



# Purchasing Policy and Municipal Code Update

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# Purchasing Policy and Municipal Code

## Presentation Overview

- Brief Overview of Methodology
- Background
  - Current Code and Challenges
  - Goals of the Proposed Change
- Key Changes to the Municipal Code
  - Bidding Requirements, Approval Authority
  - Emergency Purchases, Local Bidders
- Policy
  - Purpose, Sections
  - Important to Note
- Discussion



# Overview of Methodology

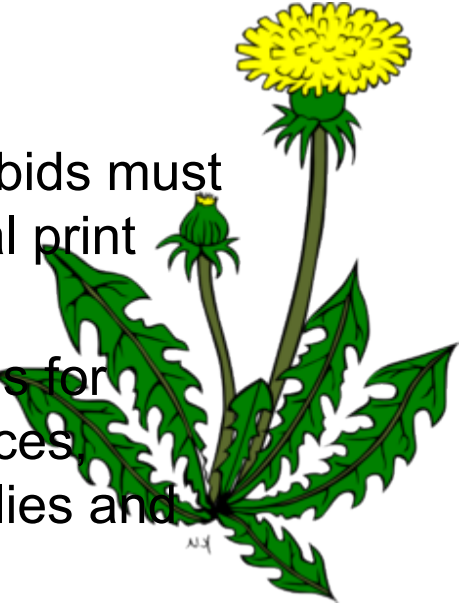
- Collaborative work between Staff and the City Attorney's Office (CAO).
- Multiple cities considered by staff and CAO.
- Legal review of both Policy and Municipal Code.





# Purchasing Policy and Municipal Code

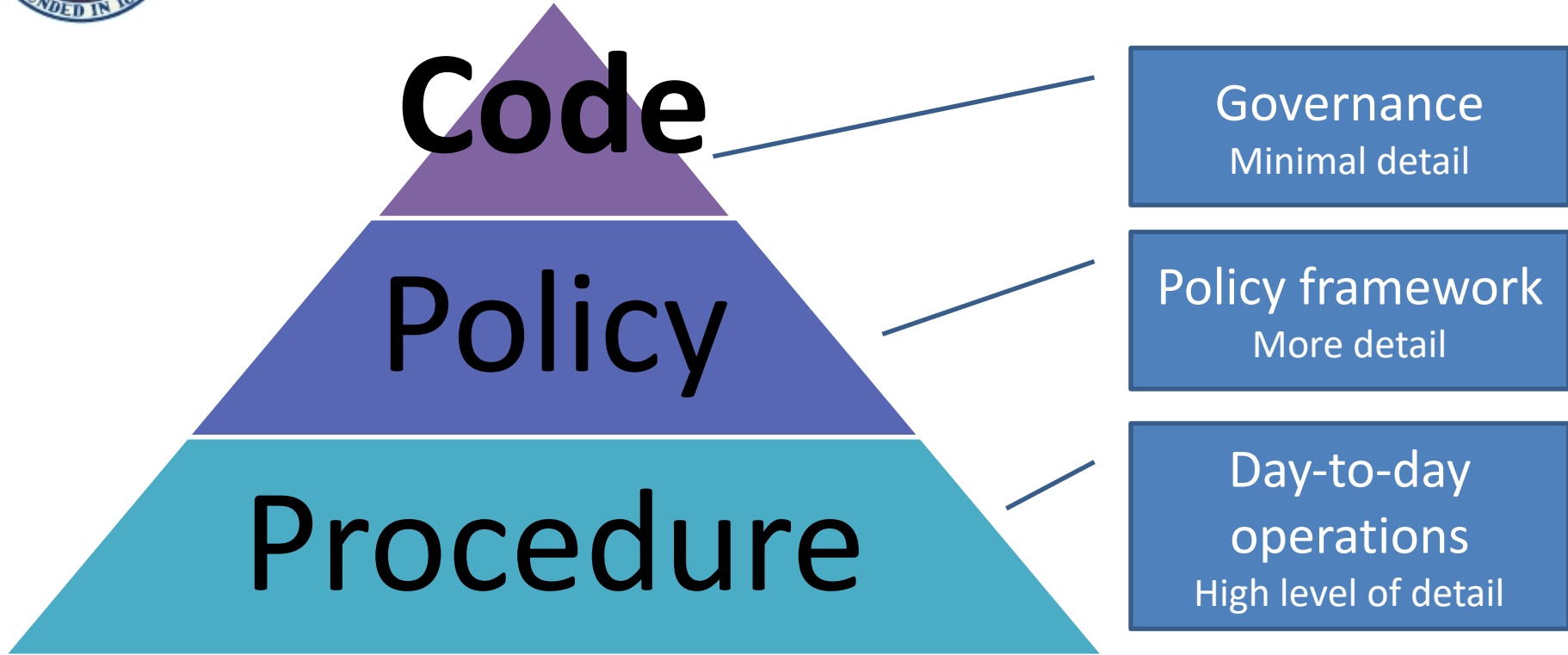
- Current Municipal Code- extremely detailed
  - Job duties of Purchasing Agent
  - Details how to and where to post surplus items
  - Requires departments to submit estimates of supply needs
- Must post bids in newspapers
- Number of days bids must be posted in local print newspaper
- Separate sections for contracting services, purchasing supplies and materials



Code should be focused on *governance*



# Purchasing Policy and Municipal Code





# Purchasing Policy and Municipal Code

- Simplifying the Municipal Code
- Clarifying the Thresholds for Bidding and Approval Authority Levels
- Removing requirement for Purchase Orders for *all* purchases over \$500
- Clarifying and improving Local Vendor Section





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## 3.04.030 Bidding Requirements

- Purchases up to \$10,000
  - May use a P-Card or check request, no formal bid or quotes required.
- Purchases between \$10,001 and \$40,000
  - Informal; vendor quotations. May be processed by Department.
- Purchases above \$40,000
  - Formal competitive bidding or selection required.



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## 3.04.040 Approval Authority

- Purchases up to \$50,000
  - May be authorized (signed) by the Agency/Department Director and/or the City Manager and/or their designee.
- Purchases between \$50,001 and \$100,000
  - May be authorized (signed) by the City Manager and/or their designee.
- Purchases above \$100,000
  - May only be authorized by the Mayor and City Council.





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## 3.04.070 Emergency Purchases

- Added (*italics*):
  - An explanation of the emergency circumstances shall be filed with the Mayor and City Council *within forty-eight (48) hours of the emergency purchase.*



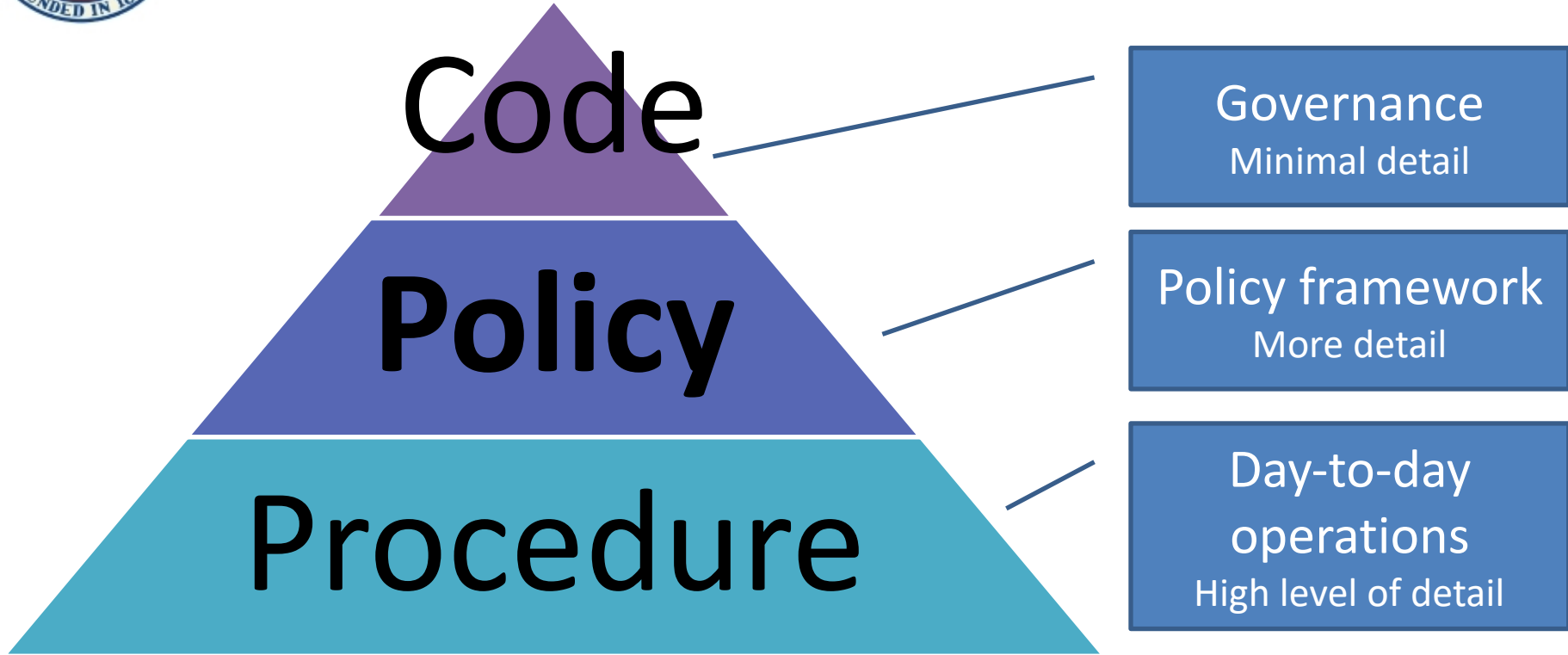
# Purchasing Policy and Municipal Code

## 3.04.100 Local Bidders

- Change
  - 1% credit for comparison changed to 5%
- Clarification
  - Local bidders shall be bidders with:
    - 1) Fixed facilities with employees within the jurisdiction of the City of San Bernardino... and
    - 2) An appropriate City of San Bernardino Business License.

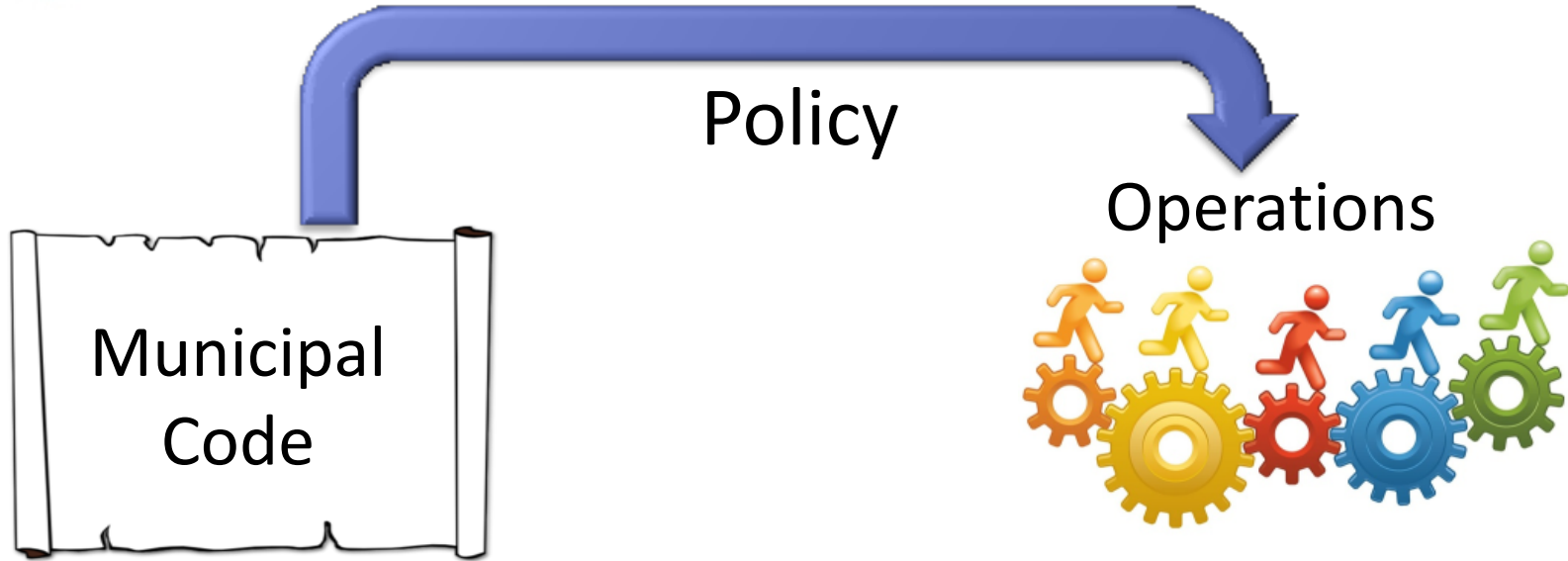


# Purchasing Policy and Municipal Code





# Purchasing Policy and Municipal Code



Policy Bridges Governance and Day-to-Day Operations



# Purchasing Policy and Municipal Code

## Purpose

1. To ensure compliance with all current laws and regulations
2. To promote transparency of the City's procurement activities
3. To establish standardized, cost-effective, and efficient purchasing methods
4. To ensure continuity of City operations
5. To promote fair competitive processes
6. To maintain integrity and fairness
7. To support the City's mission and serve the best interest of the public



# Purchasing Policy and Municipal Code

## Sections

- I. Purpose
- II. Purchasing Expenditure and Approval Thresholds
- III. Informal Procurement
- IV. Competitive Procurement
- V. Specific Situations
- VI. Exemptions
- VII. Bid Protests
- VIII. Contract Development
- IX. Surplus Supplies and Equipment
- X. Glossary of Terms

Sections provide detail on areas governed by Municipal Code, law and/or federal regulations.





# Purchasing Policy and Municipal Code

## Important to Note

- The Purchasing Division Manager does not have direct purchasing authority
  - *Internal Control*
  - *The Purchasing Division Manager is the key Internal Control for the Purchasing function citywide*



# Purchasing Policy and Municipal Code

## Important to Note

- Disadvantaged Business Enterprise and Small Business Enterprise
  - Specific affirmative steps are required under the new Policy to ensure minority, women-owned, and small businesses are used when possible



# DISCUSSION