

City of Vernon



Purchasing Manual

Finance Department

Prepared in accordance with the regulations of Article IV of the
Vernon Municipal Code

As Amended and approved by the City Council effective July 1, 2014

TABLE OF CONTENTS

PURPOSE	3
ORGANIZATION	3
PURCHASING EXPENDITURE THRESHOLDS	4
COMPETITIVE BIDDING	6
COMPETITIVE SELECTION.....	8
CONTRACT APPROVAL	10
CONTRACT PREPARATION.....	11
CONTRACT ROUTING.....	12
EXEMPTIONS	13
PURCHASING REQUISTIONS	15
PURCHASE ORDERS/CONTRACTS	16
CREDIT CARDS	17
Overview	17
Definitions	18
Cardholder Responsibilities	19
Department Responsibilities.....	20
Responsibilities of Department Heads.....	20
Responsibilities of Finance Director	20
Transactions Requiring Special Documentation or Approval	21
Prohibited Purchases	22
The Big Don'ts	22
Credit Card Security	23
Cardholder Terminations and Transfers.....	23
Lost or Stolen Cards.....	24
SALVAGE PROPERTY.....	25

Purpose of Manual

Vernon Municipal Code Sections 2.17.06 and 2.17.07 provide for the administration of the Competitive Bidding, Purchasing, Living Wage Ordinances, and salvage processes.

All purchasing activities are to be performed in accordance with the City's existing Purchasing Policy and Procedures Manual. Any and all practices which might result in unlawful activity are specifically prohibited.

In accordance with the Political Reform Act of 1974, it is required that no employee or public official shall make, participate in making or in any way attempt to use his or her official position to influence a governmental decision in which he or she has a financial interest. In accordance with Section 87500 of the Government Code, certain designated employees and council members are required to disclose economic interests and are prohibited from participating in decisions that may have an effect on their financial interests.

Specifically, it is further required that no employee or elected official of the City shall participate in procedures, tasks or decisions relative to initiation, award or administration of a contract if a conflict of interest, real or apparent, exists. Such a conflict of interest arises when the employee or elected official, any member of his or her immediate family, his or her business associate, or an organization which employs or which is about to employ any of the above has a financial or other interest in a firm that participates in a City bidding process or that is selected for an award.

ORGANIZATION

The purchasing function is part of the Finance Department, which is responsible for carrying out the written administrative procedures adopted by the City Administrator (Vernon Municipal Code §§ 2.17.06 and 2.17.07).

The Purchasing of the Finance Department ("Purchasing") aids the City Administrator to administer the Competitive Bidding, Purchasing, Living Wage Ordinances, and salvage processes. Purchasing also processes all City Purchase Orders and manages the City's Credit Card Program.

CONTACT INFORMATION

Purchasing should be the first point of contact when preparing to purchase products or services for the City.

Marisela Martinez, Purchasing Assistant, (323) 583-8811 Ext. 235

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Purchasing Expenditure Thresholds

The Competitive Bidding and Purchasing Ordinance, Article IV of Chapter 2 of the Vernon Municipal Code (§§ 2.17.00 *et seq.*), has established expenditure (dollar) thresholds that determine which procedures are used. (See **Exhibit 1** for Bid Requirements and Authorization Thresholds)

These procedures apply to all purchases up to \$5,000 (See Exhibit 2):

- For purchases up to \$5,000 only one quote is required.
- Purchases may be made using City Credit Card.

These procedures apply to purchases over \$5,000 and up to \$15,000 (See Exhibit 3).

- Purchases over \$5,000 and up to \$15,000 are processed informally, through vendor quotations.
- Informal quotations may be obtained via phone, fax, e-mail, etc.
- At least three (3) quotes are required.
- When making purchases over \$5,000 and up to \$15,000, criteria other than price can be used, e.g., delivery time, quality, and vendor experience. If using criteria other than price, the criteria should be stated somewhere on the quote documentation.
- Departments shall maximize the use of the City's website to publicize contracting opportunities as well as to inform the public about contract awards and proposed awards at all dollar levels.
- If the required number of vendors cannot be identified, Purchasing will process the request provided a brief explanation of the outreach effort(s) provided.

These procedures apply to purchases over \$15,000 and up to \$50,000 (See Exhibit 4).

- Purchases over \$15,000 and up to \$50,000 are processed informally, through vendor quotations.
- Informal quotations may be obtained via phone, fax, e-mail, etc.

Purchasing Expenditure Thresholds (cont.)

- At least five (5) quotes are required.
- When making purchases over \$15,000 and up to \$50,000, criteria other than price can be used, e.g., delivery time, quality, and vendor experience. If using criteria other than price, the criteria should be stated somewhere on the quote documentation.
- Departments shall maximize the use of the City's website to publicize contracting opportunities as well as to inform the public about contract awards and proposed awards at all dollar levels.
- If the required number of vendors cannot be identified, Purchasing will process the request provided a brief explanation of the outreach effort provided.

These procedures apply to purchases over \$50,000 (See Exhibit 5):

- Purchases in this category are subject to competitive bidding or competitive selection depending on the type of purchase (formal bids).
- Contracts in this category are subject to the Vernon Living Wage Ordinance.
- Contracts in this category are presumed to be subject to Prevailing Wage and related Labor Code requirements.
- Bid Specifications (Notice Inviting Bids) must be posted on the City's website and published at least one day in a newspaper of general circulation for a minimum of ten calendar days before bid opening.
- To the extent feasible, at least ten (10) days before proposals or bids are due, Departments shall cause notice of the applicable Notice Inviting Bids, or Request for Proposals to be sent to at least five (5) vendors that are likely to qualify to submit a bid or proposal (Vernon Municipal Code § 2.17.15).
- Voluntary or mandatory pre-bid meetings may be held to answer questions related to bids or RFP's.

Competitive Bidding

Competitive Bidding is used to procure supplies, services or equipment in excess of \$50,000, unless the contract is exempted or excluded from the competitive bidding requirements (see Vernon Municipal Code Sec. 2.17.12(A)). Competitive Bidding is a “price only” selection process where the contract award is to the lowest Responsive and Responsible bidder. Responsiveness relates to whether a bidder has met the requirements of the City’s specifications. Responsibility relates to the bidders’ general business standing, such as financial stability, performance on prior contracts of a similar nature, etc.

- Competitive Bidding requires a Specification that spells out the requirements of the project to all potential bidders. Specifications include standard “boilerplate” requirements and technical requirements/scope of work.
- Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) firms are strongly encouraged to participate in the City’s contract opportunities. City projects which are funded in whole or in part with federal funding sources are subject to DBE requirements as set forth in Title 49 of the Code of Federal Regulations (CFR), Part 26, and the State of California Department of Transportation Disadvantaged Business Enterprise (DBE) Program Plan, as well as other Caltrans guidelines. For these projects, specific DBE requirements and project goals will be detailed in the project’s bid specifications.
- Departments shall consult with the Finance Department to determine and set any special insurance requirements for the work which shall, in turn, be incorporated into the form of contract provided with the Specification (See **Exhibit 6**).
- All specifications shall be approved by the City Administrator and approved as to form by the City Attorney’s Office prior to publication (Vernon Municipal Code § 2.17.06 and 2.17.16).
- A bid security in the amount of 10% of the bid price or another predetermined amount either in the form of cash, certified or cashier's check, money order or surety bond is generally required. The purpose of a bid security is to discourage frivolous and bad faith bids. In addition, the bid security is used to ensure that a successful bidder does not back out of entering into the contract. Should the successful bidder back out of entering into the contract, the City retains their bid security.
- If the contract involves labor for installing equipment, the contractor will be required to provide general liability, auto and workers’ compensation insurance (See **Exhibit 6**).

Competitive Bidding (cont.)

- Public works contracts with a total value over the lifetime of the contract exceeding \$25,000 shall require that, before commencement of work, a payment bond be given to and approved by the City (Vernon Municipal Code § 2.17.23).
- Vernon Municipal Code § 2.17.14 requires that competitively bid contracts be advertised at least once in a newspaper of general circulation in the City and posted on the City's website.
- The Notice Inviting Bids states:
 - The type of contract being issued;
 - Where the specifications can be obtained;
 - The date and time at which responses are due and will be opened.
- To the extent feasible, at least ten (10) days before bids are due, Departments shall cause notice of the applicable Notice Inviting Bids to be sent to at least five (5) vendors that are likely to qualify to submit a bid or proposal (Vernon Municipal Code § 2.17.15).
- Any bid received after the stated deadline will be rejected. At the time of bid opening, which is usually held in the City Clerk's office and is always held in public, each bid is opened and the respective bid prices are read aloud.

Competitive Selection

Competitive Selection is a process whereby various criteria are used to determine which proposer offers the City the “overall best value.” Criteria in addition to cost are weighed and a contract can be awarded to another proposer other than the proposer with the lowest price.

- Contract awards are based on a written request for proposals (RFP) or request for qualifications (RFQ).
- Departments shall consult with the Finance Department to determine and set any special insurance requirements for the work which shall, in turn, be incorporated into the form of contract provided with the Specification (See **Exhibit 6**).
- All RFPs/RFQs shall be approved by the City Administrator and approved as to form by the City Attorney’s Office prior to publication (Vernon Municipal Code § 2.17.07).
- RFPs/RFQs outline the details by way of a Scope of Work that defines what the selected firm will do for the City such as conduct a study, deliver a customized software program, etc.
- Proposals are assessed via evaluation criteria that explain how the proposals will be evaluated and a firm selected.
- The Competitive Selection process is not a price-only determination; price is only one of the three required criteria. (But if a contract is for architectural or related services, price cannot be a factor). The other two required criteria are demonstrated competence, and relevant professional qualifications. Additional criteria may be included to meet certain grant or legal requirement (for example, Assembly Bill 939 promoting the use of recycled/recyclable supplies and materials to help reduce material going to landfills by 50 percent). Where it is deemed appropriate, the City will include requirements, including but not limited to the following:
 - Sustainable performance and reporting requirements, as well as green certification and product evaluation criteria.
 - Environmental preferred purchasing.
 - Energy Star or energy/water efficient equipment.
 - Extended producer responsibility.
 - Low/non-toxic supplies and chemicals in janitorial and maintenance services.
- RFPs list those items, under the title “Contents of Proposals”, that proposers must provide in their proposal to be responsive and for their proposal considered.

Competitive Selection (cont.)

- There should be a relationship between the contents of proposals and the evaluation criteria. For example, if one of the evaluation criteria is prior experience, the contents of proposals section should require the submission of resumes, references, corporate history, etc.
- Unlike Competitively Bid contracts, contracts subject to Competitive Selection are not required to be noticed in the newspaper. However, a notice must be placed on the City's website, and each Department is responsible for ensuring that the availability of the Request for Proposals is broadly known. For example, this can be accomplished through trade journals, newspapers or directly mailing to vendors.
- To the extent feasible, at least ten (10) days before proposals are due, Departments shall cause notice of the applicable RFPs/RFQs to be sent to at least five (5) vendors that are likely to qualify to submit a bid or proposal (Vernon Municipal Code § 2.17.15).

Contract Approval

Upon completion of either a competitive bid or selection process, all contracts must be approved by the appropriate approval authority. The contract approval authority is dependent on the dollar amount of the contract. All contracts/agreements provided by any vendor requiring the City's signature must be approved as to form by the City Attorney's Office prior to execution.

- Contracts (Purchase Order/Contract) up to \$50,000 are approved by the Finance Director.
- Contracts in excess of \$50,000 and up to \$100,000 are authorized by the City Administrator.
- Contracts in excess of \$100,000 must be approved by the City Council. An agenda report detailing the need for the contract, compliance with the law in the process used to select the contractor, as well as the source of funding must be prepared to obtain approval from the City Council.
 - On occasion, vendors may ask that you sign their contract - **DON'T**. There are very few people in the City who are authorized by City Council to bind the City into a contract. As for objections to the City's standard terms, vendor contracts should be forwarded to the Finance Director for review, which may also necessitate involvement of the City Attorney's Office.
- Before a contract can be drafted, it must be authorized, in writing, prior to preparation.
 - Contracts (Purchase Order/Contract) up to \$50,000 require a signed Purchase Order/Contract properly requisitioned through the Eden's Purchasing Module or Contract Management Module.
 - Contracts over \$50,000, and up to \$100,000, require a signed memorandum from the City Administrator.
 - Contracts over \$100,000 require a City Council Agenda Report certified by the City Clerk signifying its approval.
- Once approved by the appropriate authority, the contract is prepared.

Contract Preparation

The City has several standard contract forms each with its own particular terms and conditions. The contracts include: Labor & Materials, Services Contract, Attorney Services and the Purchase Order/Contract. The type of contract used for a particular transaction is determined by the nature of the transaction. Questions regarding the proper form of contract and/or drafting contract terms should be directed to the City Attorney's Office.

- Generally speaking, everything up to \$50,000 is accomplished by way of the Purchase Order/Contract.
 - Vendors who provide labor or service on-site are required to have insurance first. Purchase Contracts which include vendor labor or service should be prepared in the Eden Contract Management Module (See **Exhibit 7**).
 - Purchase Orders for supplies and equipment which do not include vendor labor or service on-site should be requested through the Eden Purchasing Module (See **Exhibit 8**).
- Contracts for labor in excess of \$50,000 use the Labor & Materials Contract.
- The Purchase Order/Contract is generally used for purchases of supplies and equipment in excess of \$50,000. However, if the contract also includes labor, the Labor & Materials Contract should be used.
- The Services Contract, sometimes called the Personal Services Contract, is reserved for consulting, engineering and other similar services in excess of \$50,000.
- Bid specifications or RFPs, along with the contractor's bid or proposal, become part of the contract. Some contract terms may be negotiable with the notable exception of those that have been Competitively Bid.
 - The City Attorney's Office and Purchasing are resources to be used in developing/negotiating contract terms. **Any change from Council-approved contract terms must be approved by the City Attorney's Office, and any material change must be approved by City Council.**
- **With only one exception, the City Attorney's Office must approve each contract as to form.** Approval from the City Attorney's Office is not required *only if* (1) the contract is documented on a form Purchase Order/Contract approved by the City Council and (2) the Contractor is not requiring that the City sign any other document (such as the Contractor's own purchase order form).

Contract Routing

Contract Routing ensures that all of the up-front contractual requirements have been met, such as, insurance, bonds, living wage and other necessary forms and obligations have been provided adequately.

- Contractors are required to execute two (2) duplicate original contracts prior to execution by the City.
 - Just as there are limited City officers who can bind the City into a contract, not every employee of a contractor can legally execute agreements. The City will only accept authorized signatures to bind the Contractor. The document, “City of Vernon Signature Requirements for City Agreements”, describes who must sign proposed contracts (See **Exhibit 9**).
 - Any contracts submitted without proper signatures will be returned to the handling department to obtain required signatures.
- Once an authorized representative of the contractor has signed the contract, it should be routed for approval within the City.
 - The City has a standard Contract/Amendment Signature Routing Form (See **Exhibit 10**).
- The department requisitioning or issuing the contract is responsible for putting the contract and any exhibits together, and securing all of the necessary insurance certificate and bonds (See **Exhibit 6**). The department completes the routing form, provides the required information and routes the form along with the contract to each person on the routing list.
 - **Even though some of the reviews may not seem applicable to a given contract, each department representative on the routing form must review and sign-off on the form.**
- Once all sign-offs are complete, the original contracts will be given to the City Clerk’s department and attested to by the City Clerk. The City Clerk’s department will transmit a duplicate original to the contractor, unless requested otherwise by the handling department. The City Clerk’s department will maintain an original contract and all supporting documents on file.

Exemptions

An exemption from Competitive Bidding or Competitive Selection may be requested under certain circumstances. Although all contracts in excess of \$50,000 are subject to either Competitive Bidding or Competitive Selection, there are some cases where an exemption may be granted.

- For Contracts up to \$50,000, an exemption from the informal quote requirement may be granted for a variety of reasons. These reasons include contracts with other governmental entities, contracts with sole source providers and contracts for which the City's best interests are served. (See VMC § 2.17.12).
- Requests for exemptions up to \$50,000 must be documented on a Request for Exemption Form (See **Exhibit 11**). The Finance Director must approve the exemption before a purchase order/contract is issued.
- For contracts over \$50,000, an exemption may be granted for the following reasons (VMC § 2.17.12):
 - Exemptions from competitive bidding:
 - Supplies, equipment, or services rendered by any City officer or employee or furnished by one City department to another City department.
 - Contracts for supplies, equipment, services available from only one vendor or for unique services.
 - Contracts for the acquisition of real property or relating to the acquisition of real property.
 - Contracts for supplies, equipment, or services for actual emergency work.
 - Contracts (a) with other governmental entities for supplies, equipment or services; (b) for supplies, equipment or services that can be purchased in cooperation with other public agencies, associations or when supplies equipment or services can be purchased from a vendor offering the same prices, terms and conditions as in a previous award from the City or another public agency either by competitive bid or through a negotiated process and, in the opinion of the Finance Director, it is to the advantage of the City to do so.
 - For piggybacking opportunities, contact Purchasing (See **Exhibit 12**).
 - Contracts for the acquisition, sale or transmission of electrical power, natural gas, water, or telecommunications, where it is commercially unreasonable to comply with standard procurement procedures. All such procurement shall be made pursuant to a Resolution of the City Council.
 - Any contract authorized by California Government Code § 5920 et seq. and any successor provisions thereof, and for which a competitive financing process has been established by Resolution of the City Council.
 - Contracts for insurance, bonds, advertising, membership dues, travel, travel related expenses and for training, except that brokers and agents for the same shall be procured through a competitive selection process unless not commercially reasonable not to do so.

Exemptions (cont.)

- Contracts for supplies, equipment or services over the lifetime of the contract up to \$50,000.
- Contracts for professional services.
- Exemptions from competitive *selection* (but not competitive bidding):
 - Any of the types of contracts exempted from competitive bidding.
 - Specific contracts where it is found that the best interests of the City are served by a direct award of the contract without a competitive selection process A “best interests” exemption finding must be made (by the City Administrator or City Council, depending on the contract amount) in accordance with Vernon Municipal Code Sec. 2.17.12(B)(3). .
- There is no “**best interests**” exemption from Competitive Bidding, while there is one for Competitive Selection.
- The City Administrator must approve all requests for competitive bidding/competitive selection exemptions for contracts over \$50,000 up to \$100,000.
- The City Council must approve all requests for competitive bidding/competitive selection exemptions for contracts over \$100,000.
 - The appropriate level of authority must approve any request to increase a contract beyond the authorized contract threshold amount.
 - Contract threshold amount is the total value over the lifetime of the contract, including amendments.
 - If, in the 12 months preceding the effective date of a proposed new, renewed, or otherwise amended contract, the City has paid or awarded the proposed vendor more than \$100,000 , either through a single contract or through multiple contracts and/or purchase orders, then the proposed new, renewed, or otherwise amended contract must be approved by the City Council (Vernon Municipal Code § 2.17.02 (B))

Purchasing Requisitions

For Purchasing to generate a purchase order, departments must prepare a requisition using the electronic form in the Eden Purchasing Module and have the electronic form approved by Department Heads.

- Purchase Orders for supplies and/or equipment which do not include vendor labor or service on-site should be requested through the Eden Purchasing Module (See **Exhibit 8**).
- To complete a requisition, provide the complete vendor name (please do not abbreviate vendor name), address, phone number, vendor contact name, and fax number (if available).
- Next, provide a complete description of supplies and/or equipment that are being purchased.
- Indicate cost on the requisition by delineating unit prices (do not include tax on the unit price).
- Freight charges (if any) should also be included on the total of the requisition (generally, freight is not subject to sales tax).
- A certificate of insurance is required anytime a vendor comes to a City property to provide any type of work, therefore, no matter how small the job or dollar amount, proof of insurance is to be obtained and approved by Liability and Claims/Risk Management before a requisition is sent to Purchasing (See **Exhibits 6 and 10**).
- All accounts need to be validated for accuracy (fund, department, object, and project numbers). Each department must also verify and confirm that there is enough money budgeted in the account before the requisition is sent to Purchasing.
- Request for increases/decreases are to be made via change order. Change orders should indicate the vendor name, purchase order number, and increase/decrease amount with the new total balance of the purchase order.
- All requisitions, exemptions and other forms must be signed and dated.

Purchase Orders/Contracts

A Purchase Order is generally the easiest and most efficient method to enact a purchase. It is designed to save time with a preprinted well-defined set of standard terms and conditions.

- Purchase Orders/Contracts which include vendor labor or service on-site should be prepared in the Eden Contract Management Module (See **Exhibit 7**).
- Purchase Orders/Contracts for supplies and equipment which do not include vendor labor or service should be requested through the Eden Purchasing Module (See **Exhibit 8**).
- Vendors providing labor or services on-site are required to provide general liability, auto and workers' compensation insurance (See **Exhibit 6**).
 - Detailed information regarding insurance may be obtained from Risk Management.
- Any vendor requests to change or delete terms in the City's standard Purchase Order/Contract must be reviewed and approved by the City Attorney's Office.

Credit Cards

Introduction: The purpose of the City's Credit Card Program is to establish a more efficient cost effective method of purchasing City supplies and equipment. The program will help to expedite purchases as well as reduce the number of purchase orders, invoices and checks. This Program compliments the existing procurement processes and procedures.

Up-Front Authority: For the Credit Card to have its most beneficial impact on how the City conducts its purchasing and payment processes, the purchasing authority is designed to be "up front." Essentially, the cardholder is delegated the authority (by management or their supervisor) to purchase certain supplies and equipment within specified dollar amounts for business related purposes for the City.

Overview

- Although it is not required, City employees are encouraged to make purchases from vendors who provide government discounts when using credit cards. Employees may contact Purchasing for a listing of such preferred vendors and inform Purchasing of new ones when they are identified.
- The City's Credit Cards are issued in the City of Vernon employee's name. (Temporary employees are not eligible to receive a City Credit Card)
- Authorization to receive a Credit Card must be obtained from the Department Head.
- Each employee that is issued a Credit Card is responsible for the security of the card and all transactions associated with it.
- The City's Credit Cards work much like personal credit cards. The cards may be used at any approved class of vendor that accepts VisaCard™. The card may be used for in-store purchases, mail, telephone, and internet or fax orders.
- Transaction limits are established and authorized by each Department Head and approved by the Finance Director.
- The City is required to pay sales and use tax that would normally apply to the purchase.

Credit Cards (cont.)

Definitions

Cardholder: A City of Vernon “full-time” employee who has been approved by his/her department to execute transactions on behalf of the City and whose name appears on the Credit Card and is accountable for all charges made with the card.

Supporting Documentation: A merchant-produced original document that records the relevant details for each item purchased including: quantities, amounts, a name and address (sales receipt, invoice, credit receipt etc.).

Credit Cards (cont.)

Cardholder Responsibilities

- Each cardholder must activate the City's Credit Card before use by following the instructions that come with the card.
- Each cardholder is responsible for obtaining receipts for all purchases.
- Credit card statements are mailed directly to the Finance Department and then distributed to each Department.
- Cardholders must compare each transaction to their receipts to ensure accuracy. Any discrepancies or erroneous charges must be reported to the Finance Director immediately.
- Proper documentation for all transactions is MANDATORY. **Failure to comply with City Credit Card procedures will result in cancellation of the Credit Card, and may result in disciplinary action.**
- All statements with their supporting documentation must be received by the Finance Department by the date designated on the correspondence sent to each Department accompanied with their statements.
- Activities related to City's Credit Cards do not affect the cardholder's personal credit rating in any way.

The City's Credit Cards commit City funds each time that they are used. **Do not take this responsibility lightly.**

Credit Cards (cont.)

Department Responsibilities

- Routinely monitor Credit Card activity of cardholders.
- Ensure compliance with Credit Card policies and procedures.
- Immediately report any abuse or misuse of Credit Cards to the Finance Director.
- Review and reconcile all cardholder transactions by given deadlines.
- Collect all documentation and follow the City's guidelines for retention.
- Track disputed items to ensure proper credit is received. Any discrepancies in billing must be marked as disputed charges.
- Immediately notify Finance Director of employee transfers and terminations.

Responsibilities of Department Heads

- Department Heads, or their designated employees, must review the individual receipts against charges on their credit card statement.
- Department Heads are required to sign the cardholder statement or transaction report as verification that the goods or services were actually received and whether those expenses were related to the department's business purpose. It is very important that Department Heads and their authorized designee(s) code the credit card activities to the correct expenditure accounts and monitor their activities against their budgets (Note: For a Department Head's Credit Card, the City Administrator must sign to verify the Department Head's transactions.)

Responsibilities of Finance Director

- Finance Director obtains credit card statements and receipts for all purchases.
- Finance Director compares each transaction on the credit card statements to their receipts to ensure accuracy and represent a bona fide expense (for Finance Director's credit card, the City Administrator reviews each transaction).
- Finance Director gives approval for payment before final approval by City Council.

Credit Cards (cont.)

Transactions Requiring Special Documentation or Approval

- Dues – Use of City funds for organizational memberships and dues may be permitted for memberships in organizations that provide educational or professional service value to the City. City funds may not be used to pay personal membership dues that do not provide educational or professional service value to the City.
 - When in question, ask your immediate supervisor whether the dues are personal in nature.
- Food for Human Consumption – If food is purchased for a City sponsored event/meeting and less than 10 people are attending, the names of those people must be listed with supporting documentation along with the purpose of the event/meeting. If 10 or more are in attendance, only the group name and purpose are necessary.
- Fuel – Whenever possible, fuel should be obtained from the City's fueling facility.
- Special Purchases – Purchases which appear, on their face, to be of a personal nature, must be approved, in writing and in advance by the Department Head in a manner which establishes the public purpose.

Credit Cards (cont.)

Prohibited Purchases

- The Credit Card may not be used for the following and create the rebuttal presumption that there was embezzlement or misuse of public funds:
 - Cash advances.
 - Personal services.
 - Contracted services such as independent contractors, performers, consultants, speakers, attorney fees, printing services.
 - Construction, renovation or installation services.
 - Fuel for personal vehicles (may be used for rental car gas while on official business or while traveling on City business).
 - Personal convenience items. This includes, but is not limited to commuting expenses, parking tickets, personal fines, gifts, entertainment, personal membership fees, personal clothing and footwear, decorative items, personal qualification expenses.
 - Medical services.
 - Services of sole proprietorships or individuals (IRS Form 1099 suppliers).
 - Any purchases or transactions requiring a separate agreement to be signed.
 - Gift cards.

The Big Don'ts

- **Do not** charge services on Credit Cards. Credit Cards are only to be used to purchase supplies and equipment.
- **Do not** circumvent established single purchase limits by splitting charges.
- **Never** use City funds for personal or private benefit.
- **Remember** Credit Cards are only to be used for official City business. Care should be taken to ensure that personal charges are not mistakenly applied to the City's Credit Card. Personal charges mistakenly applied to the City Credit Card must be reimbursed immediately. Violation of City Credit Card procedures may result in disciplinary proceedings up to and including termination, as well as applicable civil and/or criminal liability.

Credit Cards (cont.)

Credit Card Security

- The cardholder is responsible for the security of the card and the transactions made with it.
- Keep your Credit Card in an accessible, but secure location.
- The card should be handled as if it were cash.
- Guard the Credit Card account number carefully --do not post it at your desk or write it in your day planner or distribute to anyone else.
- The card should be kept in the cardholder's possession or locked up at all times.
- Cardholders should never attempt to change the mailing address of their Credit Card.

Cardholder Terminations and Transfers

- Upon termination of employment or transfer to another position within the City, each department has the specific obligation to reclaim the Credit Card and report it to Purchasing prior to the employee's termination date or transfer.
- Each department must notify Purchasing, via e-mail, with the employee's name and termination/transfer date. Each department must make appropriate provisions to collect all pertinent documentation relative to any outstanding Credit Card transactions.
- Purchasing will monitor employee transfers and terminations with Payroll.

Credit Cards (cont.)

Lost or Stolen Cards









- If the Credit Card is lost or stolen, notify the Finance Director immediately.
- Failure to report your Credit Card as lost or stolen in a timely manner can result in your department being responsible for payment of transactions that take place during that time. Departments may require that the cardholder reimburse them for such activity.

Salvage Property

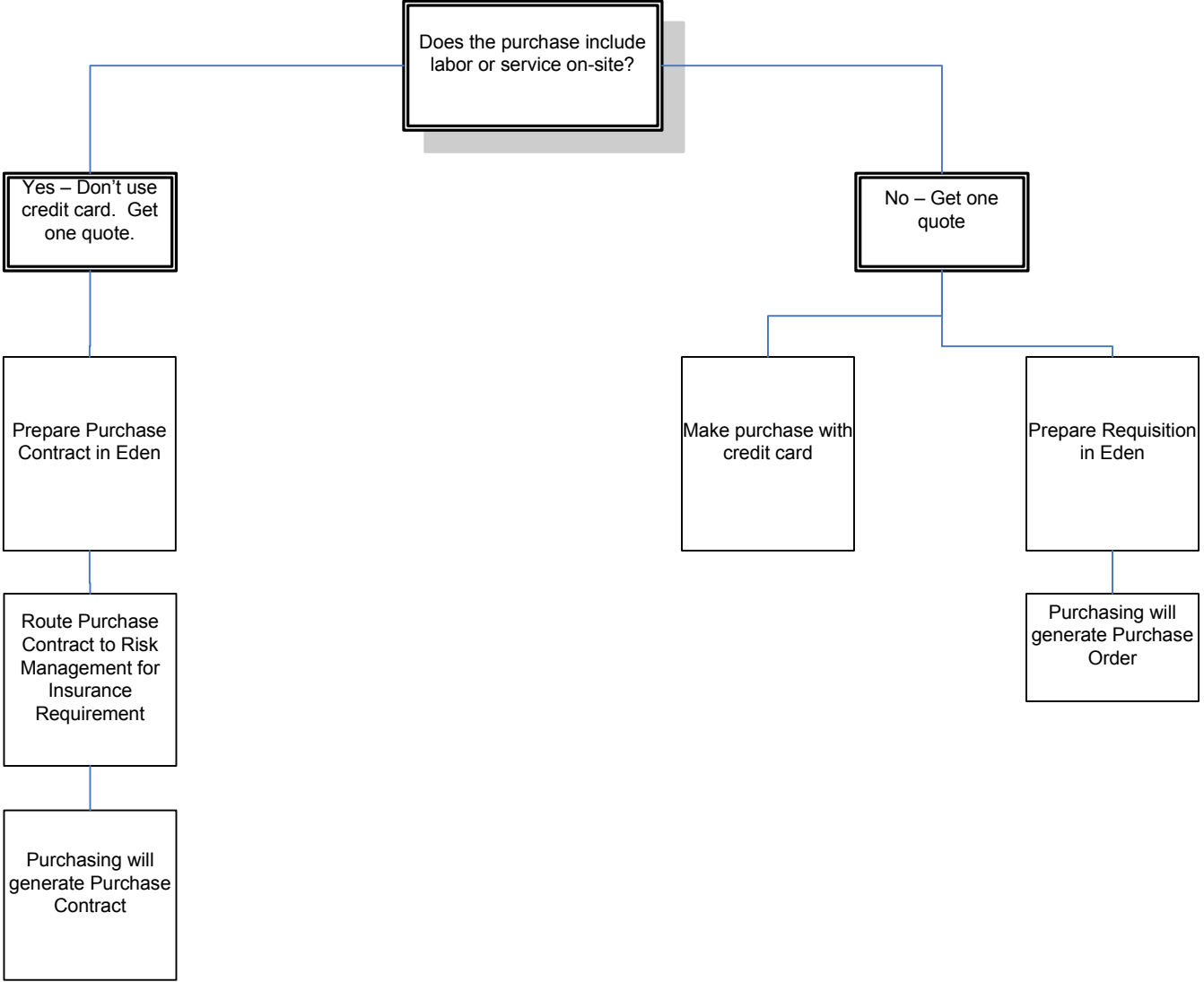
Purchasing is responsible for salvaging the City's surplus property. Salvage Property is personal property of the City, which has functional usefulness, but is no longer needed or fit for the purpose intended.

- Salvage Property is either sold at auction, sold directly by the City, or donated by the City.
- The applicable Department Head or their designee(s) will notify Purchasing in writing of the existence of salvage property and request disposal instructions. This notification shall list each item, acquisition date or estimated age, acquisition price (if known), condition, and any known defect not readily apparent through visual inspection.
- Purchasing shall review the request and determine if any other City department has a use for the salvage property. If so, Purchasing shall transfer the salvage property to the department they believe can best use it.
- If Purchasing determines that the salvage property is not functionally or economically suitable for further City use, it shall dispose of it by using a public auction, sealed bids or through negotiated sale for items valued at more than \$10,000. For recyclable items equal to or less than \$10,000, Purchasing may dispose of those items through a scrap metal or a recycling vendor if the cost to do so does not outweigh the value received in return.
 - Salvage Property **MAY NOT** be sold to or given to a City employee except through public auction or sealed bids open to the general public.
 - City employees **SHALL NOT** be permitted to bid or knowingly come into ownership of any salvage property if the employee participated in the disposal process.

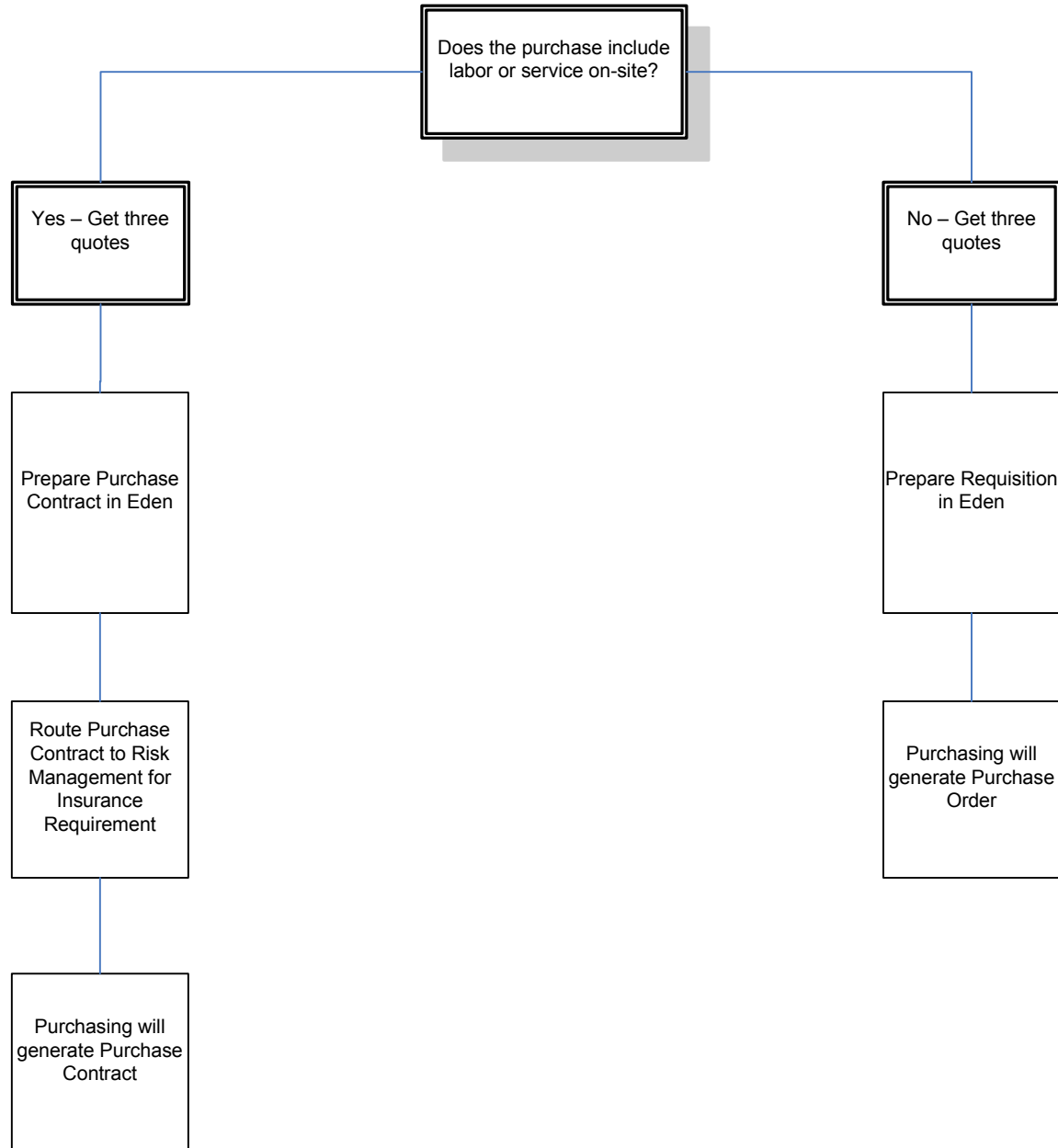
Bid Requirements and Authorization Thresholds

Floor	Bid Requirements	Ceiling	Authorization Thresholds			
			Department Head	Finance Director	City Administrator	City Council
\$0	< 1 Quote	<= \$5,000				
\$5,000	< 3 Quote	<= \$15,000				
\$15,000	< 5 Quote	<= \$50,000				
\$50,000	< Competitive Bidding/Selection	<= \$100,000				
\$100,000	< Competitive Bidding/Selection	< No Limit				

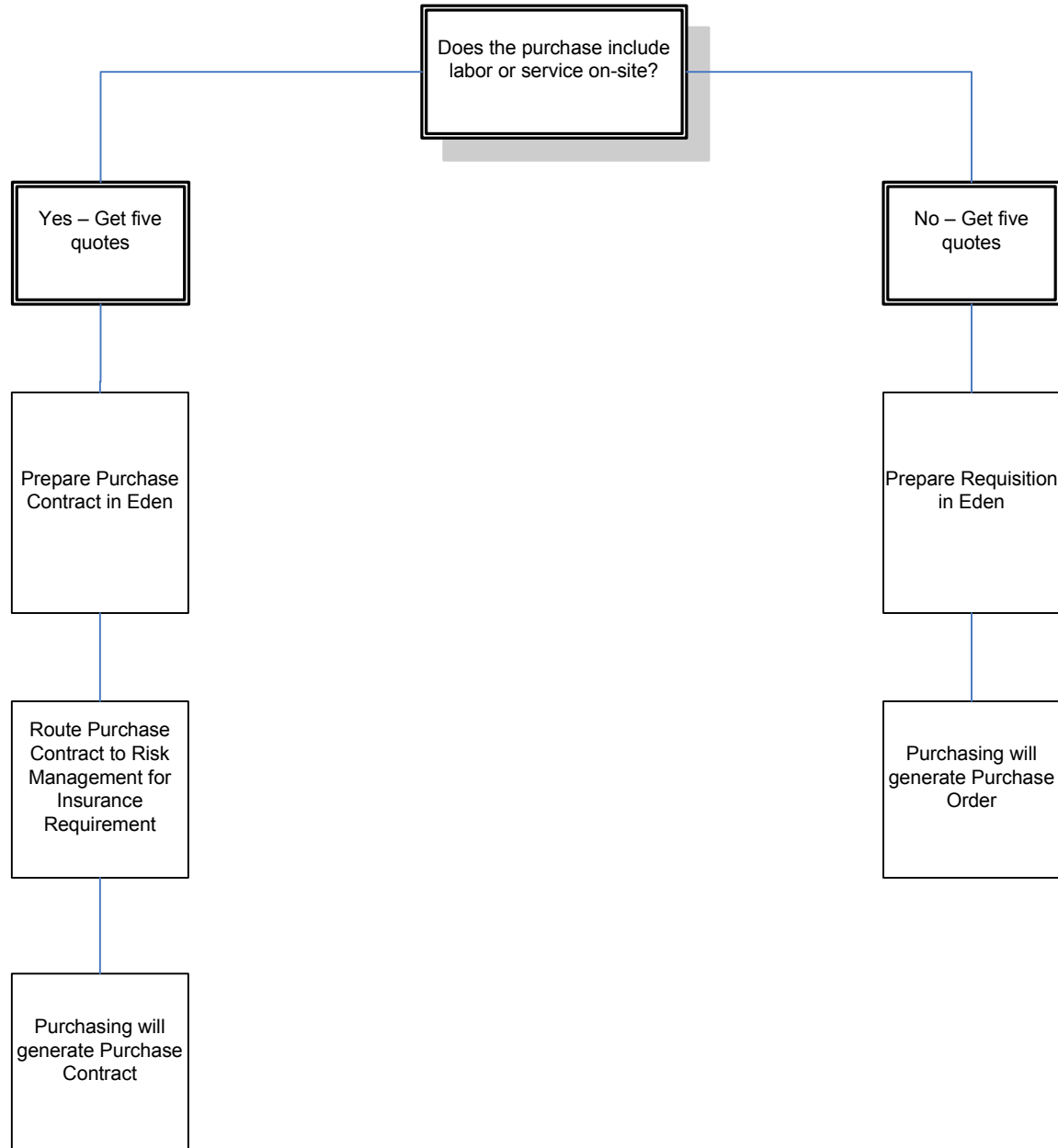
**For purchases up to \$5,000 only one quote is required.
Purchases may be made using City Credit Card.**



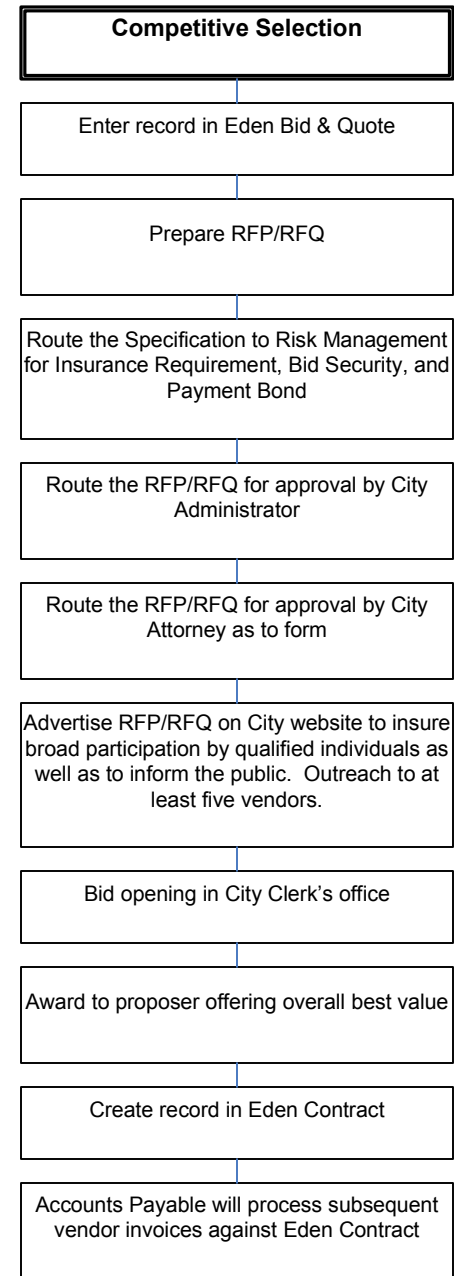
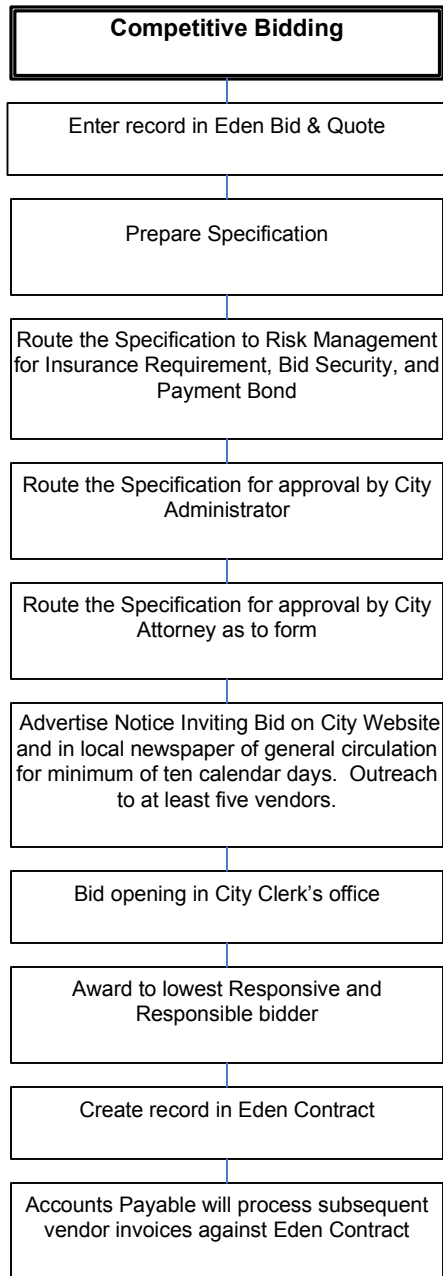
For purchases above \$5,000 and up to \$15,000, three quotes are required.



For purchases above \$15,000 and up to \$50,000, five quotes are required.



Purchases of above \$50,000 and up to \$100,000 require competitive bidding or competitive selection





INDEMNITY AND INSURANCE REQUIREMENT SUMMARY

TYPES OF CONTRACTS	INDEMNITY AND DEFENSE	RELEASE	INSURANCE
<u>TYPE 1</u> <i>City Risk Transfers to Contractor (standard provision)</i>	Contractor indemnifies <i>and</i> defends city from all liability from contract, the use of the city’s premises, and the actions of the contractor and its agents.	Releases city from all liability arising from all liability from contract, the use of the city’s premises, and the actions of the contractor and its agents.	<u>Auto</u> : Personal car: 100k/300k/50k (or \$500k on commercial auto form) <u>General Liability*</u> : \$1M <u>Workers Comp</u> : \$1M <u>Professional E&O</u> : \$1M
<u>TYPE 2</u> <i>No Transfer of Risk (rarely approved)</i>	Each party accepts its own risk and no indemnity unless allocated by court order, arbitration, etc. City will not defend Contractor.	n/a	<u>Auto</u> : Legal minimum <u>Workers Comp</u> : \$ 1M
<u>TYPE 3</u> <i>Contractor Risk Transfers to City (rarely approved)</i>	City indemnifies <i>and</i> defends Contractor from claims for damages/lawsuits to the same extent as to City employees.	n/a	<u>Auto</u> : Legal minimum
<u>TYPE 4</u> <i>Contractors Who Control City Property (rarely approved)</i>	Contractor indemnifies <i>and</i> defends City and City’s joint venturers from claims by contractor, contractor’s agents, and for contractor’s actions.	Contractor releases City and City’s joint venturers from claims by contractor, contractor’s agents and for actions of contractor.	<u>Auto</u> : Personal car: 100k/300k/50k (or \$500k on commercial auto form) <u>General Liability**</u> : \$1M <u>Professional E&O</u> : \$1M <u>Workers Comp</u> : \$ 1M
<u>TYPE 5</u> <i>Design Professional Type Services (required by law where applicable)</i>	Contractor indemnifies <i>and</i> defends City from damages solely relating to contractor’s negligence or fault, and not for negligence or wrongful acts of City.	Contractor releases city from damages relating to contractor’s negligence, except if solely city’s fault.	<u>Auto</u> : Personal car: 100k/300k/50k (or \$500k on commercial auto form) <u>General Liability**</u> : \$1M <u>Workers Comp</u> : \$1M

*The following must be endorsed on the policy as additional insureds: “City of Vernon, its directors, commissioners, officers, employees, agents and volunteers.”

**In addition to the standard endorsement, above, if other parties have an “ownership, operation or management interest”, additional endorsements may be required.

City of Vernon Purchase Contract

City of Vernon

Finance Department
 Purchasing Division
 4305 Santa Fe Avenue
 Vernon, CA 90058
 Phone #: (323) 583-8811
 Fax #: (323) 826-1491
 Internet Address: www.cityofvernon.org/

Contract	Date	Amendment	Page
Buyer:			

Ship To:

Vendor Name

Bill To:

Start Date	Completion Date	Amendment Amount	Contract Total
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SAMPLE

Important Notice to Vendors:

Contractor represents that it has a City approved Equal Employment Opportunity and Non-segregation Affidavit. The attached Terms and Conditions of Purchase Order/Contract shall be part of this Purchase Order/Contract.

Vendors performing services must indicate acceptance of City Terms and Conditions and return a copy of this acknowledgement to the City prior to performance. Failure to do so will void this Purchase Order/Contract.

Services Vendor Signature	Print or Type Name	Date
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All shipments, shipping papers, invoices and correspondence must be identified with our Purchase Order/Contract Number. Failure to do so may delay payment processing.

Attachments/Appendices are a part of this Purchase Order/Contract	Authorized City Signature
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CITY OF VERNON
TERMS AND CONDITIONS OF PURCHASE ORDER/CONTRACT

This is a government contract. The terms are not changed by any words added by Contractor, nor superseded because of any form used by Contractor in the course of business. Any change in terms must be agreed to by an authorized representative of the City, in writing. Acceptance by the City of goods, materials or services is not an acceptance of Contractor's other terms.

1. Contractor agrees to furnish the materials or services described in the Purchase Order/Contract to which this is attached and subject to all terms and conditions of the Purchase Order/Contract, this Attachment to the Purchase Order/Contract and all other attachments hereto.
2. Contractor agrees to submit all invoices in duplicate to the address indicated on the Purchase Order/Contract.
3. Contractor agrees to invoice at net prices without federal excise tax or federal fuel tax.
4. Contractor agrees to show on all invoices the name of the department to which goods or services were furnished, and whether the invoice covers complete or partial delivery or performance, the Purchase Order/Contract number and any applicable cash discount.
5. Contractor agrees to prepay transportation charges and show them separately on all invoices.
6. Contractor agrees to show applicable sales or use tax as separate items on all invoices.
7. Title to all materials furnished under the Purchase Order/Contract shall pass to the City upon delivery and loading of merchandise at the F.O.B. point designated in the Purchase Order/Contract.
8. Any item ordered on the face hereof that is listed in the Safety Orders of the California Division of Industrial Safety shall fully comply with the latest revised requirements of said Safety Orders.
9. All goods, materials and equipment ordered shall, except as otherwise noted in this contract, be delivered in a new and unused condition.
10. All automotive equipment delivered to the City shall meet all requirements of the latest revision of the California Vehicle Code and of the Federal Department of Transportation.
11. The Contractor shall transfer to the City the manufacturer's warranty or guarantee for each item furnished under this contract. Where applicable, the City shall be named as owner-beneficiary in any such warranty or guarantee. The Contractor shall ensure that each warranty or guarantee is in full force and effect from the date the City commences operation and use of the item. All such manufacturers' warranties or guarantees shall be in addition to the Contractor's warranty under this contract. In addition the Contractor shall warrant that all items provided under this contract are free from defects in materials and workmanship.

The City will notify Contractor of any patent defect. Such notice will be given in writing, if possible, or by the means most practical under the circumstances. If the Contractor fails to correct the defect or other non-conformity within 10 days after receiving such notice, or more timely in case of emergency demanding immediate action, then the City may make the necessary replacements or repairs and charge the Contractor the total cost of all labor, materials, equipment and administration. The City may withhold from Contractor an amount for these costs; if the amount withheld is not sufficient, the City may recover any balance from the Contractor.
12. Prior to the issuance of the Purchase Order/Contract, Contractor may be required to provide to City evidence of insurance. Failure to maintain the required amounts and types of coverage throughout the duration of services supplied shall constitute a material breach of this contract and shall entitle the City to terminate this contract.
13. **Contractor agrees to indemnify, hold harmless, and defend (even if the allegations are false, fraudulent or groundless), to the maximum extent permitted by law, the City, its City Council and each member thereof, and its officers, employees, commission members and representatives, from any and all liability, loss, suits, claims, damages, costs, judgments and expenses (including attorney's fees and costs of litigation) which in whole or in part are claimed to result from or to arise out of the usage or operation, including the malfunctioning of, or, any injury caused by, any product purchased herein; or any acts, errors or omissions (including, without limitation, professional negligence) of Contractor, its employees, representatives, subcontractors, or agents in connection with the performance of this contract. This agreement to indemnify includes, but is not limited to, personal injury (including death at any time) and damage to property (including, but without limitation, contract or tort or patent, copyright, trade secret or trademark infringement) sustained by any person or persons (including, but not limited to, companies, or corporations, Contractor and its employees or agents, and members of the general public).**
14. Contractor shall not perform work on City owned property, and shall not commence work or cause materials to be delivered to the job site, until so authorized in writing by the Head of the Department (or designee) for whom the work was ordered.
15. Contractor certifies and represents that, during the performance of this contract, the Contractor and each subcontractor shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, religion, color, national origin, ancestry, disability, sex, age, medical condition or marital status. Contractor further agrees that it will not maintain any segregated facilities.
16. Contractor shall obtain a City Business License under the terms and conditions of Vernon City Code, Sections 5.20, and following, where required.

17. Contractor hereby represents, warrants and certifies that no officer or employee of the Contractor is a director, officer or employee of the City of Vernon, or a member of any boards, commission or committees, except to the extent permitted by law.
18. The City, or its authorized auditors or representatives, shall have access to and the right to audit and reproduce any of the Contractor's records to the extent the City deems necessary to insure it is receiving all money to which it is entitled under the contract and/or is paying the amounts to which Contractor is properly entitled to under the contract or for other purposes relating to the contract. The Contractor shall maintain and preserve all such records for a period of at least 3 years after the termination of the contract. The Vendor shall maintain all such records in the City of Vernon. If not, the Contractor shall, upon request, promptly deliver the records to the City of Vernon or reimburse the City for all reasonable and extra costs incurred in conducting the audit at a location other than the City of Vernon, including, but not limited to, such additional (out of the City) expenses for personnel, salaries, private auditors, travel, lodging, meals and overhead.
19. It is understood that in the performance of any services herein provided, for Contractor shall be, and is, and independent contractor, and is not an agent or employee of City and shall furnish such services in its own manner and method, except as required by this contract. Further, Contractor has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed by Contractor in the performance of the services hereunder. Contractor shall be solely responsible for, and shall indemnify, defend and save City harmless from all matters relating to the payment of its employees, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever. Contractor acknowledges that Contractor and any subcontractors, agents or employees are not entitled to any of the benefits or rights afforded employees of City, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees Retirement System benefits, or health, life, dental, long-term disability of Workers' Compensation insurance benefits.
20. In case of conflict between the terms of this contract and the terms of any other document which is a part of this transaction, the terms of this Purchase Order/Contract shall strictly prevail.
21. Contractor shall not assign or transfer this contract or any rights hereunder with out the prior written consent of the City which may be withheld in the City's sole discretion. Any unauthorized assignment of transfer shall be null and void and shall constitute a material breach of Contractor of its obligations under this contract.
22. Time is strictly of the essence of this contract and each and every covenant, term and provision hereof.
23. The City's waiver of any term, condition, breach or default of this contract shall not be considered to be a waiver of any other term, condition, default of breach, not of a subsequent breach of the one waived.
24. The provisions of Vernon's Living Wage Ordinance, Vernon City Code, Sections 2.131, and following, requires that contractors providing labor or services to the City pay employees in accordance with the Ordinance.
25. The City reserves the right to cancel any portion of this Purchase Order at any time prior to the delivery of Goods and Services.
26. This Purchase Order/Contract shall be governed and construed according to the laws of the State of California.
27. This Purchase Order/Contract, including any Exhibits attached hereto, constitutes the entire agreement and understanding between the parties regarding its subject matter and supersedes all prior or contemporaneous negotiations, representations, understandings, correspondence, documentation and agreements (written or oral).
28. Additional terms (All additional terms and conditions must be approved as to form by the City Attorney in writing).

CITY OF VERNON
TERMS AND CONDITIONS OF PURCHASE ORDER/CONTRACT

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2. Contractor agrees to submit all invoices in duplicate to the address indicated on the Purchase Order/Contract.
3. Contractor agrees to invoice at net prices without federal excise tax or federal fuel tax.
4. Contractor agrees to show on all invoices the name of the department to which goods or services were furnished, and whether the invoice covers complete or partial delivery or performance, the Purchase Order/Contract number and any applicable cash discount.
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The City will notify Contractor of any patent defect. Such notice will be given in writing, if possible, or by the means most practical under the circumstances. If the Contractor fails to correct the defect or other non-conformity within 10 days after receiving such notice, or more timely in case of emergency demanding immediate action, then the City may make the necessary replacements or repairs and charge the Contractor the total cost of all labor, materials, equipment and administration. The City may withhold from Contractor an amount for these costs; if the amount withheld is not sufficient, the City may recover any balance from the Contractor.

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13. **Contractor agrees to indemnify, hold harmless, and defend (even if the allegations are false, fraudulent or groundless), to the maximum extent permitted by law, the City, its City Council and each member thereof, and its officers, employees, commission members and representatives, from any and all liability, loss, suits, claims, damages, costs, judgments and expenses (including attorney's fees and costs of litigation) which in whole or in part are claimed to result from or to arise out of the usage or operation, including the malfunctioning of, or, any injury caused by, any product purchased herein; or any acts, errors or omissions (including, without limitation, professional negligence) of Contractor, its employees, representatives, subcontractors, or agents in connection with the performance of this contract. This agreement to indemnify includes, but is not limited to, personal injury (including death at any time) and damage to property (including, but without limitation, contract or tort or patent, copyright, trade secret or trademark infringement) sustained by any person or persons (including, but not limited to, companies, or corporations, Contractor and its employees or agents, and members of the general public).**
14. Contractor shall not perform work on City owned property, and shall not commence work or cause materials to be delivered to the job site, until so authorized in writing by the Head of the Department (or designee) for whom the work was ordered.
15. Contractor certifies and represents that, during the performance of this contract, the Contractor and each subcontractor shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, religion, color, national origin, ancestry, disability, sex, age, medical condition or marital status. Contractor further agrees that it will not maintain any segregated facilities.
16. Contractor shall obtain a City Business License under the terms and conditions of Vernon City Code, Sections 5.20, and following, where required.

17. Contractor hereby represents, warrants and certifies that no officer or employee of the Contractor is a director, officer or employee of the City of Vernon, or a member of any boards, commission or committees, except to the extent permitted by law.
18. The City, or its authorized auditors or representatives, shall have access to and the right to audit and reproduce any of the Contractor's records to the extent the City deems necessary to insure it is receiving all money to which it is entitled under the contract and/or is paying the amounts to which Contractor is properly entitled to under the contract or for other purposes relating to the contract. The Contractor shall maintain and preserve all such records for a period of at least 3 years after the termination of the contract. The Vendor shall maintain all such records in the City of Vernon. If not, the Contractor shall, upon request, promptly deliver the records to the City of Vernon or reimburse the City for all reasonable and extra costs incurred in conducting the audit at a location other than the City of Vernon, including, but not limited to, such additional (out of the City) expenses for personnel, salaries, private auditors, travel, lodging, meals and overhead.
19. It is understood that in the performance of any services herein provided, for Contractor shall be, and is, and independent contractor, and is not an agent or employee of City and shall furnish such services in its own manner and method, except as required by this contract. Further, Contractor has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed by Contractor in the performance of the services hereunder. Contractor shall be solely responsible for, and shall indemnify, defend and save City harmless from all matters relating to the payment of its employees, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever. Contractor acknowledges that Contractor and any subcontractors, agents or employees are not entitled to any of the benefits or rights afforded employees of City, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees Retirement System benefits, or health, life, dental, long-term disability of Workers' Compensation insurance benefits.
20. In case of conflict between the terms of this contract and the terms of any other document which is a part of this transaction, the terms of this Purchase Order/Contract shall strictly prevail.
21. Contractor shall not assign or transfer this contract or any rights hereunder with out the prior written consent of the City which may be withheld in the City's sole discretion. Any unauthorized assignment of transfer shall be null and void and shall constitute a material breach of Contractor of its obligations under this contract.
22. Time is strictly of the essence of this contract and each and every covenant, term and provision hereof.
23. The City's waiver of any term, condition, breach or default of this contract shall not be considered to be a waiver of any other term, condition, default of breach, not of a subsequent breach of the one waived.
24. The provisions of Vernon's Living Wage Ordinance, Vernon City Code, Sections 2.131, and following, requires that contractors providing labor or services to the City pay employees in accordance with the Ordinance.
25. The City reserves the right to cancel any portion of this Purchase Order at any time prior to the delivery of Goods and Services.
26. This Purchase Order/Contract shall be governed and construed according to the laws of the State of California.
27. This Purchase Order/Contract, including any Exhibits attached hereto, constitutes the entire agreement and understanding between the parties regarding its subject matter and supersedes all prior or contemporaneous negotiations, representations, understandings, correspondence, documentation and agreements (written or oral).
28. Additional terms (All additional terms and conditions must be approved as to form by the City Attorney in writing).

CITY OF VERNON
SIGNATURE REQUIREMENTS FOR CITY AGREEMENTS

TYPE OF ENTITY	FIRST SIGNATURE	SECOND SIGNATURE	REFERENCE
Corporation	chairman of the board, president, any vice president	corporate secretary, assistant secretary, chief financial officer, any assistant treasurer (Note: A person can hold more than one corporate office; e.g., a vice —president can also be a secretary. That person can sign the agreement twice, if both capacities are identified.)	Corp. Code sec. 313 Corp. Code sec. 5214
Limited Liability Company ("LLC")	if managed by members — by any member if managed by manager — by a manager (Note: A member or manager may have a title such as president or vice-president)	if managed by <i>members</i> — not required unless otherwise provided in governing documents if managed by <i>manager(s)</i> — by a second manager (unless articles of organization state there is only one manager)	Corp. Code sec. 17157
Partnership	any partner, unless authority restricted in "statement of partnership authority" recorded in County Recorder's Office (for real property transactions) or filed with secretary of state (for contracts, etc.)	not required, unless "statement of partnership authority" provides otherwise	Corp. Code sec. 16301 Corp. Code sec. 16303
Limited Partnership	a general partner, subject to same exceptions for partnership	same as partnership	Corp. Code sec. 15509
Limited Liability Partnership ("LLP")	same as partnership	same as partnership	Corp. Code sec. 16955.5
Sole Proprietorship	sole proprietor	not required	n/a

Parties executing an Agreement or Contract that are not identified above must also send a copy of the corporate minutes giving such person(s) the authority to sign on behalf of the corporation. In addition, the City will accept signatory authority created by valid corporate resolution or adopted corporate procedures manual



Sole Source Vendor Justification

Attach to all Sole Source Purchases exceeding \$5,000.00

Req No# _____

Vendor's Name: _____

Item/Service being purchased: _____

- One-of-a-kind** The commodity or service has no competitive product (one of a kind); is only available from one vendor. [Sec. 2.17.12 (A) (2)]
- No Substitute** A component or replacement part has no substitute; can only be obtained from one vendor [Sec. 2.17.12 (A) (4)]
- Compatibility** Compatibility is the overriding consideration. Needs to comply with another product that is currently in place.
- Delivery Date** The ability of ONE VENDOR to meet an urgent delivery date.
- Followup Service** ONLY ONE VENDOR is able to make on-call repairs at a particular location.
- Emergency** Urgent need for the item or service does not permit soliciting competitive bids, as in cases of emergencies, disaster, etc. [Sec. 2.17.12 (A) (4)]
- Manufacturer Direct** Product or service can only be obtained from this vendor because it is from the manufacturer or from a manufacturer certified dealer/repair center. [Sec. 2.17.12 (A) (4)]

Explain why this vendor is the only one able to provide the service/good.

Completed by: _____ Department: _____

Department Head: _____

Finance Director: _____

City Administrator: _____

**EXHIBIT 11
10/2014**

Please include all documentation supporting your request. Incomplete requests will be rejected.



City of Vernon: Taking Advantage of Piggybacking/Cooperative Purchasing Contracts

What is Piggybacking/Cooperative Purchasing?

Piggybacking: When an agency uses an existing contract from another agency to create its own contract with the same vendor with equal terms and conditions.

Cooperative Purchasing: When a group of agencies conduct a joint bid or proposal in order to maximize their purchase power.

In both instances, the original agency and vendor must give permission to use the contract. Usually a clause is included in the contract authorizing its usage by other agencies.

Does the City of Vernon allow Piggybacking?

Yes, in lieu of **competitive bidding** the Vernon Code dictates:

“Contracts (a) with other governmental entities for supplies, equipment or services; and (b) for supplies, equipment or services that can be purchased in cooperation with other public agencies, associations or when supplies, equipment or services can be purchased from a vendor offering the same prices, terms and conditions as in a previous award from the City or another public agency either by competitive bid or through a negotiated process and, in the opinion of the Finance Director, it is to the advantage of the City to do so.” [Sec. 2.17.12(A) (5)]

Competitive selection may also be replaced by a piggyback or cooperative contract as long as it also meets our requirements. [Sec. 2.17.12(B) (1)]

Benefits of Piggybacking/Cooperative Purchasing

The intent is to save time and resources. Since agencies observe similar procedures for competitive bidding, Vernon takes advantage of the processes already completed by other agencies. Additionally with cooperative purchasing, vendors bid for the volume offered by cooperatives which in many cases spans thousands of agencies nationwide.

How to Piggyback

1. When you find a contract, evaluate the documents and verify they conform to Vernon’s competitive procedures and awarding processes.
2. Verify the contract is valid for the time required by Vernon, especially if the term is multiple years. Most contracts are for three years with two, one-year options.
3. Make sure all proper City of Vernon approval procedures are met. (City Admin, Council Approvals, etc.)
4. All quote/ proposals must reference the original contract (agency name, contract number, etc.)

Questions? Contact Marisela (x235) or José (x207) in Purchasing.



City of Vernon: Sources for Purchasing Cooperative Contracts available to the City of Vernon:

1. California Department of General Services (DGS) Procurement Division
 - a. California state contracts made available to other municipalities.
 - b. <http://www.dgs.ca.gov/pd/Home.aspx>
 - i. Includes CMAS, LPA, WSCA-NASPO (see below)
2. Western States Contracting Alliance-National Association of State Procurement Officials (WSCA-NASPO)
 - a. State contracts available from other states. All are available, but must receive permission from State of CA to participate in non-CA endorsed contracts
 - b. Current list of CA endorsed contracts:
<http://www.dgs.ca.gov/pd/Programs/Leveraged/wsca.aspx>
3. U.S. Communities Government Purchasing Alliance
 - a. <http://www.uscommunities.org/>
4. National Intergovernmental Purchasing Alliance (National IPA)
 - a. <http://nationalipa.org/>
5. National Joint Powers Alliance
 - a. <http://www.njpacoop.org/>
6. The Cooperative Purchasing Network
 - a. <http://www.tcpn.org/Pages/default.aspx>
7. National Cooperative Purchasing Alliance
 - a. <http://www.ncpa.us/>