

ORDINANCE NO. 2517

AN ORDINANCE OF THE CITY OF CHULA VISTA AMENDING SECTION 2.56 RELATING TO PURCHASES OF SUPPLIES, SERVICES AND EQUIPMENT

The City Council of the City of Chula Vista does ordain as follows:

SECTION I: Section 2.56.010 of the Chula Vista Municipal Code is hereby amended to read:

Sec. 2.56.010 Established-Purpose.

Pursuant to Section 1110 of the Charter, there is established a centralized purchasing system for city departments, offices and agencies, in order to establish procedures for the purchase of services, supplies and equipment, to secure for the city services, supplies and equipment at the lowest possible cost commensurate with quality needed, to exercise positive financial control over purchases, to clearly define authority for the purchasing function, and to assure the quality of purchases.

SECTION II: Section 2.56.020 of the Chula Vista Municipal Code is hereby amended to read:

Sec. 2.56.020 Purchasing agent-Appointment-Powers, duties and authority.

The director of finance shall appoint, in accordance with Section 507 and subject to the civil service provisions of the Charter, and the prior approval of the city manager, a purchasing agent who shall be in the unclassified service as provided in Section 500 of the city charter, and such deputies as may be necessary. The purchasing agent shall be the head of the purchasing division of the finance department and conduct a centralized purchasing system and shall have the power, and it shall be his duty, to purchase or contract for all supplies, materials, equipment and contractual services needed by any and all departments of the city in the manner provided for herein. The purchasing agent shall have the authority to:

- A. Negotiate, purchase and obtain supplies, contractual services and equipment used by the city in accordance with city and state law and such rules and regulations as are prescribed by the director of finance subject to the review of the city manager or by the city council;
- B. Act to procure for the city the needed quality in supplies, services and equipment at least expense to the city; including quality used or surplus furniture and equipment.

- C. Discourage uniform bidding and endeavor to obtain as full and open competition as possible on all purchases and sales;
- D. Prepare and recommend to the director of finance rules and regulations governing purchase of supplies, services and equipment for the city and amendments thereto as necessary;
- E. Keep informed of current developments in the field of purchasing, prices, market conditions and new products, and secure for the city the benefits of research done in the field of purchasing by other governmental jurisdictions, national technical societies, trade associations having national recognition, and by private businesses and organizations;
- F. Prescribe and maintain such forms as are reasonably necessary for the operation of the purchasing system and other rules and regulations;
- G. Prepare and adopt a standard purchasing nomenclature for city departments and suppliers;
- H. Prepare, adopt and maintain a vendors' catalog file. Said catalog shall be filed according to materials and shall contain descriptions of vendors' commodities, prices and discounts;
- I. Exploit the possibilities of buying "in bulk" so as to take full advantage of discounts, and establish written policies for inventory management in size of purchases;
- J. Recommend the transfer of surplus or unused supplies and equipment between departments as needed and the sale of all supplies and equipment which cannot be used by any department or which have become unsuitable for city use and the scrapping or surveying of unsalable surplus items;
- K. Exercise propriety review over all purchases and make such recommendations to the director of finance as shall seem in his discretion to be appropriate.

SECTION III: Section 2.56.060 of the Chula Vista Municipal Code is hereby amended to read as follows:

Sec. 2.56.060 Purchase order required-Encumbrance of funds.

Except in cases of emergency, or if excepted by the city manager under a duly adopted administrative regulation and through the use of prescribed forms, all purchases shall be made by purchase order issued by the purchasing agent after authorization of the finance officer, certifying:

- A. That there is to the credit of each using department concerned a sufficient unencumbered appropriate balance in excess of all unpaid obligations to defray the amount of such order;
- B. That such order is provided for in the budget of the using department or has been approved by the city council by resolution;
- C. That in the case of the purchase of capital equipment and assets or services, if not provided for in the budget, that the same have been first approved by the city council by resolution.

SECTION IV: Section 2.56.120 of the Chula Vista Municipal Code is hereby amended to read as follows:

Sec. 2.56.120 Formal contract and bid procedure-Compilation of bids and recommendations.

Following the opening of bids, the purchasing agent shall compile all of the bids and submit them to the city manager, together with a recommendation as to which bid he considers best, taking into consideration the recommendation of the department head involved, the amount of money bid, compliance with specifications and responsibility of bidder. In determining the responsibility of the bidder, the purchasing agent will be guided by, but not limited to, a consideration of the following factors:

- A. The experience of the city in dealing with the low bidder;
- B. The experience of other governmental agencies known to the purchasing agent in their previous transaction with the low bidder;
- C. Knowledge of the quality and fitness of the product offered by the low bidder, substantiated by reports of using departments within the city or other governmental agencies;
- D. Options to renew contracts for continuing purchases at the same bid price, in those circumstances where price increases are expected or have been experienced in the past.

The city manager shall forward the compilation of bids and his recommendation with respect to an award to the city council; provided however, that the purchasing agent may reject any or all bids or the bid for any one or more commodities or contractual services included in the proposed contract if he determines that the public interest will be served thereby.

SECTION V: Section 2.56.170 of the Chula Vista Municipal Code is hereby amended to read as follows:

Sec. 2.56.170 Open market procedure-Bidding not required when.

- A. Purchases of supplies, services and equipment of an estimated value in the amount of twenty-five thousand dollars or less may be made by the purchasing agent in the open market without observing the formal bidding procedure prescribed in Sections 2.56.070 through 2.56.160. For such contracts in excess of sixteen thousand, but for twenty-five thousand dollars or less, the purchasing agent shall obtain the City Manager's approval. However, informal bidding shall be required, and whenever practicable, be based on at least three bids and shall be awarded to the lowest responsible bidder submitting in all respects the best bid. The purchasing agent shall keep a record of all open market orders and the bids submitted in competition thereon, and such records shall also be open to public inspection.
- B. Exceptions: In any of the following instances, the purchasing agent may dispense with the requirements of informal bidding:
1. When the estimated amount for the commodity involved is less than two thousand five hundred dollars;
 2. When the commodity can be obtained from only one vendor;
 3. When the commodity being purchased is required to match or be compatible with other furnishings, materials or equipment presently on hand and the purchase is made from the manufacturer or supplier who supplied such other furnishings, materials or equipment and the total amount of the purchase does not exceed three thousand dollars;
 4. When for services for \$10,000 or less, the contract shall be awarded on the basis of demonstrated competence and qualifications at fair and reasonable fees.
 5. When a particular type or make of commodity, furnishing, type of material, or equipment has been standardized by the city by order of the city manager or by the city council after receipt and award of bid.

SECTION VI: Section 2.56.180 of the Chula Vista Municipal Code is hereby amended as follows:

Sec. 2.56.180 Emergency purchases-By purchasing agent permitted when.

In case of an emergency which requires immediate purchase of supplies, materials, equipment or contractual services, the city manager may authorize the purchasing agent to secure in the open market at the lowest obtainable price any supplies, materials, equipment or contractual services, regardless of the amount of the expenditure; provided however, that a full explanation of the circumstances of such emergency shall be

entered in the minutes of the council and shall be open to public inspection.

SECTION VII: Section 2.56.210 of the Chula Vista Municipal Code is hereby amended to read as follows:

Sec. 2.56.210 Requisitions for purchases-Approval required.

The requisitions for all purchases must be subscribed to by the purchasing agent and the department head, or by the finance officer, as provided in Section 2.56.060 or their duly authorized designee or representatives. The duty of the finance officer shall be to affirm the availability of funds as provided in Section 2.56.060. Provided further, in the absence of or inability of the purchasing agent to act, his duly authorized designee shall perform the duties of the purchasing agent under this section.

SECTION VIII: Section 2.56.220 of the Chula Vista Municipal Code is hereby amended to read as follows:

Sec. 2.56.220 Exception-Selection of architectural, engineering, environmental, land surveying and construction project management professional services, professional consultant services.

A. Exemption.

1. Pursuant to Chula Vista City Charter Section 1011 and as required by Government Code Sections 4525, et. seq. with regard to architectural, engineering, environmental, land surveying and construction project management professional services, all services provided to the City by contract are exempt from the competitive bidding requirements of Sections 2.56.070 herein.
2. Notwithstanding the above stated exemption from the competitive bidding requirement, the purchasing agent may require competitive bidding when the services required are more of a technical nature or involve little professional judgment and the purchasing agent determines that requiring bids would be in the public interest.

B. Definitions. For purposes of this Chapter, the following terms have the following meanings:

1. "Architectural, engineering, environmental, and land surveying services" includes those professional services of an architectural, engineering, environmental, or land surveying nature as well as incidental services that members of these

professions and those in their employ may logically or justifiably perform.

2. "Construction project management" means those services provided by a licensed architect, registered engineer, or licensed general contractor which meet the requirements of Government Code Section 4529.5 for management and supervision of work performed on state construction projects.
 3. "Environmental services" means those services performed in connection with project development and permit processing in order to comply with federal and state environmental laws.
- C. General Procedures. Any department head desiring to enter into a contract for outside services whose estimated cost exceeds \$5,000 shall first analyze the cost effectiveness of having the proposed service completed in-house versus the cost for outside services. All contracts for services shall be negotiated on the basis of demonstrated competence and qualifications for the services required, and at fair and reasonable fees. Contracts for services for \$10,000 or less may be awarded by the Purchasing Agent pursuant to Section 2.56.170 B.4. If the estimated cost of such services are in excess of \$10,000 but for \$16,000 dollars or less, the contract may be awarded by the Purchasing Agent, after compliance with the procedure therefor specified hereafter. If for in excess of \$16,000 but for \$25,000 dollars or less, the contract may be awarded by the Purchasing Agent, after compliance with the procedure therefor set forth hereafter, and with the approval of the City Manager. If the estimated cost of such services exceeds \$25,000 dollars, it shall be awarded by the City Council, after compliance with the procedures specified hereafter. Contracts for environmental services, regardless of amount, shall be negotiated by the Environmental Review Coordinator in accordance with the procedures in Sections 2.56.220-240 and Sections 6.5.2 and 6.6 of the Environmental Review Procedures, and awarded by the City Manager or designee.

SECTION IX: Section 2.56.330 of the Chula Vista Municipal Code is hereby amended to read as follows:

Sec. 2.56.230 Exception- Outside Services Selection Process.

A. Registration and Notice.

1. Public announcement of all projects of an estimated cost in excess of \$10,000 requiring architectural, engineering, environmental, land surveying, construction project management, or other services shall be made by the City through notice to the respective professional societies and by publication in a newspaper of appropriate circulation. The notice shall invite service providers to submit letters of interest for specific projects. In analyzing work required

for the coming year, department heads shall be required to categorize services in terms of type and size of project so as to maximize potential participation by small business enterprises.

2. In addition, said notice shall encourage service providers to submit statements of qualifications and performance data annually for registration and reference purposes.
3. Statements of qualification and letters of interest shall be kept on file in the Purchasing Division and periodically updated.
4. Annually the City Manager shall review types of services required in the following fiscal year and determine for which types of services pre-qualification lists would be appropriate.

B. Selection Committee.

1. For projects where fees for services are estimated to be in excess of \$10,000 but less than \$25,000, the responsible department head or designee and two or more staff members shall perform the duties of the Selection Committee. If fees are estimated to be \$25,000 or more, the City Manager shall appoint a Selection Committee of three or more qualified persons.
2. When a proposed project is initiated, the Selection Committee shall review all service providers currently registered and on file with the City to determine those service providers best qualified for the services desired. Selection Committees shall also have the option to augment the list with an additional recruitment for service providers, if there is no applicable list, or no or too few potential service providers. However, if a pre-qualification list was prepared in accordance with A.4. above, the department head shall attempt to negotiate a contract with the service provider ranked No. 1 on the pre-qualification list.
3. The Selection Committee shall choose a minimum of three interested firms for personal interviews to discuss anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services. The Selection Committee shall evaluate and rank the firms based upon criteria established in advance by the City, including, but not limited to, the cost comparison between service provider and city staff. A list containing the ranking information will be sent to the responsible department head.
4. The responsible department head shall negotiate a contract with the firm ranked No. 1 by the Selection Committee at a

price determined to be fair and reasonable to the City. The agreement shall define the conditions of the contract scope, work plan and schedule, costs, fee, method of payment, duration, insurance, and indemnification.

5. If the department head is unable to negotiate a satisfactory contract with the first ranked firm, negotiations shall be formally terminated.
6. The department head shall then undertake negotiations with the second ranked firm. This process shall continue until a satisfactory contract is negotiated.
7. If the list of qualified firms is exhausted without a contract being negotiated, the Selection Committee shall choose additional firms and the process shall continue until a satisfactory contract is negotiated.
8. Small businesses, as defined by the State Director of General Services, shall be extended maximum participation in the process.

C. Award of Contract.

1. All awards for contracts negotiated pursuant to this section shall be made in accordance with Section 2.56.220.

SECTION X: Section 2.56.250 of the Chula Vista Municipal Code is hereby amended to read as follows:

Sec.2.56.250 Supplies, materials and equipment no longer used-Disposition procedure.

- A. General Procedures. All using departments shall submit to the purchasing agent at such times and in such form as he shall prescribe, reports showing stocks of all supplies, materials and equipment which are no longer used or which have become obsolete, worn out or scrapped. The purchasing agent may transfer such stock to another or other departments, which have need for and can use it. The purchasing agent, with the approval of the city manager, shall also have the power to sell all supplies, materials and equipment which have been unsuitable for public use, or to exchange for, or trade in the same on new supplies, materials and equipment. Any such sale, exchange or trade-in shall be made to the highest responsible bidder, in accordance with the applicable procedures established in sections 2.56.070 through 2.56.160 or Section 2.56.170 hereof; provided further, that the purchasing agent may transfer such supplies, materials and equipment when the estimated amount involved is less than five thousand dollars to approved civic or social organizations with the approval of the city council, upon the recommendation of the city manager in those cases where it is

deemed by the city council that such a disposition of property would best serve public interests. In the case of scrap or survey items having no estimated or appraised value and which have not been desired by any civic or social organization, the purchasing agent may dispose of such items in any manner he deems appropriate, keeping full records of such disposition. It is further provided that such surplus personalty which comes within the provisions of Sections 2.56.070 through 2.56.160 or Section 2.56.170 may be disposed of by the purchasing agent by negotiation after bidding requirements have been followed and such surplus material has not been sold.

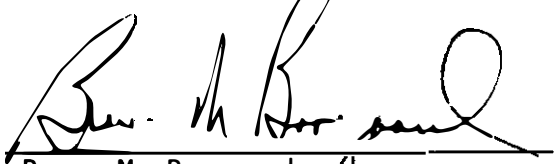
- B. Special Procedures for Disposition of Library Materials. The city librarian shall submit to the purchasing agent in such form as he shall prescribe, reports showing used, damaged or unneeded library materials and indicating disposition thereof. The librarian may, at his discretion, donate such materials to the Friends of the Chula Vista Public Library for such book sales as they may desire, or he may offer such materials to any bona fide charitable or nonprofit institutional organizations serving primarily the interests of the city. If at any time the librarian chooses to dispose of such materials other than as provided herein, he shall follow the general procedures set forth hereinabove.

SECTION XI: This ordinance shall take effect and be in full force and effect on the thirtieth day from and after its adoption.

Presented by

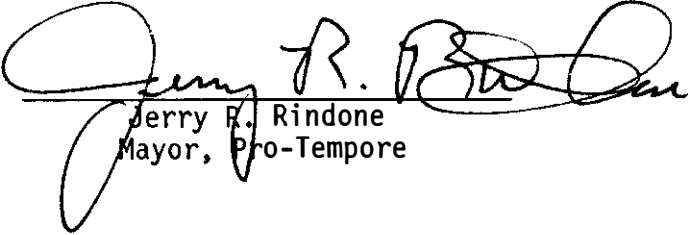

Dawn Herring
Budget Manager

Approved as to form by


Bruce M. Boogaard
City Attorney

PASSED, APPROVED and ADOPTED by the City Council of the City of Chula Vista, California, this 23rd day of June, 1992, by the following vote:

AYES: Councilmembers: Grasser Horton, Moore, Rindone
NOES: Councilmembers: None
ABSENT: Councilmembers: Malcolm, Nader
ABSTAIN: Councilmembers: None


Jerry R. Rindone
Mayor, Pro-Tempore


ATTEST:


Beverly A. Authelet, City Clerk

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO) ss.
CITY OF CHULA VISTA)

I, Beverly A. Authelet, City Clerk of the City of Chula Vista, California, do hereby certify that the foregoing Ordinance No. 2517 had its first reading on June 9, 1992, and its second reading and adoption at a regular meeting of said City Council held on the 23rd day of June, 1992.

Executed this 23rd day of June, 1992.


Beverly A. Authelet, City Clerk