



ADMINISTRATIVE POLICIES & PROCEDURES MANUAL

“ATTACHMENT A”

1. PURPOSE

The purpose of these purchasing procedures is to maintain financial control over purchases, to centralize the purchasing responsibility, and to obtain supplies, equipment, and services of the needed quality at the lowest possible cost in accordance with the Purchasing Ordinance and as authorized by Section 401, Purchasing, of the City Charter.

2. DEFINITIONS

The ~~following~~ terms used in these procedures are defined as follows, whether or not capitalized:

City Charter means the Charter for the City of Fortuna.

Department Head(s) means the City Clerk, the Police Chief, and the director or acting director of the Community Development Department, Finance Department, Public Works Department, and Parks and Recreation Department, or an authorized delegee as approved in writing by the City Manager.

Design Professional Services means architectural, landscape architectural, environmental, engineering, land surveying, or construction project management services, which are subject to the procurement requirements of Article XXII of the California Constitution, and Government Code section 4529.10, et seq.

DIR means the California Department of Industrial Relations.

Emergency means a sudden, unexpected occurrence that poses a clear and imminent danger and requires immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services, as determined by the City Manager pursuant to Section 2.050.070-(A) of the ~~Fortuna~~ Municipal Code.

Federal Procurement Requirements means the uniform federal award procurement requirements set forth in 2 CFR §§ 200.318 – 200.326, as may be amended from time to time, which apply to federally funded procurements, and any additional federal requirements that apply to a particular procurement.

FEMA means the Federal Emergency Management Agency.

Finance means the city’s Finance Department.

Maintenance means routine, recurring, and usual work for the preservation, protection, and keeping of any city owned or operated facility for its intended purposes, as further defined in 8 CCR § 16000.

Municipal Code means the Fortuna Municipal Code.

Open Purchase Order means a purchase order structured for multiple small purchases of goods or services from a pre-authorized vendor.

Pre-authorized Vendor means a vendor who is authorized to provide multiple small purchases of goods or



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services pursuant to an open purchase order.

Procedures means these purchasing procedures.

Purchase Order means the Requisition/Purchase Order form used by the city to authorize procurement of goods or services from vendors.

Purchasing Agent means the individual with overall responsibility for supervising city procurements as further specified in Section 2.50.020 of the Purchasing Ordinance, which provides that the City Manager or his or her authorized delegatee will serve as the purchasing agent.

Purchasing Ordinance means Chapter 2.50 of the Municipal Code, Purchase of ~~Supplies, Equipment~~Goods and ~~Contractual Matters~~Services.

RFP means a request for proposals transmitted to qualified vendors to seek a proposal that best meets the City's needs.

RFQ means a request for qualifications transmitted to potentially qualified vendors to evaluate qualifications for providing required services.

Simplified Acquisition Threshold means the dollar amount below which the City, as a non-federal entity, may procure property or services subject to the Federal Procurement Requirements using the small purchase procedures, as set forth in 2 CFR § 200.88. (See Section 3.6.3(B), Small Purchase Procedures, below.)

Supervisor(s) means the City's Utility Superintendent, General Services Superintendent, Chief Treatment Plant Operator, Finance Office Supervisor, ~~Police Office Supervisor~~Police Lieutenant, Building Official, City Engineer, and River Lodge Manager.

Vendor means a business entity or sole proprietor that may provide goods or services to the city.

3. GENERAL POLICY

3.1 General Procurement Standards

All city procurements must be made in compliance with the City Charter, the Purchasing Ordinance, applicable California and federal law, and these procedures. City procurements which are subject to federal funding, in whole or in part, including FEMA disaster aid, must also comply with the applicable Federal Procurement Requirements, as defined above, and as further specified in Section 3.6, Federal Procurement, below. (See 2 CFR § 200.317.) Except as otherwise specified in the Purchasing Ordinance, all procurements of goods or services must be accomplished by or through the purchasing agent. (Purchasing Ordinance, § 2.50-~~030~~.)

3.1.1 Fair Competition. City personnel must discharge their duties impartially to ensure fair and open competition for city business by responsible vendors. (See 2 CFR § 200.319, and Section 2.50.020.A of the Purchasing Ordinance.) In addition, they must conduct themselves in a manner



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that will create confidence in the integrity of the city's purchasing operations. City personnel will treat all vendors equally and fairly, with equal information given to each vendor who participates in the procurement process. City personnel will ensure that all prequalified lists of persons, firms, or products used in acquiring goods or services are current and include enough qualified sources to ensure maximum open and free competition. City personnel may not place unreasonable restrictions on competition, including any of the following restrictions (per 2 CFR § 200.319):

- (A) Placing unreasonable requirements on vendors to qualify for the procurement;
- (B) Requiring unnecessary experience and excessive bonding;
- (C) Noncompetitive pricing practices between vendors or affiliates;
- (D) Noncompetitive contracts to consultants that are on retainer contracts;
- (E) Organizational conflicts of interest;
- (F) Non-compliance with sole source restrictions, and "or equal" requirements, including Public Contract Code section 3400;
- (G) Precluding potential bidders from qualifying during the solicitation period; and
- (H) Any arbitrary action in the procurement process.

3.1.2 Conflicts of Interest. No employee, officer, or agent of the city may participate in the selection, award, or administration of a contract if he or she has a real or apparent conflict of interest.

(A) A conflict of interest includes any circumstances under which the employee, officer, or agent, or any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of those parties, has a financial interest in or a tangible personal benefit from a vendor considered for a contract. No officer, employee, or agent of the city may solicit or accept gratuities, favors, or anything of monetary value from vendors or parties to subcontracts. Disciplinary actions, up to and including termination for cause, will apply to any violation of these conflict of interest standards, in accordance with city policy, and/or, as applicable, a collective bargaining agreement, employment contract, or contract for services. (See 2 CFR § 200.318(c)(1).)

(B) City personnel may not accept gifts, rebates, kickbacks, personal services, or in any way incur personal gain from a vendor, or potential vendor, doing business with the city, or otherwise violate laws pertaining to conflicts of interest, political contributions, or unlawful activities.

(C) A city employee may not participate in the vendor selection process if the employee has (1) a financial relationship, as set forth in Government Code section 87100 et seq., with the person or firm seeking a contract; or (2) a real or apparent conflict of interest under California

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Government Code § 1090, or pursuant to the Federal Procurement Requirements.

(D) A vendor that develops or drafts specifications, requirements, statement of work, invitation for bids, RFQ, or RFP for a procurement must be excluded from competing for that procurement. (See 2 CFR § 200.319(a) and Govt. Code § 1090.)

3.1.3 *Economical Approach.* All procurements must be undertaken in a manner that will avoid acquisition of unnecessary or duplicative items, which may include consideration of consolidating or breaking out procurements, lease alternatives, and other appropriate analysis to determine the most economical approach, subject to the limits of applicable law, including prohibitions against bid-splitting. (See 2 CFR § 200.318(d).)

3.1.4 *Oversight.* Department heads must maintain oversight over procurements to ensure that vendors perform in accordance with the terms, conditions, and specifications of the contracts or purchase orders. (See 2 CFR § 200.318(b).)

3.1.5 *Procurement Records.* Records must be maintained for each procurement of goods or services documenting the history of a procurement, including (1) records of the rationale for procurement method, (2) selection of contract type, (3) contractor selection or rejection, and (4) the basis for the contract price. (See 2 CFR § 200.318(i).)

3.1.6 *Dispute Resolution.* Any and all protests, disputes, claims, and the like, arising from a procurement will be addressed promptly in accordance with good administrative practice and sound business judgment, and in compliance with all applicable legal or contractual requirements. (See 2 CFR § 200.318(k).)

3.1.7 *Specifications and Requirements.* All procurement solicitations should incorporate a clear and accurate description of the technical requirements or functions of the goods or services to be procured. However, such descriptions should not be drafted to unduly restrict competition among qualified vendors. (See 2 CFR § 200.319(c).)

3.1.8 *Prevailing Wages.* Pursuant to Labor Code section 1782 and Municipal Code 2.50.090, contracts for city-funded public works construction projects valued in excess of \$25,000, and contracts for city-funded alteration, demolition, repair or maintenance projects valued in excess of \$15,000, are subject to payment of prevailing wages and compliance with all applicable requirements of Article 2 of Chapter 1, of Part 7, of Division 2 of the California Labor Code beginning at section 1770. With the exception of certain city-funded public works contracts subject to Section 2.50.090 of the Purchasing Ordinance, public works or maintenance projects (excluding routine janitorial services) over \$1,000, are subject to prevailing wage requirements set forth in the California Labor Code, beginning at section 1720. This includes any construction, alteration, demolition, installation, repair work, carpet laying, certain tree removal work, and certain hauling and delivery of ready mix concrete. For procurements subject to prevailing wage requirements, the procurement solicitation and contract documents must include information on prevailing wage requirements and compliance as specified in the Labor Code.

(A) *DIR Registration.* For each contract subject to prevailing wage requirements, the City

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may not accept a bid from or award a contract to any contractor or subcontractor that is not registered with the Division of Industrial Relations, as required under Labor Code section 1771.1. Contracts for construction, alteration, demolition, installation, or repair work for \$25,000 or less and maintenance contracts of \$15,000 or less are exempt from this requirement.

(B) *DIR Notification.* For contracts subject to DIR registration requirements, Department Directors must ensure that a PWC-100 form is filed online with the DIR within 30 days after the contract is awarded, but no later than the first day that workers are employed on the project. City personnel are encouraged to file the PWC-100 as soon as possible following award to avoid the penalties that may be imposed for late filing.

(C) *City-Funded Work.* Pursuant to Section 2.50.090 of the Purchasing Ordinance, the following contracts are exempt from prevailing wage requirements if paid for exclusively with city funds: (1) construction up to \$25,000, and (2) alteration, demolition, repair, or maintenance projects up to \$15,000.

3.2 Authorization Levels

City Council approval is required before execution of a contract or purchase order, except as otherwise authorized in the Purchasing Ordinance and as set forth in these procedures.

3.2.1 ~~Pre-authorized-All~~ Vendors. The following authorizations apply to approval of ~~open~~ purchase orders for goods or services from ~~pre-authorizedall~~ vendors:

Maximum PO Amount	Authorized to Approve
Up to ~~\$12,000~~	Supervisors, Department Heads, City Manager
~~\$12,000~~ to ~~\$510,000~~	Department Heads, City Manager
~~\$510,000~~ to ~~\$3100,000*~~	City Manager

~~3.2.2 Other Vendors.~~ The following authorizations apply to approval of all other purchase orders:

Maximum PO Amount	Authorized to Approve
Up to ~~\$5,000~~	~~Department Heads, City Manager~~
~~\$5,000~~ to ~~\$30,000*~~	~~City Manager~~

~~*Services subject to \$10,000 limit per FMC Section 2.50.060~~

3.3 Purchase Order Procedures

Pursuant to Section 2.50.030 of the Purchasing Ordinance, purchases of ~~supplies and equipment~~ goods will be made by a purchase order. The purchase order must be written and approved by an authorized person before the materials are ordered. A purchase order must be used to request vendor delivery of goods to the city. The only exceptions to these requirements are emergency purchases, ~~petty-cash purchases,~~ or "special purchases" as set forth below.



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3.3.1 Forms. A sample of the Requisition/Purchase Order is attached as **Appendix A** to these Procedures. The Finance Department is responsible for issuing Requisition/Purchase Order form books and maintaining a record of the number series issued to each department. In order to obtain additional sets of forms, the old forms must be turned in. The purchase order forms have three copies, each with a different color. Once a purchase order is completed and signed by the authorized person, the copies will be distributed as follows:

WHITE: Retained by Finance.

PINK: Retained by Finance.

YELLOW: Retained in book by issuing department, and returned to Finance for new forms.

3.3.2 Pre-authorized Vendors. In cases where local vendors are involved with numerous small purchases, the city may issue a single purchase order or open purchase order to cover all purchases from this vendor during a fiscal year. A list of pre-authorized vendors will be prepared for each fiscal year by the Finance Department. Open order purchases should be limited to items which are needed immediately or which cannot be secured through the regular purchase order procedures, such as gasoline, propane, and other materials or services requiring periodic delivery. Purchases under the open order procedure will be made as follows:

(A) Complete the Requisition/Purchase Order form and mark the box "Open PO." Include the PO number from the pre-authorized vendor list. The form must be approved by an authorized person and the white copy must be forwarded to the Finance Department.

(B) When supplies, materials, or equipment are received, fill in and sign the receiving copy (pink copy), and forward the pink copy with invoice or receipt to the Finance Department for payment.

3.3.3 All Other Vendors. Complete the Requisition/Purchase Order including a description of the materials or items to be purchased together with quantity and price. The final decision for vendors and brand names lies with the City Manager. The account number or capital improvement project number must be included. The delivery address will be to the issuing department unless otherwise specified. Single items or bulk purchase of single items that cost over \$~~2,5,000~~ must be accompanied by a Comparative Cost form listing three vendors and prices. In those cases where an item can only be secured by a "sole source," complete the Sole Source Vendor Justification form. A sample of the combined Comparative Cost and Sole Source Justification form is attached as **Appendix B** to these Procedures. The procurement will be processed in accordance with the following procedures:

(A) The requisition must be approved by the authorized person.

(B) Forward the white and pink copy to the Finance Department. ~~Retain the yellow copy.~~

(C) Place the order and give vendor the purchase order number.

(D) Retain yellow copy in book and turn in used books to Finance when obtaining a new book.

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(E) No invoice or bill from any vendor will be paid until the completed pink and white copies and invoice are returned to the Finance Department.

3.3.4 Special Purchases. Certain commodities that are designated by the purchasing agent may be purchased prior to the submission of a purchase requisition. In these prearranged situations, each designated agent shall maintain a log of the purchases and submit a reconciliation along with the vendor billing to the Finance Department. A purchase order will then be completed and submitted to the purchasing agent for approval. Qualifying commodities may include gravel, concrete, asphalt, and fuel.

3.3.5 Emergency Purchases. In case of an emergency, as defined above, purchases may be made without following the purchase procedures. Such purchases may occur after regular working hours or on weekends when a department head or supervisor may not be immediately available to approve the purchase. In the event of an emergency an employee responsible for correcting the situation may make an emergency purchase of any item costing less than \$200,500. As soon as possible after the emergency, the department head should be notified of the purchase and a Requisition/Purchase Order form forwarded to the Finance Department. In other emergency situations, where the purchase of an item is needed immediately, the department head or designated representative may obtain a blank purchase order and fill out the necessary information before presenting it to the purchasing agent for approval. This procedure is only to be used when the purchase order is needed prior to the standard 48-hour turnaround period. Any emergency procurement that may be eligible for FEMA funding or reimbursement must comply, to the extent practicable under the circumstances, with the Federal Procurement Requirements. Qualifying emergency procurements may be made as a non-competitive proposal as further specified in 3.6.3 (E), Noncompetitive Proposals, below.

3.4 Consulting-Professional Services

Procurement of ~~consulting or~~ professional services, which includes, but is not limited to, design professional services, as defined above, will be conducted in compliance with Section 2.50.0650 of the Purchasing Ordinance. Such service contracts may be procured using an open and competitive RFQ, RFP, or combined RFQ/RFP process to select vendors on the basis of demonstrated competence and qualifications, and at a fair and reasonable price.

3.4.1 Design Professional Services. Design professional services, as defined above, must be procured in compliance with Article XXII of the California Constitution and Government Code section 4529.10 et seq., which require a fair, competitive selection process that prohibits city employees from participating in the selection process when they have a financial or business relationship with any private entity seeking the contract. The procedure must require compliance with all laws regarding political contributions, conflicts of interest, or unlawful activities. The indemnity provision in any contract for design professional services must comply with Civil Code Sections 2782 and 2782.8.

3.4.2 Request for Proposals. RFPs will be issued using forms prepared by the Department Head and approved as to form by the City Attorney. Each RFP must include a clear and comprehensive description of the scope of services, and the applicable terms and conditions. The



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RFP should attach a copy of the form of agreement approved by the City Attorney, that includes the applicable indemnity and insurance requirements. The RFP must include all evaluation criteria and the relative weight attached to each criteria, generally consistent with the following:

- (A) Experience and competence of the firm and key personnel in relation to the services. (20%)
- (B) Past record of performance with the city, other public entities, or private sector, including factors such as cost control, quality of work, and ability to meet schedules. (20%)
- (C) Capacity of the firm to complete the services within the time limitations. (10%)
- (D) Avoidance of personal and organizational conflicts of interest. (10%)
- (E) General understanding of the services to be provided and overall approach to the services. (20%)
- (F) Proposed cost to provide the services. (20%)

3.4.3 RFP Evaluation. Proposals or responses to RFQs will be fairly and objectively evaluated based upon responsiveness to the RFP or RFQ and based on the criteria set forth in the RFP or RFQ. Evaluation may be conducted by a panel that includes individuals with relevant technical expertise. Interviews may be conducted in private to preserve competition.

3.4.4 Risk Management. The city will not retain a consultant that is unwilling or unable to comply with the city's indemnity and insurance requirements for the contract.

3.4.5 Funding Requirements. For projects involving grant agencies with specific requirements for procurement of consulting professional services, to the extent those requirements conflict or are inconsistent with these procedures, the more stringent provisions will control.

3.4.6 Consultant Selection. The selected consultant must have a clear understanding of the essential requirements for the services, and must demonstrate that it possesses the resources, including staffing, to provide the services within the specified time.

3.4.7 Consulting Agreements. The final agreement must be approved as to form by the City Attorney, and must require the consultant to provide the services in accordance with the applicable scope of services and contract terms and conditions. The price for the services must be fair and reasonable. Fixed price (lump sum) contracts are preferred, but payment may be based on a set hourly rate schedule, or on a cost plus basis, if (1) permitted by law, and (2) a lump sum cost cannot be reasonably estimated. The consulting agreement must include a not-to-exceed limitation on payment.

3.4.8 Local Consultants. With the exception of design professional services, qualified local consultants may be retained without using an RFQ or RFP process, based on the consultant's past involvement with related projects, expertise, experience, and capacity, under either of the

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following conditions:

- (A) The consulting agreement will not exceed \$~~1~~5,000.
- (B) In the event of an immediate need due to an emergency, as defined above.

3.5 Public Works Contracts

Procurement of a public works contract, which, for purposes of this Section means an agreement for the erection, construction, alteration, repair or improvement of any public structure, building, road, or other public improvement of any kind, must be made in compliance with the applicable requirements of the Purchasing Ordinance and in compliance with the applicable requirements of Section 3.1.~~98~~, Prevailing Wages, above. The indemnity provision in any contract for public works services must comply with Civil Code Section 2782, and must include all provisions required by law, approved as to form by the City Attorney. A payment bond must be required for all public works contracts in excess of \$25,000, in compliance with Civil Code section 9550 et seq., and approved as to form by the City Attorney.

3.6 Federal Procurement

Any procurement made pursuant to a federal award or subject to reimbursement, in whole or in part, with federal funds must comply with the city's procurement procedures, state law, and the applicable Federal Procurement Requirements, including 2 CFR § 200.322 ("Procurement of recovered materials"), 2 CFR § 200.323 ("Contract cost and price"), 2 CFR § 200.324 ("Federal awarding agency or pass-through entity review"), 2 CFR § 200.325 ("Bonding requirements"), and 2 CFR § 200.326 ("Contract provisions"). In the event of any conflict between city, state, or federal requirements, the most stringent requirement must be used. (See 2 CFR § 200.318.) City personnel must comply with funding agency requests for review of technical specifications or procurement documents as provided in 2 CFR § 200.324.

3.6.1 General Federal Requirements and Recommendations.

- (A) *Required Contract Provisions.* Pursuant to 2 CFR § 200.326, contracts for federally-funded procurements must contain the applicable provisions described in Appendix II to Part 200 – Contract Provisions for non-Federal Entity Contracts Under Federal Awards. Sample Federal Contract Provisions are attached as **Appendix C**.
- (B) *Solid Waste Disposal Act.* Federally-funded procurements must comply with the Solid Waste Disposal Act, as further specified in 2 CFR § 200.322. This requirement must be included in the contract requirements.
- (C) *Cost/Price Analysis.* For federally-funded procurements in excess of the currently applicable Federal Simplified Acquisition Threshold, including contract modifications, a cost or price analysis must be performed, and must include making independent estimates before receiving bids or proposals. (See 2 CFR § 200.323.) Costs or prices based on estimated costs for federally-funded contracts are allowable only as provided in 2 CFR § 200.323.
- (D) *Profit Negotiation.* For a federal contract awarded without price competition, profit must



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be negotiated as a separate element of price. To establish fair and reasonable profit, consideration must be given to the complexity of the work, the contractor's risk, the contractor's investment, the amount of subcontracting, record of past performance, and industry profit rates, as further specified in 2 CFR § 200.323(b).

(E) *Excess or Surplus Property*. When it will reduce project costs and is feasible, use of federal excess and surplus property is encouraged over purchasing new. (See 2 CFR § 200.318(f).)

(F) *Value Engineering*. For larger federally-funded construction projects, a provision for value engineering may be added to the construction contract, subject to prior authorization from the Department Head for the Public Works Department. A value engineering provision must include a clear procedure for submission, approval, and cost-sharing of savings, consistent with Public Contract Code section 7101, and approval as to form by the City Attorney. (See 2 CFR § 200.318(g).)

(G) *Geographical Preferences*. Notwithstanding the provisions of Section 3.4.8, Local Consultants, geographical preferences may not be used for federally-funded procurements, unless expressly authorized by the awarding agency. (See 2 CFR § 200.319(b).)

(H) *Time and Materials*. A time and materials contract may not be used for a federally-funded procurement, unless the Department Head has determined that no other type of contract is suitable for the procurement, and provided the procurement complies with 2 CFR § 200.318(j). Similarly, a "cost plus" contract may not be used, as further specified in 2 CFR § 200.323.

(I) *Intergovernmental Agreements*. Use of intergovernmental agreements is encouraged where appropriate. (See 2 CFR § 200.318(e).)

3.6.2 Federal Contractor Requirements.

(A) *Responsible Contractors*. Contracts subject to Federal Procurement Requirements will only be awarded to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement, with consideration given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. (See CFR § 200.318(h).) A contractor must also be "responsible" as determined under California law, including Public Contract Code section 1103.

(B) *Small and Minority Businesses*. The city will take all necessary affirmative steps, including those identified in 2 CFR § 200.321(b), and set forth below, in paragraphs (1) – (5), to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible for contracts subject to the Federal Procurement Requirements. Bidders, contractors, and design-build entities must be required in the bid documents or RFP to take all necessary affirmative steps pursuant to 2 CFR § 200.321(b), and as set forth below, in paragraphs (1) – (5), when procuring subcontractors, to ensure that minority businesses,



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women's business enterprises, and labor surplus area firms are used when possible. These affirmative steps must include:

- 1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists.
- 2) Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources.
- 3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises.
- 4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises.
- 5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

3.6.3 *Methods of Procurement.* Depending on the type and amount of goods or services, the city will use one of the below methods for federally-funded procurements, consistent with 2 CFR § 200.320.

(A) *Micro-purchases.* The city may acquire supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold in 2 CFR § 200.67. A micro-purchase contract may be awarded without soliciting competitive quotes provided the price is reasonable, unless otherwise specified under the city's procurement procedures. To the extent practicable, the city will distribute micro-purchases equitably among qualified suppliers. (See 2 CFR § 200.320(a).)

(B) *Small Purchase Procedures.* The city may use simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold in 2 CFR § 200.88. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. (See 2 CFR § 200.320(b).)

(C) *Sealed Bids.* The city may publicly solicit sealed bids to be opened in public and award a fixed price contract to the lowest responsible bidder, in the manner required for formal bidding as specified in Purchasing Ordinance Section 2.50.040, Formal Bidding Procedure, and in compliance with 2 CFR § 200.320(c)(1).

(D) *Competitive Proposals.* The city may use this method when the conditions for use of sealed bids is not appropriate and more than one source submits an offer following a request for proposal. If the city uses this method, it must comply with the requirements of 2 CFR § 200.320(d), in addition to any other applicable city or state requirements, including, the



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requirements for procuring design professional services set forth in Section 3.4.1, Design Professional Services, above.

(E) *Noncompetitive Proposals*. The city may solicit a proposal from only one source when (1) the item is available only from a single source, (2) the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation, (3) the federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the city, or (4) competition is determined to be inadequate after solicitation of a number of sources. The procurement must comply with the requirements set forth in 2 CFR § 200.320(f).

~~3.7 — Force Account Work~~

~~Pursuant to Section 2.50.090, and Section 400 of the City Charter, the city has reserved expansive rights to perform public works projects using city employees. Force account work must be approved by the Department Head.~~

4. HISTORY

This policy was approved on October ~~46~~, 202~~15~~ by Resolution 202~~15~~-~~31XX~~.



CITY OF FORTUNA

Purchasing Procedures

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APPENDIX A

SAMPLE REQUISITION/PURCHASE ORDER FORM

CITY OF FORTUNA
621 ELEVENTH STREET, P.O. BOX 545, FORTUNA, CA 95540
(707) 725-7600

No. **101301**

REQUISITION / PURCHASE ORDER

VENDOR _____

VENDOR ADDRESS _____ CITY _____ STATE _____ ZIP _____

REQUISITION ☐ OPEN P.O. NO. _____ PURCHASE ORDER ☐

ACCT. NO.	ITEM DESCRIPTION	QUANTITY	EST. UNIT PRICE	EST. TOTAL PRICE	RECEIVED

REQUESTED BY _____ DATE _____

SUPERVISOR APPROVAL _____ (OPEN UP TO \$150)

DEPARTMENT HEAD APPROVAL _____ (OPEN/REG UP TO \$500)

CITY MANAGER APPROVAL _____ (OVER \$500)

PAY FROM ☐ CK REQUEST ☐ INVOICE ☐ MAIL ☐ HOLD

RECEIVED BY _____

DATE _____

SUBTOTAL _____

TAX AND FREIGHT _____

TOTAL _____

FINANCE



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APPENDIX B

SAMPLE COMPARATIVE COST AND SOLE SOURCE JUSTIFICATION FORM

Department: _____

Description and Purpose of Item to be Purchased:

COMPARATIVE COST: Complete this section when procuring ~~single materials, supplies and equipment~~goods items costing between \$~~2,5,000~~ and \$~~100,000~~. Attach completed form to Requisition/Purchase Order.

Vendor 1: Name of Company: _____

Cost: _____

Vendor 2: Name of Company: _____

Cost: _____

Vendor 3: Name of Company: _____

Cost: _____

Notes:

SOLE SOURCE JUSTIFICATION: Complete this section to explain why only a single source is available for procurement of supplies, materials, equipment, vehicles, or services.

Name of Company: _____

Cost: _____

Notes:

Detailed description of justification for sole source:



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Initiating Dept: City Council
Administration

ADMINISTRATIVE POLICIES & PROCEDURES MANUAL

Prepared by: _____ Date: _____

Department Head Approval: _____ Date: _____



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APPENDIX C**SAMPLE FEDERAL CONTRACT PROVISIONS**

Federally Funded Projects. This Project is funded in whole or in part by federal funds and subject to the following federal requirements under the terms of the funding agreement(s) between City and the federal agency or agencies providing federal funds, which are fully incorporated by this reference and made part of the Contract Documents. Copies of any funding agreement between City and a funding agency will be made available upon request.

1. Equal Opportunity. During the performance of this Contract, the Contractor agrees as follows:

(A) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(B) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(C) The Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision will not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Contractor's legal duty to furnish information.

(D) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the labor union or workers' representatives of the Contractor's commitments under this section, and will post copies of the notice in conspicuous places available to employees and applicants for employment.

(E) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the United States Secretary of Labor.

(F) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the United States Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the United States Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(G) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further federal government contracts or



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federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the United States Secretary of Labor, or as otherwise provided by law.

(H) The Contractor will include the portion of the sentence immediately preceding paragraph (A) and the provisions of paragraphs (A) through (H) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the United States Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the City or funding agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: *Provided*, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the City or funding agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

2. Davis-Bacon Act. Contractor will pay wages to laborers and mechanics, not less than once a week, and at a rate not less than the current federal prevailing wages specified in the Davis-Bacon Act Wage Determination attached hereto and incorporated herein. By entering into this Contract, Contractor accepts the attached Wage Determination. <The current Davis-Bacon Act Wage Determination, which may be accessed at <https://www.wdol.gov/dba.aspx> must be printed and included with the Contract Documents.>

3. Copeland "Anti-Kickback" Act. Contractor will comply with 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. Part 3 as may be applicable, which are incorporated by reference into this Contract. Contractor and subcontractors must insert this requirement into subcontracts of any tier. Contractor is responsible for compliance with these requirements by each subcontractor of any tier.

4. Contract Work Hours and Safety Standards Act. In addition to the California state law requirements, Contractor and each subcontractor must comply with the requirements of the federal Contract Work Hours and Safety Standards Act, as set forth in 40 U.S.C. 3701-3708, as supplemented by the regulations set forth in 29 C.F.R. Part 5, as may be amended from time to time, which are fully incorporated herein, including:

(A) No Contractor or subcontractor will require or permit any laborer or mechanic performing Work for the Project to work in excess of 40 hours in a work week unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours during that work week.

(B) If Contractor or a subcontractor violates this requirement, the Contractor and any responsible subcontractor will be liable for the unpaid wages. In addition, the Contractor and subcontractor will be liable to the United States for liquidated damages. The liquidated damages will be computed with respect to each individual worker as specified under federal law.

(C) Contractor and subcontractors must insert this requirement into subcontracts of any tier. Contractor is responsible for compliance with these requirements by each Subcontractor of any tier.

5. Rights to Inventions. If the federal funding for this Contract meets the definition of "funding agreement" under 37 CFR section 401.2(a) and constitutes an agreement between the City and a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency, will apply to this Contract and are fully incorporated into the Contract Documents by this reference.



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6. Clean Air Act. If the Contract is for an amount in excess of \$150,000, Contractor and each Subcontractor must comply with the requirements of the Clean Air Act, as amended, (42 U.S.C. §§ 7401-7671q), which are fully incorporated into the Contract Documents by this reference, including requirements for reporting violations to the awarding agency and the applicable Regional Office for the Environmental Protection Agency. Contractor and subcontractors must insert this requirement into subcontracts of any tier in excess of \$150,000.

7. Federal Water Pollution Control Act. If the Contract is for an amount in excess of \$150,000, the requirements of the Federal Water Pollution Control Act (33 U.S.C. §§ 1251-1387) apply to this Contract and are fully incorporated into the Contract Documents by this reference, including requirements for reporting violations to the awarding agency and the applicable Regional Office for the Environmental Protection Agency requirements for reporting violations. Contractor and subcontractors must insert this requirement into subcontracts of any tier in excess of \$150,000.

8. Suspension and Debarment. Contractor is required to verify that neither it, nor its principals, as defined at 2 C.F.R section 180.995, or its affiliates, as defined at 2 CFR section 180.905, are excluded or disqualified, as defined at 2 C.F.R sections 180.935 and 180.940. Contractor must comply with 2 CFR Part 180, subpart C and 2 CFR Part 3000, subpart C, and must include a provision requiring compliance with these regulations in any subcontract of any tier. If it is later determined that the Contractor did not comply with the applicable subparts, the Federal Government may pursue available remedies, including, but not limited to, suspension and/or debarment. By submitting a bid and entering into this Contract, Contractor agrees to comply with these requirements.

9. Byrd Anti-Lobbying Amendment. If the Contract is for an amount in excess of \$100,000, Contractor must comply with the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352) and file the certification provided at 44 CFR Part 18, Appendix A, and any disclosures, with the applicable federal agency. Each tier certifies to the tier above that it will not and has not used federal-appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier will also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures will be forwarded from tier to tier up to the recipient.

10. Procurement of Recovered Materials. The requirements of section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act at 42 U.S.C. § 6962, apply to this Contract and are fully incorporated into the Contract Documents by this reference. For individual purchases of \$10,000 or more, Contractor will make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired (A) competitively within the Contract schedule, (B) in conformance with Contract performance requirements, or (C) at a reasonable price. Information on this requirement, including a list of EPA-designated items, is available at the EPA's Comprehensive Procurement Guidelines website: <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.