

AS AMENDED

RESOLUTION 00-014

RESOLUTION RESCINDING RESOLUTION 9822 AND ADOPTING REVISED ADMINISTRATING PURCHASING POLICY

WHEREAS, Chapter 26 of the City Code requires that the City Manager prepare and Council to adopt, by resolution, Administrative Purchasing Policies and Procedures; and

WHEREAS, on February 24, 1998, Resolution No. 9822 was adopted; and

WHEREAS, subsequent to the adoption of said Resolution No. 9822, experience with use of said purchasing policies and procedures and the adoption of Ordinance No. 00-001, suggest or necessitate amendment of said policies and procedures.

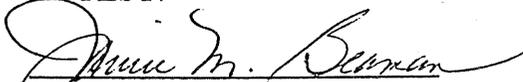
NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Dixon hereby rescinds, in its entirety, Resolution 9822, adopted on February 24, 1998; and

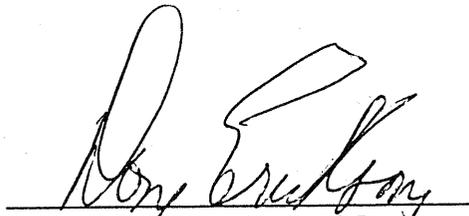
NOW, THEREFORE BE IT FURTHER RESOLVED that the revised purchasing policies and procedures, attached hereto as Exhibit "A," as amended, are hereby adopted and shall become effective on January 26, 2000.

PASSED AND ADOPTED AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF DIXON ON THE 25TH DAY OF JANUARY 2000 BY THE FOLLOWING VOTE:

AYES: Courville, Hughes, Vega, Erickson
NOES: Manson
ABSENT: None
ABSTAIN: None

ATTEST:


City Clerk


Mayor

RESOLUTION NO.: 00-014
DATE: JAN 25 2000

CITY OF DIXON

ADMINISTRATIVE POLICY INSTRUCTIONS

Topic: Purchasing Policies and Procedures

Effective

Date: January 26, 2000

From: City Manager

To: Department Directors

APPROVED: Warren Salmons
Warren Salmons
City Manager
Resolution No. 00-014

SUMMARY OF CONTENTS

Topic	Page No.
1. Scope and Purpose	2
2. Purchases/Contracts for a Total of \$10,000.00 or More	2
3. Purchases/Contracts for a Total of Less than \$10,000.00	4
4. Reviews Required Before the Purchasing Process Can Begin.....	14
5. Purchase Order and Contract Changes and Cancellations	15
6. Standard Forms and Their Uses	16
7. Exhibits	17

PURCHASING POLICIES AND PROCEDURES

1. SCOPE AND PURPOSE

- 1.1 Scope: This Administrative Policy Instruction (API) addresses the purchase of supplies and non-professional services. It includes information about how to handle these transactions in their various forms and within the constraints of legal and policy requirements.
- 1.2 Purpose: To provide guidance for making purchases of supplies and nonprofessional services. This API explains the various types of purchase transactions, and the procedures to use for each type of transaction. It covers the following areas:
- Purchases/Contracts for a Total of \$10,000.00 or More
 - Purchases/Contracts for a Total of Less Than \$10,000.00
 - Reviews Required Before Purchasing Process Can Begin
 - Purchase Order and Contract Changes and Cancellations
 - Standard Forms and Their Uses
- 1.3 Vendor Interest: Vendors interested in supplying materials, supplies, nonprofessional or professional services to the City may direct a letter of interest to the City Clerk. This information shall be made available to departments initiating purchases.

2. PURCHASES/CONTRACTS FOR A TOTAL OF \$10,000.00 OR MORE

Purchases and contracts for supplies and nonprofessional services (services that don't require special licenses or certifications; for example, janitorial, laundry/uniform service, pest-control, tree-trimming, etc.) which total \$10,000.00 or more, regardless of the time span or whether for fiscal or calendar years, require the approval of the City Council, e.g., a 3-year lease of copier equipment @\$3,400 per year exceeds the \$10,000 threshold and requires Council approval. Formal competitive bidding is used for vendor selection unless the Council approves the use of alternative selection processes such as a sole source purchase. This section addresses each of these alternatives.

- 2.1 Formal Bid Procedures - \$10,000.00 or More: Used when purchase will total \$10,000.00 or more, the product or service can be clearly defined (with specifications), and more than one vendor/contractor is available and capable of meeting the specifications. Contract award requires approval by a majority of City Council members.

2.1.1 Processing Time Required: A minimum of about six to eight (6 to 8) weeks is usually needed, from the time completed bid specifications are received by the City Manager for consideration until a formal bid contract can be finalized. This time is needed for bid specifications to be reviewed, advertising completed, formal bids solicited and evaluated by the initiating department, and to obtain bidding and contract approval from the City Council.

2.1.2 Information Required by City Manager: Completed draft specifications for the product or service, list of suggested vendors (if available), and any special needs or considerations related to the purchase.

2.1.3 Description of Process: Upon completion of final specifications and after City Council authorization to go to bid is received, the City Clerk begins the required advertising for sealed bids. Usually, three weeks or more are allowed from the time bid packages are mailed until they are received and opened. Bids are publicly opened and read by the City Clerk at a specified time and place e.g. the Council Chambers. A representative of the initiating department should, but is not required, to be present at the bid opening. The bids are then evaluated by the initiating department and recommendation for award prepared. The recommendation is sent to the City Council for approval. The Council must approve these contract awards by a majority of Council members voting. After award of a contract by the Council, the initiating department ensures that necessary legal requirements have been met (such as Business License, insurance, bonds, etc.) and prepares the finalized contract. A purchase order is not necessary, as the contract itself will suffice. It then becomes the responsibility of the initiating department to see that the correct supplies or services are received, and to authorize payment(s). An original of the contract must be provided to the City Clerk.

- 2.2 Sole-Source and Sole-Brand Purchase Procedures - \$10,000.00 or More: When only a particular vendor can supply a commodity or service, it is a sole-source purchase. When only a single brand/model is acceptable for a particular application, but that brand/model can be purchased from more than one vendor, it is a sole-brand purchase. Sole-source and sole-brand purchases require justification. The use of a sole-source necessarily precludes competitive bidding. The City Code requires that the City Council approve the suspension of formal competitive bidding. To obtain Council approval, the initiating department submits a staff report detailing the need and justification for the sole-source purchase. Sole-brand purchases, on the

other hand, require formal competitive bidding (as described in Section 2.1) but restrict bidders from offering alternative products.

2.2.1 Processing Time Required: A minimum of 3 to 5 weeks is usually needed to finalize a sole-source contract. Because sole-brand purchases require formal competitive bidding, the processing time required is usually 6 to 8 weeks, as described in Section 2.1.1.

2.2.2 Information Required: Properly completed specifications for the product or service requested, and the name of the vendor and/or product being requested. In addition, a written justification of the need for a sole-source or sole-brand purchase must be provided. Justifications must provide information about the unique nature of the product or service being requested on a sole-source/sole-brand basis, and the reasons that those unique features are needed by the initiating department. Any other available information substantiating the need for sole-source or sole-brand purchase should also be included in the justification.

2.2.3 Description of Process: Upon completion of specifications and sole-source justification, the initiating department prepares a staff report to the City Council requesting authorization to suspend formal competitive bidding. The Council must approve the request to suspend formal competitive bidding. Following approval by the Council, the initiating department ensures that necessary procedural, contractual, or legal requirements have been met and prepares a purchase order or contract for the City Manager to sign. It then becomes the responsibility of the initiating department to see that the correct supplies or services are received, and to authorize payment(s). Since sole-brand purchases require competitive bidding, refer to Section 2.1.3 for description of the formal competitive bidding process.

3. PURCHASES/CONTRACTS FOR A TOTAL OF LESS THAN \$10,000

Purchases and contracts for supplies and nonprofessional services which total less than \$10,000.00 do not require the approval of the City Council, and can be handled directly by the City Manager and the initiating department. **It is important to note that the intentional splitting of requirements for the sole purpose of avoiding formal competitive bidding is disallowed.** The nature of a transaction and the total cost determine how it should be handled. Purchases which total less than \$10,000.00 usually fit into one of the purchase types listed below. Each type of purchase has unique processing requirements, which are described below. The basic purchase types and the dollar amounts (including tax, shipping, and any other charges) typically associated with them are:

-
- Petty cash purchases - \$50.00 or less
 - Discretionary purchases - \$500.00 or less
 - Competitively-bid purchases - Over \$500.00 to \$9,999.99
 - Sole-Source purchases - Over \$500.00 up to \$9,999.99 require justification
 - Blanket ("Open") Purchase Order purchases - over \$500.00 up to \$9,999.99 (over \$500.00 require justification)
 - Price Agreement purchases - under \$10,000.00 (consult City Manager)
 - Emergency purchases - under \$10,000.00 (consult City Manager)

Purchases of supplies and nonprofessional services must be processed in the manner described below. It should be noted that payment for any transaction is governed by Finance Department policies and procedures. Ten (10) working days should normally be allowed for processing of a payment from the time a request is received by the Finance Department until a check is produced. Questions regarding payment processing should be directed to the Finance Department. **It is also important to be aware that the unauthorized purchase of supplies or nonprofessional services by a City employee may result in the employee being held personally liable for the cost of the purchase.**

3.1 PETTY CASH PURCHASE Procedures (for purchases of \$50.00 or Less): Petty cash funds are governed by Finance Department policies and procedures, which set forth the procedures for use of such funds. Petty cash may be used when the purchase of supplies or services will not exceed a total of \$50.00.

3.1.1 Processing Time Required: Immediate. Petty cash is disbursed either as a cash-advance or cash reimbursement.

3.1.2 Information Required: Information as required by the Finance Department internal policy.

3.1.3 Description of Process: Petty cash is used for cash-advances to make immediate purchases or for reimbursement of purchases made "out-of-pocket" by City employees. Refer to Finance Department policies and procedures.

3.2 DISCRETIONARY PURCHASE Procedures (for purchases which total \$500.00 or less: When purchases total \$500.00 or less, the vendor can be selected at the discretion of the initiating department handling the transaction. Competitive bidding is not required, but may be used if deemed appropriate. Payment for purchases that total \$500.00 or less is made according to existing Finance Department policies and procedures.

3.2.1 Processing Time Required: One (1) to Five (5) working days should be allowed for processing a discretionary purchase. If competitive bidding is used, , up to 4 weeks should be allowed for processing.

3.2.2 Information Required: Complete specifications (if necessary) for the product or service being sought. If multiple vendors are contacted, the listing of vendors and phone, fax, e-mail, or written quotes should be retained.

3.2.3 Description of Process: If competitive bidding is not used, the initiating department will select a vendor, verify price, availability, and terms, and issue a Purchase Order. It then becomes the responsibility of the initiating department to see that the correct supplies or services are received, and to authorize payment(s). If competitive bidding is deemed appropriate, the procedures for competitive bidding will be followed (see Section 3.3).

3.2.4 Unpredictable Exceedence of Quote: In the event an estimate is received, such as for automobile repair, which is under \$500 but upon conclusion of the work, unpredictably and necessarily exceeds \$500, the exceedence should be documented and the transaction will be considered to be in conformance with the discretionary purchase procedures.

3.2.5 Aggregate Annual Exemption: Where similar supplies, e.g., hardware or office products, generally of nominal individual value, are purchased on an as needed basis during the course of the year, and where said purchases do not typically exceed \$500 at any one time, but may annually exceed \$10,000 from a single vendor during the year, the aggregate purchase of such supplies will not be considered to exceed the threshold for discretionary purchases.

3.3 COMPETITIVELY-BID (QUOTE) PURCHASE Procedures (for purchases which total more than \$500.00 but less than \$10,000.00: Purchases and contracts for supplies and nonprofessional services which total more than \$500.00, but less than \$10,000.00, require competitive bidding except as permitted by the Dixon City Code, Sections 26.3.21 to 26.3.23 inclusive, or as permitted by this policy.

3.3.1 Processing Time Required: Allow 4 to 5 weeks from the time specifications are completed until a contract can be signed or a Purchase Order can be issued. **Note: Failure to plan in advance does not provide an exemption from the requirement to obtain competitive quotations.**

3.3.2 Information Required: A complete set of specifications for the product or service requested must be prepared. Any special needs or considerations related to the purchase must be noted. A list of vendors known to supply the product or service is required. Competitive quotations solicited from vendors must include the following documentation: the name of the vendors contacted, vendor phone numbers, vendor contact persons, amounts quoted, date quotes were received, and any special terms or conditions that apply to the purchase or quotation (such as delivery charges, payment discounts, special fees, etc.). (Exhibit E)

3.3.3 Description of Process: The competitive (quote) bidding process used for purchases of this type is commonly referred to as "informal bidding" and requires that quotations be solicited from a minimum of three (3) vendors when possible. Lack of a quote from one or more vendors does not negate the process or require additional quotes unless no quotes are received. The quotations may be obtained in writing, or verbally. Whichever method is used, all vendors contacted must be given the same information, and must be allowed the same amount of time to respond to the request for a quotation. Competitive quotations are to be obtained by the initiating department. After all quotations have been obtained, a contract is prepared for signature of the City Manager or a Purchase Order is issued to the vendor providing the lowest bid that fully complies with the specifications. It then becomes the responsibility of the initiating department to see that the correct supplies or services are received, and to authorize payment(s).

Section 3.3.3.1 - Cooperative Purchasing: Purchases of services and supplies which total more than \$500, but less than \$10,000, which would generally require competitive bids (quotes), may be purchased under the authority of another agency's agreement where that agency conducted a competitive bid (quote) process and permits "piggybacking" purchasing by other agencies, such as the City of Dixon. Such purchases may also include those made by agencies with which the City is allied in a cooperative or joint venture, e.g., Dixon Solano Municipal Water Service, or the Used Oil Recycling Program, where our partner agency has solicited competitive bids (quotes) on behalf of the joint effort.

Section 3.3.3.2 - Public Safety Equipment Urgency Exemption: Purchases which total more than \$500 but less than \$10,000 for parts and labor for the repair or maintenance of public safety equipment do not require the solicitation of competitive bids (quotes) under circumstances where the Department Head certifies in writing that:

- a. The parts or labor are only readily available from a sole source; or
- b. The time required to keep the equipment out of service while obtaining competitive bids (quotes) will jeopardize either the safety of City employees or the safety of the general public; or
- c. That the department has previously, within the preceding three (3) months, solicited bids (quotes) for identical or similar parts or labor from various vendors and has identified one vendor as the most competitive for the parts or labor needed.
- d. The cost, e.g., personnel time, towing, inspection fees, etc., of soliciting competitive bids (quotes) will exceed the reasonable value of the savings expected from obtaining bids (quotes).

This urgency exemption pertains only to essential Police Department and Fire Department vehicles and equipment. Public Works Department equipment which is essential to the ongoing maintenance of public health and safety, e.g., the sewer vacuum truck, or utility pumps is also included.

Section 3.3.3.3 - Local Consideration Adjustments: When considering competitive bid (quote) purchases for supplies or non-professional services, local purchasing considerations may be given.

Bids (quotes) from local businesses as defined by City Code Section 26.3.1a iii may, for comparative purposes, be adjusted relative to bids (quotes) from non-local businesses as follows:

- Estimated/actual cost for delivery by vendor or pick-up by City personnel from non-local vendor must be added to the bid (quote) price of non-local vendor.
- One percent of the local vendor bid (quote) price may be added to the non-local vendor bid (quote) to reflect sales tax which accrues to the City.
- Two percent of the local vendor bid (quote) price may be added to the non-local vendor bid (quote) price for purchases which are essential to continued smooth operations of the City; e.g., projects in progress which would incur additional cost for delay, or supplies or services needed to repair equipment which is required for immediate use.
- Five percent of the local bid (quote) may be added to the non-local bid (quote) to ensure ongoing ability to respond to public health or safety needs

which are urgent and which are justified per Section 3.3.3.2, but do not constitute emergencies as defined in Section 3.7 below; e.g., repair or parts for Police, Fire, or other essential vehicles, labor or materials for construction or repair of public works projects which cannot be delayed and which cost less than \$5,000.

Local Consideration Adjustment *Example*
Purchases up to \$9,999.99

Local Bid (Quote)

\$840.00 **Initial Bid (including tax) and free local delivery**

Non-Local Bid (Quote)

\$775.00	Initial Bid (including tax)
+ 20.00	Delivery Charge
+ 8.50	Sales Tax Adjustment (1%) of local bid
+ 42.50	Public Safety Adjustment (5%) of local bid
\$846.00	Adjusted Non-Local Bid (quote)

- 3.4 SOLE-SOURCE or SOLE-BRAND PURCHASE Procedures (for purchases over \$500.00 and less than \$10,000.00): When only a single vendor can supply a commodity or service, it is a sole-source purchase; when only a single brand/model is acceptable for a particular application, but that brand/model can be purchased from more than one supplier, it is a sole-brand purchase. Sole-source and sole-brand purchases which total more than \$500.00 require a justification (see 3.4.2).

3.4.1 Processing Time Required: For a sole-source purchase, allow five (5) working days from the time a completed justification memorandum is received by the City Manager until a Purchase Order can be issued. Because sole-brand purchases require competitive bidding, the processing time required is 4 to 5 weeks, as described in Section 3.3.3.

3.4.2 Information Required: A complete set of specifications for the product or service requested, and the name of the vendor and/or product being requested is submitted to the City Manager for approval. In addition, a written justification must be provided if the purchase will total more than \$500.00. Justifications must provide information about the unique nature of the product or service being requested on a sole-source/sole-brand basis,

and the reasons that those unique features are needed by the initiating department. Any other available information substantiating the need for sole-source or sole-brand purchase should also be included in the justification.

3.4.3 Description of Process: The initiating department submits specifications and justification to the City Manager for review/approval. If approval granted, the initiating department then prepares a contract for the City Manager's signature or issues a purchase order. It then becomes the responsibility of the initiating department to see that the correct supplies or services are received, and to authorize payment(s). Since sole-brand purchases require competitive bidding, refer to Section 3.3 for description of the competitively bid purchase process.

- 3.5 BLANKET ("Open") PURCHASE ORDER Procedures: Blanket purchase orders are issued for the purchase of goods and services that cannot be satisfactorily obtained through the normal purchasing process. Written justifications are required for all blanket purchase orders for more than \$500.00 that are established without the use of competitive bidding. The justification must state the products or services to be purchased with the blanket purchase order, the persons who will be authorized to use the blanket purchase order, and why the normal purchasing process cannot be used to satisfy the needs.

Usually, blanket purchase orders will not be established for initial amounts in excess of \$2,000.00, and requests for increases will be limited to increments of \$1,000.00 or less. Requests to increase *existing* blanket purchase orders must be accompanied by a justification. However, in no case will a blanket purchase order be authorized for \$9,999.99 or more without City Council approval.

3.5.1 Processing Time Required: Five (5) working days are usually required from the time a completed justification memorandum is received by the City Manager until a blanket purchase order can be issued.

3.5.2 Information Required by Purchasing: A justification memorandum must include a description of the categories of products or services to be purchased with a blanket purchase order. Written justifications are required for all blanket purchase orders over \$500.00 that are established without the use of competitive bidding. The justification must state the products or services to be purchased with the blanket purchase order, the persons who will be authorized to use the blanket purchase order, and why the normal

purchasing process cannot be used to satisfy the needs.

3.5.3 Description of Process: Upon receipt of the justification memorandum (if over \$500.00), City Manager approves (or disapproves) the request to establish a blanket purchase order. If disapproved, the request is returned to the initiating department with an explanation of the reason(s) for disapproval. If a blanket purchase order is approved, a Purchase Order is issued by the initiating department. The Purchase Order includes the total not-to-exceed dollar amount and, if for a total of more than \$500.00, a listing of persons authorized to utilize the Purchase Order. It then becomes the responsibility of the initiating department to see that only authorized persons use the Purchase Order, that the correct supplies or services are received, and to authorize payment(s).

- 3.6 PRICE AGREEMENT Purchase Procedures: Price Agreements, as used by the City, are contracts which are established with individual vendors to ensure that uniform terms and conditions are used for all City departments doing business with the vendor. They are used primarily in conjunction with blanket purchase orders (see Section 3.5 - Blanket Purchase Orders), and are intended to guarantee the uniform application of benefits such as price and/or discount terms and other conditions that are beneficial to the City.

3.6.1 Processing Time Required: Since Price Agreements are usually established through negotiations with vendors, the amount of time required for processing can vary widely. Usually a minimum of four (4) weeks should be allowed from the time a request to establish a Price Agreement is submitted to the City Manager until a Price Agreement can be finalized.

3.6.2 Information Required: A properly completed written request to establish a Price Agreement is required before the City Manager can approve establishment of a Price Agreement.

3.6.3 Description of Process: Price Agreements are established through negotiations with vendors. Price Agreements are not to be used for the purpose of avoiding competitive bidding. While the negotiations may be carried out by various representatives of the City organization, all negotiations intended for establishing Price Agreements must be coordinated through the City Manager. Due to the diversity of factors that may be involved in establishing and using Price Agreements, the City Manager must be contacted for approval whenever it is believed that a Price Agreement may be appropriate for a particular need.

3.7 EMERGENCY PURCHASE Procedures: When an emergency situation makes it impossible to use the normal purchasing procedures, the City Manager or his/her designee(s) can authorize an emergency purchase. For these purposes, emergencies are defined as circumstances which constitute a threat to public safety, life, or property or conditions which require immediate intervention to prevent cessation or significant degradation of City services or loss of City revenues.

3.7.1 Processing Time Required: The City Manager or his/her designee(s) will provide immediate response to emergency purchase needs.

3.7.2 Information Required: The initiating department should if possible, call the City Manager to request authorization to make an emergency purchase. The following information will be required before an emergency purchase will be authorized:

- Initiating department
- Name of vendor to be used (if known)
- Nature of emergency and purpose of purchase
- Item(s) or service(s) to be purchased
- Total cost of purchase (if known)

3.7.3 Description of Process: When an emergency situation requires the immediate purchase of supplies or services, the City Manager should, if possible, be advised. A Confirming Purchase Order must be issued to provide assurance to the vendor that it is an authorized City purchase, and will allow for internal tracking and control of the expenditures related to the emergency.

After receiving basic information regarding the needed emergency purchase (see 3.7.2), the City Manager will authorize the purchase and issuance of a Confirming Purchase Order, which can be provided to the vendor for billing purposes. Depending on the nature of the emergency, initiating departments may be required to seek competitive quotations from at least three (3) vendors (if the total cost is estimated to be more than \$2,000.00). *This requirement is waived if the nature of the emergency precludes the solicitation of such quotations.* In those cases, initiating departments will be required to submit a written explanation of the nature of the emergency and the reason that competitive quotations could not reasonably be obtained. This information is submitted to the Finance Department with a copy of the Purchase Order after the emergency has been resolved.

Documentation should also be attached to detail competitive quotations if obtained.

Note: Please remember that the City Manager cannot authorize the emergency purchase of supplies or nonprofessional services for a total of \$9,999.99 or more, since City Council approval is required for such purchases.

4. REVIEWS REQUIRED BEFORE THE PURCHASING PROCESS CAN BEGIN

Some purchases require review before purchase. Such reviews are needed to ensure consistency and conformance with City standards. The reviews are required regardless of the total cost. The categories that require prior review by other City organizations are as follows:

- Computer Equipment, Software and Related Items
- Radios, Telephones, Cell Phones, Pagers, Alarms and other Communications Equipment

The reviews needed for each of these categories are described below.

- 4.1 Computer Equipment, Software, and Related Items. Purchase of computer equipment, software, computer maintenance, repair, and supplies must be reviewed by the City's Computer Committee.* Computer supplies which have been pre-authorized by the Computer Committee do not need separate review, and may be ordered directly using the appropriate policies/procedures outlined above.
- 4.2 Radios, Telephones, Cell Phones, pagers, Alarms and other Communications Equipment: The purchase of radios, telephones, cell phones, pagers, alarms, or other communications equipment must be reviewed by the Communications Committee.* This includes devices that transmit or receive via Federal Communications Commission (FCC) licensed frequencies, and proposed modifications to existing Police, Fire, and Local Government radio systems. Applications for frequency licensing also require Communications Committee review. Alarm reviews are required only for initial installations. Ongoing alarm maintenance contracts do not require review.

*Appointed by the City Manager.

5. PURCHASE ORDER AND CONTRACT CHANGES AND CANCELLATIONS

Sometimes it is necessary to make changes to purchase orders or contracts that have been issued, or to cancel them entirely. This section describes the steps to take when changes or cancellations must be made to existing purchase orders or contracts.

5.1 Changes to Purchase Orders and Contracts: Changes are made to existing purchase orders and contracts either by issuing a purchase order change or a contract addendum (and sometimes both). Such changes can be made only when the necessary information regarding the change is provided. Examples of circumstances that warrant making a change to a purchase order or contract are:

- When there is a substantial change in the description of the supplies or services to be delivered against the purchase order or contract.
- When there is a change in the vendor's business name.
- When there is a change in the scope, price and/or quantity of supplies or services to be delivered against the purchase order or contract.
- When the specifications, terms or conditions are in error or need to be modified.
- When there is a change in funding.

If in doubt as to whether a change order is needed, discuss with the City Manager.

5.1.1 Processing Time Required: Changes to purchase orders and contracts will usually be completed within five (5) working days. NOTE: Changes that require approval of the City Council require a longer period of time. If Council approval is required, a minimum of three (3) weeks will be needed before a change can be completed.

5.1.2 Information Required: A memo including a complete description of all needed changes and the reason for the changes.

5.1.3 Description of Process: Upon receipt of the memo for Correction/Change to Purchase Order, the City Manager will verify the information as necessary and authorize/not authorize the initiating department to make the

needed changes to the subject purchase order or contract. The initiating department and the vendor will be responsible for revising the purchase order or contract after a change has been authorized.

5.2 Cancellations of Purchase Orders and Contracts: Contracts and purchase orders are canceled either by issuing a purchase order change or a letter of cancellation (or both). Such cancellations can be made when the necessary information regarding the need for the cancellation is provided. Examples of circumstances that may require cancellation of a purchase order or contract are:

- When the vendor cannot provide the supplies/services required by the purchase order or contract (such as when a vendor goes out of business).
- When the wrong commodities or services have been requested by the initiating department.
- When the commodities or services provided do not meet City specifications.
- When duplicate orders are issued for the same commodities or services.

5.2.1 Processing Time Required: Cancellations of purchase orders and contracts can usually be completed within five (5) working days. **NOTE**: Cancellations that require approval of the City Council require a longer period of time. If Council approval is required, a minimum of three (3) weeks will be needed before a cancellation can be completed.

5.2.2 Information Required: A completed memo for Correction/Change to Purchase Order must be submitted to the City Manager. The request should ask that the purchase order or contract be canceled and should give the reason for the cancellation.

5.2.3 Description of Process: Upon receipt of the memo requesting Correction/Change to Purchase Order, the City Manager will verify the information as necessary and approve/disapprove cancellation of the subject purchase order or contract. The initiating department will take appropriate action and if the cancellation is approved see to it that the vendor receives a copy of the purchase order marked "CANCELED" and/or letter notifying them of contract cancellation.

6. STANDARD FORMS AND THEIR USES*

Several standard forms are used in the purchasing process. The most frequently used forms are:

- Purchase Order
- Request for Correction/Change to Purchase Order
- Justification for Blanket Purchase Order
- Justification for Sole-Source, Sole-Brand Purchase

*Additional forms may be developed and utilized subject only to City Manager approval.

6.1 Purchase Order. A Purchase Order (PO) is the legal contract that is issued to a vendor for the purchase of supplies or non-professional services. Purchase Orders are issued by the initiating department. The Purchase Order document is a three-part form which is distributed as follows:

- White copy (original) - vendor
- Yellow copy - Finance Dept.
- Pink copy - to initiating department

Each Purchase Order is assigned a unique Purchase Order Number (PO#). Purchase Orders are issued in quantity to initiating departments by the Finance Department.

6.2 Request for Correction/Change to Purchase Order. The Request for Correction/Change to Purchase Order is used when changes, corrections, and cancellations of purchase orders or contracts are needed (See Section 5). It requires basic information about the Purchase Order that is to be modified, and provides space to describe the changes needed. It also asks for an explanation of the need for the correction, change, or cancellation.

6.3 Justification for Blanket ("Open") Purchase Order. The Justification for Blanket (Open) Purchase Order form may be used for justification of a blanket purchase order initially requested or subsequently changed. If preferred, an inter-office memorandum may also be used for this justification.

6.4 Justification for Sole-Source or Sole-Brand Purchase. The Justification for Sole-Source or Sole-Brand Purchase form may be used by the initiating dept. to justify a sole-source or sole-brand purchase. If preferred, an inter-

office memorandum may also be used for this justification.

- 6.5 Vendor Price Quotation Form. The Vendor Price Quotation Form must be used by the initiating department to record information obtained in compliance with Section 3.3.2 and may be used in any other instance where price quotations are solicited.

7. EXHIBITS

- 7.1 Exhibit "A" - Purchase Order form
- 7.2 Exhibit "B" - Request for Purchase Order Correction/Change form
- 7.3 Exhibit "C" - Justification for Blanket ("Open") Purchase Order
- 7.4 Exhibit "D" - Justification for Sole-Source or Sole-Brand Purchase
- 7.5 Exhibit "E" - Vendor Price Quotation Form

**CITY OF DIXON
REQUEST FOR CORRECTION/CHANGE
TO PURCHASE ORDER**

EXHIBIT "B"

DEPARTMENT INFORMATION

Purchase Order No.: _____	File No.: _____
Vendor Name: _____	Vendor Code: _____
Requestor: _____	Phone No.: _____
Dollar Amount of Change: \$ _____ <input type="checkbox"/> Increase <input type="checkbox"/> Decrease Change Order No.: _____	

DESCRIPTION OF CHANGE/CORRECTION: _____

Justification: (Attach appropriate document(s) e.g.: Council Resolution, Agreement, Contract, Letter of Justification for Blanket Purchase Orders)

Authorized Signature

Date of Request

Buyer Notes: _____

Approved _____

Date _____

CITY OF DIXON
Justification for Blanket ("Open") Purchase Order

EXHIBIT "C"

Requisition Number: _____

Date: _____

Requested Vendor: _____

NOTE: Refer to the information on the back of this form before completing the justification.

Justification is required for establishment of blanket ("open") purchase order. Please provide responses to each of the following items to demonstrate the need for a blanket purchase order:

1. Products or services to be purchased with the Blanket Purchase Order:

2. List the names and phone numbers of all persons who will be authorized to use the Blanket Purchase Order:

3. Explain why the normal requisitioning process cannot be used to satisfy the requirements that will be obtained through the Blanket Purchase Order:

Form completed by:

DEPARTMENT APPROVAL:

Name

Department Director or Division Manager/Date

CITY MANAGER APPROVAL:

City Manager (or designee)/Date

City of Dixon

Criteria for Justification of Need for Blanket ("Open") Purchase Orders

◆ **THE FOLLOWING FACTORS MUST BE ADDRESSED IN THE JUSTIFICATION FOR A BLANKET PURCHASE ORDER:**

1. The products or services to be purchased using the blanket purchase order. This listing does not have to describe individual items, but it should be specific about all categories of items to be purchased using the blanket purchase order (e.g., miscellaneous pipe and plumbing supplies).
2. The names of all individual employees who will be authorized to make purchases against the blanket purchase order.
3. The reason why the normal requisitioning process cannot be used to satisfy the needs that will be covered by the blanket purchase order.

◆ **THE FOLLOWING FACTORS ARE NOT ACCEPTABLE FOR JUSTIFYING A BLANKET PURCHASE ORDER:**

1. Personal preference for a particular product or vendor.
2. To avoid competitive bidding.

City of Dixon
Justification for Sole-Source or Sole-Brand Purchase

EXHIBIT "D"

Dated: _____

Item(s): _____

NOTE: Refer to the information on the back of this form before completing the justification.

- Sole-Source:** Item is available from only one vendor. Item is one-of-kind and is not sold through distributors. The manufacturer is the sole distributor.

 - Sole-Brand:** Various vendors can supply the specified brand and model. Competitive bids will be solicited for the requested brand and model only.
-

Justification: (Attach additional sheets if necessary)

Form completed by:

DEPARTMENT APPROVAL:

NAME

Department Director or Division Manager/Date

CITY MANAGER'S APPROVAL:

City Manager (or Designee)/Date

City of Dixon
Criteria for Justification of Sole-Source or Sole-Brand Purchase

◆ **THE FOLLOWING ITEMS SHOULD BE CONSIDERED IN PREPARING A JUSTIFICATION FOR A SOLE-SOURCE OR SOLE-BRAND PURCHASE. EACH ITEM THAT APPLIES TO THE PURCHASE SHOULD BE ADDRESSED IN THE JUSTIFICATION:**

1. If the product requested is a one-of-kind item, provide information on how this was determined.
2. Provide information about why the particular product or vendor was selected.
3. State what other vendors were contacted and why they cannot provide the requested product. Also indicate whether or not the requested vendor is the manufacturer.
4. Provide information about other brand/models that were considered and explain why they were rejected. Include brand/model names, vendor names, dates contacted, and the name and phone number of the person(s) contacted.
5. If the requested product has unique features which are required to successfully perform a required function, identify those unique features and explain why they are required.
6. If an item must match, be compatible with, or be related in some special way to existing equipment, explain why this is necessary. Include in the explanation information about the existing equipment, including quantity, brand/model, and why the need to match, be compatible with, or otherwise relate to existing equipment is necessary.

◆ **THE FOLLOWING FACTORS ARE NOT ACCEPTABLE FOR JUSTIFYING A SOLE-SOURCE OR SOLE-BRAND PURCHASE:**

1. Personal preference for a particular product or vendor.
2. Vague, ambiguous, or subjective features that are not supported by technical information (e.g., "quality", "heavy-duty", "the finest", etc.).
3. A simple "no substitutes" statement.

