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Purpose and Goals

Section 3.12 of the Mission Viejo Municipal Code authorizes a purchasing division that is responsible to the City Manager. The City Manager has designated the Budget and Research Manager as the Purchasing Agent and the Administrative Services Department to be responsible for the purchasing function. The Code outlines the authorities and responsibilities of the Purchasing Agent or designee to negotiate or contract for public projects and professional services and to purchase supplies, materials and equipment required by City departments.

The guiding principles of those involved in the purchasing function should be:

- To comply with State law, the City's Municipal Code and adopted budget on all purchases and contracts.
- To procure the supplies, services and equipment needed by the departments at the lowest possible cost, taking into consideration quality, service levels, and time constraints.
- To act in a professional and ethical manner.

Ethics

The purpose of this section is to provide a general code of conduct for all personnel who may be engaged in the City's purchasing function. It is essential that all personnel involved in the procurement process conduct themselves in a manner that maintains impartiality and complete objectivity, to meet the continuing scrutiny of suppliers and the public. In dealings with the business community, it is necessary to exercise a strict rule of personal conduct to ensure that business relations are not compromised or even have the appearance of being compromised. The City's reputation for fairness and integrity in dealing with suppliers and others must always be maintained.

The following are the City's standards in ethics for purchasing:

- To buy on the basis of value, recognizing that value represents a combination of quality, service and price which assures the greatest economy to the City.
- To recognize that permanent business relationships should be established on the basis of honesty and fair dealings.
- To be courteous and considerate in all City dealings.
- To be prompt in all appointments and to negotiate with reasonable speed.
- To avoid statements that might injure or discredit legitimate suppliers and to avoid disclosure of confidential information that might give an unfair advantage in a competitive business transaction.
- To recognize that character is an important asset in commerce and should be given major consideration in the selection of sources of supply or service.
- To adjust claims and settle disputes on the basis of facts and fairness.
- To decline politely any gratuity or accommodation with a cumulative value of \$50.00 for any calendar year, from any one supplier, vendor, or firm with whom the City is currently doing or could potentially do business. (See also the Fair Political Practices Commission guidelines on page I-3.) All decisions and actions regarding procurement should be based upon proper business considerations, and purchasing decisions should not be influenced in any way by personal obligations. However, any offering from a vendor, or potential vendor, which has been given to a group and which is kept and/or consumed on the premises, would not be considered inappropriate.

**Fair Political Practices Commission (FPPC)
Gift Disclosures and Prohibitions**

The purpose of this section is to highlight FPPC regulations regarding gifts for all personnel who may be engaged in the City's purchasing function, hold the office of a public official or designated in the City's conflict of interest code. It is essential that all personnel involved in dealings with the business community exercise a strict rule of personal conduct and abide by FPPC regulations when offered a "gift".

Per the FPPC manual, a "gift" is any payment or other benefit provided to you that confers a personal benefit for which you do not provide goods or services of equal or greater value. A gift includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public (Section 82028).

Except as discussed below, you have "received" or "accepted" a gift when you know that you have actual possession of the gift or when you take any action exercising direction or control over the gift, including discarding the gift or turning it over to another person. (Regulation 18941).

This overview of the Fair Political Practices Commission highlights provisions of the California Political Reform Act; however, you should not rely on this alone to ensure compliance with the Act. If you have questions, consult the Act and FPPC Regulations, the City Clerk or legal counsel, or call the FPPC's toll-free help line at 1-866-275-3772. Other regulations and important information can be found at the FPPC website, www.fppc.ca.gov.

Handbooks prepared by the California Fair Political Practices Commission can also be downloaded from the FPPC website. The manuals used in the preparation of this overview are:

- Your Duty to File: <http://www.fppc.ca.gov/library/seibook9-04.pdf>
- The Limitations and Restrictions on Gifts, Honoraria, Travel and Loans: <http://www.fppc.ca.gov/factsheets/giftlocal.pdf>.
- FPPC Form 700: <http://www.fppc.ca.gov/forms/700-06-07/Form700-06-07.pdf>

GIFT LIMITATIONS:

- Local officials and employees listed in the City's conflict of interest code are prohibited from accepting gifts totaling more than **\$390** (effective January 1, 2007*) in a calendar year from a single source.
- Gifts aggregating **\$50** or more must be disclosed and gifts aggregating \$390 or more may subject you to disqualification with respect to the source.

*The gift limit is adjusted biennially to reflect changes in the Consumer Price Index. Gift limit adjustments occur on January 1 of each odd-numbered year, rounded to the nearest ten dollars (\$10) (GC 89503).

Responsibilities

Department Responsibilities

- To anticipate requirements sufficiently in advance to allow adequate time to obtain goods in accordance with the best purchasing practices.
- To not split orders for the purpose of avoiding purchasing requirements.
- To provide detailed, accurate specifications to ensure goods obtained are consistent with requirements and expectations.
- To prepare requisitions in accordance with instructions so as to minimize the processing effort.
- To minimize urgent and sole source purchases and to provide written documentation when such purchases may be necessary.
- To consider the use of recycled products when it is practical and economically feasible.

Purchasing Responsibilities

The Purchasing Agent has overall responsibility for the procurement of general supplies, services and equipment, the administration of the purchasing policies, and the management of surplus City property. Other purchasing responsibilities are:

- To ensure full and open competition on all purchases as required by this policy.
- To coordinate vendor relations, locate sources of supply and evaluate vendor performance.
- To recommend revisions to purchasing procedures when necessary and keep informed of current developments in the field of public purchasing.
- To prescribe and maintain all forms and records necessary for the efficient operation of the purchasing function.
- To act as the City's agent in the transfer and disposal of surplus equipment and materials.

Purchasing Cycle

The purchasing cycle establishes the proper steps for Mission Viejo department staff to follow when requisitioning supplies, materials and equipment; public works projects; and/or professional service contracts.

The Budget

The first step in the purchasing cycle is the approval of the City's biennial budget. The budget authorizes the City Manager and designees to purchase the materials, supplies, services, and equipment in the line item budget document. Purchases for certain dollar amounts are subject to further rules, such as for department head level approvals, City Manager approvals, Council approvals, and/or bidding requirements.

Method of Purchase

As the second step, the department will choose the method of purchase according to the type and dollar value of purchase. The different methods of purchasing include petty cash, express purchase order, purchase order, or a contract, which also requires a purchase order.

Receiving and Acceptance

The receiving and acceptance functions represent the final phase in completing the purchasing cycle. At this point, the product or service is either accepted or rejected, based on the quantity, quality, and/or delivery compliance of the item(s). After this phase, payment authorization can proceed.

Recycled Products

Benefits of Purchasing Recycled Products

Purchasing recycled products benefits the City in a variety of ways. In purchasing recycled materials that would otherwise become trash, we help reduce the amount of waste taken to landfills, conserve the use of raw materials, and encourage the market development of other recycled products. The City's public image is also enhanced by a proactive approach to waste management and environmental concerns.

The City of Mission Viejo encourages each department to evaluate opportunities to purchase recycled products whenever it is feasible and fiscally prudent to do so. The City also encourages its vendors and consultants to specify and use recycled products whenever practical to fulfill contractual obligations.

Definitions

Recycled material is waste and by-products that have been recovered or diverted from the solid waste stream and that can be utilized in place of raw material in the manufacturing of a product. Recycled materials may consist of materials derived from post-consumer waste, manufacturing waste, industrial scrap, agricultural wastes and other items, all of which can be used in the manufacture of new products.

Pre-consumer material or by-products are generated after the manufacture of a product is completed, but before the product has reached the end-use consumer. Examples of pre-consumer recovered materials include obsolete inventories of finished goods, rejected unused stock, and paper wastes generated during printing, cutting and other converting operations.

Post-consumer recycled materials are finished products that have served the intended use and would normally be disposed of as solid waste. Examples of post-consumer recovered materials include old newspapers, office paper, yard waste, steel, glass, aluminum cans, plastic bottles, oil, asphalt, concrete and tires.

Criteria for Selecting Recycled Materials for Purchase

If a decision has been made to purchase recycled materials, the recommended products should contain, in order of preference, the highest percentage of recycled content of post-consumer recovered material available in the marketplace, and the highest percentage of pre-consumer recovered material available in the marketplace.

Recycled products should also be expected to perform as well as non-recycled products, to be purchased at a reasonable price and to be available within a reasonable time period. In addition to the recovered material content of a product, important criteria in selecting products should also be the ability of the product and its packaging to be reused, reconditioned for use or recycled through existing recycled collection programs. Preferred products and packaging are those designed to minimize waste and toxic by-products in their manufacture, use, and disposal.

Whenever printed recycled paper products are purchased, the standard phrase “Printed on Recycled Paper” and/or the standard recycle logo should be included on the printed product, thereby promoting the use of post-consumer content.

Purchasing Authorities

Purchasing regulations have been adopted by the Mission Viejo City Council, Municipal Code Section 3.12 and Informal Bidding Procedures by Section 3.13. and threshold amounts are established by resolution.

Chapter 3.12 Purchases

The code sections are:

3.12.010	Adoption of Purchasing System
3.12.020	Scope of Chapter
3.12.030	Centralized Purchasing Division
3.12.040	Purchasing Agent
3.12.050	Purchasing Regulations
3.12.060	Exemptions from Centralized Purchasing
3.12.070	Estimates of Requirements
3.12.080	Requisitions
3.12.090	Purchase Methods
3.12.100	Encumbrance of Funds
3.12.110	Inspection and Testing
3.12.120	Bidding
3.12.130	Formal Bid Procedures
3.12.140	Notice Inviting Formal Bids
3.12.150	Published Notice for Formal Bids
3.12.160	Approved Vendors List
3.12.170	Bulletin Board Notice
3.12.180	Bidder's Security
3.12.190	Other Formal Bond Requirements
3.12.200	Formal Bid Opening Procedure
3.12.210	Rejection of Formal Bids
3.12.220	Award of Formal Bid Contracts
3.12.230	Tie Formal Bids
3.12.240	No Formal Bids
3.12.250	Open Market or Informal Bid Procedure
3.12.260	Minimum Number of Informal Bids
3.12.270	Notice Inviting Informal Bids for Non-Public Projects
3.12.280	Record of Informal Bids
3.12.290	Exceptions to Competitive Bidding Requirement
3.12.295	Authority of City Manager to Enter into Contracts
3.12.300	Regulations Regarding Selection of Contract Services
3.12.310	Surplus Supplies and Equipment
3.12.320	Surplus Supplies and Equipment; Trade-ins
3.12.330	Surplus Supplies and Equipment; Sale
3.12.340	Surplus Supplies and Equipment; Donation
3.12.350	Surplus Supplies and Equipment; Scrap

Chapter 3.12. Purchases

3.12.010. Adoption of purchasing system.

In order to establish efficient procedures for the purchase of supplies and equipment at the lowest possible cost commensurate with quality needs, to exercise positive financial control over purchases, to clearly define authority for the purchasing function, and to assure the quality of purchases, a purchasing system is adopted.

3.12.020. Scope of chapter.

The procedures established by this chapter shall apply only to the purchase of supplies, equipment and services, and shall not apply to public projects as defined in Public Contracts Code § 20161.

3.12.030. Centralized purchasing division.

There is created a centralized purchasing division in which is vested authority for the purchase of supplies and equipment.

3.12.040. Purchasing agent.

There is created the position of purchasing agent, who may also be known as the purchasing officer. The purchasing agent shall be the head and have general supervision of the purchasing division. The duties of purchasing agent may be combined with those of any other office or position. The purchasing agent shall have the authority to:

1. Purchase or contract for supplies and equipment required by any using agency in accordance with purchasing procedures prescribed by this chapter, such administrative regulations as the purchasing agent shall adopt for the internal management and operation of the purchasing division and such other rules and regulations as shall be prescribed by the city council or the city manager.
2. Negotiate and recommend execution of contracts for the purchase of supplies and equipment.
3. Act to procure for the city the needed quality in supplies and equipment at least expense to the city.
4. Discourage uniform bidding and endeavor to obtain as full and open competition as possible on all purchases.
5. Prepare and recommend to the city council rules governing the purchase of supplies and equipment for the city.
6. Prepare and recommend revisions and amendments to the purchasing rules.
7. Keep informed of current developments in the field of purchasing, prices, market conditions and new products.
8. Prescribe and maintain such forms as are reasonably necessary for the operation of this chapter and other rules and regulations.
9. Supervise the inspection of all supplies and equipment purchased to insure conformance with specifications.
10. Recommend the transfer of surplus or unused supplies and equipment between departments as needed.
11. Maintain an approved vendors list, vendors catalog file and records needed for the efficient operation of the purchasing division.

3.12.050. *Purchasing regulations.*

The purchasing agent shall be responsible for determining that the regulations and procedures in sections 3.12.060 through 3.12.120 are carried out.

3.12.060. *Exemptions from centralized purchasing.*

The city manager may authorize, in writing, any department to purchase specified supplies and equipment independent of the purchasing agent; but he shall require that such purchases be made in conformity with the procedures established by this chapter and shall further require periodic reports from the department on the purchases made under such written authorization.

3.12.070. *Estimates of requirements.*

All using departments shall file detailed estimates of their requirements in supplies and equipment in such manner, at such time, and for such future periods as the purchasing agent shall prescribe.

3.12.080. *Requisitions.*

Using departments shall submit requests for supplies and equipment to the purchasing agent by standard requisition form, or by other means as may be established by the purchasing rules and regulations.

3.12.090. *Purchase methods.*

Purchases of supplies and equipment shall be made by purchase orders, procurement cards, or other acceptable purchasing method(s) within the purchasing agent's authority. Except as otherwise provided herein, no purchase order shall be issued unless the prior approval of the purchasing agent or his designated representative has been obtained.

3.12.100. *Encumbrance of funds.*

Except in cases of emergency, the purchasing agent shall not issue any purchase order for supplies or equipment unless there exists an unencumbered appropriation in the fund account against which such purchase is to be charged.

3.12.110. *Inspection and testing.*

The purchasing agent or designee, shall, in his discretion, inspect supplies and equipment delivered to determine their conformance with the specifications set forth in the order. The purchasing agent or designee shall have 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.

3.12.120. *Bidding.*

Purchases of supplies and equipment shall be by bid procedures pursuant to sections 3.12.130 through 3.12.280. Bidding may be dispensed with only under conditions stated in section 3.12.290.

3.12.130. *Formal bid procedures.*

Except as otherwise provided herein, purchases of supplies and equipment of an estimated value that conforms to the amount established by resolution of the City Council shall be awarded to the lowest responsible bidder pursuant to the formal bid procedures hereinafter prescribed. In recognition of the complex and technical nature of supplies and equipment the City requires and the wide variations in options and cost factors affecting the purchase of supplies and equipment, the city council may, in

the notice inviting formal bids, set forth the criteria to be used by the city council in determining the lowest responsible bidder. Such criteria may include:

- 1) The extent to which the bid meets the needs of the city for the equipment or supplies;
- 2) The quality of the equipment or supplies proposed;
- 3) The overall cost to the city of the bid, including, but not limited to, pricing of the equipment or supplies, delivery schedule, terms of payment, warranties, maintenance requirements, and required site preparation;
- 4) The experience and qualifications of vendor submitting a bid to successfully meet the requirements for the equipment or supplies;
- 5) Previous performance of the vendor submitting a bid in providing similar equipment or supplies;
- 6) Financial ability of the vendor submitting the bid to provide the equipment or supplies to the city;
- 7) Vendor's conformity to the specifications for the equipment or supplies set forth in the notice inviting bids;
- 8) Such similar factors as may be specifically included in the notice inviting bids.

3.12.140. Notice inviting formal bids.

Notices inviting formal bids shall include a general description of the article or service desired, shall state where bid documents and specifications may be secured, and the time and place for opening bids.

3.12.150. Published notice for formal bids

- a) Notices inviting formal bids for public projects shall be published once in a newspaper of general circulation in the city at least 14 days prior to the date of opening of the bids. The notice inviting formal bids shall also be mailed to all construction trade journals at least 30 calendar days before the date of opening of the bids.
- b) Notices inviting formal bids for non-public projects shall be published once in a newspaper of general circulation in the city at least 14 days prior to the date of opening of the bids.

3.12.160. Approved vendors list.

The purchasing agent or designee may also solicit formal sealed bids from responsible suppliers whose names are on the approved vendors list, or who have made written request that their names be added thereto.

3.12.170. Bulletin board notice.

The purchasing agent or designee shall advertise all pending formal purchases by posting a notice on the city's website, and a notice directing interested bidders to the city's website shall be posted on the public bulletin board at the city offices.

3.12.180. Bidder's security.

Where deemed necessary by the purchasing agent or designee, formal bids shall be accompanied by security, either cash, cashier's check, certified check or surety bond, in a sum equal to ten percent of the total aggregate of the bid, and shall be designated in the notice inviting bids. Bidders shall be entitled to return of bid security; provided, however, that a successful bidder shall forfeit his bid security upon his refusal or failure to execute the contract within ten days after the notice of award of contract has been mailed, unless the city is solely responsible for the delay in executing the contract.

The city council may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsible bidder who is willing to execute the contract, or may reject all bids and readvertise.

3.12.190. Other formal bond requirements.

A faithful performance bond and labor and material bond shall be required for all public projects, unless waived by the city council, in an amount reasonably necessary to protect the best interests of the city. In addition, the city council shall have authority to require a faithful performance bond or other bonds before entering into a contract other than a public project contract. If bonds are required, the form and amount thereof shall be designated in the notice inviting bids.

3.12.200. Formal bid opening procedure.

Sealed bids shall be submitted to the purchasing agent, or designee, and shall be identified as "bids" on the envelope. The city clerk, or designee, shall publicly open all bids at the time and place stated in the public notices. A tabulation of all bids received shall be available for public inspection in the office of the purchasing agent or designee during regular business hours for a period of not less than thirty calendar days after the bid opening.

3.12.210. Rejection of formal bids.

In its discretion, the city council may reject any and all bids presented and may cause readvertising for bids pursuant to the procedure hereinabove prescribed. However, when all bids exceed the authorized budgeted amount, the city manager may authorize rejection of all bids and authorize rebidding based upon the original specifications or as they may be modified, in accordance with procedures prescribed herein.

3.12.220. Award of formal bid contracts.

Except as otherwise provided herein, formal bid contracts shall be awarded by the city council to the lowest responsible bidder. The determination of lowest responsible bidder shall be at the discretion of the city council pursuant to findings and recommendations presented by the purchasing agent or designee at the time of award of contract.

3.12.230. Tie formal bids.

If two or more formal bids received are for the same total amount or unit price, quality and service being equal, and if the public interest will not permit the delay of readvertising for bids, the city council may in its discretion accept the one it chooses or accept the lowest bid made by and after negotiation with the tie bidders at the time of the bid opening or award of contract.

3.12.240. No formal bids.

When no formal bids or no responsive bids are received, the purchasing agent or designee is authorized to negotiate for written proposals, and his recommendation shall be presented to the city manager and the award, if any, shall be made in accordance with applicable provisions prescribed herein.

3.12.250. Open market or informal bid procedure.

Purchases of supplies and equipment of an estimated value that conforms to the amounts established by resolution of the City Council may be made by the purchasing agent in the open market pursuant to the procedure prescribed in sections 3.12.260 through 3.12.280 and without observing the

procedure prescribed in sections 3.12.130 through 3.12.240; provided, however, all bidding may be dispensed with for purchases of supplies and equipment having a total estimated value that conforms to the amount established by resolution of the City Council.

3.12.260. Minimum number of informal bids.

Open market purchases shall, wherever possible, be based on at least three informal bids, and shall be awarded to the bidder offering the most advantageous bid to the city after consideration of price, quality, durability, servicing, delivery time, standardization and other factors.

3.12.270. Notice inviting informal bids for non-public projects.

The purchasing agent or designee shall solicit informal bids from prospective vendors by written request, or by telephone, or by public notice posted on a public bulletin board at the city offices or the city's website.

3.12.280. Record of informal bids.

The purchasing agent shall keep a written record of all open market purchases and informal bids for a period of two years. This record, while so kept, shall be open to public inspection.

3.12.290. Exceptions to competitive bidding requirement.

Notwithstanding any provision of this chapter to the contrary, the competitive bidding procedures and requirements shall not be required in any of the following instances:

- 1) When the estimated amount involved conforms to the amount established by resolution of the City Council.
- 2) When the equipment or supplies can be obtained from only one vendor.
- 3) The city manager may authorize the purchase of materials, supplies, equipment and services where an emergency is deemed to exist and it is determined that service involving the public health, safety or welfare would be interrupted if the normal procedures were followed. All emergency purchases which would otherwise require formal bidding procedures made pursuant to this section shall be submitted to the city council for ratification at the next regular council meeting after the purchase is authorized.
- 4) Contracts for personal services, for professional and consultant services, and other non-public projects and contractual services may be entered into without observing the bidding procedures provided herein.
- 5) Supplies, equipment or services purchased from another governmental entity.
- 6) Supplies, equipment or services acquired through a cooperative or piggyback contract with another governmental entity.
- 7) The council finds that compliance with the requirements of this chapter would not be in the best interests of the city or would be impractical or uneconomical or would not provide the city with the highest quality and cost effectiveness in the purchase.

3.12.295. Authority of city manager to enter into contracts.

The city manager is authorized to enter into contracts for the purchase of supplies or equipment or contracts for personal, professional, consultant, and other non-public projects and contractual services pursuant to this chapter where the amount of such contract conforms to the amount established by resolution of the City Council; provided, however, there exists an unencumbered appropriation in the fund account against which the expense is to be charged. Where the amount of

any such contract does not conform to the amount established by resolution of the City Council, the contract shall be approved by the city council.

3.12.300. Regulations regarding selection of contract services.

The city council shall, by resolution, prescribe procedures, rules and regulations governing the solicitation, selection and award of proposals or bids for the furnishing of personal services or professional or consulting services or for other contractual services, the contracts for which may be awarded without observing the bidding procedures provided for in this chapter. Such procedures, rules and regulations shall have as one purpose the obtaining of contractual services of the highest quality together with cost-effectiveness.

3.12.310. Surplus supplies and equipment.

All using departments shall submit to the purchasing agent, at such times and in such forms as he shall prescribe, reports showing all supplies and equipment which are no longer used or which have become obsolete and worn out.

3.12.320. Surplus supplies and equipment; trade-ins.

The purchasing agent shall have authority, subject to the approval of the city manager, to exchange for or trade-in on new supplies and equipment all supplies and equipment which cannot be used by any department or which have become unsuitable for city use.

3.12.330. Surplus supplies and equipment; sale.

The purchasing agent shall have authority, subject to approval of the city manager, to dispose of surplus supplies or equipment by auction or by sale, including by sale to city employees, after receiving bids or proposals which, in his judgment, provide the maximum return to the city. Sales to city employees shall only be utilized when, in the opinion of the purchasing agent, all other alternative means of disposal would provide less return to the city.

3.12.340. Surplus supplies and equipment; donation.

The purchasing agent shall have authority, subject to the approval of the city manager, to donate surplus supplies and equipment subject to the following:

- 1) Surplus supplies and equipment may be donated to non-profit organizations or school districts located or operating within the city, or if these organizations express no interest, then to any other nonprofit organization or private organization that provides assistance to nonprofit organizations that has expressed interest in receiving donated surplus city property.
- 2) Donations made to eligible entities shall be on a first come, first-serve basis.
- 3) Prior to transfer of the donated supplies or equipment, the recipient entity shall provide a statement executed by a person duly authorized to legally bind the recipient entity that the donated property will:
 - a) Be accepted "as is," with no express or implied warranties; and
 - b) That an immediate need exists for the property and that it will be put into immediate use; and
 - c) That the property not ever be sold or otherwise transferred for profit; and
 - d) That the recipient entity shall assume all costs and liability associated with the removal and transportation of the surplus property from the city.
- 4) City shall provide notice of the surplus property to be donated to solicit interest from potential donees.

- 5) If in the opinion of the purchasing agent, the total amount of property to be donated pursuant to this section has a current value of \$1,000 or more, the purchasing agent shall prepare a report of the property to be donated, the estimated current value of the property to be donated, and the recipient(s) of the property proposed to be donated, for approval by the city council.

3.12.350. *Surplus supplies and equipment; scrap*

- a) The purchasing agent shall have authority to scrap surplus property if, regardless of value, it is broken or inoperable, cannot be repaired economically, and cannot otherwise be traded in, sold auctioned, donated, or salvaged.
- b) The purchasing agent shall have authority to scrap surplus property in the following instances, but only with the approval of the city manger:
 - 1) If the surplus property, in the opinion of the purchasing agent, has a current value of less than \$500.00 per unit, and for multiple items, has a combined total current value of less than \$1,000.00, is not broken and cannot otherwise be traded in, sold, auctioned, donated, or salvaged.
 - 2) If the surplus property, regardless of value, is obsolete or nonfunctional and cannot otherwise be traded in, sold, auctioned, donated, or salvaged.
- c) All other surplus property may be scrapped by the purchasing agent subject to the additional approval of the city council.

Chapter 3.13. Informal Bidding Procedures : Public Projects

The code sections are:

- 3.13.010. Bidding requirements for construction on public projects.
- 3.13.020. List of qualified contractors.
- 3.13.030. Mailed notice of bids.
- 3.13.040. Contents of notice.
- 3.13.050. Delegation of authority to award informal contracts.

Chapter 3.13. Informal Bidding Procedures : Public Projects

3.13.010. Bidding requirements for construction on public projects.

a) The provisions of this chapter shall apply to construction on public projects of amounts and restrictions based on changes approved by the State of California through the California Uniform Construction Cost Accounting Commission (CUCCAC) and implemented by the City Manager through administrative action. Public projects in an amount of less than the State-approved lower informal bid limit may be performed by city employees by force account, by negotiated contract or by purchase order. Public projects in an amount less than the State-approved upper informal bid limit may be let to contract by informal procedures as set forth in this chapter.

b) In his discretion, the city manager may reduce these amounts and/or eliminate the informal bid category or force account/negotiated contract/purchase order category. The city manager shall notify the city council of any such action to reduce or eliminate such amounts and categories.

3.13.020. List of qualified contractors.

The city manager or his designee may maintain a list of qualified contractors identified according to categories of work. Such list shall comply with the minimum criteria for development and maintenance of such list, as determined from time to time by the California Uniform Construction Cost Accounting Commission ("commission").

3.13.030. Mailed notice of bids.

All contractors on the list for the category of work being bid and/or all construction trade journals specified by the commission pursuant to Public Contracts Code § 21206 shall be mailed a notice inviting informal bids unless the product or service is proprietary. All mailing of notices to contractors and/or construction trade journals pursuant to this section shall be completed not less than ten calendar days before bids are due.

3.13.040. Contents of notice.

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

3.13.050. Delegation of authority to award informal contracts.

The city council hereby delegates the authority to award informal contracts to the city manager or other appropriate person, by separate action of the city council.

CHAPTER 2. BIDDING ON PUBLIC CONTRACTS

Article 1. Legislative Intent and Definitions

22000 Short Title

This chapter shall be known and may be cited as the “Uniform Public Construction Cost Accounting Act.”

22001 Legislative Findings and Declarations

The Legislature finds and declares that there is a statewide need to promote uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the state. This chapter provides for the development of cost accounting standards and an alternative method for the bidding of public works projects by public entities.

22002 Definitions

- (a) “Public agency” for purposes of this chapter, means a city, county, city and county, including chartered cities and chartered counties, any special district, and any other agency of the state for the local performance of governmental or proprietary functions within limited boundaries. “Public Agency” also includes a nonprofit transit corporation wholly owned by a public agency and formed to carry out the purposes of the public agency.
- (b) “Representatives of the construction industry” for purposes of this chapter, means a general contractor, subcontractor, or labor representative with experience in the field of public works construction.
- (c) “Public project” means any of the following:
 - 1. Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility.
 - 2. Painting or repainting of any publicly owned, leased, or operated facility.
 - 3. In the case of a publicly owned utility system, “public project” shall include only the construction, erection, improvement, or repair of dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher.
- (d) “Public project” does not include maintenance work. For purposes of this section, “maintenance work” includes all of the following:
 - 1. Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes.
 - 2. Minor repainting.
 - 3. Resurfacing of streets and highways at less than one inch.
 - 4. Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.
 - 5. Work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including, but not limited to, dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher.

(e) For purposes of this chapter, “facility” means any plant, building, structure, ground facility, utility system, subject to the limitation found in paragraph (3) of subdivision (c), real property, streets and highways, or other public work improvement.

22003 Public Agency Subject to Uniform Cost Accounting Procedures; Bidding Procedures

A public agency which has, by resolution, elected to become subject to the uniform construction cost accounting procedures set forth in Article 2 (commencing with Section 22010), may utilize the bidding procedures set forth in Article 3 (commencing with Section 22030) when contracting for “maintenance work,” as defined in Section 22002, or when contracting for any other work which does not fall within the definition of “public project,” as defined in Section 22002.

Article 2. California Uniform Construction Cost Accounting Commission

22010 Creation; Membership; Appointment

There is hereby created the California Uniform Construction Cost Accounting Commission. The commission is comprised of 14 members.

(a) Thirteen of the members shall be appointed by the Controller as follows:

1. Two members who shall each have at least 10 years of experience with, or providing professional services to, a general contracting firm engaged, during that period, in public works construction in California.
2. Two members who shall each have at least 10 years of experience with, or providing professional services to, a firm or firms engaged, during that period, in subcontracting for public works construction in California.
3. Two members who shall each be a member in good standing of, or have provided professional services to, an organized labor union with at least 10 years of experience in public works construction in California.
4. Seven members who shall each be experienced in, and knowledgeable of, public works construction under contracts let by public agencies; two each representing cities, counties, respectively, and two representing school districts (one with an average daily attendance over 25,000 and one with an average daily attendance under 25,000), and one member representing a special district. At least one of the two county representatives shall be a county auditor or his or her designee.

(b) The member of the Contractors’ State License Board who is a general engineering contractor as that term is defined in Section 7056 of the Business and Professions Code shall serve as an ex officio voting member. He or she shall become a member of the commission when the first vacancy occurs in an office of one of the members under paragraph (1) of subdivision (a).

22011 Appointment: Recommendations

The Controller, in an effort to select highly qualified commission members, shall solicit from organized representatives of the construction industry and public agencies recommendations for appointments to the commission.

22012 Members; Accounting Experience

At least one commission member of the six representing the construction industry and at least one of the six representing public agencies shall have previous accounting experience.

22013 Chairperson; Term

The commission members shall select a chairperson from among its membership. The chairperson shall serve as chair for a term of one year from the date of selection or February 1, whichever comes first. In no event shall two consecutive chairpersons be appointees representing either the construction industry or public agencies.

22014 Members; Terms; Vacancies

(a) The members of the commission shall hold office for terms of three years, and until their successors are appointed, except as otherwise provided for in this section.

(b) In the case of members initially appointed by the Controller, two representing the construction industry and two representing public agencies shall be appointed to serve until July 1, 1985; two representing the construction industry and two representing public agencies shall be appointed to serve until July 1, 1986; and three representing the construction industry and three representing public agencies shall be appointed to serve until July 1, 1987.

(c) Members may be reappointed for subsequent terms of three years.

(d) The Controller shall, within 45 days after expiration of any term, appoint a replacement to fill the vacancy on the Commission.

22015 Staff; Members' Compensation; Grants

(a) The Controller shall make available for the conduct of the commission's business, such staff and other support as does not conflict with the accomplishment of the other business of the office of the Controller.

(b) Each member of the commission shall serve without compensation, but shall be reimbursed for travel and other expenses necessarily incurred in the performance of the member's duties.

(c) The commission may accept grants from federal, state, or local public agencies, or from private foundations or individuals, in order to assist it in carrying out its duties, functions, and powers under this chapter.

22016 Meetings

The commission shall meet not less than once each year, at a time and place chosen by its membership.

22017 Duties

The commission shall do all of the following:

(a) After due deliberation and study, recommend for adoption by the Controller, uniform construction cost accounting procedures for implementation by public agencies in the

performance of, or in contracting for, construction on public projects. The procedures shall, to the extent deemed feasible and practicable by the commission, incorporate, or be consistent with construction cost accounting procedures and reporting requirements utilized by state and federal agencies on public projects, and be uniformly applicable to all public agencies which elect to utilize the uniform procedures. As part of its deliberations and review, the commission shall take into consideration relevant provisions of Office of Management and Budget Circular A-76.

(b) After due deliberation and study, recommend for adoption by the Controller cost accounting procedures designed especially for implementation by California cities with a population of less than 10,000. The procedures shall incorporate cost accounting and reporting requirements deemed practicable and applicable to all cities under 10,000 population which elect to utilize the uniform procedures.

(c) Recommend for adoption by the Controller, procedures and standards for the periodic evaluation and adjustment, as necessary, of the monetary limits specified in Section 22032.

(d) The commission shall make an annual report to the Legislature with respect to its activities and operations, together with those recommendations as it deems necessary.

22018 Recommended Procedure; Controller's Review

The Controller shall, upon receipt of the commission's recommendations, review and evaluate the recommended procedures and either formally adopt or reject the recommended procedures within 90 days of submission by the commission.

22019 Adoption; Promulgation of Uniform Procedure

Upon determining that the recommended uniform construction cost accounting procedures will serve the best interests of the state and public agencies, and upon formal adoption by the Controller, the Controller shall promulgate the uniform procedure for all public agencies electing to participate, together with instructions for their adoption and implementation by any public agency.

22020 Five Year Consideration; Material Changes; Adjustments

In accordance with procedures and standards adopted pursuant to Section 22017, every five years the commission shall consider whether there have been material changes in public construction costs and make recommendations to the Controller regarding adjustments in the monetary limits prescribed by Section 22032, but in no case shall the amount, as adjusted, be less than fifteen thousand dollars (\$15,000). Any adjustment shall be effective beginning with the fiscal year which commences not less than 60 days following the Controller's notification to affected public agencies of the adjustment.

Article 3. Public Projects: Alternative Procedure

22030 Application of Article

This article applies only to a public agency whose governing board has by resolution elected to become subject to the uniform construction cost accounting procedures set forth in Article 2 (commencing with Section 22010) and which has notified the Controller of that election. In the event

of a conflict with any other provision of law relative to bidding procedures, this article shall apply to any public agency which has adopted a resolution and so notified the Controller.

22031 Alternative Procedures

Nothing in this article shall prohibit a board of supervisors or a county road commissioner from utilizing, as an alternative to the procedures set forth in this article, the procedures set forth in Article 25 (commencing with Section 20390) of Chapter 1.

22032 Contracting Procedures; Dollar Amount Limitations

(a) Public projects of thirty thousand dollars (\$30,000) or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order.

(b) Public projects of one hundred twenty-five thousand dollars (\$125,000) or less may be let to contract by informal procedures as set forth in this article.

(c) Public projects of more than one hundred twenty-five thousand dollars (\$125,000) shall, except as otherwise provided in this article, be let to contract by formal bidding procedure.

22033 Separation of Work Orders or Projects; Evasion of Provisions of Article

It shall be unlawful to split or separate into smaller work orders or projects any projects for the purpose of evading the provisions of this article requiring work to be done by contract after competitive bidding.

22034 Informal Bidding Ordinance

Each public agency which elects to become subject to the uniform construction accounting procedures set forth in Article 2 (commencing with Section 22010), shall enact an informal bidding ordinance to govern the selection of contractors to perform public projects pursuant to subdivision (b) of Section 22032. The ordinance shall include all of the following:

(a) The public agency shall maintain a list of qualified contractors, identified according to categories of work. Minimum criteria for development and maintenance of the contractors list shall be determined by the commission.

(b) All contractors on the list for the category of work being bid or all construction trade journals specified in Section 22036, or both all contractors on the list for the category of work being bid and all construction trade journals specified in Section 22036, shall be mailed a notice inviting informal bids unless the product or service is proprietary.

(c) All mailing of notices to contractors and construction trade journals pursuant to subdivision shall be completed **not less than 10 calendar days before bids are due**.

(d) The notice inviting informal bids shall describe the project in general terms, how to obtain more detailed information about the project, and state the time and place for the submission of bids.

(e) The governing body of the public agency may delegate the authority to award informal contracts to the public works director, general manager, purchasing agent, or other appropriate person.

(f) If all bids received are in excess of one hundred twenty-five thousand dollars (\$125,000), the governing body of the public agency may by passage of a resolution by a four-fifths vote, award the contract, at one hundred thirty-seven thousand five hundred dollars (\$137,500), or less, to the lowest responsible bidder, if it determines the cost estimate of the public agency was reasonable.

22035 Emergencies

(a) In cases of emergency when repair or replacements are necessary, the governing body may proceed at once to replace or repair any public facility without adopting plans, specifications, 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 governing body, by contract, or by a combination of the two.

(b) In case of an emergency, if notice for bids to let contracts will not be given, the public agency shall comply with Chapter 2.5 (commencing with Section 22050).

22035.5 Overcrowded Justice Facilities; Court Ordered Relief; Application of Section 22034

In counties that are under court order to relieve justice facility overcrowding, the procedures and restrictions specified in Section 20134 shall apply to all contracts issued under this chapter,

22036 Determination of Construction Trade Journals to Receive Notice of Informal and Formal Construction Contracts

The commission shall determine, on a county-by-county basis, the appropriate construction trade journals which shall receive mailed notice of all informal and formal construction contracts being bid for work within the specified county.

22037 Notice Inviting Formal Bids; Information: Publication

Notice inviting formal bids shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project. The notice shall be published **at least 14 calendar days before the date of opening the bids** in a newspaper of general circulation, printed and published in the jurisdiction of the public agency; or, if there is no newspaper printed and published within the jurisdiction of the public agency, in a newspaper of general circulation which is circulated within the jurisdiction of the public agency, or, if there is no newspaper which is circulated within the jurisdiction of the public agency, publication shall be by posting the notice in at least three places within the jurisdiction of the public agency as have been designated by ordinance or regulation of the public agency as places for the posting of its notices. The notice inviting formal bids shall also be mailed to all construction trade journals specified in Section 22036. The notice shall be mailed **at least 30 calendar days before the date of opening the bids**. In addition to notice required by this section, the public agency may give such other notice as it deems proper.

22038 Rejection of Bids; Failure to Receive Bids; Options

(a) In its discretion, the public agency may reject any bids presented. If after the first invitation for bids all bids are rejected, the public agency shall have the option of either of the following:

1. Abandoning the project or readvertising for bids in the manner described by this article.
2. By passage of a resolution by a four-fifths vote of its governing body declaring that the project can be performed more economically by the employees of the public agency, may have the project done by force account without further complying with this article.

(b) 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 public agency may accept the one it chooses.

(c) If no bids are received through the formal or informal procedure, the project may be performed by the employees of the public agency by force account, or negotiated contract without further complying with this article.

22039 Adoption of Plans, Specifications, and Working Details

The governing body of the public agency shall adopt plans, specifications, and working details for all public projects exceeding the amount specified in subdivision (c) of Section 22032.

22040 Plans, Specifications of Working Details; Examination

Any person may examine the plans, specifications, or working details, or all of these, adopted by the public agency for any project.

22041 Exemptions

This article does not apply to the construction of any public building used for facilities of juvenile forestry camps or juvenile homes, ranches, or camps established under Article 15 (commencing with Section 880) of Chapter 2 of Part 1 of Division 2 of the Welfare and Institutions Code, if a major portion of the construction work is to be performed by wards of the juvenile court assigned to those camps, ranches, or homes.

22042 Accounting Procedures Review

The commission shall review the accounting procedures of any participating public agency where an interested party presents evidence that the work undertaken by the public agency falls within any of the following categories:

- (a) Is to be performed by a public agency after rejection of all bids, claiming work can be done less expensively by the public agency.
- (b) Exceeded the force account limits.
- (c) Has been improperly classified as maintenance.

22043 Work Done by Public Agency; Commission Review; Request

In those circumstances as set forth in subdivision (a) of Section 22042, a request for commission review shall be in writing, sent by certified or registered mail received by the commission postmarked not later than five business days from the date the public agency has rejected all bids. In those circumstances set forth in subdivision (b) or (c) of Section 22042, a request for commission review shall be by letter received by the commission not later than five days from the date an interested party formally complains to the public agency. The commission review shall commence immediately and conclude within 30 days from the receipt of the request for commission review. During the review of a project that falls within subdivision (a) of Section 22042, the agency shall not proceed on the project until a final decision is received by the commission.

22044 Written Findings; Failure Comply with Chapter; Action

The commission shall prepare written findings. Should the commission find that the provisions of this chapter or of the uniform cost accounting procedures provided for in this chapter were not complied with by the public agency, the following steps shall be implemented by that agency:

(a) On those projects set forth in subdivision (a) of Section 22042, the public agency has the option of either (1) abandoning the project, or (2) awarding the project to the lowest responsible bidder.

(b) On those projects set forth in subdivision (b) or (c) of Section 22042, the public agency shall present the commission's findings to its governing body and that governing body shall conduct a public hearing with regard to the commission's finding within 30 days of receipt of the findings.

22045 Implementation of Procedures Review: Commission Recommendations

(a) No later than January 1, 1985, the commission shall recommend, for adoption by the Controller, written procedures implementing the accounting procedures review provided for in this article.

(b) The Controller shall, upon receipt of the commission's recommendation, review and evaluate the recommended procedures and either formally adopt or reject the recommended procedures within 90 days of submission of the commission.

Chapter 2.5. Emergency Contraction Procedures

22050 Contracts Without Bids; Procedures

(a)

1. In the case of an emergency, a public agency, pursuant to a four-fifths vote of its governing body, may repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts.
2. Before a governing body takes any action pursuant to paragraph (1), it shall make a finding, based on substantial evidence set forth in the minutes of its meeting, that the emergency will not permit a delay resulting from a competitive solicitation for bids, and that the action is necessary to respond to the emergency.

(b)

1. The governing body, by a four-fifths vote, may delegate, by resolution or ordinance, to the appropriate county administrative officer, city manager, chief engineer, or other nonelected agency officer, the authority to order any action pursuant to paragraph (1) of subdivision (a).
2. If the public agency has no county administrative officer, city manager, chief engineer, or other nonelected agency officer, the governing body, by a four-fifths vote, may delegate to an elected officer the authority to order any action specified in paragraph (1) of subdivision (a).
3. If a person with authority delegated pursuant to paragraph (1) or (2) orders any action specified in paragraph (1) of subdivision (a), that person shall report to the governing

body, at its next meeting required pursuant to this section, the reasons justifying why the emergency will not permit a delay resulting from a competitive solicitation for bids and why the action is necessary to respond to the emergency.

(c)

1. If the governing body orders any action specified in subdivision (a), the governing body shall review the emergency action at its next regularly scheduled meeting and, except as specified below, at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action. If the governing body meets weekly, it may review the emergency action in accordance with this paragraph every 14 days.
2. If a person with authority delegated pursuant to subdivision (b) orders any action specified in paragraph (1) of subdivision (a), the governing body shall initially review the emergency action not later than seven days after the action, or at its next regularly scheduled meeting if that meeting will occur not later than 14 days after the action, and at least at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action, unless a person with authority delegated pursuant to subdivision (b) has terminated that action prior to the governing body reviewing the emergency action and making a determination pursuant to this subdivision. If the governing body meets weekly, it may, after the initial review, review the emergency action in accordance with this paragraph every 14 days.
3. When the governing body reviews the emergency action pursuant to paragraph (1) or (2), it shall terminate the action at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed by giving notice for bids to let contracts.

(d) As used in this section, “public agency” has the same meaning as defined in Section 22002.

(e) A three-member governing body may take actions pursuant to subdivision (a), (b), or (c) by a two-thirds vote.

**Procedure for Establishment and Maintenance of List of Qualified Contractors
Per Section 22034 of the Public Contract Code**

1. During November each year, each Public Agency which has elected to become subject to the Uniform Public Construction Cost Accounting Procedures shall mail a written notice to all construction trade journals designated for that Agency under Section 22036, inviting all licensed contractors to submit the name of their firm to the Agency for inclusion on the Agency's list of qualified bidders for the following calendar year.
2. The notice shall require that the contractor provide the name and address to which a Notice to Contractors or Proposal should be mailed, a phone number at which the contractor may be reached, the type of work in which the contractor is interested and currently licensed to do (earthwork, pipelines, electrical, painting, general building, etc.) together with the class of contractor's license(s) held and contractor license number(s).
3. The Public Agency may create a new contractors list starting January 1st of each year. The Agency may include any contractors' names they so desire on the list, but the list must include at a minimum all contractors who have properly provided the Agency with the information required under #2 above, either during the calendar year in which the list is valid or during November or December of the previous year.

The Commission recommends that the Agency automatically include the names of all contractors who submitted one or more valid bids to the Agency during the preceding calendar year.

4. A contractor may have his firm added to an Agency's contractors list at any time by providing the required information.

California Uniform Public Construction Cost Accounting Commission

**County of Orange List of Construction Trade Journals Which Shall Receive Mailed
Notice of All Informal and Formal Construction Contract Being Bid for Work
(Per Section 22036 of the Public Contract Code.)**

The Commission has determined that all public agencies, who adopt and contract under the Uniform Public Construction Cost Accounting Act, shall be required to mail a notice to the following specified construction trade publications, of all informal and formal construction contracts being bid within the specified county (as provided in sections 22034 and 22037 of the Public Contract Code). The numbers following the name of each county refer to the corresponding numbered publications on the List of Construction Trade Journals.

Users will note that a minimal number of publications have been listed as mandatory for each county. The Commission urges each public agency to select additional publications from their geographical area and include them on their list of publications to be notified.

NOTE: The Commission is currently in the process of updating all trade journals. Until this list is updated, you are not required to mail a notice to a trade journal if the trade journal listed under your county is now charging for their services, or is out of business. Instead, the Commission requests that you find some other method of notifying potential contractors of published jobs and how to be added to your informal bidding lists (e.g. Internet - County's web page).

<u>County Name</u>	<u>Trade Journals</u>
Orange	2, 3, 32, 46

Sample Information For Mailed Notice

The list below are the types of information that could be included in the mailed notice to the construction trade journals. This list should only be used as a guide.

Project title and contract # (if any)
Cost range
Location of site
Who is taking bids/date and time due
Owner's address and phone number
Architect's address and phone number
Brief description of work to be done
Where plans may be obtained/Deposit required/Whether or not refundable
Percentage of bid bond/Percentage of performance bond/Percentage of payment bond

California Uniform Construction Cost Accounting Commission

List of Construction Trade Journals for the County of Orange

The following organizations have indicated to the Commission that they:

- a) Publish a newsletter or trade journal on a weekly or more frequent basis, which contains a section listing projects being bid; or, that they provide a telephone notice service to their members.
- b) Do not charge for publishing or otherwise disseminating a Notice to Contractors.

They have indicated to the Commission that they serve subscribers or members in the counties listed to the right of each organization.

Organizations which meet criteria (a) and (b) above may be added to the list, or changes or corrections can be made to the list by contacting:

Office of State Controller
Division of Accounting & Reporting
Accounting Policies Section
P.O. Box 942850
Sacramento, CA 94250-5875

These construction trade journals have been listed as mandatory for the County of Orange.

Organization	Areas of Members or Subscribers by County
2. Construction Bidboard, Inc. Attention: Plan Room 4420 Hotel Circle Court Suite 215 San Diego, CA 92108-3423 Phone: 619.688.0588 Fax: 619.688.0585	California
3. McGraw-Hill Construction Dodge (F. W. Dodge Division) 2150 Town Center Place, Suite 100 Anaheim, CA 92806 Phone: 714.634.4280	California
32. Southern California Builders Assn. 7740 Painter Avenue, #100 Whittier, CA 90602 Phone: 562-320-3600 Fax: 562-320-3603 e-mail: scba@socalbuilders.org	Imperial, Los Angeles, Orange, Riverside, San Bernardino, and San Diego
46. Associated General Contractors of America San Diego Chapter, Inc. 4355 Ruffin Road Suite 103 San Diego, CA 92123 Phone: 858-874.8560 Fax: 858-874.8569	Orange, Riverside, San Bernardino, and San Diego

RESOLUTION NO. 88-78

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MISSION VIEJO ESTABLISHING A POLICY REGARDING LOCAL VENDORS IN THE PROCUREMENT OF SUPPLIES AND EQUIPMENT

WHEREAS, Section 3.12.040 (5) of the City of Mission Viejo Municipal Code directs the Purchasing Agent to prepare and recommend to the City Council rules governing the purchase of supplies and equipment for the City; and

WHEREAS, it is desirable for the efficient operation of the City's procurement system to establish a policy regarding local vendors of supplies and equipment.

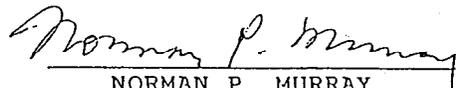
NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MISSION VIEJO DOES RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That it shall be the desire of the City to purchase from vendors located in the City of Mission Viejo whenever possible.

SECTION 2. Local vendors who have supplies or equipment available which are needed by the City are to be included in the competitive shopping process which will precede most purchases.

SECTION 3. Vendors located within the City limits shall be granted a 1% price competitive advantage if their goods are subject to California sales tax, to recognize the revenue impact on the City of such purchases from local vendors.

PASSED, APPROVED AND ADOPTED this 10th day of October, 1988.


NORMAN P. MURRAY
MAYOR

City of Mission Viejo
Purchasing Policies and Procedures
Resolution No. 88-78 Local Vendors

Revised April 2008

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City Council of the City of Mission Viejo at a regularly scheduled meeting thereof, held on the 10th day of October, 1988, by the following vote of the Council:

AYES: Craycraft, Curtis, Jaffe, Keena, Murray

NOES: None

ABSENT: None



D. J. ZOBEL
CITY CLERK

RESOLUTION NO. 88-79

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF MISSION VIEJO ESTABLISHING A
PROCEDURE FOR THE PROCUREMENT OF CONTRACT
SERVICES

WHEREAS, Section 3.12.300 of the City of Mission Viejo Municipal Code directs the City Council to prescribe procedures, rules and regulations governing the solicitation, selection and award of proposals or bids for the furnishing of personal, professional, consulting or other contractual services.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MISSION VIEJO DOES RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

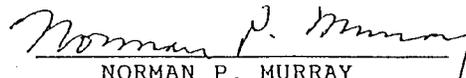
SECTION 1. Competitive bidding shall not be required in the procurement of personal, professional, consulting or other contractual services. The Purchasing Agent is authorized and encouraged to establish as a standard procedure the practice of requesting proposals from capable professionals within a required discipline, whenever time and/or circumstances warrant.

SECTION 2. The Purchasing Agent is authorized to develop procedures for the development of specifications, issuance of requests for proposals and the evaluation of proposals in accordance with the objective of obtaining the level of service that best meets the City's needs at the most cost-effective price.

SECTION 3. The Purchasing Agent is encouraged to utilize the services of professionals who have proven records of providing in a professional way those services required.

SECTION 4. Local firms who provide the types and levels of services needed by the City are to be included in the procurement process for contract services.

PASSED, APPROVED AND ADOPTED this 10th day of October, 1988.


NORMAN P. MURRAY
MAYOR

City of Mission Viejo
Purchasing Policies and Procedures
Resolution No. 88-79 Contract Services

Revised April 2008

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City Council of the City of Mission Viejo at a regularly scheduled meeting thereof, held on the 10th day of October, 1988, by the following vote of the Council:

AYES: Craycraft, Curtis, Jaffe, Keena, Murray

NOES: None

ABSENT: None



D. J. ZOBEL
CITY CLERK

City of Mission Viejo
Purchasing Policies and Procedures
Resolution No. 88-94 California Uniform Construction
Cost Accounting Procedures

Revised April 2008

RESOLUTION NO. 88- 94

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF MISSION VIEJO REGARDING THE
CALIFORNIA UNIFORM CONSTRUCTION COST
ACCOUNTING PROCEDURES.

THE CITY COUNCIL OF THE CITY OF MISSION VIEJO DOES
RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The City Council hereby elects to
become subject to the California Uniform Construction Cost
Accounting Procedures set forth in Article 2 of the Public
Contract Code (commencing with Section 22010).

SECTION 2. The City Clerk is directed to notify
the State Controller of the City's election with twenty (20)
days after the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 12th day of
December, 1988.

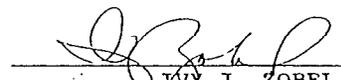

NORMAN P. MURRAY
MAYOR

I HEREBY CERTIFY that the foregoing Resolution was
duly adopted by the City Council of the City of Mission
Viejo at a regularly scheduled meeting thereof, held on the
12th day of December, 1988, by the following vote of the
Council:

AYES: COUNCILMEMBERS Craycraft, Curtis, Jaffe, Keena, Murr:

NOES: COUNCILMEMBERS None

ABSENT: COUNCILMEMBERS None


IVY J. ZOBEL
CITY CLERK

-1-

RESOLUTION NO. 88-95

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF MISSION VIEJO DELEGATING
AUTHORITY TO THE CITY MANAGER TO AWARD
PUBLIC WORKS CONTRACTS OF LESS THAN
\$50,000.00

THE CITY COUNCIL OF THE CITY OF MISSION VIEJO DOES
HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Pursuant to Chapter 3.13 of the Mission
Viejo Municipal Code, the City Council hereby delegates to
the City Manager the authority to negotiate contracts, award
purchase orders or perform work by City employees by force
account on public works projects of Fifteen Thousand Dollars
(\$15,000.00) or less.

SECTION 2. Pursuant to Chapter 3.13 of the Mission
Viejo Municipal Code, the City Council hereby delegates to
the City Manager the authority to award public works
contracts of Fifty Thousand Dollars (\$50,000.00) or less.

SECTION 3. The City Clerk shall certify the
adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 12th day of
December, 1988.



NORMAN P. MURRAY
MAYOR

**City of Mission Viejo
Purchasing Policies and Procedures
Resolution No. 88-95 Public Works Contracts Under \$50,000**

Revised April 2008

ATTEST:



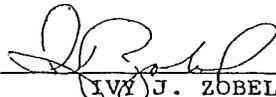
IVY J. ZOBEL
CITY CLERK

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City Council of the City of Mission Viejo at a regular meeting thereof, held on the 12th day of December, 19 88, by the following vote of the Council:

AYES: COUNCILMEMBERS Craycraft, Curtis, Jaffe, Keena, Murray

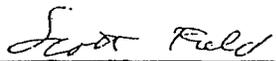
NOES: COUNCILMEMBERS None

ABSENT: COUNCILMEMBERS None



IVY J. ZOBEL
CITY CLERK

APPROVED AS TO FORM AND CONTENT:



SCOTT F. FIELD
CITY ATTORNEY

RESOLUTION 03-23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MISSION VIEJO, CALIFORNIA, AMENDING CITY COUNCIL POLICY 0300-7 TO READ "BIDDING REQUIREMENTS/ ABOVE \$30,000"

WHEREAS, the City Council of the City of Mission Viejo is charged with the responsibility of establishing municipal policies to guide the various functions of the City, and, where necessary, to establish procedures by which functions are performed; and

WHEREAS, on October 22, 1990, the City Council of the City of Mission Viejo established a Council Policy establishing procedures for the preparation, distribution, and maintenance of Council policies and a Council Policy Manual; and

WHEREAS, the City Council desires to amend City Council Policy 0300-7, "Bidding Requirements/Above \$50,000," to reflect changes in practices since that policy was last revised in May 1998:

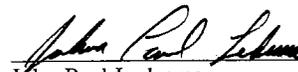
NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MISSION VIEJO, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That all of the above recitals are true and correct;

SECTION 2. That attached hereto as Draft Resolution Exhibit and incorporated herein by reference is the revised Council Policy 0300-7, "Bidding Requirements/Above \$30,000".

SECTION 3. That this Resolution shall take effect upon its adoption by this City Council.

PASSED, APPROVED, AND ADOPTED this 3rd day of February, 2003.


John Paul Ledesma
Mayor

I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Mission Viejo at a regularly scheduled meeting thereof, held on the 3rd day of February, 2003, by the following vote of the Council:

AYES: Kelley, Ledesma, MacLean, Reavis
NOES: None
ABSENT: Craycraft

ATTEST:


Ivy J. Joseph
Director of Legislative Services/City Clerk

Footnote: Council Policy 0300-7 was abolished effective 07/02/07 (see Resolution 07-46). Its purpose and policies have been incorporated in Sections III and V of this Purchasing Manual.

ORDINANCE 07-256

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MISSION VIEJO AMENDING REGULATIONS APPLICABLE TO INFORMAL AND FORMAL BIDDING REQUIREMENTS; CITY MANAGER CONTRACT AUTHORITY; AND AMENDING PORTIONS OF CHAPTER 2.08 (CITY MANAGER POWERS AND DUTIES), CHAPTER 3.12 (PURCHASES), AND CHAPTER 3.13 (INFORMAL BIDDING PROCEDURES: PUBLIC PROJECTS) OF THE MISSION VIEJO MUNICIPAL CODE

THE CITY COUNCIL OF THE CITY OF MISSION VIEJO DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Section 2.080.060 (Powers and Duties) of Chapter 2.08 (City Manager) of the Mission Viejo Municipal Code is hereby amended by amending paragraph (13) to read as follows:

“(13) Enter into agreements on behalf of the city where the not to exceed amount of the agreement conforms to the amounts established by resolution of the City Council; provided there exists an unencumbered appropriation of the amount of the agreement in the fund account against which such expense is to be charged.”

Section 2. The first sentence of Section 3.12.130 (Formal Bid Procedures) of Chapter 3.12 (Purchases) of the Mission Viejo Municipal Code is hereby amended to read as follows:

“Except as otherwise provided herein, purchases of supplies and equipment of an estimated value that conforms to the amount established by resolution of the City Council shall be awarded to the lowest responsible bidder pursuant to the formal bid procedures hereinafter prescribed.”

Section 3. Section 3.12.250 (Open Market or Informal Bid Procedure) of Chapter 3.12 (Purchases) of the Mission Viejo Municipal Code is hereby amended to read as follows:

“Purchases of supplies and equipment of an estimated value that conforms to the amounts established by resolution of the City Council may be made by the purchasing agent in the open market pursuant to the procedure prescribed in sections 3.12.260 through 3.12.280 and without observing the procedure prescribed in sections 3.12.130 through 3.12.240; provided, however, all bidding may be dispensed with for purchases of supplies and equipment having a total estimated value that conforms to the amount established by resolution of the City Council.”

Section 4. Section 3.12.290 (Exceptions to competitive bidding requirement) of Chapter 3.12 (Purchases) of the Mission Viejo Municipal Code is hereby amended by amending paragraph (1) to read as follows:

“(1) When the estimated amount involved conforms to the amount established by resolution of the City Council.”

**City of Mission Viejo
Purchasing Policies and Procedures
Ordinance 07-256 Regulations Applicable to Informal and Formal Bidding
Requirements, City Manager Contract Authority and Chapter 3.13
(Informal Bidding Procedures: Public Works)**

Revised April 2008

Section 5. Section 3.12.295 (Authority of city manager to enter into contracts) of Chapter 3.12 (Purchases) of the Mission Viejo Municipal Code is hereby amended to read as follows:

“The city manager is authorized to enter into contracts for the purchase of supplies or equipment or contracts for personal, professional, consultant, and other non-public projects and contractual services pursuant to this chapter where the amount of such contract conforms to the amount established by resolution of the City Council; provided, however, there exists an unencumbered appropriation in the fund account against which the expense is to be charged. Where the amount of any such contract does not conform to the amount established by resolution of the City Council, the contract shall be approved by the city council.”

Section 6. Section 3.13.010 (Bidding requirements for construction on public projects), paragraph (a) of Chapter 3.13 (Informal Bidding Procedures: Public Projects) of the Mission Viejo Municipal Code is hereby amended to read as follows:

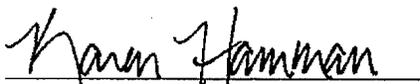
“a) The provisions of this chapter shall apply to construction on public projects of amounts and restrictions based on changes approved by the State of California through the California Uniform Construction Cost Accounting Commission (CUCCAC) and implemented by the City Manager through administrative action. Public projects in an amount of less than the State-approved lower informal bid limit may be performed by city employees by force account, by negotiated contract or by purchase order. Public projects in an amount less than the State-approved upper informal bid limit may be let to contract by informal procedures as set forth in this chapter.”

PASSED, APPROVED and ADOPTED this 20th^d day of August, 2007.



Gail Reavis
Mayor

ATTEST:



Karen Hamman
City Clerk

**City of Mission Viejo
Purchasing Policies and Procedures
Ordinance 07-256 Regulations Applicable to Informal and Formal Bidding
Requirements, City Manager Contract Authority and Chapter 3.13
(Informal Bidding Procedures: Public Works)**

Revised April 2008

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF MISSION VIEJO)

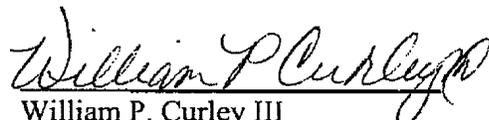
I, Karen Hamman, City Clerk of the City of Mission Viejo, do hereby certify that the foregoing Ordinance 07-256 was duly introduced and placed upon its first reading at a regular meeting of the City Council on the 2nd day of July, 2007, and that thereafter, said Ordinance was duly adopted and passed at a regular meeting of the City Council on the 20th day of August, 2007 by the following vote, to wit:

AYES: Kelley, Ledesma, MacLean, and Reavis
NOES: None
ABSENT: Ury



Karen Hamman
City Clerk

APPROVED AS TO FORM:



William P. Curley III
City Attorney

**City of Mission Viejo
Purchasing Policies and Procedures
Resolution 07-45 Establishing Dollar Thresholds for Informal and Formal
Bidding Requirements, City Manager's Authority to Enter into Contracts,
Contract Change Order Authority and Professional Services Bidding Requirements**

Revised April 2008

RESOLUTION 07-45

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MISSION VIEJO, CALIFORNIA, ESTABLISHING DOLLAR THRESHOLDS FOR INFORMAL AND FORMAL BIDDING REQUIREMENTS, FOR THE CITY MANAGER'S AUTHORITY TO ENTER INTO CONTRACTS, FOR CONTRACT CHANGE ORDER AUTHORITY, AND FOR PROFESSIONAL SERVICES BIDDING REQUIREMENTS

WHEREAS, the City of Mission Viejo Municipal Code states specific dollar thresholds for informal and formal bidding and for City Manager contract authority in Chapters 2.08, 3.12 and 3.13;

WHEREAS, staff proposes to remove the references to specific dollar thresholds for informal and formal bidding and for City Manager contract authority from the Municipal Code and instead establish and amend those amounts and any future changes to those amounts by resolution;

WHEREAS, staff proposes to establish the limit on the City Manager's authority to approve contract change order and any future changes to the limit by resolution; and

WHEREAS, staff proposes that the City Council abolish Council Policy 0300-7 and instead establish the current and any future changes to the bidding requirement limit for professional services and general public services by resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MISSION VIEJO, CALIFORNIA, DOES HEREBY RESOLVE, AS FOLLOWS:

SECTION 1: That the City Manager may enter into agreements on behalf of the city where the amount of the agreement does not to exceed **\$30,000.00**; provided there exists an unencumbered appropriation of the amount of the agreement in the fund account against which such expense is to be charged.

SECTION 2: That purchases of supplies and equipment of an estimated value in the amount of **\$30,000.00** or less may be made by the City Manager/Purchasing Agent in the open market pursuant to the procedure as prescribed in Municipal Code Sections 3.12.260 through 3.12.280 and without observing the procedure prescribed in Sections 3.12.130 through 3.12.240; provided, however, that all bidding may be dispensed with for purchases of supplies and equipment having a total estimated value of less than **\$3,000.00**.

SECTION 3: That purchases of supplies and equipment of an estimated value greater than **\$30,000.00** shall be awarded to the lowest responsible bidder pursuant to the formal bid procedures prescribed in the Municipal Code, Chapter 3.12.130.

SECTION 4: That, notwithstanding any provision of Chapter 3.12 of the Municipal Code to the contrary, competitive bidding procedures and requirements shall not be required, as outlined in Municipal Code Section 3.12.290 (1)-(7), when the estimated amount involved is less than **\$3,000.00**.

**City of Mission Viejo
Purchasing Policies and Procedures
Resolution 07-45 Establishing Dollar Thresholds for Informal and Formal
Bidding Requirements, City Manager's Authority to Enter into Contracts,
Contract Change Order Authority and Professional Services Bidding Requirements**

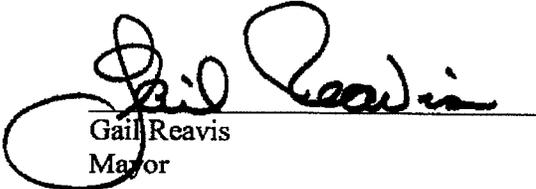
Revised April 2008

SECTION 5: That the provisions of Municipal Code, Chapter 3.13 shall apply to construction on public projects, based on the amounts currently adopted by the State of California Uniform Construction Cost Accounting Commission (CUCCAC) and implemented by the City Manager through administrative action, of not more than **\$125,000.00**. Public projects of **\$30,000.00** or less may be performed by city employees by force account, by negotiated contract or by purchase order. Public projects of **\$125,000.00** or less may be let to contract by informal procedures as set forth in Municipal Code, Chapter 3.13.

SECTION 6: That for contracts over **\$30,000.00**, the City Manager may approve change orders when the additional work does not exceed 15% of the contract amount approved by City Council, or **\$30,000.00**, whichever is less. The City Council may authorize the City Manager to approve change orders in excess of **\$30,000.00** when this authorization is specifically outlined in the contract document. The department head must request City Council approval for any change orders beyond the City Manager's approval authority.

SECTION 7: That for professional services or public services contracts over **\$30,000.00**, multiple quotes through formal sealed bids or multiple proposals through the Request for Proposal process must be obtained, except for those contract exclusions noted under Section III of the City's Purchasing Policies and Procedures Manual.

PASSED, APPROVED, AND ADOPTED this 2nd day of July 2007.

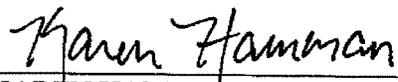


Gail Reavis
Mayor

I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Mission Viejo at a regularly scheduled meeting thereof, held of the 2nd day of July, 2007, by the following vote of the Council.

AYES: Kelley, Ledesma, MacLean, Reavis, and Ury
NOES: None
ABSENT: None

ATTEST:



KAREN HAMMAN
City Clerk

RESOLUTION 07-46

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MISSION VIEJO, CALIFORNIA, ABOLISHING CITY COUNCIL
POLICY 0300-7 (BIDDING REQUIREMENTS/ABOVE \$30,000)
AND INCORPORATING ITS CONTENT INTO THE
APPROPRIATE SECTIONS OF THE CITY'S PURCHASING
POLICIES AND PROCEDURES MANUAL**

WHEREAS, on October 22, 1990, the City Council of the City of Mission Viejo established a Council Policy establishing procedures for the preparation, distribution, and maintenance of Council policies and a Council Policy Manual; and

WHEREAS, on February 25, 1991, the City Council adopted Resolution 91-24 establishing and adopting a city council Policy for bidding requirement for contracts over \$50,000; and

WHEREAS, on September 13, 1993 and May 4, 1998, the City Council adopted revisions to City Council Policy 0300-7 by Resolution 93-153 and Resolution 98-73, respectively, to reflect changes in the acceptable number and length of contract extensions and in the list of contract exclusions; and

WHEREAS, on February 3, 2003, the City Council revised City Council Policy 0300-7 to lower the competitive bid amount from \$50,000 to \$30,000; and

WHEREAS, the intent of City Council Policy 0300-7 to require obtaining multiple quotes or proposals for professional services contracts over \$30,000 has been already been stated, along with detailed procedures on the subject, in Chapter III of the City of Mission Viejo's Purchasing Policies and Procedures Manual; and

WHEREAS, to eliminate duplicate guidelines on bidding for professional services and to promote greater administrative efficiency, staff recommends that the City Council abolish Council Policy 0300-7 and incorporate its purpose, definitions, exclusions and policy, if not already stated, into the appropriate sections of the City's Purchasing Policies and Procedures Manual.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MISSION VIEJO, CALIFORNIA,
DOES HEREBY RESOLVE, AS FOLLOWS:**

SECTION 1: That Council Policy 0300-7 is hereby abolished.

SECTION 2: That the appropriate sections of the City's Purchasing Policies and Procedures Manual be updated to incorporate the language in City Council Policy 0300-7, except that the list of excluded contracts will be amended to delete the employment contract for the City Clerk and to add the employment contract for the Assistant City Manager.

PASSED, APPROVED, AND ADOPTED this 2nd day of July 2007.

**City of Mission Viejo
Purchasing Policies and Procedures
Resolution 07-46 Abolishing City Council Policy 0300-7 (Bidding Requirements
above \$30,000) and Incorporating Its Content into the Appropriate Sections of
the City's Purchasing Policies and Procedures Manual**

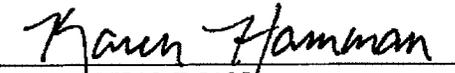
Revised April 2008


Gail Reavis
Mayor

I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Mission Viejo at a regularly scheduled meeting thereof, held on the 2nd day of July, 2007, by the following vote of the Council.

AYES: Kelley, Ledesma, Maclean, Reavis, and Ury
NOES: None
ABSENT: None

ATTEST:


KAREN HAMMAN
City Clerk

RESOLUTION 07-53

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MISSION
VIEJO, CALIFORNIA AUTHORIZING THE USE OF THE CITY
MANAGER'S CORPORATE CREDIT CARD FOR CERTAIN BUSINESS
TRAVEL COSTS FOR THE CITY COUNCIL AND CITY MANAGER**

WHEREAS, on September 20, 2004, the City Council authorized the City Manager to procure a corporate credit card from the Bank of the West for the sole purpose of selling surplus City property on eBay; and

WHEREAS, the City now desires to expand the use of the City Manager's corporate credit card to facilitate booking reservations for and prepaying certain costs of business travel for the City Council and the City Manager; and

WHEREAS, the City Manager's administrative staff books reservations and processes payments for City Council and City Manager business travel.

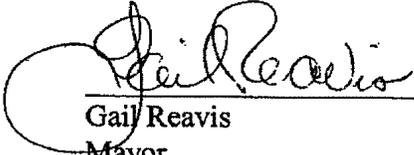
NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MISSION VIEJO, CALIFORNIA, DOES HEREBY RESOLVE, AS FOLLOWS:

Section 1. That the use of the City Manager's City of Mission Viejo corporate credit card from the Bank of the West be expanded to include paying for the costs of airfare, conference registration and lodging for business trips taken only by currently seated City Council members and City Manager.

Section 2. That the use of the City Manager's corporate credit card to book and process payments for the City Council and City Manager's business travel be limited to the City Manager's administrative staff currently occupying the positions of Senior Executive Assistant and Executive Assistant.

Section 3. That the use of the above credit card for any purchases other than for eBay listings and those costs in listed in Section 1 and by any staff other than those listed in Section 2 be prohibited, unless the City Council subsequently authorizes other types of expenditures by other staff.

PASSED, APPROVED AND ADOPTED this 17th day of September 2007.



Gail Reavis
Mayor

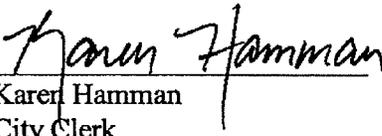
City of Mission Viejo
Purchasing Policies and Procedures
Resolution 07-53 Use of the City Manager's Corporate Credit Card for
Certain Business Travel Costs for the City Council and City Manager

Revised April 2008

I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Mission Viejo at a regularly scheduled meeting thereof, held on the 17th day of September, 2007 by the following vote of the Council:

AYES: Kelley, Ledesma, MacLean, Reavis, and Ury
NOES: None
ABSENT: None

ATTEST:



Karen Hamman
City Clerk

State of California Government Code

Section 4526

Notwithstanding any other provision of law, selection by a state or local agency head for professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. In order to implement this method of selection, state agency heads contracting for private architectural, landscape architectural, professional engineering, environmental, land surveying, and construction project management services shall adopt by regulation, and local agency heads contracting for private architectural, landscape architectural, professional engineering, environmental, land surveying, and construction project management services may adopt by ordinance, procedures that assure that these services are engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices to the public agencies. Furthermore, these procedures shall assure maximum participation of small business firms, as defined by the Director of General Services pursuant to Section 14837.

In addition, these procedures shall specifically prohibit practices which might result in unlawful activity including, but not limited to, rebates, kickbacks, or other unlawful consideration, and shall specifically prohibit government agency employees from participating in the selection process when those employees have a relationship with a person or business entity seeking a contract under this section which would subject those employees to the prohibition of Section 87100.

City of Mission Viejo, California COUNCIL POLICY		
AUDIT ROTATION		
Policy #: 0300-1	Adopted by Resolution: 90-94	Effective Date: 4/19/99 <small>(revised)</small>

PURPOSE

The purpose of this policy is to provide for the rotation of independent auditors who perform the annual examination of the City's financial statements and render an opinion thereon

POLICY

It shall be the policy of the City Council that independent auditors shall serve initially for a period of two years. Provided that services are satisfactory to staff and the City Council, at the conclusion of the initial two-year period, staff will be authorized to negotiate an additional two-year term and revised contract, subject to City Council approval.

Following the first four-year period of utilizing any audit firm, other audit firms will be given the opportunity to be considered, as well as the current firm. Following eight years of utilizing any audit firm, a mandatory rotation will take place.

PROCEDURE

1. The Request for Proposal process will be utilized in the evaluation of prospective audit firms.
2. Following the conclusion of the initial two-year term with an auditor, a report to the City Council will be prepared, discussing staff's evaluation of the audit services for the period then ended, and, if staff's evaluation of service levels provided is satisfactory, proposed contract terms for the upcoming two-year period.
3. Prior to the expiration of a four-year term with an auditor, staff will solicit proposals from at least three firms (one may be the current firm) and will evaluate such proposals. A report to the City Council will be prepared recommending the selection of an audit firm for a period of two years with a provision to extend for two additional years, along with a proposed contract for approval.
4. Prior to the expiration of an eight-year term with an audit firm, staff will solicit proposals from at least three firms (not including the current firm) and will evaluate such proposals. A report to the City Council will be prepared recommending the selection of an audit firm for a period of two years with a provision to extend for two additional years.

City of Mission Viejo, California COUNCIL POLICY		
ROTATION OF BANKING SERVICES		
Policy #: 0300-5	Adopted by Resolution: (none)	Effective Date: 5/29/90

PURPOSE

The purpose of this policy is to provide for the rotation of financial institution which provides general banking services to the City.

POLICY

It shall be the policy of the City Council that the financial institution shall serve initially for a period of two years. Provided that services are satisfactory to staff and the City Council, at the conclusion of the initial two-year period, staff will be authorized to negotiate an additional three-year term and revised contract, subject to City Council approval.

Following the first five-year period of utilizing any financial institution, other financial institutions will be given the opportunity to be considered, as well as the current institution. Following ten years of utilizing any financial institution, a mandatory rotation will take place.

PROCEDURE

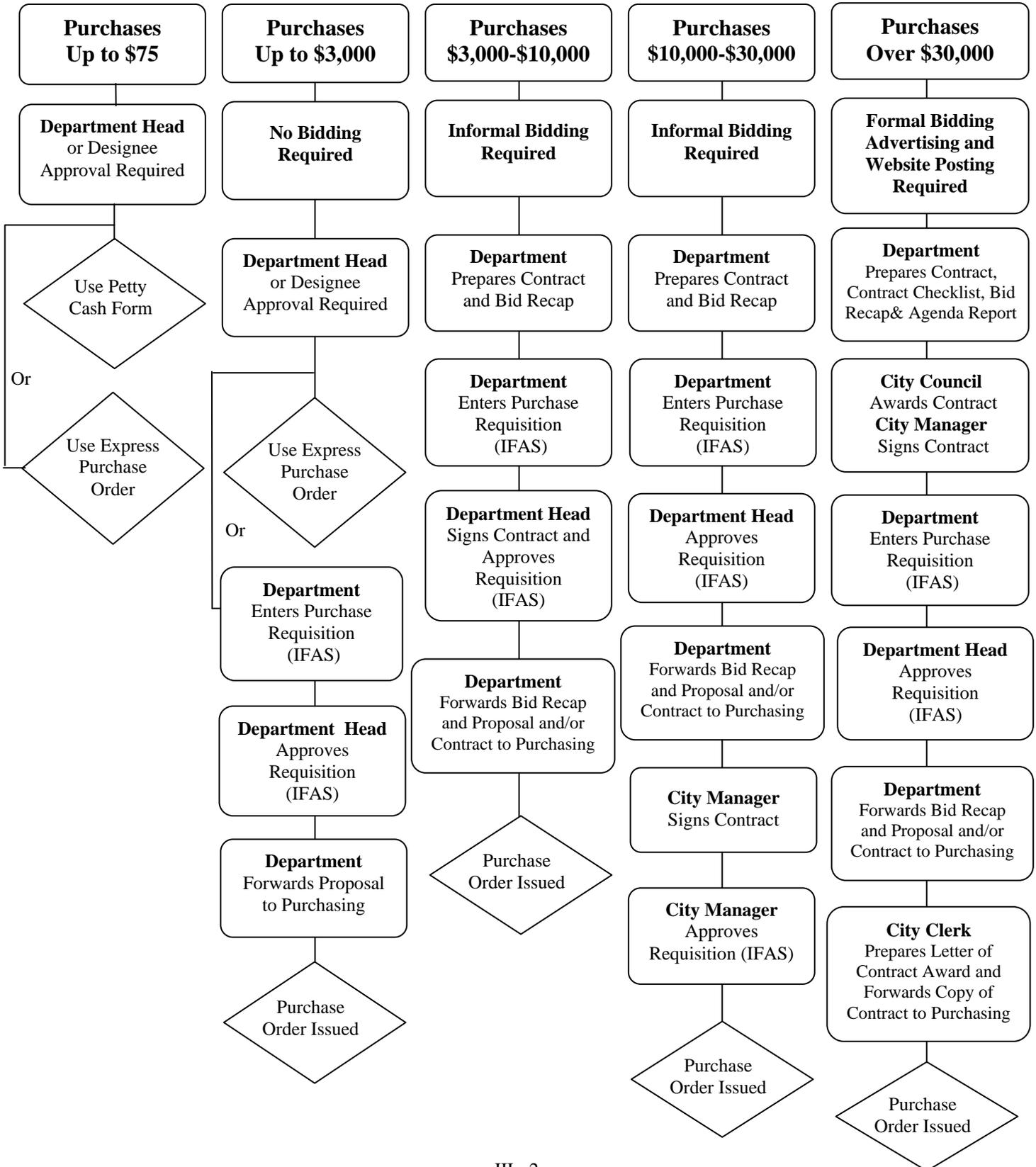
1. The Request for Proposal process will be utilized in the evaluation of prospective financial institutions.
2. Following the conclusion of the initial two-year term with a financial institution, a report to the City Council will be prepared, discussing staff's evaluation of the banking services for the period then ended, and, if staff's evaluation of service levels provided is satisfactory, proposed contract terms for the upcoming three-year period.
3. Prior to the expiration of a five-year term with a financial institution, staff will solicit proposals from at least three institutions (one may be the current institution) and will evaluate such proposals. A report to the City Council will be prepared recommending the selection of an financial institution for a period of two years with a provision to extend for three additional years (or five years if the current institution is to be retained), along with a proposed contract for approval.
4. Prior to the expiration of a ten-year term with a financial institution, staff will solicit proposals from at least three institutions (not including the current institution) and will evaluate such proposals. A report to the City Council will be prepared recommending the selection of a financial institution for a period of two years with a provision to extend for three additional years.

Purchase Order Exemptions

Certain purchases are not readily adaptable to the informal and formal bidding process. These purchases are generally for items where the competitive bid process is not applicable or where a check is required to accompany the order. In these instances, a purchase order would not be required. However, should a vendor require a purchase order prior to accepting an order, an express purchase order (purchases up to \$3,000) or a purchase order (purchases over \$3,000) can be initiated. Following is a list of allowable exemptions to the purchase order requirement.

- Advertisements and Notices
- Attorney Services
- Bond Issuance Related Services
- City Attorney Services
- Fuel
- Instructional Services Agreements
- Insurance Claims and Premiums
- Medical Payments
- Membership Dues
- Organization Meetings
- Performing Arts Agreements
- Postage
- Publications
- Subscriptions
- Trade Circulars or Books
- Travel Expenses
- Utility Payments

**Purchase of Materials, Supplies, Equipment
and Non-Public Projects**



Materials, Supplies and Equipment and Non-Public Projects

The following matrix is based on the flowchart on the previous page and provides some additional information regarding the purchasing procedures for materials, supplies and equipment. Examples of purchases in this category would be items such as office equipment and furnishings, fitness equipment, playground equipment and supplies, landscape and irrigation supplies, power tools, janitorial supplies, vehicles, printed forms, radio and telephone equipment.

A non-public project is typically maintenance work which includes all of the following:

1. Routine, recurring and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes.
2. Minor repainting.
3. Resurfacing of streets and highways at less than one inch.
4. Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.

Up to \$75	<ul style="list-style-type: none"> • No bidding required • Use Petty Cash fund <li style="text-align: center;">or • Authorized personnel may use the Express Purchase Order (EPO) for the purchase of materials, equipment and supplies
Up to \$3,000	<ul style="list-style-type: none"> • No bidding or advertising required • Authorized personnel may use the Express Purchase Order (EPO) for the purchase of materials, equipment and supplies <li style="text-align: center;">or • Department selects vendor • Department obtains quotation/proposal • Department enters requisition (IFAS) • Department head approves requisition (IFAS) • Department forwards quotation/proposal to Purchasing • Purchasing prints Purchase Order • Purchasing mails Purchase Order and contract document to vendor
\$3,000 - \$10,000	<ul style="list-style-type: none"> • Informal bidding procedures required • No advertising required • Request for quotation/proposal from a minimum of three vendors • Department prepares two original contract documents • Department obtains vendor signature on contract documents • Department enters requisition (IFAS) and prepares bid recap • Department head signs contract documents • Department head approves requisition (IFAS) • Department forwards bid recap and contract documents to Purchasing • Purchasing prints Purchase Order • Purchasing mails Purchase Order and contract document to vendor • Department head approves change orders up to \$10,000 contract limit • City Manager approves change orders up to \$30,000 contract limit

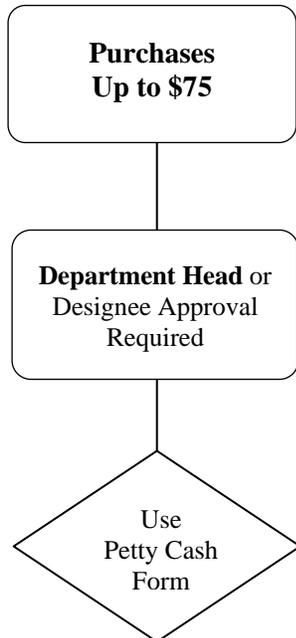
City of Mission Viejo
Purchasing Policies and Procedures
Purchasing Matrix: Materials, Supplies and Equipment

Revised April 2008

Materials, Supplies and Equipment and Non-Public Projects
(continued)

<p>\$10,000 - \$30,000</p>	<ul style="list-style-type: none"> • Informal bidding procedures required • No advertising required • Department prepares bid specifications • Request for quotation/proposal from a minimum of three vendors • Department prepares two original contract documents • Department obtains vendor signature on contract documents • Department enters requisition (IFAS) and prepares bid recap • Department head approves requisition (IFAS) • Department forwards bid recap and contract documents to Purchasing • Purchasing forwards contract documents to City Manager • City Manager signs contract and approves requisition (IFAS) • Purchasing prints Purchase Order • Purchasing mails Purchase Order and contract document to vendor • City Manager approves change orders up to \$30,000 contract limit • City Council approves change orders in excess of \$30,000 contract limit
<p>Over \$30,000</p>	<ul style="list-style-type: none"> • Formal bidding procedures required • Department prepares bid specifications • Department prepares proposed contract • Department completes Contract Checklist • City Manager approves advertising (either with or without Council review) • Advertising is required: <ol style="list-style-type: none"> 1) publish in local paper 14 calendar days prior to bid opening 2) mail notice to qualified vendors 14 calendar days prior to bid opening • Website posting is required • City Clerk opens bids at time and place stated in Notice Inviting Bids • Department prepares two original contract documents • Department obtains vendor signature on contract documents • Department submits Contract Checklist form • Department prepares Agenda Report requesting Council action • City Council awards bid / contract • City Manager signs contract documents • Department enters requisition (IFAS) and prepares bid recap • Department head approves requisition (IFAS) • Department forwards bid recap and copy of agenda report to Purchasing • City Clerk mails contract document to vendor • City Clerk forwards copy of contract to Purchasing • Purchasing prints Purchase Order • Purchasing mails Purchase Order to vendor • City Manager approves change orders: 15% of contract amount approved by City Council or \$30,000 whichever is less • City Council approves change orders in excess of 15% of contract amount approved by City Council or \$30,000 whichever is less

Petty Cash



Petty cash is used for small, incidental expenditures that would be impractical to process through the purchase order system. Petty cash may be used when the item/expense is needed immediately and/or costs less than \$75.

The Administrative Services Director will approve the establishment of all petty cash funds, determine the appropriate funding level for each fund, and be responsible for assuring compliance with these procedures. Each fund will have a designated administrator who will be responsible for the daily operations and security of the fund.

Five petty cash funds are currently authorized. The locations, amounts, and administrators (*positions, in italics*) of the City's petty cash funds are listed below:

- Administrative Services Department (\$750)
(*Administrative Assistant*)
- Norman P. Murray Community & Senior Center (\$500)
(*Community Services Coordinator - A*)
- Library (\$100)
(*Library Services Coordinator*)
- Montanoso Recreation Center (\$300)
(*Community Services Coordinator - B*)
- Animal Services Center (\$150)
(*Animal Services Supervisor*)

Petty Cash Form

The information needed for petty cash advances and claims has been consolidated onto one form. (*See Page 7 for a sample copy of the form*).

Petty Cash Advances

To receive an advance, the employee should fill in the date, the dollar amount requested, the item, the account number to be charged, and his/her printed name, prior to obtaining the approval of his/her department head or designee. The approved request should then be presented to the Petty Cash Administrator to receive the funds. The form will be kept in the petty cash box as a placeholder until the employee completes the purchase.

Petty Cash Claims

If the employee has first requested an advance, he or she needs to present a receipt for the purchase to the Petty Cash Administrator to claim reimbursement. The Administrator will then pull the form used to receive the advance from the petty cash box, so that the employee can fill in the actual expense amount, sign the form, and attach the receipt. The Petty Cash Administrator will determine whether money is owed or due to the employee to complete the transaction.

If the employee did not receive a petty cash advance before the purchase, he/she needs to fill out the entire form, except for the advance amount. The employee should then obtain the department head or designee's approval, sign the form, and attach a receipt, prior to submitting it to the Petty Cash Administrator for reimbursement.

Petty Cash Fund Reconciliation and Audits

The Petty Cash Administrator is responsible for reconciling and then replenishing the fund as needed, based on the receipts received.

Periodic audits will be performed by the Director of Administrative Services or delegate to ensure compliance with these procedures.

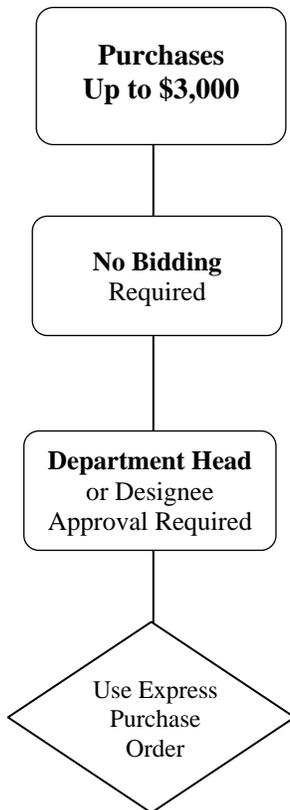
Exceptions

A single petty cash claim of up to \$100 may be submitted for Council meeting meals and oral board luncheons. Also, at the discretion of the City Manager, the amount of a single petty cash transaction may exceed the \$75 limit.

Sample Petty Cash Request Form

Petty Cash Request	
Date: _____	
Advance Amount \$ _____	Claim Amount \$ _____
Item: _____	
Account: _____	Employee: _____
Dept Approval: _____	
I hereby certify under penalty of perjury that the above costs were incurred while conducting City of Mission Viejo business	
Employee Signature: _____	

Express Purchase Order Materials, Supplies & Equipment



Express purchase orders (EPO) have been designed to be a convenient method for departments to purchase **materials, supplies or equipment** up to \$3,000.

EPO's are not to be used for professional services or construction contracts.

The blank EPO forms, which are pre-numbered, are controlled by Purchasing. They are distributed to the departments in packets of 50 at a time.

Completing the EPO Form

The originator of the EPO should first fill in the supplier's name and address, quantity, unit price, description, account number (s), and total cost on the form. The EPO must be completed and approved by an authorized staff member before or as the goods are ordered. (A confirming EPO by telephone or fax may be used as long as the form is filled out at the time of the order, and the confirmation method is noted in the appropriate space in the upper right hand corner of the form.)

The department head or the department staff who have been previously authorized to approve purchases should sign and date the first signature block at the bottom left corner of the EPO. The original copy of the EPO (white) should then be given or mailed to the supplier, and the receiving/accounting (yellow) copy and the department (pink) copy should be kept in the originating department for its records. (*See the sample copy of the three-part EPO form at the end of this section.*)

Receiving

When the item is either picked up or delivered to City Hall, the originator of the EPO must obtain an invoice, packing slip, or cash register receipt. This documentation should be signed by the person receiving the goods to indicate actual receipt of the item(s). Only those individuals authorized to receive goods may sign the receiver section of the EPO. The receiver should be personally knowledgeable of the delivery or receipt of the products specified on the EPO. The receiver should then sign the middle signature block at the bottom of the EPO. For internal control purposes, the same person may sign only two of the three signature blocks.

City of Mission Viejo
Purchasing Policies and Procedures
Express Purchase Order: Materials, Supplies & Equipment

Revised April 2008

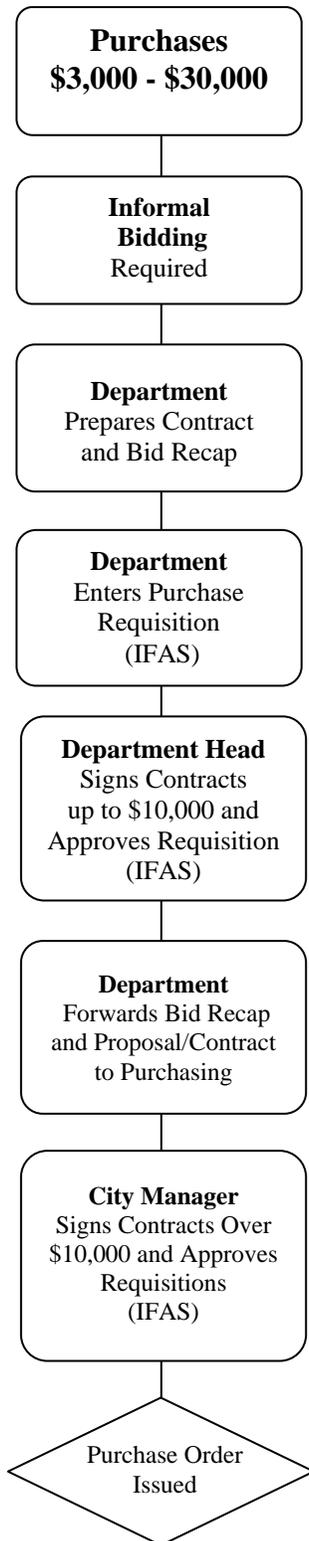
Payment

After the invoice is matched to the receiving/accounting (yellow) copy of the EPO, and the receiver section has been signed, the EPO should be forwarded to the department head or designee for payment approval. Once approval for payment has been obtained, the EPO and the invoice or receipt is forwarded to Accounts Payable for payment processing. If the information is incomplete or inaccurate, the packet will be returned to the originating department for review and correction before Accounts Payable will process the payment.

The City's standard payment terms are Net 30 which means that Accounts Payable must process the invoice and issue a check to the vendor no later than thirty days after the invoice date. In some instances, vendors have agreed to terms of 2% 10 Net 30. This means that in order to take advantage of a 2% discount, Accounts Payable must process the invoice and issue a check to the vendor no later than ten days after the invoice date. Otherwise full payment is due 30 days from the invoice date. It is important that all invoices be submitted to Accounts Payable in a timely manner because all invoices must be paid within vendor terms.

Contact Accounting for additional information on discounts.

Purchase Requisitions
Materials, Supplies, Equipment and Non-Public Projects
\$3,000 to \$30,000



Informal Bid Process

The informal bid process is required for materials, supplies and equipment purchases and non-public projects when the cost is from \$3,000 to \$30,000. The department should develop a Request for Quotation or Proposal detailing the product requirements or maintenance services requested. Although advertising is not required, a proposal/quotation should be obtained from a minimum of three vendors. The department must complete the Bid Recap form to document the bid process. Both the Request for Quotation form and the Bid Recap form can be found on the City’s Intranet. For additional information detailing the informal bid process, please see Section V.

Contract preparation

After the informal bid process is complete, the bids reviewed and analyzed, and the vendor has been selected, the City Manager or his designee may award the contract (if applicable) to the lowest responsible bidder. The department will prepare **two original** contracts or purchase agreements as required and obtain the vendor’s signature on each of the contract documents. The department head may award and approve contracts which do not exceed \$10,000. The City Manager must award and approve contracts which are from \$10,000 up to and including \$30,000. *(See Section VIII for standard City contracts and additional information regarding the choice of contracts.)*

On-Line Purchase Requisitions

After the informal bidding process is complete and the vendor has signed the contracts, the department can initiate a purchase requisition on-line, via the City’s financial software program (IFAS). At a minimum, the requisition requires the vendor's name and address, the department’s “ship to” address, contract terms and delivery date, the contract amount, the applicable account number(s), and a detailed description of the product to be ordered. Funds will be encumbered when the requisition is entered. *(For additional information regarding purchase requisitions, please see the Purchase Requisition Manual available on the City’s Intranet.)*

Requisition Approval

All requisitions must be approved in IFAS by the department head or designee. After the department head has approved the requisition, the department will supply the following backup documentation to Purchasing:

1. Bid Recap
2. Signed Contracts or Purchase Agreements (if applicable)
3. Proposals and/or Quotations

Requisitions for more than \$10,000 require the additional approval of the City Manager. After reviewing the contract and the Bid Recap form for compliance and verifying the account number(s), Purchasing will prepare and forward a requisition packet to the City Manager or designee for contract signature and electronic approval.

Purchase Order

After the City Manager has electronically approved the requisition, the packet will be forwarded to Purchasing where the Purchase Order will be issued. The Purchase Order will reference the authorization date and description of the contract. The Purchase Order and an **original** contract or purchase agreement will be sent to the vendor. A copy of the purchase order will be forwarded to the originating department for their records. Purchasing will retain a copy of the Purchase Order, the proposal/quotation and/or an **original** contract. All warranty documentation is to be kept by the originating department.

Change Orders

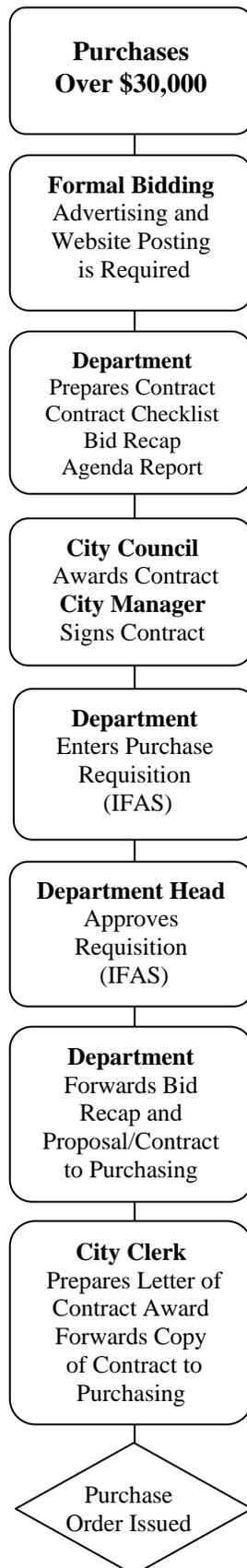
The department head can approve change orders for additional work as long as the cumulative total of the contract does not exceed \$10,000. For contracts less than \$30,000, the City Manager has the authority to approve change orders for additional work, as long as the cumulative total of the contract does not exceed \$30,000. The department head must request City Council approval for any change orders in excess of the City Manager's limits.

Payment

Once the department has received and accepted the merchandise, the packing slip/delivery receipt should be signed and matched with the invoice when it is received. When requesting a partial or a final payment against a purchase order, the department should complete a Payment Request form (available on the Intranet), attach the invoice and packing slip, and forward to Accounts Payable. The Purchasing Agent or designee has the authority to approve invoices exceeding the Purchase Order amount by 10% as long as the total of the contract does not exceed \$30,000 and there is sufficient funding available for the additional expense.

The City's standard payment terms are Net 30 which means that Accounts Payable must process the invoice and issue a check to the vendor no later than thirty days after the invoice date. In some instances, vendors have agreed to terms of 2% 10 Net 30. This means that in order to take advantage of a 2% discount, Accounts Payable must process the invoice and issue a check to the vendor no later than ten days after the invoice date. Otherwise full payment is due 30 days from the invoice date. It is important that all invoices be submitted to Accounts Payable in a timely manner because all invoices must be paid within vendor terms.

Contact Accounting for additional information on discounts.



**Purchase Requisitions
Materials, Supplies, Equipment and Non-Public Projects
Over \$30,000**

Formal Bid Process

The formal bid process is required for materials, supplies and equipment purchases and non-public projects when the cost exceeds \$30,000. The department should develop a Request for Quotation or Proposal detailing the product requirements or maintenance services requested. The department must complete the Contract Checklist form and obtain approval from the City Manager and the Director of Administrative Services prior to soliciting the Request for Quotation or Proposal. Publication of the Request for Quotation or Proposal must be published in a newspaper of general circulation at least 14 calendar days prior to bid opening. Website posting is also required. To document the bid process, the department must complete the Bid Recap form. For further information, see Section V detailing the formal bid process and the exceptions to the competitive bidding process.

Contract Preparation

The department should prepare **two original** contracts or purchase agreements. In some instances such as lease/purchase contracts, the vendor will provide a standard contract required by their organization. The completed contract, signed by the vendor, should be submitted with the Agenda Report requesting City Council award.

On-Line Purchase Requisitions

After the City Council has awarded the contract, the department can initiate a purchase requisition on-line, via the City's financial software program (IFAS). At a minimum, the requisition requires the vendor's name and address, the department's ship to address, contract terms and delivery date, the contract amount, the applicable account number(s), and a detailed description of the product to be ordered. The contract number and City Council approval date should also be stated in the description area of the requisition. Funds will be encumbered when the requisition is entered. *(For additional information regarding purchase requisitions, please see the Purchase Requisition Manual available on the City's Intranet).*

Requisition Approval

All requisitions must be approved in IFAS by the department head or designee. Funds are encumbered when the requisition is entered. After the department head has approved the requisition, the department will supply the following backup documentation to Purchasing:

1. Bid Recap
2. Copy of the Agenda Report

The City Clerk's Office will retain one original contract document, send one to the vendor and will forward a **copy** of the completed contract to Purchasing when all required bonds and insurance certificates have been received.

Purchase Order

Purchasing will print the Purchase Order. The Purchase Order will reference the City Council authorization date and give a detailed description of the product. The Purchase Order will be sent to the vendor and a copy of the purchase order will be forwarded to the originating department for their records. Purchasing will retain a copy of the Purchase Order and a copy of the contract. All warranty documentation is to be kept by the originating department.

Change Orders

The City Manager may approve change orders when the additional work does not exceed 15% of the contract amount approved by City Council or \$30,000, whichever is less. The City Council may authorize the City Manager to approve change orders in excess of \$30,000 when this authorization is specifically outlined in the contract document. The department head must request City Council approval for any change orders in excess of the City Manager's approval authority.

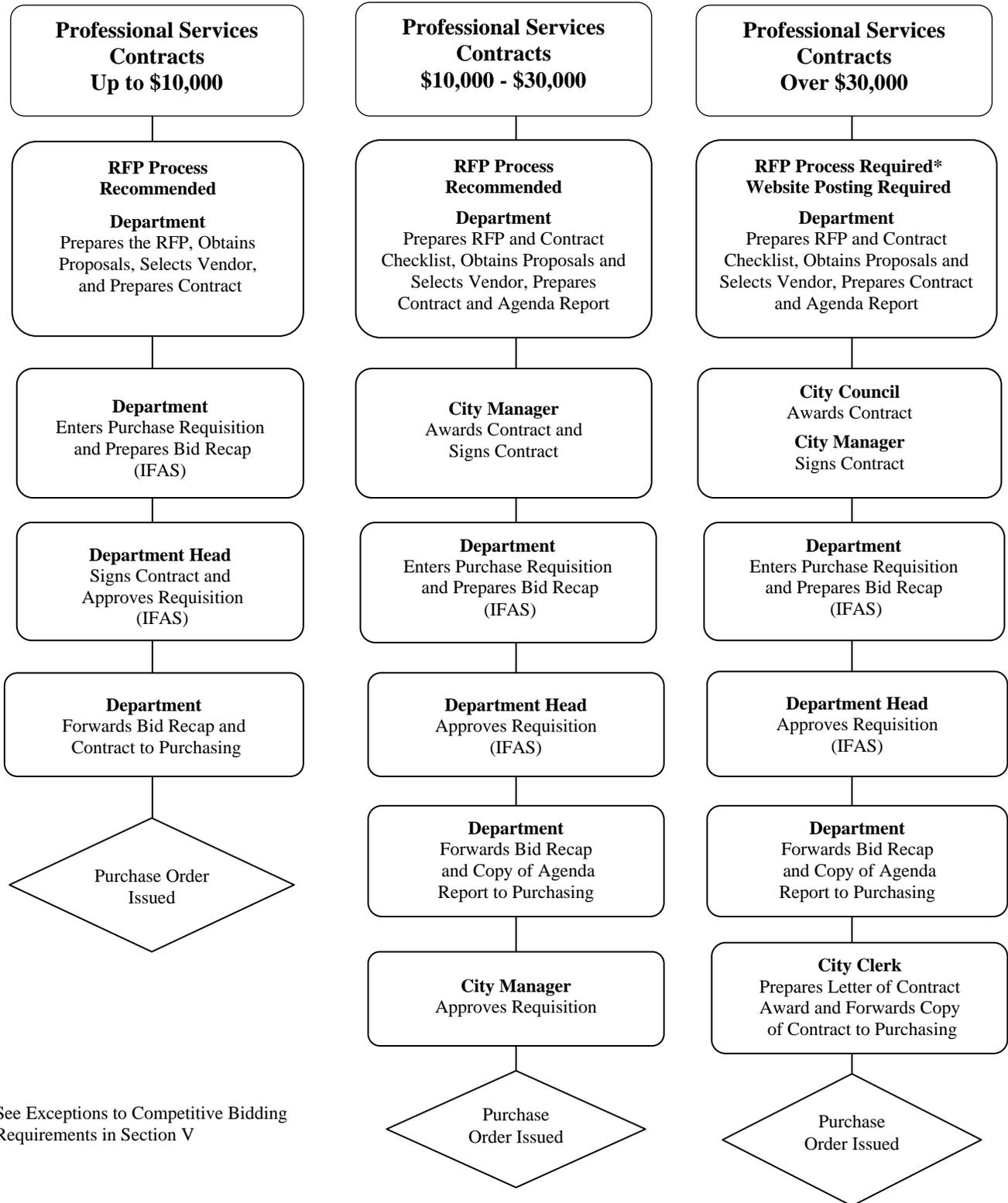
Payment

Once the department has received and accepted the merchandise, the packing slip/delivery receipt should be signed and matched with the invoice when it is received. When requesting a partial or a final payment against a purchase order, the department should complete a Payment Request form (available on the Intranet), attach the invoice and packing slip, and forward to Accounts Payable. The Purchasing Agent has the authority to approve invoices exceeding the Purchase Order amount by 10% as long as the total of the contract does not exceed \$30,000 and there is sufficient funding available for the additional expense.

The City's standard payment terms are Net 30 which means that Accounts Payable must process the invoice and issue a check to the vendor no later than thirty days after the invoice date. In some instances, vendors have agreed to terms of 2% 10 Net 30. This means that in order to take advantage of a 2% discount, Accounts Payable must process the invoice and issue a check to the vendor no later than ten days after the invoice date. Otherwise full payment is due 30 days from the invoice date. It is important that all invoices be submitted to Accounts Payable in a timely manner because all invoices must be paid within vendor terms.

Contact Accounting for additional information on discounts.

**Professional Services Contracts
Municipal Codes 3.12.290 & 3.12.300, and Resolutions 88-79 & 07-45**



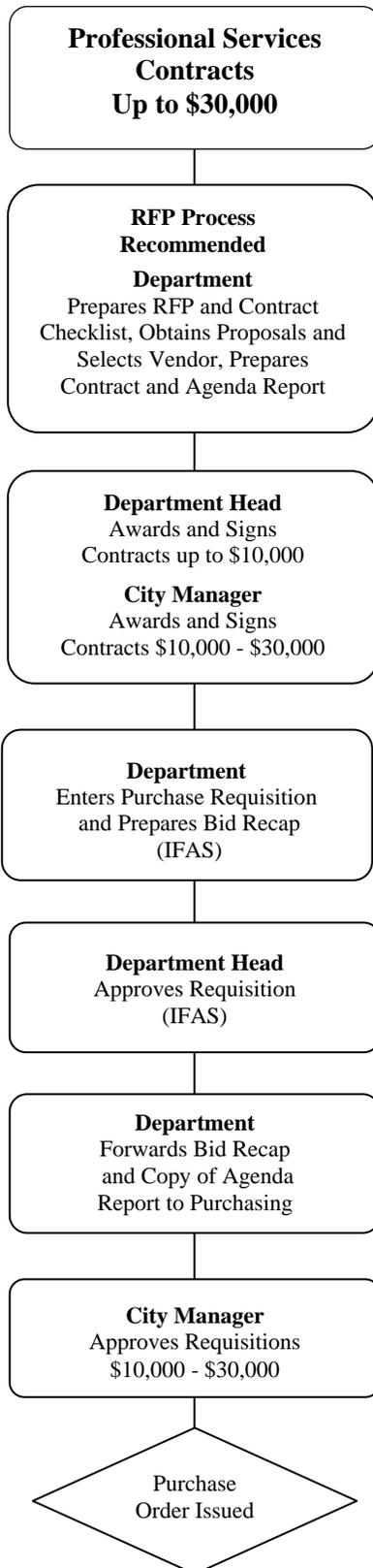
* See Exceptions to Competitive Bidding Requirements in Section V

Professional Services Contracts

The following matrix is based on the flowchart on the previous page and provides some additional information regarding the purchasing procedures when contracting for professional services. Examples of purchases in this category would be service contracts for technical support, staff assistance, environmental impact and feasibility studies, project design and administration, production and broadcasting, financial advisory and banking services, tax auditing, engineering and other professional design services, and educational or instructional services.

<p>Up to \$10,000</p>	<ul style="list-style-type: none"> • RFP procedures recommended or obtain proposals • No advertising required • Department head selects vendor • Department prepares two original contract documents • Department obtains vendor signature on contract documents • Department enters requisition (IFAS) • Department prepares bid recap • Department head signs contract documents • Department head approves requisition (IFAS) • Department forwards bid recap and contract documents to Purchasing • Purchasing prints Purchase Order • Purchasing mails Purchase Order and contract document to vendor • Department head approves change orders up to \$10,000 contract limit
<p>\$10,000 - \$30,000</p>	<ul style="list-style-type: none"> • RFP procedures recommended or obtain proposals • No advertising required • Website posting is at the discretion of the department head • Department head recommends vendor • Department prepares two original contract documents • Department obtains vendor signature on contract documents • Department enters requisition (IFAS) • Department prepares bid recap • Department head approves requisition (IFAS) • Department forwards bid recap and contract to Purchasing • City Manager signs contracts • City Manager approves requisition (IFAS) • Purchasing prints Purchase Order • Purchasing mails Purchase Order and Contract to vendor • City Manager approves change orders up to \$30,000 contract limit

<p>Over \$30,000</p>	<ul style="list-style-type: none"> • RFP procedures required (<i>See Exceptions to Competitive Bidding Requirements in Section V</i>) • No advertising required • Website posting is required • Department head recommends vendor • Department prepares Contract Checklist form • Department prepares two original contract documents • Department obtains vendor signature on contract documents • Department prepares Agenda Report requesting Council action • City Council awards contract • City Manager signs contract documents • Department enters requisition (IFAS) • Department prepares bid recap • Department head approves requisition (IFAS) • Department forwards bid recap and copy of agenda report to Purchasing • City Clerk mails contract document to vendor • City Clerk forwards copy of contract to Purchasing • Purchasing prints Purchase Order • Purchasing mails Purchase Order to vendor • City Manager approves change orders: 15% of contract amount approved by City Council or \$30,000 whichever is less • City Council approves change orders in excess of 15% of contract amount approved by City Council or \$30,000, whichever is less.
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**Professional Services Contracts
Up to \$30,000**

Definition of Professional Services

Professional services are those services provided by an educated or licensed specialist or a consultant. Consultant services include services that are of an advisory nature, that provide a recommended course of action or personal expertise, and that have an end product, which is basically a transmittal of information. Rather than competitive bidding, contracts negotiated for professional services must be based on demonstrated competence, professional qualifications for the services required, availability, and fair and reasonable cost.

Request for Proposal

When contracting for professional services, the Request for Proposal (RFP) procedure should be utilized to the extent possible as time and circumstances allow. The Request for Proposal should include the reasons for requiring the consultant services, a description of the objectives, any problems and difficulties to be addressed, a time schedule including commencement and completion dates, required progress reports, insurance requirements and any descriptive information which may assist the consultant to better understand the reason for the RFP.

Selecting the Professional Service Provider

In choosing a specialist to provide services, the department head should consider the consultant’s capability and professional qualifications. Also, to encourage competition and to obtain quality services at a reasonable price, selecting a consultant on a sole source basis should be kept to a minimum.

The department must complete the Bid Recap form to document the RFP process. The justification section of this form should always be completed, especially for any contracts that are let without following the RFP process. For additional information on the RFP process, please refer to Section V of this manual.

Contract Preparation

After the RFP process has been completed, the department prepares two original contracts and then obtains the consultant’s signature on both contract documents. The choice of long or short form contract depends on the risks involved with service (*see Section VIII – Contracts / Introductory Section for more information on short and long form contracts*).

The City Manager has delegated to the department heads the ability to negotiate professional services contracts that do not exceed \$10,000. The City Manager may negotiate professional services contracts that do not exceed \$30,000.

Professional Services Consultant Team (PSCT) Contracts

The City has established contracts with specific vendors designated as Professional Services Consultant Team (PSCT) members to provide services on a project-by-project basis. Departments using the PSCT for a project or service should make every effort to obtain multiple proposals from team members. When contracting for services with a Professional Services Consultant Team member, it is not necessary for the department to prepare a new contract. A written proposal outlining the scope of work and payment terms will be adequate.

Purchase Requisitions

The department can initiate a purchase requisition on-line, via the City's financial software program (IFAS). At a minimum, the requisition requires the consultant's name and address, the department's "ship to" address, the contract terms and delivery date, the contract amount, the applicable account number(s), and description of the services to be provided. Funds will be encumbered when the requisition is entered. *(For additional information regarding purchase requisitions, please see the Purchase Requisition Manual available on the City's Intranet.)*

Requisition Approval

All requisitions must be approved in IFAS by the department head or designee. After the department head has approved the requisition, the department will supply the following supporting documentation to Purchasing:

1. Bid Recap
2. Signed Contracts or proposal
3. Insurance Certificates as required

Requisitions for more than \$10,000 require the additional approval of the City Manager. After reviewing the contract and the Bid Recap form for compliance and verifying the account number(s), Purchasing will prepare and forward a requisition packet to the City Manager or designee for contract signature and electronic approval.

Purchase Order

After the City Manager has electronically approved the requisition, the packet will be forwarded to Purchasing where the Purchase Order will be issued. The Purchase Order will reference the authorization date and description of the contract. The Purchase Order and an **original contract** will be sent to the vendor. A copy of the Purchase Order will be forwarded to the originating department for their records. Purchasing will retain a copy of the Purchase Order and an original contract.

Contract Amendments and Change Orders

The department head has the authority to approve contract amendments and change orders for additional work as long as the cumulative total of the contract does not exceed \$10,000. For

City of Mission Viejo
Purchasing Policies and Procedures
Professional Services Contracts Up to \$30,000

Revised April 2008

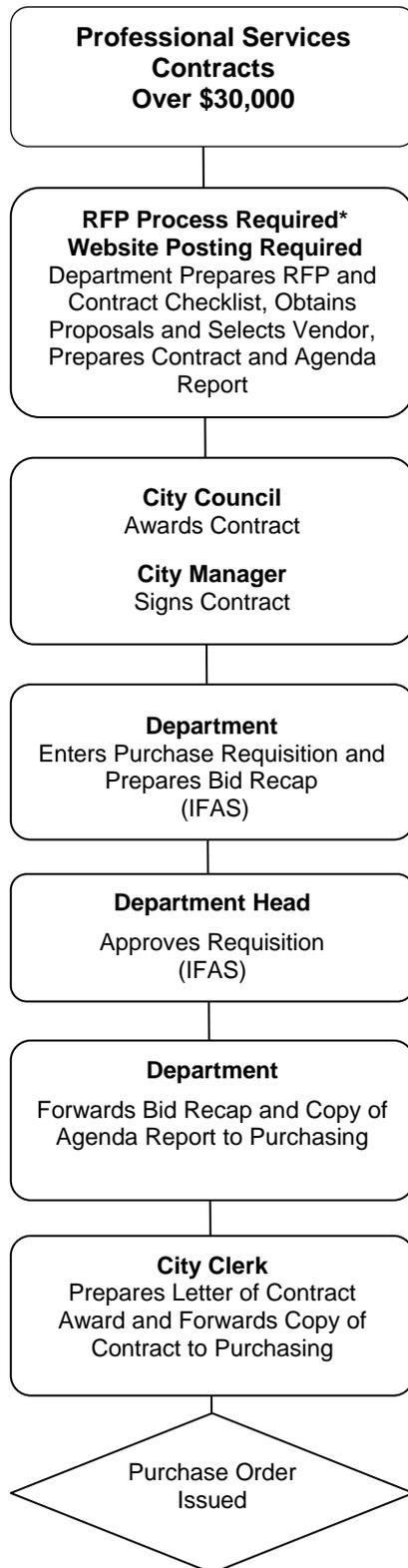
contracts less than \$30,000, the City Manager has the authority to approve contract amendments and change orders for additional work, as long as the cumulative total of the contract does not exceed \$30,000. The department head must request City Council approval for any contract amendments and change orders in excess of the City Manager's limitations.

Payments

Once the department has received the invoice, the department should complete a Payment Request form (available on the Intranet), attach the invoice and forward to Accounts Payable. The department should indicate on the form if the invoice being processed represents a partial or a final payment. The Purchasing Agent has the authority to approve invoices exceeding the Purchase Order amount by 10% as long as the total of the contract does not exceed \$30,000 and there is sufficient funding available for the additional expense.

The City's standard payment terms are Net 30, which means that Accounts Payable must process the invoice and issue a check to the vendor no later than thirty days after the invoice date. In some instances, vendors have agreed to terms of 2% 10 Net 30. This term means that, in order to take advantage of a 2% discount, Accounts Payable must process the invoice and issue a check to the vendor no later than ten days after the invoice date. Otherwise full payment is due 30 days after the invoice date. In order to comply with agreed upon vendor payment terms, all invoices must be submitted to Accounts Payable in a timely manner.

Contact Accounting for additional information on discounts.



Professional Services Contracts Over \$30,000

Definition of Professional Services

Professional services are those services provided by an educated or licensed specialist or a consultant. Consultant services include services that are of an advisory nature, that provide a recommended course of action or personal expertise, and that have an end product, which is basically a transmittal of information. Rather than competitive bidding, contracts negotiated for professional services must be based on demonstrated competence, professional qualifications for the services required, availability, and fair and reasonable cost.

Request for Proposal

The Request for Proposal should include the reasons for requiring the consultant services, a description of the objectives, any problems and difficulties to be addressed, a time schedule including commencement and completion dates, required progress reports, and any descriptive information which may assist the consultant to better understand the reason for the RFP. The department must complete the Contract Checklist form and obtain approval from the City Manager and the Director of Administrative Services prior to soliciting the Request for Proposal.

When contracting for professional services under \$30,000, the RFP procedure should be utilized to the extent possible, as time and circumstance allow. The RFP procedure is **required** for all professional services contracts that exceed \$30,000. Website posting is also required. (*See Exceptions to Competitive Bidding Requirements in Section V.*)

Unlike other formally bid contracts, the City Clerk does not publicly open proposals for professional services.

Selecting the Professional Service Provider

In choosing a specialist to provide services, the department head should consider the consultant's capability and professional qualifications. Also, to encourage competition and to obtain quality services at a reasonable price, selecting a consultant on a sole source basis should be kept to a minimum.

Contract Preparation

The City Manager may negotiate contracts that exceed \$30,000; however, they must be approved by the City Council. Once the proposals have been received from the RFP process

* See Section V: Exceptions to Bidding Requirements

and a consultant has been selected, the department will prepare **two original** contracts using the standard short or long form contract (over \$30,000), to accompany the Agenda Report to Council. *(These standard contract forms can be found on-line in City's Intranet/Forms section. Also, see Section VIII Contracts/Introduction in this manual for additional information regarding the choice of contracts).*

If a standard contract form is not used, such as when other public agencies are parties to the contract, the contract must go to the City Attorney for approval as to form. Otherwise, the Administrative Services department will approve the contract form used, depending upon the risk of the service involved and the amount of insurance required. The City Council must approve and award all contracts over \$30,000.

On-line Purchase Requisitions

After the City Council has awarded the contract, the department can initiate a purchase requisition on-line, via the City's financial software program (IFAS). At a minimum, the requisition requires the vendor's name and address, the department's "ship to" address, contract terms and delivery date, the contract amount, the applicable account number(s), and a description of the service to be provided. The contract number and City Council approval date should also be stated in the description area of the requisition. Funds will be encumbered when the requisition is entered. *(For additional information regarding purchase requisitions, please see the Purchase Requisition Manual available on the City's Intranet.)*

Requisition Approval

All requisitions must be approved in IFAS by the department head or designee. After the department head has approved the requisition, the following supporting documentation must be provided to Purchasing:

1. Bid Recap
2. Agenda Report

The justification section of the Bid Recap form should always be completed especially for any contracts that are let without following the RFP process. *(For additional information on the RFP process, please refer to Section V of this manual.)*

The City Clerk's Office will mail an **original** contract to the vendor and will forward a **copy** of the contract to Purchasing when all required bonds and insurance certificates have been received. Purchasing will then review the requisition, contract, and Bid Recap form for completeness and accuracy, and will verify the account number(s).

Purchase Order

After the Purchasing Agent has electronically approved the requisition, the Purchase Order will be issued. The Purchase Order will reference the authorization date and description of the contract. The Purchase Order will be sent to the vendor and a copy of the Purchase Order will be forwarded to the originating department for their records. Purchasing will retain a copy of the Purchase Order and the copy of the contract.

Change Orders

The City Manager may approve change orders when the additional work does not exceed 15% of the contract amount approved by City Council or \$30,000, whichever is less. The City Council may authorize the City Manager to approve change orders in excess of \$30,000 when this authorization is specifically outlined in the contract document. The department head must request City Council approval for any change orders in excess of the City Manager's approval authority.

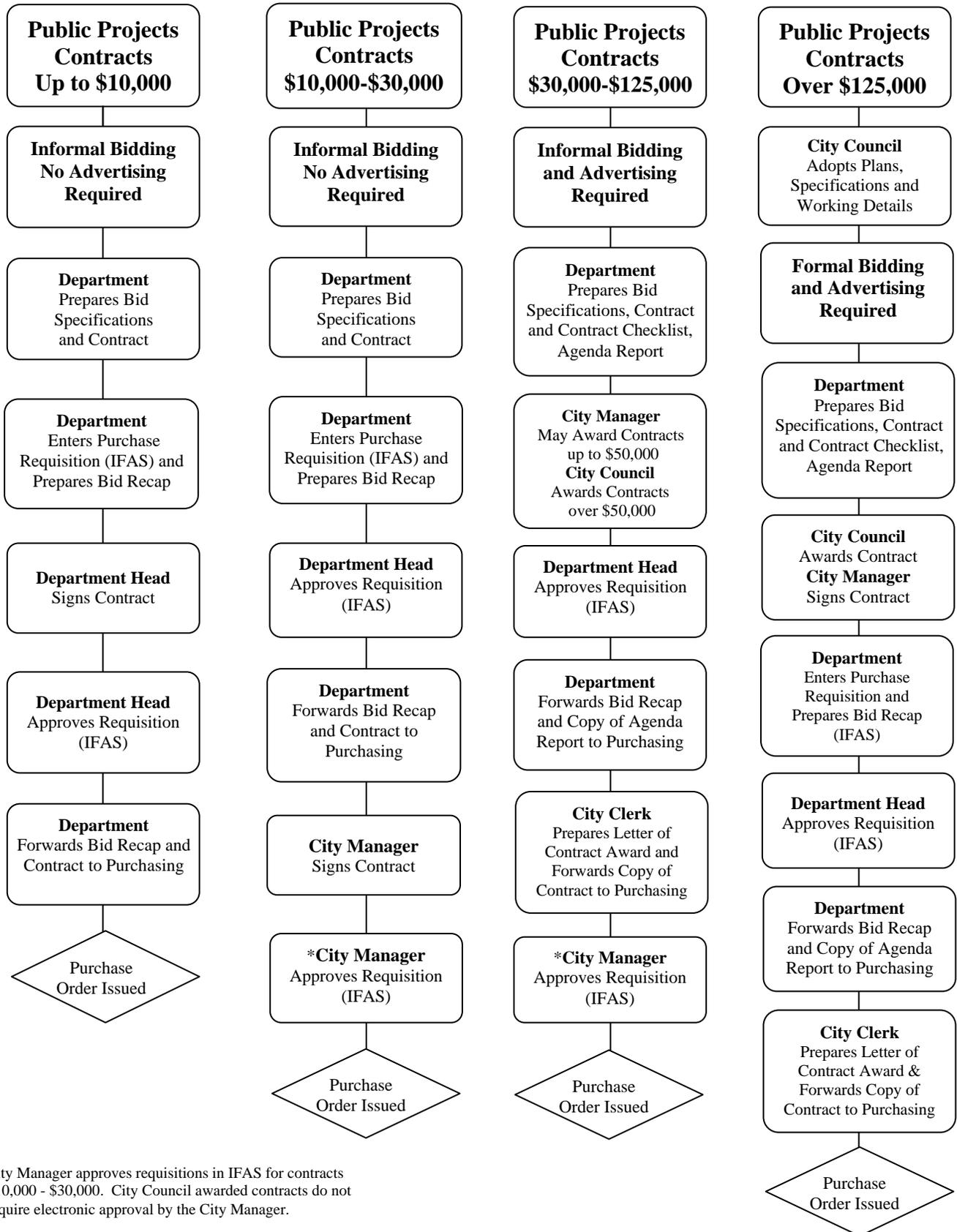
Payments

Once the department has received the invoice, the department should complete a Payment Request form (available on the Intranet), attach the invoice and forward to Accounts Payable. The department should indicate on this form if the invoice being processed represents a partial or a final payment.

The City's standard payment terms are Net 30, which means that Accounts Payable must process the invoice and issue a check to the vendor no later than thirty days after the invoice date. In some instances, vendors have agreed to terms of 2% 10 Net 30. This term means that, in order to take advantage of a 2% discount, Accounts Payable must process the invoice and issue a check to the vendor no later than ten days after the invoice date. Otherwise full payment is due 30 days after the invoice date. In order to comply with agreed upon vendor payment terms, all invoices must be submitted to Accounts Payable in a timely manner.

Contact Accounting for additional information on discounts.

Public Projects Contracts



* City Manager approves requisitions in IFAS for contracts \$10,000 - \$30,000. City Council awarded contracts do not require electronic approval by the City Manager.

Public Projects Contracts

The following matrix is based on the flowchart on the previous page and provides some additional information regarding the purchasing procedures for contracting for public projects. Examples of purchases in this category would be contracts for new street construction, major street resurfacing, intersection improvements, construction or renovation of a public facility, parking lot construction, sidewalk construction, and traffic signal installation.

<p>Up to \$10,000</p>	<ul style="list-style-type: none"> • Informal bidding procedures required • No advertising required • Department prepares bid specifications • Request for quotation/proposal from minimum of three vendors • Department prepares two original contract documents • Department obtains vendor signature on contract documents • Department enters requisition (IFAS) • Department prepares bid recap • Department head signs contracts • Department head approves requisition (IFAS) • Department forwards bid recap and contracts to Purchasing • Purchasing prints Purchase Order • Purchasing mails Purchase Order and contract document to vendor • Department head approves change orders up to \$10,000 contract limit • City Manager approves change orders up to \$30,000 contract limit
<p>\$10,000 - \$30,000</p>	<ul style="list-style-type: none"> • Informal bidding procedures required • No advertising required • Department prepares bid specifications • Request for quotation from minimum of three vendors • Department prepares two original contracts • Department obtains vendor signature on contracts • Department enters requisition (IFAS) • Department prepares bid recap • Department head approves requisition (IFAS) • Department forwards bid recap and contracts to Purchasing • City Manager signs contracts • City Manager approves requisition (IFAS) • Purchasing prints Purchase Order • Purchasing mails Purchase Order and contract document to vendor • City Manager approves change orders up to \$30,000 contract limit • City Council approves change orders in excess of \$30,000 contract limit

Public Projects Contracts

(continued)

<p>\$30,000 - \$125,000</p>	<ul style="list-style-type: none"> • Informal bidding procedures required • Department prepares bid specifications • Department prepares proposed contract • Department prepares Contract Checklist form and submits contract and bid specifications • Department prepares two original contracts • Advertising is required <ul style="list-style-type: none"> 1) mail notice to qualified vendors 10 calendar days prior to bid opening 2) publish notice in trade journals 10 calendar days prior to bid opening • Website posting is encouraged • City Clerk opens bids at time and place stated in Notice Inviting Bids • Department obtains vendor signature on contracts • At his/her discretion, City Manager may award contracts up to \$50,000 • Department prepares Agenda Report requesting Council action • City Council awards contracts over \$50,000 • City Manager signs contracts • Department enters requisition (IFAS) • Department prepares bid recap • Department head approves requisition (IFAS) • Department forwards bid recap and copy of agenda report to Purchasing • City Clerk mails contract document to vendor • City Clerk forwards copy of contract to Purchasing • City Manager approves requisition (IFAS) (only if City Manager awarded) • Purchasing prints Purchase Order • Purchasing mails Purchase Order to vendor • City Manager approves change orders: 15% of contract amount approved by City Council or \$30,000 whichever is less • City Council approves change orders in excess of 15% of contract amount approved by City Council or \$30,000 whichever is less
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Public Projects Contracts
(continued)

<p>Over \$125,000</p>	<ul style="list-style-type: none"> • Formal bidding procedures required • Department prepares bid specifications • Department prepares proposed contract • Department prepares Contract Checklist form and submits contract and bid specifications to Administrative Services for review • Department submits plans, specifications and working details to City Council for approval • City Council adopts plans, specifications and working details • Department prepares two original contract documents • City Manager approves advertising with City Council approval • Advertising is required <ol style="list-style-type: none"> 1) publish notice in trade journals 30 calendar days prior to bid opening 2) mail notice to qualified vendors 30 calendar days prior to bid opening 3) publish in local paper 14 calendar days prior to bid opening • Website posting is encouraged • City Clerk opens bids at time and place stated in Notice Inviting Bids • Department obtains vendor signature on contract documents • Department prepares Agenda Report requesting Council action • City Council awards contract • City Manager signs contract documents • Department enters requisition (IFAS) • Department prepares bid recap • Department head approves requisition (IFAS) • Department forwards bid recap and copy of agenda report to Purchasing • City Clerk mails contract document to vendor • City Clerk forwards copy of contract to Purchasing • Purchasing prints Purchase Order • Purchasing mails Purchase Order to vendor • City Manager approves change orders: 15% of contract amount approved by City Council or \$30,000 whichever is less • City Council approves change orders in excess of 15% of contract amount approved by City Council or \$30,000 whichever is less
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**Public Projects
Up to \$30,000**

Informal Bidding

The informal bid process is required for Public Projects with an estimated cost of less than \$30,000. Each department is required to maintain a list of qualified vendors and is responsible for the preparation of the project specifications and the Notice Inviting Informal Bids. The Notice shall describe the project in general terms, how to obtain more detailed information about the project, and state the time and place for the submission of bids. However, publication of the Notice Inviting Informal Bids in the construction trade journals is **not** required for Public Projects **less** than \$30,000. The department must complete the Bid Recap form to document the bid process. *(Please refer to Section V detailing the informal bid process for further information.)*

Contract Preparation

After the informal bid process is complete, the bids have been reviewed and analyzed, and the vendor has been selected, the City Manager or his designee may award the contract to the lowest responsible bidder. The department will prepare **two original** contracts and then obtain the vendor's signature on both contract documents. The department head may award and approve contracts which do not exceed \$10,000. The City Manager must award and approve contracts which are from \$10,000 up to and including \$30,000. *(See Section VIII for standard City contracts and additional information regarding the choice of contracts.)*

On-Line Purchase Requisitions

After the contract has been awarded, the department can initiate a purchase requisition on-line, via the City's financial software program (IFAS). At a minimum, the requisition requires the vendor's name and address, the department's ship to address, the contract terms and delivery date, the contract amount, the applicable account number(s), and description of the project. Funds will be encumbered when the requisition is entered. *(For additional information regarding purchase requisitions, please see the Purchase Requisition Manual available on the City's Intranet.)*

Requisition Approval

All requisitions must be approved in IFAS by the department head or designee. After the department head has approved the requisition, the department will supply the following backup documentation to Purchasing:

* Only for contracts between \$10,000 - \$30,000

1. Bid Recap
2. Contract
3. Insurance Certificates as required

Requisitions for more than \$10,000 require the additional approval of the City Manager. After reviewing the contract and the Bid Recap form for compliance and verifying the account number(s), Purchasing will prepare and forward a requisition packet to the City Manager or designee for contract signature and electronic approval.

Purchase Orders

After the City Manager has electronically approved the requisition, the packet will be forwarded to Purchasing where the Purchase Order will be issued. The Purchase Order will describe the contract. The Purchase Order and an **original** contract will be sent to the vendor. A copy will be forwarded to the originating department for their records. Purchasing will retain a copy of the Purchase Order and an **original** contract.

Change Orders

The Purchasing Agent can approve additional payments up to 10% of the contract as long as the total contract does not exceed \$30,000 and sufficient funding is available for the additional expense. For contracts less than \$30,000, the City Manager has the authority to approve change orders for additional work, as long as the cumulative total of the contract does not exceed \$30,000. The department head must get City Council approval for any change orders in excess of the City Manager's limitations.

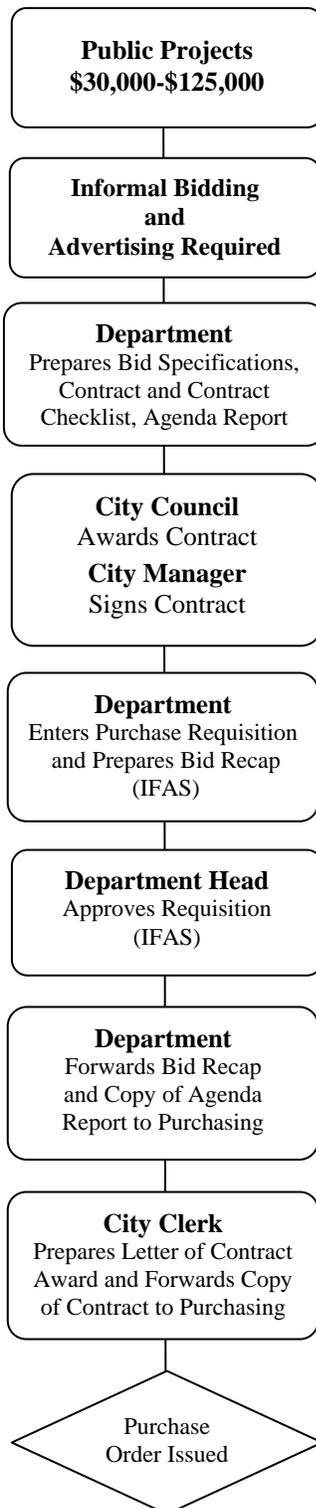
Payment

Once the department has received the invoice, the department should complete a Payment Request form (available on the Intranet), attach the invoice and forward to Accounts Payable. The department should indicate on this form if the invoice being processed represents a partial or a final payment.

The City's standard payment terms are Net 30 which means that Accounts Payable must process the invoice and issue a check to the vendor no later than thirty days after the invoice date. In some instances, vendors have agreed to terms of 2% 10 Net 30. This means that in order to take advantage of a 2% discount, Accounts Payable must process the invoice and issue a check to the vendor no later than ten days after the invoice date. Otherwise full payment is due 30 days after the invoice date. It is important that all invoices be submitted to Accounts Payable in a timely manner because all invoices must be paid within vendor terms.

Contact Accounting for additional information on discounts.

**Public Projects
\$30,000 - \$125,000**



Informal Bidding

The informal bid process is required when the estimated cost of a Public Project is **over** \$30,000. Each department is required to maintain a list of qualified vendors and is responsible for the preparation of the project specifications and the Notice Inviting Informal Bids. The Notice shall describe the project in general terms, how to obtain more detailed information about the project, and state the time and place for the submission of bids. Publication of the Notice Inviting Informal Bids in the construction trade journals **is required**. For Public Projects between \$30,000 and \$125,000, the Notice Inviting Informal Bids must be published at least **10 calendar days** prior to bid opening. Although not required, website posting is encouraged. The department must complete the Contract Checklist form and obtain approval from the City Manager and the Director of Administrative Services prior to soliciting the Notice Inviting Informal Bids. To document the bid process, the department must complete the Bid Recap form. *(Please refer to Section V detailing the informal bid process for further information.)*

Contract Preparation

After the informal bids have been reviewed and analyzed and the vendor has been selected, the department will prepare **two original** contracts. Although the City Manager, at his/her discretion, may award public projects contracts which do not exceed \$50,000, the current practice is for the City Council to award public projects contracts exceeding \$30,000. The completed contracts, signed by the vendor, should be submitted with the Agenda Report requesting City Council award. *(See Section VIII for standard City contracts and additional information regarding the choice of contracts.)*

On-Line Purchase Requisitions

After the City Council has awarded the contract, the department will prepare a purchase requisition. The department can initiate a purchase requisition on-line, via the City’s financial software program (IFAS). At a minimum, the requisition requires the vendor’s name and address, the department’s “ship to” address, the contract terms and delivery date, the contract amount, the applicable account number(s), and description of the project. The contract number and City Council approval date should also be stated in the description area of the requisition. Funds will be encumbered when the requisition is entered. *(For additional information*

regarding purchase requisitions, please see the Purchase Requisition Manual available on the City's Intranet.)

Requisition Approval

All requisitions must be approved in IFAS by the department head or designee. After the department head has approved the requisition, the department will supply the following backup documentation to Purchasing:

1. Bid Recap
2. Agenda Report

The City Clerk's Office will mail an original contract to the vendor and will forward a copy of the contract to Purchasing when all required bonds and insurance certificates have been received. The City Manager will not electronically approve requisitions for contracts approved by City Council.

Purchase Order

Purchasing will review the contract and Bid Recap form for compliance, verify the account numbers and issue the Purchase Order. The Purchase Order will reference the authorization date and description of the contract. The Purchase Order will be sent to the vendor. A copy will be forwarded to the originating department for their records. Purchasing will retain a copy of the Purchase Order and a copy of the contract.

Change Orders

The City Manager may approve change orders when the additional work does not exceed 15% of the contract amount approved by City Council or \$30,000, whichever is less. The City Council may authorize the City Manager to approve change orders in excess of \$30,000 when this authorization is specifically outlined in the contract document. The department head must request City Council approval for any change orders beyond the City Manager's approval authority.

Payment

Once the department has received the invoice, the department should complete a Payment Request form (available on the Intranet), attach the invoice and forward to Accounts Payable. The department should indicate on this form if the invoice being processed represents a partial or a final payment.

The City's standard payment terms are Net 30 which means that Accounts Payable must process the invoice and issue a check to the vendor no later than thirty days after the invoice date. In some instances, vendors have agreed to terms of 2% 10 Net 30. This means that in order to take advantage of a 2% discount, Accounts Payable must process the invoice and issue a check to the vendor no later than ten days after the invoice date. Otherwise full payment is due 30 days after the invoice date. It is important that all invoices be submitted to Accounts Payable in a timely manner because all invoices must be paid within vendor terms.

Contact Accounting for additional information on discounts.



**Public Projects
Over \$125,000**

Plans, Specifications and Working Details

The City Council shall adopt plans, specifications and working details for all public projects exceeding \$125,000 before any formal bidding begins.

Formal Bid Process

Public projects over \$125,000 must be formally bid by the originating department. Although not required, website posting is encouraged. The department must complete the Contract Checklist form and obtain approval from the City Manager and the Director of Administrative Services prior to soliciting the Request for Proposal. Publication of the Notice Inviting Formal Bids must be published in the specified construction trade journals at least 30 calendar days prior to bid opening. To document the bid process, the department must complete the Bid Recap form. For further information, see the section detailing the formal bid process and the exceptions to the competitive bidding process.

Contract Preparation

The department should prepare **two original** contracts. The completed contract signed by the vendor should be submitted with the Agenda Report requesting City Council award. *(See Section VIII for standard City contracts and additional information regarding the choice of contracts.)*

On-Line Purchase Requisitions

After the City Council has awarded the contract, the department will prepare a purchase requisition. The department can initiate a purchase requisition on-line, via the City’s financial software program (IFAS). At a minimum, the requisition requires the vendor's name and address, the department’s “ship to” address, contract terms and delivery date, the contract amount, the applicable account number(s), and description of the project. The contract number and City Council approval date should also be stated in the description area of the requisition. Funds will be encumbered when the requisition is entered. *(For additional information regarding purchase requisitions, please see the Purchase Requisition Manual available on the City’s Intranet.)*

Requisition Approval

All requisitions must be approved in IFAS by the department head or designee. After the requisition has been approved by the department head, the department will supply the following backup

documentation to Purchasing:

1. Bid Recap
2. Agenda Report

The City Clerk's Office will mail an original contract to the vendor and will forward a copy of the contract to Purchasing when all required bonds and insurance certificates have been received. The City Manager will not electronically approve requisitions for contracts approved by City Council.

Purchase Order

Purchasing will review the contract and Bid Recap form for compliance, verify the account numbers and issue the Purchase Order. The Purchase Order will reference the authorization date and description of the contract. The Purchase Order will be sent to the vendor and a copy will be forwarded to the originating department for their records. Purchasing will retain a copy of the Purchase Order and a copy of the contract.

Change Orders

The City Manager may approve change orders when the additional work does not exceed 15% of the contract amount approved by City Council or \$30,000, whichever is less. The City Council may authorize the City Manager to approve change orders in excess of \$30,000 when this authorization is specifically outlined in the contract document. The department head must request City Council approval for any change orders in excess of the City Manager's approval authority.

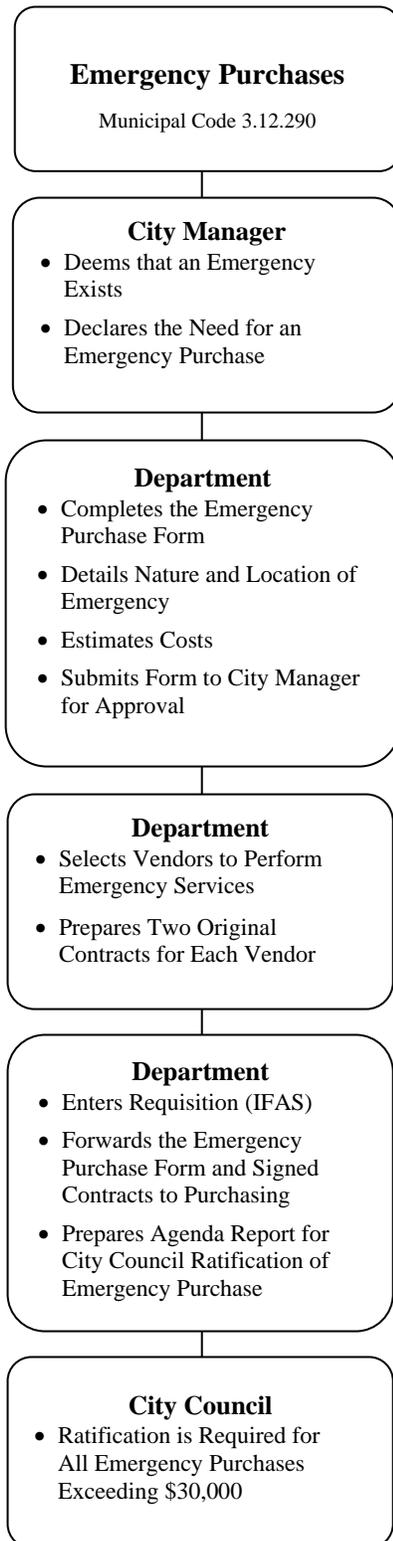
Payment

Once the department has received the invoice, the department should complete a Payment Request form (available on the Intranet), attach the invoice, and forward to Accounts Payable. The department should indicate on this form if the invoice being processed represents a partial or a final payment.

The City's standard payment terms are Net 30 which means that Accounts Payable must process the invoice and issue a check to the vendor no later than thirty days after the invoice date. In some instances, vendors have agreed to terms of 2% 10 Net 30. This means that in order to take advantage of a 2% discount, Accounts Payable must process the invoice and issue a check to the vendor no later than ten days after the invoice date. Otherwise full payment is due 30 days after the invoice date. It is important that all invoices be submitted to Accounts Payable in a timely manner because all invoices must be paid within vendor terms.

Contact Accounting for additional information on discounts.

Emergency Purchases



The City Manager may authorize the purchase of material, supplies, equipment, and services where he or she deems that an emergency exists and the public health, safety or welfare of the community would be affected, if the normal purchasing procedures (i.e., competitive bidding) were followed. All emergency purchases that would otherwise require City Council approval must be submitted to the City Council for ratification at the next regular Council meeting after the purchase is authorized.

The City Manager declares the need for an emergency purchase using the Emergency Purchase Authorization form, a copy of which follows this page. This form can be found on the City’s Intranet. The originator of the form should describe the emergency, including its location, in the sections provided. The estimated cost of the materials, supplies, and/or equipment and the estimated cost of labor or installation should be provided, as well as the selected vendors for the costs given. If applicable, the department should also indicate on the Emergency Purchase form, the date of the next Council meeting at which the emergency purchase can be ratified.

After the department head of the originating department and the City Manager sign the form, the department will select the vendors to complete the necessary work. If time permits, the department will prepare two original contracts and obtain the selected vendor’s signatures. If time is of the essence, then a signed proposal is sufficient to submit for Council ratification (see following information to determine if Council adoption is required). The department then enters the required requisitions (IFAS) and the department head electronically approves the requisitions. The department then forwards the original Emergency Purchase form and the completed contracts, if applicable to Purchasing. As emergency purchases are exempted from competitive bidding, no Bid Recap form is required. The additional approval of the City Manager is required for requisitions exceeding \$10,000. Purchasing will print the Purchase Order and mail it and one original contract to the vendor.

If the emergency purchase would have otherwise required formal bidding procedures, the department must obtain City Council ratification of the purchase at the next regularly scheduled meeting. The department will prepare the Agenda Report requesting City Council ratification and attach a copy of the Emergency Purchase form. The originating department should retain a copy of the Emergency Purchase form for its records.



City of Mission Viejo

Emergency Purchase Authorization

As the City Manager, I have determined that an emergency condition exists that could interrupt the public health, safety or welfare of the community if the normal bidding procedures were followed. You are therefore authorized to proceed immediately to purchase, without the bidding process, any necessary material, labor, equipment or supplies needed to normalize the emergency condition.
Mission Viejo Municipal Code 3.12.290.3

1. Describe this emergency :

2. Location of this emergency :

3. Estimated Cost of Materials/Supplies/Equipment \$

4. Selected Vendors

5. Estimated Cost of Labor/Installation \$

6. Selected Vendors

All emergency purchases that would otherwise require the formal bidding procedure shall be submitted to the City Manager for his presentation to the City Council for ratification at the next regular Council meeting.

Date to be ratified by City Council

Department Head _____ Date _____

City Manager _____ Date _____

Credit Card and Open Account Purchases

City Manager Corporate Credit Card

The City of Mission Viejo City Council authorized the use of the City Manager's Corporate Credit Card for eBay listing fees (sale of City surplus property) and certain business travel costs for the City Council and City Manager. The corporate credit card includes paying the costs of airfare, conference registration and lodging for business trips taken only by **currently** seated City Council members and City Manager.

CAL-Card Procurement Program

The City of Mission Viejo uses a variety of methods for the purchase of goods and services, including petty cash, purchase orders, express purchase orders, emergency purchase orders, and requests for payment. However, for small dollar purchases, processing an express or regular purchase order is not always cost-effective, and occasionally local suppliers refuse to accept either type of purchase order.

To address this need, the State of California's 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 services. This unique government credit card has the employee's name embossed on it and is identified as a State of California VISA card which is also known as the "CAL-Card."

The CAL-Card, when used to purchase goods or repair services, promotes 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 allows for a 45-day payment cycle, along with rebates for early payments.

The CAL-Card program is not intended to and will not be used to circumvent any existing statutes or laws, or City or departmental procurement procedures and policies. The use of CAL-Cards will be closely managed, to ensure the cards are being used efficiently and appropriately.

The City of Mission Viejo City Council approved the implementation of the CAL-Card Program on a limited basis. For additional information on the guidelines, responsibilities and use of the CAL-Card, please refer to the CAL-Card Policies and Procedures Manual.

City Fleet Automobiles – Fuel Purchases (Voyager Card)

Each City employee who is assigned a City of Mission Viejo vehicle or Sheriff's Department patrol officer who is assigned a motorcycle is provided with a Voyager Fleet Systems Fuel Card (otherwise known as "Voyager Card") to fuel the vehicle, upon the approval of his / her department head.

The Voyager card is for official City business and can only be used by City employees or patrol officers operating City vehicles; the Voyager card cannot be used for private vehicles. The Voyager card is accepted at most service stations in Mission Viejo and throughout California (Chevron, Mobil, Shell, and Union 76), but not at ARCO. For a complete list of gas stations accepting the Voyager cards, additional restrictions, and policies; please refer to the Procedures for the Voyager Fleet Systems Fuel Card Program Manual.

Introduction to Bidding Procedures

The Mission Viejo Municipal Code requires that certain bidding procedures be followed when purchasing products, materials, supplies, or equipment; contracting for professional services; and contracting for public projects and other projects. The competitive bidding process ensures that the City will obtain the best combination of pricing, quality, service, and availability of products and services. **Splitting a purchase to circumvent the bidding limits is specifically prohibited by the City's Code and by State law.**

The dollar value of the products, services, or projects determines whether formal or informal bidding procedures must be followed, as shown below. In certain instances, bidding procedures may not be required.

Materials, Supplies and Equipment and Other Non-Public Projects Contracts

- No Bidding Required: Up to \$3,000
- Informal Bidding: \$3,000 - \$30,000
- Formal Bidding: Over \$30,000

Professional Services Contracts

- Contracts up to \$30,000: Request for Proposal Process Recommended
- Contracts over \$30,000: Request for Proposal Process Mandatory – web posting required (See Exceptions to Competitive Bidding Requirements in Section V)

Public Projects

- Informal Bidding: Up to \$30,000 : City Manager awards contract
- Informal Bidding: \$30,000 - \$50,000 : City Manager may award contract
- Informal Bidding: \$50,000 - \$125,000 : City Council awards contract
- Formal Bidding: Over \$125,000 : City Council awards contract

Preparing Bid Documents - the Request for Quotation/Proposal

The department should prepare a Request for Quotation/Proposal for all purchases with an estimated value exceeding \$3,000. The Request for Quotation/Proposal should list the specific requirements a product or service must meet, such as model number, size, and color(s), or provide a project description outlining specific tasks to be accomplished. In addition, it should include other requirements such as quantities, and place and time of delivery of products or reports. Preparing a Request for Quotation/Proposal will aid the department in identifying specific needs, communicating complete information to each vendor, and tracking submitted vendor quotations and proposals.

Public Projects informal bidding procedures require the department to complete the Contract Checklist form and obtain approval from the Director of Administrative Services, the City Attorney, and the City Manager prior to soliciting the Request for Quotation/Proposal. These forms are available on the City's Intranet.

The Contract Checklist form identifies the project, funding sources, contract type, insurance and bond requirements, and the type(s) of publications required, including whether the City Clerk needs to publish a Notice Inviting Formal Bids. In some instances, the City Manager may require City Council approval prior to advertising.

Documenting the Bid Process

Informal and formal bidding procedures must always be documented. The department is responsible for completing a Bid Recap form for all purchases and contracts of \$3,000 or more. The Bid Recap form identifies the vendors who have been contacted, the name of the successful bidder, the amount of the contract, and the reason(s) for the successful bidder's selection.

Qualified Bidder

Each department is responsible for maintaining a qualified bidder (vendor, consultant and/or contractor) list, categorized by the type of product sold or work performed for use in soliciting bids.

A "qualified" bidder is a bidder that demonstrates the following characteristics:

- Can provide product quality, fitness, and capacity for the required usage.
- Has the ability, capacity and skill to perform the contract or provide the service required.
- Has demonstrated character, integrity, reputation, judgement, experience, and efficiency, particularly with reference to past purchases by the City or other public agencies.
- Has the ability to perform within the time required.
- Has shown quality of performance and/or of products provided in previous contracts or services with the City or other public agencies.
- Can meet all insurance requirements

Lowest Responsible (Responsive and Qualified) Bidder

Bids should be awarded to the responsive and qualified bidder who submits the lowest bid; however, cost is not necessarily the only determining factor when selecting the successful bidder.

In addition to price, the following elements should also be considered in determining whether a bid is *responsive*.

- A responsive bid is one that is in substantial conformance with the requirements of the invitation to bid, including specifications and the City's contractual terms and conditions. Conformance may also include providing proof of insurance, completed forms, references, and all other information as requested in the bid document. Bidders who substitute terms and conditions or who qualify their bids in such a manner as to nullify or limit their liability shall be considered non-responsive bidders.
- The successful bidder must demonstrate the ability to fulfill a contract, including providing subsequent and continuing service. Staff may request proof of a prospective bidder's reliability, proof of financial resources, a list of current or previous customers, and other pertinent data. Such requests may also be taken after receipt of bids.

- A bidder may be determined to be non-responsive if the bidder fails to furnish proof of qualifications when required.

In addition to price, the following elements should be considered in determining whether a bidder is qualified.

- The products offered provide the quality, fitness, and capacity for the required usage.
- The bidder has the ability, capacity and skill to perform the contract satisfactorily and within the time required.
- The bidder's experience regarding past purchases by the City or other public agencies demonstrates the reliability of the bidder to perform the contract.

When a department recommends awarding a bid to other than the low bidder, written justification must be provided on the Bid Recap form and the Council agenda report if Council approval is required.

Sole Source Purchases

Commodities and services that can be obtained from only one vendor are exempt from competitive bidding. Sole source purchases may include proprietary items sold directly from the manufacturer, items that have only one distributor authorized to sell in a specific area or a certain product has been proven to be the only acceptable product available. All sole source purchases must be justified by written documentation (bid recap) signed by the appropriate department head and forwarded to the Purchasing Division. Questions related to the determination of sole source purchases should be directed to the Purchasing Agent.

Introduction to the Informal Bid Process

Purchases (Non-Public Projects Contracts) up to \$30,000

Informal bidding procedures have been established for all purchases of materials, supplies and equipment, professional service contracts, and non-public projects contracts which do not exceed \$30,000. While there are no advertising requirements for the purchase of material, supplies, equipment, and non-public projects contracts under \$30,000, the department is required to solicit written and/or phone bids from multiple vendors. It is recommended that the department solicit a minimum of three qualified vendors via phone, email, fax and/or City web site. The department head may award contracts up to \$10,000. The City Manager must award contracts \$10,000 - \$30,000.

Public Projects Contracts up to \$30,000

Informal bidding procedures have been established for all public projects contracts that do not exceed \$30,000. Although no advertising is required, the department should solicit a minimum of three bids from contractors on the qualified bidders list. The department head may award contracts up to \$10,000. The City Manager must award contracts \$10,000 - \$30,000.

Public Projects Contracts \$30,000 - \$125,000

Informal bidding procedures have also been established for all public projects contracts that do not exceed \$125,000. The City of Mission Viejo has elected to become subject to the Uniform Construction Cost Accounting procedures, which provides for alternative informal bidding requirements. (See Ordinance 90-53 establishing Chapter 3.13 of the Municipal Code.) Public Contract Code 22034 requires that **not less than 10 calendar days before** bids are due, a Notice Inviting Informal Bids shall be mailed to:

- all contractors on the list for the category of work being bid, or
- all applicable construction trade journals*, or
- both all contractors on the list for category of work being bid and all applicable construction trade journals*

* To meet the advertising requirements for informal bids, the City of Mission Viejo is required to publish in the following four construction trade journals:

County Subscribers: California
Construction Bidboard, Inc.
5910 Pacific Center Blvd.
San Diego, CA 92121
Phone: 858.643.9050

County Subscribers: California
McGraw-Hill Construction Dodge (formerly F.W. Dodge Division)
2150 Town Center Place, Suite 100
Anaheim, CA 92806
Phone: 714.937.0831

County Subscribers: Imperial, Los Angeles, Orange, Riverside, San Bernardino, and San Diego

Southern California Builders Association

7740 Painter Avenue, #100

Whittier, CA 90602

Phone: 562.320.3600

County Subscribers: Imperial, Los Angeles, Orange, Riverside, San Bernardino, and San Diego

Associated General Contractors of America

San Diego Chapter, Inc.

6212 Ferris Square

San Diego, CA 95814

Phone: 858.558.7444

Prior to soliciting or advertising the Notice Inviting Informal Bids, the department is required to complete the Contract Checklist form and obtain approval from both the Director of Administrative Services and the City Manager. The Contract Checklist form identifies the project, funding sources, contract type, insurance and bond requirements, and the type(s) of publications required. In some instances, the City Manager may require City Council approval prior to advertising. While not required, the departments are encouraged to post the Notice Inviting Informal Bids for public projects contracts to the City's web site.

The City Manager may award contracts that do not exceed \$50,000. However in practice, the City Council must award all contracts over \$30,000. (*See Resolution 88-95*)

Informal Bid Process - Examples of Purchases

1. Materials, Supplies and Equipment and Non-Public Projects Contracts \$3,000 - \$30,000

- Office Furniture, Equipment and Supplies
Desks, chairs, fax machines, computers
- Equipment Maintenance and Repair
Annual equipment maintenance contracts
- Tools and Power Equipment
Generator
- Sports and Athletic Goods
Fitness equipment, aquatic chemicals
- Custom Specialty Products
Plaques, awards, clothing items
- Printed Products
Letterhead, brochures, special mailings
- Playground Equipment
Swings, slides, benches, tables
- Irrigation Supplies
Sprinkler heads, pipes

- Routine Landscape Maintenance
Lawn mowing, tree planting and trimming, shrubbery pruning
- Minor Repainting
Interior office painting, wall repair

2. Public Projects \$125,000 or less

- Playground and Park Improvements
- Hardscape and Concrete Installation
- Fence Installation
- Public Facility Renovation
- Pool Rehabilitation

Splitting a purchase to circumvent the informal bidding limits is specifically prohibited by the City's code and by State law.

Qualified Bidder Lists

Each department is responsible for maintaining a qualified bidder (vendor, contractor or consultant) list categorized by type of service and/or product. A minimum of three vendors should be given the opportunity to provide a proposal or quotation for the product(s) or service(s) required. Phone bids are acceptable when time and circumstances dictate. See the Introduction to Bidding Procedures Section for a detailed definition of "qualified bidder."

Tie Bids - Purchases under \$30,000

If two or more informal bids are received which are in all respects equal, the City Manager or designee may accept the one deemed to be in the best interests of the City.

Rejection of Bids - Purchases under \$30,000

The requesting department may recommend rejection of any or all informal bids if it is determined to be in the best interests of the City. The City Manager or designee may, in any given case, reject all bids with or without cause and submit the supplies, equipment or service involved to a new bidding process. If all bids are rejected, the City Manager or designee may re-solicit bids, negotiate a contract for the purchase, or abandon the purchase.

Contract Award – Purchases under \$30,000

Informally bid contracts are awarded by the City Manager or designee to the lowest responsible bidder. The bidders located within the City of Mission Viejo are granted a 1% price competitive advantage if their goods are subject to the California Sales Tax (Resolution 88-76).

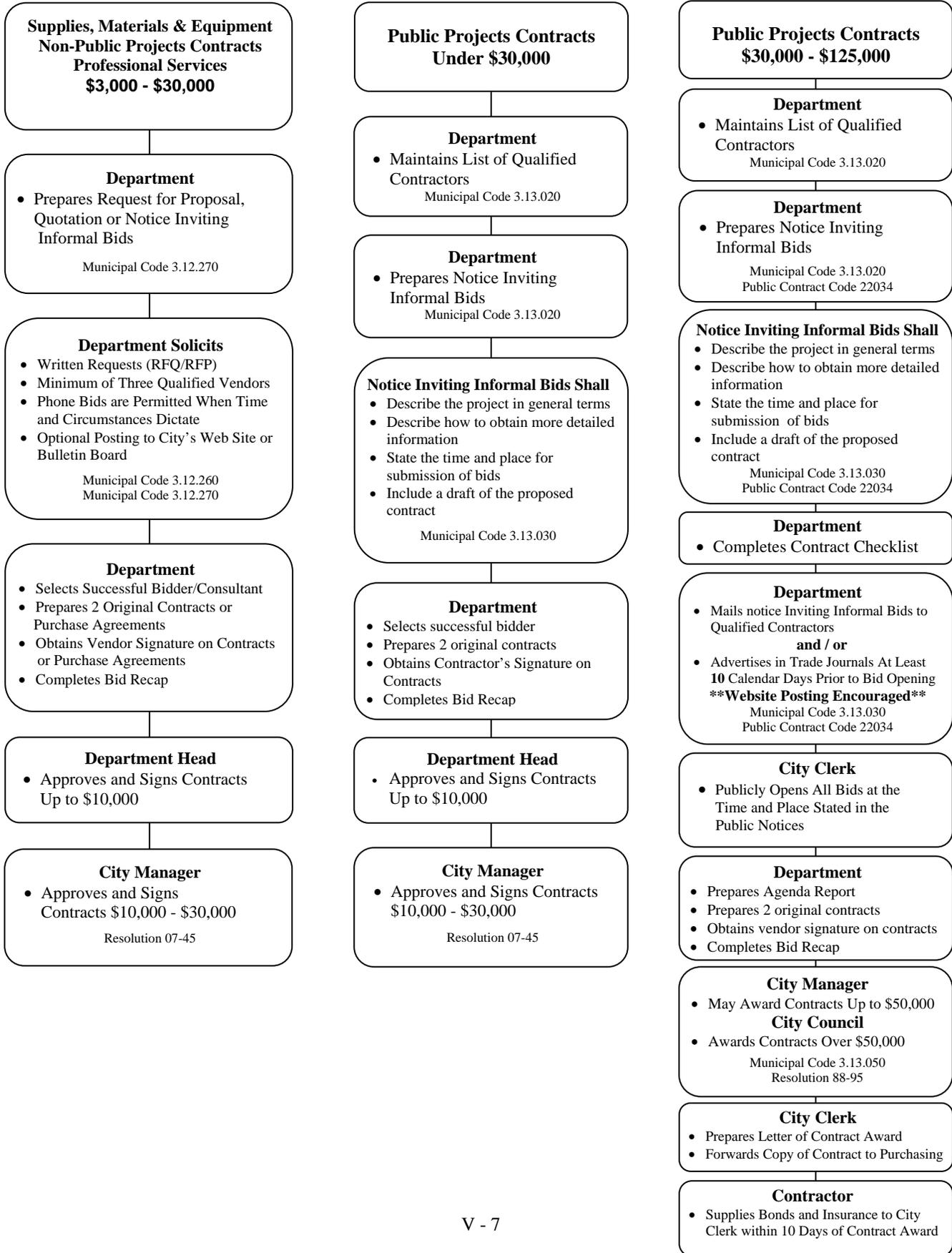
Bond Requirements – Public Projects under \$125,000

A faithful performance bond and a labor and materials bond is required for all public projects in an amount necessary to protect the best interests of the City. All bond requirements must be stated in the Notice Inviting Bids. The City Council, at its discretion, may waive the requirement for bonds.

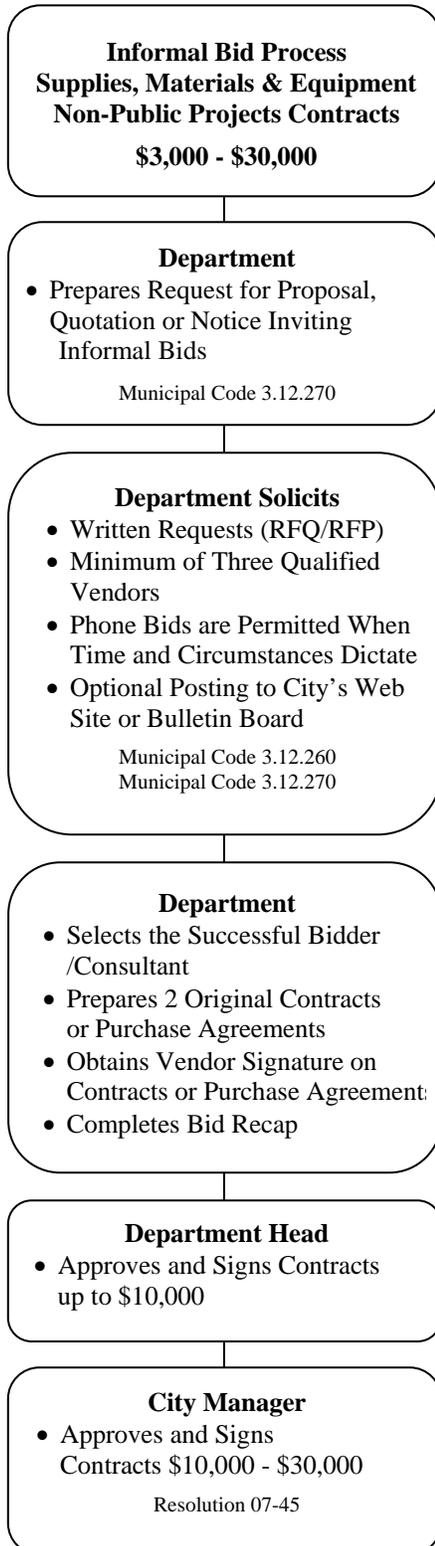
Bond Requirements – Non-Public Projects under \$125,000

A faithful performance bond and a labor and materials bond ***may*** be required for non-public projects in an amount necessary to protect the best interests of the City or as determined by the Risk Manager, City Attorney and/or department heads. All bond requirements must be stated in the Notice Inviting Bids. The City Council, at its discretion, may waive the requirement for bonds or may require bonds.

INFORMAL BIDDING PROCEDURES



**Informal Bid Process
Supplies, Materials & Equipment and
Non-Public Projects Contracts \$3,000 - \$30,000**



Department Prepares the Request for Proposal/Quotation

The department should prepare a Request For Proposal/ Quotation (RFP/RFQ) or a Notice Inviting Informal Bids for a particular product or maintenance/repair service. The RFP/RFQ should list the specific requirements a product or service must meet, such as model number, size, and color(s), or provide a project description outlining specific tasks to be accomplished. In addition, it should include other requirements such as quantities, and place and time of delivery of products or reports, as well as how to obtain more detailed information and the time and place for the submission of bids.

Advertising the Request for Proposal/Quotation

There are no advertising requirements for purchases of supplies, materials, equipment and non-public project contracts under \$30,000. The department should use its qualified bidder list to solicit written quotations from a minimum of three qualified vendors, including local vendors whenever possible. The department may solicit phone bids when time and circumstances dictate. Additionally, a Notice of Informal Bid may be posted on the City's web site.

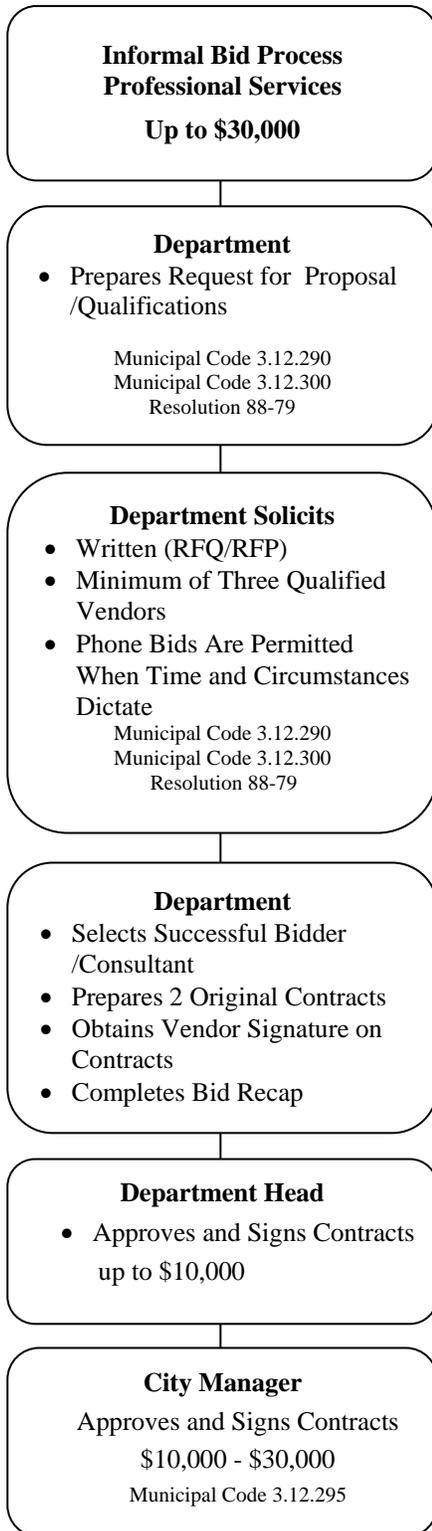
Preparing the Contract

After receiving quotations, the department chooses the successful vendor based on the lowest responsible or responsive bidder. The department then prepares two original City contracts and obtains the vendor's signature on both contracts. The department head approves contracts up to \$10,000, and the City Manager approves contracts from \$10,000 to \$30,000.

Purchase Requisition

After the contracts have been signed, the department initiates an IFAS purchase requisition and the department head approves the requisition. The department then forwards the signed contracts and the completed Bid Recap form to Purchasing. If the contract is more than \$10,000, Purchasing will forward the contracts to the City Manager for signature. Purchasing will forward one of the executed contracts and the Purchase Order to the vendor. *(For additional information regarding purchase requisitions, please see the Purchase Requisition Manual available on the City's Intranet.)*

**Informal Bid Process
Professional Services Contracts up to \$30,000**



Preparing the Request for Proposal

Before contracting for professional services with an estimated cost of less than \$30,000, the department should prepare a Request for Proposal (RFP) or Notice Inviting Informal Bids. The RFP should provide a project description outlining specific tasks to be accomplished, the place and time of any reports to be delivered and include all insurance requirements. It should include a City contact name, explain how to obtain more detailed information and the time and place for the submission of bids.

Advertising the Request for Proposal

There are no advertising requirements for professional service contracts with an estimated cost of less than \$30,000.

The RFP should be sent to at least three qualified consultants, and the department should record the names of all consultants given the RFP. Local consultants should be included whenever possible.

Selecting the Professional Consultant

The appropriate department head or designee conducts an initial review of proposals to determine which consultants should be invited to interviews. The department head or designee then interviews and selects the most qualified consultant for the project. The qualifications of the consultant and the consultant’s understanding of the project should be the determining factors in the selection of a professional consultant.

The department head negotiates the contract amount based on the scope of work. Prior to the approval of a contract, the department head may wish to conduct appropriate background and reference checks and request proof of adequate insurance coverage.

Completing the Contract

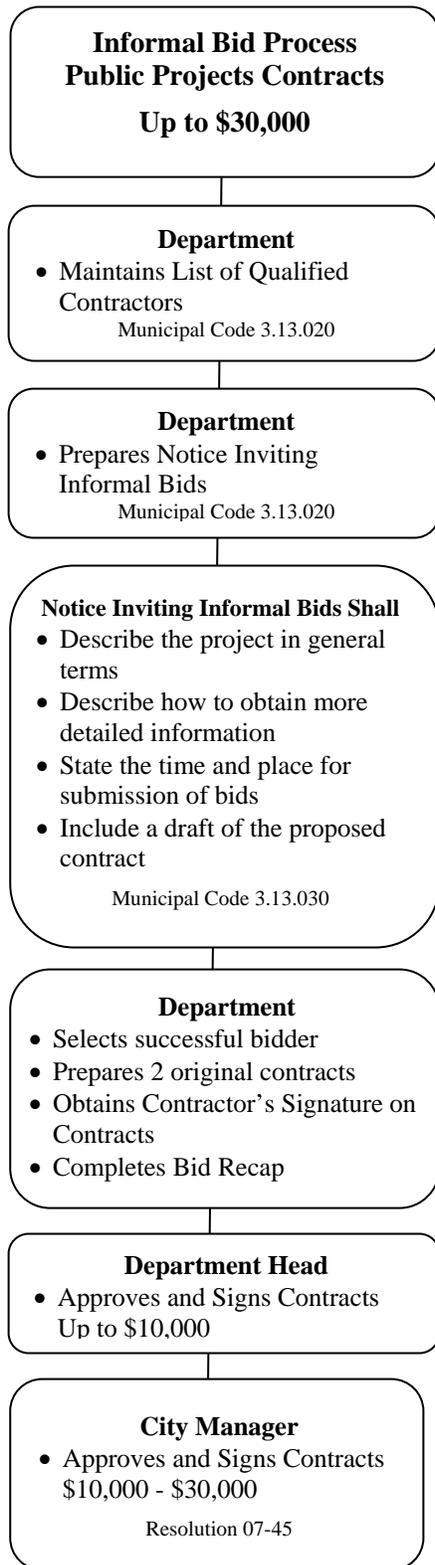
After the consultant has been selected, the department prepares two original standard City contracts, which are

required for all professional services. The department must determine the level of risk associated with the specific professional service to select the appropriate long or short form contract (under \$30,000). The department obtains the consultant's signature on both contracts, and, if the long form contract is required, collects all required proof of insurance from the consultant. The department head approves contracts up to \$10,000, and the City Manager approves contracts from \$10,000 to \$30,000.

Purchase Requisition

For the long form contract, the purchase requisition process begins only *after* the department receives required insurance documentation. For the short form contract, a purchase requisition can be entered after the contract has been negotiated and signed.

The department initiates the purchase requisition process by entering information into IFAS, and forwarding the signed contract, the required certificates of insurance and the completed Bid Recap form to Purchasing. Purchasing sends the completed contract with the Purchase Order to the consultant. *(For additional information regarding purchase requisitions, please see the Purchase Requisition Manual available on the City's Intranet.)*



**Informal Bid Process
Public Projects up to \$30,000**

Preparing the Notice Inviting Informal Bids

The department should prepare a Notice Inviting Informal Bids to describe the project in general terms, how to obtain more detailed information on the project, and the time and place for the submission of bids. The proposed contract should be included in this Notice Inviting Informal Bids. The level of potential risk to the City, instead of the cost of the project, is the determining factor as to whether a long or short form contract should be used. A long form contract is typically used, because projects in this category tend to pose substantial risk to the City. In addition to the proposed contract, the Notice Inviting Informal Bids should always include all applicable bond and insurance requirements.

Advertising the Notice Inviting Informal Bids

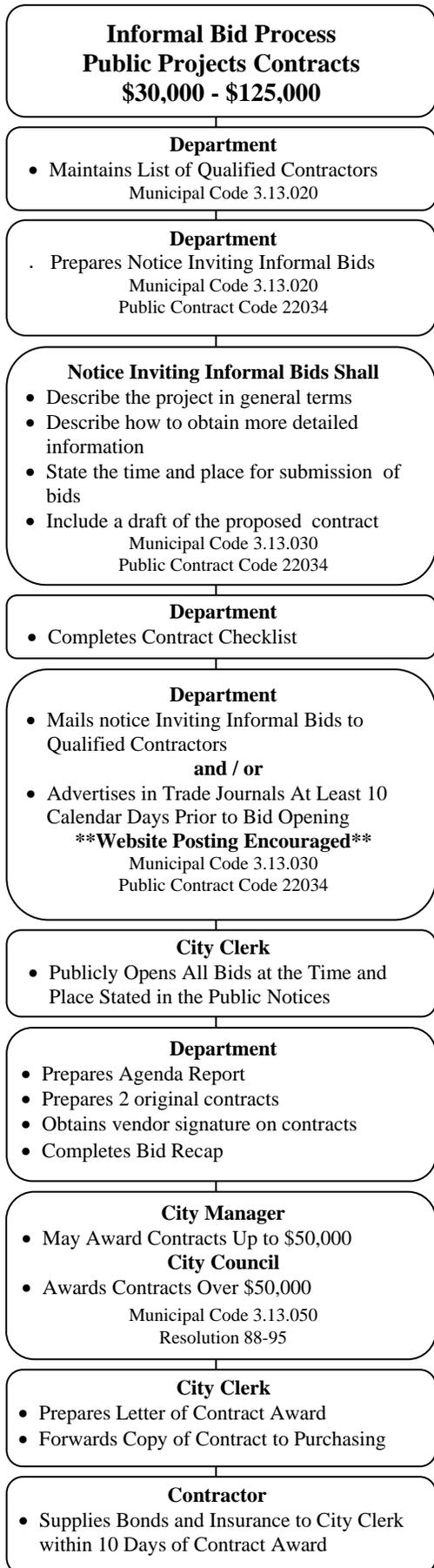
Although there are no specific advertising requirements for contracts in this category, a minimum of three contractors should be contacted and given the opportunity to provide a proposal or quotation for the project. The department's qualified bidders list should be utilized to solicit bids, using local contractors whenever possible.

Preparing the Contract

After the successful bidder has been selected, the department prepares two original City contracts. The department obtains the contractor's signature on both original contracts. The department head may approve contracts that do not exceed \$10,000. The City Manager must approve contracts from \$10,000 - \$30,000.

Purchase Requisition

After the contracts have been signed, the department initiates an IFAS purchase requisition and the department head approves the requisition. The department then forwards the two signed contracts, all required certificates of insurance and the completed Bid Recap form to Purchasing. If the contract is more than \$10,000, Purchasing will forward the contracts to the City Manager for signature. Purchasing forwards the completed contract with the Purchase Order to the vendor. *(For additional information regarding purchase requisitions, please see the Purchase Requisition Manual available on the City's Intranet.*



Informal Bid Process
Public Projects \$30,000 - \$125,000

Preparing the Notice Inviting Informal Bids

The department should prepare a Notice Inviting Informal Bids to describe the project in general terms, how to obtain more detailed information on the project, and the time and place for the submission of bids. The proposed contract and applicable bond and insurance requirements should always be included in this Notice Inviting Informal Bids. The department also completes the Contract Checklist form and obtains approval from the Director of Administrative Services and the City Manager prior to advertising the Notice Inviting Informal Bids.

The Contract Checklist form identifies the project, funding sources, contract type, insurance and bond requirements, and the type(s) of publications required, including whether the City Clerk needs to publish a Notice Inviting Formal Bids. In some instances, the City Manager may require City Council approval prior to advertising.

Advertising the Notice Inviting Informal Bids

The department mails the Notice Inviting Informal Bids to all contractors on the qualified bidder's list for the category of work being bid and/or advertises in all designated construction trade journals **not less than 10 calendar days before bids are due**. Additionally, the Department Head is encouraged to post the Notice Inviting Formal Bids to the City's web site. The City Clerk will publicly open all bids at the time and place stated in the public notices.

Preparing the Public Projects Contract

After the successful bidder has been selected, the department prepares two original contracts and obtains the contractor's signature. The department then submits a completed Contract Checklist form, an Agenda Report recommending Council award of the contract, and the **signed** contracts to the City Clerk's Office.

Awarding Public Projects Contracts

At his/her discretion, the City Manager may award public works contracts in an amount not to exceed \$50,000. However, the practice has been for the City Council to award all Public Projects contracts that exceed \$30,000. The City

Manager may sign the contract documents. Within 10 days of Council award, the successful bidder must supply to the City Clerk's Office any applicable bonds and required certificates of insurance. When the contracts have been signed and the bonds and certificates of insurance have been received, the City Clerk prepares and mails the Letter of Contract Award along with one executed contract to the successful bidder. The City Clerk's Office forwards a copy of the contract to Purchasing. The City Clerk's Office maintains all City Council-approved contracts.

Purchase Requisition

The department initiates and the department head approves an IFAS purchase requisition. The department then forwards the completed Bid Recap form to Purchasing. Purchasing will mail the Purchase Order to the vendor. *(For additional information regarding purchase requisitions, please see the Purchase Requisition Manual available on the City's Intranet.)*

Introduction to the Formal Bid Process

Purchases (Non-Public Projects Contracts) over \$30,000

Formal bidding procedures have been established for all purchases of materials, supplies and equipment, professional service contracts, and non-public projects contracts that exceed \$30,000. The department is required to complete the **Contract Checklist** form and obtain approval from both the Director of Administrative Services and the City Manager prior to soliciting or advertising Notice Inviting Formal Bids. The **Contract Checklist** form identifies the project, funding sources, contract type, insurance and bond requirements, and the type(s) of advertisements required. In some instances, the City Manager may require City Council approval prior to advertising. The City's Municipal Code 3.12.150 requires advertising a **Notice Inviting Formal Bids in a local newspaper at least 14 calendar prior to bid opening**. Also, section 3.12.170 of the City's Municipal Code requires that a notice of all pending, non-public projects formal bids, except for professional services contracts below \$30,000 and Professional Services Consultant contracts, be posted to the City's web site. For professional services contracts not exceeding \$30,000, the decision to post a notice of the Request for Proposals or Qualifications on the City's web site is left to the discretion of the Department Head. For more information, please refer to the City Web Site posting requirements chart on the next page.

Public Projects Contracts over \$125,000

Formal bidding procedures have also been established for all public projects contracts that exceed \$125,000. The department is required to complete the **Contract Checklist** form (described above) and obtain approval from both the Director of Administrative Services and the City Manager prior to soliciting or advertising the Notice Inviting Formal Bids. Public Contract Code 22037 requires that the **Notice Inviting Formal Bids be published in a newspaper** of general circulation **at least 14 calendar days before** bid opening. Additionally, Public Contract Code 22037 requires that the Notice Inviting Informal Bids be **mailed to all applicable construction trade journals not less than 30 calendar days before** bid opening. To meet the advertising requirements for formal bids, the City of Mission Viejo is required to publish in the following four construction trade journals:

County Subscribers: California
Construction Bidboard, Inc.
Attention: Plan Room
4420 Hotel Circle Court Suite 215
San Diego, CA 92108-3423
Phone: 619.688.0588

County Subscribers: California
McGraw-Hill Construction Dodge (formerly F.W. Dodge Division)
2150 Town Center Place, Suite 100
Anaheim, CA 92806
Phone: 714.634.4280

**City of Mission Viejo
Purchasing Policies and Procedures
Formal Bid Process**

Revised April 2008

County Subscribers: Imperial, Los Angeles, Orange, Riverside, San Bernardino, and San Diego
Southern California Builders Association
7740 Painter Avenue, #100
Whittier, CA 90602
Phone: 562.320.3600

County Subscribers: Orange, Riverside, San Bernardino, and San Diego
Associated General Contractors of America
San Diego Chapter, Inc.
4355 Ruffin Road Suite 103
San Diego, CA 92123
Phone: 858.874.8560

While not mandatory, Department Heads are also encouraged to post a bid notice for public projects contracts over \$125,000 to the City’s web site, as the following web site posting requirement chart indicates:

City Website Posting Requirements

	Materials, Supplies & Equipment Non-Public Projects Contracts	Professional Services	“Public Projects” Contracts
Over \$125,000	Required	Required (except for Professional Services Consultant Team contracts)	Encouraged
\$30,000 to \$125,000			
Up to \$30,000	At the discretion of Department Head		

The City’s Municipal Code and State law specifically prohibit splitting a purchase to circumvent the formal bidding requirements.

Formal Bid Process – Examples of Purchases

1. Materials, Supplies and Equipment and Non-Public Projects Contracts over \$30,000

- Vehicles
 - Trucks, trailers, pool cars
- Office Equipment
 - Copiers, mailing machines, video equipment
- Computer Equipment
- Playground Equipment
- Printed Products
- Routine Fleet Maintenance
- Pool Chemicals
- Landscape Maintenance
- Playground, Parkland and Facility Infrastructure Maintenance
- Irrigation Supplies
- Rodent Control Services
- Annual Graffiti Removal Contract
- Annual Janitorial Services Contract
- Annual Tree Maintenance Contract
- Traffic Signal Maintenance Contract

2. Public Projects over \$125,000

- Traffic Signal Installation
- Traffic Sign Installation
- Intersection Improvements
- New Street Construction
- Ballfield Lighting Improvements
- Park Fencing Improvements
- Arterial Street Resurfacing
- Residential Street Resurfacing
- Playground and Park Construction
- Pool Replacements
- Parking Lot Construction
- Building Construction

Qualified Bidder List

Each department is responsible for maintaining a qualified bidder (vendor, contractor or consultant) list categorized by type of service and/or product. See the Introduction to Bidding Procedures Section for a detailed definition of “qualified bidder.”

Plans, Specifications and Working Details

The development of Plans, Specifications and Working Details is required for all public projects ***exceeding \$125,000***. This package must be presented to the City Council for review and approval prior to soliciting and advertising for formal bids. The Contract Checklist form should be completed and included with this package. Only after the City Council has approved the Plans, Specifications and Working Details, and has authorized the advertising requirement, may the department begin to solicit bids from contractors and advertise in the required trade journals.

Formal Bid Opening

Sealed bids are submitted to the City Clerk and identified as bids on the envelope. The City Clerk publicly opens and records all bids at the time and place stated in the public notices. All bids received will be available for public inspection in the City Clerk's office during regular business hours for a period of not less than 30 calendar days after the bid opening. The City Clerk is responsible for tabulating all bids and the department is responsible for completing the Bid Recap form.

Tie Formal Bids - Purchases over \$30,000

If two or more formal bids are received for the same total amount and unit price, quality and service being equal, the City Council may, in its discretion, accept the one it chooses or accept the lowest bid made by and after negotiation with the tie bidders at the time of the bid opening or award of contract.

No Bids Received

When no formal bids or responsive bids are received, the City Manager or designee is authorized to negotiate for written proposals. A recommendation may be presented to the City Council and the award, if any, will be made in compliance with current purchasing ordinances and procedures.

Rejection of Formal Bids - Purchases over \$30,000

The City Council, at its discretion, may reject any and all formal bids presented and may readvertise for bids.

Formally Bid Contract Awards – Purchases over \$30,000

Formally bid contracts are awarded by the City Council to the lowest responsible bidder. The bidders located within the City of Mission Viejo are granted a 1% price competitive advantage if their goods are subject to the California Sales Tax (Resolution 88-78).

Bond Requirements

Formal bids must be accompanied by security, either cash, cashier's check, certified check or surety bond in a sum equal to ten percent of the bid amount, when deemed necessary by the Purchasing Agent or designee. All bond requirements must be stated in the Notice Inviting Bids.

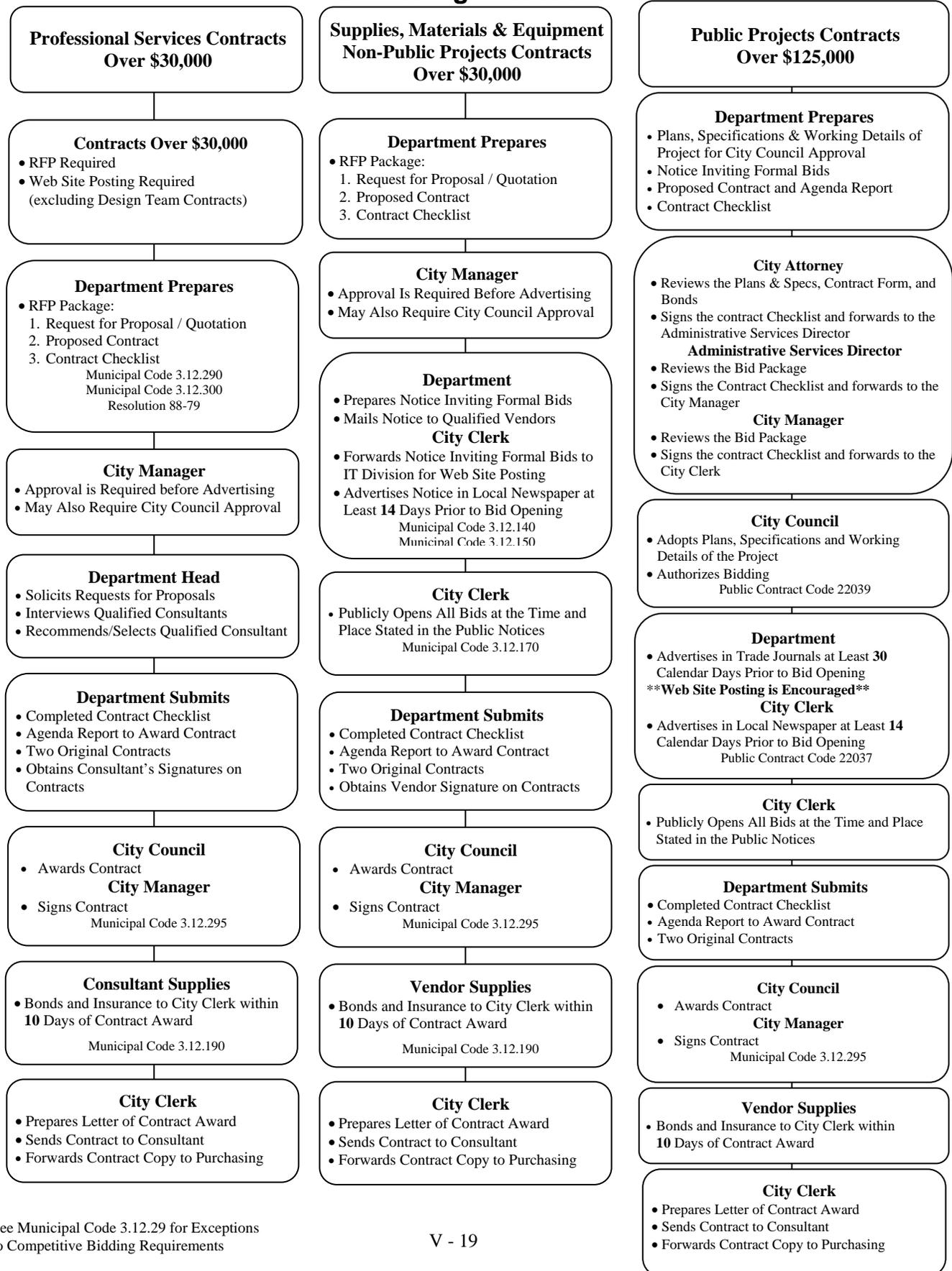
Bond Requirements – Public Projects

A faithful performance bond and a labor and materials bond are required for all public projects in an amount necessary to protect the best interests of the City or as determined by the Risk Manager, City Attorney and/or department heads. All bond requirements must be stated in the Notice Inviting Formal Bids.

Bond Requirements – Non-Public Projects

A faithful performance bond and a labor and materials bond may be required for non-public projects in an amount necessary to protect the best interests of the City or as determined by the Risk Manager, City Attorney and/or department heads. All bond requirements must be stated in the Notice Inviting Formal Bids. The City Council, at its discretion, may waive the requirements for bonds or may require bonds.

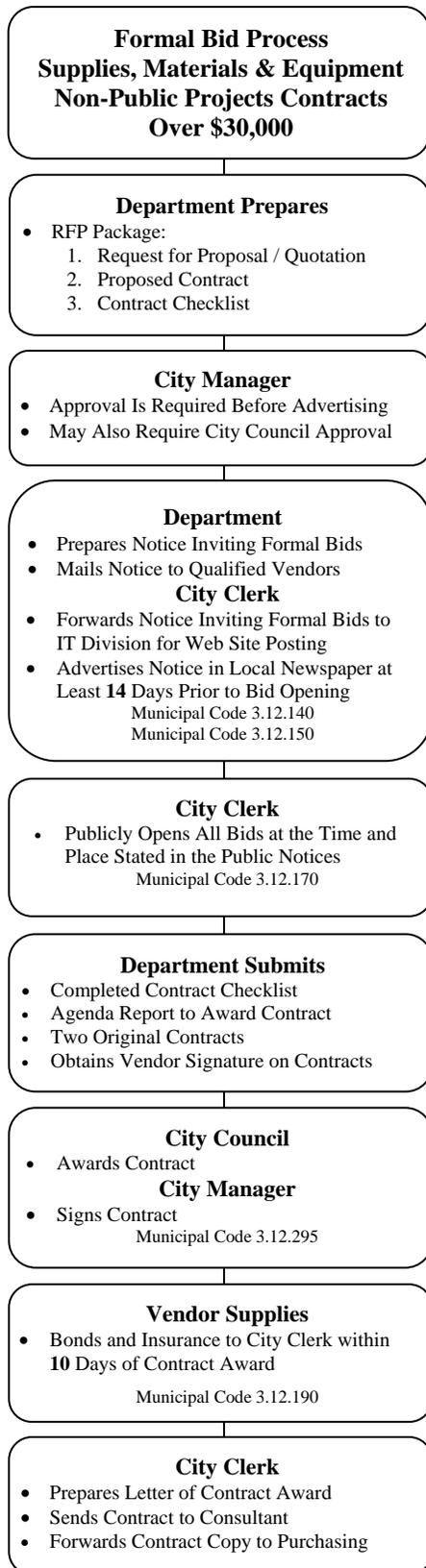
Formal Bidding Procedures*



* See Municipal Code 3.12.29 for Exceptions to Competitive Bidding Requirements

**City of Mission Viejo
Purchasing Policies and Procedures
Formal Bid Process: Supplies, Materials & Equipment
and Non-Public Project Contracts over \$30,000**

Revised April 2008



**Formal Bid Process
Supplies, Materials & Equipment and
Non-Public Project Contracts over \$30,000**

Preparing the Request for Proposal/Quotation Package

The formal bidding procedure begins when the department prepares a Request for Proposal/Quotation (RFP/RFQ) package. This package consists of the RFP/RFQ, the Contract Checklist form, the proposed contract, and any bonds and insurance requirements, if applicable. These forms can be found on the City’s Intranet/Forms section.

The Contract Checklist form identifies the project, funding sources, contract type, insurance and bond requirements, and advertising requirements, including requested advertising dates and authorization to the City Clerk to publish the Notice Inviting Formal Bids. The department completes the Contract Checklist form and obtains approval from the Director of Administrative Services, the City Attorney, and the City Manager. In some instances, the City Manager may require City Council approval prior to advertising.

The Request for Proposal/Quotation should list the specific requirements a product or service must meet, such as model number, size, and color(s), or provide a project description outlining specific tasks to be accomplished. In addition, it should include other requirements such as quantities, and place and time of delivery of products or reports, as well as how to obtain more detailed information and the time and place for the submission of bids.

Administrative Services staff and the City Manager review the completed RFP/RFQ package.

After all approvals are obtained, the City Clerk’s office receives the completed RFP/RFQ package. The City Clerk then forwards a copy of the Notice Inviting Formal Bids to the Information Technology Division for posting on the City’s web site and returns the completed RFP/RFQ package and original Contract Checklist form to the department.

City of Mission Viejo
Purchasing Policies and Procedures
Formal Bid Process: Supplies, Materials & Equipment
and Non-Public Project Contracts over \$30,000

Revised April 2008

Advertising the Request for Proposal/Quotation

Advertising is required for purchases over \$30,000. After the City Manager has approved the RFP/RFQ package (with or without City Council approval), the department is responsible for preparing and mailing a Notice Inviting Formal Bids to qualified vendors at least **14** calendar days prior to the bid opening. The City Clerk publishes this notice in local newspaper at least **14** calendar days prior to bid opening, as well as oversees its required posting to the City's web site.

Public Opening of Bids

The City Clerk publicly opens and records all sealed bids at the time and place stated in the Notice Inviting Formal Bids. All bids received are available for public inspection in the City Clerk's Office for 30 days.

Preparing and Awarding the Contract

After all bids have been opened and the successful bidder has been identified, the department should prepare an Agenda Report to recap the selection process and recommend award. The department should then obtain successful bidder's signatures on two original City contracts, using the same contract form as that listed on the Contract Checklist. A copy of the completed, signed Contract Checklist form should also be submitted with the Agenda Report. The City Council awards and the City Manager signs all contracts for material, supplies and equipment and non-public projects contracts which exceed \$30,000.

Purchase Requisition

After the contracts have been awarded and signed, the City Clerk's Office mails one of the original contracts to the vendor and forwards a copy of the completed contract to Purchasing. After all required certificates of insurance (if applicable) have been submitted to the City Clerk, the department should initiate an IFAS purchase requisition and forward a completed Bid Recap form to Purchasing. *(For additional information regarding purchase requisitions, please see the Purchase Requisition Manual available on the City's Intranet.)*



**Formal Bid Process
Professional Services Contracts over \$30,000**

Definition of Professional Services

Professional services are those services provided by an educated or licensed specialist or a consultant. Consultant services include services that are of an advisory nature, that provide a recommended course of action or personal expertise, and that have an end product, which is basically a transmittal of information. Rather than competitive bidding, contracts negotiated for professional services must be based on demonstrated competence, professional qualifications for the services required, availability, and fair and reasonable cost.

Preparing the Request for Proposal

Before contracting for professional services, the department first prepares a Request for Proposal (RFP). The RFP should provide a project description outlining specific tasks to be accomplished and the place and time of any reports to be delivered. It should also explain how to obtain more detailed information and state the time and place for the submission of bids. The proposed contract, all applicable insurance requirements and a City contact name should be included in the RFP. The department must determine the level of risk associated with the specific professional service and complete the appropriate short or long form contract. (See *Section VIII – Contracts/ Introduction section for more information on short and long form contracts.*)

Contract Checklist

The department must also complete the Contract Checklist form and obtain approvals from the Director of Administrative Services, the City Attorney, and the City Manager prior to soliciting proposals for professional services. The Contract Checklist form, which identifies the project, funding sources, contract type, insurance and bond requirements, and advertising requirements, is available on the City's Intranet. For Professional Services Consultant Team contracts, the Department need only complete the first four sections of the Contract Checklist form (Sections A-D) before forwarding the form to the Director of Administrative Services. After all approvals are obtained, the City Clerk's office receives the completed Contract Checklist form and RFP/RFQ package from the City Manager.

Advertising the Request for Proposal

There are no newspaper or trade journal advertising requirements for professional services contracts. At the discretion of the department head, a notice of a pending professional services contract up to \$30,000 may be posted to the City's web site. For RFP's over \$30,000, except for professional services consultant team proposals, posting a notice to the City's web site is required. In addition to posting the RFP on the City's website, the RFP should be sent to at least three qualified consultants, per the department's qualified bidder list, and local vendors should be included whenever possible. The department should then maintain a list of each consultant given the RFP. (*See Exceptions to Competitive Bidding Requirements in Section V*)

A brief summary of the RFP for professional service contracts over \$30,000 (similar to a Notice Inviting Formal Bids) should be attached to the Contract Checklist form, so that it can be used as the notice for the City's web site. The City Clerk will then forward a copy of the RFP summary notice to the Information Technology Division for posting to the City's web site and return the original RFQ/RFP package and completed Contract Checklist form to the department.

Selecting the Professional Consultant

The appropriate department head or designee conducts an initial review of proposals to determine which consultants should be invited to interviews. The qualifications of the consultant and the consultant's understanding of the project should be the determining factors in the selection of a professional consultant.

After the interview phase, the department head or designee selects the most qualified consultant for the project and negotiates the contract amount based on the scope of work. During this phase, the department head may wish to conduct appropriate background and reference checks and request proof of adequate insurance coverage.

Preparing and Awarding the Professional Service Contract

After the consultant has been selected, the department should prepare two original City standard contracts and obtain the consultant's signature on both contracts. The department then submits a copy of the completed Contract Checklist form, an Agenda Report recommending Council award of the contract, and the **signed** contracts to the City Clerk's Office.

The City Council awards and the City Manager signs all professional service contracts that exceed \$30,000. Within 10 days of Council award, the consultant must supply to the City Clerk's Office any applicable bonds and required certificates of insurance.

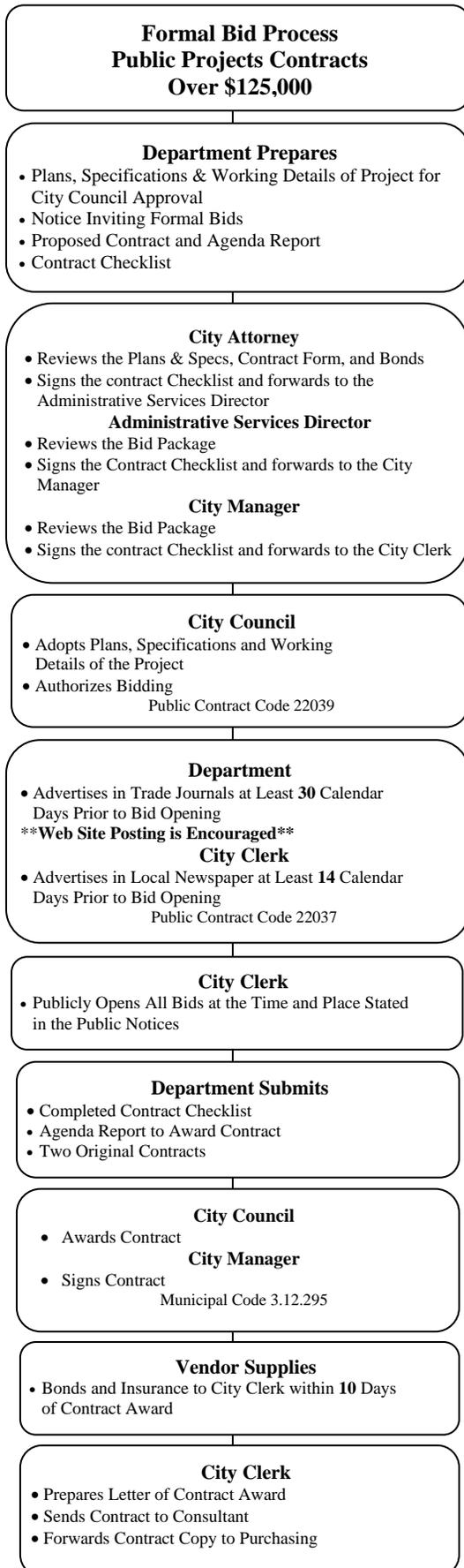
When the contracts have been signed and the bonds and certificates of insurance have been received, the City Clerk prepares and mails the Letter of Contract Award along with one executed contract to the consultant. The City Clerk's Office maintains all City Council-approved contracts.

Purchase Requisition

The City Clerk's Office will mail one of the original contracts to the vendor and forwards a copy of the completed contract to Purchasing. After all required certificates of insurance have been submitted to the City Clerk, the department should initiate an IFAS purchase requisition and forward a completed Bid Recap form to Purchasing. (*For additional information regarding purchase requisitions, please see the Purchase Requisition Manual available on the City's Intranet.*)

**City of Mission Viejo
Purchasing Policies and Procedures
Formal Bid Process: Public Projects Contracts over \$125,000**

Revised April 2008



**Formal Bid Process
Public Projects over \$125,000**

Plans, Specifications and Working Details

The department first develops Plans, Specifications and Working Details for any public projects over \$125,000 for adoption by the City Council. The Plans, Specifications, and Working Details, along with the Notice Inviting Formal Bids and the Contract Checklist form, should also be completed and attached to the agenda report. All of these documents and forms should be completed at least 45 calendar days prior to the bid opening date, to allow sufficient time to obtain City Council approval for the Plans, Specifications and Working Details, and still meet the required advertising lead times prior to the scheduled bid opening date.

Notice Inviting Formal Bids

The Notice Inviting Formal Bids should describe the project in general terms, the means to obtain more detailed information on the project, and the time and place for the submission of bids. The proposed contract and applicable bond and insurance requirements should be included in the Notice Inviting Formal Bids.

Contract Checklist

The Contract Checklist form identifies the project, funding sources, contract type, insurance and bond requirements, and advertising requirements, including requested advertising dates and authorization to the City Clerk to publish a Notice Inviting Formal Bids.

Advertising the Notice Inviting Formal Bids

After the City Council has approved the Plans, Specifications and Working Details, the department mails the Notice Inviting Formal Bids to all contractors on the qualified contractors list for the category of work being bid and/or advertises in all designated construction trade journals not less than 30 calendar days before bids are due.

The City Clerk advertises the Notice Inviting Formal Bids in a local newspaper at least 14 calendar days prior to bid opening. Additionally, the Department Head is encouraged to post a copy of the Notice Inviting Formal Bids on the City's web site. After completing these

advertising requirements, the City Clerk returns the Contract Checklist and Bid Package to the department.

Public Opening of Bids

The City Clerk publicly opens and records all sealed bids at the time and place stated in the Notice Inviting Formal Bids. All bids received are available for public inspection in the City Clerk's Office for 30 days.

Preparing and Awarding the Contracts

After the successful bidder has been selected, the department prepares two original contracts and obtains the contractor's signature on both contracts. The department then submits an Agenda Report recommending Council award of the contract, along with a copy of the completed Contract Checklist form and two signed original contracts to the City Clerk's Office, as part of the normal agenda review process for contract awards over \$30,000.

Within 10 days of the Council award, the contractor/successful bidder must supply all applicable bonds and required certificates of insurance to the City Clerk's office. When the contracts have been signed and the bonds and certificates of insurance have been received, the City Clerk prepares and mails the Letter of Contract Award along with one executed contract to the contractor. The City Clerk's Office maintains all City Council-approved contracts.

Purchase Requisition

After the contracts have been signed, the City Clerk's Office will mail one of the original contracts to the vendor and forward a copy of the completed contract to Purchasing. After all required certificates of insurance have been submitted to the City Clerk, the department should then initiate an IFAS purchase requisition and forward a completed Bid Recap form to Purchasing. *(For additional information regarding purchase requisitions, please see the Purchase Requisition Manual available on the City's Intranet.)*

Exceptions to the Competitive Bidding Requirement (Municipal Code Section 3.12.290 and Former Council Policy 0300-7)

The City Council has determined that the following contract types should be excluded from the competitive bidding requirements due to the unique nature of their content and the formal and informal bidding procedures and requirements may be dispensed with in any of the following instances:

1. The estimated amount involved is less than \$3,000.
2. The equipment or supplies can be obtained from only one vendor. (Sole Source)
3. The City Manager deems an emergency exists and determines that the public health, safety or welfare of the community would be affected if the normal procedure to purchase supplies and equipment were followed. **(All emergency purchases which would otherwise require formal bidding procedures must be submitted to the City Council for ratification at the next regular Council meeting after the purchase is authorized).**
4. Contracts for personal services, for professional and consultant services, and non-public works projects and contractual services may be entered into without observing the bidding procedures provided herein.
5. Any agreement, including cooperative or piggyback contracts, involving acquisition of supplies, equipment or services entered into with another governmental entity.
6. The Council finds that compliance with the requirements of Chapter 3.12 of the Municipal Code would not be in the best interests of the City, or would be impractical or uneconomical, or would not provide the City with the highest quality and cost effectiveness in the purchase.
7. Public safety contracts (e.g., those for police services and fire services)
8. Contracts with other governmental agencies
9. Contracts for financial audits and banking services, which are addressed separately under Council Policy 0300-1 and Council Policy 0300-5.
10. Employment contracts for the City Manager and the Assistant City Manager
11. Contracts for City Attorney services
12. Contracts for Community Development Agency consultants

City of Mission Viejo
Purchasing Policies and Procedures
Exceptions to Competitive Bidding Requirements

Revised April 2008

Also excluded from the competitive bidding requirements are contracts for architectural, engineering, land surveying, and construction management professional services. State law (Section 4526 of the Government Code) mandates that local agencies select firms to provide these services based on demonstrated competence and professional qualifications. The City's Professional Services Consultant Team process addresses the selection of these contractors. For these exclusions, the City Council may direct staff to investigate alternative methods for the provision of these services. In addition, the City Council will rely on City staff to periodically investigate alternatives and bring them before the City Council for consideration.

The City Council shall determine the selection requirements on a case-by-case basis for all contracts/franchises which may be excluded from competitive bidding requirements. The City Council will adhere to any state or federal requirements governing such contracts/franchises when making this determination.

As with all contracts over \$30,000, the City Council will make the final determination before any of the above exclusions are granted.



City of Mission Viejo

200 Civic Center
Mission Viejo, CA 92691
949) 470-3000

Request for Quotation Materials / Supplies / Equipment This is not an Order

Date :

To :

Bids will be received until (Enter the time and date) at the Office of (Enter the department name accepting bids) .
Quotations are requested for furnishing the item(s) described below. All quotations must be FOB Destination and include cost of packaging and shipping to delivery point stated below.

Quantity	Unit	Description	Unit Price	Sales Tax	Total

Item(s) to be delivered no later than (Enter the time and/or date) to the following location:

(Enter the address to which product is to be shipped)

The City of Mission Viejo will accept cash discounts for prompt payment of invoice if the term offered is for ten (10) days or longer. Terms _____ % _____ Days

In submitting this quotation, the vendor agrees that acceptance of any or all quotations by the City of Mission Viejo within a reasonable period constitutes a contract. Return completed RFQ and any product information or brochures to:

Name of City Contact

Signature of Vendor

Department

Title

Telephone Number

Date



City of Mission Viejo

Purchasing Policies and Procedures

Bid Recap & Selection Report

IFAS REQUISITION # R

Informal Bid **Formal Bid** **Sole Source**

Date:

To: Nancy J. Livingston, Purchasing Agent

From:

Service or Product Requested:

Bids/proposals were solicited from available, qualified firms for the above referenced project. The following firm(s) were/was considered:

	Proposal attached	Declined to submit proposal
1.	<input type="checkbox"/>	<input type="checkbox"/>
2.	<input type="checkbox"/>	<input type="checkbox"/>
3.	<input type="checkbox"/>	<input type="checkbox"/>

After evaluating the bids/proposals submitted, it is our recommendation that the contract be awarded to _____ in an amount, not to exceed \$ _____ .

This vendor was selected because:

If Sole Source purchase or contract, provide detailed justification for this selection:

Attached for your review and file are the following documents:

- Copy of specifications for requested service or product
- Copy of the contract or agreement
- Copy of the following required insurance certificates (long form contract up to \$30,000):
 - Commercial General Liability Insurance
 - Business Auto Insurance
 - Workers' Compensation Insurance
 - Professional Liability Insurance

If applicable, date approved by City Council: _____

City of Mission Viejo Contract Checklist (Over \$30,000)

1. Department completes Sections A-G and attaches Bid/RFP Package 45 to 60 days prior to bid opening to allow sufficient time for advertising requirements
2. City Attorney reviews Package and signs Checklist
3. Director of Administrative Services reviews Package and signs Checklist
4. City Mgr reviews Package, signs Checklist and forwards to City Clerk
5. City Clerk forwards Notice Inviting Bids to Info Tech for web site posting and returns approved Checklist to Department to submit with Agenda Report

Section A: Department Information

Department: _____

Contact: _____

Council Meeting Date: _____

Section B: Project/Service Description

Section C: Contract Type

Short Form Contract > \$30K

Long Form Contract > \$30 K

Public Works Project Contract

Design Team Contract # _____

Contract Amendment

Other _____

Section D: Funding

Fiscal Year	Account Number(s)	Amount

Section E: Insurance Requirements

Type	Endorsement	Certificate	N/A	Amount	
				Per Claim	Aggregate
Commercial General Liability/Umbrella <i>(Endorsement Required for Additional Insured)</i>					
Business Auto/Umbrella Liability					
Workers' Compensation/ Employer's Liability <i>(Endorsement Required for Waiver of Subrogation)</i>					
Professional Liability					
Other _____					

Section F: Bonds

Yes	No	Type	% of Contract
<input type="checkbox"/>	<input type="checkbox"/>	Faithful Performance	
<input type="checkbox"/>	<input type="checkbox"/>	Labor and Materials (Payment)	
<input type="checkbox"/>	<input type="checkbox"/>	Other	

Section G: Advertising *(Publication date based on calendar days prior to bid opening)*

Scheduled bid opening date/time: _____

Publication Required: Yes No

Trade Journal / Date: _____
(Department to Publish 30 days prior/attach proof)

Newspaper / Date: _____
(City Clerk Publish 14 days prior)

Website / Date: _____
(City Clerk copies Info Tech for Website Posting)

Section H: Approval – Bid Plans and Specifications *(Contract Form and Bonds)*

City Attorney: _____

Date: _____

Section I: Approval – Funding, Insurance and Advertising Requirements

Director of Administrative Services: _____

Date: _____

Section J: Approval – Advertising

Approval to advertise: Without Council Approval With Council Approval

City Manager: _____

Date: _____

New Vendor Procedure

The Administrative Services Department requires that every new vendor complete a Vendor Approval Application and a W9 form. The Vendor Approval Application gives the vendor the opportunity to give the City correct information such as address, phone and fax numbers, Taxpayer Identification number, sales representative or contact name and references. It also allows the vendor to indicate the specific commodities on which they wish to bid. This data is maintained in IFAS and can be retrieved by requesting specific reports.

Should a department anticipate using a new resource, the vendor should complete the Vendor Approval Application and the W9 form and forward to Purchasing. The Vendor Approval Application Form and the W9 Form are available from Purchasing or they can be downloaded from the City of Mission Viejo's web site: <http://www.cityofmissionviejo.org>.

Upon receiving the completed forms, Purchasing will set up the new vendor in the Person/Entity Database. A Purchase Requisition can be entered for any vendor currently set up in the IFAS Person/Entity Database.

Specific information included on the Vendor Approval Application is subject to disclosure under the Public Records Act:

- Company Name
- Company Address
- Company Phone Number
- Company Contact Name



City of Mission Viejo

200 Civic Center
Mission Viejo, CA 92691
Phone 949/470-3059
FAX 949/581-3528

Vendor Approval Application

Please type or print in black ink. All vendor information must be complete and this application must be signed. A completed and signed W9 form must accompany this application.

Business Information

* Company Name _____

* Address _____ * Suite _____

* City _____ * State _____ * Zip _____

* Phone () _____ * FAX () _____

* Sales Representative/ Contact Name _____

E-mail Address _____ Website _____

Federal Tax ID Number _____ State Tax ID Number _____

Social Security Number _____ Type of Business _____

Year Established _____ Year Incorporated _____

Standard Terms

Net 30 () 2% 10 Net 30 () Other _____

Current California Contractors License(s)

Type _____ Number _____

Type _____ Number _____

Company Ownership

Sole Proprietorship () Partnership () Corporation () Other _____

Principal Owners

Name _____ Title _____

Name _____ Title _____

Name _____ Title _____

* Information is subject to disclosure under the Public Records Act

References

Please list three companies with whom you are currently doing business

Company Name	Phone ()
Address	Suite
City	State Zip

Company Name	Phone ()
Address	Suite
City	State Zip

Company Name	Phone ()
Address	Suite
City	State Zip

Certification

Under penalty of perjury, I certify that all information provided on this application is true and correct.

Signature of Company Officer	Title
------------------------------	-------

Please Print Name	Date
-------------------	------

Please indicate which products and/or services your company can provide and for which you wish to be considered.

Commodities

- | | |
|---|---|
| <input type="checkbox"/> 01500 Adding / Copy / Duplicating Machine Supplies | <input type="checkbox"/> 25500 Decals / Stamps |
| <input type="checkbox"/> 01600 Advertising Specialties / Promotional Products | <input type="checkbox"/> 26500 Drapery / Curtains / Upholstery |
| <input type="checkbox"/> 03100 Air Conditioning / Heating Supplies | <input type="checkbox"/> 28000 Electrical Cables / Wires |
| <input type="checkbox"/> 04500 Appliances / Equipment | <input type="checkbox"/> 28700 Electronic Components / Parts /Access / Equipment |
| <input type="checkbox"/> 05000 Art Equipment / Supplies | <input type="checkbox"/> 30000 Embossing / Engraving |
| <input type="checkbox"/> 06000 Automotive Maintenance Items / Repair / Parts | <input type="checkbox"/> 30500 Engineering / Surveying / Drawing Supplies & Equipment |
| <input type="checkbox"/> 07000 Automobiles / Trucks / Motorcycles Trailers / Vans | <input type="checkbox"/> 31000 Envelopes : Plain / Printed |
| <input type="checkbox"/> 08000 Badges / Emblems / Name Tags / Plates | <input type="checkbox"/> 32500 Feed / Bedding / Vitamins for Animals |
| <input type="checkbox"/> 08500 Bags / Bagging / Ties / Sand Bags / Erosion Control | <input type="checkbox"/> 33000 Fencing /Gates : Chain Link or Wood |
| <input type="checkbox"/> 10000 Barrels / Drums / Kegs / Containers | <input type="checkbox"/> 33500 Fertilizers / Soil Conditioners |
| <input type="checkbox"/> 15000 Builders Supplies | <input type="checkbox"/> 34000 Fire Protection Equipment / Supplies |
| <input type="checkbox"/> 15049 : Millwork / Counters / Cabinets | <input type="checkbox"/> 34500 First Aid / Safety Equipment |
| <input type="checkbox"/> 19500 Clocks / Timers / Recorders & Parts / Accessories | <input type="checkbox"/> 34550 Fitness Equipment |
| <input type="checkbox"/> 20000 Clothing / Apparel / Uniforms & Accessories | <input type="checkbox"/> 35000 Flags / Flag Poles / Banners & Accessories |
| <input checked="" type="checkbox"/> 20500 Computers & Information Systems Supplies | <input type="checkbox"/> 36000 Floor Coverings - Installation & Removal |
| <input type="checkbox"/> 20502 : Computer Cables, premade | <input type="checkbox"/> 36500 Floor / Carpet Cleaning Machines / Parts / Access |
| <input type="checkbox"/> 20531 : Direct Access Storage Devices | <input type="checkbox"/> 39300 Foods : Staple Grocery & Miscellaneous |
| <input type="checkbox"/> 20536 : Memory Add-On Units / Memory Upgrades | <input type="checkbox"/> 39500 Forms / Labels : Continuous / Custom |
| <input type="checkbox"/> 20539 : Modems / Data Communications | <input type="checkbox"/> 40500 Fuel / Oil / Grease / Lubricants |
| <input type="checkbox"/> 20541 : Optical Character Readers / Scanners | <input checked="" type="checkbox"/> 42000 Furniture / Furnishings : Library |
| <input type="checkbox"/> 20545 : Power Supplies / Surge Protectors | <input type="checkbox"/> 42500 : Office : Desks / Chairs / Bookcases / File Cabinets |
| <input type="checkbox"/> 20547 : Printers / Plotters | <input type="checkbox"/> 42554 :Modular Panel Systems |
| <input type="checkbox"/> 20552 : Printer Ribbons / Toners | <input type="checkbox"/> 42594 :Workstations / Modular Systems Furniture |
| <input type="checkbox"/> 20554 : Software Applications | <input type="checkbox"/> 44500 Hand tools : Powered / Nonpowered |
| <input type="checkbox"/> 20579 : Printer Supplies & Accessories | <input type="checkbox"/> 45000 Hardware and Related Items |
| <input type="checkbox"/> 20587 : Terminals & CRTs | <input type="checkbox"/> 48500 Janitorial Supplies |
| <input type="checkbox"/> 22500 Coolers / Drinking Water | <input type="checkbox"/> 51500 Lawn Maintenance Equipment / Parts/Accessories |
| <input type="checkbox"/> 23200 Crafts / Craft Supplies & Accessories | <input type="checkbox"/> 52500 Library / Archival Equipment / Machines / Supplies |

Commodities (continued)

- () 54000 Lumber and Related Products
- () 54500 Machinery / Hardware: Industrial
- () 55000 Markers / Plaques / Signs / Traffic Control Devices
- () 55600 Mass Transportation: Transit
- () 57500 Microfiche / Microfilm Equipment / Accessories / Supplies
- () 57800 Miscellaneous Products
- () 58000 Musical Instruments / Accessories / Supplies
- () 59500 Nursery Stock / Plants / Equipment / Supplies
- () **60000 Office Machines / Equipment / Accessories**
- () 60015 : Calculators
- () 60030 : Cash Registers / Drawers
- () 60036 : Check Machines
- () 60038 : Copiers / Duplicators
- () 60052 : Dictating Machines / Accessories
- () 60063 : Folding / Inserting Machines
- () 60071 : Mailing Machines
- () 60087 : Typewriters / Accessories / Parts / Supplies
- () 61500 Office Supplies - General
- () 62500 Optical Equipment / Accessories / Supplies
- () 63000 Paint / Protective Coatings / Wallpaper
- () 63500 Painting Equipment / Accessories
- () **64000 Paper / Plastic Products - Disposable**
- () 64015 : Paper Bags
- () 64025 : Corrugated Boxes / Sheets
- () 64050 : Paper Cups / Plates / Tissue / Towels
- () 64060 : Plastic / Styrofoam Products
- () 64500 : Paper - Copier / Color / Specialty
- () 65000 Park / Playground / Swimming Pool Equipment
- () 65500 Photographic Equipment / Supplies
- () 67000 Plumbing Equipment / Fixtures / Supplies
- () 68000 Police Equipment / Supplies
- () 68077 : Radar Instruments
- () 71500 Publications / Audiovisual Materials
- () 72000 Pumping Equipment / Accessories
- () **72500 Radio Communications / Phone / Telecommunications Equipment**
- () 72521 : Facsimile Machines
- () 72536 : Microwave Equipment
- () 72545 : Pagers - Radio
- () 72549 : Radio Frequency Scanner
- () 72551 : Radio Telephones - Cellular
- () 72555 : Telephone Equipment / Parts
- () 72578 : Two-Way Radio Receivers / Transmitters
- () 72584 : Wide Area Telecommunications Services
- () 73000 Radio Communications / Telecommunications Testing Equipment
- () 74000 Refrigeration Equipment / Accessories
- () 74500 Road / Highway Building Materials (asphaltic)
- () 75000 Road / Highway Building Materials (nonasphaltic)
- () 75500 Road / Highway Equipment / Parts
- () 77000 Roofing Materials
- () 79000 Seed / Sod / Soil / Inoculants
- () 80000 Shoes / Boots
- () 80300 Sound Systems / Components / Accessories
- () 80500 Sporting / Athletic Goods
- () 84000 Television Equipment / Accessories
- () 86300 Tires / Tubes
- () 87500 Veterinary Equipment / Supplies

- () 88000 Visual Education Equipment / Supplies

- () 88500 Water Treatment Chemicals
- () 89000 Water Supply / Sewage Treatment Equipment

Services

- () 90500 Aerial Photography / Surveys
- () **90600 Architect : Engineer & Other Professional Design Services**
- () 90610 : Architect - Buildings
- () 90629 : Engineer Services
- () 90630 : Fire Protection
- () 90638 : General Construction
- () 90640 : Graphic Design
- () 90644 : Heating / Ventilating / Air Conditioning
- () 90646 : Highways / Streets / Parking Lots
- () 90648 : Historic Preservation
- () 90652 : Interior Design / Space Planning
- () 90654 : Irrigation / Drainage / Flood Control
- () 90656 : Landscape Architecture
- () 90658 : Lighting : Interior / Exterior
- () 90664 : Planning : Urban
- () 90672 : Recreation Facilities
- () 90684 : Telephone Systems
- () 90686 : Traffic / Transportation Engineering
- () 90800 Bookbinding / Rebinding / Repairing
- () **91000 Building Maintenance / Repair Services**
- () 91006 : Carpentry
- () 91009 : Carpet Cleaning / Repair / Installation
- () 91011 : Drapery Installation / Repair
- () 91013 : Elevator Maintenance / Repair
- () 91025 : Flooring
- () 91036 : Heating / Air Conditioning Services
- () 91039 : Janitorial / Custodial Services
- () 91042 : Lighting Maintenance
- () 91048 : Locksmith Services
- () 91051 : Masonry & Concrete
- () 91054 : Painting
- () 91059 : Pest Control
- () 91060 : Plumbing
- () 91065 : Remodeling / Alterations
- () 91066 : Roofing; Installation / Repairs
- () 91067 : Swimming Pool Repairs / Maintenance
- () 91070 : Waterproofing / Weatherproofing Services
- () 91076 : Welding Services
- () 91081 : Window Washing / Tinting Services
- () **91500 Communications / Media-Related Services**
- () 91503 : Advertising / Public Relations
- () 91505 : Answering / Paging Services
- () 91507 : Audio Recording
- () 91508 : Audio Tape Duplicating
- () 91528 : Electronic Information / Mailing Services
- () 91538 : Film Processing / Duplicating Services
- () 91548 : Graphic Arts Services
- () 91558 : Mailing Services
- () 91568 : Microfiche / Microfilming Services
- () 91576 : Reproduction (copy machine) Services
- () 91577 : Telephone Services: Long Distance / Local
- () 91584 : Video Recording
- () 91590 : Video Tape Duplicating
- () **92000 Data Processing Services / Software**
- () 92004 : Applications Software
- () 92020 : Consulting Services
- () 92038 : Optical Scanning Services
- () 92045 : Software Maintenance / Support

- () 92400 : Educational Services / Consulting / Training
- () 92420 : Examination / Testing

() 93000 Equipment Maintenance / Repair : Auto / Marine

- () 93100 : Appliances / Furnishings
- () 93400 : Irrigation / Plumbing
- () 93600 : General Equipment : Air Conditioning/ Heating / Electrical / Fire Protection / Fitness Equipment / Hand Tools / Pumps / Security Systems
- () 93900 : Office / Business Machines / Radio / Television

() 94600 Financial Services

- () 94615 : Appraisal Services : Real Estate
- () 94620 : Auditing Services
- () 94630 : Cash / Securities / Bonding Services
- () 94656 : Investment Management Services
- () 95400 Laundry / Dry Cleaning Services
- () 95490 Uniform Rental

() 96100 Miscellaneous Professional Services

- () 96105 : Attorney / Litigation Services
- () 96115 : Catering / Concessions / Vending
- () 96117 : Construction Management
- () 96119 : Conservation / Resource Management
- () 96121 : Cost Estimating
- () 96132 : Environmental Impact Studies
- () 96134 : Feasibility Studies
- () 96140 : Horticulture Services
- () 96148 : Laboratory / Field Testing Services
- () 96150 : Legal Services
- () 96155 : Photography Services
- () 96160 : Public Opinion Surveys
- () 96172 : Transcription Services
- () 96175 : Translation Services
- () 96186 : Veterinary Services
- () 96194 : Zoning : Land Use Studies

() 96200 Miscellaneous Services

- () 96206 : Animal Care
- () 96209 : Auctioneering Services
- () 96214 : Blue Printing Services
- () 96221 : Cleaning Services : Steam / Pressure
- () 96224 : Courier / Delivery Services
- () 96230 : Entertainment Services
- () 96235 : Fitness Training / Instruction
- () 96240 : Hazardous Material Services
- () 96247 : Insurance / Risk Management Services
- () 96248 : Interior Design / Decorating Services
- () 96256 : Moving / Hauling Services
- () 96257 : Non-Profit Service Organization
- () 96258 : Oil Removal Services
- () 96260 : Performing Arts
- () 96265 : Records Management Services
- () 96270 : Recycling Services
- () 96275 : Restoration/Preservation Services
- () 96288 : Transportation Services
- () 96400 : Personnel, Temporary

() 96600 Printing / Silk Screening / Typesetting

- () 96612 : Printed Forms
- () 96650 : Printing: Books / Catalogs / Magazines
- () 96652 : Printing : Publications (4 color)
- () 96655 : Printing : Business Cards / Checks / Letterhead
- () 96685 : Silk Screen Printing
- () 96689 : Typesetting

() 96800 Public Works Construction / Related Services

- () 96820 : Building Construction
- () 96839 : Excavating
- () 96842 : General Construction
- () 96851 : Lighting : Street : Construction / Repair
- () 96852 : Major Streets : Intersection Improvements
- () 96854 : Major Streets : New Construction
- () 96856 : Major Streets : Resurfacing
- () 96859 : New Street Construction (not major)
- () 96862 : Parking Lot Construction
- () 96866 : Residential Street Resurfacing
- () 96867 : Sandblasting
- () 96870 : Sidewalk Construction
- () 96876 : Street Reconstruction
- () 96877 : Surveying (not aerial)
- () 96880 : Traffic Sign Installation
- () 96882 : Traffic Signal Installation

() 97100 Rental / Lease : Real Property

- () 97500 : Automobiles / Trucks / Trailers
- () 97700 : Office Furnishings
- () 97900 : Engineering Equipment / Supplies
- () 98100 : General Equipment
- () 98300 : Janitorial / Lawn Equipment
- () 98500 : Office Machines / Computers / Coolers / Copiers / Radios / Sound Equipment / Televisions
- () 98600 : Storage Facilities

() 98800 Roadside / Grounds / Park Area Services

- () 98803 : Athletic Field Maintenance
- () 98805 : Chemical Vegetation Control Services
- () 98814 : Erosion Control Services
- () 98815 : Fence Installation / Repair
- () 98826 : Flood Control Services
- () 98832 : Grading (not road building)
- () 98833 : Graffiti Removal
- () 98836 : Grounds Maintenance
- () 98852 : Landscaping (design)
- () 98853 : Landscaping (maintenance)
- () 98855 : Lighting (maintenance)
- () 98856 : Litter Removal Services
- () 98863 : Park Area Construction / Renovation
- () 98865 : Parking Lot / Street Maintenance Services
- () 98868 : Paving : Driveways / Parking Lots
- () 98872 : Pest Control
- () 98880 : Sign Manufacture / Installation
- () 98888 : Tree Trimming Services
- () 98890 : Weed Abatement Services
- () 99000 Security / Fire / Safety / Emergency Services
- () 99800 Sale of Surplus / Obsolete Items

List here any additional commodities or services for which you wish to be considered.

Request for Taxpayer Identification Number and Certification

**Give form to the
 requester. Do not
 send to the IRS.**

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name, if different from above	
	Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
	List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number
or
Employer identification number

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶
------------------	----------------------------	--------

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a “saving clause.” Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called “backup withholding.” Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the “Name” line. You may enter your business, trade, or “doing business as (DBA)” name on the “Business name” line.

Limited liability company (LLC). Check the “Limited liability company” box only and enter the appropriate code for the tax classification (“D” for disregarded entity, “C” for corporation, “P” for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner’s name on the “Name” line. Enter the LLC’s name on the “Business name” line.

For an LLC classified as a partnership or a corporation, enter the LLC’s name on the “Name” line and any business, trade, or DBA name on the “Business name” line.

Other entities. Enter your business name as shown on required federal tax documents on the “Name” line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the “Business name” line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the “Exempt payee” box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
2. The United States or any of its agencies or instrumentalities,
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,
7. A foreign central bank of issue,
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
9. A futures commission merchant registered with the Commodity Futures Trading Commission,
10. A real estate investment trust,
11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
12. A common trust fund operated by a bank under section 584(a),
13. A financial institution,
14. A middleman known in the investment community as a nominee or custodian, or
15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt payees, see *Exempt Payee* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.consumer.gov/idtheft or 1-877-IDTHEFT(438-4338).

Visit the IRS website at www.irs.gov to learn more about identity theft and how to reduce your risk.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
For this type of account:	Give name and EIN of:
6. Disregarded entity not owned by an individual	The owner
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

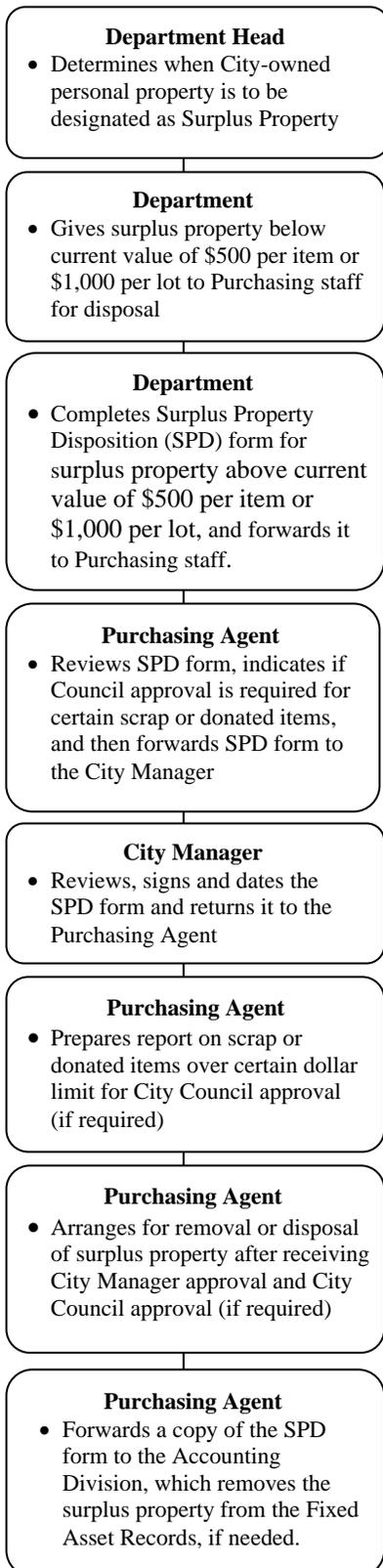
⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.



Disposition of Surplus Property/Capital Assets

Surplus Property Definition

Supplies and equipment are considered surplus if they are no longer required by the using department, because of decreased use, poor condition, damage not worth the cost of repair, and/or obsolescence. Examples of property include small items, such as binders, calculators, and electric staplers, as well as those items inventoried in the City's Computer, Office Equipment, Furnishings, and Vehicle Replacement (CEFV) Fund, such as printers, pool cars, and desks. Property can also include capital assets, which are the items that generally have a higher unit cost and are inventoried in the City's Facility Rehabilitation/Replacement (FRR) Fund. Examples of capital assets are water fountains, playground equipment, and building or structural components, such as roofs, restrooms, and pool decking. This definition of surplus property excludes land.

Surplus Property Determination/Valuation

The Department Head should first determine if a supply, piece of equipment, or capital asset has become surplus, based on the definition given above. The next step is to determine the current value of the surplus property item, either from an existing source document or a reasonable estimate of replacement value, if the original source document is no longer available through the City's records management system.

If the current value of the surplus property item is less than \$500, the Department Head or designee should bring the surplus property item directly to the Administrative Services Department so that the Purchasing Division can log its receipt, determine its disposition, and then coordinate its disposal.

Surplus Property/Capital Asset Disposition Form

If the property item is deemed surplus and its current value is over \$500, then the Department Head must complete a Surplus Property/Capital Asset Disposition form. This form is available on the City's Intranet. One copy of the form should be circulated for signatures.

On the disposition form, the Department Head should list the item's description, serial number, fixed asset tag number (if applicable), location, and condition. The Department Head should indicate the property's condition (good, fair, poor, or broken) and then recommend a method of disposal for the property (see the following section for descriptions of disposal methods).

After selecting the recommended action and noting any other comments, the Department Head must sign and date the Surplus Property/Capital Asset Disposition form and forward it to the Purchasing Agent.

Methods of Disposal

There are several ways to dispose of surplus property, including:

- Transfer to another department;
- Trade in for new material, equipment or credit
- Sell;
- Donate; or
- Scrap.

Transfer to Another Department

Departments can transfer surplus property to one another, subject to the approval of both of the Department Heads affected by the transfer. If the current value of the item is \$500 or above, the department transferring out the property should initiate a Surplus Property/Capital Asset Disposition form and both Department Heads should sign the form. If a fixed asset is being transferred (unit price of \$2,000 and above), the Accounting staff will record the new location of the property in the City's fixed asset system.

Trade-In

Surplus property can be offered as trade-in for new equipment or material or for credit towards the acquisition of new property. If the current value of a surplus property item slated for trade-in is \$500 or over, then a Surplus Property/Capital Asset Disposition form should be completed. The estimated trade in value of the surplus property or capital asset should be noted on the Surplus Property/Capital Asset Disposition form and on the purchase order issued for any new property resulting from the trade in.

Selling Surplus Property

Surplus property may be offered for sale. All surplus property is for sale "as is" and "where is," with no warranty, guarantee, or representation of any kind, expressed or implied, as to the condition, utility or usability of the property offered for sale.

For any sale of surplus property with a current value of \$500 or above, the Department Head should indicate on the Surplus Property/Capital Asset Disposition form the recommended selling method and any other notations, in the Department Head approval. Appropriate methods of sale are as follows:

- Public Auction – City staff may conduct public auctions or the City may contract with a professional auctioneer and/or an Internet auctioneer for this service.
- Sealed bids – Sealed bids may be solicited for the sale of surplus property. Surplus property disposed of in this manner shall be sold to the highest responsible bidder.
- Negotiated Sale – Surplus property may be sold outright if the Purchasing Agent determines that only one known buyer is available or interested in acquiring the property.
- Selling to City Employees. If recommended by the Purchasing Agent and approved by the City Manager, certain surplus property items may be offered for sale to City employees on an exclusive basis or in conjunction with sales to the public; however, those employees whose job responsibilities involve central purchasing administration and/or functional control over the surplus property are not permitted to participate in such sales.
- Selling as Salvage – Equipment, materials, supplies, fixtures, or facility components that are no longer capable of performing their intended function without extensive repair, or that are of no value except for reclamation purposes, may be considered salvage. Surplus property may be sold as salvage if the Purchasing Agent deems that the value of the raw material exceeds the value of the property as a whole.

Donation of Surplus Property

The Department Head may recommend and the Purchasing Agent may authorize, subject to the approval of the City Manager, the donation of surplus property to a non-profit organization or school district located or operating in Mission Viejo or, secondarily, to any other non-profit organization or private organization that provides assistance to nonprofit organizations. (*See Municipal Code Section 3.12.340*).

If surplus property has been approved for donation, the Purchasing Agent will notice the availability of such property for donation, indicating the quantity, description, and location of the surplus property, by one or more of the following methods: in a local newspaper, on the City's web site, and/or on the City's public access television channel (MVTV Channel 31). This notice will also indicate a closing date for the receipt of all requests for donation and indicate the way in which interested parties can receive additional information. Requests for donation will be accepted on a first-come, first-serve basis. The Purchasing Agent will send a letter to the non-profit organization(s) or school district(s) that respond to the notice to advise them of the City's terms and conditions of the donation. As per the Municipal Code section 3.12.340, the terms and conditions that the requestors must meet are: (1) accepting the property "as is," with no implied warranties, (2) stating an immediate need for the property and putting it into immediate use; (3) agreeing that the property will not ever be sold or otherwise transferred for profit; and (4) assuming all costs and liability associated with the removal and transportation of the surplus property from the City. A return letter, signed by an authorized agent from the non-profit organization or school district, accepting the City's terms and conditions is required before the surplus property can be released.

If, in the opinion of the Purchasing Agent, the donated property has a current value of less than \$1,000, then the City Manager can approve the release of the property to the recipient(s) that meet the above criteria and agree to the City's terms and conditions. If, in the opinion of the Purchasing Agent, the donated property has a current value of \$1,000 or more, the Purchasing Agent will prepare a report to identify the specific property to be donated, the estimated current value of the property, and the proposed recipients(s) of the property for approval by City Council. After City Council's approval, the surplus property approved for donation may then be released.

The department from which the donated property is being taken should remove any fixed asset or Mission Viejo property tags before the property is officially transferred to the recipient organization(s).

Scrap/No Value Item

Scrap, as one method of surplus property disposal, essentially means throwing an item into the trash. Scrap is recommended only after determining that none of the other methods of disposal – selling, exchange, trade-in, donation, or salvage - is feasible. Broken items that can be repaired economically will be fixed and returned to the using department.

For any broken or inoperable piece of property that, based on the recommendation of the Department Head and the judgment of the Purchasing Agent, cannot be economically repaired, traded in, sold, auctioned, donated or salvaged, the item may be scrapped, regardless of the original purchase price.

If the Department Head or designee recommends that an unbroken surplus property item with a current value below \$500 or several unbroken surplus property items with a collective current value below \$1,000 be scrapped, then he/she should bring the item(s) directly to the Purchasing Division for disposal. If the surplus property is obsolete or nonfunctional and cannot be traded in, sold auctioned, donated or salvaged, the Purchasing Agent, with the approval of the City Manager, may scrap such surplus property.

If a surplus property item recommended to be scrapped is not broken and has a current value equal to or above \$500, or for multiple items, a combined current value equal to or above \$1,000, then the Department Head must complete a Surplus Property/Capital Asset Disposition form. Under these conditions, especially if City staff will directly dispose of the item(s), Council approval to scrap will also be required. If City staff does not directly scrap this category of surplus property but a contractor is instead hired to remove and replace the property, then the disposal method is considered to be a trade in, not scrap, and the Council approval requirement does not apply.

For multiple items proposed to be scrapped, the size of the lot and thus the total current value will be based on the items and values entered on the Surplus Property/Capital Asset Disposition form(s) submitted by the department. Splitting of surplus lots on these forms to avoid the City Council reporting requirements is prohibited. To better understand the process by which an item can be scrapped, including whether or not Council approval is required, please refer to the flowchart on page VII-6.

The report to Council to request approval to scrap will be prepared by the Purchasing Division after receipt of the completed Surplus Property/Capital Asset Disposition form. Once Council approval is granted, the Purchasing Agent will then scrap the item(s).

Purchasing Agent's Review and Final Disposition

In the case of surplus property items with a current value below \$500 for a single item or below \$1,000 for multiple items within one lot, the departments do not have to complete a Surplus Property/Capital Asset Disposition form. Instead, the departments will physically bring the items to the Administrative Services department. The Purchasing Division will receive these items from the department, and the Purchasing Agent will determine the best method for disposal of these items. A description of these surplus property items, as well as the date received from the departments, the disposal method, and the disposal date will be recorded on a surplus property log maintained by the Purchasing Division.

For all surplus property items with a current value equal to or above \$500 for a single item or equal to or above \$1,000 for multiple items within one lot, the Purchasing Agent will review the department's completed Surplus Property/Capital Asset Disposition form, concur with or recommend an alternate action, and then forward the form to the City Manager for approval. The Purchasing Agent will also ascertain whether Council approval is required to donate or scrap surplus property items, depending on the current value of the items listed on the form. If further Council action is required, then the Purchasing Agent will indicate that a report to Council for final approval will be necessary. After the City Manager has approved the Surplus Property/Capital Asset Disposition form, it will be returned to the Purchasing Agent for either preparation of a report to Council, if needed, or for final disposition of the property.

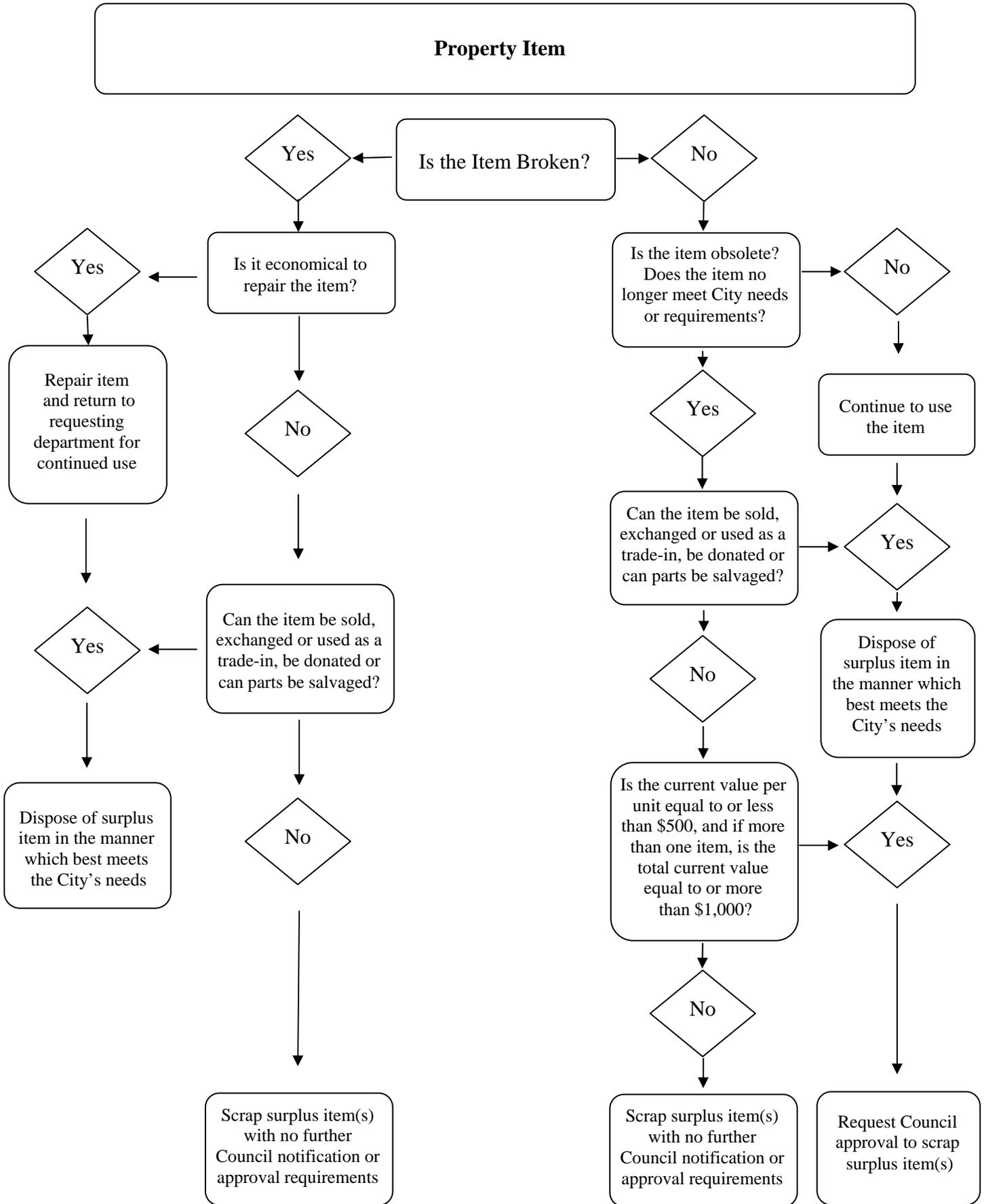
After the disposal of the surplus property, the Purchasing Agent will complete and sign the Surplus Property/Capital Asset Disposition form, noting the date, disposal method, and any proceeds received, if the property was sold. The Purchasing Agent will also note the date that Council approved the donation or scrapping of surplus property if that level of approval was required.

After all signatures have been obtained, a copy of the form will be sent to the initiating department and to the Accounting Division, which will remove any surplus property items that had been classified as fixed assets from the City's Fixed Asset Records. Purchasing will keep the completed original form on file.

Proceeds

Any proceeds received from the trade-in or sale of surplus property will be credited to the General Fund, the CEFV Fund or the FRR Fund, as appropriate.

**CITY OF MISSION VIEJO
Scrap Determination**



**City of Mission Viejo
Purchasing Policies and Procedures
Sample Surplus Property Form**

Revised April 2008

**CITY OF MISSION VIEJO
SURPLUS PROPERTY/CAPITAL ASSET DISPOSITION
Current Value over \$500/Item or \$1,000/Combined Items**

The following supply or equipment item or capital asset is no longer needed and considered surplus

Item Description (Attach additional pages as needed)	Serial #	Fixed Asset Tag #	Current Value	Location	Condition (Good/Poor/Broken)	Department Recommendation				
						Transfer	Trade In	Sell	Donate	Scrap
Department Comments										

1. Department Head Signature: _____ **Date:** _____

2. Purchasing Agent's Review
Council Approval Required to Scrap/Donate? Y ___ N ___

3. City Manager's Approval/Signature: _____ **Date:** _____

Purchasing: Final Disposition
If Council Approval Required, Date Approved _____

4. Purchasing Agent's Signature: _____ **Date:** _____

One original copy for signature circulation and Purchasing recordkeeping. After Purchasing's final disposition, copies of the completed form will be forwarded to the Originating Department and to the Accounting Division.



City of Mission Viejo Notice of Surplus Property Donation

Per Mission Viejo Municipal Code 3.12.340, surplus supplies and equipment may be donated to non-profit organizations or school districts located or operating within the city, or if these organizations express no interest, then to any other nonprofit organization or private organization that provides assistance to nonprofit organizations that has expressed interest in receiving donated surplus city property. The City of Mission Viejo is accepting requests for donation for the following property which has been identified as surplus.

Quantity	Description of Property	Location

Mission Viejo Municipal Code 3.12.340 Surplus Supplies and Equipment - Donation

The Purchasing agent shall have authority, subject to the approval of the City Manager, to donate surplus supplies and equipment subject to the following:

- 1) Surplus supplies and equipment may be donated to non-profit organizations or school districts located or operating within the city, or if these organizations express no interest, then to any other nonprofit organization or private organization that provides assistance to nonprofit organizations that has expressed interest in receiving donated surplus city property.
- 2) Donations made to eligible entities shall be on a first come, first-serve basis.
- 3) Prior to transfer of the donated supplies or equipment, the recipient entity shall provide a statement executed by a person duly authorized to legally bind the recipient entity that the donated property will:
 - a) Be accepted "as is," with no express or implied warranties; and
 - b) That an immediate need exists for the property and that it will be put into immediate use; and
 - c) That the property not ever be sold or otherwise transferred for profit; and
 - d) That the recipient entity shall assume all costs and liability associated with the removal and transportation of the surplus property from the city.
- 4) City shall provide notice of the surplus property to be donated to solicit interest from potential donees.
- 5) If in the opinion of the purchasing agent, the total amount of property to be donated pursuant to this section has a current value of \$1,000 or more, the purchasing agent shall prepare a report of the property to be donated, the estimated current value of the property to be donated, and the recipient(s) of the property proposed to be donated, for approval by the city council.

Interested parties must submit a written request for donation to:

City of Mission Viejo
Purchasing Department
200 Civic Center
Mission Viejo, CA 92691

All requests for donation must be received no later than 5:00 pm _____. For further information please call the Purchasing Department at (949) 470-3059.

Bulletin Board Posting Date _____

Introduction to Standard City Contracts

The City Attorney has developed several standard City contracts 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. The contract forms are:

Original Forms

- Short Form (Indemnification Only) Contract up to \$30,000
- Short Form (Indemnification Only) Contract over \$30,000
- Long Form (Insurance Required) Contract up to \$30,000
- Long Form (Insurance Required) Contract over \$30,000
- Minor Construction Project Contract Agreement
- Public Project Contract Agreement
- Instructional Services Agreement
- Performing Arts Agreement
- Equipment Purchase Agreement

Changes to Original Contract/Agreement Forms

- Contract Amendment
- Maintenance Contract Amendment
- Change Order to Public Project Contract Agreement

Other Contract Forms

- Professional Services Consultant Team

All standard contracts can be found on the City's Intranet. Once you have selected the standard contract form, please save it to your department's subdirectory, using a new file name.

Standard Contract Terms (from former Council Policy 0300-7)

1. To facilitate the estimation of contract services costs for a two-year budget period, the standard contract term for contracts over \$30,000 shall be two years, with a single, optional two-year extension. The City Council may elect not to renew the contract within its sole discretion.
2. No contract over \$30,000 may exceed a total term, including the extension, of four (4) years, except where specifically authorized by the City Council. The City Council may determine that longer contracts will more effectively and efficiently serve the City of Mission Viejo.
3. Contracts eligible for the two-year extension shall be submitted by City staff to the City Council for their review, during the period that is no less than 90 days and no greater than 180 days prior to the expiration of the initial two-year contract term. The 90-day

deadline will provide City departments sufficient time to rebid if the City Council elects not to renew the contract.

4. To be eligible for consideration for contract extension, contractors must have performed satisfactorily throughout the term of the original contract.
5. To the greatest extent possible, the contract period for contracts subject to this policy shall commence July 1 of odd-numbered years.
6. Upon the expiration of the two-year contract and the single two-year extension, the City will again obtain multiple quotes/proposals for the services rendered.
7. The current service provider shall not be excluded from participating in the quotation process.
8. For contracts/franchises that are excluded from this policy, the City Council shall determine the selection requirements on a case-by-case basis adhering to any state or federal requirements governing such contracts/franchises.

Choosing the Correct Standard Contract Form

One of the standard contract forms must be used when entering into an agreement with a vendor, consultant, or contractor to provide services to the City. The only exceptions to the use of City contracts are other public agency contracts, such as used to obtain law enforcement services from the County of Orange, certain office equipment lease/purchase agreements, software licensing and renewals, maintenance, and technical consulting agreements. Another variation concerns the City's Professional Services Consultant Team contractors; after being approved as a member of the Professional Services Consultant Team, these contractors need only submit proposals and reference the umbrella contract to be considered for a particular work project.

Short and Long Contract Forms – Indemnification and Insurance Requirements

The most commonly used contract forms are the short and long forms, and the contract amendment form. The other forms listed are for more specialized services, such as to hire an instructor to teach tennis lessons (Instructional Services Agreement) or to hire a band for a dance (Performing Arts Agreement). The dollar amount of the contract does not determine the use of a short form or long form contract. Instead, it is the level of **potential risk** to which the City may be exposed that will determine the type of contract to use. The short form contract has limited insurance requirements, in that it includes only an indemnity clause. The long form contract has greater insurance requirements (as shown in Exhibit C of the long form contract), which were developed by the California Joint Powers Insurance Authority (CJPIA). The vendor must submit proof of required insurance coverage from an insurer with a Best rating of at least A:VII+, exceptions must be approved by the Risk Manager.

Completing the Form

Once you have selected the appropriate contract, complete the form by entering the requested information in the blank spaces provided. Although the contract is 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 it makes payment within 10 days.

Signatures

All of the standard contract forms, except for the Performing Arts and Instructional Services Agreement forms, have two signature blocks for the consultant/contractor/vendor. When the contract provider is a corporation, two officers must sign the contract, regardless of the dollar amount of the contract. If only one person from the corporation has the authority to sign, then a resolution from the corporation attesting to that fact must be attached to the contract. This requirement does not apply to sole proprietorships, partnerships, limited liability companies, or limited liability partnerships. In those cases, the department can remove the second signature line from the standard contract form.

On the City side, the department head signs for contracts up to \$10,000 and the City Manager or designee signs for contracts between \$10,000 and \$30,000. Contracts, change orders, and maintenance contract amendments over \$30,000 require the City Manager 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 Administrative Services Department for review. In some instances, a non-standard contract will also be forwarded to the City Attorney for approval.

Original Forms

Short Form Contracts (Indemnification Only)

There are two standard short form contracts --- one up to \$30,000 and one over \$30,000. The City Manager may negotiate contracts up to \$30,000. Under our ordinance, all non-public project contracts over \$30,000 must be awarded by the City Council. Most public projects contracts would require use of the long form contract (see section immediately following).

The short form contract can be used for professional consulting services where the service provided is in the form of a written report. Although there is an indemnity clause, the use of this standard contract would suggest there is little or no risk to the City.

Long Form Contracts – Full Insurance (Exhibit C) Required

There are two standard long form contracts --- one up to \$30,000 and one over \$30,000. The City Manager may negotiate contracts up to \$30,000. Under our ordinance, all non-public project contracts over \$30,000 and all public project contracts over \$50,000 must be awarded by the City Council. Since 1997 our practice has been to request City Council award of all public

project contracts between \$30,000 and \$50,000, unless there is a time constraint for doing so, in which case the City Manager may invoke his authority, per Resolution 88-95, to make the award.

The long form contract should be used for professional consulting services where the service provided may result in greater potential risk for the City, such as engineering and design contracts. Exhibit C of the standard long form contract addresses the insurance coverage and limits for specific types of insurance --- Commercial General Liability, Business Auto, Workers' Compensation and Professional Liability. The CJPIA currently sets a minimum standard of \$1,000,000 for each category of insurance; however, departments can increase the insurance limits depending on the risk of the service or project. Proof of Workers' Compensation insurance is waived for sole proprietor consultants. Professional Liability, also known as Errors & Omissions Insurance, is usually only required in the case of special, high risk projects, such as engineering design or financial auditing.

Questions regarding the types and limits of insurance for long form contracts should be directed to the Administrative Services Department.

Minor Construction Project Contract

This contract form is a combination of the City's standard long form (with insurance) contract and the public project contract (the description for which follows this item). This form can be used for smaller construction projects under \$125,000 for which plans and specifications are not needed. It includes the necessary language for the items included in the scope of the work, City approval of work, change orders, waivers of claims, prevailing wages, performance and labor bonds, contractor's affidavit, underground utility locations and inspections. With this contract form, the contractor should specifically detail the work to be performed and attached it to the agreement as Exhibit A. The payment terms and schedule should be set forth on Exhibit B, but they can be combined into Exhibit A. The insurance requirements (Exhibit C) are the same as regular construction contracts.

Public Project Contract

This contract format may be used for public construction projects, if the plans and specifications have been approved by the City Council. The Notice Inviting Bids, the Instructions to Bidders, the Proposal and the General Specifications are specifically mentioned within this contract format and become part of this contract.

Instructional Services and Performing Arts Agreements

The City Attorney has developed this standard contract to be used by the Recreation and Community Services Department to hire professionals as instructors for classes such as dance and painting or to engage performance groups for entertainment purposes at City facilities.

Equipment Purchase Agreements

This contract form should be used for purchases of major equipment, including office equipment, vehicles and trailers. This contract addresses vendor's representations and warranties and the City's acceptance of the equipment. It will also dictate the time and place of delivery.

In those instances where the vendor may provide its own standard contract form, please forward it to Administrative Services for review. The contract may be forwarded to the City Attorney for review as well. Purchase Agreements up to \$30,000 may be approved by the City Manager; Purchase Agreements over \$30,000 must be approved by the City Council.

Changes to Original Contract/Agreement Forms

The description and use of each of the three major contract change forms follows. Also included is a section on the limits and authorities of contract dollar changes, which apply to all of the contract change forms.

Contract Amendment

The Amendment to the Consulting (or Contractor or Vendor) Agreement is used to change or revise an existing professional services contract. The amendment may change specific components of the contract such as to extend terms, increase total contract amount, and/or expand the scope of work. To complete this form, the amendment number (first, second, etc.) should be stated and the section that is being amended should be rewritten in its entirety. If any supporting contract exhibits are being changed, the revised exhibit should also be attached to the amendment form.

Maintenance Contract Amendment

This amendment form is designed primarily for changing or revising an existing maintenance service contract, such as for landscape or tree maintenance. It is a hybrid form combining elements of the Contract Amendment form and the Public Projects Contract Change Order form. This form has two versions, depending on whether the contract is for a one-year or two-year period.

The original contract should first be reviewed for amendment approval authorities before completing this form. Information regarding the number and date of the amendment and the details of the original contract, such as title and contract number, if applicable, should be provided in the first part of this form where indicated. The specific amendments to the agreement, such as for the term date, scope of work, and/or maximum contract amount, should then be noted in the appropriate spaces.

The funding change section should be completed so that *cumulative* dollar changes can be tracked each fiscal year, both for the contract amount and purchase order amounts. This form can be expanded to two pages and/or exhibits can be attached as needed.

Contract Change Order to Public Project Contracts

The Change Order form should be used when an amendment to a construction contract is required. The original contract should first be reviewed for change order approval authorities before completing this form.

The title of the original contract, contractor name, contract number assigned by the City Clerk's Office (if applicable), the purchase order number, the change order number (first, second, third,

etc.), and date should be filled out in the uppermost section of this form. The next section of the form should be completed to describe changes to the scope of the project, payment terms, timeframe, or any other changes to the original contract. If the contractor has submitted a description of the changes to the original contract, then that item should also be attached to the change order form. The funding change section should be completed so that *cumulative* dollar changes can be tracked each fiscal year, both for the contract amount and purchase order amounts. This form can be expanded to two pages and/or exhibits can be attached as needed.

Contract Changes - Dollar Totals

For contracts first executed with a total dollar amount below \$30,000, the City Manager may then approve change orders up to a total contract dollar limit of \$30,000. For example, the City Manager may approve a \$15,000 change order to an existing \$15,000 contract, such that the total contract amount does not exceed \$30,000. Amendments to contracts for amounts that are over the \$30,000 limit must be approved by City Council.

Other Contracts – Professional Services Consultant Team

Multi-year, umbrella contracts have been approved by the City Attorney and City Council to expedite the hiring of engineering, planning, plan check, inspection, construction management, and other related professional services on a project-by-project basis. All of the firms on the final list of approved Professional Services Consultant Team (PSCT) members must sign an original contract and provide proof of required insurance. Once approved, a Professional Services Consultant Team firm need only submit a proposal for the scope of work required and reference the umbrella contract to apply for work on a particular project. Departments are expected to request multiple proposals (at least three proposals are recommended) from PSCT members for each professional services project. Being a PSCT member is not adequate justification for awarding projects as “sole source”.

Agenda Review Form (City Clerk’s Office)

Contract Checklist Form (See Bidding Section Forms tab)

In addition to the appropriate standard contract form, the Contract Checklist form should also be completed and attached, as appropriate, to City Council agenda reports that include contract approvals. This form summarizes available funding, insurance requirements, and bond limits for each contract. It has been designed to facilitate the review of proper funding and insurance coverage by the Administrative Services Department and the collection of required insurance and bond documents by the City Clerk. The City Attorney will also review and approve the Contract Checklist as it pertains to the plans and specifications (if applicable), the proposed contract form, and the proposed bonding requirements. Additionally, this form is reviewed by the City Manager who will approve the publication of the Notice Inviting Informal Bids or the Notice Inviting Formal Bids in the trade journals and/or the local newspaper. In some instances, the City Manager may require City Council approval prior to advertising.