RESOLUTION NO. 22576

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERSIDE, CALIFORNIA RESTATING THE RULES AND REGULATIONS GOVERNING PROCUREMENTS OF GOODS, SERVICES AND PUBLIC WORKS CONSTRUCTION CONSOLIDATING VARIOUS PURCHASING RULES AND REGULATIONS CURRENTLY CONTAINED IN OTHER RESOLUTIONS AND CERTAIN ADMINISTRATIVE MANUAL POLICIES; AND REPEALING RESOLUTION NOS. 20943, 21026, 21046 AND 21182.

WHEREAS, the City Manager is authorized and directed by Article VI, Section 601 (e) of the Charter of the City of Riverside and Chapter 3.16 of the Riverside Municipal Code to prepare and recommend adoption of rules and regulations governing the contracting for and the procuring, purchasing, storing, distributing and disposing of all supplies, materials and equipment required by any office, department or agency of the City government; and

WHEREAS, on May 17, 2005, the City Council adopted Resolution No. 20943 known as the "Administrative Manual Resolution" to approve certain Administrative Manual policies and procedures governing professional consultant services selection procedures and setting the monetary limit of the City Manager's spending authority at $50,000 and the monetary limit of Department Heads' spending authority at $10,000; and

WHEREAS, on September 6, 2005, the City Council adopted Resolution No. 21026 to establish a threshold of $50,000 under which the City Manager, Assistant City Managers, and/or Development Director are authorized to negotiate and execute real property acquisition transactions; and

WHEREAS, on September 27, 2005, the City Council adopted Resolution No. 21046 to provide the City Manager with authority to execute contracts and purchase orders of $50,000 or less and to delegate his or her authority to his or her designees; and

WHEREAS, on June 20, 2006, the City Council adopted Resolution No. 21182 known as the "Purchasing Resolution" to restate the rules and regulations governing procurements of goods, services and public works construction; and

WHEREAS, the City Council now desires to consolidate the City's various rules and regulations governing procurements into a single resolution to provide one source for

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documenting these requirements and to increase the transparency and clarity of the City's procurement policies and procedures.

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

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

TITLE: PURCHASING RESOLUTION RULES AND REGULATIONS

ARTICLE ONE: DEFINTION OF TERMS

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

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

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

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

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

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

(f) "Competitive Procurement" means a process involving the solicitation under the authority and supervision of the Manager of Formal Bids by Formal Procurement or Informal Bids by Open Market Procurement (all as hereinafter defined) under procedures and

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circumstances intended to foster effective, broad-based competition within the private sector to provide Goods, Services or Construction to the City.

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

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

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

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

(k) "Design-Build" means a process involving contracting with a single entity for both the design and Construction of a public works project pursuant to a competitive negotiation process established by City Council ordinance from time to time in accordance with Section 1114 of the City Charter.

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

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

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

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

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

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

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

(s) "Manager" means the City's Purchasing and Risk Manager.

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

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

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(v) "Originating Department" means a department of the City distributing a Request for Proposals for the purpose of professional consultant selection.

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

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

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

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

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

(bb) "Request for Proposals" means a written solicitation issued by a Using Agency which (1) generally describes the Goods or Services sought to be Procured by the City, (2) sets forth minimum standards and criteria for evaluating proposals submitted in response to it, (3) generally describes the format and content of proposals to be submitted, (4) provides for negotiation of terms and conditions of the Procurement Contract and (5) may place emphasis on described factors other than price to be used in evaluating proposals.

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

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

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

(2) The Bidder's facilities and resources;

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

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

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

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

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

(gg) "Specifications" means a City-issued or referenced definite, detailed written description of the Goods to be furnished, the Services to be performed or the Construction work to be done and materials to be used under a Contract with the City, which specifies the composition, Construction, dimension, durability, efficiency, form, nature, performance characteristics and standards, quality, shape, texture, type and utility of Goods, Services or Construction sought by the City.

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

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

ARTICLE TWO: COMPETITIVE PROCUREMENT

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

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

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

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

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

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

(e) When, in the opinion of the Manager, there is no price difference between recognized manufacturers and suppliers of Goods;

(f) When Cooperative Purchasing is available and undertaken;

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

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

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

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

(k) When the Procurement is for books, journals, maps, publications and other supplies peculiar to the needs of the library, which are subject to the provisions of Section 808(d) of the City Charter;

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

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

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ARTICLE THREE: EMERGENCY PROCUREMENT

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

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

(a) A great public calamity;

(b) An immediate need to prepare for national or local defense;

(c) A breakdown in machinery or essential service which requires the immediate Procurement of Goods, Services or Construction to protect the public health, welfare, safety or property;

(d) A Using Agency operation directly affecting the public health, welfare or safety or the protection of public property, is so severely impacted by any cause that personal injury or property destruction appears to be imminent and probable unless Goods, Services or Construction designed or intended to mitigate the risks thereof are Procured immediately; or

(e) A Using Agency is involved in a City project which is of such a nature that the need for particular Goods, Services or Construction can only be ascertained as the project progresses and, when ascertained, must be satisfied immediately for the preservation of public health, welfare, safety or property.

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

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

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Requisition confirming the Procurement must be prepared by the individual and submitted to the Manager no later than the following business day.

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

ARTICLE FOUR: PURCHASE REQUISITION PROCEDURES

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

SECTION 401. Who May Requisition. All Purchase Requisitions shall be completed and shall be approved by the head or duly authorized representative of the Using Agency making the requisition. At such times and in such manner as shall be prescribed by the Manager, the head of each Using Agency shall file with the City Finance Director a written designation of each person who is authorized to approve Purchase Requisitions on behalf of the Using Agency or any division or section thereof. A Purchase Requisition shall be fully approved prior to the formal advertisement of a project by the Manager.

SECTION 402. When to Requisition. Purchase Requisitions shall be prepared and submitted far enough in advance of the date that the Goods, Services or Construction will be

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needed to enable the Manager to implement the necessary Competitive Procurement therefor. The Manager shall attempt to secure the best price and earliest delivery practicable, consistent with the requirements of the Purchase Requisitions.

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

SECTION 404. Purchase Order and Encumbrance of Funds. Procurement of Goods, Services and Construction shall be made only by Purchase Order, except that alternate forms and procedures may be specified by the Manager for the Procurement of Services or Construction, and no Purchase Orders shall be required for petty cash purchases less than an amount recommended from time to time by the Finance Director and approved by the City Manager. Except in cases of Emergency Procurement, no Purchase Order shall be issued unless there exists an unencumbered appropriation in the fund account against which the Procurement is to be charged. Except for Emergency Procurement, no Goods or Services shall be ordered, obtained or received without authorization by the Manager, which authorization shall be in the form of an executed or confirming Purchase Order. The Manager, or his designees, shall be authorized to issue and execute Purchase Orders in accordance with policies and procedures established by the City Manager from time to time, that are consistent with this Resolution. Further, the Manager is authorized to issue a purchase order without further approval where the procurement is made pursuant to Section 201(g) or (h) herein and a supplemental appropriation is not otherwise required.

SECTION 405. Change Orders. Modifications to a Purchase Order shall be made only by Change Order. Change Orders may be utilized for purposes of (1) adding and/or deleting quantity of items being procured, (2) modifying unit prices, (3) modifying scope of work/ services being provided, (4) changing funding source(s), (5) modifying contract completion time, or (6) any other change approved by the Manager. Unless otherwise specifically authorized by

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the Awarding Entity, Change Orders which cumulatively exceed the following will require Awarding Entity approval:

a) $10,000 for Contracts and/or Purchase Orders greater than $50,000 and up to $100,000;

b) 10% of the original contract price for Contracts and/or Purchase Orders exceeding $100,000 and up to $1 Million;

c) 100,000 plus one percent of the original Contract or Purchase Order amount for Contracts and/or Purchase Orders in excess of $l Million;

d) $150,000; and

e) any Change Order which causes the contract price to exceed $50,000, if the Contract and/or Purchase Order was not previously approved by the Awarding Entity.

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

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

ARTICLE FIVE: PREFERENCES

SECTION 500. Policy. In the Manager's administration of Competitive Procurement pursuant to this Resolution, the Manager shall be authorized to give such preferences for Goods, Services or Construction as chartered cities are required to give by applicable state or federal

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law, or such preferences as are permitted by such law and specifically provided for from time to time by City Council resolution or ordinance.

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

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

(b) it has a business street address within the City limits (Post Office box or residential address shall not suffice to establish a local presence);

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

(d) it has a City business license.

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

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

ARTICLE SIX: OPEN MARKET PROCUREMENT

SECTION 600. Policy. Although less formal, procedurally, than Formal Procurement, Open Market Procurement shall nonetheless be conducted by the Manager and the Manager's

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duly authorized representatives in a manner and under circumstances intended to elicit competitive Informal Bids in response thereto.

SECTION 601. General Limitations On Open Market Procurement. Open Market Procurement may be conducted under the supervision of the Manager if the Procurement expenditure is estimated to be Fifty Thousand Dollars ($50,000.00) or less and does not involve the Procurement of Construction or Goods of the type required by Section 1109 of the City Charter to be acquired by Formal Procurement. The Manager shall maintain and keep records of all Open Market Procurements, including Informal Bids received, in accordance with the applicable City's Record Retention Schedule adopted by the City Council from time to time, and those records shall be open to public inspection upon request during normal City business hours.

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

Automatic Reclosers with associated controllers and communications equipment
Batteries and Chargers
Blower Equipment, Parts and Repair
Bus and Bus Support
Capacitors
Chemicals
Circuit Breakers
Conduit and Duct
Connectors
Dewatering Equipment, Parts and Repairs
Electric Motor Controls
Electrical Line Devices
Electrical Motors, Panels, Panel Equipment, Materials and Repairs
Fiber Optics Equipment and Materials
Fire Hydrants
Fittings, Electrical, Water, and Sewer
Insulators
Luminaries
Meter and Metering Devices

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Pipe and Pipe Fittings
Pole Line Hardware
Poles, Utility
Power Generation Materials, Equipment, Parts and Repair
Prefabricated Electrical Enclosures
Pumps and Repairs
Regulators
Relaying and Protective Devices
Road and Backfill Materials
SCADA Equipment
Substation and Distribution Automation Equipment
Substation Supervisory Equipment
Surge Arrestors
Switches and Switchgear
Transformers
Treatment Equipment
Tubing, Copper and Plastic
Valves and Operators
Vaults and Accessories
Wire and Cable
Uninterruptable Power Supplies
Well Equipment (including incidental labor to install, which labor shall not exceed the amount set by state law for which bids are required for public works projects of a general law city)
Such other supplies and materials peculiar to the needs of the Public Utilities Department, which are carried as inventory items in Central Stores stock.

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

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

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

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ARTICLE SEVEN: FORMAL PROCUREMENT

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

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

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

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

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

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

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

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

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

(a) Formal Procurement Contracts may be awarded by the Manager where the procurement is made pursuant to Section 201(g) and 201(h) herein and a supplemental appropriation is not otherwise required.

(b) A Contract for Goods may be awarded to a local Responsible Bidder who is not the Lowest Responsible Bidder but who has certified that it is a local vendor pursuant to Section 501 hereof and who is subject to taxation under the City's "Uniform Local Sales and Use Tax Ordinance" (Chapter 3.08 of the City Municipal Code) if the Bid difference amount between the local Responsible Bidder and the Lowest Responsible Bidder does not exceed five percent (5%) of the lowest responsible Bid;

(c) A Contract for Goods or Services which will require quantifiable commitments of City personnel and other resources for the satisfactory completion thereof may be awarded to the

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Responsible Bidder whose Responsive Bid becomes the lowest evaluated when the City's costs of commitment are calculated in connection with each of the Bids submitted and added thereto; and

(d) A Contract for Goods, Services or Construction may be awarded to a Responsible Bidder whose Responsive Bid is adjudged to be lowest Responsive Bid under Life Cycle Cost analysis. The Awarding Entity may waive irregularities or informalities in any Bid if the public interest is served thereby. In the event a tie occurs among Responsible Bidders submitting the lowest Responsive Bid, the Awarding Entity may award the Contract to any one of the tie Bidders either based upon proximity to the City, reputation or any other factor or upon a drawing by lot at the time and place determined by the Manager.

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

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

SECTION 709. Assignment of Contract. Formal Procurement contracts shall not be assigned by the Contractor without the written consent of the City Manager. In no event shall a Contract or any part thereof be assigned to a Bidder who was declared not to be a Responsible Bidder during consideration of the Bids submitted in response to advertisement for that particular Procurement.

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ARTICLE EIGHT: DISPOSITION OF SURPLUS GOODS

SECTION 800. Reporting. Each Using Agency shall submit to the Manager, at such times and in such form as the Manager prescribes, reports describing all Goods held by the Using Agency, which the Using Agency has determined to be Surplus Goods. At such time that a periodic physical inventory of the Goods held by any Using Agency is required by the Manager, the Using Agency shall segregate all of its surplus Goods and a report thereof shall be furnished to the Manager by the Using Agency for the transfer or disposition of such Goods.

SECTION 801. Custody of Surplus Goods. Each Using Agency shall retain custody of its surplus Goods in such manner and at such place as the Manager shall direct, until their transfer or final disposition has been made. No Using Agency shall in any event permit any surplus Goods held by it to be loaned or donated without City Council approval, or destroyed or otherwise removed from the City's custody without the prior written approval of the Manager.

SECTION 802. Transfer. Before disposing of surplus Goods, including unclaimed property delivered to the Manager by the Police Department, the Manager shall first canvass all other Using Agencies to assure that the surplus Goods cannot be used by another Using Agency. If another Using Agency expresses a desire to use the Goods or hold them for potential future use, the Manager shall assist in transferring the Goods to that Using Agency.

SECTION 803. Disposition. The Manager is hereby authorized to dispose of City surplus Goods and Police Unclaimed Property which are not used or needed by any Using Agency or which have become unsuitable for City use. The Manager may dispose of such Goods and Property by any of the following procedures:

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

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

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

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

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

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

SECTION 804. Library Books. Notwithstanding anything to the contrary in this Resolution, books and other items which are subject to Section 808(d) of the City Charter and which the Library Department has determined to discard may be disposed of in accordance with policies as are adopted from time to time by the Board of Library Trustees and approved by the City Council.

SECTION 805. Contributions to Other Agencies. Nothing contained in this Resolution shall affect the power and authority of the City Council to make contributions of funds, Goods, Services or Construction to other agencies.

ARTICLE NINE: REAL PROPERTY ACQUISITIONS

SECTION 900. Acquisitions of $50,000 or less. When the cost of acquisition of real property by the City is Fifty Thousand Dollars ($50,000) or less, the City Manager, any of the Assistant City Managers, or the Community Development Director are hereby authorized to negotiate and execute any and all documents necessary to complete the transaction, including, but not limited to, Purchase and Sale Agreements and Escrow Instructions.

SECTION 901. Acquisitions over $50,000. When the cost of acquisition of real property by the City is over Fifty Thousand Dollars ($50,000), and when said acquisition has been previously approved by the City Council, the City Manager, the Assistant City Managers, or the Community Development Director is hereby authorized to execute any and all documents necessary to complete the transaction, including, but not limited to, Purchase and Sale Agreements and Escrow Instructions.

SECTION 902. Notification to Manager. Within 90 days following the acquisition of real property, the acquiring City Department will notify the Manager of the acquisition so that the property may be added to the City's schedule of insured property.

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ARTICLE TEN: DELEGATED CONTRACT EXECUTION AUTHORITY

SECTION 1000. Authorization. The City Manager is authorized to approve, execute, and bind the City to (a) contracts and purchase orders for goods, non-professional services, construction professional services and negotiated contracts and purchase orders of $50,000 or less, entered into in accordance with the policies and procedures outlined in this Resolution, and (b) such other contracts as are expressly approved by the City Council.

SECTION 1001. Delegation by City Manager. The City Manager is authorized to delegate such authority to his or her designees, including among others Department Heads, when the City Manager deems it is in the best interests of the City to do so.

ARTICLE ELEVEN: PROFESSIONAL CONSULTANT SELECTION PROCEDURES

SECTION 1100. Requests for Proposals. When an Originating Department is obtaining proposals from consultants in response to a Request for Proposals process, a minimum of three (3) qualified consultants must be contacted in writing and invited to submit a proposal. The City Manager may authorize the Originating Department to contact less than three qualified consultant under the following circumstances:

(a) In cases of emergency or immediate need for services;

(b) The services required are so special and unique as to be provided by only one qualified consultant as documented by a single source memorandum; or

(c) If it determined to be in the best interest of the City.

If the Originating Department is requesting authorization to contact only one consultant, a written recommendation shall be prepared by the Department Head or his/her designee and forwarded to the City Manager for approval, justifying why only one consultant will be contacted. If the consultant contact requires City Council or Board of Public Utilities approval, the agenda report must include a statement addressing the waiver and the justification therefore.

SECTION 1101. Consultant Selection. Qualified consultants shall be selected based on availability, demonstrated competence and qualifications for the types of services to be performed at fair and reasonable prices, record of timely completion of other projects, and previous service to the City. If, after reasonable effort, a contract cannot be negotiated with

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suitable terms, the negotiations with the initially selected consultant shall be terminated in writing and negotiations shall be started with the consultant rated second. In no case shall negotiations be entered into with the initially selected consultant after negotiations have started with the consultant rated second.

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

Section 3. That the City Council Resolution Nos. 20943, 21026, 21046 and 21182 are hereby repealed.

ADOPTED by the City Council this 10th day of September, 2013.

WILLIAM R. BAILEY, III
Mayor of the City of Riverside

Attest:

COLLEEN J. NICOL
City Clerk of the City of Riverside

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I, Colleen J. Nicol, City Clerk of the City of Riverside, California, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a meeting of the City Council of said City at its meeting held on the 10th day of September, 2013, by the following vote, to wit:

Ayes: Councilmembers Gardner, Melendrez, Gutierrez, Davis, Mac Arthur, Perry, and Adams

Noes: None

Absent: None

Disqualified: None

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Riverside, California, this 12th day of September, 2013.

COLLEEN J. NICOL
City Clerk of the City of Riverside

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