ATTACHMENT A

Chapter 3.04 PURCHASING SYSTEM

Sections:

3.04.010 Adoption of purchasing system.
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3.04.010 Adoption of purchasing system.

A purchasing system is adopted in order to establish efficient procedures for the purchase of services, supplies and equipment, to obtain services, supplies and equipment at the lowest possible cost commensurate with quality, and to exercise positive financial control over purchases. This chapter is adopted under Government Code Sections 54201 through 54205. (Prior code § 2-201)

3.04.020 Duties of ~~town manager~~town manager or designee.

The ~~town manager~~town manager or designee shall:

A. Purchase and contract for services, supplies and equipment required by the town in accordance with purchasing procedures;

B. Negotiate and recommend execution of contracts for the purchase of service, supplies and equipment;

C. Obtain for the town the needed quality in services, supplies and equipment at the least expense to the town;

D. Discourage uniform bidding and obtain as full and open competition as possible on all purchases;

E. Prepare and recommend to the town council supplemental rules governing the purchase of services, supplies and equipment for the town as he or she considers necessary or appropriate;

F. Keep informed of current developments in the field of purchasing prices, market conditions and new products;

G. Prescribe and maintain such forms as reasonable necessary to the operation of this chapter and other rules and regulations;

H. Supervise the inspection of all supplies, equipment and services to ensure conformance with specifications or requirement;

I. Recommend the transfer of surplus or unused supplies and equipment between departments as needed;

J. Maintain a bidders' list, vendors' catalogue file and other records needed for the efficient operation of the purchasing division;

K. From time to time, re-examine current vendors' prices as to their competitiveness. (Prior code § 2-202)

3.04.030 Contract authority of the town manager.
The town manager is hereby authorized to enter into and execute for and on behalf of the Town without the prior approval of the town council, any contract, other than for the provision of auditing and legal services:

1. Which is not required by any applicable law to be let to the lowest bidder;
2. Which provides for payment of money by the town.
3. Which contains maximum compensation figure less than $15,000;
4. For which moneys have been appropriated, for which there is an unexpended unencumbered balance of such appropriation sufficient to pay the expense of the contract, and the appropriate procurement procedures have been followed.

3.04.040 Purchasing procedures.
The town manager or designee shall ensure that an administrative purchasing policy is developed that establishes efficient procedures for the purchase of or contracting for supplies, services, and equipment in according with Municipal Code Chapter 3.04.

3.04.~~040~~050 Purchase orders.
The purchase of services, supplies or equipment may b~~y~~e made only by purchase order approved in advance by the ~~town manager~~town manager or designee . The ~~town manager~~town manager or designee may issue a purchase order only if an unencumbered appropriation exists in the fund account against which the purchase is to be charged or at the direction of the town council. (Prior code § 2-204)

3.04.060 Authority to hire professional consultants.
The restrictions and provisions of this chapter shall not apply to contracts involving the acquisition of professional or specialized services such as, but not limited to, those rendered by architects, attorneys, accountants, engineers and other specialized consultants. The Town shall award contracts for professional services on the basis of demonstrated competence and professional qualifications necessary to accomplish the required tasks and not solely on the basis of price. Rather than using a competitive bidding process when selecting contractors to provide professional services, the Town may utilize a request for proposal process addressing technical qualifications, ability to provide the service in a timely manner, and costs.

3.04.070 Purchase of Vehicles
Notwithstanding any other provision of this chapter, the procedure for the purchase of vehicles by the Town shall be as set forth in this subsection. All purchases of vehicles may be made through informal bids. Additionally, if the town council has appropriated funds for the purchase of the specific vehicle(s) through the Town's annual budget and the purchase price is within the appropriated amount, the town manager or designee shall be the awarding authority. If funds were not previously appropriated for the specific vehicle(s) or the price exceeds the appropriated amount, the town council shall be the award authority.

3.04.~~030~~ 080 Bidding.

The purchase of supplies, ~~and~~ equipment, and services shall be by bid procedures as set forth in Sections 3.04.050 and 3.04.060. Public construction contracts are covered in Section 3.06.

The ~~town manager~~town manager or designee may dispense with bidding only when: ~~(1) delay would create a clear and present danger to life, property or public welfare/health; or~~ (~~2~~1) the amount involved is less ~~that~~than two thousand dollars ($2,000.00) ~~for supplies and equipment and less than ten thousand dollars ($10,000.00) for services; or~~ (~~3~~2) the item can be obtained from only one vendor and no equivalents or alternatives exist or (3) a state of emergency endangering the lives, property or welfare of the people of the Town or the property of the Town exists. For purposes of meeting such emergency, the town manager or designee may authorize the expenditure of unencumbered moneys notwithstanding the fact that such moneys may not have been appropriated for such purpose. The town manager or designee shall notify the town council of any expenditure under this provision~~.~~
(Prior code § 2-203)

~~3.04.040 Purchase orders.~~
~~The purchase of services, supplies or equipment may by made only by purchase order approved in advance by the town manager. The town manager may issue a purchase order only if an unencumbered appropriation exists in the fund account against which the purchase is to be charged or at the direction of the town council.~~
~~(Prior code § 2-204)~~

3.04.~~060~~090 Informal Bidding ~~Open market procedure.~~
A. If the estimated value of the purchase of supplies, ~~or~~ equipment or services is less than two thousand ($2,000.00), ~~or services less than ten thousand dollars ($10,000.00),~~ the ~~town manager~~town manager or designee may dispense with the bidding procedure.
B. If the estimated value of the purchase is ~~ten~~fifteen thousand ($1~~0~~5,000.00) or less, but two thousand dollars ($2,000.00) or more, the ~~town manager~~town manager or designee shall make the purchase ~~in the open market~~ under the following procedure:
1. Minimum Number of Bids. The ~~town manager~~town manager or designee shall obtain at least three bids whenever possible, and shall make the purchase from the lowest responsible bidder.
2. Notice Inviting Bids. The ~~town manager~~town manager or designee shall solicit bids by written request to prospective vendors, or by telephone, or by public notice posted on a public bulletin board in the town hall.
~~3. Written Bids. Sealed written bids shall be submitted to the town manager who shall require all bids to be sealed and in writing. The town manager shall keep a record of all open market orders and bids for period of one year after the submissions or bids or the placement of orders. This record is open to public inspection.~~
(Prior code § 2-206)

3.04.~~050~~ 110 Formal contract procedures.
Except as provided in Section 3.04.~~030~~040, 3.04.050, and 3.04.060, the purchase of supplies, ~~and~~ equipment, and services of an estimated value greater than ~~ten~~ fifteen thousand dollars

($~~10~~15,000.00) shall be by written contract with the lowest responsible bidder after following this procedure:

A. Notice Inviting Bids. The ~~town manager~~town manager or designee shall prepare a notice inviting bids. The notice shall include a general description of the article to be purchased, shall state how bid blanks and specifications may be secured, the time and place for opening bids, and the security required, if any.

1. Published Notice. The notice inviting bids shall be published at least ten (10) days before the date of opening of the bids, once in a newspaper of general circulation within the town.

2. Bidders' List. The ~~town manager~~town manager or designee shall also solicit sealed bids from responsible prospective parties whose names are on the bidders' list or who have made written request that their names be added to it or from such other contractors who are not on the list, but known by the ~~town manager~~town manager or designee.

B. Bidder's security. When the ~~town manager~~town manager or designee considers it necessary, he or she shall prescribe bidder's security and a statement of the security shall be included in the notice inviting bids. Each bidder is entitled to a return of the bid security. However, a successful bidder forfeits his bid security if he refuses or fails to execute the contract within ten (10) days after the notice of award of contract is mailed. If the successful bidder fails or refuses to execute the contract, the town council may award it to the next lowest responsible bidder or readvertise. If the town council rejects all bids and readvertises, the securities posted by all bidders shall be returned.

C. Bid Opening Procedure. The ~~town manager~~town manager or designee shall require all bids to be sealed and identified as "bids" on the envelope. The ~~town manager~~town manager or designee shall open the bids in public at the time and place stated in the public notice. The ~~town manager~~town manager or designee shall tabulate the bids received and shall keep the tabulation open for public inspection during regular business hours for a period of not less ~~that~~ than thirty (30) calendar days after the bid opening.

D. Rejection of Bids. In its discretion, the town council may reject all bids presented and readvertise for bids.

E. Award of Contracts. The town council shall award the contract to the lowest responsible bidder or reject all bids.

F. Tie Bids. If two or more bids received are for the same total amount or unit price, quality and service being equal, and ~~it~~ if the public interest will not permit the delay or readvertising for bids, the town council may accept the one it chooses or accept the lowest bid made after negotiations with the tie bidders at the time of the bid opening.

G. Performance Bonds. The town council may require a performance bond before entering a contract in such amount as it finds reasonably necessary to protect the best interests of the town. (Prior code § 2-205)

~~3.04.060 Open market procedure.~~

~~A. If the estimated value of the purchase of supplies or equipment is less than two thousand ($2,000.00), or services less than ten thousand dollars ($10,000.00), the town manager may dispense with the bidding procedure.~~

~~B. If the estimated value of the purchase is ten thousand ($10,000.00) or less, but two thousand dollars ($2,000.00) or more, the town manager shall make the purchase in the open market under the following procedure:~~

~~1. Minimum Number of Bids. The town manager shall obtain at least three bids whenever possible, and shall make the purchase from the lowest responsible bidder.~~
~~2. Notice Inviting Bids. The town manager shall solicit bids by written request to prospective vendors, or by telephone, or by public notice posted on a public bulletin board in the town hall.~~
~~3. Written Bids. Sealed written bids shall be submitted to the town manager who shall require all bids to be sealed and in writing. The town manager shall keep a record of all open market orders and bids for period of one year after the submissions or bids or the placement of orders. This record is open to public inspection.~~
~~(Prior code § 2-206)~~

3.04.070 Inspection and testing.
The ~~town manager~~town manager or designee shall inspect supplies and equipment delivered, and to the extent possible, services provided, to determine their conformance with specifications set forth in the order. The ~~town manager~~town manager or designee shall have the authority to require chemical and physical tests of samples submitted with bids and samples of deliveries which are necessary to determine their quality and conformance with specifications. The cost of such testing may be billed to the vendor it the ~~town manager~~town manager or designee deems it appropriate.
(Prior code § 2-207)

Chapter 3.06 UNIFORM CONSTRUCTION COST ACCOUNTING ACT PROCEDURES
Sections:
3.06.010 Informal bid procedures for public construction contracts.
3.06.020 Contractors list.
3.06.030 Notice inviting informal bids.
3.06.040 Bids in excess of $~~100~~125,000.00.
3.06.050 Formal bid procedures for public construction contracts.
3.06.060 Change orders
3.06.070 Emergencies

3.06.010 Informal bid procedures for public construction contracts.
Public projects, as defined by Public Contract Code Section 22000 et seq., of one hundred twenty-five thousand dollars ($~~100~~125,000.00) or less may be let to contract by informal procedures as set forth in Public Contract Code Section 22032 et seq.
(Ord. 203 § 1 (part), 2004)

3.06.020 Contractors list.
A list of contractors shall be developed and maintained in accordance with the provisions of Public Contract Code Section 22034 and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission.
(Ord. 203 § 1 (part), 2004)

3.06.030 Notice inviting informal bids.
A. Where a public project subject to the provisions of this chapter is to be performed, a notice inviting informal bids shall be mailed to all contractors for the category of work to be bid, as

shown on the list developed in accordance with Section 3.06.020, and/or to all construction trade journals as specified by the California Uniform Construction Cost Accounting Commission in accordance with Public Contract Code Section 22036.

B. Additional contractors and/or construction trade journals may be notified at the discretion of the town, provided however:

1. If there is no list of qualified contractors maintained by the town for a particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the commission;

2. If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

C. The notice shall describe the project in general terms, set forth how to obtain more detailed information about the project and state the time and place for submission of bids.

D. All mailing of notices shall be completed not less than ten (10) calendar days before bids are due.

(Ord. 203 § 1 (part), 2004)

3.06.040 Bids in excess of $~~100~~125,000.00.

If all bids received are in excess of one hundred thousand dollars ($~~100~~125,000.00), the town council may, by passage of a resolution by a four-fifths vote, award the contract, at one hundred ten thousand dollars ($~~110.000~~137.500.00) or less, to the lowest responsible bidder, if it determines that the original cost estimate of the ~~town~~ Town was reasonable.

(Ord. 203 § 1 (part), 2004)

3.06.050 Formal bid procedures for Public Construction Contracts.

A. Notice inviting formal bids shall be handled as set forth in Public Contract Code Section 22037.

B. In its discretion, the Town may reject any bids presented, if the Town, prior to rejecting all bids and declaring that the project can be more economically performed by its own employees, furnishes a written notice to an apparent low bidder. The notice shall inform the bidder of the Town's intention to reject the bid and shall be mailed at least two business days prior to the hearing at which the Town intends to reject the bid. If after the first invitation of bids all bids are rejected, after reevaluating its cost estimate of the project, the Town shall have the option of either of the following:

1. Abandoning the project or readvertising for bids.

2. By passage of a resolution by a four-fifths vote declaring that the project can be performed more economically by the employees of the Town, may have the project done by force account without further complying with this section.

3. If a contract is awarded, it shall be awarded to the lowest responsible bidder. If two or more bids are the same and the lowest, the Town may accept the one it chooses.

4. If no bids are received through the formal or informal procedures, the project may be performed by Town employees by force account, or negotiated contract without further complying with this section.

3.06.060 Change Orders.

The Town staff member responsible for administration of a particular contract may approve change orders to the contract so long as the amount is within the approved contingency for the contract. Any change order exceeding the contingency shall be approved by the town manager or designee. Any change orders exceeding the amount appropriated by the town council shall be approved by the town council through additional appropriation.

3.06.070 Emergencies

In cases of emergency when repair or replacements are necessary, the town council may proceed at once to replace or repair any public facilities without adopting plans, specification, strain sheets, or working details, or giving notice for bids to let contracts. The work may be done by day labor under the direction of the town council, by contractor, or by a combination of the two. In case of an emergency, if notice for bids to let contracts will not be given, the Town shall comply with Chapter 2.5 (commencing with Section 22050) of the Public Contract code.