

## CHAPTER 3.20 PURCHASING, PROCUREMENT, AND LEASING

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#### **Statutory reference:**

Provisions regarding the purchase of supplies and equipment by local agencies, see Cal. Government Code §§ [54201](#) et seq.

Provisions regarding the purchase of supplies and equipment for public projects, see Cal. Public Contract Code §§ [20160](#) et seq.

### I. GENERAL PROVISIONS

#### **3.20.010 ADOPTION OF PURCHASING SYSTEM.**

This chapter establishes policies and procedures for the purchasing, procurement and leasing of supplies, equipment, and services, to enhance and assure fiscal responsibility.

(Ord. 853, § 2, passed -- 2006)

### **3.20.020 PURCHASING AUTHORITY.**

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The City Manager, or designee, shall have the authority to:

- A. Purchase, lease, or contract for supplies, equipment, and services required by any using agency in accordance with procedures prescribed by this chapter, the administrative regulations as the City Manager adopts, and the other rules and regulations as are prescribed by the City Council;
- B. Negotiate and recommend execution of contracts for the purchase and lease of supplies and equipment and contracts for service;
- C. Prepare and recommend to the City Council rules governing the purchase and lease of supplies, equipment, and service for the City;
- D. Prescribe and maintain the forms as reasonably necessary to the operation of this chapter and other rules and regulations; and
- E. Direct the transfer of surplus or unused supplies and equipment between departments as needed.

(Ord. 853, § 2, passed -- 2006)

### **3.20.030 REQUISITIONS.**

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Using agencies shall submit requests for supplies, equipment, and services, in amounts in excess of \$2,500, to the City Manager, or designee, in accordance with established rules and regulations.

(Ord. 875, § 29, passed 8-25-2008)

### **3.20.040 BIDDING.**

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Purchases of supplies, services, and equipment in excess of \$5,000 and up to a maximum of \$50,000 shall be by informal competitive bidding procedures established by the City Manager pursuant to this chapter. Exceptions to competitive bidding may be made for the following: commodities available from only one (1) vendor; purchases during instances of declared City emergencies; purchases from state procurement sites established for local government efficiencies and economies; situations where no responsive bids have been received following a call for bids; for other items exempt by law from competitive bidding requirements; and contracts for professional or expert services, including services rendered by architects, attorneys, engineers, and other specialized consultants.

(Ord. 853, § 2, passed -- 2006)

### **3.20.050 PURCHASE ORDERS AND CREDIT CARDS.**

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Subject to the additional requirements of this chapter, following approval of a requisition, purchases of supplies, equipment, and services in excess of \$2,500 shall be made only by purchase orders approved by the City Manager, or designee. Purchases of less than \$500 may be charged to City credit card accounts without a purchase order provided the City Manager, or designee, has approved, on the requisition or travel authorization forms, the use of the credit card in advance of the charges.

(Ord. 875, § 30, passed 8-25-2008)

### **3.20.060 BUDGETARY CONTROLS.**

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The City Manager shall not issue or approve any purchase order for supplies, vehicles, services, or equipment unless there are unencumbered funds budgeted or otherwise authorized for expenditure by the City Council in the departmental budget.

(Ord. 853, § 2, passed -- 2006)

## **II. COMPETITIVE CONTRACTING PROCEDURES**

### **3.20.070 GENERALLY.**

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A. Except as otherwise provided in this chapter, purchases of supplies, vehicles, services, and equipment up to \$50,000 may be awarded using informal bidding procedures. The City Manager shall adopt rules and regulations to implement an informal bidding procedure. Purchases of supplies, vehicles, services, and equipment over \$50,000 shall be subject to formal competitive bidding procedures.

B. For purchases of supplies, vehicles, services, and equipment qualifying for informal bidding procedures, the City Manager may waive provisions in this article applying to formal competitive bidding procedures; provided, however, that awards shall be based on the lowest responsive bid of at least three (3) bids, wherever possible.

(Ord. 853, § 2, passed -- 2006)

### **3.20.080 FORMAL COMPETITIVE BIDDING - NOTICE INVITING BIDS.**

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The City Manager, or designee, shall invite bids by a public notice sent at least five (5) working days prior to the date of opening bids for purchases subject to formal competitive bidding. Bids shall be solicited through a City Hall bulletin board, a newspaper of general circulation in the City, the City's website, or by direct solicitation by means of United States mail, e mail, and faxes to at least three (3) responsible prospective suppliers as determined by the City Manager. For each purchase subject to competitive formal bidding, the City Manager shall provide notice in the manner that is most likely to elicit the greatest number of responsive bids.

(Ord. 853, § 2, passed -- 2006)

### **3.20.090 BIDDER'S SECURITY.**

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The City Manager may determine the necessity of bidder's security as prescribed in administrative rules and regulations. If the City Manager determines that bidder's security is necessary, the bidder's security may be required in the form and amount prescribed by Cal. Public Contract Code §§ [20170](#) and [20171](#).

(Ord. 853, § 2, passed -- 2006)

### **3.20.100 BID OPENING PROCEDURE AND ACCEPTANCE OR REJECTION OF BIDS.**

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The City Manager, or designee, will accept and open sealed bids at the time and in the place or manner described in the public notices. The results of the bidding will be made available to the public. The City Manager, or designee, shall have the authority to accept the lowest responsive bid or to determine that any and all bids are nonresponsive, including those bids which exceed budgeted or otherwise authorized funding, and re advertise for bids with the changes as he or she determines necessary.

(Ord. 853, § 2, passed -- 2006)

### **3.20.110 REPORT TO CITY COUNCIL AND AWARD OF CONTRACTS.**

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The City Manager shall report to City Council the results of all formal bidding and shall then be authorized to execute a written contract with the lowest responsible bidder unless otherwise directed by the City Council.

(Ord. 853, § 2, passed -- 2006)

### **3.20.120 TIE BIDS.**

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In the event of tie bids, the City Manager shall, if possible, give preference to local bidders, first priority going to those vendors with a principal place of business within the City and holders of a current City business license, secondly to those vendors with a non-principal place of business within the City and holders of a current City business license, thirdly to those vendors with places of business located with Mendocino County, and fourthly to those vendors with places of business in closest proximity to the City.

(Ord. 853, § 2, passed -- 2006)

### **3.20.130 LOCAL PARTICIPATION.**

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In order to promote the economic health of the City and to encourage local participation in the procurement process, and in recognition of the higher cost of doing business in Fort Bragg than in other locations, the City shall grant to a local bidder a 5% preference. For purposes of this section, "local bidder" is defined as a business entity with its principal place of business located within the City limits of the City of Fort Bragg and a current City issued business license. To qualify for the preference, local bidders must submit proof of the address of its principal place of business and a copy of a current City business license with their bid. Determinations of qualification for the local bidder preference shall be made by the City Manager.

(Ord. 853, § 2, passed -- 2006)

## **III. NEGOTIATED CONTRACTING PROCEDURES**

### **3.20.140 GENERALLY.**

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The City Manager may determine to negotiate the purchase, procurement, and leasing of supplies, equipment, vehicles, and services in the following circumstances:

- A. Purchases of up to \$25,000;
- B. Purchases of commodities available from only one (1) vendor;

- C. Purchases authorized during declared City emergencies;
- D. Following failure to receive a qualified, responsible formal or informal bid;
- E. Following receipt of a lowest qualified, responsible bid in excess of budgeted or authorized funding; and
- F. Purchases from State of California procurement sites established for local government efficiencies and economies.

(Ord. 853, § 2, passed -- 2006; Am. Ord. 882 § 7, passed 5-11-2009)

### **3.20.150 NEGOTIATED CONTRACTS.**

The City Manager, or designee, shall endeavor to negotiate purchases and procurement at the least expense to the City, subject to the preference described in § [3.20.130](#).

(Ord. 853, § 2, passed -- 2006)

### **3.20.160 REPORT TO CITY COUNCIL AND AWARD OF CONTRACTS.**

A. The City Manager shall report to the City Council terms and conditions of all negotiated contracts and the City Manager's authority to execute the contracts shall be subject to approval by the City Council.

B. This section shall not apply to purchases under \$5,000 as authorized by § [3.20.140](#)(A).

(Ord. 853, § 2, passed -- 2006)

### **3.20.170 SURPLUS SUPPLIES AND EQUIPMENT.**

The City Manager, or designee, shall have authority to exchange for or trade in on new supplies and equipment all supplies and equipment which the City Manager determines are surplus to the operations of the using agency, except as otherwise required by state law.

(Ord. 853, § 2, passed -- 2006)

## **IV. VEHICLE AND EQUIPMENT LEASING**

### **3.20.180 GENERALLY.**

The City Manager may determine whether leasing of vehicles and equipment is preferable to direct purchases. Whenever feasible, explicit interest and transaction costs involved in leasing should be evaluated as separate pricing items in determining the best financing arrangements.

(Ord. 853, § 2, passed -- 2006)

### **3.20.190 CAPITAL LEASING.**

The Director of Finance shall evaluate and recommend to the City Manager approval or disapproval of any leasing proposal involving a term of more than one (1) year; any options to purchase the vehicle or equipment during the term or upon termination of the lease; lease payments aggregating more than \$25,000 in any fiscal year; monetary penalties for cancellation, termination, nonrenewal or

prepayments; or any other provision which would cause the lease to be accounted for under generally accepted accounting principles as a nonoperating lease, capital lease, lease purchase agreement, or installment sales agreement.

(Ord. 853, § 2, passed -- 2006)

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**The Fort Bragg Municipal Code is current through Ordinance 914, passed November 10, 2014.**

Disclaimer: The City Clerk's Office has the official version of the Fort Bragg Municipal Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.

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