



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
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Meeting Agenda Finance and Administration Committee

Wednesday, May 8, 2024

4:00 PM

Town Hall, 363 N. Main Street and Via Video
Conference

MEETING CALLED TO ORDER

ROLL CALL

COMMITTEE MEMBERS PLEASE TAKE NOTICE

Committee Members are reminded that pursuant to the Council policy regarding use of electronic devices during public meetings adopted on November 28, 2022, all cell phones are to be turned off and there shall be no electronic communications during the meeting. All e-communications such as texts or emails from members of the public received during a meeting are to be forwarded to the City Clerk after the meeting is adjourned.

ZOOM WEBINAR INVITATION

This meeting is being presented in a hybrid format, both in person at Town Hall and via Zoom.

You are invited to a Zoom webinar.

When: May 8, 2024 04:00 PM Pacific Time (US and Canada)

Topic: Finance and Administration Committee

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/82737088925>

*Or Telephone: +1 669 444 9171 US (*6 mute/unmute, *9 raise hand)*

Webinar ID: 827 3708 8925

To speak during public comment portions of the agenda via zoom, please join the meeting and use the raise hand feature when the Chair or Acting Chair calls for public comment on the item you wish to address. Written public comments may be submitted to Administrative Assistant, Amber Weaver, aweaver@fortbragg.com

1. APPROVAL OF MINUTES

None.

2. PUBLIC COMMENTS ON NON-AGENDA ITEMS

3. CONDUCT OF BUSINESS

- 3A. [24-737](#) Receive Recommendation to Update Chapter 3.20.050 Procedures for Purchases of Less than or Equal to \$45,000

Attachments: [050824 Committee Agenda Staff Report](#)
[Att 1 - MUNI CODE 3.20.050 - redline](#)
[Att 2 - Credit Card Use Policy - redline](#)

- 3B. [24-740](#) Receive Oral Update from Staff on Departmental Activities

4. MATTERS FROM COMMITTEE / STAFF

ADJOURNMENT

STATE OF CALIFORNIA)
)ss.
 COUNTY OF MENDOCINO)

I declare, under penalty of perjury, that I am employed by the City of Fort Bragg and that I caused this agenda to be posted in the City Hall notice case on May 3, 2024.

Diana Sanchez, City Clerk

NOTICE TO THE PUBLIC

DISTRIBUTION OF ADDITIONAL INFORMATION FOLLOWING AGENDA PACKET DISTRIBUTION:

- *Materials related to an item on this Agenda submitted to the Council/District/Agency after distribution of the agenda packet are available for public inspection in the lobby of City Hall at 416 N. Franklin Street during normal business hours.*
- *Such documents are also available on the City of Fort Bragg’s website at <http://city.fortbragg.com> subject to staff’s ability to post the documents before the meeting*

ADA NOTICE AND HEARING IMPAIRED PROVISIONS:

It is the policy of the City of Fort Bragg to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including those with disabilities. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities.

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This notice is in compliance with the Americans with Disabilities Act (28 CFR, 35.102-35.104 ADA Title II).



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Text File

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Agenda Number: 3A.

Receive Recommendation to Update Chapter 3.20.050 Procedures for Purchases of Less than or Equal to \$45,000



CITY OF FORT BRAGG

416 N. FRANKLIN, FORT BRAGG, CA 95437
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COUNCIL COMMITTEE ITEM SUMMARY REPORT

MEETING DATE: MAY 8, 2024
TO: FINANCE AND ADMINISTRATION DEPT.
FROM: ISAAC WHIPPY
AGENDA ITEM TITLE: Receive Recommendation to Update Chapter 3.20.050
Procedures for Purchases of Less than or Equal to
\$45,000

BACKGROUND AND OVERVIEW:

The evolution of business practices, particularly with the rise of technology and online transactions, has prompted the City of Fort Bragg to adapt its policies accordingly. Recognizing the need for flexibility and efficiency in procurement processes, the City has designated certain employees to hold credit cards as an alternative method of payment for goods and services. This approach reflects the City's trust in these employees to responsibly manage and protect its assets.

However, the existing policy, as outlined in the Procedures for Purchases of Less than or Equal to \$45,000, sets a limit of \$2,000 for purchases made on credit cards. This limitation has posed challenges, particularly when employees attend conferences or training sessions that entail registration fees, travel expenses, and hotel costs. With the ever-increasing costs of goods and services, this cap is being reached more frequently, hindering the ability of employees to fulfill necessary obligations.

In response to these challenges and in line with the City's commitment to continually improve its financial policies, there is a proposal to revise the credit card limit to \$5,000. This adjustment aims to provide greater flexibility for employees while ensuring prudent financial management and adherence to internal controls. By periodically reviewing and updating its policies, the City seeks to address emerging needs, reflect industry best practices, and enhance operational efficiency.

RECOMMENDATION:

Following the Committee's thorough review and discussion, Staff recommends forwarding this item to the City Council for final approval or potential revisions and updates to Chapter 3.20.050, specifically addressing Procedures for Purchases equal to or less than \$45,000. The proposed revisions aim to update the credit card limit for a single purchase to \$5,000.

Additionally, these suggested revisions would encompass updates to the existing Credit Card Policy to ensure alignment with current practices and regulations.

ALTERNATIVES:

1. Propose alternatives and not to revise the chapter.

ATTACHMENTS:

1. Municipal Code 3.20.050 – Redline
2. Administrative Regulation No. C-5 – Redline

CHAPTER 3.20

PURCHASING POLICIES AND PROCEDURES

Section	
3.20.010	Purpose of purchasing policies and procedures
3.20.020	Definitions
3.20.030	Exceptions to this chapter
3.20.040	Purchasing Officer duties and authority
3.20.050	Procedures for purchases of less than or equal to \$45,000
3.20.060	Procedures for purchases of more than \$45,000
3.20.070	Prevailing wages
3.20.080	Recycled products
3.20.090	Inspection and testing of purchases
3.20.100	Local preference for discretionary purchases

Statutory references:

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

Provisions regarding contracting for specially trained and experienced persons, firm, or corporation for special services and advice in financial, economic, accounting, engineering, legal, or administrative matters, see Cal. Government Code §§ 37103 and 53060.

Provision regarding the City's authority to make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws, see Cal. Const. Art. XI, § 7.

3.20.010 PURPOSE OF PURCHASING POLICIES AND PROCEDURES.

The purpose of this chapter is to:

- A. Comply with the requirements of state law;
- B. Establish efficient and effective processes for the purchase or lease of services, supplies, materials, and equipment at the lowest feasible cost commensurate with the level of quality required;
- C. Exercise financial control and accountability over purchases; and
- D. Clearly define authority for the purchasing function.

In adopting the ordinance codified in this chapter, it is the intent of the City Council to responsibly manage public funds and provide responsibility for, and consistency in, implementing purchasing policies and procedures.

(Ord. 917, § 3, passed 08-10-2015)

3.20.020 DEFINITIONS.

For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning:

GOODS OR SERVICES. Goods, services, supplies, materials and equipment that are the subject of this chapter.

LOCAL VENDOR. A bidder, vendor, or supplier of goods or services having an established place of business within the City and having had a current City business license continuously for at least 12 months prior to the date of the purchase or contract.

PURCHASING OFFICER. The City Manager or designee as provided for in § 3.20.040(B).

(Ord. 917, § 3, passed 08-10-2015)

3.20.030 EXCEPTIONS TO THIS CHAPTER.

The procedures described in this chapter shall govern the purchase of all goods and services except as follows:

- A. Any public project described in Chapter 3.22, unless the public project is under \$45,000 and informal bidding procedures are not used.
- B. Contracts for professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms which shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required.
- C. Contracts for furnishing special services and advice in financial, economic, accounting, engineering, legal, or administrative matters if such persons are specially trained and experienced and competent to perform the special services.
- D. In case of an emergency, when public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property.
- E. Situations where no quotes or bids have been received following requests for quotes or all quotes received exceed budget appropriations or cost estimates.
- F. Contracts for which other public agencies have gone through a competitive bidding process and are able to have the bid prices they received extended to the City. These “cooperative purchasing” or “piggyback purchasing” agreements (including, but not limited to, CCOP State Department of General Services, U.S. General Services Administration, any county, and state cooperative purchasing pools) in which the City is eligible to participate may be used in lieu of any bidding requirement under this chapter.
- G. When, by a four-fifths vote, the City Council specifically waives the procedures described in this chapter and authorizes staff to negotiate the purchase.
- H. When the goods or services are unique and only available from one source.

(Ord. 917, § 3, passed 08-10-2015)

3.20.040 PURCHASING OFFICER DUTIES AND AUTHORITY.

- A. The City Manager is designated as Purchasing Officer for the City.
- B. The City Manager may delegate all or a portion of the duties of Purchasing Officer to the Administrative Services Director and/or the Finance Director.
- C. All purchases, leases and contracts are to be made or executed on behalf of the City.
- D. Except in cases of emergency or in cases where specific authority has been first obtained from the City Manager, the Purchasing Officer shall not issue any purchase order or payment for goods or services unless there exists an unencumbered appropriation in the account against which said purchase is to be charged.
- E. Purchases of goods and services in excess of \$5,000 shall be made only by purchase order. Except as otherwise provided herein, no purchase shall be issued unless the prior approval of the Purchasing Officer has been obtained. Departments shall submit requests to the Purchasing Officer for goods and services by standard requisition form, or by other means as may be established by administrative regulation. The Purchasing Officer shall prepare a purchase order once an approved requisition has been submitted.
- F. The Purchasing Officer shall have the authority to:
 - 1. Recommend a contract for execution for the purchase or lease of goods or services required by the City in an amount equal to or less than \$25,000;

2. Execute contracts, leases or agreements for the purchase or lease of goods or services by the City in an amount equal to or less than \$25,000 if the adopted budget has appropriated funds for the goods or services;
3. Execute all purchase orders in accordance with this chapter;
4. Act to procure for the City the necessary quality in goods or services;
5. Prepare and recommend to the City Council amendments to this chapter;
6. Establish and maintain such forms as reasonably necessary to the purchasing function and maintain other records necessary for the efficient acquisition of goods or services;
7. Supervise the inspection of all goods or services purchased or leased by the City to ensure conformance with specifications; and
8. Authorize for payment invoices for goods or services purchased or leased.

G. Contracts or agreements for the purchase or lease of goods or services in excess of \$25,000 require City Council approval prior to execution by the City Manager. Contracts of less than \$25,000 which are approved by the City Manager shall be reported to the Finance and Administration Committee on a quarterly basis.

(Ord. 917, § 3, passed 08-10-2015)

3.20.050 PROCEDURES FOR PURCHASES OF LESS THAN OR EQUAL TO \$45,000.

A. For purchases of goods or services less than or equal to \$45,000, the Purchasing Officer shall use the following procedures:

1. For purchases of goods or services having an estimated value of \$5,000 or less in a 12-month period, informal quotes may be obtained from vendors/suppliers but are not required. No purchase order is required.
2. For purchases of goods or services having an estimated value of more than \$5,000, but less than or equal to \$45,000, firm quotes from at least 3 vendors/suppliers, either received in writing or taken verbally but confirmed in writing, shall be obtained. At the discretion of the Purchasing Officer, the process described in § 3.20.060 may be used for the acquisition of goods or services having an estimated value of more than \$5,000 but less than or equal to \$45,000. A purchase order is required.
3. Purchases made by credit card are limited to \$5,000

B. Quotes should be solicited and obtained from responsible local vendors whenever feasible.

C. Contracts shall be awarded to the vendor that meets the City's requirements and is otherwise in the best interests of the City.

D. The City Manager may approve contract change orders not exceeding a total of 10% of the approved contract or up to the contingency amount whichever amount is less for any 1 purchase. Such change orders shall be made by standard requisition form, or by other means as may be established by administrative regulation, and shall be reported to the Finance and Administration Committee on a quarterly basis.

(Ord. 917, § 3, passed 08-10-2015)

3.20.060 PROCEDURES FOR PURCHASES OF MORE THAN \$45,000.

When the estimated amount of value involved in a purchase transaction exceeds \$45,000, the authorization to award a purchase contract shall be made by City Council resolution following a process as outlined below:

A. A request for quotes shall be prepared and shall include a general description of the goods or services to be purchased and the time and place for submittal of quotes.

B. The Purchasing Officer shall solicit quotes from known responsible local vendors whenever feasible.

- C. The Purchasing Officer may advertise the request for quotes in applicable publications and websites accessible to the public. At least 3 quotes from vendors shall be obtained.
- D. Quotes shall be submitted to the Purchasing Officer and shall be identified on the envelope.
- E. Where the goods or services are standardized or of uniform quality, the award shall be given to the vendor with the lowest quote. If the goods or services are not standardized or of uniform quality, the City Council shall award the contract to the vendor that meets the City's requirements and is otherwise in the best interests of the City.
- F. In its sole discretion, the City Council may reject all quotes presented.
- G. The City Manager may approve contract change orders not exceeding a total of 10% of the approved contract or up to the contingency amount whichever amount is less for any 1 project. Such change orders shall be reported to the Finance and Administration Committee on a quarterly basis.

(Ord. 917, § 3, passed 08-10-2015)

3.20.070 PREVAILING WAGES.

Potential bidders for goods and services that are subject to the requirements of the California Prevailing Wage Law (Cal. Labor Code § 1720 et seq.) shall comply therewith.

(Ord. 917, § 3, passed 08-10-2015)

3.20.080 RECYCLED PRODUCTS.

Product purchases, whenever feasible, shall contain the highest amount of post-consumer and recovered materials practicable. In all cases, goods or services must meet reasonable performance standards, and be readily available at a competitive price.

(Ord. 917, § 3, passed 08-10-2015)

3.20.090 INSPECTION AND TESTING OF PURCHASES.

The Purchasing Officer is authorized to order the inspection of supplies and equipment delivered and services performed to determine their conformance with the specifications set forth in the order or contract. The Purchasing Officer shall have authority to require chemical and physical tests of samples submitted with bids and samples of deliveries which are necessary to determine their quality and conformance with specifications.

(Ord. 917, § 3, passed 08-10-2015)

3.20.100 LOCAL PREFERENCE FOR DISCRETIONARY PURCHASES.

To the extent permitted by applicable law, and subject to the provisions of this chapter, purchases that are exempt from competitive bidding law shall be made from local vendors, so long as the Purchasing Officer determines that the local vendor meets the City's requirements and that the purchase from a local vendor is otherwise in the best interests of the City.

(Ord. 917, § 3, passed 08-10-2015)



City of Fort Bragg
Administrative Regulation No. C-5

CREDIT CARD USE POLICY

I. OBJECTIVE

The objective of this Administrative Regulation is to establish policy and procedure for the use of City credit cards. The City issues credit cards to facilitate certain minor purchases such as gasoline for City vehicles, internet purchases requiring credit card accounts, authorized out of town travel costs, and emergencies. Credit cards are an alternative to normal purchasing procedures and should be used only in warranted circumstances.

II. PROCEDURES

1. Municipal Code Section 3.20.050, **Purchase orders and credit cards**, states: *“Purchases made by credit card are limited to \$5,000*
2. Employees should indicate requested use of City credit cards when submitting normal requisition or travel authorization forms and shall only use City credit cards to the extent authorized by the City Manager or designee.
3. Employees shall obtain and submit to the Finance Department a user copy of the charge receipt with the monthly credit card statement, including account coding, with the exception of gasoline charges made for City vehicles, which shall be reported to the Public Works Director or Police Chief as appropriate. Telephone and internet charges shall be documented with a charge receipt/confirmation submitted to the Finance Department with the monthly credit card statement. A **Missing Receipt Form** (attached) may be completed and submitted to the Finance Department in lieu of an original charge receipt in the event the original charge receipt is lost. A **Missing Receipt Form** may not be completed on a routine basis and overuse may result in revocation of the employee’s city-issued credit card as well as disciplinary action.
4. Employees may use personal credit card accounts for City purchases and submit documentation for reimbursement to the Finance Department.
5. Applications for new or renewed City credit card accounts, additions of new signature authority, increases of credit authority, and similar changes shall be authorized only by the City Manager or Finance Director.
6. To the extent feasible, all City credit card accounts shall be issued only to designated employees with signature authority and such individuals shall be personally responsible for full and timely coding of all charges on their accounts including any fees, penalties and interest.
7. City credit card accounts issued for general departmental use such as gasoline cards for Public Works and Police vehicles shall be the responsibility of the particular Department Manager.
8. Improper, undocumented, untimely, and over-budget charges may be subject to collection from the responsible employee.

Compliance with Purchasing Policies and Procedures

9. **Cardholders must comply with the Fort Bragg’s Purchasing Policies and Procedures when using City credit cards. Use of this card is not to replace effective procurement planning, and the card should never be used to split orders to circumvent established bidding and purchasing requirements. Each transaction may be comprised of multiple**

items, but the total, including tax, cannot exceed the pre-established single purchase dollar limit. If the vendor does not collect sales and use tax on behalf of the State of California (CA) the total tax due should still be considered as part of the purchase price in relation to bidding and purchasing limits. Any sales and use tax not collected at the time of purchase will be paid directly to the State by finance staff and charged to the same program, fund, and object code of the purchase.

10. Reconciling Monthly Statements

A Cardholder's Verification of Monthly Statement form (log) has been developed to assist Cardholders with maintaining a monthly list of credit card purchases (available on the City's Intranet). The cardholder should enter each transaction and appropriate account number on the log after each purchase. The log is designed to help with monthly review and verification of all charges to help ensure timely processing of the Card Statement of Account.

The City has established a billing cycle that runs from **the 10th of one month through the 13th of the following month**. The day after the close of each billing cycle, the cardholder will be emailed their monthly Statement of Account.

Upon receipt of the monthly statement, the cardholder must:

- Verify the accuracy of all charges by comparing it with the Credit Card log, note the appropriate department fund, object, and project/task code (when applicable) for each transaction, print and sign the Credit Card log
- Attach all itemized receipts and packing slips to the Card log
- Note any disputed transactions and complete the Statement of Questioned Item form (see the Disputes section in the following pages)
- Submit the Credit Card log and all itemized receipts to the designated Approving Official and submit to Finance within five (5) working days

11. Departure of Employee

- If an employee terminates employment with the City, the credit card must be returned to the Approving Official before the last day of employment with the City. The Approving Official forwards the employee's Credit Card to the Program Administrator who will cancel the card and destroy the card.
- If an employee is transferred to another department, the Cardholder's Approving Official should notify the Program Administrator of this change. In consultation with the new Department Head for the transferred employee, the Program Administrator will determine if the employee will continue to use the CAL-Card in their new department. If the Department Head in the new department decides that it is appropriate for the transferred employee to continue using a CAL-Card, the Program Administrator will change the cardholder's Approving Official.

12. Spending Controls

A number of unique controls have been established to ensure proper use of the Credit Card. Spending controls are defined at both the Cardholder and the Approving Official levels and are established at account setup. Only the Program Administrator is authorized to make changes to the established spending controls.

The City of Fort Bragg uses the following spending limits:

- 1. Single Purchase Limit – \$5,000**
- 2. 30-Day Purchase Limit – varies based on department needs, average of \$5,000**

13. Disputes

It is the cardholder's responsibility to resolve any questionable or disputed items on the Statement of Account. If any items purchased with the Credit Card are found to be defective or unacceptable, the cardholder has the responsibility to return the item(s) to the merchant for replacement or credit. If the merchant refuses to replace the item or issue a credit, the purchase of this item will be considered to be in dispute. Any such disputes must be explained on the Cardholder Statement of Questioned Item (CSQI) form. A copy of the completed CSQI form should be retained for any follow-up with U.S. Bank Government Services, and another copy should be attached to the Statement of Account.

The Credit Card Company must receive the dispute form on or before the 60th day after the close of the billing cycle, otherwise the dispute will automatically be denied, regardless of its validity.

After disputing an item, the cardholder should receive an "Acknowledgement of Dispute" letter from the Credit Card Company. After the dispute is resolved, the cardholder should receive a "Resolution of Dispute" letter.

14. Prohibited Uses

The Fort Bragg prohibits the following:

- Purchase personal items
- Split purchases to circumvent purchasing dollar limits
- Alcoholic beverages
- Ammunition
- Professional/Consultant Services
- Instructors, Speakers, or Performers
- Rentals and leases

III. RESPONSIBILITY

1. The City Manager, or designee, shall be responsible for approving use of credit cards for normal requisitions or travel.
2. The City Manager or Finance Director (Program Administrator) shall be responsible for authorizing applications for new or renewed City credit card accounts, additions of new signature authority, and increases of credit authority and similar changes.
3. Department Managers shall be responsible for general department use of gasoline cards.
4. The Finance Department shall be responsible for reimbursement of personal credit card charges for City purchases.

IV. DEFINITIONS

1. "Credit card account" means any credit facility offering plastic charge cards including VISA, MASTERCARD, DISCOVERY, AMERICAN EXPRESS, petroleum company "gas cards," corporate purchasing cards such as SEARS, and any similar cards issued in the name of the City of Fort Bragg.

Approved by City Manager	_____	_____
	(Signature)	(Date)
Made a part of the City's Administrative Regulations binder and distributed to all City staff		_____
		(Date)



MISSING RECEIPT FORM

Date of Purchase: _____

Vendor Name: _____

Description of Purchase/Service: _____

Quantity Purchased: _____

Method of Payment: _____

Dollar Amount: **\$** _____ **GL Account :** _____

Reason you were unable to obtain receipt/invoice:

I understand that a Missing Receipt Form may not be completed on a routine basis and that overuse may revoke the privilege of providing a Missing Receipt Form in lieu of a receipt. I certify that the amount shown is the amount actually paid, that I have not and will not submit a duplicate claim. I understand that violation of this policy may result in disciplinary action.

Employee: _____

Date _____

Approval:

Department Head:		
Finance Department:		



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