



SIGNATURE AUTHORITY OF THE CITY MANAGER

FINANCE DEPARTMENT

Finance Committee
February 14, 2024

Issue

- **Objective:** Review current signature authority delegated to the City Manager by the City Council.
- **Proposal:** Increase the City Manager's signature authority from \$50,000 to \$100,000.
- **Scope:** Applicable to Goods, Services, and Professional Service contracts.
- **Exclusion:** Does not relate to City Charter Section 1109 and 1202(b).

Background

- **Overview of Signing Authority**

- Authorized by City Charter Section 601 and Chapter 3.16 of the Riverside Municipal Code.
- Delegated authority allows contract signing without City Council approval:
 - Up to \$50,000 by the City Manager.
 - Up to \$25,000 by Department Heads.

- **Reason for last increase (2005)**

- Aimed to bring consistency across procurement regulations.
- Established a uniform threshold of \$50,000.
- Emphasized the need for alignment in signature authorities across all City departments.



Discussion

- The Purchasing Division has launched a comprehensive initiative aimed at enhancing **operational efficiency** by strategically **streamlining processes**.
- This initiative involves a statistical analysis based on:
 - Internal process reviews
 - Comparative assessments of Local Agency City Manager Signature Authority Limits
- The goal is to identify and resolve bottlenecks in the City Manager's signature authority to improve the efficiency of City processes.

Internal Controls

- Key **components supporting the enhancement** of the City Manager's signature authority include:
 - **Purchasing Resolution No. 23914:** Establishes a structured procurement approach, emphasizing competitive bidding and ethical standards, and sets fiscal responsibility limits for the City Manager's acquisitions.
 - **City's Administrative Manuals:** Detail operational procedures for purchasing and contracting, promoting transparency and accountability, and serving as guides for City staff to ensure consistent application of procurement processes.
 - **Adopted Budget:** Provides a biennial structure and five-year planning horizon, laying the groundwork for a strategic and long-term financial outlook with internal controls that align spending with strategic priorities.
 - **City Attorney Contract Review:** Offers an additional oversight layer by ensuring all contracts and agreements undergo thorough legal evaluation before execution, confirming compliance with city policies and regulations.



Internal Process Review (Procurement)

- **Purchasing Resolution No. 23914**
 - Create a detailed framework for managing City fund expenditures, focusing on transparency, fairness, and accountability.
 - Consolidates procurement rules into a single document for clarity and consistent policy application, requiring competitive procurement processes except as specified.
 - Enforces strict internal controls and ethical standards, including adherence to the Conflict-of-Interest Code and promoting unbiased, fair, and honest interactions with vendors.
 - Prohibits personal gifts from contractors to ensure impartial procurement decisions and encourages dispute resolution and positive relationships.
- **Administrative Manuals**
 - Details procedures for purchasing and contracting, covering a broad spectrum of procurement activities to support the resolution's objectives.
- **These documents together offer a comprehensive approach to City fund expenditure spending, promoting competitive procurement, ethical conduct, and professional excellence to protect public interest and maintain city resident trust.**



Internal Process Review (Budget)

- The budget serves as a **critical policy instrument, financial plan, operations guide, and communication tool** for the City, emphasizing **strategic priorities, fiscal decision-making, daily management, and public dialogue**.
- The City of Riverside employs a **biennial budget** and a five-year planning process, enhancing financial oversight and aligning spending with strategic objectives and priorities.
 - This approach promotes transparency, accountability to taxpayers, and overall fiscal health, positioning the budget as a cornerstone of the City's financial management strategy.
 - Emphasis on robust internal controls within the budgeting process ensures financial integrity and responsible expenditure of City funds.
- The Finance Department plays a key role in **safeguarding financial integrity** through contract review processes, which include reviewing and certifying available funds to comply with budgetary constraints, **ensuring fiscal responsibility**.



Internal Process Review (City Attorney)

The agreement process within City departments varies based on the need for City Council approval.

Without City Council Approval:

- Process starts with the department collaborating with the Purchasing Department for necessary RFPs, RFQs, bids, or exceptions.
- Involves submitting a purchasing concurrence request and a draft report into the Purchasing Portal.
- The City Attorney is requested to prepare the document, which, once finalized, is sent for external signatures and insurance, then to Risk Management.
- Department Head completes an approval form, which, along with the agreement, goes through the Finance Department for approvals.
- The City Attorney gives final approval before sending it to the City Clerk for verification and attestation by the City Manager. The department receives an electronic copy, and the original is retained by the City Clerk.
- The department forwards a copy to the external party post-Purchase Order issuance.



Internal Process Review (City Attorney)

With City Council Approval:

- Initial steps are similar to the non-Council approval process until document preparation by the City Attorney.
- Divergence begins with the department submitting the purchasing approval and City Council report into Legistar, followed by obtaining external signatures and insurance.
- After Department Head approval, documents go through the Finance Department for directorial approvals, then the City Clerk attaches them to the City Council report for public meeting approval.
- Following City Council approval, the process aligns back with the non-Council approval steps for finalization and distribution.
- Both processes require detailed preparation and internal approvals, but City Council-required approvals involve additional legislative steps, including submission into Legistar and public meeting approval, differentiating it from the more straightforward non-Council approval process.

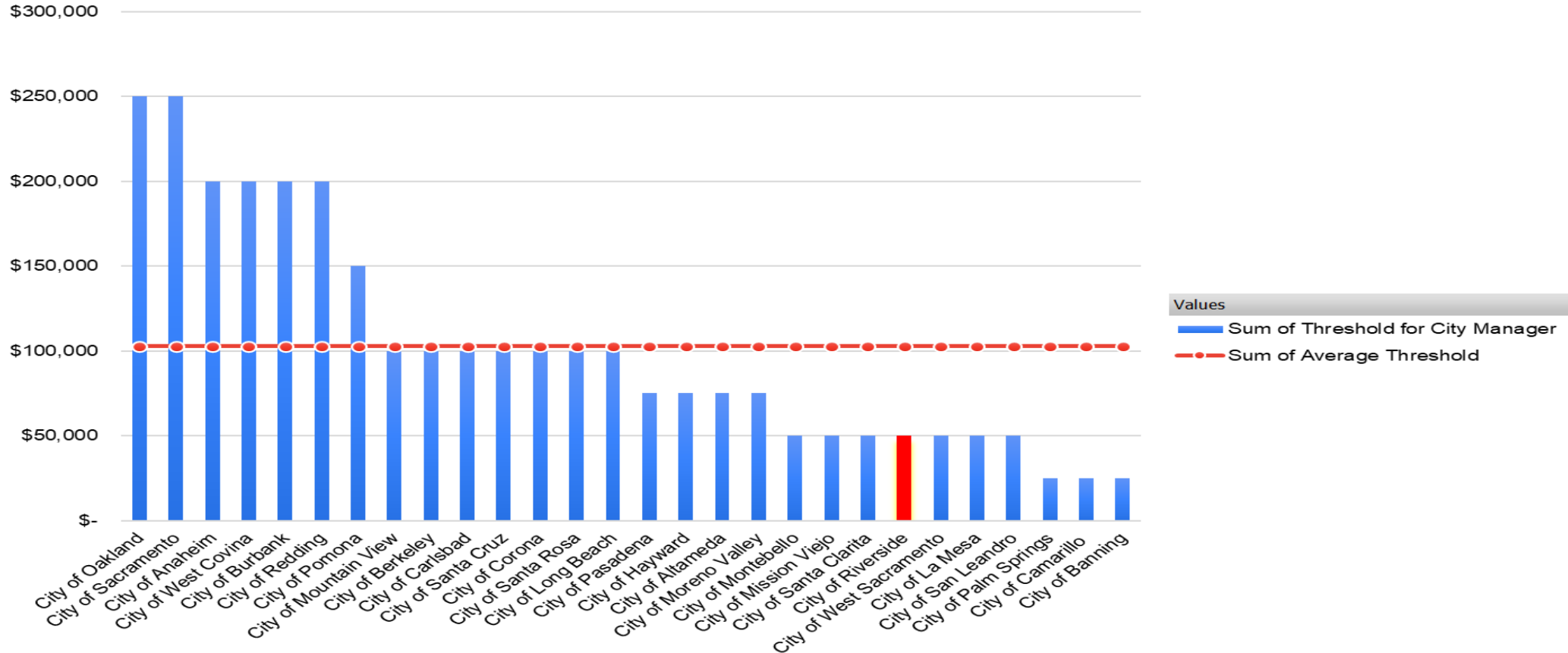
Internal Process Review (Legistar)

| Department Responsibilities | City Clerk's Office |
|---|---|
| Proactive Review of Tentative Agendas and Master Calendar | Loads Agenda Items and Updates Calendar |
| Document updates and revisions | Uploads documents and Assigns Signature Route |
| Oversee Agenda item progression | Standardizes submission processes and provides training |
| Deadline Adherence | Publishes Agenda |
| Obtain necessary approvals from impacted departments | |
| Requests late submittal approvals for missed deadlines | |
| Final document retrievals once approved | |

City Data Chart Survey Results (CAPPO)

Sum of Threshold for City Manager | Sum of Average Threshold

ATTACHMENT E CITY AGENCY CITY MANAGER SIGNATURE AUTHORITY



Name of Agency



Purchasing Resolution No. 23914 Recommendations

| Section | Existing Language | Recommended Modifications |
|---|--|---|
| 203. Authorization | <ul style="list-style-type: none"> - Contracts and purchase orders for \$50,000 or less - Other contracts as approved by City Council, Board of Public Utilities, and Board of Library Trustees | <ul style="list-style-type: none"> - Contracts and purchase orders for \$100,000 or less - Includes Goods, Services, Professional Services, Construction, and Design-Build Services - Maintains approval for other contracts as existing |
| 205. City Attorney Authorization | <ul style="list-style-type: none"> - Contracts up to \$50,000 for expert and consultant services related to litigation, claim defense/prosecution, and related matters | <ul style="list-style-type: none"> - Contracts up to \$100,000 for the same range of services |
| 1104. Change Orders | <ul style="list-style-type: none"> - 10% of the original contract price up to \$50,000 requires Awarding Entity approval for modifications - Change Orders exceeding \$50,000 require Awarding Entity approval | <ul style="list-style-type: none"> - 10% of the original contract price up to \$100,000 for modifications - Change Orders exceeding \$100,000 require Awarding Entity approval |



STRATEGIC PLAN ALIGNMENT



HIGH PERFORMING GOVERNMENT

CROSS-CUTTING THREADS



Community Trust



Equity



Innovation



Fiscal
Responsibility



Sustainability
and Resiliency

Recommendations

That the Finance Committee:

1. Review the signature authority previously delegated to the City Manager by the City Council, and
2. Recommend that the City Council increase the City Manager's signature authority from \$50,000 to \$100,000 for Goods, Services and Professional Service contracts not related to City Charter Section 1109 and 1202(b).



Q&A

"Open Floor for Questions and Discussion"

