

EXHIBIT BB

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities

Date of Meeting: June 3, 2005

Time of Meeting: 8:15 a.m.

Place of Meeting: Utilities Plaza Conference Room
3460 Orange Street (at Fifth and Orange Streets)
Riverside, California

PLEDGE OF ALLEGIANCE WAS GIVEN TO THE FLAG

INTRODUCTION:

Staff introduced newly appointed City Manager Brad Hudson who said he would be intermittently attending future Board meetings.

Staff also introduced Public Utilities Assistant Director/Finance and Customer Relations Jerry Rogers who gave a brief introduction of his business history.

Roll Call

Present:	Peter Hubbard (Chair)	Jim Anderson (Vice Chair)
	David Barnhart	Bob Stockton
	Conrad Newberry, Jr., P.E.	Ken Sutter
	Lalit Acharya	

Absent: Joe Tavaglione (absence due to business)

MINUTES

- (1) The regular meeting minutes from the Board of Public Utilities meeting held on May 20, 2005 was approved as submitted.

Motion – Anderson. Second – Acharya.

Ayes: Anderson, Barnhart, Stockton, Newberry, Jr., P.E., Sutter, and Acharya.

Noes: None

Abstain: Hubbard

Absent: Tavaglione. (absence due to business)

CITIZENS PARTICIPATION

No comments were made.

COMMITTEE REPORTS

WATER COMMITTEE REPORT

The Board of Public Utilities accepted and filed the May 20, 2005, Water Committee minutes.

FINANCE/MARKETING COMMITTEE REPORT

The Finance/Marketing Committee meeting scheduled for May 27, 2005 was cancelled.

CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar.

Motion – Barnhart. Second – Anderson.

Ayes: Hubbard, Anderson, Acharya, Barnhart, Stockton, Sutter, and Newberry, Jr., P.E.

Noes: None

Abstain: None

Absent: Tavaglione. (absence due to business)

The Board of Public Utilities:

ELECTRIC ITEMS

(2) 12 kV UNDERGROUND LINE EXTENSION **WORK ORDER 644092**

Approved the estimated expenditure in the amount of \$300,000 to install underground primary line extensions and services to 6250, 6300, 6400, and 6450 Sycamore Canyon (3-2000A services and 1-1500A service).

Funds are budgeted and available in the Distribution Line Extensions account for this project.

(3) PUBLIC WORKS STREET IMPROVEMENT **WORK ORDER 641011**

Approved the estimated expenditure OF \$145,000 for the installation of streetlights on Marlborough Avenue from Iowa Avenue passed Northgate Street.

This work is part of the Street Improvement Project.

Funds are budgeted and available in the Street Light account for this project.

WATER ITEMS

(4) **WATER MAIN REPLACEMENT
WORK ORDER 0501192**

Subject to the City Council approval of the 2005/06 Capital Improvement Program, approved the estimated capital expenditure of \$119,255 to install 662 feet of twelve-inch water main, 13 one-inch water services, and 2 two-inch water service in Indiana Avenue from Washington Street to 650 easterly.

Work will be performed by City Forces in the 2005/06 Fiscal Year. This project is part of the Public Utilities Board and City Council mandated replacement program. Funds will become available in the 2005/2006 fiscal year.

(5) **GARNER 5 & 6, RAUB 5, AND WARREN 4 WELL REHABILITATIONS
AWARD OF BID NO. 6256**

1. Approved the estimated capital expenditure of \$360,000 for Work Order 0500872, which includes all design, contract administration, inspection and change order contingencies for the Garner 5 & 6, Raub 5, and Warren 4 Well Rehabilitations (this amount includes sufficient funds for award to the lowest responsive bidder);
2. Approved a budget transfer of \$360,000 from the Water Capital Sewer Mitigation-Placentia Lane Account No. 6230000-470796 to the Water Capital Well Additions and Betterments Account No. 6230000-470722;
3. Awarded a contract for Garner 5 & 6, Raub 5, and Warren 4 Well Rehabilitations, Bid No. 6256, to the lowest responsive bidder, Tri County Pump Company, San Bernardino, California, in the amount of \$286,202; and
4. Authorized the City Manager, or his designee, to execute the necessary contract documents.

NOTE: Assistant Director/Water Dieter Wirtzfeld brought attention a historic moment that Item 5 above is the first contract that the Board approved since the City Charter Measure MM has gone into effect.

OTHER ITEMS

(6) **ANNUAL PURCHASE ORDER REQUIREMENTS FOR FISCAL YEAR 2005-06**

Approved the annual purchase order requirements for fiscal year 2005-06 in the estimated amount of \$9,487,546.

DISCUSSION CALENDAR

(7) LICENSE AGREEMENT TO CITY WORKS LLC, ELEVENTH STREET WELL SITE APN (215-143-010)

Principal Water Engineer Kevin Milligan reported that City Works LLC (Licensee) has acquired ownership of the Market Place Theatre to convert to a vocational college. The Licensee is requesting to use the surface of a portion of the City owned well site for the purpose of constructing a parking area in connection with their proposed development of another parking lot located at 4040 Vine Street. Mr. Milligan stated that staff has negotiated an Agreement that meets the Licensee's needs and protects Riverside's interests for current and future operations.

Vice Chair Anderson stated his concern with the 2% increase maximum per year in the lease agreement and suggested staff to look into a variable increase for future agreements.

The Board of Public Utilities:

1. Approved the subject License Agreement with City Works, LLC, for use of a portion of the Eleventh Street Well Site adjacent to 4040 Vine Street; and
2. Authorized the City Manager, or his designee, to execute the subject License Agreement and related documents.

Motion – Newberry, Jr., P.E. Second – Anderson.

Ayes: Hubbard, Anderson, Acharya, Barnhart, Stockton, Sutter, and Newberry, Jr., P.E.

Noes: None

Abstain: None

Absent: Tavaglione. (absence due to business)

(8) WATERMAN AVENUE PIPELINE CAPACITY PURCHASE AGREEMENT (OVERSIZING) – WESTERN MUNICIPAL WATER DISTRICT

Assistant Director/Water Dieter Wirtzfeld reported that the Western Municipal Water District has requested an option to purchase capacity in the Waterman Avenue Pipeline, which is scheduled for construction this winter. The main points of the agreement are the following:

- Western wants to oversize the pipeline with a 54-inch pipeline and will pay the difference in cost of the bid that was for a 48-inch pipeline.
- Western will pay the full cost of capacity in the future if they need to use the pipeline.
- Western has agreed that the City of Riverside will have complete control of the pipeline and complete control of the water quality.

The Board of Public Utilities:

000713

1. Approved and recommended that the City council approve the Pipeline Funding and Capacity Purchase Agreement Between City of Riverside Public Utilities and Western Municipal Water District of Riverside County; and
2. Recommended that the City Council authorize the City Manager, or his designee, to execute the necessary documents.

Motion – Barnhart. Second – Stockton.

Ayes: Hubbard, Anderson, Acharya, Barnhart, Stockton, Sutter, and Newberry, Jr., P.E.

Noes: None

Abstain: None

Absent: Tavaglione. (absence due to business)

(9) MEASURE MM IMPLEMENTATION: CONTRACTING RULES AND PROCEDURES

Supervising Deputy City Attorney Eileen Teichert gave a detailed report how Measure MM will be implemented by the Board of Public Utilities and the contracting rules and procedures applicable to Public Utilities Department contracts and procurements. Ms. Teichert also reported on the background, types of contracts and procurements impacted by Measure MM (construction, goods, non-professional services, and professional services), competitive procurement procedures, qualifications-based selection procedures, limits of authority, and types of contracts not impacted by Measure MM. The Purchasing Resolution No. 20942, Administrative Manual Resolution No. 20943, and the Charter Section 1202 were distributed to the Board Members and staff, as was a board report with detailed information. Ms. Teichert stated she will be training staff on implementing the procedures required by Measure MM.

City Manager Hudson suggested that he may have Director Wright prepare a report on change orders on construction projects that are approved by Public Utilities Board to be presented to City Council each year so the public will be aware.

Director Wright stated that all Board reports regarding purchases will be signed off by Assistant Director/Finance Jerry Rogers to certify availability of funds, Legal Department for approval as to form, and Purchasing Department to concur. Also, if applicable, the contract/agreement will be attached to the report in final version with signatures.

Ms. Teichert stated that it is important that each Board Member be aware of conflict of interest projects so they abstain from the motion of vote. Also any political sensitive issues the Board may want to send to City Council or Council Committee for approval.

The Board of Public Utilities received and filed this report.

(10) ITEMS FOR FUTURE BOARD OF PUBLIC UTILITIES CONSIDERATION AS

REQUESTED BY MEMBER OF THE BOARD OF PUBLIC UTILITIES

None.

DIRECTOR'S REPORT

Board Member Stockton requested that the Western Municipal Water District (WMWD) & City of Riverside Ad Hoc Committee meeting updates be placed on the Board of Public Utilities' agenda, under committee reports or director's report, so the entire Board of Public Utilities is updated on discussions at the meetings.

Director Wright gave background on what has happened at these monthly meetings previously and that Councilman Art Gage and Board Member Bob Stockton, as well as Dieter Wirtzfeld, Kevin Milligan, and himself attend these monthly meetings. Because these meetings are not open to the public, minutes are not taken. Mr. Wright stated that the agenda from the ad hoc committee will now be included under the director's report so they can verbally update the Board.

- (A) State and Federal Legislative Update
- (B) Monthly Power Supply Report — April 2005
- (C) Financial Statements – April 2005
- (D) Rolling Calendar Outlining Future Utility Projects as of May 27, 2005
- (E) City Council Agendas – May 24, 2005

SYSTEMATIC REPORTING ON CONFERENCES/SEMINARS

CLOSED SESSION

The public left the meeting room at 9:30 a.m. so the Board could discuss Items 11 and 12 listed below and then reconvened for the workshop:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

- (11) Significant exposure to litigation pursuant to subdivision (b) of Government Code §54956.9. (One case)

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

- (12) Conference with Real Property Negotiators Government Code §54956.8
Property: 5901 Peyton Avenue
City Negotiator: Steven Badgett
Negotiating Parties: Jim Michaels for Alliance Power Inc.
Under negotiation: Price and terms of payment

The Board of Public Utilities recessed at 10:10 a.m. and reconvened at 10:15 a.m.

WORKSHOP

Present: Peter Hubbard (Chair) Conrad Newberry, Jr., P.E.
 David Barnhart Bob Stockton
 Jim Anderson Ken Sutter

Staff: Dave Wright Steve Badgett
 Dieter Wirtzfeld Eileen Teichert
 Gary Nolf MJ Abraham
 Reiko Kerr Kevin Milligan
 Jerry Rogers Cathy Ference
 Susan Wilson Dave Redding

Absent: Tavaglione. (absence due to business)
 Acharya. (left at 10:10 a.m.)

(13) LONG TERM STRATEGIC PLANNING WORKSHOP

The Board of Public Utilities held a workshop to discuss long-term strategic planning.

The following handouts were distributed:

- a. Long Term Strategic Plan – Goals Only
- b. Long Term Strategic Plan – Detailed Version

Director Wright requested that the Board Members review these handouts, possibly jot down any comments and bring them back to the next Board meeting on June 17th to discuss.

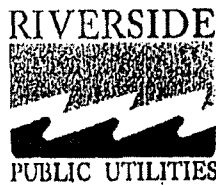
UPCOMING MEETING

Chair Peter Hubbard adjourned the meeting at 10:30 a.m. to the next regularly scheduled meeting of the Board of Public Utilities to be held on **Friday, June 17, 2005**, at 8:15 a.m. in the Art Pick Council Chamber at City Hall located at 3900 Main Street in Riverside, California.

By: _____
 David H. Wright, Secretary
 Board of Public Utilities

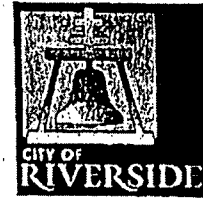
Approved by: City of Riverside Board of Public Utilities

Dated: June 17, 2005



RIVERSIDE PUBLIC UTILITIES

Board Memorandum



BOARD OF PUBLIC UTILITIES

DATE: 6/3/05

ITEM NO: 9

SUBJECT: MEASURE MM IMPLEMENTATION; CONTRACTING RULES AND PROCEDURES

ISSUE: On November 2, 2004, the electors of the City of Riverside approved Measure MM amending the City Charter to expand the powers and duties of the Board of Public Utilities. Measure MM empowers the Board, not the City Council, to authorize and award contracts for goods, services, construction, and supplies for the Public Utilities Department, within the limits of the Public Utilities Department budget. However, the City Council retains the power to approve rules and regulations governing contracting and procurement for the Public Utilities Department, and all other City departments. Council-adopted contracting and procurement rules and regulations pre-dating Measure MM impeded full implementation of Measure MM. On May 17, 2005, the City Council removed those impediments and gave full effect to Measure MM. This report details how Measure MM will be implemented by the Board of Public Utilities and the contracting rules and procedures applicable to Public Utilities Department contracts and procurements.

RECOMMENDATIONS:

That the Board of Public Utilities receive and file this report.

BACKGROUND:

Prior to the passage of Measure MM, the Riverside Public Utilities' ("RPU") purchases of goods, services and construction that exceeded \$25,000 required both Board of Public Utilities authorization for the expenditures and City Council approval of the contract and/or award of the bid. Measure MM's passage empowered the Board to authorize such contracts and award such bids that exceed \$50,000, within the RPU budget approved by the City Council.

Although the Board now has such authority, under the Charter, the City Council retains authority to approve the rules and regulations governing contracting and bids for these purchases. On May 17, 2005 the City Council approved two resolutions--Resolution No. 20942 ("Purchasing Resolution") and Resolution No. 20943 ("Admin. Manual Resolution")—that recognize the Board's new contract and bid award authority and that continue to make applicable to RPU the rules and regulations governing purchase of goods, services and construction.

The purpose of this report is to provide the Board with a better understanding of the procurement procedures that RPU staff should comply with prior to submitting bid awards and contracts to the Board for the Board's approval.

Types of Contracts and Procurements Impacted by Measure MM

The contracts and procurements that the Board is empowered to authorize and award under Measure MM, without further Council approval, fall into four general categories:

1. Construction (includes such diverse projects as pipeline installation, PV carport structure, electric cable replacement, RERC, etc.; these are always written contracts, generally using the

- City's standard Public Works Contract forms);
2. Goods (includes purchases of cable, GAC vessels, meters, computers, etc. Goods are usually procured via purchase order);
3. Non-Professional Services (includes tree-trimming, printing, advertising, leasing of goods, etc. and are usually written contracts using the City's standard non-professional services contract form);
4. Professional Services (includes architectural, engineering, accounting, consulting, information technology services, etc. These are always written contracts, generally using the City's standard Professional Services Agreement form).

All bids awarded and contracts authorized by the Board must comply with the competitive procurement procedures of the Purchasing Resolution for Goods, Non-Professional Services or Construction, or the qualifications-based selection procedures of the Admin. Manual Resolution for Professional Services. These procedures are described below.

Competitive Procurement Procedures

The competitive procurement procedures for Construction, Goods and Non-Professional Services procurements are set out in the Purchasing Resolution.

Construction, Goods and Non-Professional Services contracts exceeding \$2,500 are procured through a competitive sealed bid process. These contracts are awarded to the lowest responsive and responsible bidder. Such contracts that exceed \$50,000 must also be "formally" competitively bid, meaning the request for bids must be advertised to maximize the quality and quantity of bidders.

Under certain very limited exceptions, construction contracts do not have to be competitively bid. These exceptions include: the "utilities" exception for construction of whole utility projects (i.e. RERC); the emergency exception for the preservation of the public health, safety and welfare; and the new "design-build" exception.

More exceptions to the competitive bidding requirements exist for Goods and Non-professional services contracts, including: "utilities" specialized warehoused goods exception; piggyback exception; sole source exception; and "best interests of the City" exception, among others.

A local preference of 5% is granted to local Riverside bidders for Goods bid awards.

The Board reports requesting award of such bids or authorization of such contracts should indicate that either the competitive bidding process was followed or that the Board is requested to find that a particular exception applies based upon facts set forth in the report. Such Board reports should also detail the bidders' names and addresses, bid amounts, and if a local preference rendered a bidder the lowest bidder.

Qualifications-based Selection Procedures

The qualifications-based selection procedures for Professional Services are set out in Administrative Manual Section 2.004.00 and 2.005.00 attached to the Admin. Manual Resolution.

Consultants providing Professional Services exceeding \$50,000 are selected on the basis of: a consultant's demonstrated competence; professional qualifications; fair and reasonable prices; and ability to meet RPU's time schedule(s) for the project. The consultant selection procedures require issuance of requests for proposals, formation of a selection committee, interviews of proposers, ranking of the proposals, negotiation of an agreement with the top ranked proposer, and if negotiations fail proceed to negotiate with the next-ranked proposer, and so forth.

Consultants providing Professional Services of \$50,000 or less are selected on the same basis, but using more expedited procedures.

The City Manager may waive these selection procedures if he/she determines it is in the "best interests of the City" to do so. The Board report requesting authorization of the Professional Services Agreement should state that the selection procedures were followed, or that the City Manager waived the procedures and the factual basis for the waiver.

Limits of Authority

All of the above types of contracts and procurements exceeding \$50,000 for RPU must be approved by the Board. No Council approval is necessary if within RPU's budget.

If the procedures of the Purchasing Resolution and Admin. Manual Resolution have been complied with, and if within RPU's budget, the following limits of authority apply:

- o Purchasing Manager: Goods, Non-Professional Services and Construction bids, \$50,000 or less
- o RPU Director: Goods, Non-Professional Services, Construction, Professional Services, and Negotiated contracts, \$10,000 or less.
- o City Manager: Goods, Non-Professional Services, Construction, Professional Services, and Negotiated contracts, \$50,000 or less.

The City Manager and RPU Director do not sign any contracts that have not been signed first by the other contracting party, approved as to content by the RPU Director and as to form by the City Attorney.

Types of Contracts Not Impacted by Measure MM

Measure MM only expanded the Board's authority regarding the types of contracts and procurements discussed above. Both Board approval and City Council approval are still required for:

1. Settlement Agreements for litigation and threatened litigation.
2. Real Property Agreements—leases, purchase and sales agreements, easements, etc. exceeding \$50,000.
3. Agreements for Goods, Services, Professional Services and Construction that were not included in the City Council approved budget for the Public Utilities Department.
4. Other Negotiated Agreements exceeding \$50,000 that are not for the purchase of Goods, Services, Professional Services or Construction.
5. Power Purchase and Transmission Agreements, if required under the Risk Management Policy.

FISCAL IMPACT:

The contracting rules and procedures that RPU must abide by are fiscally prudent, and are essentially the same rules and procedures RPU has previously been abiding by.

ALTERNATIVES:

None.

Prepared and Approved by:

EILEEN TEICHERT
Supervising Deputy City Attorney

Attachments: Purchasing Resolution No. 20942
Admin. Manual Resolution No. 20943
Charter Section 1202

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RESOLUTION NO. 20942

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; and

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

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

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

11
12 **TITLE: PURCHASING RESOLUTION RULES AND REGULATIONS**

13 **ARTICLE ONE: DEFINITION OF TERMS**

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

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

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

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

26 (d) "Change Order" means a City-issued document used to modify a Purchase Order to add,
27 delete, or revise the quantity, price or scope of Goods, Services, Professional Services or Construction

1 being provided.

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

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

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

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

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

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

26 (k) "Design-Build" means a process involving contracting with a single entity for both the
27 design and Construction of a public works project pursuant to a competitive negotiation process

1 established by City Council ordinance from time to time in accordance with Section 1114 of the City
2 Charter.

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

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

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

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

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

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

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

27 (s) "Manager" means the City's Purchasing Services Manager, who is sometimes

1 referred to as the Purchasing Agent in the Riverside Municipal Code.

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

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

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

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

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

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

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

24 (aa) "Request for Proposals" means a written solicitation issued by a Using Agency which (1)
25 generally describes the Goods or Services sought to be Procured by the City, (2) sets forth minimum
26 standards and criteria for evaluating proposals submitted in response to it, (3) generally describes the
27 format and content of proposals to be submitted, (4) provides for negotiation of terms and conditions

1 of the Procurement Contract and (5) may place emphasis on described factors other than price to be
2 used in evaluating proposals.

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

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

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

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

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

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

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

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

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

25 (ff) "Specifications" means a City-issued or referenced definite, detailed written description of
26 the Goods to be furnished, the Services to be performed or the Construction work to be done and
27 materials to be used under a Contract with the City, which specifies the composition, Construction,

1 dimension, durability, efficiency, form, nature, performance characteristics and standards, quality,
2 shape, texture, type and utility of Goods, Services or Construction sought by the City.

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

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

10 **ARTICLE TWO: COMPETITIVE PROCUREMENT**

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

17 **SECTION 201. Exceptions.** Competitive Procurement shall not be required in any of the
18 following circumstances:

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

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

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

25 (d) When the Procurement consists of replacement parts for the City's vehicles, aviation units,
26 and other City equipment;

27 (e) When, in the opinion of the Manager, there is no price difference between recognized

1 manufacturers and suppliers of Goods;

2 (f) When Cooperative Purchasing is available and undertaken;

3 (g) When Goods or Services can be Procured from a Contractor who offers the same or
4 better price, terms and conditions as the Contractor previously offered as the Lowest Responsible
5 Bidder under Competitive Procurement or negotiations conducted by the City or another public agency,
6 provided that, in the opinion of the Manager, it is in the best interests of the City to do so;

7 (h) When the Goods or Services can be obtained through Federal, State and/or other public
8 entity pricing contracts or price agreements;

9 (i) When the Awarding Entity waives bidding requirements under and according to the
10 circumstances set forth in Section 1109 of the City Charter, or when it is in the best interests of the City
11 to do so;

12 (j) When, in the opinion of the Manager expressed in writing, the City requires Goods,
13 Services or Construction, not subject to the bidding requirements of Section 1109 of the City Charter,
14 which are of such a nature that suitable technical or performance specifications describing them are
15 not readily available and cannot be developed in a timely manner to meet the needs of the City, in
16 which case the Manager shall be authorized to negotiate with any Person or Persons for the
17 Procurement thereof upon the price, terms and conditions deemed by the Manager to be in the best
18 interests of the City, and in so doing may utilize the Open Market Procurement process;

19 (k) When the Procurement is for books, journals, maps, publications and other supplies
20 peculiar to the needs of the library which are subject to the provisions of Section 710 (d) of the City
21 Charter;

22 (l) When the Procurement is for wholesale energy, energy ancillary services, energy
23 transmission, wholesale water commodity, and water transmission purchases by or on behalf of the
24 City's Public Utilities Department; or

25 (m) When the Procurement is for the Design-Build of public works projects pursuant to Section
26 1114 of the City Charter.

27

1 ARTICLE THREE: EMERGENCY PROCUREMENT

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

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

- 7 (a) A great public calamity;
- 8 (b) An immediate need to prepare for national or local defense;
- 9 (c) A breakdown in machinery or essential service which requires the immediate Procurement
10 of Goods, Services or Construction to protect the public health, welfare, safety or property;
- 11 (d) A Using Agency operation directly affecting the public health, welfare or safety or the
12 protection of public property, is so severely impacted by any cause that personal injury or property
13 destruction appears to be imminent and probable unless Goods, Services or Construction designed or
14 intended to mitigate the risks thereof are Procured immediately; or
- 15 (e) A Using Agency is involved in a City project which is of such a nature that the need
16 for particular Goods, Services or Construction can only be ascertained as the project progresses and,
17 when ascertained, must be satisfied immediately for the preservation of public health, welfare, safety
18 or property.

19 SECTION 302. Authorization. Emergency Procurement may be initiated by the head of a
20 Using Agency or his or her duly authorized representative (the "individual") only as follows:

- 21 (a) During normal City business hours, the individual shall contact the Manager and
22 explain to the Manager's satisfaction the reasons and justification for Emergency Procurement. If the
23 nature of the emergency is such that Goods, Services or Construction must be Procured immediately
24 and the Manager is satisfied with the explanation of reasons and justifications given therefor, the
25 Manager shall authorize the Procurement and cause an emergency Purchase Order to be issued as soon
26 as possible and in no event later than the following business day. A Purchase Requisition confirming
27 the Procurement must be prepared by the individual and submitted to the Manager no later than the

1 following business day.

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

9 **ARTICLE FOUR: PURCHASE REQUISITION PROCEDURES**

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

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

24 **SECTION 402. When to Requisition.** Purchase Requisitions shall be prepared and
25 submitted far enough in advance of the date that the Goods, Services or Construction will be needed
26 to enable the Manager to implement the necessary Competitive Procurement therefor. The Manager
27 shall attempt to secure the best price and earliest delivery practicable, consistent with the requirements

1 of the Purchase Requisitions.

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

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

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

- 25 a) \$10,000 for Contracts and/or Purchase Orders greater than \$50,000 and up to \$100,000;
26 b) 10% of the original contract price for Contracts and/or Purchase Orders exceeding
27 \$100,000 and up to \$1 Million;

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

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

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

18 ARTICLE FIVE: PREFERENCES

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

24 SECTION 501. Local Preference. In the Procurement of Goods for the City's requirements,
25 preference shall be given to those vendors who have a local presence in the City of Riverside, provided
26 that price, quality, terms, delivery and service reputation are determined to be equal by the Manager
27 under the criteria set forth in Section 706 hereof. To qualify as a local vendor, the Bidder must certify

1 to the following at the time of Bid submission:

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

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

5 (c) all sales tax returns for the Goods purchased must be reported to the State through a
6 business within the geographic boundaries of the City and the City will receive one percent
7 (1%) or such percentage of sales tax of Goods purchased as is allocable to the City from time
8 to time under then existing state law; and

9 (d) it has a City business license.

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

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

18 ARTICLE SIX: OPEN MARKET PROCUREMENT

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

23 SECTION 601. General Limitations On Open Market Procurement. Open Market Procurement
24 may be conducted under the supervision of the Manager if the Procurement expenditure is estimated
25 to be less than Fifty Thousand Dollars (\$50,000.00) and does not involve the Procurement of
26 Construction or Goods of the type required by Section 1109 of the City Charter to be acquired by
27 Formal Procurement. The Manager shall maintain and keep records of all Open Market Procurements,

1 including Informal Bids received, in accordance with the applicable City's Record Retention Schedule
2 adopted by the City Council from time to time, and those records shall be open to public inspection
3 upon request during normal City business hours.

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

11 Bus and Bus Support
12 Capacitors
13 Chemicals
14 Conduit and Duct
15 Connectors
16 Electric Motor Controls
17 Electrical Motors, Panels and Repairs
18 Electrical Line Devices
19 Fiber Optics Equipment and Materials
20 Fittings, Electrical and Water
21 Fire Hydrants
22 Insulators
23 Luminares
24 Meter and Metering Devices
25 Pipe and Pipe Fittings
26 Pole Line Hardware
27 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
Tubing, Copper and Plastic
Valves and Operators
Vaults and Accessories
Wire and Cable
Well Equipment and incidental labor to install, which labor shall not exceed the amount set
by state law for which bids are required for public works projects of a general law city
Such other supplies and materials peculiar to the needs of the Public Utilities Department
which are carried as inventory items in Central Stores stock

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

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

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

10 ARTICLE SEVEN: FORMAL PROCUREMENT

11 SECTION 700. When Required. Except in those Procurement situations described in Sections
12 201 and 602 hereof, Formal Procurement shall be required for all estimated Procurement expenditures
13 of Fifty Thousand Dollars (\$50,000.00) or more.

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

25
26 SECTION 702. Submittal of Bids and Bid Securities. Bids and bid securities, which
27 security shall guarantee the Bid and be forfeited to the City if the Bidder is awarded the Contract but
fails or refuses to honor the Bid and execute the Contract documents timely, shall be submitted to the

1 City in the following manner:

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

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

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

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

21 **SECTION 705. Rejection of Bids.** The Awarding Entity may in its discretion reject any and all
22 Bids, or any segregable portions thereof, for any one or more types of Goods, Services or Construction
23 included in the Specifications when the public interest is served thereby. The Awarding Entity may
24 also take any other action permitted by Section 1109 of the City Charter.

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

27 (a) A Contract for Goods may be awarded to a local Responsible Bidder who is not the Lowest
Responsible Bidder but who has certified that it is a local vendor pursuant to Section 501 hereof and

1 who is subject to taxation under the City's "Uniform Local Sales and Use Tax Ordinance" (Chapter
2 3.08 of the City Municipal Code) if the Bid difference amount between the local Responsible Bidder
3 and the Lowest Responsible Bidder does not exceed five percent (5%) of the lowest responsible Bid;

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

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

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

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

17 SECTION 708. Contract Bonds. Contract bonds executed by good and sufficient
18 sureties authorized to conduct surety business in the State of California and in such amounts as are
19 required by law or deemed adequate to insure the faithful performance of a Contract in the time and
20 manner prescribed therein shall be required of the successful Bidder in all instances where they are
21 required by law and in other instances as determined by the Manager. Contract bonds requirements
22 shall be set out in the notice inviting bids or the specifications. "Contract bonds" means performance
23 bonds (or functional equivalent such as supply bonds) to guarantee the Contractor's faithful
24 performance of the awarded Contract in the time, manner and workmanship specified and payment
25 bonds to guarantee the Contractor's payment of claims as prescribed in Section 3247 et seq. of the
26 California Civil Code.

27 SECTION 709. Assignment of Contract. Formal Procurement contracts shall not be
assigned by the Contractor without the written consent of the City Manager. In no event shall a

1 Contract or any part thereof be assigned to a Bidder who was declared not to be a Responsible Bidder
2 during consideration of the Bids submitted in response to, advertisement for that particular
3 Procurement.

4 **ARTICLE EIGHT: RECEIVING GOODS**

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

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

13 **SECTION 802. Inspection and Tests.** At such time and manner as the Manager determines
14 in the exercise of professional judgment, the Manager shall conduct or cause to be conducted such
15 physical, chemical or other tests as may be necessary to insure the conformity of Goods or Services
16 delivered or proposed to be delivered to the City to specifications with respect to quality and durability.
17 The Manager shall, in any instance in which the Manager deems it prudent, order that
18 no Goods or Services be received or accepted prior to such testing and, in such instance, the City
19 employee designated to receive the Goods or Services shall notify the Manager personally of any
20 deliveries attempted without such testing.

21 **ARTICLE NINE: DISPOSITION OF SURPLUS GOODS**

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

SECTION 901. Custody of Surplus Goods. Each Using Agency shall retain custody of its

1 surplus Goods in such manner and at such place as the Manager shall direct, until their transfer or final
2 disposition has been made. No Using Agency shall in any event permit any surplus Goods held by it
3 to be loaned or donated without City Council approval, or destroyed or otherwise removed from the
4 City's custody without the prior written approval of the Manager.

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

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

14 (a) They may be exchanged or traded in on new Goods;

15 (b) They may be sold utilizing competitive procedures similar to those prescribed herein
16 for Formal Procurement or Open Market Procurement;

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

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

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

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

26 SECTION 904. Library Books. Notwithstanding anything to the contrary in this
27 Resolution, books and other items which are subject to Section 701(d) of the City Charter and which
the Library Department has determined to discard may be disposed of in accordance with policies as


1 are adopted from time to time by the Board of Library Trustees and approved by the City Council.

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

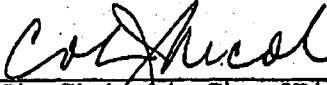
5 Section 2: That the City Manager or his/her designee is authorized to execute all Contracts
6 awarded in accordance with this Resolution.

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

8 ADOPTED by the City Council and signed by the Mayor and attested by the City Clerk
9 this 17th day of May, 2005.

10 
11 Mayor of the City of Riverside

12 Attest:

13 
14 City Clerk of the City of Riverside

15 I, Colleen J. Nicol, City Clerk of the City of Riverside, California, hereby certify that the
16 foregoing resolution was duly and regularly introduced and adopted at a meeting of the City Council
17 of said City at its meeting held on the 17th day of May, 2005, by the following vote, to wit:

18 Ayes: Councilmembers Betro, Moore, Gage, Schiavone, Adkison, Hart, and Adams

19 Noes: None

20 Absent: None

21 IN WITNESS WHEREOF I have hereunto set my hand and affixed the official seal of the
22 City of Riverside, California, this 17th day of May, 2005.

23 
24 City Clerk of the City of Riverside
25

26 G:\CLK\COUNCIL\Resolutions\May_17\20942.wpd
27 CA05-0067 05/09/05

RESOLUTION NO. 20943

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

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

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

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

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

11 ADOPTED by the City Council and signed by the Mayor and attested by the City Clerk this 17th
12 day of May, 2005.

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14 Mayor of the City of Riverside

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16 Attest:

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18 City Clerk of the City of Riverside
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2 I, Colleen J. Nicol, City Clerk of the City of Riverside, California, hereby certify that the
3 foregoing resolution was duly and regularly introduced and adopted at a meeting of the City Council
4 of said City at its meeting held on the 17th day of May, 2005, by the following vote, to wit:

5 Ayes: Councilmembers Betro, Moore, Gage, Schiavone, Adkison, Hart, and Adams

6 Noes: None

7 Absent: None

8 IN WITNESS WHEREOF I have hereunto set my hand and affixed the official seal of the City
9 of Riverside, California, this 17th day of May, 2005.

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12 City Clerk of the City of Riverside
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EXHIBIT "A"

Administrative Manual Section 2.004.000

and

Administrative Manual Section 2.005.000

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05/16/05



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"> a. Capital improvement projects (except those for Public Utilities): Representatives from originating department, Public Works, Park & Recreation or Administrative Services Department, Real Property Services Division, Legal Department and City Manager's Office, and any other directly affected departments. b. Public Utilities Capital Improvements: Representatives from Public Utilities Department, Real Property Services Division, Legal Department, and City Manager's office.
	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"> a. In cases of emergency or immediate need for services; b. The services required are so special and unique as to be provided by only one qualified consultant; or c. The City Manager determines waiver is in the best interest of the City.

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> <ul style="list-style-type: none"> 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). 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).
	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> <ul style="list-style-type: none"> 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). 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).
City Council/RPU Board	7.	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.
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"> 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. In no case shall renegotiation be entered into with the first consultant firm after negotiations have started with firm rated number 2.

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.

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	<ol style="list-style-type: none"> 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
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.	
City Manager may authorize Originating Department to contact only one qualified consultant under the following circumstances:	
a. In cases of emergency or immediate need for services; b. The services required are so special and unique as to be provided by only one qualified consultant; or c. If it is determined to be in the best of the City.	
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.	
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	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.
	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.
	7. Forwards draft contract to the City Attorney for review.
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	11. Sends contract to consultant for execution.
	12. Receives executed contract and required insurance documents:
	a. If funds for contract are included Originating Department's approved budget;

PROCEDURE:

Responsibility	Action
	<ul style="list-style-type: none"> 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). II. Submits contract to City Attorney for approval as to form (Step #13); and III. Submits required insurance documents to Risk Manager for approval as to form (Step #14).
	<ul style="list-style-type: none"> b. If funds for contract are not included in Originating Department's approved budget: <ul style="list-style-type: none"> 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) II. Submits contract to City Attorney for approval as to form. (Step #13) III. Submits required insurance documents to Risk Manager for approval as to form (Step #14).
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.
Purchasing	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.

Distribution: Regular

Adopted by Resolution No. _____, on _____.

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CITY CHARTER

Sec. 1202. Same--Powers and duties.

The Board of Public Utilities shall have the power and duty to:

(a) Consider the annual budget for the Department of Public Utilities during the process of its preparation and make recommendations with respect thereto to the City Council and the City Manager.

(b) Authorize, and let public works contracts in compliance with Section 1109, within the limits of the budget of the Department of Public Utilities, any purchase of equipment, materials, supplies, goods or services, or any acquisition, construction, improvement, extension, enlargement, diminution, or curtailment of all or any part of any public utility system when the amount exceeds \$50,000, and authorize the City Manager, or his designee, to execute contracts or issue purchase orders for the same. This amount may be increased in \$1,000 increments by ordinance to account for inflation whenever the cumulative increase in the consumer price index exceeds \$2,000 from the last increase. No such purchase, or acquisition, construction, improvement, extension, enlargement, diminution or curtailment shall be made without such prior authorization.

Notwithstanding the above, such a purchase, or acquisition, construction, extension, enlargement, diminution or curtailment may be made without prior approval (1) for work done at the request of and at the expense of a customer, pursuant to rules established by the Board of Public Utilities and approved by the City Council, or (2) if there is an urgent necessity to preserve life, health or property (i) as determined by the Director of Public Utilities or, (ii) if the amount exceeds \$100,000 by the Director of Public Utilities and the City Manager. As soon as practicable thereafter, the Director of Public Utilities shall take the matter under Section 1202 (b)(2) to the Board of Public Utilities for ratification.

(c) Within the limits of the budget of the Department of Public Utilities, make appropriations from the contingency reserve fund for capital expenditures directly related to the appropriate utility function.

(d) Require of the City Manager monthly reports of receipts and expenditures of the Department of Public Utilities, segregated as to each separate utility, and monthly statements of the general condition of the department and its facilities.

(e) Establish rates for all utility operations as provided under Section 1200 including but not limited to water and electrical revenue producing utilities owned, controlled or operated by the City, but subject to the approval of the City Council.

(f) Authorize the Director of Public Utilities to negotiate and execute contracts with individual retail customers for water, electric and any other utility service as provided under Section 1200, consistent with rates for such individualized service established pursuant to Section 1202(e).

(g) Approve or disapprove the appointment of the Director of Public Utilities, who shall

be the department head.

(h) Designate its own secretary.

(i) Make such reports and recommendations in writing to the City Council regarding the Department of Public Utilities as the City Council shall deem advisable.

(j) Exercise such other powers and perform such other duties as may be prescribed by ordinance not inconsistent with any of the provisions of this Charter. (Effective 1/18/2005 and 1/6/2003)