



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 09/01/2026

ITEM NO: 7

DATE: October 6, 2026
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Adopt a Resolution Amending the Town of Los Gatos Purchasing Policy (Policy 4-06) and Repeal the Previous Policy.**

RECOMMENDATION: Adopt a resolution amending the Town of Los Gatos Purchasing Policy (Policy 4-06), repeal Resolution 1997-25 and all previous editions of the Town Purchasing Policy.

FISCAL IMPACT:

There is no direct fiscal impact associated with adoption of the proposed Purchasing Policy revisions. The revisions primarily clarify procurement procedures and compliance requirements. The Purchasing Policy continues to establish authorization levels, competitive procurement requirements, documentation requirements, and internal controls intended to support fiscal accountability.

STRATEGIC PRIORITY:

This item advances the Town's Strategic Priority to ensure prudent financial management by maintaining clear procurement authority, consistent purchasing procedures, appropriate internal controls, and compliance with applicable Town, State, and Federal requirements.

BACKGROUND:

The Purchasing Policy establishes a decentralized purchasing system under which requesting departments implement procurement processes subject to policy limitations and the approval of the appropriate awarding authority. The Finance Department and Town Manager oversee the decentralized system.

PREPARED BY: Kristina Alfaro
Administrative Services Director

Reviewed by: Town Manager, Assistant Town Manager, and Town Attorney

Recommended minor revisions to this policy include minor language changes. In addition, per the Town Code Section 2.50.145, this policy should be adopted via resolution. In 2021, when this policy was adopted, a resolution was included but did not specify the policy adoption. As such, staff is bringing this policy revision to ensure compliance with the Town Code.

DISCUSSION:

The proposed revisions are intended to make targeted clarifications to Policy 4-06 rather than establish a new procurement system. The proposed resolution identifies three areas for amendment.

1. Signing Authority

The revised policy clarifies that the Town Manager is authorized to sign contracts and agreements up to and including \$100,000.

2. Federal funding requirements

The revised policy expressly states that special rules apply to purchases made with Federal funds. The policy already recognizes that Federal procurement requirements may apply in addition to the Town's local procedures and specifically references Federal disaster grant procurement requirements under 2 CFR Part 200 in its emergency purchasing provisions.

3. Department of Industrial Relations registration for applicable public works contractors

The revised policy clarifies that contractors completing applicable public works projects must be registered with the Department of Industrial Relations when the contract amount exceeds \$25,000. The policy also requires applicable public works contractors to be properly licensed, provide a Tax Identification Number, and carry required liability and workers' compensation insurance.

CONCLUSION:

The proposed amendments provide targeted clarification to the Town's Purchasing Policy without changing the overall decentralized procurement framework or the existing competitive purchasing structure. Adoption by resolution will maintain the Town's Purchasing Policy in the form required by Town Code Section 2.50.145 and incorporate the identified clarifications regarding signing authority, Federal funding requirements, and applicable public works contractor registration.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

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SUBJECT: Adopt A Resolution Updating the Town of Los Gatos Purchasing Policy (Policy 4-06).

DATE: October 6, 2026

Attachments:

1. Resolution Updating the Purchasing Policy
2. Purchasing Policy, Policy 4-06 – Redline
3. Purchasing Policy, Policy 4-06 – Clean Copy