

CITY OF ORLAND PURCHASING AND CONTRACTING POLICY

1. PURPOSE AND AUTHORITY

1.1 Purpose

This Purchasing and Contracting Policy is adopted by resolution to:

- Implement and clarify the provisions of Orland Municipal Code Chapters 2.44 and 2.46
- Update CUPCCAA thresholds pursuant to OMC Section 2.46.030 and AB 2192
- Establish expense reimbursement procedures per Government Code Section 53232.2 (AB 1234)
- Provide comprehensive guidance for staff and vendors

1.2 Authority

This policy is adopted pursuant to:

- Resolution authority granted by OMC Section 2.46.030 (CUPCCAA threshold adjustments)
- City Council's general authority to adopt administrative policies
- Government Code Section 53232.2 (AB 1234 expense reimbursement)

Note: *This policy implements existing Municipal Code provisions. Where the Code establishes specific thresholds for general purchases (Chapter 2.44), those remain in effect until amended by ordinance. CUPCCAA thresholds (Chapter 2.46) are updated herein by resolution as authorized.*

2. GENERAL PURCHASING PROCEDURES

2.1 Budgetary Compliance

Per OMC Section 2.44.010, all expenditures must be made strictly in accordance with the duly adopted budget.

2.2 Authorization Required

Per OMC Section 2.44.020, purchases require authorization from the appropriate department head or City Manager. Invoices shall be submitted to the Finance Office for review before payment.

3. GOODS AND SERVICES - PROCUREMENT THRESHOLDS

The following thresholds are established by Orland Municipal Code Chapter 2.44:

3.1 Department Head Authority

Amount: Up to \$1,000 (OMC 2.44.070)

Requirements:

- Items must be within approved budget category
- Documentation of purchase required
- Best practice: Consider price reasonableness

3.2 City Manager Authority - No Bids Required

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Amount: Up to \$2,500 (OMC 2.44.030(A))

Requirements:

- City Manager approval
- Within approved budget
- Best practice: Document price reasonableness

3.3 Informal Bids Required

Amount: \$2,501 to \$10,000 (OMC 2.44.030(B))

Process:

- Two or more informal bids required
- City Manager approves purchase
- Document all quotes received
- Not applicable if Public Contract Code applies

3.4 Formal Competitive Bidding

Amount: Over \$5,000 (OMC 2.44.030(C) and 2.44.040)

Requirements:

- Published notice inviting bids (10 days minimum)
- Newspaper publication or posting in three public places
- City Council awards to lowest responsible bidder
- Council may reject all bids

4. PUBLIC WORKS PROJECTS - UPDATED THRESHOLDS

Pursuant to OMC Section 2.46.030, which states that CUPCCAA amounts 'may be adjusted by resolution henceforth to correspond with any future increases or decreases enacted by the State of California,' the following updated thresholds are hereby adopted to comply with AB 2192 (effective January 1, 2025):

4.1 Force Account/Negotiated Contract

Amount: \$75,000 or less (*updated from \$60,000 per AB 2192*)

Public projects of \$75,000 or less may be performed by City employees by force account, negotiated contract, or purchase order.

4.2 Informal Bidding Procedures

Amount: \$75,001 to \$220,000 (*updated from \$60,001-\$200,000 per AB 2192*)

Requirements (per OMC 2.46.060):

- Notice to all contractors on qualified list
- Mailing at least 10 calendar days before bid due date
- Include project description and bid submission details

4.3 Formal Bidding Procedures

Amount: Over \$220,000 (*updated from \$200,000 per AB 2192*)

Public projects over \$220,000 must follow formal bidding procedures per OMC Section 2.46.040 and Public Contract Code Section 22037.

4.4 Exception for High Bids

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Per AB 2192, if all bids exceed \$220,000, the City Council may award a contract up to \$235,000 to the lowest responsible bidder by a four-fifths vote if the City's cost estimate was reasonable.

4.5 Qualified Contractors List

Per OMC Section 2.46.050, the City maintains a list of qualified contractors. All contractors must be registered with DIR per Labor Code Section 1725.5.

5. EXCEPTIONS TO COMPETITIVE BIDDING

The Orland Municipal Code provides the following exceptions:

5.1 Emergency

- OMC 2.44.030(D): Emergency requiring nearest available source
- OMC 2.44.080(A): Emergency work per Public Contract Code Section 20168

5.2 Sole Source

OMC 2.44.030(D): When commodity available from only one vendor

5.3 Professional Services

OMC 2.44.080(A): Architects, engineers, lawyers per Government Code Sections 4525-4528

5.4 Grant Funds

OMC 2.44.080(B) and 2.46.080: Federal/state grant requirements apply

5.5 Council Determination

OMC 2.46.070: Council may determine bidding would be unavailing

OMC 2.44.060: Four-fifths vote for day labor after rejecting bids

6. EXPENSE REIMBURSEMENT POLICY

Pursuant to Government Code Section 53232.2 (AB 1234), the City adopts the following expense reimbursement policy for members of the legislative body:

6.1 Authorized Expenses

The City will reimburse actual and necessary expenses incurred for City business:

- Travel, training, and conferences approved in advance
- Lodging at group/government rates when available
- Meals per IRS per diem rates
- Mileage at the current IRS standard rate
- Registration fees

6.2 Documentation

- Submit requests within 30 days
- Include original receipts
- Complete City reimbursement form
- Reimbursements are public records

6.3 Reporting

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Officials shall provide brief reports to Council after attending meetings/conferences on City behalf.

7. ETHICS AND ADMINISTRATION

7.1 Gratuities Prohibited

Per OMC Section 2.44.090, acceptance of any gratuity from vendors is cause for disciplinary action.

7.2 Responsibilities

- City Manager: Overall purchasing authority (OMC 2.12.180)
- Finance Director: Purchasing operations (OMC 2.14.050)
- Department Heads: Delegated authority to \$1,000

7.3 Monitoring

The Finance Director shall monitor compliance and report annually to Council. This policy shall be reviewed biennially.