



City of San Gabriel and the
San Gabriel Redevelopment Agency

PURCHASING POLICY

Finance Department
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CITY OF SAN GABRIEL – PURCHASING POLICY

Table of Contents

SECTION I - PURPOSE	1
SECTION II - POLICY	1
SECTION III – PREFERRED PURCHASING	2
A. PURCHASE OF ENVIRONMENTALLY PREFERABLE PRODUCTS (GREEN PURCHASING).....	2
B. CITY OF SAN GABRIEL BUSINESS PREFERENCE.....	3
SECTION IV - METHODS OF PURCHASING	4
A. PETTY CASH.....	4
B. CREDIT CARD PURCHASES	4
C. PURCHASE ORDERS.....	4
<i>Annual/Open Purchase Orders</i>	5
<i>Emergency Purchases</i>	5
<i>Cooperative Purchases (Piggyback)</i>	6
<i>Sole Source Purchases</i>	6
D. LEASING.....	7
E. PURCHASE ORDER EXEMPTIONS	7
SECTION V - PURCHASING PROCEDURES	7
PURCHASING PROCEDURES SUMMARY OVERVIEW (SEE EXHIBIT I, PAGE 23).....	7
A. PETTY CASH REIMBURSEMENT	7
B. REQUEST FOR PAYMENT	8
C. CREDIT CARD PURCHASES – FOR EXPEDIENT AND NECESSARY PURCHASES.....	8
D. SUSPENSION AND DEBARMENT	8
E. PURCHASE ORDER.....	8
<i>Emergency Purchases</i>	9
<i>Cooperative Purchases</i>	9
<i>Sole Source Purchases</i>	10
F. CHANGE ORDERS	10
SECTION VI - CONTRACTS/AGREEMENTS	10
A. REQUEST FOR PROJECT NUMBER	11
B. DEVELOP PROJECT DOCUMENTS	11
C. REQUEST FOR PROPOSAL, REQUEST FOR QUALIFICATIONS AND SELECTION OF PROFESSIONAL CONSULTANT.....	12
D. DISTRIBUTION, SUBMITTAL AND PRESENTATION FOR CITY COUNCIL APPROVAL	14
E. CASH CONTRACT – REQUEST FOR BID	14
F. COUNCIL APPROVAL AND CONTRACT/AGREEMENT PROCESSING	15
G. TERM OF AGREEMENT.....	16
SECTION VII - PUBLIC PROJECT	16
A. PUBLIC PROJECTS OF \$30,000.00 OR LESS	17

B. PUBLIC PROJECTS OF \$125,000.00 OR LESS 17

C. PUBLIC PROJECTS OF MORE THAN \$125,000.00 17

PETTY CASH FUND POLICY 19

CREDIT CARD POLICY 21

ATTACHMENTS..... 23

GLOSSARY 48

CITY OF SAN GABRIEL
PURCHASING POLICY
AUGUST 17, 2010

SECTION I - PURPOSE

To provide an efficient system for procuring services, supplies, and equipment while maintaining appropriate controls.

SECTION II - POLICY

Purchasing responsibilities, requirements, and references to statutory provisions regulating purchasing, are stipulated in Title 3, Chapter 34 of the Municipal code. The additional guidelines set forth in this document are designed to provide effective utilization of personnel and centralized purchasing where practical and to maintain budgetary, purchasing and payment control.

The City of San Gabriel will not make purchases over \$15,000 or enter into contractual agreements of any amount with vendors that have been suspended or debarred by the Federal government.

It shall be unlawful to split purchases into smaller units to circumvent the purchase order process pursuant to the California Government Code section 26406.5.

The procurement of materials and services requires that each department maintain a level of expertise concerning the following procedures. Effective utilization of personnel can be best achieved by each department developing specifications, making inquiries with suppliers and preparing a Quotation Worksheet.

All employees and vendors shall acknowledge that Purchase Orders are not valid until they have been assigned a number and signed by the City Manager, as required by this policy.

Employees shall not utilize a City Purchase Order or a credit account maintained for City business to purchase supplies, materials, or services for personal use.

All charges for services and other receipts due the City shall be properly accounted for and received by the Finance Department. All resources required to conduct City business shall be acquired in accordance with this policy. There shall never be any in-kind exchange of services or supplies with any entity conducting business with the City.

SECTION III – PREFERRED PURCHASING

A. Purchase of Environmentally Preferable Products (Green Purchasing)

Our purchasing decisions can positively or negatively affect the environment. By including environmental considerations in our procurement decisions, along with our traditional concerns with price, performance and availability, we will remain fiscally responsible while promoting practices that improve public health and safety, reduce pollution, and conserve natural resources. To implement the Green Purchasing, the departments should:

- Institute practices that reduce waste by increasing product efficiency and effectiveness;
- Purchase products that minimize environmental impacts, toxics, pollution, and hazards to worker and community safety to the greatest extent practicable.
- Purchase products that include recycled content, are durable and long-lasting, conserve energy and water, use agricultural fibers and residues, reduce greenhouse gas emissions, use unbleached or chlorine free manufacturing processes, and use wood from sustainable harvested forests.

In practice, this means seeking products that have reduced environmental impact because of the way they are made, used, transported, stored, packaged and disposed of. When determining whether a product is environmentally preferable, the following environmental attributes should be considered:

- Biobased
- Biodegradable
- Carcinogen-free
- Chlorofluorocarbon (CFC)-free
- Compostable
- Durable
- Energy efficient
- Heavy metal free (e.g., no lead, mercury, cadmium)
- Less Hazardous
- Locally manufactured
- Low volatile organic compound
- Low - toxicity
- Made from rapidly renewable materials
- Persistent, bioaccumulative toxic (PBT)-free
- Recyclable
- Recycled content
- Reduced greenhouse gas emissions
- Reduced packaging
- Refurbished
- Resource efficiency
- Reusable
- Upgradeable
- Water efficient

In the process of evaluation and/or award, balancing environmental considerations with performance, availability, and financial cost is needed. Products that are durable, long lasting, reusable or refillable should be preferred whenever feasible. In comparing product alternatives, the short-term cost (initial purchase cost) and long-term cost (such as energy, maintenance and potential liability costs known as Life Cycle Costs), should be evaluated.

B. City of San Gabriel Business Preference

Preference shall be given to responsive, responsible local businesses over non-local business.

“Local Business” means a business with a valid business license issued by the City of San Gabriel, with a physical address located within the limits of the City of San Gabriel and in possession of a valid resale license from the State Board of Equalization (when appropriate) showing evidence of a local business address within the City of San Gabriel.

1. When evaluating competing proposals for the purchases of hard goods or for professional, legal, or financial services, the City of San Gabriel shall give preference to local San Gabriel businesses whose qualifications meet the City’s requirements for the engagement, transaction, or contract at hand; all other considerations being equal.
2. In any procurement using a formal request for bid, if a tie bid occurs between a local and a non-local business, award shall be made to a local business over a non-local business, assuming all other aspects of the bid are equal.
3. In any procurement using a formal request for bid, when the low bid is submitted by a non-local business, one percent (1%) shall be subtracted from local business bids in evaluating the bids for award. If application of the (1%) factor results in a local business bid being equal to or lower than the non-local business, contract award shall be made to the local business at the local business bid price.
4. Local vendors will be contacted prior to going out to bid for major purchases (i.e. vehicles, equipment) to determine their ability to fulfill the City’s need, even when such vendors typically do not respond to bid requests.

The local vendor preference shall apply to all contracts awarded by the City except for the following contracts:

- A contract for a public project or any other contract required to be awarded to the lowest responsible bidder by state or federal law;

- A contract, which if awarded based upon application of the local vendor preference, would be prohibited by state or federal law or regulation;
- Contracts required as a result of an emergency where a delay in the performance of the contract would jeopardize the public health, safety or welfare of the residents of the City;
- Contracts where a significant function of City government would be seriously threatened if the contract were not entered into expeditiously as determined by the City;
- A contract which, if awarded based upon application of the local vendor preference would result in the loss of state or federal funding.

SECTION IV - METHODS OF PURCHASING

A. Petty Cash

Petty cash can be used only for incidental small expenditures not to exceed \$100.00 per individual disbursement. Departments maintaining petty cash funds should exercise specific controls over their use. Department Head and Finance Director approval is required. See **Petty Cash Fund Policy (page 19)** for departments that maintain a petty cash fund, and for fund disbursement procedures.

B. Credit Card Purchases

The City credit card shall only be used for purchases if expedient and necessary, and shall only be made with prior approval of the Department Head. It can be used to obtain products or services costing less than \$1,000.00 (including shipping, handling and sales tax), which are not restricted or prohibited. With approval from the Finance Director and the City Manager, charges on a personal credit card may be reimbursed. In any case, use of a City credit card is limited to purchases specifically related to City business. Using the City credit card for personal purchases is prohibited. **(See Credit Card Policy, page 21.)**

C. Purchase Orders

Purchase order is a document used to formalize a purchase transaction with a vendor. Acceptance of a Purchase Order constitutes a contract, which is a Purchaser's written offer to a supplier stating all terms and conditions of a proposed transaction. It is also a means of encumbering funds which reserves a portion of an appropriation until actual payment is made. A City business license is required for vendors providing contract services. **Purchase Order Exemptions** are on **page 7**.

1. Purchases of less than \$1,000.00 - Over-the-Counter

For purchases of less than \$1,000.00, the authority to award is the Department Head. Comparative pricing is not required but shall be used when practical. Prudent judgment shall be used at all times.

2. Purchases between \$1,000.00 - \$15,000.00 - Open Market

For purchases of \$1,000.00 to \$15,000.00, the authority to award is the City Manager. Department staff shall not award any purchase for \$1,000.00 or more without a Purchase Order approved by the City Manager or designee.

3. Purchases of more than \$15,000.00 - Formal Bid

Purchases that exceed \$15,000.00 require a Formal Bid Process and City Council approval. **(See Contracts/Agreements, page 10.)**

Split Purchase or Procurement— A split purchase or procurement is one that results when purchaser intentionally divides or appears to divide what should be a single purchase into two or more separate purchases to avoid exceeding dollar limit. This policy specifically prohibits splitting an order to circumvent the specified dollar limits.

Annual/Open Purchase Orders

An Annual/Open Purchase Order is an agreement whereby the City contracts with a vendor to provide equipment or supplies on an as-needed and often over-the-counter basis. Annual/Open Purchase Orders will be a “Not to Exceed” amount and such Purchase Orders shall state that no individual item over a certain dollar amount may be acquired through their use. The above-referenced dollar amount limit will vary depending on the nature of the items or services intended to be acquired using an Annual/Open Purchase Order (The City Manager’s approval is required for all Annual/Open Purchase Orders).

Emergency Purchases

Emergency purchases may be made without competitive bidding when time is of the essence and shall be made only for the following reasons:

- To preserve or protect public safety, health & welfare, life or property; or
- Upon natural disaster; or
- To forestall a shutdown of essential public services.

Since emergency purchases do not normally provide the City an opportunity to obtain competitive quotes or properly encumber funds committed, sound judgment shall be used in keeping such orders to an absolute minimum. Approval by the City Manager is required and adequate documentation must be on file.

Cooperative Purchases (Piggyback)

The Purchasing Department may participate in purchases and contracts established by other political jurisdictions, provided the cooperative agreement is established following a competitive bid process. The City Manager may authorize the award of cooperative purchase agreements up to \$15,000.00. City Council approval is required for the award of any cooperative purchase of more than \$15,000.00.

Cooperative Purchases may be based on one of several contracts. Below are two commonly used Cooperative Purchases:

1. California Multiple Award Schedule (CMAS) Contracts

The Contract Section of the Department of General Services of the State of California negotiates annual State contracts and Price Schedules with various vendors. Certain supplies and equipment are on these contracts. They are a convenient source for general interest items and the prices are highly competitive. Copies of State Contracts and Price Schedules are available online at the www.pd.dgs.ca.gov/cmas/ website.

2. Western States Contracting Alliance (Calif. WSCAII)

The Western States Contracting Alliance (WSCA) was formed in October 1993 by the state purchasing directors from fifteen NASPO western states. The primary purpose was to establish the means by which participating states may join together in cooperative multi-State contracting to achieve cost-effective and efficient acquisition of quality products and services. Cooperative purchases are developed by member states. All governmental entities within WSCA states are welcome to use the approved agreements as well as authorized governmental entities in non-WSCA states. Cooperative purchasing benefits states as well as cities, counties, public schools and institutions of higher education. Their contracts are available online at <http://www.aboutwsca.org/welcome.cfm>.

Sole Source Purchases

Commodities and services which can be obtained from only one vendor are exempt from competitive bidding. Sole source purchases may include:

- Proprietary items sold directly from the manufacturer; or
- Items that have only one distributor authorized to sell in the area; or
- A certain product has been proven to be the only product acceptable.

All sole source purchases shall be supported by written documentation signed by the appropriate Department Head and forwarded to the Finance Department. The

City Manager or designee will make final determination that an item is a valid sole source purchase.

D. Leasing

If a department desires to lease a piece of equipment, required lease payments must be budgeted. All documentation required for the lease must be reviewed and approved by the City Attorney and Finance Director in advance. The procurement process shall be in accordance with the purchase order procedures established by this policy based on the estimated value of the current purchase price of the equipment.

E. Purchase Order Exemptions

Certain purchases are not readily adaptable to the open market and formal bidding process. These purchases are generally for items where the competitive bid process is not applicable or where a check is required to accompany the order. Following is a list of allowable exemptions:

- Advertisements and Notices
- Attorney Services
- Budgeted Payments to Community and/or Service organizations
- Bond Consult, Underwriter, Trustee Services
- Deposit Refunds
- Developer's Deposit
- Employee Expense reimbursements
- Employee Payroll
- Insurance Claims
- Membership Dues
- Participants Paid Programs
- Subscriptions
- Travel Expense/Advances
- Utility Payments

SECTION V - PURCHASING PROCEDURES

Purchasing Procedures Summary Overview (See Exhibit I, page 23)

A. Petty Cash Reimbursement – Limit \$100.00 per individual reimbursement

1. Fill out the Petty Cash Reimbursement Form (*See Exhibit II, page 24*)
2. Attach receipt showing payment is made in full
3. Obtain Department Head's approval signature
4. Submit to Finance Department for disbursing the funds

B. Request for Payment – For purchase order exempted purchases

1. Fill out the Request for Payment Form (*See Exhibit IV, page 27*)
2. Attach original invoice or statement or other documentation
3. Obtain Department Head's approval signature
4. Submit to Finance Department for payment

C. Credit Card Purchases – For expedient and necessary purchases

Purchases shall be made pursuant to the City's **Credit Card Policy**, (see page 21) and in compliance with the State of California Department of General Services
CAL – CARD Program Cardholder Guide.
(<http://www.documents.dgs.ca.gov/pd/calcard/Guidebookcardholder.doc>)

D. Suspension and Debarment – No awards or contracts shall be granted to vendors that have been suspended or debarred by the Federal government

When enter into contractual agreements of any amount or making a purchase in excess of \$15,000, departments must verify that the vendor is not currently suspended or debarred. This may be accomplished in one of two ways:

1. Look up the vendor on the Excluded Parties List System (EPLS) maintained by the General Services Administration. This system can be accessed on the internet at www.epls.gov.
Documentation that the EPLS was queried must be kept by the department proving that the vendor was not currently listed. This documentation should include the date queried and a copy of the report generated or a screen print of the EPLS results and should be attached to the P.O. backup and kept for future audit review - or -
2. Obtain a written certification from the vendor that they are not currently suspended or debarred by the federal government. This certificate must be signed by the vendor prior to finalizing the transaction and must be attached to the payment of P.O. backup and kept on file for audit purpose.

E. Purchase Order – General Purchases and Contract Services

1. Less Than \$1,000.00 – Department Head Award

All departments may purchase supplies, equipment, and services, of less than \$1,000.00 without competitive bidding and without a purchase order. A purchase order may be requested by the department if required by the vendor or if the department wishes to use the purchase order as a mechanism to encumber funds.

2. \$1,000.00 to \$5,000.00 – City Manager Award

For any purchase of from \$1,000.00 to \$5,000.00, the authority to award is the City Manager. Department staff shall not award purchase orders for \$1,000.00 or more without the approval of the City Manager or designee, except in the event of an emergency purchase. All departments shall obtain three oral or written competitive quotations whenever possible for purchases. The department shall submit a Quotation Worksheet ([See Exhibit V, page 29](#)), which includes the recommended vendor, with all supporting documentation to the Finance Department. Supporting documentation shall include competitive price quotes obtained, names of vendors contacted, description of the items required, and certificates of insurance as applicable. The Finance Department shall review the recommendation and supporting documentation.

The City Manager or designee may award purchase to the lowest responsive and responsible bidder whose quotation fulfills the intended purpose, quality, and delivery needs of the solicitation, provided that an unencumbered appropriation for that item exists. In lieu of awarding the purchase, the City Manager or designee may reject bids, or may negotiate further to obtain terms more acceptable to the City.

3. \$5,000.00 to \$15,000.00 – City Manager Award

For any purchase from \$5,000.00 to \$15,000.00, the authority to award is the City Manager. The procedures are the same as purchases from \$1,000.00 to \$5,000.00, except all departments must obtain three written competitive quotations.

4. Over \$15,000.00 – City Council Award

Purchases in excess of \$15,000.00 require a Formal Bid Process and City Council approval. (**See Contracts/Agreements, page 10.**)

Emergency Purchases

1. Department makes purchase(s) or obtains services
2. Department documents the circumstances and nature of the emergency purchase on the Quotation Worksheet and submits to the Finance Department
3. If the emergency purchase causes any budget line item to exceed the approved budget, the Department Head shall make a transfer or request City Council to approve additional appropriation.

Cooperative Purchases

1. Department must indicate the political jurisdiction in which a competitive bidding process has been conducted on the Quotation Worksheet

2. Obtain Department Head approval and submit to Finance Dept.
3. Purchase Order may be issued after all purchase order requirements are met

Sole Source Purchases

1. Department must document the justification for utilizing the sole source purchasing method on the Quotation Worksheet
2. Obtain Department Head approval signature and submit to the Finance Dept.
3. The City Manager or designee will make the final determination that an item is a valid sole source purchase before a Purchase Order is issued
4. City Council approval is required for purchases that are excess of \$15,000.00

F. Change Orders

Purchase Orders represent a contract between the City and a vendor. Any substantial change to a Purchase Order shall be documented on a Change Order Request form ([see Exhibit VI, page 31](#)). The Change Order Request form shall be used:

- to terminate a purchase order and/or correct errors in the original purchase order;
- to change a quantity, description, size, color vendor name, address, unit price, and/or terms and conditions;
- to delete or add to the order; and/or
- to account for an increase of more than 10% or \$1,000, whichever is less, (*) except in instances where taxes, and/or shipping and handling charges increases the authorized purchase order amount.

(*) In these instances, the Finance Department will pay the invoiced amount. However, these items (taxes, shipping and handling) should be included on the initial Quotation Worksheet.

Change Orders shall be reviewed by the Finance Department, and shall be approved by the City Manager or his designee.

SECTION VI - CONTRACTS/AGREEMENTS

The City of San Gabriel conducts business by using a variety of contractual tools in accordance with the City's Purchasing Policy. Purchases of more than \$15,000 shall be made following a Formal Bid Process. Formal bids shall be posted at City Hall and shall be published at least once in a newspaper of general circulation as required by State law, and, if applicable, in appropriate trade publications. The date of publication shall be at least 10 days before the due date. All formal bids shall be sealed and shall be publicly opened and read at the date, time, and place indicated in the published notice.

To assist employees in this process, a Procedure/Checklist ([See exhibit VII, page 33](#)) for Request for Proposals, Request for Qualifications, Professional Service Agreement ([See exhibit X, page 37](#)) and Cash Contracts ([See exhibit XII](#)) has been developed.

Following is the policy/procedure for processing contracts and agreements.

A. Request for Project Number

In accordance with the Purchasing Policy, determine the type of project and appropriate bid/proposal procedure. Projects cost \$15,000 or less do not need Council approval and can be handled departmentally. Complete and submit a Request for Project Number ([See Exhibit VIII, page 34](#)) to the City Clerk's office. The City Clerk will issue a project number and maintain original contract/agreement documents.

Cash Contracts, Requests for Proposal (RFP) and Requests for Qualifications (RFQ) are issued a project number by the City Clerk's office. The project number is to be included in:

1. the Contract/agreement document;
2. all project titles and/or descriptions;
3. a header that includes both the project number and project description; and
4. staff reports for City Council Agenda items.

A number is issued upon receipt of a Request for Project Number by the City Clerk's office that includes, at a minimum, the following information:

1. Originating department
2. Contact
3. Project Description

Cash Contract – Request for Bid: The City Clerk's office must be notified of the date and time deadline for submittal to the City Clerk's office. The bids are opened by the City Clerk's office and read aloud. After the opening, a copy of all the bids will be kept in the City Clerk's office until the Council's final approval of the successful bid at which time the original contracts will be processed as indicated in F2 of this document.

B. Develop Project Documents

CASH CONTRACT-REQUEST FOR BID (CC-RFB)

Cash Contracts fall under two basic categories. (1) Equipment purchase; and (2) Infrastructure or facility improvements. For the purchase of equipment (i.e. public works equipment, parks & recreation equipment, vehicles, Mission Playhouse equipment), the following is required:

1. Invitation for Bids
2. Instructions to Bidders
3. Bid Proposal
4. Project description
5. Plans and/or specifications

Infrastructure (i.e., street improvements, curb & gutter improvements, traffic signal installation) and facility improvements (i.e., CDBG rehabilitation projects, city facility improvements) are more complex. As the majority of these projects are funded with federal, state, and/or county grants, projects must be developed in accordance with state and federal guidelines/requirements. In addition to the above indicated documentation, infrastructure and facility improvements may also require such documentation as, but not limited to, the following:

6. Bidder's Bond
7. Bidder's Statement of Financial Responsibility
8. Faithful Performance Bond
9. Labor and Materials Bond
10. Insurance Certificates (Public Liability and Property Damage)

After your project documents are completed, submit to your Department Head for approval.

After approval by your Department Head, send to the City Attorney. You must obtain approval from the City Attorney to go forward.

C. Request for Proposal, Request for Qualifications and Selection of Professional Consultant

Except as otherwise provided, the City will solicit competitive proposals by releasing, when practical, Request for Proposal (RFP's) to perform work for which the City does not have staff available or lacks the technical expertise required to perform a project or program. Consultants will be individually selected for specific projects with due regard for the cost for the service to be performed, and with particular regard for the consultant's experience; special knowledge of the subject matter; ability to perform the services within the time allowed; record of success on similar work; and the ability to effectively perform in the necessary discussion, presentation, coordination and cooperation realms of the project.

Request for Proposals' threshold dollar amount for approval and procedures to be followed will be the same limits as indicated for the purchase of items. Any professional service agreement that is anticipated to be over \$15,000 shall receive City Council approval for awarding and entering into a Professional Services Agreement.

Once the Request for Proposal or Request for Qualifications (RFP/RFQ) package has been finalized and is ready to distribute to potentially qualified contractors/consultants, A COPY MUST BE SUBMITTED TO THE CITY CLERK'S OFFICE FOR THE OFFICIAL FILE.

Following selection factors shall be considered, to the extent that each may apply, in selection a consultant for a particular study or project:

1. Educational and experience background of the consultant's key staff that will be assigned to each of the primary elements of the project work as well as the individual within the consultant's organization who will in overall charge of the work.
2. Necessary license or other professional credential (s) of the consultant to perform the particular study, project, or work.
3. Demonstrate recent record of success of the consultant on work previously performed for the City of others of a similar nature and magnitude. Key areas to consider are the consultant's ability to deliver the required work or services in acceptable form and detail, on schedule and within budget.
4. The consultant's documented record in delivering completed design, estimating, construction management services, etc., of proven reliability as evidenced by the completion costs of previous projects of similar scope and magnitude.
5. The adequacy of the consultant's staff to perform the work within the time allowance.
6. The method(s) proposed by the consultant for the work required; the primary elements of the work shall be identified.
7. The ability of the consultant to make effective written reports and public presentations of the work or design as may be required.
8. The ability of the consultant to work effectively with City staff, other public agencies, and related parties as may be required during the course of the design, study, or other technical services.
9. New or innovative ideas that are presented by the consultant in the proposal which demonstrate clear or advanced understanding of the work, its problems and possible solutions.
10. Consultant possesses adequate knowledge of local conditions.
11. The consultant's past record of continued interest in the success, efficiency, and workability of the program or services previously delivered.

While price may not be the singular guiding issue in selecting a consultant, the consultant's proposal shall include a fee schedule or a "fixed" or "not to exceed" cost (whichever is required by RFP). The proposal should also include any required supporting data in the form of cost/man hours of each employee classification to be used, anticipated total project man hours for each classification, overhead costs, and expenses, etc.

The review procedure for the selection of professional service contracts shall be as follows:

- Short-Term Service Agreement Costing \$15,000 or Less

Requests for professional services shall be initiated by the requesting Department Director. The Director may waive the formal RFP process, request RFQ's and/or interview one or more consultants who he/she believes to be qualified to perform the work. The Department Director may then select a consultant and forward a recommendation, a Short-Term Service Agreement (See *Exhibit XI, page 44*) with "EXHIBIT A" indicating the scope of services, specific provisions and fee schedule to the City Manager for approval of the issuance of a contract. The Finance Director will encumber the funds for the contract by issuing a purchase order.

- Professional Service Agreement Costing More Than \$15,000

The responses received to an RFP will be evaluated by the Department Head or designated review/selection committee which shall provide a recommendation for a specific consultant for Council consideration. The review/selection committee shall normally consist of three members. For projects of particular interest, complexity, or controversy, the City Manager may designate additional staff from other departments or request council or others to participate as part of the review/selection team.

D. Distribution, Submittal and Presentation for City Council Approval

RFP/RFQs are handled departmentally until the project, if required, is ready for City Council approval. Distribution is determined by the department and consultant/contractor proposals submitted to the department.

Suggestion: For RFP/RFQ projects that require City Council approval, it is suggested that the contractor be required to provide 12 copies of the proposal. In this way, there are 9 copies of the successful proposal ready to submit with the staff report for Council approval and eliminates the need for copying. This also provides 3 copies from which to work during the review/selection process.

At this point, if the project does not need City Council approval, a fully executed original professional services agreement must be submitted to the City Clerk's office for maintenance.

E. Cash Contract – Request for Bid (CC-RFB): Instructions, Advertising, Bid Submittal, Opening and Presentation for City Council Approval

The Cash Contract – Request for Bid (Cash Contract – RFB) shall instruct bidders to provide two original bid documents and two copies. One copy of all bids will be kept in the City Clerk’s office until Council’s final approval of the successful bid. Once approved, the original contracts will be processed as indicated in section 5B of this document. Once the Cash Contract – RFB is ready to be advertised A COPY MUST BE SUBMITTED TO THE CITY CLERK’S OFFICE FOR THE OFFICIAL FILE.

The originating department is responsible for determining the appropriate advertising method for the project. For projects that utilize state and/or federal grant funds, advertising requirements should be reviewed on a case-by-case basis to insure compliance as funding could be jeopardized.

Contractor bids must be submitted to the City Clerk’s office, in accordance with the Cash Contract – RFB by the date and time specified. Each submittal will be date stamped and include the time received with the initials of the person accepting the bid.

No bids will be accepted after the deadline! NO EXCEPTIONS!

After all bids have been opened, a copy will remain with the City Clerk and the originals given to the originating department.

F. Council Approval and Contract/Agreement Processing

1. COUNCIL AGENDA AND STAFF REPORT

The originating department is responsible for notifying the City Clerk’s office when a bid/proposal will be presented to the City Council, in accordance with the established Agenda Procedures. ([See Exhibit IX, page 35](#)) The originating department shall prepare the Staff Report for the Council Agenda notebook in accordance with established Agenda Procedures.

2. CONTRACT/AGREEMENT DOCUMENT

The City Clerk’s office will be provided **two** original contract/agreement documents **signed by the contractor** with the appropriate insurance documentation as stated in the contract/agreement. Upon approval by the City Council, the contract/agreement will be signed by the appropriate City officials. One complete original will be provided to the originating department to be returned to the contractor along with a copy for the departmental files.

NOTE: Contracts/agreements will be executed by City officials AFTER the above indicated criteria have been met. If only one copy of the signed agreement is provided for Council night, the original will be executed and remain

in the City Clerk's office. A certified copy of the original will be provided for the contractor.

3. DOCUMENT MAINTENANCE, IMAGING AND RETENTION

The fully executed original contract/agreement document will be maintained in the Office of the City Clerk. The document will be scanned into the City's imaging program and available to City Hall employees via the City network.

Contracts/agreements will be maintained in accordance with applicable retention standards.

G. Term of Agreement

The term of the agreement will vary depending on the nature of the agreement. Three years is the maximum term recommended. The term of the agreement shall always be stipulated.

If the agreement is for more than one year, the Department Head responsible for monitoring the agreement will annually review the services provided and, if applicable, make recommendations to the City Manager for any changes. Council action may be necessary to amend the agreement, if required by the agreement. In any event, documentation is to be initiated by the Department to the City Manager indicating that an annual review has been completed and an applicable recommendation made.

SECTION VII - PUBLIC PROJECT

The City is governed by the Public Contracts Code which defines "Public Project" [Public Contract Code §20161] as:

- *A project for the erection, improvement, painting, or repair of public buildings and works*
- *Work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow*
- *Street or sewer work except maintenance or repair*
- *Furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers*

The City elects to follow the cost accounting procedures set forth in the Cost Accounting Policies and Procedures Manual of the California Uniform Construction Cost Accounting Act (CUCCA). The Act is enacted under Public Contracts Code Section 22000 through 22045 (hereafter abbreviated as PCC 22000-22045). The Act provides for alternative bidding procedures when an agency performs public project work by contract.

A. Public Projects of \$30,000.00 or Less

May be performed by negotiated contract or by purchase order

B. Public Projects of \$125,000.00 or Less

May be let to contract by the informal procedures set forth in the Act. Summary of the procedures are:

1. Each department of the City shall maintain a list of qualified contractors, identified according to categories of work. All contractors awarded bid must obtain a City business license before work may commence.
2. All contractors on list for the category of work being bid and all construction trade journals shall be mailed a notice inviting informal bids. The trade journals are:
 - Reed Construction Data <http://www.reedpsp.com/>
 - Construction Bid Board (eBidboard) <http://www.ebidboard.com/>
 - F.W.Dodge <http://www.fwdodge.com/>
 - Southern California Builders Assn. <http://www.socalbuilders.org/>
3. All mailing of notices to contractors and construction trade journals shall be completed no less than 10 calendar days before bids are due.
4. The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time and place for the submission of bids.

C. Public Projects of More Than \$125,000.00

May be let to contract by formal bidding procedures. Summary of the procedures are:

1. Notice inviting formal bids shall distinctly describe the project and state the time, place and deadline for the receiving and opening of sealed bids.
2. The notice shall be published in a newspaper of general circulation, printed and published in the jurisdiction of the City at least 14 calendar days prior to the deadline.
3. The notice shall also be mailed to all construction trade journals mentioned above at least 30 calendar days before the date of opening the bids.

Sample Information for Mailed Notice

Following are the types of information that could be included in the mailed notice to the construction trade journals: (This list should be used only as a guide.)

- Project title and contract number
- Cost range/Location of site
- Where bids are to be submitted and the date and time deadline
- Address and phone number of Owner and Architect
- Brief description of work to be done
- Where plans may be obtained/deposit required/whether or not refundable
- Percentage of bid bond, performance bond and payment bond

For detailed policy and procedures, please see Public Contract Code Section 22030-22-45

<http://www.leginfo.ca.gov/cgi-bin/displaycode?section=pcc&group=22001-23000&file=22030-22045>

City of San Gabriel

Petty Cash Fund Policy

I. PURPOSE

To define and outline the City's policy with respect to the maintenance of the departmental petty cash fund and to provide users with detailed procedures regarding the establishment and administration of the fund.

II. POLICY

Petty cash can be used only for incidental small expenditures not to exceed \$100.00 (including tax) per individual disbursement. Departments maintaining petty cash funds should exercise specific controls over their use.

III. PROCEDURES

A. Establishment of Fund

Petty Cash fund shall be established through the Finance Department by withdrawals from the general bank account and shall be reported under the general ledger.

B. Maintaining the Fund

1. Accountability for the petty cash fund shall be assigned to one employee, designated as the fund custodian; Department Head may designate an alternate custodian, if desired, to maintain the petty cash fund in the absence of the primary custodian.
2. Cash should be kept in a locked drawer, cabinet, or container separated from other funds at all times with only the fund custodian and the alternate custodian having accessibility to the fund.
3. The receipts, plus cash on hand, should equal the total amount of the fund at all times.
4. The fund is subject to audit at any time without prior notice.

C. Disbursement of Fund

A Cash Voucher, form 706-8 ([see Exhibit II, page 24](#)) along with the following information must be used to document the disbursement of cash, with the exception of the Fire Dept. where a ledger will be used to substitute for the cash voucher form:

1. Original receipt showing proof of payment made
2. Expenditure account to be charged
3. Department Head approval signature

The completed voucher must be submitted for reimbursement to the primary custodian, or the alternate custodian in the absence of the primary. Payee must sign Cash Voucher, form 706-8 or the ledger upon receipt of cash.

D. Replenishment of Fund

The petty cash fund custodian must complete and submit the Request for Payment package to the Finance Department Accounts Payable. A completed Request for Payment package consists of:

1. Request for Payment Form
2. Treasurer's Petty Cash Report (Finance Dept.)
3. Paid cash vouchers with all supporting documents

A check payable to the Finance Director or the Department designated fund custodian will be issued to bring the fund back to its original amount.

E. Lost/Stolen Petty Cash

In the event that petty cash is lost/stolen, the following procedures should be followed:

1. Immediately inform the Department Head of the incident
2. Department Head must report the incident to the Finance Director in writing
3. Submit Cash Voucher, form 706-8 noting the shortage with other vouchers for replenishment

City of San Gabriel

Credit Card Policy

I. PURPOSE

To define eligibility, responsibility, proper use of a major City credit card such as Visa/Master, American Express, Discover and ensure that individual cardholders and those responsible for supervising cardholders fully understand and comply with the Credit Card Policy. **Detailed procedures and guidelines are covered in the State of California Department of General Services CAL – Card Program Cardholder GUIDE.** (<http://www.documents.dgs.ca.gov/pd/calcard/chguide.pdf>)

II. POLICY

A. Uses of the City Credit Card

The City credit card shall only be used for expenses related to official City business and if it is expedient and necessary. Use of the City credit card for personal purchases is strictly prohibited. Improper use of the City credit card will be treated as misuse of public funds and cardholder may be subject to disciplinary action up to and including termination and prosecution.

B. Eligibility for the City Credit Card

Eligibility must be based on the Department Head's recommendation and the City Manager's approval. Cardholder must be city full time employee. Further, eligibility is based on the completion of the City Credit Card Request/Acknowledgment form (*See Exhibit III, page 26*) for the designated City credit card, which shall identify business needs.

C. Cardholder Responsibility, Validation and Safekeeping

Individual City credit card will have employee's name embossed on it. The cardholder shall sign a form acknowledging his/her understanding and receipt of the policies and procedures surrounding use of the City credit card.

The cardholder shall sign on the back of the credit card immediately upon receipt.

The cardholder shall keep the City credit card (and credit card number) in an accessible, but secure location. When using the credit card for Internet purchases, cardholders shall ensure that the

site utilizes industry recognized encryption transmission tools that the web address starts with *https:* and the web page contains a display of a security icon.

D. Spending Limits, Receipts and Disputed Items

To comply with the City's purchase order procedures, each credit card's single purchase limit shall comply with the spending thresholds in the Purchasing Policy.

It is the cardholder's responsibility to obtain transaction receipts from the merchant each time the City credit card is used and forward those documents to the Finance Department. The Finance Director and/or designee will be responsible for review and approval of periodic statements.

In collaboration with the Finance Department, it is the cardholder's responsibility to follow-up on any erroneous charges, returns or adjustments to ensure proper credit is given on subsequent statements.

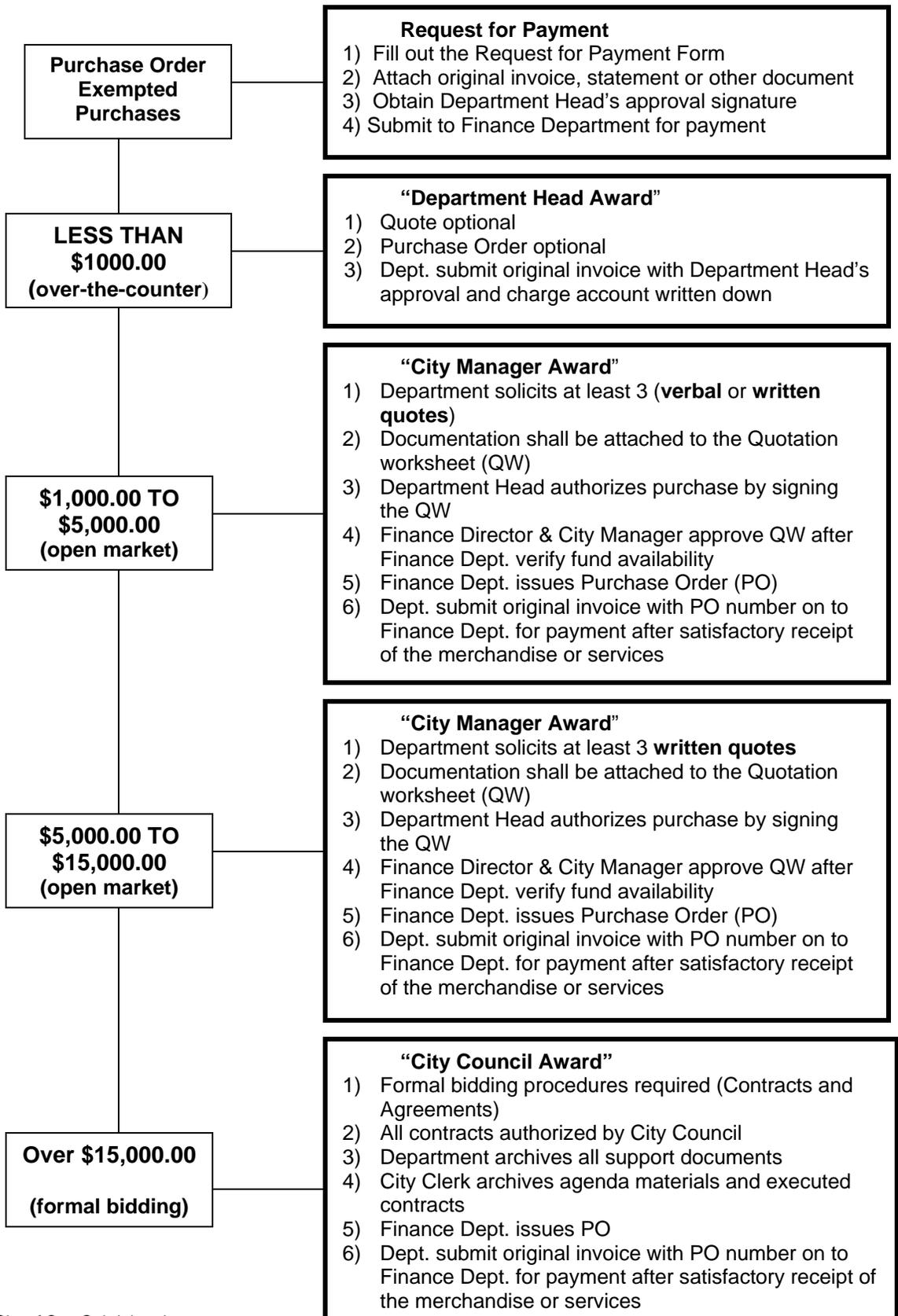
E. Card Termination

A City credit card may be terminated for cause at the discretion of the City, by the cardholder's Department Head, or by Cal-Card.

F. Public Records

Documents related to the City credit card are considered public records and are subject to disclosure in accordance with the Open Public Records Act Government Code section 6250 et al.

PURCHASING PROCEDURES SUMMARY OVERVIEW
General Purchases & Contract Services
(not for Public Projects)



Petty Cash Reimbursement Form

CASH VOUCHER
Form 706-8

No. _____

DATE _____ 20__

PAY TO _____

	DESCRIPTION	AMOUNT		ACCOUNT NUMBER

APPROVED BY _____

ENTERED BY _____

RECEIPT OF ABOVE IS HEREBY ACKNOWLEDGED BY _____

Instructions for Petty Cash Voucher

Payee/Employee's name

Total amount of your request (no more than \$100.00)

Date of request

CASH VOUCHER Form 706-8

No. _____

DATE _____ 20__

PAY TO _____

DESCRIPTION	AMOUNT	ACCOUNT NUMBER

Brief description of the purchase

Indicate appropriate budget account to be used

APPROVED BY _____

ENTERED BY _____

RECEIPT OF ABOVE IS HEREBY ACKNOWLEDGED BY _____

Approval by Dept. Head

Payee signs when money is received

Note: Attach all original receipts to this reimbursement form



City of San Gabriel

City Credit Card Request/Authorization

Employee/Cardholder name: _____
First M.I. Last

Dept.: _____ Job title: _____

Purpose for credit card: _____

Department Head Signature _____ Date _____

Finance Director Signature _____ Date _____

City Manager Signature _____ Date _____

City Credit Card Acknowledgment

(To be signed upon receipt of City credit card)

Cardholder statement: I acknowledge that I have received City credit card # _____ and understand the policies and procedures for the use of the City credit card.

Employee/Cardholder Signature _____ Date _____

Card Issued by: _____ Date: _____

City Credit Card Return

Credit card returned/terminated by: _____

Signature: _____ Date: _____

Internal Use Only: Copies to Finance_____,Personnel_____,Dept._____,Employee/Cardholder_____

CITY OF SAN GABRIEL

REQUEST FOR PAYMENT

	VENDOR NO.:
DATE:	
VENDOR NAME:	
ADDRESS:	
DESCRIPTION:	
INVOICE NO.:	
DOLLAR AMOUNT:	
CHARGE ACCOUNT:	

Approved Department Head _____

Approved Finance Director _____

Approved City Manager _____

Return check to Department	
Mail check	

Instructions for Request for Payment

**CITY OF SAN GABRIEL
REQUEST FOR PAYMENT**

Entered by Finance

VENDOR NO.:

DATE:	
VENDOR NAME:	
ADDRESS:	
DESCRIPTION:	
INVOICE NO.:	
DOLLAR AMOUNT:	
CHARGE ACCOUNT:	

Brief description of products or services purchased

Required on all request

Approved Department Head _____

Approved Finance Director _____

Approved City Manager _____

Required on all requests over \$1,000.00 that is specifically exempt from the Purchasing Policy

Return check to Department	
Mail check	

Note: Back-up source documents (i.e. invoices, correspondences, flyers) should be attached to the back of the request

Change Order Request

CITY OF SAN GABRIEL
 CHANGE ORDER REQUEST
 425 SOUTH MISSION DRIVE
 SAN GABRIEL, CA. 91776

ORDER DATE	REQUIRED DATE	APPROVED DATE	DEPT/DIVISION

VENDOR NAME:

PURCHASE ORDER NO.	CHANGE ORDER NO.	EXTENDED PRICE	ACCOUNT NO.

ACTION	ITEM NAME	QUANTITY	UNIT PRICE	EXTENDED PRICE	ACCOUNT NO.
ADD					
CHANGE					
DELETE					
ADD					
CHANGE					
DELETE					
ADD					
CHANGE					
DELETE					

COMMENTS:	AS U T H O R I Z E D
	Dept. Head
	Dir. Of Finance
	City Manager
STATE SALES TAX SHOULD BE ADDED TO THE INVOICE. SEE REVERSE SIDE FOR EXPLANATIONS AND INSTRUCTIONS.	NOT A CHANGE PURCHASE ORDER REQUEST UNLESS SIGNED BY AUTHORIZED CITY AGENT

Instructions for Change Order Request

CITY OF SAN GABRIEL
 CHANGE ORDER REQUEST
 425 SOUTH MISSION DRIVE
 SAN GABRIEL, CA. 91776

ORDER DATE	REQUIRED DATE	APPROVED DATE	DEPT/DIVISION	PURCHASE ORDER NO.	CHANGE ORDER NO.
VENDOR NAME:					
ACTION	ITEM NAME	QUANTITY	UNIT PRICE	EXTENDED PRICE	ACCOUNT NO.
ADD					
CHANGE					
DELETE					
ADD					
CHANGE					
DELETE					
ADD					
CHANGE					
DELETE					
COMMENTS:					
_____ AS T I G N A T U R E _____ Dept. Head _____ Dir. Of Finance _____ City Manager					
STATE SALES TAX SHOULD BE ADDED TO THE INVOICE. SEE REVERSE SIDE FOR EXPLANATIONS AND INSTRUCTIONS. NOT A CHANGE PURCHASE ORDER REQUEST UNLESS SIGNED BY AUTHORIZED CITY AGENT					

The # of times you requested for changes related to the original purchase order

The original purchase order #

Fill in by Finance.

The date you need

The date of your request

Indicate the reason for the request of change order

Use these actions to add, change or delete an item; quantities; price or account number

Note: All supporting documents should be attached to the back of the request

CITY OF SAN GABRIEL PROCEDURE/CHECKLIST

Requests for Proposals (RFP), Request for Qualifications, (RFQ) Cash Contracts-Request for Bids (CC-RFB)

Date
Completed

_____ 1. Submit *Request for Project Number* to the City Clerk’s office

_____ 2. Develop project documents following departmental procedure

Cash Contract: Prepare necessary plans and/or specifications, contract documents and Invitation for Bids

RFP/RFQ: Prepare the Request for Proposal or Request for Qualifications

_____ 3. Department Head review and approval.

_____ 4. Submit draft to City Attorney for approval, following up as necessary to finalize the project documents.

_____ 5. Submit a copy of the approved document package to the City Clerk’s office *when finalized.*

_____ 6. Advertise project as required and determined appropriate.

Note: If publication in a newspaper of general circulation in the city is deemed appropriate, the City advertises in the legal notices section of Pasadena Star News. Documents to be advertised must be emailed in Word format.

_____ 7. Cash Contract - Bid Opening by the City Clerk’s office

After the opening, a copy of each bid will be kept by the City Clerk’s office. All other documents will be kept by the originating department for review and processing.

_____ 8. Contract or Professional Services Agreement

Once the successful bid/proposal has been selected, the originating department is responsible for providing two original copies of the contract/agreement that has been signed by the contractor complete with all required supporting documentation

_____ 9. City Council Approval

Submit the finalized staff report with two original signed contracts/agreements that includes all required insurance documentation to the City Clerk’s office, in accordance with the established Agenda Procedures.

_____ 10. When contract/agreement has been executed, the City Clerk’s office will follow the process as described in Purchasing Policy

CITY OF SAN GABRIEL
REQUEST FOR PROJECT NUMBER
Request for Proposal/Request for Qualifications (RFP/RFQ)
Cash Contract-Request for Bid (CC-RFB)

Date Issued _____ Department _____
Contact _____ email _____
RFP/RFQ No. _____ Cash Contract No. _____

Project Description _____

Copy of the RFP/RFQ or CC-RFB (with plans & specifications) is maintained in the City Clerk's official file.

Date received by City Clerk _____ RFP/RFQ _____ CC-RFB _____

Procedures for Processing Proposals (RFP/RFQ) and Cash Contract – RFB:

Note that there are two files for each project:

1. **Official file:** *Maintained in the City Clerk's office that contains a copy of the RFP/RFQ or CC-RFB, an original contract/agreement and current insurance documentation*
2. **Master file:** *Maintained in the originating department containing all documentation deemed appropriated by the department pertaining to the project*

RFP/RFQ: Proposal/Qualifications submittals are handled departmentally. The RFP/RFQ is distributed as deemed appropriate by the department. Responses/submittals (proposals/statement of qualifications) are returned to the DEPARTMENT for review.

CC-RFB: The appropriate distribution and/or publication of Requests for Bids is determined by the department. Bids are submitted to and opened by the City Clerk's office. After the opening of the bids, the City Clerk keeps a copy of all submittals and the department is given the original documents for review.

In both cases, projects under \$15,000 are processed administratively. An original copy of the final signed agreement with all required documentation is maintained in the City Clerk's official file.

Projects over \$15,000 must be submitted to the City Council for approval following the procedure in the Purchasing Policy and in accordance with the Agenda Procedures and meeting established deadlines. Contract documents must be signed by the consultant/contractor and have all necessary documentation on file prior to execution by City officials.

CITY OF SAN GABRIEL CITY COUNCIL AGENDA PROCEDURES

PLACING AN ITEM ON THE AGENDA

City Council: In order to better meet legal requirements, any Member of the City Council wishing to place an item on the agenda should do so during a Council meeting prior to the meeting at which the item is to be formally considered. In this way, the public and all Council Members are aware of the matter and instructions can be given to staff so appropriate information can be provided when the matter is placed on the agenda. Should an urgent matter arise, contact the City Manager and City Clerk as soon as possible to discuss the matter in order to meet legal requirements.

Dept. Heads: Department Heads shall advise the City Clerk's office as soon as possible of any item(s) to appear on any agenda. All departmental reports to be included in the City Council Agenda packet shall be submitted *with a completed Agenda Checklist with the appropriate approvals* to the City Clerk's office no later than 12:00 noon on the agenda deadline date indicated on the Agenda Schedule and Deadlines. The City Clerk shall be advised of any expected delay in receiving reports.

STAFF REPORTS

1. **Each department shall establish a policy in the preparation of reports to insure that the City Clerk's Agenda Deadline Schedule is met.** Be sure that final and/or draft reports are prepared and circulated to the appropriate department(s), including the City Attorney, for comment, input and/or approval as necessary. This needs to be done in a timely fashion so that the final approved report is ready by the agenda deadline date.
2. **The City Clerk shall be provided a copy of the draft report as part of the distribution for use in tracking the report and preparation of the agenda.**
3. **All draft or final reports submitted to the City Clerk's office must have an Agenda Checklist attached.** The checklist shall be accurately completed and submitted with the staff report to the City Clerk's office. The City Clerk's office will submit the document to the City Manager for review and approval.
4. After reviewing the report, the City Manager will return the report to the Department Head if changes of any type are deemed appropriate. If the City Manager approves the report, it will be given directly to the City Clerk. **Note that the Agenda Deadline Date is for Submittal of the Final Approved Report to the City Clerk!**

Reports not submitted by the deadline will not be placed on the Agenda.

Exception: When circumstances outside the control of the Department Head make it impossible to meet the deadline, the Department Head shall advise the City Clerk's office of (1) the necessity for the item/report being placed on the upcoming agenda; and, (2) the reason(s) the item/report cannot be submitted on time. If acceptable, the City Clerk, with the City Manager's approval, may extend the deadline.

5. The approved original report will be kept in the City Clerk's permanent file. Copies will be made by the City Clerk's office, as necessary, except for the documents listed below. In the event such documents need to be included, the originating department shall submit the appropriate number, with a minimum of 10, to the Clerk for inclusion in the packet.
 - A. Proposal or Bid Packages
 - B. Odd-sized documents
 - C. Extraordinary sized documents such as EIRs

REPORT FORMAT:

In order to standardize the format of items that are going to Council, the following format will be used:

1. All reports shall be prepared on plain paper by the responsible employee.
2. The document shall be addressed to the City Manager.
3. It shall have a clear title which gives a concise indication of the subject.
4. It shall be dated.
5. The report shall include each of the following elements:
 - A. Purpose - State the reason of the memo and what is to be accomplished.
 - B. Facts - Use simple sentence structure. Numerical format is suggested that provides facts concerning the purpose. For example: Is it a budget item? What amount was budgeted? Is there an engineer's estimate? Is this a new or ongoing program, etc.? In complicated reports which involve comparisons, especially numbers, exhibits should be provided.
 - C. Analysis - Bring the facts and needs together in paragraph form.
 - D. Conclusion - The conclusion should be treated as the final argument in trying to make the stated objective. Note that in shorter, less complicated reports, the analysis and conclusions can be combined.
 - E. Recommendation - Except in rare occasions, the City Council should be provided with a recommendation that can be either approved or disapproved.

Agenda and Agenda Packet

The final Agenda will be prepared following the deadline date for routine agenda items.

Agenda packets will be delivered to the City Council the Wednesday prior to the meeting date and distributed to department heads no later than the Friday prior to the meeting.

RFP ___ - ___ : PROJECT TITLE
PROFESSIONAL SERVICES AGREEMENT

BETWEEN THE CITY OF SAN GABRIEL

and

CONTRACTOR/CONSULTANT

for

Description of Service(s) if appropriate

This agreement is made and entered into this _____ day of _____, 200__, by and between the City of San Gabriel, a municipal corporation of the State of California ("CITY") and _____, a California corporation ("CONTRACTOR").

WITNESSETH

Recitals:

1. Authority of City to Enter Agreement - This Contract is entered into under the authority of Section 53060 of the California Government Code which permits the legislative body of any public or municipal corporation to contract with and employ any person for the furnishing to the corporation of special services such person is specially trained and experienced and competent to perform the special services required.
2. CONTRACTOR represents that it is experienced in providing services requested and has submitted a proposal to work under the general direction of the City of San Gabriel. Said proposal is attached hereto as "Exhibit A" and is incorporated herein by this reference.

I. CONTRACTOR'S OBLIGATIONS

- A. CONTRACTOR agrees to provide all services necessary for _____ as described in Exhibit "A", and incorporated herein by this reference.
- B. CONTRACTOR agrees to perform the services generally described in the Scope of Work of the proposal herein before described.
- C. CONTRACTOR agrees to comply fully with all applicable Federal, State and local laws and regulations as they pertain to the performance of this Agreement.

II. CITY'S OBLIGATIONS

CITY shall promptly pay CONTRACTOR as provided for under Section IV, METHOD OF PAYMENT.

III. TIME OF PERFORMANCE

Said services of CONTRACTOR are to commence when agreement is executed and shall be completed _____.

IV. METHOD OF PAYMENT

CITY shall pay CONTRACTOR for services rendered under this Agreement at the fixed fee of _____ as set forth in the Proposal, attached as Exhibit "A" hereto. The fixed rate includes salary, fringe benefits, overhead, profit, and all other expenses incurred by the CONTRACTOR. The total not-to-exceed payment to CONTRACTOR for the services rendered shall be -- *amount to be spelled out here* -- \$ (*amount to be written in numbers here*), inclusive of all costs and services.

CITY shall compensate CONTRACTOR for performance of this Agreement upon receipt of a detailed invoice. Invoice shall be provided as outlined in CONTRACTOR'S proposal.

V. TERMINATION

- A. Termination of Agreement for Cause - If, through any cause, the CONTRACTOR shall fail to fulfill, in a timely and proper manner, his obligations under this Agreement, or if the CONTRACTOR shall violate any of the covenants, agreements or stipulations of this Agreement, the CITY shall thereupon have the right to terminate this Agreement by giving written notice to the CONTRACTOR of such termination and by specifying the effective date thereof, at least ten (10) days before the effective date of such termination.

In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the CONTRACTOR under this Agreement shall, at the option of the CITY, become its property and the CONTRACTOR shall be entitled to receive actual cost for any work satisfactorily completed hereunder.

Notwithstanding the above, the CONTRACTOR shall not be relieved of liability to the CITY for damages sustained by the CITY by virtue of any breach of the Agreement by the CONTRACTOR, and the CITY may withhold any payments to

the CONTRACTOR for the purpose of off-set until such time as the exact amount of damages due the CITY from the CONTRACTOR is determined

- B. Termination for Convenience of the City - The CITY may terminate this Agreement at any time by giving at least thirty (30) days' notice in writing to the CONTRACTOR. If the Agreement is terminated by the CITY as provided herein, the CONTRACTOR will be paid for the salary, overhead costs and expenses incurred up to the termination date. If this Agreement is terminated due to the fault of the CONTRACTOR, then Paragraph V, Section A, hereto relative to termination shall apply.

VI. NOTICES

Notices to the parties shall, unless otherwise requested in writing, be sent by U.S. Mail, postage prepaid, and addressed as follows:

TO CITY: City of San Gabriel
P. O. Box 130
San Gabriel, California 91778-0130

TO CONTRACTOR: *Contractor's Name*
Address

VII. AUTHORIZED CONTACTS

- A. The contact for CONTRACTOR authorized to execute action and respond to inquiries on behalf of CONTRACTOR shall be the "Contact Person" identified in the Proposal (Exhibit "A"), unless otherwise changed as provided for in Section I(D).
- B. The sole contact for CITY authorized to execute actions and to respond to inquiries on behalf of CITY, or to obligate CITY to any action, or to interpret any portion of the Request for Proposal (Exhibit "B"), the Proposal submitted (Exhibit "A") or this Agreement shall be the Deputy City Manager, or the City Manager in his absence.

VIII. ASSIGNABILITY

CONTRACTOR shall not in any way assign or transfer any interest in this Agreement without the prior written consent of CITY; provided, however, that claims for money due or to become due to CONTRACTOR for CITY under this Agreement may be assigned to a

bank, trust company or other financial institution or to a trustee in bankruptcy, without such approval. Notice of any such assignment or transfer shall be promptly furnished to CITY.

IX. HOLD HARMLESS

- A. CONTRACTOR shall indemnify and hold harmless CITY, its officers and employees, from and against any and all damages to property or injuries to or death of any person or persons, including property and employees or agents of CITY, and shall defend, indemnify and hold harmless CITY, its officers and employees, from and against any and all claims, demands, suits, actions or proceedings of any kind or nature, including, but not by way of limitation, Worker's Compensation claims resulting from or arising out of the negligent acts of CONTRACTOR, its employees and/or subcontractors.
- B. CONTRACTOR shall indemnify and hold harmless CITY, its officers and employees, from and against any and all damages to property or injuries to or death of any person or persons, including property and employees or agents of CITY, and shall defend, indemnify and hold harmless CITY, its officers and employees, from and against any and all claims, demands, suits, actions or proceedings therefore, resulting from or arising out of the negligent, intentional or malicious acts or omissions of CONTRACTOR, its employees and/or subcontractors.

X. LEGAL AND INSURANCE REQUIREMENTS

- A. The CONTRACTOR will not assign, transfer, convey or otherwise dispose of its contract or rights, title or interest in or to the same, without prior written consent of the CITY.
- B. The CONTRACTOR agrees to hold the CITY harmless from any and all liability or loss resulting from suits, claims or actions brought against the CITY, which result directly or indirectly from the wrongful or negligent actions of the CONTRACTOR in the performance of the contract.
- C. At the time of execution of the contract, the CONTRACTOR will be required to carry the following insurance:
 - 1) Commercial General Liability: The CONTRACTOR shall obtain, at its sole cost prior to exercising any right of performing any obligation, a policy or policies of general liability insurance, or certificate of such insurance, satisfactory to the City Attorney, which provides coverage not less than that provided against liability for any and all claims and suits for damages or injuries to persons or property resulting from or arising out of operations. Insurance shall provide coverage for both bodily injury and property damage. Total limits shall be not less than one million dollars (\$1,000,000) per occurrence for all coverage and two million dollars (\$2,000,000) general aggregate. Said general liability policy and certificate thereof shall name the City of San Gabriel as additional insured. Coverage for an additional insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to limits. Its policy shall be primary to any insurance carried by the CITY

- 2) Workers' Compensation: The CONTRACTOR shall furnish the CITY with an insurance certificate from its Workers' Compensation insurance carrier, certifying that it carried such insurance in accordance with the requirements of state law, and the policy shall not be cancelled nor the coverage reduced during the term of the contract.
 - 3) Business Auto Coverage: Primary coverage shall be written on ISO Business Auto Coverage from CA 00 01 06 92 including symbol 1 (Any Auto). Limits shall be no less than one million dollars (\$1,000,000) per accident. Starting and ending dates shall be concurrent. If CONTRACTOR owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.
 - 4) Employer's Liability insurance of at least \$500,000.
 - 5) Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Such policy or policies shall include as insureds those covered by the underlying policies, including additional insureds. Coverage shall be "pay on behalf", with defense costs payable in addition to policy limits. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to CITY for injury to employees of CONTRACTOR, subcontractors or others involved in the Work. The scope of coverage provided is subject to approval of CITY following receipt of proof of insurance as required herein.
- D. Any deductibles or self-insurance retention must be declared to and approved by the CITY. At the option of the CITY, either the insurer shall reduce or eliminate such deductible or self-insurance retention as respects the city, its officers, employees and volunteers; or the CONTRACTOR shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses.
- E. The general liability policy is to contain, or be endorsed to contain, the following provisions:
- 1) The CITY, its officers, officials, employees, agents and volunteers are to be covered as insured as respects liability arising out of activities performed by or on behalf of the CONTRACTOR.
 - 2) For any claims related to the services requested, the contractor's insurance coverage shall be primary insurance as respects the city, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the city, its officers, officials, employees, agents or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

- 3) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the city, its officers, officials, employees, agents or volunteers.
 - 4) The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - 5) Each insurance policy required by this Section shall also contain a provision that no termination, cancellation or change of coverage of insured or additional insured shall be effective until thirty (30) days' notice thereof has been given in writing to the CITY. CONTRACTOR shall give the CITY prompt and timely notice of any claim made or suit instituted.
- F. Insurance is to be placed with insurers with a current AM Best's rating of no less than A: VII, unless otherwise acceptable to the CITY.
- G. CONTRACTOR shall provide the CITY complete, certified copies of all required insurance policies, including endorsements, affecting the coverage required by these specifications.

XI. COMPLIANCE WITH LOCAL LAWS

The CONTRACTOR shall comply with all applicable laws, ordinances and codes of the state and local governments.

XII. INTEREST OF CONTRACTOR AND EMPLOYEES

The CONTRACTOR covenants that he presently has no interest and shall not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of his services hereunder. The CONTRACTOR further covenants that, in the performance of this Agreement, no person having any such interest shall be employed.

XIII. EXCLUSIVITY AND AMENDMENT OF AGREEMENT

This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the employment of CONTRACTOR by CITY and contains all the covenants and agreements between the parties with respect to such employment in any manner whatsoever. Each party to this Agreement acknowledges that

no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement or amendment hereto shall be effective unless executed in writing and signed by CITY and CONTRACTOR

XIV. LAWS GOVERNING THIS AGREEMENT

This Agreement shall be governed by and construed in accordance with the laws of the State of California, and all applicable federal statutes and regulations as amended

XV. VALIDITY

The invalidity, in whole or in part, of any provision of this Agreement shall be governed by and construed in accordance with the laws of the State of California, and all applicable federal statutes and regulations as amended.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

CITY OF SAN GABRIEL,
a Municipal Corporation
State of California

A CORPORATION

NAME & TITLE OF CITY OFFICIAL

ATTEST:

APPROVED AS TO FORM:

CITY CLERK'S NAME

CITY ATTORNEY

- Exhibit "A": Proposal *(provided by originator)*
- Exhibit "B": Request for Proposal *(provided by originator)*
- Exhibit "C": EEOC Form *(attached)*
- Exhibit "D": Scope of Services/Fee Schedule *(submitted with contractor's proposal)*

EXHIBIT "C"

EQUAL OPPORTUNITY COMPLIANCE PROGRAM

EQUAL SERVICE CERTIFICATION

_____ (Firm), by its Principal or his duly authorized representative's signature affixed hereto, certifies and agrees to comply with the following Federal provisions:

- a. Executive Order 11246 requires that during the performance of this Contract, the Firm agrees not to discriminate against any employee or applicant for employment for race, religion, sex, color or national origin. The Firm will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, color or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Firm agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Firm setting forth the provisions of this nondiscrimination clause.
- b. Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701 et seq., requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project.
- c. Under Title VI of the Civil Rights Act of 1964, and Section 109 of the Housing and Community Development Act of 1974, no person shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or subjected to discrimination under any program or activity receiving Federal financial assistance.

DATE

PRINCIPAL

FIRM NAME

EXHIBIT XI

SHORT-TERM SERVICE AGREEMENT

(costing \$15,000 or less)

This agreement is made and entered into this _____ day of _____, 200__, by and between the City of San Gabriel, a municipal corporation of the State of California ("CITY") and _____, a corporation, a partnership or an individual ("Service Provider").

WHEREAS, Service Provider is independently engaged in the business of _____; and desires to provide such services, in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, CITY and Service Provider hereby agree as follows:

1. Duties Imposed on Service Provider.

- A. Service. During the term of this Agreement, Service Provider agrees to provide all services necessary for _____ as described in Exhibit "A", and incorporated herein by this reference.
- B. Compliance with Applicable Law. Service Provider agrees to comply fully with all applicable Federal, State and local laws and regulations as they pertain to the performance of this Agreement.
- C. Service Provider shall provide the following types and amounts of insurance:

Commercial General Liability using Insurance Service Office "Commercial General Liability" policy form CG 00 01, with an edition date prior to 2004, or the exact equivalent. Coverage for an additional insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to limits. Limits shall be no less than \$1,000,000 per occurrence for all covered losses and no less than \$2,000,000 general aggregate.

Workers' Compensation and Employer's Liability Insurance on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident for all covered losses.

Business Auto Coverage If no autos are used the requirement may be omitted. Otherwise the Service Provider shall provide auto liability coverage for owned, nonowned and hired autos. Using ISO Business Auto

Coverage form CA 00 01 or the exact equivalent with a limits of no less than \$1,000,000 per accident. If Service Provider owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Such policy or policies shall include as insureds those covered by the underlying policies, including additional insureds. Coverage shall be "pay on behalf", with defense costs payable in addition to policy limits. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to CITY for injury to employees of Service Provider, subcontractors or others involved in the Work. The scope of coverage provided is subject to approval of CITY following receipt of proof of insurance as required herein.

2. Duties Imposed on CITY.

- A. Fees. CITY shall pay Service Provider for services rendered under this Agreement at the fixed fee of _____ as set forth in the attached Exhibit "A" hereto. The fixed rate includes salary, fringe benefits, overhead, profit, and all other expenses incurred by the Service Provider. The total not-to-exceed payment to Service Provider for the services rendered shall be -- *amount to be spelled out here* -- \$ *(amount to be written in numbers here)*, inclusive of all costs and services.

CITY shall compensate Service Provider for performance of this Agreement upon receipt of a detailed invoice. Invoice shall be provided as outlined in Service Provider's proposal

- B. Form 1099 Compliance. CITY will report the amounts it pays Service Provider on IRS Forms 1099, to the extent so required under the Internal Revenue Code.

3. Independent Contractor Relationship.

For all purposes, including but not limited to the Federal Insurance Contribution Act ("FICA"), the Self Employment Contributions Act ("SECA") the Social Security Act, the Federal Unemployment Tax Act ("FUTA"), the Internal Revenue Code and any and all other federal, state and local laws, rules and regulations, each party hereto, including its officers, agents and employees, shall be at all times acting as an independent contractor. This Agreement is not and shall not be considered an employer/employee relationship, joint venture or partnership of any kind, and neither party shall represent to any third persons that such relationship exists.

4. Term and Termination.

- A. Term. This Agreement shall commence on the Effective Date and shall continue in full force and effect thereafter until completion.
- B. Termination of Agreement for Cause - If, through any cause, the Service Provider shall fail to fulfill, in a timely and proper manner, their obligations under this Agreement, or if the

Service Provider shall violate any of the covenants, agreements or stipulations of this Agreement, the CITY shall thereupon have the right to terminate this Agreement by giving written notice to the Service Provider of such termination and by specifying the effective date thereof, at least ten (10) days before the effective date of such termination.

Termination for Convenience of the CITY - The CITY may terminate this Agreement at any time by giving at least thirty (30) days' notice in writing to the Service Provider. If the Agreement is terminated by the CITY as provided herein, the Service Provider will be paid for the salary, overhead costs and expenses incurred up to the termination date.

5. Indemnification and Hold Harmless.

Service Provider shall indemnify, defend, and hold harmless CITY, and its officers, employees, and agents ("indemnities"), from and against any and all causes of action, claims, liabilities, obligations, judgments, or damages, including reasonable attorney's fees and costs of litigation ("claims"), arising from Service Provider's activities in the performance of the services under this Agreement, excepting only those actions, claims, liabilities, obligations, judgments, or damages arising out of the sole negligence of the CITY indemnities. In the event the CITY indemnities are made a party to any action, lawsuit, or other adversarial proceeding alleging negligent or wrongful conduct on the part of the Service Provider:

A. The Service Provider shall provide a defense to the indemnities or at the CITY's option reimburse the indemnities their costs of defense, including reasonable attorneys' fees, incurred in defense of such claims; and

B. The Service Provider shall promptly pay any final judgment or portion thereof rendered against the indemnities.

6. Notice

Any notice or other communication shall be deemed given by (1) personal delivery, (2) facsimile, (3) overnight courier, or (4) a written notice mailed by certified mail, return receipt requested, provided that such notice is addressed to the parties at the addresses set forth below:

To CITY: City of San Gabriel
P.O.Box 130
San Gabriel, California 91778-0130

To Service Provider: *Service Provider's Name*
Address

7. Assignments:

Service Provider shall not in any way assign or transfer any interest in this Agreement without the prior written consent of CITY.

City of San Gabriel

Service Provider

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

GLOSSARY

Agreement	An understanding or arrangement between two or more parties. Also see “ <i>Contract</i> ” and “ <i>Purchase Order</i> ”
Appropriation	City Council authorization to expend public funds for a specific purpose.
Award	The acceptance of a Bid or Proposal.
Blanket Purchase Order	An <i>Agreement</i> of no more than one year between the <i>City</i> and a <i>Vendor</i> allowing authorized <i>City</i> employees to charge repetitive Purchases of supplies, equipment or services at pre-arranged prices, dollar limits and/or other terms and conditions.
Change Order	Written modification or addition to a Purchase Order or <i>Contract/Agreement</i> authorized by the appropriate authority.
City	<i>City</i> shall mean the City of San Gabriel and other such districts, authorities, or agencies as may be governed by the members of the City of San Gabriel <i>City Council</i> .
City Council	Shall mean and include the <i>City Council</i> of the City of San Gabriel. It shall also mean the governing boards of such other districts, authorities, or agencies as may be governed by the <i>City Council</i> of the City of San Gabriel.
City Manager	Shall mean and include the <i>City Manager</i> of the City of San Gabriel.
Competitive Bidding	The submission of prices by individuals or firms competing for a <i>Contract</i> , privilege, or right to supply merchandise or services.
Contract	A verbal or written, legally binding mutual promise between two parties, e.g., an accepted <i>Purchase Order</i> .
Designee	A duly authorized and appointed representative of an employee that holds a superior position to the person appointed to represent him or her.
Encumbrance	Committing budgeted funds prior to receiving supplies, equipment or services; funds are shown as an encumbrance until supplies, equipment or services are

	received, at which time funds are actually expended.
Equipment	Personal property necessary to conduct the City's business, including, but not limited to furnishings, machinery, vehicles, rolling stock, and other property used to conduct the <i>City's</i> business.
Formal Bid	A written bid submitted in conformance with a prescribed format and to be opened at a specified date and time.
General Services	Services such as janitorial, uniform cleaning, maintenance, and other services for which the performance of such activities do not require any unique skill, special background or training.
Informal Bid	Written or verbal <i>Quotations</i> for supplies, equipment and services which pursuant to this policy are not required to meet the formal bidding requirements. <i>Informal Bids</i> include unsealed written quotes, verbal quotes and quotes received via fax.
Master File	Maintained in the originating department containing all documentation pertaining to the project.
Official File	Filed by project number and maintained in the City Clerk's office. The official file contains a copy of the RFP/RFQ or CC-RFB, an original contract/agreement and current insurance documentation.
Professional Services	Any work performed by an auditor, attorney, doctor, architect, engineer, land surveyor, construction project manager, appraiser, expert, or consultant.
Public Contract Code	Shall mean the <i>Public Contract Code</i> of the State of California.
Public Project (definition is from State of California Public Contract Code)	<ul style="list-style-type: none"> a) A project for the erection, improvement, painting, or repair of public buildings and works. b) Work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow. c) Street or sewer work except maintenance or repair. Furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.
Purchase Order	A Purchaser's document to formalize a Purchase transaction with a Vendor. Acceptance of a Purchase Order constitutes a Contract; a Purchaser's written offer to a supplier stating all terms and conditions of a proposed transaction.

Quotation Worksheet	The form generally used for seeking competition on small Purchases or on any Purchase that does not require competitive Sealed Bidding. Can be used for obtaining price and delivery information for Sole Source and Emergencies.
Request for Proposal – RFP	Used when recruiting specific consulting and/or professional services. Selection is based on the best qualified firm/individual for the project, which may not be the “low bidder.” The implementing document for an RFP is a Professional Services Agreement.
Request for Qualifications – RFQ	Used to determine whether there are number of firms qualified to do specific types of work requested by the City or Redevelopment Agency. RFQ is often used to select a firm when the specific bounds or future configuration of a project are not fully known, and the expertise of a qualified consultant is required to help shape and define the ultimate project. A RFQ is most commonly used to narrow the list of firms that may be preceding the issuance of a formal request for proposals. The implementing document for a RFQ is a Professional Services Agreement.
Responsible Bidder	A person who has the capability in all respects to perform in full the <i>Contract</i> requirements, and the integrity and reliability which will assure good faith performance.
Responsive Bidder	(1) A person who has submitted a <i>Bid</i> which conforms in all material respects to the Notice Inviting <i>Bids</i> (NIB) or (2) One whose <i>Bid</i> conforms in all material respects to the terms and conditions, <i>Specifications</i> and other requirements of the NIB.
Sole Source	An Award for a commodity or service to the only reasonably known capable supplier due to the unique nature of the requirement, the supplier, or market conditions.
Supplies	Office <i>Supplies</i> , janitorial <i>Supplies</i> , materials, goods, tools, or other commodities used in the general conduct of the <i>City’s</i> business, excepting <i>Supplies</i> or materials for a <i>Public Work</i> which is regulated under the <i>Public Contract Code</i> section 20160, et seq.