

authority at \$50,000. Pursuant to Section 204 of the Purchasing Resolution, the City Manager has delegated authority to the City's Department Heads to sign contracts with a value up to \$25,000.

The City Manager's signature authority was last increased under City Council Resolution Number 20943, adopted on May 17, 2005. The primary reasons for the increase were the changes to the City Charter, aiming to bring consistency to various procurement regulations and establish a uniform threshold of \$50,000. A City Council report detailed the reasons for the change, emphasizing the need for consistency in signature authorities for Riverside Public Utilities and all other City departments. Before the 2005 change, different authorizing resolutions established varying signature authorities for professional services and construction contracts.

At the special Finance Committee meeting on July 29, 2014, a Councilmember requested a review of the City Manager's delegated signature authority for contracts up to \$50,000. The matter was brought to the Finance Committee on September 10, 2014, to consider whether any revisions should be recommended to the City Council. Without a formal motion, the item was continued to October 8, 2014. Following discussions on October 8, 2014, the Finance Committee recommended further exploration of the matter. Despite a review of historical meeting agendas, staff did not locate subsequent reports on this topic, and ultimately, the signature authority remained unchanged.

If adjusted for inflation alone since 2005 when the signing authority was last adjusted the value of today's \$50,000 signing authority would be \$78,532.

DISCUSSION:

The Purchasing Division has undertaken a comprehensive initiative to optimize operational efficiency through the strategic streamlining of processes. This report presents a statistical analysis based on internal process reviews, comparative assessments of Local Agency City Manager Signature Authority Limits, and insights gathered from various Procurement Professional Organizations. The aim is to identify and address bottlenecks in City Manager signature authority, ultimately enhancing the efficiency of City processes. The enhancement of the City Manager's signature authority within the framework established by Purchasing Resolution No. 23914, the Administrative Manuals, the Adopted Budget, and the City Attorney Contract Review is underpinned by a robust set of internal controls designed to safeguard the integrity and compliance of City expenditures. These controls are instrumental in justifying the increase in signature authority without compromising compliance standards.

1. Purchasing Resolution No. 23914 provides a structured approach to procurement, emphasizing competitive bidding and ethical standards. It grants the City Manager the power to bind the City in acquisitions, subject to a monetary limit for fiscal responsibility. This ensures that any increase in signature authority remains within the bounds of approved budgetary allocations, thereby maintaining compliance.
2. The City's Administrative Manuals detail operational procedures for purchasing and contracting, reinforcing the principles of transparency and accountability. These manuals serve as a practical guide for City staff, including the purchasing team, ensuring that procurement processes are consistently applied and understood, which supports the rationale for a controlled increase in the City Manager's authority.

3. The Adopted Budget, with its biennial structure and five-year planning horizon, lays the foundation for a strategic and long-term financial outlook. This budgeting process incorporates internal controls that align spending with strategic priorities, effectively monitoring and managing City finances. The budget acts as a policy document and financial plan that delineates the scope of authority for expenditures, including those under the City Manager's purview.
4. City Attorney Contract Review adds another layer of oversight, ensuring that all contracts and agreements undergo a thorough legal evaluation before execution. This step is crucial in verifying that any actions taken within the City Manager's increased signature authority are legally sound and in compliance with city policies and regulations.

Collectively, these internal controls establish a foundation for justifying an increase in the City Manager's signature authority, as they provide a comprehensive framework for oversight, accountability, and compliance. Through competitive procurement processes, ethical standards, strategic budgeting, and legal review, the City safeguards against potential compliance issues, ensuring that all expenditures are justified, transparent, and aligned with the City's long-term financial and strategic goals. This multi-layered approach to financial management and procurement underscores the City's commitment to maintaining fiscal integrity while enabling efficient and effective governance.

Procurement Processes:

Purchasing Resolution No. 23914, (Attachment A), alongside the guidelines set forth in the City's Administrative Manual (Attachment B), outlines a comprehensive framework aimed at regulating the expenditure of City funds with an emphasis on transparency, fairness, and accountability in procurement practices. This resolution, rooted in the authority granted by the Charter of the City of Riverside and the Riverside Municipal Code, empowers the City Manager, subject to City Council approval, to establish and enforce regulations governing the procurement, purchase, storage, distribution, and disposal of supplies, materials, and equipment needed by City offices, departments, or agencies.

The Purchasing Resolution (Resolution) explicitly authorizes the City Manager to bind the City in acquisitions included within the approved budget, setting a monetary limit on such authority to ensure fiscal responsibility. A key aspect of the Resolution is its consolidation of various procurement rules into a single document, aimed at maintaining clarity and ensuring consistent application of the City's procurement policies and procedures. It mandates that the procurement of goods, services, and construction must be based on competitive processes, whether informal or formal, except in cases specified by the Resolution or City Charter, thereby promoting efficiency and integrity in the use of City funds.

The Resolution also enforces strict internal controls and adherence to ethical standards by City staff during procurement activities. This includes the application of the City Conflict of Interest Code and a commitment to unbiased judgment, fairness, and honesty in dealings with vendors and clients. It prohibits personal gifts or gratuities from current or potential contractors to prevent undue influence on procurement decisions, fosters positive relationships with contractors, and encourages the resolution of disputes in an equitable manner. City staff are also urged to stay informed of legal requirements and pursue professional development to enhance their procurement proficiency.

The City's Administrative Manual, specifically Chapters 02 and 07, complements the Resolution by detailing the operational procedures for purchasing and contracting. It covers a wide range of procurement-related activities, including requisitioning, order processing, emergency purchases, fleet acquisition, equipment replacement, and surplus management, among others. These policies support the Resolution's objectives by ensuring that procurement internal controls are clearly understood and easily implemented by all relevant personnel.

Together, Purchasing Resolution No. 23914 and the City's Administrative Manual represent a holistic approach to governing the expenditure of City funds, emphasizing competitive procurement, ethical conduct, and professional excellence to safeguard the public interest and maintain the trust of the City's residents and stakeholders.

Adopted Budget:

No item goes to contract until City Council has first voted to appropriate funds for the item through the budget. The budget serves multiple roles: as a critical policy instrument that outlines the City's strategic priorities, a comprehensive financial plan that guides fiscal decision-making, an operations guide that directs daily management and administration, and a communications tool that fosters openness and dialogue with the public. Through this multifaceted approach, the adopted budget ensures that its budgeting process supports robust internal controls, facilitating responsible and effective expenditure of City resources by City staff.

The City of Riverside employs a biennial budget alongside a five-year planning process as a cornerstone of its financial management strategy, ensuring a comprehensive and forward-looking approach to managing the City's finances. By adopting a biennial budget and a five-year planning horizon, the City of Riverside enhances its capacity to oversee and manage its finances, ensuring that spending aligns with established priorities and strategic objectives. This budgeting practice underscores the City's commitment to transparency, accountability to taxpayers, and overall fiscal health.

Integral to this approach is the emphasis on internal controls for City expenditures, which are designed to safeguard financial integrity and promote responsible use of City funds. Within the Finance Department, the contract review process includes a review and certification of available funds, ensuring compliance with adopted budgetary constraints. This examination is fundamental to maintaining fiscal responsibility and adherence to established budgetary constraints.

Agreement Process: (Attachment C)

The process for finalizing agreements within City departments varies significantly depending on whether City Council approval is required. For agreements that do not require City Council action, the process begins with the department working in tandem with the Purchasing Department to complete necessary RFPs, RFQs, bids, or to provide exceptions to bidding. This involves submitting a purchasing concurrence request and a draft report into the Purchasing Portal, followed by a request to the City Attorney for document preparation. Once the City Attorney finalizes the agreement or contract, it is forwarded to the department for obtaining external signatures and insurance, which is then sent to Risk Management. The Department Head approval form is completed, attached to the agreement or contract, and routed through the Finance Department for the necessary approvals. The original contract or agreement is returned to the City Attorney for final approval and then sent to the City Clerk for verification of

insurance, business tax, and bonds, obtaining the City Manager's signature, and for attestation. The electronic copy of the executed document is forwarded to the department by the City Clerk, who retains the original. The department then forwards a copy to the external party once the Purchase Order is issued.

When City Council approval is required, the initial steps mirror those of the non-Council approval process up to the preparation of documents by the City Attorney. However, the process diverges significantly afterward, with the department submitting the purchasing approval and City Council report into Legistar. After obtaining external signatures and insurance, the completed Department Head approval form is routed through the Finance Department for the necessary directorial approvals. The City Clerk then attaches the documents to the City Council report, and the agreement or contract is subject to approval during a public City Council meeting. Following this approval, the subsequent steps align with the non-Council approval process, including the finalization and distribution of the executed agreement or contract.

In essence, while both processes involve meticulous preparation and internal approvals, the requirement for City Council action introduces additional legislative steps, including submission into Legistar and approval during a public meeting, distinguishing it from the more streamlined process where such approval is not necessary.

Legistar Process:

The process for obtaining City Council approval for departmental items involves a series of meticulous and strategic steps. Initially, departments must engage in a proactive review of both the tentative agendas and the Master Meeting Calendar, as disseminated by the City Clerk's Office. This includes providing any necessary updates or revisions to these documents and familiarizing themselves with relevant meeting dates and deadlines via the Intranet.

A critical element of the process is the designation of a key contact within the department. This individual is tasked with overseeing the progression of the item, ensuring adherence to internal deadlines set in advance of the official submission date, and facilitating any required coordination. This anticipatory approach allows for the accommodation of unforeseen challenges, including those related to document routing and agreement processing.

The submission process itself is standardized, necessitating the use of specific report templates and, in cases involving procurement, the acquisition of purchasing concurrence through the submission of a Concurrence in the Procurement Portal. Additional steps include ensuring that any impact on other departments is communicated and approved, monitoring the advancement of procurement documents, and preparing agreements, resolutions, or ordinances for submission.

Submissions to the City Council are facilitated through the Legistar system, where the final report, alongside all pertinent attachments and documentation, is uploaded. The designated department contact plays a vital role in this stage, tracking the submission through to its official approval and publication. In instances where deadlines cannot be met, department heads are required to directly request late submission approval, including a detailed justification and all related documents, from higher management and the CMO Analyst.

Ultimately, the department retrieves the final published document from Legistar, marking the culmination of a process characterized by thorough preparation, coordination, and communication to successfully obtain City Council approval.

Routing Process for Legistar:

The current process for City Council Agenda submission reviews involves multiple steps and the involvement of various staff members both prior to and within the Legistar system, incurring a significant amount of time and financial cost. Before entering information into Legistar, the process begins with the staff author of the staff report typically dedicating four hours to develop a first draft. A supervisor or manager level staff member then reviews the draft staff report typically taking two hours, followed by a Deputy/Director or Head of Department reviewing the submission for typically half an hour for a well-done report. Additionally, a Senior Procurement & Contract Specialist/PCS must review the report typically taking another three hours forty minutes of work, followed by a Purchasing Manager review taking typically 10 minutes and an Administrative Assistant review of typically five minutes. Then the staff report is ready for loading into Legistar.

Once the submission moves to Legistar, the Deputy City Clerk, Deputy/Director, Purchasing Manager, Budget Manager, Finance Director, City Attorney/Deputy City Attorney, Assistant City Managers, and the City Manager each play a role in reviewing the submission, contributing varying amounts of time and incurring costs accordingly. The Deputy City Clerk and Deputy/Director typically take half an hour each to review the report, while the City Attorney/Deputy City Attorney, Assistant City Managers and the City Manager take varying times to review and edit depending upon the complexity of the report.

In total, the process of creating a typical, uncomplicated contract staff report takes approximately 14 hours to produce, moving through 13 different staff members until finally approved for submission to City Council. A review of City Council agendas shows an annual volume of approximately 40 agenda items between with a contract value between \$50,000 and \$100,000 that could be approved by the City Manager without the need produce a staff report assuming a modification to signature authority.

Table Number 1 shows the nature of the 40 agenda items referenced. The production of 40 such staff reports require approximately a total staff time of 548 hours. This extensive and costly review process highlights the substantial resources required for City Council Agenda submissions, reflecting the thoroughness and attention to detail necessary for the governance and administrative functions of the city.

Table No. 1 CITY COUNCIL APPROVALS (\$50,000-\$100,000) THAT WOULD DELIGATE CITY MANAGER APPROVAL WITH SIGNATURE AUTHORITY INCREASE

File Count Request Type	Type of Purchase			Grand Total
	Goods	Professional Service	Service	
Amendment		1	4	5
Change Order - Purchase Order	3		2	5
Professional Service Agreement		2		2
Purchase Order	17		1	18
Service Agreement			9	9

Subscription			1	1
Grand Total	20	3	17	40

Other Cities:

The California Association of Public Procurement Officials (CAPPO) conducted a survey in 2023 on City Manager signing authority. (Refer to Attachment D – City Data Chart for detailed survey results.) The survey noted the cities of Oakland and Sacramento with the highest signing authority of \$250,000, to the lowest having signing authority of \$25,000 such as the City of Banning, with the majority having signing authority higher than \$50,000, with no city of comparable size to Riverside having less than \$100,000 signing authority. Of cities surveyed the average signing authority was \$100,00.

Moreno Valley has signing authority of \$100,000 for public works contracts and \$75,000 for all other contracts.

To maintain transparency and accountability a summary of contracts executed not requiring City Council approval can be posted on the city website and provided to City Council.

Necessary Changes:

To endorse this recommendation, the current language of the Purchasing Resolution and the necessary modifications, highlighted in redline format, are presented below.

Purchasing Resolution 23194 existing language:

Section 203. Authorization. The City Manager is authorized to approve, execute, and bind the City to:

- (a) Contracts and purchase orders for Goods, Services, Professional Services, Construction and Design-Build Services of \$50,000 or less, entered into in accordance with the policies and procedures outlined in this Resolution, and
- (b) Such other contracts as are expressly approved by the City Council, Board of Public Utilities, and Board of Library Trustees.

Section 205. City Attorney Authorization. The City Attorney is authorized to approve, execute, and bind the City to contracts up to \$50,000 for expert and consultant services in connection with existing and anticipated litigation and/or claim defense or prosecution, and other such related matters, including, but not limited to, expert witnesses, arbitrators, mediators, court transcripts, court reporters, process services, private investigators, court filing and messenger services, and other legal support services.

Section 1104. Change Orders. Modifications to a Purchase Order shall be made only by Change Order. Subject to the availability of funds, Change Orders may be utilized for purposes of (1) adding and/or deleting quantity of items being procured, (2) modifying unit prices, (3) modifying scope of work/services being provided, where the modification is reasonably related to the original scope of work/services, (4) changing funding source(s), (5) modifying contract completion time or the term of a Contract, or (6) any other change approved by the Manager. Unless otherwise specifically authorized by the Awarding Entity, Change Orders which cumulatively exceed the following will require Awarding Entity approval:

- (a) 10% of the original contract price for Contracts and/or Purchase Orders up to \$50,000; additional percentage authority may be authorized by the Manager up to \$50,000 or as otherwise specified for in the City Charter;
- (b) Any Change Order which causes the contract price to exceed \$50,000, if the Contract and/or Purchase Order was not previously approved by the Awarding Entity.

Recommended modifications:

Section 203. Authorization. The City Manager is authorized to approve, execute, and bind the City to:

- (a) Contracts and purchase orders for Goods, Services and Professional Services, ~~Construction and Design-Build Services~~ of ~~\$50,000~~ \$100,000 or less, entered into in accordance with the policies and procedures outlined in this Resolution, and
- (b) ~~Contracts and purchase orders for Goods, Services, Professional Services, Construction and Design-Build Services of \$50,000 or less, entered into in accordance with the policies and procedures outlined in this Resolution, and~~
- (c) Such other contracts as are expressly approved by the City Council, Board of Public Utilities, and Board of Library Trustees.

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- (a) 10% of the original contract price for Contracts and/or Purchase Orders up to ~~\$50,000~~ \$100,000; additional percentage authority may be authorized by the Manager up to ~~\$50,000~~ \$100,000 or as otherwise specified for in the City Charter;
- (b) Any Change Order which causes the contract price to exceed ~~\$50,000~~ \$100,000, if the Contract and/or Purchase Order was not previously approved by the Awarding Entity.

STRATEGIC PLAN ALIGNMENT:

This item contributes to the Envision Riverside 2025 City Council Strategic Priority 5 – High Performing Government specifically, Goal 5.2: Utilize technology, data, and process improvement strategies to increase efficiencies, guide decision making, and ensure services are accessible and distributed equitably throughout all geographical areas of the City.

This item also aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The recommendations are meticulously formulated based on sound policy and reputable data. Presenting this proposal to the Finance Committee provides an avenue for gaining public insight, reinforcing community trust through transparent and informed decision-making.
2. **Equity** – Streamlining processes empower the Purchasing Division to strategically allocate resources. This fosters equity by ensuring an efficient and fair distribution of efforts and benefits across various areas within the organization.
3. **Fiscal Responsibility** – This proposal will produce cost and time savings. The statistical analysis indicates a reduction in operational costs and processing time, exemplifying a commitment to fiscal responsibility and efficient resource management.
4. **Innovation** – The refined policies and procedures, cultivates an environment conducive to innovation. By embracing efficiency-driven changes, the Purchasing Division demonstrates a commitment to innovative practices and adaptability to industry advancements.
5. **Sustainability & Resiliency** – These recommendations actively contribute to organizational sustainability and resiliency by introducing process improvements. The streamlined procurement procedures enhance the City's ability to navigate changing circumstances, ensuring a resilient and sustainable approach to procurement activities.

FISCAL IMPACT:

There is no immediate fiscal impact associated with the recommendations in this report. If the recommendations are implemented, the fiscal impact will be defined as saving the estimated annual costs associated with not performing the approximately 548 staff hours required to produce staff reports for contracts with values between \$50,000 and \$100,000.

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Approved as to form: Phaedra Norton, City Attorney

Attachment:

1. Attachment A – Purchasing Resolution No. 23914
2. Attachment B – Administrative Manual Summary
3. Attachment C – Agreement Process Flow Chart
4. Attachment D – Local City Agency Data Chart
5. Presentation