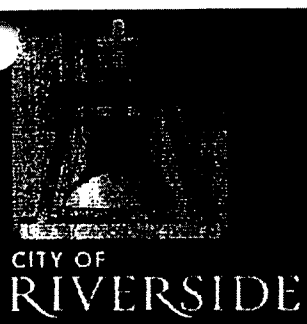


# **EXHIBIT AA**

**COUNCIL/AGENCY  
MEMBERS**



**CITY COUNCIL  
AND  
REDEVELOPMENT AGENCY  
MINUTES**

TUESDAY, MAY 17, 2005, 12 P.M.  
ART PICK COUNCIL CHAMBER  
CITY HALL  
3900 MAIN STREET

B E T T O	M O O R E	G A G E	S C H I A V O N E	A D K I S O N	H A R T	A D A M S
1	2	3	4	5	6	7

WARDS

Mattson Huerta from the Community Police Review Commission effective April 27, 2005; and (2) requested the Mayor to send the appropriate letter thanking Ms. Huerta for the time she spent on the Commission.

Motion  
Second  
All Ayes

**ESTABLISH LIMITS AND PROCEDURES FOR PROCUREMENT RULES AND REGULATIONS AND INCREASE CITY MANAGER AUTHORITY - RESOLUTIONS**

Following discussion, the City Council (1) adopted an amended and restated Purchasing Resolution giving effect to and eliminating inconsistencies with the voter-approved Charter amendments in Measures R, S, KK, and MM for goods, services, and public works contracts procurements, authorizing the City Manager to execute all contracts consistent with this resolution, and repealing Resolution No. 20557; and (2) adopted a resolution establishing limits and procedures for procurement of professional services and negotiated contracts consistent with the voter-approved Charter amendments in Measures R, S, KK, and MM authorizing the City Manager to execute all contracts consistent with this resolution, and repealing Resolution No. 18277; whereupon, Resolution No. 20942 of the City Council of the City of Riverside, California, (1) to Conform the Rules and Regulations Governing Procurements of Goods, Services and Public Works Construction to the Voter Approved Measures R, S, KK, and MM; (2) to increase City Manager Authority Limits for Such Procurements for All Departments to \$50,000; and (3) to Repeal Resolution No. 20557; and Resolution No. 20943 of the City Council of the City of Riverside, California, (1) Adopting Administrative Manual Professional Consultant Services Selection Procedures and City Manager Authority Limits of \$50,000 (A) in Accordance with Voter-Approved Measure MM for Public Utilities Department and (B) for Other Departments at Same Levels as Public Utilities Department; (2) Setting Monetary Limits of City Manager Authority of \$50,000 for Negotiated Contracts; and (3) Repealing Resolution No. 18277, were presented and adopted.

Motion  
Second  
All Ayes

**CASE P05-0201 - ENVIRONMENTAL REVIEW - 6291, 6311, AND 6343 ARLINGTON**

This item was removed from the agenda.

**TRACT MAP 27322 - WLY. TERMINI OF GRAMERCY AND TILDEN, WLY. OF HEATHERTON - RESOLUTION**

Following discussion, the City Council (1) granted final approval to Tract Map 27322 to subdivide approximately 18.4 vacant acres into eight residential lots located on the westerly termini of Gramercy and Tilden Places, westerly of Heatherton Lane; (2) accepted the Irrevocable Letter of Credit No. 142625 in the amount of \$826,825 of Santa Rosa Developers, LTD, as principal, and



People Serving  
People

# CITY OF RIVERSIDE

## CITY COUNCIL MEMORANDUM



HONORABLE MAYOR AND CITY COUNCIL

DATE: May 17, 2005

ITEM NO: 19

SUBJECT: **PROCUREMENT RULES AND REGULATIONS INCORPORATING VOTER-APPROVED CHARTER AMENDMENTS--RESOLUTIONS**

**ISSUE:**

On November 2, 2002 and November 2, 2004, the voters of the City of Riverside approved Measures R, S, KK and MM, among others, amending the Charter of the City of Riverside. The Council is being asked to adopt resolutions amending and restating the City of Riverside's Purchasing Resolution governing goods, services and public works contract procurements, and amending and restating the City of Riverside's administrative manual provisions governing professional services and negotiated contracts. These resolutions are for the purposes of (1) eliminating inconsistencies between the Purchasing Resolution and the Charter sections that were amended or added by these Measures; (2) making the limits of City Manager authority for all such procurements consistent at \$50,000; and (3) authorizing the City Manager to execute all contracts that are consistent with these City Council approved resolutions.

Since the voters have increased to \$50,000 the threshold for formal procurement of public works contracts for all departments, and have increased the threshold to \$50,000 for all public utilities department procurement contract awards, it would be anomalous and confusing to have certain contract award limits at \$25,000 and others at \$50,000. Therefore, these Resolutions will increase the limits of authority for the award of all contracts as set out in the Resolutions, to \$50,000. The Resolutions will also authorize the City Manager, or his designee, to execute all Contracts awarded in accordance with these Resolutions.

**RECOMMENDATIONS:**

That the City Council:

1. Adopt an amended and restated Purchasing Resolution giving effect to and eliminating inconsistencies with the voter-approved Charter changes in Measures R, S, KK and MM for goods, services and public works contracts procurements, authorizing the City Manager to execute all contracts consistent with this resolution, and repealing Resolution No. 20557; and
2. Adopt a resolution establishing limits and procedures for procurement of professional services and negotiated contracts consistent with the voter-approved Charter changes in Measures R, S, KK and MM, authorizing the City Manager to execute all contracts consistent with this resolution, and repealing Resolution No. 18277.

## **BACKGROUND:**

From time to time, the City Council has adopted resolutions approving rules and regulations governing the City's contracting for and the procuring, purchasing, storing, distributing and disposing of all supplies, materials and equipment required by City offices, departments and agencies. The last such resolution adopted by the City Council was Resolution No. 20557 on October 21, 2003 ("Purchasing Resolution").

Additionally, the City Council has adopted a resolution approving procedures and limits governing professional services and negotiated contracts procurements. The procedures for such procurements were embodied in Administrative Manual Sections 2.004.00 (professional services exceeding \$25,000), 2.005.00 (professional services \$25,000 or less), and 08.014.00 (negotiated contracts). The last such resolution adopted by the City Council was Resolution No. 18277 on July 6, 1993 ("Admin. Manual Resolution").

On November 5, 2002, the voters of the City of Riverside approved Measures R and S, among others, amending the City of Riverside City Charter and impacting City procurements. Specifically, Measure R increased the threshold at which formal competitive procurement of public works projects is required from \$25,000 to \$50,000. Under the proposed Purchasing Resolution the Council will award bids for formal competitive procurements of public works projects, goods and services that exceed \$50,000. Measure S increased the threshold at which the Board of Public Utilities must authorize the purchase of equipment, materials, supplies, or any acquisition, construction, improvement, extension, enlargement, diminution, or curtailment of the public utility system from \$25,000 to \$50,000. This is already implemented, and the proposed Purchasing Resolution will reflect this change.

Then, on November 2, 2004, the voters of the City of Riverside approved Measures KK and MM, among others, also amending the City Charter procurement provisions. Measure KK added a new Charter Section 1114 that authorized the use of design-build procurement by competitive negotiation for the design and construction of public works projects in accordance with regulations established by City Council ordinance. The proposed Purchasing Resolution will allow for design-build procurement, but only pursuant to a future City Council-adopted ordinance setting out the parameters under which such procurements are proper. It is expected that this ordinance will be brought to the City Council for consideration in several months.

Measure MM revised Section 1109 of the City Charter to allow the Board of Public Utilities to award bids and authorize contracts to be executed that exceed \$50,000 for construction, goods or services for the public utilities, so long as such bid awards and contracts are within the Public Utilities Department budget limits as approved by the City Council. The proposed Purchasing Resolution will ensure that bids awarded and contracts approved by the Board of Public Utilities shall be procured in accordance with the City Council-established procurement rules and regulations of the new Purchasing Resolution. The proposed Admin. Manual Resolution will ensure that Professional Services contracts and negotiated contracts awarded and approved by the Board of Public Utilities will be procured in accordance with the City Council-established limits and procedures in the Admin. Manual Resolution.

The existing Purchasing Resolution and Admin. Manual Resolution (the "Resolutions") contain several provisions that are inconsistent with Measures R, S, KK and MM. The proposed Resolutions will eliminate these inconsistencies.

### **FISCAL IMPACT:**

There is no fiscal impact. All procurements will be continue to be made in accordance with City Council approved budgets, with the existing limitations on change orders, and all contracts previously required to be competitively bid will continue to be competitively bid.

### **ALTERNATIVES:**

The Purchasing Resolution and Admin. Manual Resolution changes regarding Public Utilities contracts and public works project contracts are necessary to give effect to the voter-approved Charter changes. However, the Council could elect to delay making the "design-build" changes to the Purchasing Resolution until the design-build ordinance is brought to the Council in several months. The Council could also elect to not make the changes that will subject the Board of Public Utilities' bid and contract awards to the procurement rules and regulations of the Purchasing Resolution. This is not recommended, as the Council-approved rules and regulations are prudent and provide integrity to the procurement process. Also, the Council could elect to keep the City Manager's authority limits for non-Public Utilities' Department contracts at \$25,000, creating a confusing array of procurement rules.

Prepared by:



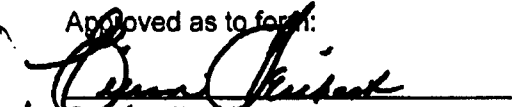
Paul C. Sundeen  
Finance Director

Approved by:



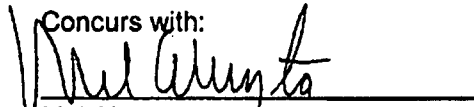
Thomas P. Evans  
Interim City Manager

Approved as to form:



for Gregory P. Pflamos  
City Attorney

Concurs with:



Mel Abeyta  
Purchasing Services Manager

05-0067 O:\CYCOM\WPDOCS\ID006\PO03\00043329.WPD

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERSIDE, CALIFORNIA (1) TO CONFORM THE RULES AND REGULATIONS GOVERNING PROCUREMENTS OF GOODS, SERVICES AND PUBLIC WORKS CONSTRUCTION TO THE VOTER APPROVED MEASURES R, S, KK AND MM; (2) TO INCREASE CITY MANAGER AUTHORITY LIMITS FOR SUCH PROCUREMENTS FOR ALL DEPARTMENTS TO \$50,000 AND (3) TO REPEAL RESOLUTION NO. 20557.

WHEREAS, the City Manager is authorized and directed by Article VI, Section 601(e) of the Charter of the City of Riverside and Chapter 3.16 of the Riverside Municipal Code to prepare and recommend adoption of rules and regulations governing the contracting for and the procuring, purchasing, storing, distributing and disposing of all supplies, materials and equipment required by any office, department or agency of the City government; and

WHEREAS, on October 21, 2003, the City Council adopted Resolution No. 20557 that provides for the rules, regulations and procedures for the procurement of supplies, materials, equipment and non-professional services and the awarding of public works/construction contracts ("Purchasing Resolution"); and

WHEREAS, on November 5, 2002 the voters of the City of Riverside approved Measures R and S, among others, which measures amended the City of Riverside City Charter; and

WHEREAS, Measure R increased the threshold at which formal competitive procurement of public works projects is required from \$25,000 to \$50,000; and

WHEREAS, Measure S increased the threshold at which the Board of Public Utilities must authorize the purchase of equipment, materials, supplies, or any acquisition, construction, improvement, extension, enlargement, diminution, or curtailment of the public utility system from \$25,000 to \$50,000; and

WHEREAS, on November 2, 2004, the voters of the City of Riverside approved Measures KK and MM, among others, which measures amended the City of Riverside City Charter; and

WHEREAS, Measure KK added new Section 1114 to the City Charter which authorized the use of design-build procurement by competitive negotiation for the design and construction of public works projects in accordance with regulations established by City Council ordinance; and

WHEREAS, Measure MM revised Section 1109 of the City Charter to allow the board of

1 public utilities to award bids and execute contracts exceeding \$50,000 for construction, goods or  
2 services for the public utilities, provided such bid awards and contracts are within the limits of the  
3 budget of the department of public utilities, which budget has been approved by the City Council;  
4 and

5 WHEREAS, it is desirable to adopt a new Purchasing Resolution to establish rules and  
6 regulations consistent with Measures R, S, KK and MM, and to authorize the City Manager to  
7 execute all Contracts awarded in accordance with this resolution; and

8 NOW, THEREFORE, IT IS RESOLVED by the City Council of the City of Riverside,  
9 California, as follows:

10 Section 1: That the following rules and regulations are hereby adopted for the  
11 administration of the City's centralized purchasing system:

12  
13 **TITLE: PURCHASING RESOLUTION RULES AND REGULATIONS**

14 **ARTICLE ONE: DEFINITION OF TERMS**

15 SECTION 100. Definitions. The words set forth hereinafter in this Section shall have the  
16 following meanings whenever they appear in these rules and regulations, unless the context in  
17 which they are used clearly requires a different meaning:

18 (a) "Awarding Entity" means the City Council when referencing Procurement for the City  
19 or for any Using Agency of the City except for the Riverside Board of Public Utilities or Riverside  
20 Department of Public Utilities; and means the Riverside Board of Public Utilities when referencing  
21 Procurement for the Riverside Department of Public Utilities in accordance with Section 1202 of  
22 the City Charter.

23 (b) "Bid" means an offer or proposal submitted by a Bidder setting forth the price for the  
24 Goods, Services, or Construction to be provided.

25 (c) "Bidder" means any individual, firm, partnership, corporation, or combination thereof,  
26 submitting a Bid, acting directly or through a duly authorized representative.

27 (d) "Change Order" means a City-issued document used to modify a Purchase Order to add,

1 delete, or revise the quantity, price or scope of Goods, Services, Professional Services or  
2 Construction being provided.

3 (e) "City" means the City of Riverside.

4 (f) "Competitive Procurement" means a process involving the solicitation under the  
5 authority and supervision of the Manager of Formal Bids by Formal Procurement or Informal Bids  
6 by Open Market Procurement (all as hereinafter defined) under procedures and circumstances  
7 intended to foster effective, broad-based competition within the private sector to provide Goods,  
8 Services or Construction to the City.

9 (g) "Construction" means the process of building, altering, repairing, improving or  
10 demolishing any public structure or building, or other public improvements of any kind to any  
11 public real property, and includes the projects described in Section 1109 of the City Charter; it does  
12 not include routine operation, maintenance or repair of existing structures, buildings or real  
13 property by the City's own forces. "Construction" shall also include "public project" as defined in  
14 Section 20161 of the California Public Contract Code.

15 (h) "Contract" means any type of legally recognized agreement to provide Goods,  
16 Services or Construction, no matter what it may be titled or how described, including executed  
17 Purchase Orders, for the Procurement or disposition of Goods, Services or Construction, but does  
18 not include any agreement for collective bargaining, Professional Services or utility extensions,  
19 subdivision improvements or other similar agreements whereby an owner of real property or his or  
20 her authorized representative agrees to construct improvements of a public nature on property to be  
21 dedicated to the City.

22 (i) "Contractor" means any Person (as hereinafter defined) who enters into a Contract  
23 with the City.

24 (j) "Cooperative Purchasing" means a purchasing method whereby the Procurement  
25 requirements of two or more governmental entities are combined in order to obtain the benefit of  
26 volume Procurement or reduction in administrative expenses.

27 (k) "Design-Build" means a process involving contracting with a single entity for both the



1 design and Construction of a public works project pursuant to a competitive negotiation process  
2 established by City Council ordinance from time to time in accordance with Section 1114 of the  
3 City Charter.

4 (l) "Emergency Procurement" means the Procurement of Goods, Services or  
5 Construction without utilizing Competitive Procurement in circumstances set forth in Article Three  
6 hereof as constituting an "emergency".

7 (m) "Formal Bid" means a written Bid which shall be (1) submitted in a sealed envelope, or  
8 electronically, in conformance with a City-prescribed format and procedure, (2) publicly opened,  
9 read and recorded at a City-specified date, time and place, and (3) accepted only by an award made  
10 by the Awarding Entity.

11 (n) "Formal Procurement" means Procurement by written Notice Inviting Bids and  
12 Formal Bid, and includes Procurement of Construction, Goods and Services subject to the bidding  
13 requirements of Section 1109 of the City Charter.

14 (o) "Goods" means supplies, materials, equipment and other things included within the  
15 definition of "Goods" in Section 2105 of the California Uniform Commercial Code.

16 (p) "Informal Bid" means an offer, which may be conveyed to the Manager by  
17 letter, telegram, fax, telephone or other means, to provide for stated prices, Goods, Services or  
18 Construction which are not required to be Procured by Formal Procurement; Informal Bids shall be  
19 solicited only by City personnel who are authorized to do so, and for each instance of Procurement  
20 by Informal Bid, the authorized personnel shall obtain Informal Bids from at least three different  
21 Persons, if practicable.

22 (q) "Life Cycle Cost" means the estimated total cost of Goods, Services or Construction  
23 Procured by the City over the useful life of the Goods, Services or Construction based upon their  
24 initial Procurement price as adjusted by projected operating, maintenance and related ownership  
25 expenses which the City will incur during their useful life.

26 (r) "Lowest Responsible Bidder" means the Responsible Bidder who submits the lowest  
27 responsive Formal Bid or Informal Bid in response to the City's invitation or request therefor.

1 (s) "Manager" means the City's Purchasing Services Manager, who is sometimes  
2 referred to as the Purchasing Agent in the Riverside Municipal Code.

3 (t) "Open Market" means the private sector business marketplace in which private  
4 persons, exercising prudent business practices and judgment, would Procure Goods, Services or  
5 Construction utilizing an Informal Bid procedure instead of Formal Bid.

6 (u) "Open Market Procurement" means Procurement by Request For Quotation and/or  
7 Request for Proposals issued by the Manager and Informal Bid submitted by Persons in the Open  
8 Market.

9 (v) "Person" means any individual, partnership, limited partnership, association,  
10 corporation, labor union, committee, club, governmental entity or other entity recognized by  
11 California law.

12 (w) "Procure" and "Procurement" mean buying, purchasing, renting, leasing or otherwise  
13 acquiring or obtaining Goods, Services or Construction; this also includes all functions and  
14 procedures pertaining thereto.

15 (x) "Professional Services" means advisory, consulting, architectural, information  
16 technology, engineering, financial, legal (including claims adjustment), surveying, research or  
17 developmental and any other services which involve the exercise of professional discretion and  
18 independent judgment based on an advanced or specialized knowledge, expertise or training gained  
19 by formal studies or experience.

20 (y) "Purchase Order" means a City-issued document which authorizes the delivery of  
21 Goods, the rendering of Services or the performance of Construction at a stated price and  
22 encumbers City funds for the payment therefor.

23 (z) "Purchase Requisition" means a written request prepared on the requisite City form  
24 prepared by the Manager, and submitted by a Using Agency to the Manager for Procurement of  
25 specified Goods, Services or Construction.

26 (aa) "Request for Proposals" means a written solicitation issued by a Using Agency which  
27 (1) generally describes the Goods or Services sought to be Procured by the City, (2) sets forth

1 minimum standards and criteria for evaluating proposals submitted in response to it, (3) generally  
2 describes the format and content of proposals to be submitted, (4) provides for negotiation of terms  
3 and conditions of the Procurement Contract and (5) may place emphasis on described factors other  
4 than price to be used in evaluating proposals.

5 (bb) "Request for Quotations" means a written or verbal solicitation issued under the  
6 authority and supervision of the Manager for Informal Bids for described Goods, Services or  
7 Construction which may be Procured by Open Market Procurement.

8 (cc) "Responsible Bidder" means a Bidder who is determined by the Manager or the  
9 Awarding Entity to be responsible based on the following criteria:

10 (1) The Bidder's ability, capacity and skill to perform the Contract, and to provide  
11 post-performance maintenance and repair;

12 (2) The Bidder's facilities and resources;

13 (3) The Bidder's character, integrity, reputation, judgment, experience and efficiency;

14 (4) The Bidder's record of performance of prior Contracts with the City and others; and

15 (5) The Bidder's compliance with laws, regulations, guidelines and orders governing  
16 prior Contracts performed by the Bidder.

17 (dd) "Responsive Bid" means a Formal Bid or Informal Bid submitted in response to a  
18 City-issued Notice Inviting Bids or Request For Quotations which meets and conforms to the  
19 substantive requirements specified by the City without material qualification or exception, as  
20 determined by the City.

21 (ee) "Services" means all services which are described in City specifications or are in the  
22 nature of advertising, cleaning, gardening, insurance, janitorial, leasing of Goods, membership,  
23 postal, printing, security, subscriptions, travel, utilities (electric, gas, telegraph, telephone,  
24 transportation and water), weeding and discing, and the repairing, maintaining or servicing of  
25 Goods, but does not include Professional Services, real property transactions, Construction,  
26 Design-Build, nor employment and collective bargaining Contracts.

27 (ff) "Specifications" means a City-issued or referenced definite, detailed written description

1 of the Goods to be furnished, the Services to be performed or the Construction work to be done and  
2 materials to be used under a Contract with the City, which specifies the composition, Construction,  
3 dimension, durability, efficiency, form, nature, performance characteristics and standards, quality,  
4 shape, texture, type and utility of Goods, Services or Construction sought by the City.

5 (gg) "Surplus Goods" means any Goods having a remaining useful life or salvage value but  
6 which are no longer used, needed for use or retained for potential use by the Using Agency which  
7 has care, custody or control of them.

8 (hh) "Using Agency" means all City departments, institutions, offices, boards,  
9 commissions, divisions, agencies and authorities which derive their support totally or in part from  
10 City funds and for which the Manager is directed to Procure Goods, Services, Professional  
11 Services, Design-Build, or Construction.

## 12 **ARTICLE TWO: COMPETITIVE PROCUREMENT**

13 SECTION 200. Policy. It is hereby determined and declared to be the policy and  
14 requirement of the City that Procurement of Goods, Services and Construction by the City shall,  
15 whenever practicable and advantageous to the City, be based on Competitive Procurement, whether  
16 by Formal Procurement if required, or Open Market Procurement if permitted, except as otherwise  
17 provided in this Resolution or the City Charter. Failure to procure Goods, Services and  
18 Construction in compliance with this Resolution is strictly prohibited.

19 SECTION 201. Exceptions. Competitive Procurement shall not be required in any of the  
20 following circumstances:

21 (a) When an emergency arises and Emergency Procurement is undertaken pursuant to  
22 Article Three hereof;

23 (b) When the Procurement involved is less than \$2,500.00;

24 (c) When the Procurement can only be obtained from a sole source or timely from a  
25 single source and the Manager is satisfied that the best price, terms and conditions for the  
26 Procurement thereof have been negotiated;

27 (d) When the Procurement consists of replacement parts for the City's vehicles, aviation

- 1 units, and other City equipment;
- 2 (e) When, in the opinion of the Manager, there is no price difference between recognized
- 3 manufacturers and suppliers of Goods;
- 4 (f) When Cooperative Purchasing is available and undertaken;
- 5 (g) When Goods or Services can be Procured from a Contractor who offers the same or
- 6 better price, terms and conditions as the Contractor previously offered as the Lowest Responsible
- 7 Bidder under Competitive Procurement or negotiations conducted by the City or another public
- 8 agency, provided that, in the opinion of the Manager, it is in the best interests of the City to do so;
- 9 (h) When the Goods or Services can be obtained through Federal, State and/or other public
- 10 entity pricing contracts or price agreements;
- 11 (i) When the Awarding Entity waives bidding requirements under and according to the
- 12 circumstances set forth in Section 1109 of the City Charter, or when it is in the best interests of the
- 13 City to do so;
- 14 (j) When, in the opinion of the Manager expressed in writing, the City requires Goods,
- 15 Services or Construction, not subject to the bidding requirements of Section 1109 of the City
- 16 Charter, which are of such a nature that suitable technical or performance specifications describing
- 17 them are not readily available and cannot be developed in a timely manner to meet the needs of the
- 18 City, in which case the Manager shall be authorized to negotiate with any Person or Persons for the
- 19 Procurement thereof upon the price, terms and conditions deemed by the Manager to be in the best
- 20 interests of the City, and in so doing may utilize the Open Market Procurement process;
- 21 (k) When the Procurement is for books, journals, maps, publications and other supplies
- 22 peculiar to the needs of the library which are subject to the provisions of Section 710 (d) of the City
- 23 Charter;
- 24 (l) When the Procurement is for wholesale energy, energy ancillary services, energy
- 25 transmission, wholesale water commodity, and water transmission purchases by or on behalf of the
- 26 City's Public Utilities Department; or
- 27 (m) When the Procurement is for the Design-Build of public works projects pursuant to

1 Section 1114 of the City Charter.

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### ARTICLE THREE: EMERGENCY PROCUREMENT

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SECTION 300. Policy. While the need for Emergency Procurement is recognized, the practice shall be curtailed as much as possible by anticipating needs so that normal Competitive Procurement may be used.

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SECTION 301. Conditions. An "emergency" shall be deemed to exist under any one or more of the following circumstances:

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- (a) A great public calamity;
  - (b) An immediate need to prepare for national or local defense;
  - (c) A breakdown in machinery or essential service which requires the immediate Procurement of Goods, Services or Construction to protect the public health, welfare, safety or property;
  - (d) A Using Agency operation directly affecting the public health, welfare or safety or the protection of public property, is so severely impacted by any cause that personal injury or property destruction appears to be imminent and probable unless Goods, Services or Construction designed or intended to mitigate the risks thereof are Procured immediately; or
  - (e) A Using Agency is involved in a City project which is of such a nature that the need for particular Goods, Services or Construction can only be ascertained as the project progresses and, when ascertained, must be satisfied immediately for the preservation of public health, welfare, safety or property.
- SECTION 302. Authorization. Emergency Procurement may be initiated by the head of a Using Agency or his or her duly authorized representative (the "individual") only as follows:
- (a) During normal City business hours, the individual shall contact the Manager and explain to the Manager's satisfaction the reasons and justification for Emergency Procurement. If the nature of the emergency is such that Goods, Services or Construction must be Procured immediately and the Manager is satisfied with the explanation of reasons and justifications given

1 therefor, the Manager shall authorize the Procurement and cause an emergency Purchase Order to  
2 be issued as soon as possible and in no event later than the following business day. A Purchase  
3 Requisition confirming the Procurement must be prepared by the individual and submitted to the  
4 Manager no later than the following business day.

5 (b) After normal City business hours, the individual shall exercise his or her best  
6 judgment in ascertaining whether the actual circumstances necessitate Emergency Procurement,  
7 and if deemed necessary shall order it. As soon as possible and in no event later than the following  
8 business day, the individual shall prepare a Purchase Requisition confirming the Emergency  
9 Procurement and deliver it to the Manager, who shall then cause an emergency Purchase Order  
10 therefor to be prepared. The word "confirmation" shall be clearly imprinted on all Purchase  
11 Requisitions and Purchase Orders issued in confirmation of Emergency Procurement.

#### 12 **ARTICLE FOUR: PURCHASE REQUISITION PROCEDURES**

13 **SECTION 400. Purpose.** The purpose of the Purchase Requisition is to inform the  
14 Manager, in clear and explicit terms, of the needs of the Using Agencies, thus enabling the  
15 Manager to Procure all Goods, Services and Construction required by the City. Except as otherwise  
16 provided in this Resolution, each Using Agency shall prepare a Purchase Requisition and submit it  
17 to the Manager before attempting to obtain any Goods, Services or Construction. No Purchase  
18 Requisition shall be broken into smaller units to evade any requirement of this Resolution, except  
19 that unrelated items requisitioned by Using Agencies may be separated to provide different lists to  
20 vendors dealing in different types of Goods.

21 **SECTION 401. Who May Requisition.** All Purchase Requisitions shall be completed and  
22 shall be signed by the head or duly authorized representative of the Using Agency making  
23 the requisition. At such times and in such manner as shall be prescribed by the Manager, the head  
24 of each Using Agency shall file with the City Finance Director a written designation of each person  
25 who is authorized to sign Purchase Requisitions on behalf of the Using Agency or any division or  
26 section thereof.

27 **SECTION 402. When to Requisition.** Purchase Requisitions shall be prepared and

1 approval:

- 2 a) \$10,000 for Contracts and/or Purchase Orders greater than \$50,000 and up to \$100,000;  
3 b) 10% of the original contract price for Contracts and/or Purchase Orders exceeding  
4 \$100,000 and up to \$1 Million;  
5 c) \$100,000 plus one percent of the original Contract or Purchase Order amount for  
6 Contracts and/or Purchase Orders in excess of \$1 Million;  
7 d) \$150,000; and  
8 e) any Change Order which causes the contract price to exceed \$50,000, if the Contract  
9 and/or Purchase Order was not previously approved by the Awarding Entity.

10 The Manager, or his designees, shall be authorized to issue and execute Change Orders in  
11 accordance with policies and procedures established by the City Manager from time to time, that  
12 are consistent with this Resolution. For purposes of this Section the term Contract also includes  
13 Professional Services.

14 SECTION 406. Bidders' Lists. The Manager shall maintain public lists of prospective  
15 bidders for each class of Goods, Services or Construction for which Competitive Procurement is  
16 required. These lists shall set forth the names and addresses of prospective sources of Goods or  
17 Services and shall include the manufacturer of the Goods or the provider of the Services in all  
18 instances in which the manufacturer or provider follows the practice of direct bidding in addition to  
19 or in lieu of bidding through a local wholesaler, distributor or representative. The Manager shall  
20 keep the bidders' lists current by periodically striking therefrom the names of prospective Bidders  
21 who have failed to respond to recent bid requests.

22 **ARTICLE FIVE: PREFERENCES**

23 SECTION 500. Policy. In the Manager's administration of Competitive Procurement  
24 pursuant to this Resolution, the Manager shall be authorized to give such preferences for Goods,  
25 Services or Construction as chartered cities are required to give by applicable state or federal law,  
26 or such preferences as are permitted by such law and specifically provided for from time to time by  
27 City Council resolution or ordinance.



1       SECTION 501. Local Preference. In the Procurement of Goods for the City's requirements,  
2 preference shall be given to those vendors who have a local presence in the City of Riverside,  
3 provided that price, quality, terms, delivery and service reputation are determined to be equal by  
4 the Manager under the criteria set forth in Section 706 hereof. To qualify as a local vendor, the  
5 Bidder must certify to the following at the time of Bid submission:

6       (a) it has fixed facilities with employees located within the City limits;

7       (b) it has a business street address (Post Office box or residential address shall not suffice to  
8 establish a local presence);

9       (c) all sales tax returns for the Goods purchased must be reported to the State through a  
10 business within the geographic boundaries of the City and the City will receive one percent  
11 (1%) or such percentage of sales tax of Goods purchased as is allocable to the City from  
12 time to time under then existing state law; and

13       (d) it has a City business license.

14       False certifications shall be immediate grounds for rejection of any Bid or if the Bid is  
15 awarded, grounds for voiding the Bid, terminating any Contract, and seeking damages thereto.

16       SECTION 502. Recycled Goods. In the Procurement of Goods for the City's requirements,  
17 preference shall be given, as the City Council from time to time hereafter directs by resolution or  
18 ordinance, to recycled Goods as defined and provided for in such state legislation as the State  
19 Assistance for Recycling (STAR) Markets Act of 1989 (commencing at Section 12150 of the  
20 California Public Contract Code) and the California Integrated Waste Management Act of 1989  
21 (commencing at Section 40000 of the California Public Resources Code).

## 22                   **ARTICLE SIX: OPEN MARKET PROCUREMENT**

23       SECTION 600. Policy. Although less formal, procedurally, than Formal Procurement, Open  
24 Market Procurement shall nonetheless be conducted by the Manager and the Manager's duly  
25 authorized representatives in a manner and under circumstances intended to elicit competitive  
26 Informal Bids in response thereto.

27       SECTION 601. General Limitations On Open Market Procurement. Open Market

1 submitted far enough in advance of the date that the Goods, Services or Construction will be  
2 needed to enable the Manager to implement the necessary Competitive Procurement therefor. The  
3 Manager shall attempt to secure the best price and earliest delivery practicable, consistent with the  
4 requirements of the Purchase Requisitions.

5 SECTION 403. Specifications. Specifications shall be required in every instance of Formal  
6 Procurement and in those instances of Open Market Procurement where practicable and deemed by  
7 the Manager, in the exercise of prudent procurement judgment, to be in the City's best interests.  
8 The Manager shall be responsible for the review of all Specifications which shall be prepared and  
9 submitted by the requisitioning Using Agency.

10 SECTION 404. Purchase Order and Encumbrance of Funds. Procurement of Goods,  
11 Services and Construction shall be made only by Purchase Order, except that alternate forms and  
12 procedures may be specified by the Manager for the Procurement of Services or Construction, and  
13 no Purchase Orders shall be required for petty cash purchases less than an amount recommended  
14 from time to time by the Finance Director and approved by the City Manager. Except in cases of  
15 Emergency Procurement, no Purchase Order shall be issued unless there exists an unencumbered  
16 appropriation in the fund account against which the Procurement is to be charged. Except for  
17 Emergency Procurement, no Goods or Services shall be ordered, obtained or received without  
18 authorization by the Manager, which authorization shall be in the form of an executed or  
19 confirming Purchase Order. The Manager, or his designees, shall be authorized to issue and  
20 execute Purchase Orders in accordance with policies and procedures established by the City  
21 Manager from time to time, that are consistent with this Resolution.

22 SECTION 405. Change Orders. Modifications to a Purchase Order shall be made only by  
23 Change Order. Change Orders may be utilized for purposes of (1) adding and/or deleting quantity  
24 of items being procured, (2) modifying unit prices, (3) modifying scope of work/services being  
25 provided, (4) changing funding source(s), (5) modifying contract completion time, or (6) any other  
26 change approved by the Manager. Unless otherwise specifically authorized by the Awarding  
27 Entity, Change Orders which cumulatively exceed the following will require Awarding Entity

1 Procurement may be conducted under the supervision of the Manager if the Procurement  
2 expenditure is estimated to be less than Fifty Thousand Dollars (\$50,000.00) and does not involve  
3 the Procurement of Construction or Goods of the type required by Section 1109 of the City Charter  
4 to be acquired by Formal Procurement. The Manager shall maintain and keep records of all Open  
5 Market Procurements, including Informal Bids received, in accordance with the applicable City's  
6 Record Retention Schedule adopted by the City Council from time to time, and those records shall  
7 be open to public inspection upon request during normal City business hours.

8       SECTION 602. Utilities Exception. The following supplies, equipment, and materials are  
9 determined to be peculiar to the needs of the City's Public Utilities Department and may, if it  
10 appears to the Manager to be in the best interest of overall economy and efficiency of the City to do  
11 so and is within existing budget authorization, be acquired by Open Market Procurement, or  
12 negotiations, regardless of their estimated Procurement expenditure amounts, provided that the  
13 City's Board of Public Utilities shall have approved the proposed acquisition if required under the  
14 provisions of Section 1202 of the City Charter:

15       Bus and Bus Support  
16       Capacitors  
17       Chemicals  
18       Conduit and Duct  
19       Connectors  
20       Electric Motor Controls  
21       Electrical Motors, Panels and Repairs  
22       Electrical Line Devices  
23       Fiber Optics Equipment and Materials  
24       Fittings, Electrical and Water  
25       Fire Hydrants  
26       Insulators  
27       Luminaires  
      Meter and Metering Devices  
      Pipe and Pipe Fittings  
      Pole Line Hardware  
      Poles, Utility  
      Power Generation Materials and Equipment  
      Pumps and Repairs  
      Regulators  
      Relaying and Protective Devices  
      Road and Backfill Materials  
      SCADA Equipment  
      Substation Supervisory Equipment  
      Switches and Switchgear  
      Transformers Treatment Equipment

1     Tubing, Copper and Plastic  
2     Valves and Operators  
3     Vaults and Accessories  
4     Wire and Cable

5     Well Equipment and incidental labor to install, which labor shall not exceed the amount set  
6     by state law for which bids are required for public works projects of a general law city  
7     Such other supplies and materials peculiar to the needs of the Public Utilities Department  
8     which are carried as inventory items in Central Stores stock

9     SECTION 603. Request for Quotations. The Manager shall solicit Informal Bids by  
10    means of a written or verbal Request For Quotations, accompanied by City specifications if  
11    deemed necessary by the Manager.

12    SECTION 604. Rejections and Awards. The Manager may reject any and all Informal  
13    Bids submitted in response to a Request for Quotations and otherwise shall award all Open Market  
14    Procurement, insofar as practicable, to the Lowest Responsible Bidder. The Manager shall be  
15    authorized to administer Contracts for Goods and Services awarded by Open Market Procurement.

16    SECTION 605. Contract Bonds. The provisions of Section 708 shall also apply to all  
17    Contracts for Goods, Services or Construction awarded under Open Market Procurement.

#### 18     ARTICLE SEVEN: FORMAL PROCUREMENT

19    SECTION 700. When Required. Except in those Procurement situations described in  
20    Sections 201 and 602 hereof, Formal Procurement shall be required for all estimated Procurement  
21    expenditures of Fifty Thousand Dollars (\$50,000.00) or more.

22    SECTION 701. Soliciting Formal Bids. A Notice Inviting Bids shall be published at least  
23    once in a newspaper of general circulation in the City, the first publication of which shall be at least  
24    ten days before the time and date set by the Manager for opening the Formal Bids received. The  
25    notice shall include a general description of the Goods, Services or Construction sought to be  
26    Procured by the City, shall state where Specifications therefor may be obtained and shall set forth  
27    the time and place for a public opening of Formal Bids received timely. The Manager shall, in  
28    addition and as practicable, solicit Formal Bids from a sufficient number of responsible prospective  
29    bidders whose names appear on the bidders' lists maintained pursuant to Section 406 hereof by  
30    causing to be sent to them a copy of the newspaper notice or such other notice as will acquaint  
31    them with the Procurement items sought by the City. The words "Bid" and "Bids" as hereinafter set

1 forth within this Article shall mean Formal Bid and Formal Bids, respectively.  
2

3       SECTION 702. Submittal of Bids and Bid Securities. Bids and bid securities, which  
4 security shall guarantee the Bid and be forfeited to the City if the Bidder is awarded the Contract  
5 but fails or refuses to honor the Bid and execute the Contract documents timely, shall be submitted  
6 to the City in the following manner:

7       (a) For Formal Procurement subject to Section 1109 of the City Charter, the Bids shall be  
8 (I) made on forms provided by the City, (ii) accompanied by the type and amount of Bid security  
9 prescribed by Section 1109, (iii) sealed as prescribed in the notice inviting Bids or the  
10 specifications referenced in the notice, and (iv) submitted to the City's Purchasing Division within  
11 the time and in the manner specified by the notice or Specifications.

12       (b) For Formal Procurement not subject to Section 1109 of the City Charter, the Bid shall  
13 be made on the forms provided by the City, accompanied by the type and amount of Bid security  
14 specified, sealed, and submitted to the Purchasing Division within the time and manner specified in  
15 the notice inviting Bids or the Specifications referenced in the notice.

16       SECTION 703. Opening of Bids. The Bids shall be opened and referenced as to Bidder  
17 identity and amounts Bid in public at the time and place specified in the published notice, and no  
18 Bid shall be received or recognized by the Purchasing Division which has not been delivered prior  
19 to the time so specified. If, upon the opening of Bids to provide Goods or Services not subject to  
20 the provisions of Section 1109 of the City Charter, the Manager determines that the actual  
21 expenditure therefor would appear to be less than Fifty Thousand Dollars (\$50,000.00), the  
22 Manager may convert the Formal Procurement to Open Market Procurement procedures for award  
23 of a Contract.

24       SECTION 704. Tabulation and Inspection of Bids. After the Bids have been opened and  
25 referenced, the Manager shall cause them to be tabulated. Upon completion and verification of  
26 the tabulation of the Bids, they shall be subject to inspection as public records.

27       SECTION 705. Rejection of Bids. The Awarding Entity may in its discretion reject any and

1 all Bids, or any segregable portions thereof, for any one or more types of Goods, Services or  
2 Construction included in the Specifications when the public interest is served thereby. The  
3 Awarding Entity may also take any other action permitted by Section 1109 of the City Charter.

4 SECTION 706. Awards. Formal Procurement Contracts shall be awarded by the Awarding  
5 Entity to the Lowest Responsible Bidder, except that:

6 (a) A Contract for Goods may be awarded to a local Responsible Bidder who is not the  
7 Lowest Responsible Bidder but who has certified that it is a local vendor pursuant to Section 501  
8 hereof and who is subject to taxation under the City's "Uniform Local Sales and Use Tax  
9 Ordinance" (Chapter 3.08 of the City Municipal Code) if the Bid difference amount between the  
10 local Responsible Bidder and the Lowest Responsible Bidder does not exceed five percent (5%) of  
11 the lowest responsible Bid;

12 (b) A Contract for Goods or Services which will require quantifiable commitments of City  
13 personnel and other resources for the satisfactory completion thereof may be awarded to the  
14 Responsible Bidder whose Responsive Bid becomes the lowest evaluated when the City's costs of  
15 commitment are calculated in connection with each of the Bids submitted and added thereto; and

16 (c) A Contract for Goods, Services or Construction may be awarded to a Responsible  
17 Bidder whose Responsive Bid is adjudged to be lowest Responsive Bid under Life Cycle Cost  
18 analysis.

19 The Awarding Entity may waive irregularities or informalities in any Bid if the public  
20 interest is served thereby. In the event a tie occurs among Responsible Bidders submitting the  
21 lowest Responsive Bid, the Awarding Entity may award the Contract to any one of the tie Bidders  
22 either based upon proximity to the City, reputation or any other factor or upon a drawing by lot at  
23 the time and place determined by the Manager.

24 SECTION 707. Approval of Contracts. All Formal Procurement Contracts shall be  
25 approved as to form by the City Attorney.

26 SECTION 708. Contract Bonds. Contract bonds executed by good and sufficient  
27 sureties authorized to conduct surety business in the State of California and in such amounts as are

1 required by law or deemed adequate to insure the faithful performance of a Contract in the time and  
2 manner prescribed therein shall be required of the successful Bidder in all instances where they are  
3 required by law and in other instances as determined by the Manager. Contract bonds requirements  
4 shall be set out in the notice inviting bids or the specifications. "Contract bonds" means  
5 performance bonds (or functional equivalent such as supply bonds) to guarantee the Contractor's  
6 faithful performance of the awarded Contract in the time, manner and workmanship specified and  
7 payment bonds to guarantee the Contractor's payment of claims as prescribed in Section 3247 et  
8 seq. of the California Civil Code.

9       SECTION 709. Assignment of Contract. Formal Procurement contracts shall not be  
10 assigned by the Contractor without the written consent of the City Manager. In no event shall a  
11 Contract or any part thereof be assigned to a Bidder who was declared not to be a Responsible  
12 Bidder during consideration of the Bids submitted in response to advertisement for that particular  
13 Procurement.

#### 14                               **ARTICLE EIGHT: RECEIVING GOODS**

15       SECTION 800. Receiving Report. The Manager shall designate a receiving report form on  
16 which the City employee receiving deliveries of Goods or Services shall immediately verify by  
17 actual count the items delivered. The completed receiving report shall be processed in accordance  
18 with procedures established by the Manager in order to assure prompt payment for Goods and  
19 Services received and allow the City to take advantage of the best terms offered by the Contractors.

20       SECTION 801. Claims. The Manager shall supervise the prosecution of all claims for  
21 shortages, breakages or non-conformance of Goods against the Contractor providing them and, if  
22 necessary, the shipper or carrier of the Goods.

23       SECTION 802. Inspection and Tests. At such time and manner as the Manager determines  
24 in the exercise of professional judgment, the Manager shall conduct or cause to be conducted such  
25 physical, chemical or other tests as may be necessary to insure the conformity of Goods or Services  
26 delivered or proposed to be delivered to the City to specifications with respect to quality and  
27 durability. The Manager shall, in any instance in which the Manager deems it prudent, order that

1 no Goods or Services be received or accepted prior to such testing and, in such instance, the City  
2 employee designated to receive the Goods or Services shall notify the Manager personally of any  
3 deliveries attempted without such testing.

#### 4 **ARTICLE NINE: DISPOSITION OF SURPLUS GOODS**

5 **SECTION 900. Reporting.** Each Using Agency shall submit to the Manager, at such times  
6 and in such form as the Manager prescribes, reports describing all Goods held by the Using Agency  
7 which the Using Agency has determined to be Surplus Goods. At such time that a periodic physical  
8 inventory of the Goods held by any Using Agency is required by the Finance Director, the Using  
9 Agency shall segregate all of its surplus Goods and a report thereof shall be furnished to the  
10 Manager by the Finance Director for the transfer or disposition of such Goods.

11 **SECTION 901. Custody of Surplus Goods.** Each Using Agency shall retain custody of its  
12 surplus Goods in such manner and at such place as the Manager shall direct, until their transfer or  
13 final disposition has been made. No Using Agency shall in any event permit any surplus Goods  
14 held by it to be loaned or donated without City Council approval, or destroyed or otherwise  
15 removed from the City's custody without the prior written approval of the Manager.

16 **SECTION 902. Transfer.** Before disposing of surplus Goods, including unclaimed property  
17 delivered to the Manager by the Police Department, the Manager shall first canvass all other Using  
18 Agencies to assure that the surplus Goods cannot be used by another Using Agency. If another  
19 Using Agency expresses a desire to use the Goods or hold them for potential future use, the  
20 Manager shall assist in transferring the Goods to that Using Agency.

21 **SECTION 903. Disposition.** The Manager is hereby authorized to dispose of City surplus  
22 Goods and Police Unclaimed Property which are not used or needed by any Using Agency or  
23 which have become unsuitable for City use. The Manager may dispose of such Goods and Property  
24 by any of the following procedures:

- 25 (a) They may be exchanged or traded in on new Goods;  
26 (b) They may be sold utilizing competitive procedures similar to those prescribed herein  
27 for Formal Procurement or Open Market Procurement;



1 (c) They may be sold at public auction conducted by the Manager or a professional  
2 auctioneer which the Manager is hereby authorized to retain on the basis of a negotiated flat fee,  
3 hourly fee or percentage of the amount of the sale, whichever is determined by the Manager to be  
4 in the best interests of the City;

5 (d) They may be sold utilizing a negotiation process when the Manager deems in  
6 writing that such process is in the best interests of the City;

7 (e) They may be disposed of as scrap or destroyed if they have no resale value; or

8 (f) In accordance with State law, City's Municipal Code, and City's Administrative Manual  
9 policies and procedures.

10 SECTION 904. Library Books. Notwithstanding anything to the contrary in this  
11 Resolution, books and other items which are subject to Section 701(d) of the City Charter and  
12 which the Library Department has determined to discard may be disposed of in accordance with  
13 policies as are adopted from time to time by the Board of Library Trustees and approved by the  
14 City Council.

15 SECTION 905. Contributions to Other Agencies. Nothing contained in this Resolution  
16 shall affect the power and authority of the City Council to make contributions of funds, Goods,  
17 Services or Construction to other agencies.

18 Section 2: That the City Manager or his/her designee is authorized to execute all Contracts  
19 awarded in accordance with this Resolution.

20 Section 3: That City Council Resolution No. 20557 is hereby repealed.

21 ADOPTED by the City Council and signed by the Mayor and attested by the City Clerk  
22 this day of

23  
24 \_\_\_\_\_  
Mayor of the City of Riverside

25 Attest:

26  
27 \_\_\_\_\_  
City Clerk of the City of Riverside

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I, Colleen J. Nicol, City Clerk of the City of Riverside, California, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a meeting of the City Council of said City at its meeting held on the       day of       , 2005, by the following vote, to wit:

Ayes:

Noes:

Absent:

IN WITNESS WHEREOF I have hereunto set my hand and affixed the official seal of the City of Riverside, California, this day of

\_\_\_\_\_  
City Clerk of the City of Riverside

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05/09/05

1 RESOLUTION NO.

2 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERSIDE,  
3 CALIFORNIA, (1) ADOPTING ADMINISTRATIVE MANUAL PROFESSIONAL  
4 CONSULTANT SERVICES SELECTION PROCEDURES AND CITY  
5 MANAGER AUTHORITY LIMITS OF \$50,000 (A) IN ACCORDANCE WITH  
6 VOTER-APPROVED MEASURE MM FOR PUBLIC UTILITIES DEPARTMENT  
AND (B) FOR OTHER DEPARTMENTS AT SAME LEVELS AS PUBLIC  
UTILITIES DEPARTMENT; (2) SETTING MONETARY LIMITS OF CITY  
MANAGER AUTHORITY OF \$50,000 FOR NEGOTIATED CONTRACTS; AND  
(3) REPEALING RESOLUTION NO. 18277.

7 WHEREAS, under the provisions of Section 419 of the City Charter of the City of  
8 Riverside, the City Council may authorize the City Manager or other designated officers to bind the  
9 City to contracts for, among other things, services to be rendered to the City included within the  
10 budget approved the City Council, and may impose monetary limits upon such authority; and

11 WHEREAS, by Resolution No. 20557 adopted October 21, 2003, the City Council  
12 established procedures and monetary limits of City Manager authority of \$25,000 to procure goods,  
13 public works construction work and non-professional services; and

14 WHEREAS, on July 6, 1993, the City Council adopted Resolution No. 18277 establishing  
15 the procedures and monetary limits of City Manager authority of \$25,000 for obtaining professional  
16 services for the City pursuant to Administrative Manual Sections II-4 and II-5; and

17 WHEREAS, on November 2, 2004, the voters of the City of Riverside approved Measure  
18 MM, among others, which measure amended the City of Riverside City Charter; and

19 WHEREAS, Measure MM revised Section 1109 of the City Charter to allow the Board of  
20 Public Utilities to award bids and execute contracts exceeding \$50,000 for construction, goods or  
21 services for the public utilities, provided such bid awards and contracts are within the limits of the  
22 budget of the department of public utilities, which budget has been approved by the City Council;  
23 and

24 WHEREAS, it is desirable to adopt a resolution establishing rules and regulations for  
25 obtaining professional services and negotiated contracts for the Department of Public Utilities  
26 consistent with Measure MM, for establishing monetary limits of City Manager authority similar to  
27 Measure MM's \$50,000 limits for such contracts for all City departments, and to authorize the City

1 Manager to execute all contracts awarded or authorized in accordance with this resolution; and  
2 NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Riverside  
3 California:

4 Section 1: That the procedures and monetary limits of authority for obtaining professional  
5 services, for the City of Riverside and for the Department of Public Utilities, set forth in  
6 Administrative Manual Sections 2.004.000 and 2.005.000, attached hereto as Exhibit "A" and  
7 incorporated herein by this reference, are hereby adopted.

8 Section 2: That the monetary limits of authority to enter into contracts negotiated under and  
9 in compliance with the provisions of Administrative Manual Section 8.014 are hereby set at \$50,000  
10 for the City Manager and \$10,000 for Department Heads.

11 Section 3: That Resolution No. 18277 is repealed.

12 ADOPTED by the City Council and signed by the Mayor and attested by the City Clerk this  
13 day of

14 \_\_\_\_\_  
Mayor of the City of Riverside

15 Attest:

16 \_\_\_\_\_  
City Clerk of the City of Riverside

17 I, Colleen J. Nicol, City Clerk of the City of Riverside, California, hereby certify that the  
18 foregoing resolution was duly and regularly introduced and adopted at a meeting of the City Council  
19 of said City at its meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, by the following vote, to wit:

20 Ayes:

21 Noes:

22 Absent:

23 IN WITNESS WHEREOF I have hereunto set my hand and affixed the official seal of the  
24 City of Riverside, California, this \_\_\_\_\_ day of \_\_\_\_\_

25 \_\_\_\_\_  
26 City Clerk of the City of Riverside  
27

**EXHIBIT "A"**

Administrative Manual Section 2.004.000

and

Administrative Manual Section 2.005.000

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City of Riverside



## Administrative Manual

Effective Date:	06/2005	Approved:	
Review Date:	06/2008		
Prepared by:	City Manager		Department
			City Manager

### SUBJECT:

**Contracting for Professional Services when fees are in excess of \$50,000.**

### PURPOSE:

To establish procedures for obtaining professional services when the expected fees are in excess of \$50,000.

### POLICY:

Professional Services include architectural, engineering, planning, financial and other consulting services such as advisory, information technology, surveying, research and/or developmental services, which involve the exercise of professional discretion and independent judgment based on an advanced or specialized knowledge, expertise or training gained by formal studies or experience.

This policy shall not be construed as pertaining to the retention of outside legal counsel or the retention of bond counsel pursuant to the City Charter.

Professional services shall be retained on the basis of:

- A firm's demonstrated competence;
- Professional qualifications;
- Fair and reasonable prices; and
- Ability to meet City's time schedule(s) for the project.

PROCEDURE:		
Responsibility		Action
Originating Department	1.	Determines the need for professional services as approved by the City Council in the budget or arranges for required funds.
	2.	Obtains current files from Purchasing on qualified consultants in appropriate categories and specialties. As part of the consultant selection process, each department may determine a logical time period to submit Request for Qualifications for pre-qualification of consultant firms as a means of maintaining current files with Purchasing on qualified consultants.
	3.	Coordinates with other City departments that will be affected by the planned project as follows: <ul style="list-style-type: none"> <li>a. Capital improvement projects (except those for Public Utilities): Representatives from originating department, Public Works, Park &amp; Recreation or Administrative Services Department, Real Property Services Division, Legal Department and City Manager's Office, and any other directly affected departments.</li> <li>b. Public Utilities Capital Improvements: Representatives from Public Utilities Department, Real Property Services Division, Legal Department, and City Manager's office.</li> </ul>
	4.	Prepares and submits a memorandum to the City Manager requesting approval to issue a Request for Proposal, or waiver of selection process. Memorandum should include a detailed project description, cost estimates for services required, and a progress and coordination schedule. <p>The consultant selection process may be waived by the City Manager under the following circumstances:</p> <ul style="list-style-type: none"> <li>a. In cases of emergency or immediate need for services;</li> <li>b. The services required are so special and unique as to be provided by only one qualified consultant; or</li> <li>c. The City Manager determines waiver is in the best interest of the City.</li> </ul>

PROCEDURE:		
Responsibility		Action
City Manager	5.	<p>Reviews memorandum and determines if waiver of selection process is appropriate (Step #14), or if the issuance of a Request for Proposal is necessary.</p> <p>a. If request for waiver of selection process is approved, City Manager authorizes Originating Department to proceed with obtaining proposal from selected consultant (Step #13).</p> <p>b. If a Request for Proposal is necessary, City Manager determines if a City Council member, or for Public Utilities' projects, if a Board member, should serve on consultant selection committee (Step #6).</p>
	6.	<p>Reviews memorandum and determines if project will have significant effect on the City requiring a City Council member or RPU Board member to serve on a consultant selection committee.</p> <p>a. If project is determined to have a significant effect on the City, City Manager notifies Originating Department and requests that City Council or RPU Board agenda report be prepared and submitted to City Council or RPU Board for review <u>for the option</u> of selecting a representative to serve on a consultant selection committee (Step #7).</p> <p>b. If project is <u>not</u> considered to have a significant effect on the City, City Manager returns memorandum to Originating Department with approval to proceed with consultant selection process (Step #8).</p>
City Council/RPU Board	7.	<p>Takes appropriate action and determines, <u>at its option</u>, if Council member(s) or RPU Board member(s) shall serve on a Consultant Selection Committee.</p>
Originating Department	8.	<p>Establishes a Consultant Selection Committee, if necessary. Consultant Selection Committee shall consist of at least three qualified members to be selected from the Originating Department, other City departments the project may impact, members of relevant boards and commissions, or the City Council if the City Council has designated a representative to serve on the Consultant Selection Committee. Originating Department Head shall designate a consultant Selection Committee chairman.</p> <p>If no Selection Committee is necessary, Originating Department shall perform duties otherwise assigned to the Selection Committee.</p>



PROCEDURE:		
Responsibility		Action
	9.	Prepares and, following City Attorney review and approval thereof, submits to a minimum of three (3) consultant firms a Request for Proposal (RFP) with detailed project description, a draft contract, other required documents and appropriate consultant questionnaire. Request for Proposal should include all necessary information that must be included in each consultant's proposal and should define the scope of the work to be done with sufficient detail that the consultant can submit estimated fee data for budgetary purposes and review.
	10.	Reviews the proposals submitted by the prospective consultants to conduct pre-screening and pre-qualification based on the following factors: demonstrated competence and qualifications for the types of services to be performed at fair and reasonable prices; record of the firm in accomplishing work on other projects in required time; quality of work previously performed by the firm for the City; and recent experience showing accuracy of cost estimates. Selects and invites a reasonable number of firms to appear before the selection committee at a specified time and place for formal presentations and discussions of their proposals.
Selection Committee or Originating Department	11.	Interviews the prospective consultants and makes the final selection as to the consultant firm based on demonstrated competence and qualifications for the types of services to be performed at fair and reasonable prices; record of the firm in accomplishing work on other projects in required time; quality of work previously performed by the firm for the City; and recent experience showing accuracy of cost estimates. Fees may be discussed in the interview to confirm the accuracy of the estimated fee, explore the cost of optimal services, or suggestions by the consultant on ways to reduce costs.
	12.	Ranks the other firms interviewed in the event a contract cannot be negotiated with the selected firm.
	13.	Notifies selected firm and requests selected firm to submit a written scope of work and a firm fee proposal covering the requirements for the work to be performed by the consultant.
	14.	Reviews scope of work and fee proposal.
Originating Department	15.	<p>Negotiates a fee that is within the funds available for this project.</p> <ol style="list-style-type: none"> <li>If, after reasonable effort, a contract cannot be negotiated with suitable terms, the negotiations with the designated consultant shall be terminated in writing and negotiations shall be started with the consultant rated number 2.</li> <li>In no case shall renegotiation be entered into with the first consultant firm after negotiations have started with firm rated number 2.</li> </ol>

PROCEDURE:		
Responsibility		Action
	16.	Prepares and forwards draft contract to City Attorney for review.
City Attorney	17.	Reviews the draft contract.
	18.	Returns the draft contract to the Originating Department for preparation of final form.
Originating Department	19.	Determines if selected firm is required to file conflict of interest forms, and notifies City Clerk.
City Clerk	20.	Sends conflict of interest forms to selected firm, if necessary.
Originating Department	21.	Sends contract to consultant for execution.
	22.	Prepares a City Council or RPU Board agenda report regarding the selection of the consultant firm, the scope of work to be performed, and the fee proposal, and submits it to the City Manager, City Attorney and Finance Director for approval. If the waiver of consultant selection process was approved by the City Manager, agenda report <u>must</u> include a statement addressing the waiver and justification therefore. If a board, commission or committee is involved, submits the report to that board, commission or committee through the appropriate department director for approval prior to sending it to the City Manager. If Public Utilities Department is the Originating Department and funds for the consultant agreement were not included in the City Council approved budget, then City Council approval is required in addition to RPU Board approval.
	23.	Upon receipt of the executed contract, submits to City Attorney for approval as to form.
	24.	Upon receipt of the required insurance documents, submits to Risk Manager for approval as to form.
City Attorney	25.	Approves contract as to form and forwards to City Clerk
Risk Manager	26.	Approves required insurance documents as to form and forwards to City Clerk.
City Manager	27.	Submits report to the City Council, or if Public Utilities is the Originating Department submits report to RPU Board and if required under #22 to City Council.
City Council/RPU Board	28.	Takes appropriate action.
	29.	When approved, authorizes execution of the contract with the selected firm.

Number: 02.004.00

PROCEDURE:		
Responsibility		Action
Originating Department	30.	Notifies selected firm of City Council or RPU Board approval. Sends letter with selection decision to firms interviewed, but not selected.
City Clerk	31.	Ensures that the contract and certificates of insurance have been approved as to form and that originals are on file in the City Clerk's Office.
City Manager and City Clerk	32.	Executes and attests contract based on City Council or RPU Board approval.
City Clerk	33.	Processes approved documents. Notifies Originating Department, City Attorney, Purchasing, Risk Management and Finance Administration of contract execution indicating that scanned contract will be available online within 24 hours.
	34.	Establishes "tickler file" for expiration dates for insurance and contract.
Originating Department	35.	Prepares Purchase Requisition in duplicate, with description of work to be performed, or service to be provided. States date approved by City Council or RPU Board on the Requisition.
	36.	Forwards original copy of Purchase Requisition to Purchasing Division with copy of City Council agenda report and retains the duplicate copy in Originating Department files.
Purchasing	37.	Upon receipt of properly prepared Purchase Requisition and verification of approval level(s), prepares Purchase Order to encumber necessary funds.
	38.	After notification by City Clerk that contract documents have been executed, releases Purchase Order for processing.
Originating Department	39.	Upon completion of the work by the consultant, notifies City Clerk so the firm can be removed from "tickler file".
	40.	Prepares a one page summary evaluation of the consultant's handling of project upon completion or termination of the contract including the following data: Name of consultant; date of contract and date of completion; cost as stated in initial contract, amount paid, reason for any difference; names of key personnel working on the project; special strengths or weaknesses exhibited by consultant; major problems encountered. Summary will be filed with originating department, and Purchasing Division.

Distribution: Regular

Adopted by Resolution No. \_\_\_\_\_, on \_\_\_\_\_.

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## City of Riverside Administrative Manual



Effective Date: 06/2005  
Review Date: 06/2008  
Prepared by: City Manager

Approved: \_\_\_\_\_

Department

City Manager

### SUBJECT:

**Contracting for Professional Services when fees are \$50,000 or less.**

### PURPOSE:

To establish an expedient procedure for obtaining professional services when the fees are \$50,000 or less.

### POLICY:

Professional Services include architectural, engineering, planning, financial, and other consulting services such as advisory, information technology, surveying, research and/or developmental services, which involve the exercise of professional discretion and independent judgment based on an advanced or specialized knowledge, expertise or training gained by formal studies or experience.

This policy shall not be construed as pertaining to the retention of outside legal counsel or the retention of bond counsel pursuant to the City Charter.

Professional services shall be retained on the basis of:

- A firm's demonstrated competence;
- Professional qualifications;
- Fair and reasonable prices; and
- Ability to meet City's time schedule(s) for the project.

### PROCEDURE:

Responsibility	Action
Originating Department	1. Determines the need for professional services.
	2. Obtains current files from Purchasing on qualified consultants in appropriate categories or specialties. As part of the consultant selection process, each department may determine a logical time period to issue a Request for Qualifications for prequalification of consultant firms as a means of maintaining current files with Purchasing on qualified consultants.

**PROCEDURE:**

Responsibility	Action
	<p>3. Prepares a Request for Proposal (project description and scope of work required) and contacts, in writing, a minimum of three (3) qualified consultants and invites them to submit a proposal.</p> <p>City Manager may authorize Originating Department to contact only one qualified consultant under the following circumstances:</p> <ul style="list-style-type: none"> <li>a. In cases of emergency or immediate need for services;</li> <li>b. The services required are so special and unique as to be provided by only one qualified consultant; or</li> <li>c. If it is determined to be in the best of the City.</li> </ul> <p>If the Originating Department is requesting authorization to contact only one consultant, a written recommendation shall be prepared by the Department Head or his/her designee and forwarded to the City Manager for approval, justifying why only one consultant will be contacted.</p>
City Manager	4. Approves recommendation and returns to Originating Department with authorization to continue with consultant selection process (Step #5), or requires Originating Department to contact additional firms (Step #3).
Originating Department	<p>5. Reviews proposal(s) and selects qualified consultant based on: availability, demonstrated competence and qualifications for the types of services to be performed at fair and reasonable prices, record of timely completion of other projects, and previous service to the City of Riverside. Interviews prospective consultants, if necessary.</p> <p>6. Prepares draft contract which includes specific information on scope of work to be performed or service to be provided, time limits, payment terms, insurance and indemnification provisions, and any other necessary information or provisions.</p> <p>7. Forwards draft contract to the City Attorney for review.</p>
City Attorney	8. Reviews draft contract and returns it to Originating Department for preparation of final form.
Originating Department	9. Determines if selected firm is required to file conflict of interest forms, and notifies City Clerk.
City Clerk	10. Sends conflict of interest forms to selected firm, if necessary.
Originating Department	<p>11. Sends contract to consultant for execution.</p> <p>12. Receives executed contract and required insurance documents:</p> <ul style="list-style-type: none"> <li>a. If funds for contract are included Originating Department's approved budget:</li> </ul>

**PROCEDURE:**

Responsibility	Action
	<ul style="list-style-type: none"> <li>i. Submits contract to Finance Director for certification as to fund availability; submits contract and required insurance documents to City Attorney for approval as to form; (Step #16).</li> <li>ii. Submits contract to City Attorney for approval as to form (Step #13); and</li> <li>iii. Submits required insurance documents to Risk Manager for approval as to form (Step #14).</li> </ul>
	<ul style="list-style-type: none"> <li>b. If funds for contract are not included in Originating Department's approved budget:                             <ul style="list-style-type: none"> <li>i. Prepares a City Council agenda report regarding selection of consultant firm, scope of work to be performed, fee proposal, and budget transfer information and submits to City Manager, City Attorney and Finance Director for approval. If Advisory Board exists, Originating Department may submit report to such board for approval prior to sending to City Manager. (Step #13)</li> <li>ii. Submits contract to City Attorney for approval as to form. (Step #13)</li> <li>iii. Submits required insurance documents to Risk Manager for approval as to form (Step #14).</li> </ul> </li> </ul>
City Attorney	13. Approves contract as to form and forwards to City Clerk.
Risk Manager	14. Approves required insurance documents as to form and forwards to City Clerk.
City Manager	15. Schedules item on Council agenda, if necessary.
City Council	16. Takes appropriate action.
	17. When approved, authorizes budget transfer and execution of contract with selected firm.
City Clerk	18. Ensures that the contract and insurance documents have been approved as to form and that originals are on file in the City Clerk's Office.
City Manager or Department Head and City Clerk	19. City Manager executes contract based on appropriate approvals, or if contract does not exceed \$10,000 Originating Department Head may execute the contracts with City Clerk's attestation of signature.
City Clerk	20. Processes approved documents. Notifies Originating Department, City Attorney, Finance Administration, Purchasing and Risk Management of contract execution, indicating that scanned contract will be available online within 24 hours.
	21. Establishes "tickler file" for expiration dates for contract and insurance.

**PROCEDURE:**

Responsibility	Action
Originating Department	22. Prepares Purchase Requisition in duplicate, with description of work to be performed, or service to be provided. Also, if City Council or RPU Board approval was required, states date approved by City Council or RPU Board on the Purchase Requisition.
Purchasing	23. Forwards original copy of Purchase Requisition with copy of contract to Purchasing and retains the duplicate copy in Originating Department files. 24. Upon receipt of properly prepared Purchase Requisition and verification of approval level(s), prepares Purchase Order to encumber necessary funds. 25. After notification by City Clerk that contract documents have been executed, releases Purchase Order for processing.
Originating Department	26. Upon completion of work by consultant, notifies City Clerk so firm can be removed from "tickler file" 27. Prepares a one page summary evaluation of the consultant's handling of project upon completion or termination of the contract including the following data: Name of consultant; date of contract and date of completion; cost as stated in initial contract, amount paid, reason for any difference; names of key personnel working on the project; special strengths or weaknesses exhibited by consultant; major problems encountered. Summary will be filed with Originating Department, and Purchasing Division.

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Adopted by Resolution No. \_\_\_\_\_, on \_\_\_\_\_.

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Date: May 17, 2005

Item No.: 19

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERSIDE, CALIFORNIA, (1) ADOPTING ADMINISTRATIVE MANUAL PROFESSIONAL CONSULTANT SERVICES SELECTION PROCEDURES AND CITY MANAGER AUTHORITY LIMITS OF \$50,000 (A) IN ACCORDANCE WITH VOTER-APPROVED MEASURE MM FOR PUBLIC UTILITIES DEPARTMENT AND (B) FOR OTHER DEPARTMENTS AT SAME LEVELS AS PUBLIC UTILITIES DEPARTMENT; (2) SETTING MONETARY LIMITS OF CITY MANAGER AUTHORITY OF \$50,000 FOR NEGOTIATED CONTRACTS; AND (3) REPEALING RESOLUTION NO. 18277.

WHEREAS, under the provisions of Section 419 of the City Charter of the City of Riverside, the City Council may authorize the City Manager or other designated officers to bind the City to contracts for, among other things, services to be rendered to the City included within the budget approved the City Council, and may impose monetary limits upon such authority; and

WHEREAS, by Resolution No. 20557 adopted October 21, 2003, the City Council established procedures and monetary limits of City Manager authority of \$25,000 to procure goods, public works construction work and non-professional services; and

WHEREAS, on July 6, 1993, the City Council adopted Resolution No. 18277 establishing the procedures and monetary limits of City Manager authority of \$25,000 for obtaining professional services for the City pursuant to Administrative Manual Sections II-4 and II-5; and

WHEREAS, on November 2, 2004, the voters of the City of Riverside approved Measure MM, among others, which measure amended the City of Riverside City Charter; and

WHEREAS, Measure MM revised Section 1109 of the City Charter to allow the Board of Public Utilities to award bids and execute contracts exceeding \$50,000 for construction, goods or services for the public utilities, provided such bid awards and contracts are within the limits of the budget of the department of public utilities, which budget has been approved by the City Council; and

WHEREAS, it is desirable to adopt a resolution establishing rules and regulations for obtaining professional services and negotiated contracts for the Department of Public Utilities consistent with Measure MM, for establishing monetary limits of City Manager authority similar to Measure MM's \$50,000 limits for such contracts for all City departments, and to authorize the City

Distribution: Mayor  
City Council  
City Manager  
City Attorney  
Finance



1 Manager to execute all contracts awarded or authorized in accordance with this resolution; and

2 NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Riverside

3 California:

4 Section 1: That the procedures and monetary limits of authority for obtaining professional  
5 services, for the City of Riverside and for the Department of Public Utilities, set forth in  
6 Administrative Manual Sections 2.004.000 and 2.005.000, attached hereto as Exhibit "A" and  
7 incorporated herein by this reference, are hereby adopted.

8 Section 2: That the monetary limits of authority to enter into contracts negotiated under and  
9 in compliance with the provisions of Administrative Manual Section 07.014.00 are hereby set at  
10 \$50,000 for the City Manager and \$10,000 for Department Heads.

11 Section 3: That Resolution No. 18277 is repealed.

12 ADOPTED by the City Council and signed by the Mayor and attested by the City Clerk this  
13 day of

14 \_\_\_\_\_  
Mayor of the City of Riverside

15 Attest:

16 \_\_\_\_\_  
City Clerk of the City of Riverside

17 I, Colleen J. Nicol, City Clerk of the City of Riverside, California, hereby certify that the  
18 foregoing resolution was duly and regularly introduced and adopted at a meeting of the City Council  
19 of said City at its meeting held on the day of , by the following vote, to wit:

20 Ayes:

21  
22 Noes:

23 Absent:

24 IN WITNESS WHEREOF I have hereunto set my hand and affixed the official seal of the  
25 City of Riverside, California, this day of

26 \_\_\_\_\_  
27 City Clerk of the City of Riverside

**EXHIBIT "A"**

Administrative Manual Section 2.004.000  
and  
Administrative Manual Section 2.005.000

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