance department, which shall be administered by the finance director. The finance director shall administer the activities of the purchasing function as directed by the city manager and described in the Coachella procurement procedures and regulations.

(Ord. 893 § 2 (part), 2003)

4.08.040 - Forecasting purchases.

For purposes of budgeting each department shall submit information that projects its need for purchases during each subsequent fiscal year or such other period that may be practicable with the finance director. Each department may supplement such projections from time to time to update its need for purchases including unforeseen or

emergency purchases. Each department shall report in the manner prescribed by the finance director to provide information for forecasting such purchases. The finance director shall utilize the information about such needed purchases to commence the process of making any necessary budget adjustments on behalf of each department.

(Ord. 893 § 2 (part), 2003)

4.08.050 - Requirement for competitive pricing.

- A. All purchases by or for the city shall be competitively priced. It is the policy of the city to price all equipment, goods, materials, supplies, other personal property and services prior to purchasing them to assure that the city shall receive the best price considering the quality of its intended purchases subject to this chapter and any guidelines promulgated by the city manager. Further, all purchases may be awarded based upon provisions of Section 4.08.010.
- B. Competitive pricing shall not be required for purchases that meet the following criteria:
1. Competition does not exist for proposed purchases, such as conventions, legal advertising, meetings, professional membership or subscriptions, public utilities, travel or proprietary items of any kind;
 2. Competitive pricing or bidding has already been utilized for proposed purchases by a federal, state, county or other local agency and the proposed purchases will be sold to the city at the same or better price by a vendor as submitted to the federal, state, county or other local agency;
 3. Contracts for professional services as provided hereunder;
 4. Purchases which shall be resold to the public or others;
 5. Purchases of circulating library materials, including books, periodicals, films, and recordings; and
 6. Urgent purchases declared by the city council needed for the preservation of life or property or that seeking quotations or solicitations would provide no benefit or would cause unnecessary expense and delay.
- C. The city manager may promulgate guidelines to exempt any of the following purchases from the competitive pricing procedures provided such purchases or services otherwise comply with this chapter and applicable guidelines:
1. Purchases or services equal to or less than two thousand five hundred dollars (\$2,500);
 2. Budgeted non-commodity items such as debt service payments, deposits, dues, insurance premiums, legal advertising, memberships, professional service contracts, publications, self-insurance claim payments, seminar registration, subscriptions and travel expenses;
 3. Commodity items such as credit card purchases of gasoline, oil, office supplies, emergency repairs to equipment, vehicles and facilities, real property purchases and leases, utility services and related charges, work or services performed by another public agency.

(Ord. 893 § 2 (part), 2003)

4.08.060 - Competitive pricing procedures.

The Coachella procurement procedures and regulations describe the manner in which competitive pricing shall be accomplished. These procedures and regulations may be changed at the discretion of the city manager upon approval of a resolution by the city council and in accordance with other applicable sections included in this chapter.

(Ord. 893 § 2 (part), 2003)

4.08.070 - Surplus equipment and supplies.

Each department shall submit reports showing all supplies and equipment that are no longer used, have become obsolete or have worn out to the finance director at such times and on such forms as may be prescribed. The finance director may transfer such items between departments to assure their uses where and when needed. The finance director may cause the sale or exchange of all equipment, goods, materials and supplies that are not or cannot be used by any department provided that the city manager shall approve any such sale or exchange when the total estimated value exceeds five thousand dollars (\$5,000.00).

(Ord. 893 § 2 (part), 2003)

4.08.080 - Professional services agreements.

- A. The city council shall approve or reject every agreement for professional services in excess of fifteen thousand dollars (\$15,000.00) and the city manager may approve or reject agreements for professional services for all lesser amounts. All such agreements shall be made with the best-qualified person or firm. The city attorney shall approve all professional service agreements as to form prior to their execution except those on standard agreements approved by the city attorney.
- B. Selection of persons or firms shall be based on demonstrated competence and on the professional qualification necessary for the satisfactory performance of the services required. In determining the best-qualified person or firm, the following criteria shall be utilized:
 1. The training, credentials and experience of the person or firm;
 2. The demonstrated competence, ability, capacity and skill of the person or firm to perform the contract or provide the services;
 3. The capacity of the person or firm to perform the contract or provide the service promptly, within the time specified, and without delay;
 4. The sufficiency of the persons or firm's financial and other resources;
 5. The character, integrity, reputation and judgment of the person or firm;
 6. The ability of the person or firm to provide such future service as may be needed; and
 7. The price which the person or firm proposes to charge, including whether the price is fair, reasonable and competitive except for selections based on technical merit only.
- C. The city manager and each department head shall solicit requests for proposals or qualifications for professional services whenever the city manager determines that the best interests of the city would be served by such professional services provided however that the city attorney shall solicit and recommend special legal services for special purposes; and the city council shall select and directly engage the services

of the city's external financial auditor. The department seeking such services shall prepare such requests for proposals or request for qualifications. Where practicable, such requests shall be solicited from at least three vendors.

- D. Agreements for professional services except for law enforcement and fire protection services shall not be made for a term in excess of three years and such agreements shall be for an initial term of one year with an option to the city to extend the agreement for two additional one-year terms. No amendment or modification of a professional service agreement shall be made without a written amendment. No payment for any such amendment or modification shall be made without a written amendment. Professional service agreements may be extended for years two and three without additional city council approval unless the amount thereof has been increased beyond the original approved amount.

(Ord. 893 § 2 (part), 2003)

4.08.090 - Public works contracts.

- A. Contracts for public works for fifteen thousand dollars (\$15,000.00) or less may be awarded by the competitive bidding procedures or other purchasing methods set forth in the Coachella procurement procedures and regulations.
- B. Contracts for public works for amounts in excess of fifteen thousand dollars (\$15,000.00) shall be awarded by the competitive bidding procedures described in the Coachella procurement procedures and regulations or by another method that may be required by a federal or state agency participating in or funding the contract.
- C. Any and all bids for public works may be rejected whenever the city council, city manager or department head makes any one of the following findings:
1. The bid does not comply with the bid documents;
 2. The proposed public work needs to be abandoned or delayed;
 3. The materials or services may be purchased more reasonably on the open market or the work done less expensively by city personnel;
 4. The bid is higher than anticipated and a new call for bids could result in lower bids to the city; or
 5. The best interests of the city would be served by a rejection of all bids.
- D. The city council may forego the bidding procedures otherwise required by this section whenever the city council finds that there is an urgent need to the public health or welfare, or safety would be jeopardized if the competitive bidding procedures in effect at the time were followed.
- E. All public works contracts in excess of fifteen thousand dollars (\$15,000.00) shall be awarded by the city council and signed by the mayor. Public works contracts less than fifteen thousand dollars (\$15,000.00) shall be signed by the city manager. The city attorney shall approve as to form all such public works contracts. Notwithstanding such a signed contract, the contractor shall not proceed with the public works project unless and until so directed in writing by the city manager or a department head and the contractor may not rely on the contract as assurance of any type that the notice to proceed shall be issued. In the event such notice to proceed is not issued, the city shall have no liability to the contractor under the

contract or under a theory of promissory estoppel due to the liability of the contractor to third parties. The city attorney shall approve all public works contracts as to form prior to their execution except those on standard forms approved by the city attorney.

- F. No amendment or modification of a public works contract shall be made without the issuance of a written change order duly signed by the contractor and the city manager and no additional compensation shall be paid to the contractor unless said amendment or modification is so signed.

(Ord. 893 § 2 (part), 2003)

4.08.100 - Local business preference program.

A. Definitions.

1. "Director" means the city manager or the city manager's designee.
2. "Coachella Valley" means the nine incorporated cities of the Coachella Valley, and the unincorporated areas of Riverside County in the Coachella Valley that are located within the boundaries of the Coachella Valley Association of Governments.
3. "Local business" means a vendor, contractor, or consultant who has a valid physical business address located within the Coachella Valley, at least six months prior to bid or proposal opening date, from which the vendor, contractor, or consultant operates or performs business on a day-to-day basis, and holds a valid business license by a jurisdiction located in the Coachella Valley. Post office boxes are not verifiable and shall not be used for the purpose of establishing such physical address.
4. "Solicitation" shall mean the city's process to obtain bids or proposals as provided in this chapter for the purchase of goods or services.

B. Findings.

1. The city annually spends significant amounts on purchasing supplies, materials, and equipment, and contractual and professional services. The dollars used in making these purchases are derived in large measure from taxes and fees derived from local businesses and the city council has determined that funds generated in the community should, to the extent possible, be placed back in the local economy. Therefore, the city council has determined that it is in the best interest of the city to give a preference to local businesses in making such purchases whenever the application of such a preference is reasonable in light of the dollar-value received in relation to such expenditure.
2. The city council further finds that the Coachella Valley is in a state of economic depression and many local businesses have been forced to close their doors due to severe financial losses. Many of these local business establishments have been doing business in the Coachella Valley for many years. The city council finds that the city should promote and stimulate local businesses by requiring that purchases of supplies, materials, and equipment and contractual services be acquired from local businesses.
3. The city council further finds that this action is necessary to grow the local economy and preserve the local businesses that have diligently served the Coachella Valley for many years.
4. Strategies that encourage people to buy locally are an important component of economic sustainability. Retaining local dollars within a community reduces economic export and increases the financial productivity of taxpayer dollars and increases the consumption of local goods and services while

fostering a sustainable community. In working towards a sustainable economy, the city council recognizes that sustainable procurement policies are an important early step on the Coachella path to a sustainable community. By leveraging the purchasing power of the city to buy local products and services instead of products and services from outside the Coachella Valley it strengthens the local economic activity and employment as well as sets an example that helps foster and maintain a vital economic community for future generations.

- C. Statement of Policy. 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, contractors, and consultants to the extent consistent with the law and interests of the public.
- D. Local Preference in Purchasing. In the bidding of, or letting for procurement of, supplies, materials, and equipment, as provided in this chapter, the city council or the director may give a preference to local businesses in making such purchase or awarding such contract in an amount not to exceed five percent of the local business' total bid price, or fifteen thousand dollars (\$15,000.00), whichever amount is lower. Total bid price shall include only the base bid price but also adjustments to that base bid price resulting from alternates requested in the solicitation. In order for a local business to be eligible to claim the preference, the business must request the preference in the solicitation response and provide a copy of its current business license from a jurisdiction in the Coachella Valley.
- E. Local Preference in Services. In awarding contracts for services, including consultant services, preference to local business shall be given whenever practicable pursuant to this chapter consistent with the statement of policy in subsection (c) of this section. The contractor or consultant will also, to the extent legally possible, solicit applications for employment and proposals for subcontractors and subconsultants for work associated with the proposed contract from local residents and firms as opportunities occur and hire qualified local residents and firms whenever feasible. In order for a local business to be eligible to claim the preference, the business must request the preference in the solicitation response and provide a copy of its current business license from a jurisdiction in the Coachella Valley.
- F. Exceptions to Local Business Preference Policy. The preference set forth in this section shall not apply to the following purchases or contracts:
 - 1. Goods or services provided under a cooperative purchasing agreement.
 - 2. Purchases or 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 that preference.
 - 3. Purchases made or contracts let under emergency or noncompetitive situations.
 - 4. Purchases with an estimated cost of five thousand dollars (\$5,000.00) or less.
 - 5. Application of the local business preference to a particular purchase, contract, or category of contracts for which the city council is the awarding authority may be waived at the city council's discretion.
- G. Quality and Fitness. The preferences established in this section shall in no way be construed to inhibit, limit or restrict the right and obligation of the city council and the director to compare quality and fitness for use of supplies, materials, equipment, and services proposed for purchase and compare the qualifications,

character, responsibility, and fitness of all persons, firms, or corporations submitting bids or proposals. In addition, the preferences established in this section shall in no way be construed to prohibit the right of the city council or the director from giving any other preference permitted by law or this chapter.

- H. Application. The local business preference provided in this section shall apply to new contracts for supplies, materials, equipment, and services first solicited as of the effective date of the enabling ordinance. This section shall be implemented in a manner consistent with otherwise applicable provisions of this chapter and competitive bidding laws.
- I. Verification of Local Business Preference Eligibility. Any vendor or consultant claiming to be a local business shall so certify in the bid, in writing to the director. The director shall not be required to verify the accuracy or any such certifications, and shall have sole discretion to determine if a vendor or consultant meets the definition of "local business."
- J. Enforcement.
1. The information furnished by each bidder requesting a local business preference shall be under penalty of perjury.
 2. No person or business shall knowingly and with intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a local business for the purpose of this section.
 3. No person or business shall willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a city official or employee for the purpose of influencing the certification or denial of certification of any entity as a local business.
 4. A business which has obtained city certification as a local business by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded a contract to which it would not otherwise have been entitled, shall:
 - (i) Pay to the city any difference between the contract amount and what the city's costs would have been if the contract had been properly awarded;
 - (ii) In addition to the amount described in subsection (i) above, be assessed a penalty in an amount of not more than ten (10) percent of the amount of the contract involved; and
 - (iii) Be subject to debarment from future award of contracts from the city.
 5. The penalties identified in (4) above shall also apply to any business that has previously obtained proper certification and, as a result of a change in its status would no longer be eligible for certification, fails to notify the director of this information prior to responding to a solicitation or accepting a contract award.
- K. Promulgation of Administrative Rules. The director is authorized to adopt administrative rules supplemental to the provisions of this chapter as necessary or appropriate to implement the provisions of this section. The provisions of this section and the rules adopted by the director shall be provided to potential bidders, vendors, and contractors to the widest extent practicable.

