

**CITY MANAGER'S/STAFF'S REPORT
COUNCIL MEETING DATE:**

February 6, 2023

ITEM NO: 1

SUBJECT: Adoption of a Resolution Declaring Surplus and Sale, Donation or Disposal of City Property

DISCUSSION: Multiple City departments are requesting the City Council's approval to declare as surplus the vehicles and equipment listed below and to authorize the sale, donation or disposal of said vehicles. Given the age, mileage and general condition of these items, their use is no longer cost-effective for the City, or are unsafe to deploy for use by city staff.

FISCAL IMPACT: None.

RECOMMENDATION: Staff recommends the Adoption of Resolution declaring the vehicles on the Surplus Vehicle List as surplus, and authorize the sale, donation or disposal of vehicles, miscellaneous equipment and furniture.

_____/s/_____
Robert Petersen
Fire Chief

February 6, 2023
Date

_____/s/_____
Fernando Santillan
City Manager

February 6, 2023
Date

Attachments:

1. Resolution of the City Council declaring certain city property surplus and authorizing their sale, donation, and/or disposal.
2. Exhibit A: List of Surplus Items

RESOLUTION NO. 2023 – __R

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA,
CALIFORNIA, DECLARING CERTAIN CITY PROPERTY SURPLUS AND
AUTHORIZING THEIR SALE, DONATION, OR DISPOSAL**

WHEREAS, in accordance with the provisions of Government Code Section 37350, the City is permitted to dispose of personal property for the common benefit; and

WHEREAS, the City desires to declare certain equipment to be surplus. A description of said equipment is attached hereto as “Exhibit A”.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Selma hereby finds, determines, and declares the following:

Section 1. The City Council finds that the above recitals are true and correct and are incorporated herein by reference.

Section 2. Given the age and condition of the various equipment set forth in Exhibit A, said equipment has become obsolete and replaced with new, reliable equipment, the City Council hereby declares the various equipment as surplus property.

Section 3. The City Manager is hereby directed to sell, donate or dispose of the surplus equipment, and take all actions necessary to effectuate the direction set forth in this Resolution.

Section 4. Severability. The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

Section 5. Effective Date. That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

The foregoing Resolution was approved and adopted at a regular meeting of the City Council of the City of Selma held on the 6th day of February 2023 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

ATTEST:

Scott Robertson, Mayor

Reyna Rivera, City Clerk

Exhibit A

Surplus Items – 02-06-2023

Unit #	Dept.	Year	Use	Unit Description	License	Vin/Serial #	Notes
227	2200	2013	Police Chief	Chevy Impala	6YWN740	2G1WA5E30D1162169	Too expensive to repair.
4223	5300	2016	Parks	WEEDEATER-STIHL FS100RX		506705702	Too expensive to repair.
4316	5300	2018	Parks	HEDGER-STIHL HL100		506519980	Too expensive to repair.
4619	5300	2017	Parks	BLOWER-STIHL BR700		511289687	Too expensive to repair.
			Admin	Misc. Office furniture/supplies			Desks, bookshelves, filing cabinets, chairs, partition walls, carts
	2200		Admin	Misc. E-waste			

ITEMS FOR SURPLUS

SERIAL NUMBER	MAKE	MODEL	ITEM TYPE		CPU TOTAL	MONITOR TOTAL	KEYBOARD TOTAL	LAPTOP
2UA73834D8	HP	PRO DESK 600 G3	CPU		8	3	12	1
MXL7421D88	HP	PRO DESK 600 G3	CPU					
MXL7421D3K	HP	PRO DESK 600 G3	CPU					
2UA73834DG	HP	PRO DESK 600 G3	CPU					
2UA73834H1	HP	PRO DESK 600 G3	CPU					
MXL01713Y9	HP	PRO DESK 400 G6	CPU					
2UA738349R	HP	PRO DESK 600 G3	CPU					
2UA73834C3	HP	PRO DESK 600 G3	CPU					
LUACDCJ3702886	VIZIO	VW37L HDTV30A	MONITOR					
6CM7220DNH	HP	PRODISPLAY P232	MONITOR					
MMLZ3AA003407049872434	ACER	S200HQL	MONITOR					
CND1031CBN	HP	ELITEBOOK 8540W	LAPTOP					

ITEM NO: 2

SUBJECT: Consideration of a Resolution Authorizing the City to Continue with Teleconferenced Public Meetings Pursuant to Assembly Bill 361

BACKGROUND: On September 16, 2021, Governor Newsom signed Assembly Bill 361 (“AB 361”), authorizing local agency legislative body members to continue remote participation in meetings during a declared State of Emergency through December 31, 2023, provided local agencies comply with specified requirements. Governor Newsom intends to rescind the California State of Emergency on February 28, 2023, which will remove the conditions needed to implement AB 361.

DISCUSSION: With the rescission of the statewide declaration of emergency, legislative body members will now need to attend meetings in person or adhere to traditional Brown Act teleconference requirements. Traditional teleconferencing under the Brown Act is permitted for all purposes during any meeting so long as:

- A quorum of the legislative body participates from locations within the local agency’s jurisdiction;
- The meeting notice and agenda identify the teleconference location, including a full address and room number, as applicable;
- The agenda is posted at each teleconference location 72 hours before the regular meeting, even if a hotel room or residence;
- The public has access to each teleconference location and there is proper technology for public participation;
- The agenda outlines the process for the public to address the legislative body directly at each teleconference location;
- The legislative body provides the opportunity for the public to address the legislative body directly at each teleconference location; and
- The legislative body must vote by roll call.

On September 13, 2022, Governor Newsom signed Assembly Bill 2449 (“AB 2449”), effective as of January 1, 2023, permits a non-majority number of legislative body members to utilize teleconferencing participation for meetings without complying with the traditional Brown Act requirements. To avail itself of the teleconferencing rules established under AB 2449, a public agency must comply with the following meeting requirements:

- 1) A quorum of the members of the agency’s legislative body must participate in person from a singular physical location identified on the agenda;

- 2) The legislative body must provide either (i) a two-way audiovisual platform, such as Zoom, which allows the meeting to be viewed and heard from a remote location, or (ii) a two-way telephonic service and a live webcasting of the meeting, this requirement may be satisfied with any combination of platforms that allows the meeting to be viewed and heard from a remote location;
- 3) The agenda must give notice of the means by which members of the public may access the meeting and offer public comment; and
- 4) The meeting must be paused (and no action may be taken), if the broadcasting platform, either audio or visual, is interrupted.

If a member of a legislative body wishes to participate remotely under the new procedures, all of the following requirements, (1) through (4), below, must apply:

- 1) The request to remotely participate must be on the basis of a circumstance that qualifies as a **“just cause”** or **“emergency”** circumstance within the meaning of AB 2449:
 - (i) Just Cause Circumstance: At the earliest opportunity possible (including at the start of a regular meeting), the requesting member must notify the legislative body that he/she has a **“just cause”** reason for participating remotely. The request must generally describe the specific circumstances that prevent in person participation. Under AB 2449, **“just cause”** is specifically defined to mean any of the following circumstances:
 - a. A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely;
 - b. A contagious illness that prevents a member from attending in person;
 - c. A need related to certain statutorily defined forms of physical or mental disability; or
 - d. Travel while on official business of the public agency or for another state or local agency.

It is important to note that under AB 2449, members are limited to a maximum of two (2) times per calendar year to invoke the **“just cause”** exception to in-person participation.

- (ii) Emergency Circumstance: An **“emergency circumstance”** is defined to mean a *“physical or family medical emergency that prevents a member from attending a meeting in person.”* To invoke the **“emergency circumstance”** exception, the requesting member, as soon as possible, must request that the legislative body allow him/her to participate remotely due to some specified **“emergency circumstance.”** In turn, the member’s legislative body must take action to approve the request at the earliest opportunity. The legislative body shall also request a general description (not exceeding 20 words) that describes the circumstances relating to the requesting members’ emergency.” The requesting

member is not, however, required to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law. The member must also make a separate request for each meeting in which he/she seeks to participate remotely under the “emergency” exception.

Participation via teleconference under the “emergency circumstance” exception *does not* count toward the two-meeting limitation applicable to the “just cause” exception.

- 2) The member must publicly disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member’s relationship with any such individuals.
- 3) The member must participate through *both* audio and visual technology.

A member’s remote participation may not exceed (i) three consecutive months, or (ii) 20% of a legislative body’s regular meetings within a single calendar year. Also, if the legislative body regularly meets fewer than 10 times per calendar year, a member’s participation from a remote location cannot be for more than two meetings total.

Staff requests the City Council adopt the AB 361 teleconferencing resolution to cover the month of February 2023. City Staff intends to establish a reasonable accommodation policy for council consideration at a future council meeting in order to continue with teleconference meetings for Council, city legislative bodies, and public participation after the termination of the statewide declaration of emergency on February 28, 2023 pursuant to AB 2449. Council can also direct staff to terminate remote participation for Council, legislative bodies, and public participation.

FISCAL IMPACT: None.

RECOMMENDATION: If the City Council wishes to Continue with Remote Teleconference Meetings, the Council should adopt the attached Resolution Authorizing Remote Teleconference Public Meetings by the City Council and Commissions of the City in Accordance with Assembly Bill 361.

_____/s/_____
Fernando Santillan, City Manager

January 27, 2023
Date

Attachments:

1. Resolution Authorizing Continued Teleconferencing Provisions AB 361
2. Brown Act Remote Participation Chart

RESOLUTION NO. 2023 – ____

A RESOLUTION OF THE CITY OF SELMA, CALIFORNIA AUTHORIZING CONTINUED USE OF REMOTE TELECONFERENCING PROVISIONS (AB 361)

WHEREAS, the City Council of the City of Selma (“City Council”) is committed to open and transparent government, and full compliance with the Ralph M. Brown Act (“Brown Act”); and

WHEREAS, the Brown Act generally requires that a public agency take certain actions in order to use teleconferencing to attend a public meeting virtually; and

WHEREAS, the City Council recognizes that a local emergency persists due to the worldwide COVID-19 pandemic; and

WHEREAS, the California Legislature has recognized the ongoing state of emergency due to the COVID-19 pandemic and has responded by creating an additional means for public meetings to be held via teleconference (inclusive of internet-based virtual meetings); and

WHEREAS, on September 16, 2021, the California legislature passed Assembly Bill (“AB”) 361, which amends Government Code, section 54953 and permits a local agency to use teleconferencing to conduct its meetings in any of the following circumstances: (A) the legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing; (B) the legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; or (C) the legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, in order for the City Council to use teleconferencing as allowed by AB 361 after October 1, 2021, it must first adopt findings in a resolution, allowing the City Council to conduct teleconferenced meetings for a period of thirty (30) days; and

WHEREAS, the City Council initially approved Resolution No. 2021-57R on September 27, 2021; and

WHEREAS, on October 18, 2021, November 15, 2021, December 6, 2021, December 21, 2021, January 18, 2022, February 7, 2022, March 7, 2022, April 4, 2022, May 2, 2022, June 7, 2022, June 20, 2022, July 18, 2022, August 15, 2022, September 6, 2022, October 3, 2022, and November 7, 2022, the City Council adopted resolutions authorizing the continued use of teleconferenced meetings; and

WHEREAS, Governor Gavin Newsom declared a state of emergency for the State of California due to the COVID-19 pandemic in his order entitled “Proclamation of a State of Emergency,” signed March 4, 2020; and

WHEREAS, the California Occupational and Safety Health Administration (OSHA) continues to recommend certain social distancing requirements, as described in detail in California Code of Regulations Title 8, section 3205 Covid Prevention; and

WHEREAS, the Fresno County Department of Public Health supports the well-being of its communities and County residents and recommends ways to slow the spread of COVID-19 including through social distancing (i.e., “staying at least 6 feet (about 2 arm lengths) from others who don’t live with you” and by avoiding crowds. The Fresno County Department of Public Health states “[t]he more people you are in contact with, the more likely you are to be exposed to COVID-19.”

WHEREAS, the City Council hereby finds that the state and local emergencies have caused and will continue to cause imminent risks to the health or safety of attendees; and

WHEREAS, the City Council is conducting its meetings through the use of telephonic and internet-based services so that members of the public may observe and participate in meetings and offer public comment.

NOW THEREFORE, BE IT RESOLVED, that the recitals set forth above are true and correct and fully incorporated into this Resolution by reference.

BE IT FURTHER RESOLVED, that the City Council is conducting meetings during a state of emergency and OSHA recommends measures to promote social distancing; and/or

BE IT FURTHER RESOLVED, that the City Council has determined that given the state of emergency, holding in-person only meetings would present imminent risks to the health or safety of attendees.

BE IT FURTHER RESOLVED, that the actions taken by the City Council through this resolution shall be applied to all City committees and commissions governed by the Brown Act unless otherwise desired by that committee/commission.

BE IT FURTHER RESOLVED, the City Council authorizes the City Manager or their designee(s) to take all actions necessary to conduct City Council meetings in accordance with Government Code section 54953(e) and all other applicable provisions of the Brown Act, using teleconferencing for a period of thirty (30) days from the adoption of this Resolution after which the City Council will again reconsider the circumstances of the state of emergency.

PASSED AND ADOPTED by the Selma City Council on this 6th day of February 2023, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:

ATTEST:

Scott Robertson, Mayor

Reyna Rivera, City Clerk

Brown Act Remote Participation Rules

	<u>Traditional Brown Act</u>	<u>AB 2449</u>	<u>AB 361</u>
Expiration	N/A	01/01/2026	Officially 01/01/2024 but, ends when State of Emergency is lifted on 02/28/2022
Quorum	Quorum must meet from locations within City boundaries	Quorum must meet in-person from single physical location open to public	Quorum can meet from any remote location
Notice & Agenda	Must identify each physical teleconference location Must post 72 hours prior to regular meeting at every teleconference location	Must include remote meeting link & procedure for receiving & resolving requests for accommodation Identify single publicly-accessible physical location where quorum will meet	Must contain remote meeting link & information about participating. Must be renewed monthly
Public Access	Must provide public access to each teleconference location Must provide public the opportunity to address the body from each teleconference location	Must provide public access to the single physical location Must provide public with remote access through two-way audiovisual platform or telephonic service & live webcasting of meeting	Must provide call-in/internet-based service option
Remote Participation by Member of Body	OK	Only permitted if: Just Cause (childcare; contagious illness; physical/mental disability; travel while on official business of body/state or local agency) - Member may utilize only 2x/year - Member must provide a general description of the circumstances relating to their need to appear remotely at the given	OK

		<p>meeting</p> <p>Or</p> <p>Emergency Circumstances - (physical/family medical emergency)</p> <ul style="list-style-type: none"> - Requires a separate request to the body for each remote meeting & body must act on the request - The body must request a general description of the circumstances relating to the member's need to appear remotely at the given meeting <p>And</p> <p>Member must adhere to the following requirements to participate remotely:</p> <ul style="list-style-type: none"> - Must disclose if a person 18 years or older is present in room + member's relationship w/individual - Must participate through both audio & visual technology (not only by phone) - A member may not participate remotely more than 3 consecutive months or 20% of the regular meetings for the local agency within a calendar year, or more than 2 meetings if the legislative body regularly meets <10 times per calendar year. 	
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**CITY MANAGER’S/STAFF’S REPORT
CITY COUNCIL MEETING:**

February 6, 2023

ITEM NO: 3

SUBJECT: Consideration of a Resolution authorizing the Participation in the Community Development Block Grant (“CDBG”) Program for 2024-25, 2025-26 and 2026-27

DISCUSSION: Every three years, Fresno County and its partner cities must re-qualify for Urban County entitlement status with the U.S. Department of Housing and Urban Development (HUD) for federal Community Development Block Grant (CDBG) and related Home Investment Partnerships Act Partnerships Act (HOME) Programs funding for a new three-year period.

Cities wishing to participate in the Urban County Entitlement Program must enter into a cooperative agreement with the County and all other participating cities, known as the Joint Powers Agreement (JPA) for the period of HUD’s three-year funding cycle, which begins July 1, 2024 and ends June 30, 2027.

In order to meet the re-qualification period deadline, each city must advise the County in writing on or before February 28, 2023, of its official decision to participate or not in the County’s program for the new three-year period.

FISCAL IMPACT: None.

RECOMMENDATION: It is recommended that the Council adopt the Resolution authorizing the City Manager to execute the Fresno County Joint Powers Agreement approving the continued participation in the Community Development Block Grant (CDBG) Program for 2024-25, 2025-26 and 2026-27.

_____/s/_____
Fernando Santillan, City Manager

_____/01/31/2023_____
Date

RESOLUTION NO. 2023- _R

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA
AUTHORIZING THE CITY MANAGER TO EXECUTE THE JOINT POWERS
AGREEMENT FOR PARTICIPATION IN THE COMMUNITY DEVELOPMENT
BLOCK GRANT PROGRAM FOR THE PERIOD OF HUD’S THREE-YEAR FUNDING
CYCLE BEGINNING JULY 1, 2024 THROUGH JUNE 30, 2027**

WHEREAS, Fresno County and its partner cities must re-qualify for Urban County entitlement status with the U.S. Department of Housing and Urban Development (“HUD”) for Federal Community Development Block Grant (“CDBG”) and related HOME Investment Partnership Act (“HOME”) funding for a new three-year period; and

WHEREAS, Cities wishing to participate in the Urban County Entitlement Program must enter into a cooperative agreement with the County and all other participating cities, known as the Joint Powers Agreement (“JPA”), for the period of HUD’s three-year funding cycle beginning July 1, 2024 and ending 30, 2027; and

WHEREAS, in order to meet the re-qualification period deadline, each city must advise the County in writing on or before February 28, 2023, of its official decision to participate or not in the County’s program for the new three-year period.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SELMA HEREBY FINDS, DETERMINES AND RESOLVES AS FOLLOWS:

Section 1. The City Council finds that the above recitals are true and correct are incorporated by reference.

Section 2. That the City of Selma hereby requests continued participation in the CDBG Program for the period of HUD’s three-year funding cycle beginning July 1, 2024 and ending June 30, 2027, and authorizes the City Manager to execute Joint Powers Agreement for Housing and Community Development County of Fresno of such decision.

Section 3. Severability. The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

Section 4. Effective Date. That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Selma on this 6th day of February 2023 by the following roll call vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

(Signatures on following page)

ATTEST:

Reyna Rivera, City Clerk

Scott Robertson, Mayor of the City of Selma

CHECK REGISTER REPORT

CHECK NUMBER	CHECK DATE	STATUS	VENDOR NAME	CHECK DESCRIPTION	CATEGORY	AMOUNT
80766	12/06/22	Printed	U.S. BANK CORPORATE PMT SYSTEM	CALCARD CHARGES 10/25-11/22/22	PARTIAL R	74,636.07
80767	12/06/22	Printed	UNITY IT	MDT MANGAGED SERVICES -OCT 22		3,972.50
80768	12/06/22	Printed	VALLEY SHREDDING LLC	DOCUMENT DESTRUCTION -PD		72.00
80769	12/06/22	Printed	VERIZON WIRELESS	AIRCARDS 10/19/22-11/18/22		1,032.91
80770	12/13/22	Printed	AIR EXCHANGE, INC.	GRABBER & FITTING -FD		699.67
80771	12/13/22	Printed	AIRGAS USA LLC	OXYGEN SUPPLIES -CVTC	R	47.94
80772	12/13/22	Printed	MARK ALVES / ALVES ELECTRIC	NEW LIGHT FIXTURES -STATION 2		625.00
80773	12/13/22	Void		Void Check		0.00
80774	12/13/22	Void		Void Check		0.00
80775	12/13/22	Printed	ARAMARK UNIFORM	UNIFORMS/TOWELS/FIRST AID KITS 10/27-11/17/22		1,215.71
80776	12/13/22	Printed	DANIEL & NORBERTHA ARCHAN	PROPERTY TAX OVER CHARGE REIMBURSEMENT -FIREWORK CITE DOUBLE BILLING		1,000.00
80777	12/13/22	Printed	AT&T	INTERNET SERVICE -CVTC 11/6/22-12/5/22	R	100.24
80778	12/13/22	Printed	AT&T	PD FIRE ALARM		220.22
80779	12/13/22	Printed	AT&T	TELEPHONE 11/4/22-12/3/22		1,621.52
80780	12/13/22	Printed	AT&T	TELEPHONE 11/4/22-12/3/22		124.69
80781	12/13/22	Printed	AT&T	TELEPHONE 11/4/22-12/3/22		119.22
80782	12/13/22	Printed	AT&T MOBILITY	TELEPHONE-MDT'S 11/1-11/30/22		389.07
80783	12/13/22	Printed	BENNY BACA / COOL AIR SPECIALTY	REPLACED MERV 13 HVAC FILTERS NEW PD		2,870.00
80784	12/13/22	Printed	BOYS & GIRLS CLUBS OF FRESNO	FUNDING 2022-2023		29,060.00
80785	12/13/22	Printed	JAY WESLEY BROCK / TOP DOG TRAINING CENTER	K9 MAINTENANCE 11/21/22		180.00
80786	12/13/22	Printed	CADDYSHACK RODENT SERVICE, LLC	RODENT CONTROL -BRENTLINGER		918.75
80787	12/13/22	Printed	CALIFORNIA WATER SERVICE	WATER SERVICE -NOVEMBER 2022		15,375.89
80788	12/13/22	Printed	ROD CARSEY / CARSEY CONSULTING	PLAN CHECKS -NOVEMBER 2022		25,229.67
80789	12/13/22	Printed	CENTRAL VALLEY OVERHEAD DOOR	HOIST OPERATOR -ROLL UP DOOR STATION 1		1,980.00
80790	12/13/22	Printed	CONSOLIDATED ELECTRICAL	WALKPACKS -PARK RESTROOMS		388.43
80791	12/13/22	Printed	COOK'S COMMUNICATION CORP	RADIO EQUIPMENT		181.15
80792	12/13/22	Printed	CORELOGIC SOLUTIONS LLC	REALQUEST SERVICES - NOV 2022		481.25
80793	12/13/22	Void	CSMFO	MEMBERSHIP FEE -VOID PAID WITH CALCARD		0.00
80794	12/13/22	Printed	MATTEO DESANTIS	1231 ROSE AVE LEASE JANUARY-JUNE 2023		13,254.00
80795	12/13/22	Printed	DYNAMIC COATINGS, INC.	50% DEPOSIT RESURFACE FLOORING -SHAFER PARK		6,447.50
80796	12/13/22	Printed	FASTRAK VIOLATION PROCESSING	TOLL FEE		7.00
80797	12/13/22	Printed	FIRE RECOVERY EMS LLC	AMBULANCE BILLING -NOV 2022		2,151.00
80798	12/13/22	Printed	FRESNO COUNCIL OF GOVERNMENTS	MULTI-JURISDICTIONAL HOUSING ELEMENT		10,352.83
80799	12/13/22	Printed	FRESNO COUNTY EDC	CENTRAL VALLEY TRAINING CENTER 10/1/22-10/31/22	R	54,911.31
80800	12/13/22	Printed	FRESNO COUNTY FIRE	MOBILE GRAPHICS -PAR TAGS		142.00
80801	12/13/22	Printed	FRESNO COUNTY SHERIFF	PRISONER PROCESSING 7/1/22-9/30/22		1,148.70
80802	12/13/22	Printed	FRESNO ECONOMIC OPPORTUNITIES	SENIOR MEALS -OCTOBER 2022		3,403.83
80803	12/13/22	Printed	FRESNO OXYGEN	OXYGEN RENTALS		127.60
80804	12/13/22	Printed	GCS ENVIRONMENTAL EQUIPMENT	AUTO PARTS		235.95
80805	12/13/22	Printed	GOLDEN STATE EMERGENCY	PUSH/PULL ROD -FD		3,156.56
80806	12/13/22	Printed	HEALTHEDGE ADMINISTRATORS INC.	DENTAL CLAIMS 11/9/22		1,241.30
80807	12/13/22	Printed	HEALTHEDGE ADMINISTRATORS INC.	DENTAL CLAIMS 11/16/22		1,737.60
80808	12/13/22	Printed	HEALTHEDGE ADMINISTRATORS INC.	DENTAL CLAIMS 11/23/22		1,897.50
80809	12/13/22	Printed	HEALTHEDGE ADMINISTRATORS INC.	DENTAL CLAIMS		1,370.70
80810	12/13/22	Printed	HEALTHEDGE ADMINISTRATORS INC.	DENTAL CLAIMS 12/7/22		575.20
80811	12/13/22	Printed	HEALTHEDGE ADMINISTRATORS INC.	ADMINISTRATIVE FEES -DEC 2022		882.31
80812	12/13/22	Printed	HEALTHEDGE ADMINISTRATORS INC.	ADMINISTRATIVE FEES -JAN 2023		944.01
80813	12/13/22	Printed	LAUREN HEARD	OEDIPUS EL REY COSTUME REIMB.		715.70
80814	12/13/22	Printed	HENRY SCHEIN INC.	MEDICAL SUPPLIES		695.53
80815	12/13/22	Printed	VANESSA M. HERRERA	REIMBURSEMENT FOR A RETURN, CALPELRA PER DIEM 11/14-11/18/22		325.11
80816	12/13/22	Printed	JUSTIN HILL	AERIAL ASSESSMENT OF APPARATUS		277.50
80817	12/13/22	Printed	SAMANTHA JESSICA HILL	STAGE MANAGER FOR CAMP ROCK		200.00
80818	12/13/22	Printed	INDUSTRIAL SAFETY LLC	GLOVES, EAR PLUGS -PW		203.00
80819	12/13/22	Printed	IRG MASTER HOLDINGS, LLC	CENTRAL VALLEY TRAINING CENTER DECEMBER RENT & 9/26-10/25/22 UTILITIES	R	13,163.60
80820	12/13/22	Printed	KINGS INDUSTRIAL OCCUPATION	PRE-EMPLOYMENT PHYSICALS		2,207.73
80821	12/13/22	Printed	KOSMONT & ASSOCIATES INC	INFRASTRUCTURE & FINANCING ANALYSIS -OCT 2022		1,092.00
80822	12/13/22	Printed	LIFE-ASSIST INC.	MEDICAL SUPPLIES		1,539.26
80823	12/13/22	Printed	MAVERICK DATA SYSTEMS	WARRANT BUILDER PRO		3,127.43
80824	12/13/22	Printed	MEDLINE INDUSTRIES, INC.	MEDICAL SUPPLIES		387.01
80825	12/13/22	Printed	MICHAEL BALLIET CONSULTING LLC	NEGOTIATE ITERIM RATES & AGREEMENT, SB 1383 COMPLIANCE CONSUTING, PROJECT MANAGEMENT		2,801.25
80826	12/13/22	Printed	JANINE D MINAMI / AMI CONCEPTS	BUSINESS IMPROVEMENT DISTRICT		6,450.00
80827	12/13/22	Printed	MUNICIPAL EMERGENCY SERVICES	WILDLAND JACKETS		1,363.20
80828	12/13/22	Printed	ODELL PLANNING & RESEARCH, INC	SELMA GROVE EIR ADDENDUM PLANNING SERVICES	R	389.35
80829	12/13/22	Void		Void Check		0.00
80830	12/13/22	Void		Void Check		0.00
80831	12/13/22	Void		Void Check		0.00
80832	12/13/22	Printed	ODP BUSINESS SOLUTIONS LLC	OFFICE SUPPLIES		7,841.48
80833	12/13/22	Printed	PAUL JACOBS CONSTRUCTION INC	BOARD UP 2643 B ST	R	3,837.05
80834	12/13/22	Printed	PG&E	UTILITIES -DECEMBER 2022		3,728.90
80835	12/13/22	Printed	PG&E	UTILITIES -NOVEMBER 2022		185.99

CHECK REGISTER REPORT

CHECK NUMBER	CHECK DATE	STATUS	VENDOR NAME	CHECK DESCRIPTION	CATEGORY	AMOUNT
80836	12/13/22	Printed	PITNEY BOWES GLOBAL FINANCIAL	POSTAGE MACHINE LEASE -PD 12/16/22-3/15/22		276.53
80837	12/13/22	Printed	PLACER TITLE COMPANY	TITLE REPORTS -DINUBA/MCCALL		3,200.00
80838	12/13/22	Printed	RAY MORGAN COMPANY INC	STAPLES FOR COPY MACHINE, LASERFICHE RENEWAL 2/22-2/21/24		2,472.77
80839	12/13/22	Printed	JOYCE RIBA / EVIDENCE MANAGEMENT FOR LAW ENFORCEMENT	BASIC & SUPERVISORS EVIDENCE MANAGEMENT		355.00
80840	12/13/22	Printed	DANIEL ANTHONY RIVAS	ACLS CLASS REIMBURSEMENT		110.00
80841	12/13/22	Printed	ALBERT PEREZ RODRIGUEZ / 4 SEASONS LAWN SERVICE	SHAFER PARK PONDING BASIN CLEAN UP		2,900.00
80842	12/13/22	Printed	SANTA MARIA CALIFORNIA NEWS	PH -CUP BILLBOARD		150.14
80843	12/13/22	Printed	SECOND CHANCE ANIMAL SHELTER	MONTHLY SUPPORT DECEMBER 2022		8,163.57
80844	12/13/22	Printed	SECOND CHANCE ANIMAL SHELTER	MONTHLY SUPPORT -JANUARY 2023		8,163.57
80845	12/13/22	Printed	SELMA UNIFIED SCHOOL DISTRICT	FUEL -SEPTEMBER 2022		26,792.12
80846	12/13/22	Printed	SPARKLETTS	WATER SERVICE -CVTC	R	52.48
80847	12/13/22	Printed	SPARKLETTS	WATER SERVICE -CVTC	R	39.99
80848	12/13/22	Printed	STATE WATER RESOURCES	ANNUAL PERMIT FEE 7/1-6/30/23		10,602.00
80849	12/13/22	Printed	STERICYCLE, INC.	STERI-SAFE OSHA COMPLIANCE DECEMBER 2022		189.28
80850	12/13/22	Printed	STERLING CODIFIERS INC.	2023 HOSTING FEE		500.00
80851	12/13/22	Printed	KATHERINE L. STILWELL / MINDFUL CREATIONS	WILDLAND JACKET GRAPHICS		161.97
80852	12/13/22	Printed	STRATEGIC MECHANICAL	SHEET METAL PANELS -NEW PD		1,570.00
80853	12/13/22	Printed	STRYKER SALES CORPORATION	AMBULANCE EQUIPMENT		4,145.48
80854	12/13/22	Printed	SUNBELT RENTALS	ELECTRIC MANLIFT RENTAL		778.70
80855	12/13/22	Printed	SURVEILLANCE INTEGRATION INC.	CITY CAMERA MAINTENANCE		14,362.89
80856	12/13/22	Printed	THE MOWER'S EDGE INC.	POWER TRIM REPAIR		638.24
80857	12/13/22	Printed	THOMAS PARTITIONS & SPECIALTIES INC	50% DEPOSIT -NEW PARTITIONS INSTALLATION -SHAFER		6,078.50
80858	12/13/22	Printed	U.S. BANK EQUIPMENT FINANCE	COPY MACHINE LEASE -DEC 2022		2,011.40
80859	12/13/22	Printed	JOHN VALVERDE / VALVERDE TILE	VINYL PLANK FLOORING-CITY HALL		14,455.29
80860	12/13/22	Printed	VERIZON	VEHICLE TRACKING -NOV 2022		94.75
80861	12/13/22	Printed	VIDEO INSPECTION SPECIALISTS	VIDEO INSPECTION OF PUMP -ROSE AVE		1,500.00
80862	12/13/22	Printed	VINCENT COMMUNICATIONS INC	RADIO REPAIRS		303.73
80863	12/13/22	Printed	WASTE MANAGEMENT-USA WASTE	GARBAGE -NOVEMBER 2022		136,050.94
80864	12/13/22	Void		Void Check		0.00
80865	12/13/22	Void		Void Check		0.00
80866	12/13/22	Printed	YAMABE & HORN ENGINEERING, INC	ENGINEERING SERVICES -OCTOBER 2022	PARTIAL R	77,974.01
80867	12/15/22	Printed	DATAPATH LLC	NETCARE/ON SITE SUPPORT DECEMBER 2022		9,877.00
80868	12/15/22	Printed	ANNA MULDERRIG	SENIOR TRIP -ROGER ROCKA		2,145.00
80869	12/15/22	Printed	UMPQUA BANK	OPEN DEPOSIT ACCOUNT		4,000,000.00
80870	01/05/23	Printed	ADVENTIST HEALTH TULARE	BLOOD/ALCOHOL ANALYSIS -PD		437.00
80871	01/05/23	Printed	NICOLETTE ANDERSEN	ELF JR SNACK BAR SUPPLIES REIMB.		308.95
80872	01/05/23	Printed	ANDERSON STRIPING & CONSTRUCTION INC	STREET STRIPING -HIGHLAND AVE FROM FLORAL TO NELSON		6,267.00
80873	01/05/23	Printed	APPLIED CONCEPTS, INC.	RADAR REPAIRS		553.26
80874	01/05/23	Printed	AT&T	TELEPHONE -DECEMBER 2022		30.11
80875	01/05/23	Printed	AT&T	INTERNET SERVICE -WEED & SEED 12/11/22-1/10/23		84.89
80876	01/05/23	Printed	AT&T	PD FIRE ALARM		247.88
80877	01/05/23	Printed	AT&T	TELEPHONE 11/12/22-12/11/22		52.18
80878	01/05/23	Printed	AT&T	TELEPHONE 11/12/22-12/11/22		95.67
80879	01/05/23	Printed	AT&T MOBILITY	TELEPHONE-MDT'S 11/12-12/11/22		1,794.19
80880	01/05/23	Printed	BANNER PEST CONTROL INC	PEST CONTROL -DECEMBER 2022		456.00
80881	01/05/23	Printed	BAUER COMPRESSORS INC.	REGULATOR REBUILD -FD		2,099.36
80882	01/05/23	Printed	JAY WESLEY BROCK / TOP DOG TRAINING CENTER	K9 MAINTENANCE 12/5/22		180.00
80883	01/05/23	Printed	BROWN'S DOCK & DOOR, INC.	COILING FIRE DOOR INSPECTION CITY HALL		830.00
80884	01/05/23	Printed	ALYSSA BRIANNA BURGOS	STAGE MANAGER FOR PIPPIN		200.00
80885	01/05/23	Printed	CECILIA REYNA CANTU	MAKEUP FOR OEDIPUS EL REY		150.00
80886	01/05/23	Printed	CASTELLANOS SERVICES	PRUNE CHINESE ELM TREES-SHAFER		3,500.00
80887	01/05/23	Printed	CENTRAL SANITARY SUPPLY	JANITORIAL SUPPLIES		977.59
80888	01/05/23	Printed	CISCO SYSTEMS CAPITAL CRP	LEASE-PHONE SYSTEM/BACKUP		1,375.84
80889	01/05/23	Printed	COLLEGE OF THE SEQUOIAS	PERISHABLE SKILLS TRAINING 12/7/22-12/9/22	R	480.00
80890	01/05/23	Printed	COMCAST	INTERNET SERVICE -DEC 2022		821.45
80891	01/05/23	Printed	COMCAST	PD TO FCSO -NOV 2022		182.91
80892	01/05/23	Printed	COMCAST	INTERNET SERVICE -AMBULANCE 1231 ROSE AVE		205.75
80893	01/05/23	Printed	CONSOLIDATED ELECTRICAL	12" LED LIGHT -PD BOOKING CELL		861.38
80894	01/05/23	Printed	RODOLFO ROBLES CRUZ	DIRECTION & MANAGEMENT OEDIPUS EL REY		300.00
80895	01/05/23	Printed	CSJVRMA	2022/2023 3rd QTR DEPOSIT		299,670.00
80896	01/05/23	Printed	DATA TICKET, INC.	PARKING CITATION PROCESSING NOVEMBER 2022		200.00
80897	01/05/23	Printed	DEPARTMENT OF JUSTICE	FINGERPRINTS -NOVEMBER 2022		228.00
80898	01/05/23	Printed	DANIEL DIAZ	ACLS RENEWAL		160.00
80899	01/05/23	Printed	EMPLOYMENT DEVELOPMENT DEPT.	UNEMPLOYMENT 7/1/22-9/30/22		9,784.00
80900	01/05/23	Printed	JARED ESSMAN	REIMBURSEMENT FOR PICTURE FRAMES		61.23
80901	01/05/23	Printed	JAVIER EVARISTO	REPAIRED ROLL UP DOOR -FLEET		335.00
80902	01/05/23	Printed	FEDEX	EXPEDITED CHECK TO UMPQUA BANK		73.76
80903	01/05/23	Printed	FINANCIAL PACIFIC LEASING	February 6, 2023 Council Agenda Packet		11,020.93

CHECK REGISTER REPORT

CHECK NUMBER	CHECK DATE	STATUS	VENDOR NAME	CHECK DESCRIPTION	CATEGORY	AMOUNT
80904	01/05/23	Printed	FRESNO COUNTY SHERIFF	RMS/JMS/CAD ACCESS FEES NOVEMBER 2022		489.74
80905	01/05/23	Printed	FRESNO OXYGEN	OXYGEN RENTALS		474.16
80906	01/05/23	Printed	FRESNO ROOFING CO.	BAGS OF DOLOMARK FOR SOFTBALL FIELDS		593.67
80907	01/05/23	Printed	ERICK GALARZA	FIRE TRAINING PER DIEM 12/8/22-12/9/22		100.00
80908	01/05/23	Printed	GEIL ENTERPRISES INC	JANITORIAL SERVICES -DEC 2022		4,327.00
80909	01/05/23	Printed	GOLDEN STATE EMERGENCY	VALVE CONVERSION KIT		1,540.47
80910	01/05/23	Printed	HEALTHEDGE ADMINISTRATORS INC.	DENTAL CLAIMS 12/14/22		1,822.60
80911	01/05/23	Printed	HEALTHEDGE ADMINISTRATORS INC.	DENTAL CLAIMS 12/21/22		623.00
80912	01/05/23	Printed	HEALTHEDGE ADMINISTRATORS INC.	DENTAL CLAIMS 12/28/22		1,505.97
80913	01/05/23	Printed	HEALTHWISE SERVICES, LLC.	MEDICAL WASTE SERVICE -PD		173.75
80914	01/05/23	Printed	HENRY SCHEIN INC.	MEDICAL SUPPLIES		1,624.73
80915	01/05/23	Printed	HINDERLITER DE LLAMAS & ASSOCIATES	SALES TAX Q2/2022		1,213.62
80916	01/05/23	Printed	IMAGETREND INC.	EPCR SOFTWARE -NOVEMBER 2022		415.84
80917	01/05/23	Printed	INTERNATIONAL BUSINESS	ANNUAL SHIELD SUITE SUBSCRIPTION		4,700.00
80918	01/05/23	Printed	J'S COMMUNICATION INC.	SERVICE AGREEMENT -DEC 2022		446.00
80919	01/05/23	Printed	JAM SERVICES, INC.	ALUMINUM BACKPLATE -TRAFFIC SIGNALS		248.63
80920	01/05/23	Printed	JOHNSON CONTROLS SECURITY	ALARM SERVICES 1/1/23-3/31/23		4,018.50
80921	01/05/23	Printed	JORGENSEN & COMPANY	SAFETY HARNESS -TOUNGE BUCKLE		107.40
80922	01/05/23	Printed	KULJIT KAUR	SOUND DESIGN -OEDIPUS EL REY		200.00
80923	01/05/23	Printed	KOEFRAN INDUSTRIES, INC.	EMPTY ANIMAL CONTROL FREEZER		163.86
80924	01/05/23	Printed	HEATHER ELIZABETH LEMON	INTERPRETING SERVICES		300.00
80925	01/05/23	Printed	JOSE LUIS LEON JR / LEON'S COMPUTERS	IT SERVICES -ART CENTER		135.00
80926	01/05/23	Printed	LEXIPOL LLC	LE MANAGEMENT SERVICES		5,479.60
80927	01/05/23	Printed	LIFE-ASSIST INC.	MEDICAL SUPPLIES		607.74
80928	01/05/23	Printed	MEDLINE INDUSTRIES, INC.	MEDICAL SUPPLIES		1,540.00
80929	01/05/23	Printed	METRO UNIFORM	NAME PLATES FOR ENGINEERS		97.46
80930	01/05/23	Printed	MODESTO INDUSTRIAL ELECTRICAL	SENIOR CENTER GENERATOR	G	116,940.91
80931	01/05/23	Printed	DANIEL MURRIETA / PRINT THEORY	POLICE PATCHES W/ NEW LOGO		2,388.73
80932	01/05/23	Printed	ADRIAN OCEGUERA	FESTIVE STARS SUPPLIES REIMB.		126.45
80933	01/05/23	Printed	ODP BUSINESS SOLUTIONS LLC	OFFICE SUPPLIES		204.89
80934	01/05/23	Printed	PG&E	UTILITIES -DECEMBER 2022		232.89
80935	01/05/23	Printed	PG&E	UTILITIES -DECEMBER 2022		62.59
80936	01/05/23	Printed	PG&E	UTILITIES -DECEMBER 2022		32,180.24
80937	01/05/23	Printed	PG&E	UTILITIES -DECEMBER 2022		133.55
80938	01/05/23	Printed	PG&E	UTILITIES -DECEMBER 2022		17,547.98
80939	01/05/23	Printed	PG&E	UTILITIES -DECEMBER 2022		335.69
80940	01/05/23	Printed	PG&E	UTILITIES -DECEMBER 2022		14.02
80941	01/05/23	Printed	PITNEY BOWES INC.	RED INK CARTRIDGE		387.22
80942	01/05/23	Printed	DANIEL ROSALES	OEDIPUS EL REY STAGE MANAGEMENT		200.00
80943	01/05/23	Printed	SAN JOAQUIN VALLEY AIR	23/24 ANNUAL PERMITS		577.00
80944	01/05/23	Printed	SITEONE LANDSCAPE SUPPLY, LLC.	IRRIGATION SUPPLIES -PARKS		1,617.59
80945	01/05/23	Printed	SPARKLETT'S	WATER SERVICE -PD		178.40
80946	01/05/23	Printed	SUN LIFE	EMPLOYEE INSURANCE -DEC 22		4,673.86
80947	01/05/23	Printed	TEC GROUP INC.	HUMAN RESOURCES TECHNICIAN 12/4/22-12/18/22		4,629.26
80948	01/05/23	Printed	TELEFLEX LLC	MEDICAL SUPPLIES		1,472.21
80949	01/05/23	Printed	KELLI L TELLEZ	POSTAGE REIMB.		70.04
80950	01/05/23	Printed	THE DANCING SCHOOL	NUTCRACKER TICKETS REIMB.		7,500.00
80951	01/05/23	Printed	THOMAS J O'LAUGHLIN MD INC.	MEDICAL DIRECTOR JANUARY 2023		500.00
80952	01/05/23	Printed	TIFCO INDUSTRIES, INC.	DRIVE BITS,TAPE,DRILL SET -PW		450.43
TOTAL						5,222,572.26

Grant: G PD State Appropriation: PDSA (457) Reimbursement: R

WIRE/EFT						
01/23/23			STATE OF CA	IGT CY 2021		1,778,109.00
01/23/23			US BANK	2017 GENERAL OBLIGATION BOND		66,431.25

US BANK INVOICE FOR CALCARD CHARGES: 10/25/22-11/22/22

EMPLOYEE NAME	TRANSACTION DATE	VENDOR NAME	DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT
ALEJANDRO ALVAREZ	10/28/2022	DJI SERVICES	UAV REPAIR	100-2200-600.250.000	66.07
ALEJANDRO ALVAREZ	11/2/2022	NELSON'S ACE HARDWARE	CODE ENFORCEMENT SUPPLIES	100-2200-600.250.000	231.54
AMY SMART	11/15/2022	JH TACKET	EMPLOYEE ATTIRE	100-4100-600.400.000	430.37
AMY SMART	11/16/2022	WL	ODEPIUS -SNACK BAR SUPPLIES	605-4300-656.540.046	130.59
AMY SMART	11/17/2022	PHANTOM DYNAMICS	ODEPIUS -SET SUPPLIES HAZE JUICE	605-4300-656.540.046	84.75
AMY SMART	11/17/2022	THE HOME DEPOT	ODEPIUS -SET SUPPLIES	605-4300-656.540.046	68.73
AMY SMART	11/18/2022	MUSSON THEATRICAL	ODEPIUS -GELS FOR LIGHTS	605-4300-656.540.046	112.58
AMY SMART	11/21/2022	FASTSIGNS	ODEPIUS -LOBBY POSTER	605-4300-656.540.046	46.47
CALEB GARCIA	10/27/2022	CIRCLE K, FRESNO CA	FUEL-ACT	269-2100-600.257.000	89.67
CALEB GARCIA	11/7/2022	BAD BUDS, FRESNO CA	FUEL-ACT	269-2100-600.257.000	68.14
CALEB GARCIA	11/7/2022	NAPA AUTO STORE, FRESNO CA	EQUIPMENT-ACT	269-2100-600.350.000	265.45
CALEB GARCIA	11/8/2022	GRAND SIERRA RESORT, RENO NV	TRAINING-ACT	269-2100-610.915.000	115.40
CALEB GARCIA	11/12/2022	SHELL OIL, TRUCKEE CA	FUEL-ACT	269-2100-600.257.000	80.24
CALEB GARCIA	11/14/2022	CHEVRON, FRESNO CA	FUEL-ACT	269-2100-600.257.000	91.27
CALEB GARCIA	11/16/2022	SHELL OIL, FOWLER CA	FUEL-ACT	269-2100-600.257.000	83.48
CASSY FAIN	11/17/2022		POST TRAINING	100-2100-610.910.000	250.00
CITY OF SELMA FIRE QRT MST	10/27/2022	METRO UNIFORM	ENGINEER BUGLES	100-2525-600.250.000	42.09
CITY OF SELMA FIRE QRT MST	10/31/2022	SAMBROWNSHIELDS	ENGINEER SHIELDS	100-2525-600.250.000	288.00
CITY OF SELMA FIRE QRT MST	11/14/2022	THE HOME DEPOT	ROOF PROP-WOOD	295-2525-610.915.000	432.44
CITY OF SELMA FIRE QRT MST	11/18/2022	COSTCO	STATIONS WORKOUT SPEAKERS	100-2525-600.250.000	216.68
CITY OF SELMA STATION 1	10/26/2022	THE HOME DEPOT	RAGS FOR 10 HR	100-2525-600.250.000	81.29
CITY OF SELMA STATION 1	10/27/2022	WAL-MART	CLEANING SUPPLIES	100-2525-600.250.000	186.76
CITY OF SELMA STATION 1	10/31/2022	NAPA AUTO PARTS	SCREWS	100-2525-600.250.000	10.63
CITY OF SELMA STATION 1	11/3/2022	THE HOME DEPOT	HOOKS	100-2525-600.250.000	28.52
CITY OF SELMA STATION 1	11/4/2022	NAPA AUTO PARTS	RED PAINT MARKER	100-2525-600.250.000	7.58
CITY OF SELMA STATION 1	11/4/2022	NAPA AUTO PARTS	TRUE FUEL	100-2525-600.250.000	10.29
CITY OF SELMA STATION 1	11/11/2022	NELSONS ACE HARDWARE	CRUSHED ROCK	100-2525-600.250.000	86.78
CITY OF SELMA STATION 2	10/27/2022	MIRROR FINISH	WASH SUPPLIES FOR E110	100-2525-600.250.000	85.91
CITY OF SELMA STATION 2	10/27/2022	THE HOME DEPOT	STATION 2 REPAIR / TIMER	100-2525-600.250.000	88.30
CITY OF SELMA STATION 2	11/2/2022	THE HOME DEPOT	TRAINING PROP / LUMBER	295-2525-610.915.000	144.15
CITY OF SELMA STATION 2	11/2/2022	THE HOME DEPOT	TRAINING PROP / SCREWS	295-2525-610.915.000	58.19
CITY OF SELMA STATION 2	11/3/2022	THE HOME DEPOT	WHEELBARROW STATION 2	100-2525-600.250.000	161.63
CITY OF SELMA STATION 2	11/4/2022	THE HOME DEPOT	STATION 2 CONCRETE	100-2525-600.250.000	5.41
CITY OF SELMA STATION 2	11/6/2022	THE HOME DEPOT	STATION 2 REPAIR	100-2525-600.250.000	26.48
CITY OF SELMA STATION 2	11/8/2022	AMAZON	FILTER FOR ICE MACHINE	100-2525-600.250.000	28.22
CITY OF SELMA STATION 2	11/17/2022	WM SUPERCENTER	STATION 2 SUPPLIES (WATER, PAPER, BAGS)	100-2525-600.250.000	50.44
CITY OF SELMA TRAINING DIV	11/7/2022	MERCEDES BENZ OF FRESNO	GASKET	701-9200-600.256.000	28.52
CITY OF SELMA TRAINING DIV	11/16/2022	MONTEREY DOWNTOWN GARAGES	PARKING FOR HR CONVENTION	100-1400-610.915.000	6.00
CITY OF SELMA TRAINING DIV	11/16/2022	PORTOLA HOTEL AND SPA	PARKING FOR HR CONVENTION	100-1400-610.915.000	4.00
CITY OF SELMA TRAINING DIV	11/17/2022	MONTEREY DOWNTOWN GARAGES	PARKING FOR HR CONVENTION	100-1400-610.915.000	12.00
CITY OF SELMA TRAINING DIV	11/18/2022	CHEVRON	FUEL FOR TRAVEL TO HR CONVENTION	701-9200-600.257.000	28.90
CITY OF SELMA TRAINING DIV	11/18/2022	EMBASSY SUITS	HOTEL FOR HR CONVENTION	100-1400-610.915.000	693.84
EMS DIVISION 550	11/7/2022	MARATHON PETRO	FUEL	701-9200-600.257.000	102.06
EMS DIVISION 550	11/7/2022	CIRCLE K	FUEL	701-9200-600.257.000	44.98

US BANK INVOICE FOR CALCARD CHARGES: 10/25/22-11/22/22

EMPLOYEE NAME	TRANSACTION DATE	VENDOR NAME	DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT
EMS DIVISION 551	10/30/2022	THE HOME DEPOT	STATION CLEANING SUPPLIES	600-2600-600.250.000	152.19
EMS DIVISION 551	11/2/2022	CHEVRON	FUEL	701-9200-600.257.000	100.00
EMS DIVISION 552	10/25/2022	WAL-MART	WATER FOR STATION	600-2600-600.250.000	35.18
EMS DIVISION 552	10/28/2022	WAL-MART	SUPPLIES FOR STATION	600-2600-600.250.000	33.00
EMS DIVISION 552	11/1/2022	CIRCLE K	FUEL	701-9200-600.257.000	74.76
EMS DIVISION 552	11/1/2022	GRAPEVINE FOOD MARKET	FUEL	701-9200-600.257.000	114.74
EMS DIVISION 552	11/16/2022	THE HOME DEPOT	LED	600-2600-600.250.000	43.35
EMS DIVISION 552	11/22/2022	WAL-MART	WATER FOR STATION	600-2600-600.250.000	19.58
EMS DIVISION 553	11/3/2022	SHELL OIL	FUEL	701-9200-600.257.000	73.19
EMS DIVISION 553	11/12/2022	ARCO	FUEL	701-9200-600.257.000	68.21
EMS DIVISION 553	11/14/2022	AUTOZONE	CAR WASH SOAP	600-2600-600.250.000	15.71
EMS DIVISION 553	11/18/2022	SHELL OIL	FUEL	701-9200-600.257.000	86.17
EMS DIVISION 553	11/20/2022	ARCO	FUEL	701-9200-600.257.000	113.60
EMS DIVISION 553	11/22/2022	CHEVRON	FUEL	701-9200-600.257.000	88.11
FABIAN URESTI	11/3/2022	THE HOME DEPOT	STATION 2 EQUIPMENT & REPAIRS	600-6200-600.375.000	392.75
FABIAN URESTI	11/20/2022	AMAZON	EMS SUPPLIES	600-2600-600.280.000	65.05
FERNANDO MORAN	10/28/2022	MIRROR FINISH POLISHES	TIRE DRESSING/BRUSHES-PARKS	100-5300-600.250.000	53.15
FERNANDO MORAN	11/7/2022	NELSON'S ACE HARDWARE	PVC - PARKS	100-5300-600.250.000	18.02
FERNANDO MORAN	11/7/2022	NELSON'S ACE HARDWARE	PAINT BRUSH/POLISH/SCREWS	702-9300-600.250.000	63.99
FERNANDO MORAN	11/7/2022	THE HOME DEPOT	RUBBER HOSES -PARKS	100-5300-600.305.000	97.58
FERNANDO MORAN	11/15/2022	NELSON'S ACE HARDWARE	CUT KEYS	702-9300-600.250.000	9.73
FERNANDO MORAN	11/15/2022	NELSON'S ACE HARDWARE	KEY/KICK DOWN DOOR STOP	702-9300-600.250.000	19.48
FERNANDO MORAN	11/15/2022	NELSON'S ACE HARDWARE	CLAMPS - STREETS	210-5400-600.250.000	40.33
FERNANDO MORAN	11/15/2022	THE HOME DEPOT	FENCE TIES/HOG RINGS-STREETS	210-5400-600.250.000	86.89
FERNANDO MORAN	11/17/2022	THE HOME DEPOT	BYPASS LOPPERS-STREETS	210-5400-600.305.000	121.49
FERNANDO MORAN	11/21/2022	NELSON'S ACE HARDWARE	GOPHER BAIT/ZINC PHOSPHIDE-PARKS	100-5300-600.250.000	117.10
FERNANDO SANTILLAN	11/14/2022	NESPRESSO	OFFICE SUPPLIES; COFFEE	100-1300-600.250.000	104.50
FERNANDO SANTILLAN	11/15/2022	G'S RISTORANTE ITALIANO	RECRUITMENT LUNCH; ACCOUNTANT	100-1300-610.920.000	60.96
FERNANDO SANTILLAN	11/15/2022	LINKEDIN	MONTHLY SUBSCRIPTION	100-1300-610.900.000	139.99
FINANCE DEPT	10/24/2022	CALPELRA	CONFERENCE REGISTRATION -HERRERA	100-1400-610.915.000	1,090.00
GEORGE SIPIN	10/24/2022	ROMITA AUTO SERVICE	RESURFACE CYLINDER HEADS-RT#171	603-5500-600.400.000	3,000.00
GEORGE SIPIN	10/24/2022	ROMITA AUTO SERVICE	RESURFACE CYLINDER HEADS-RT#171	603-5500-600.400.000	3,200.00
GEORGE SIPIN	10/24/2022	ROMITA AUTO SERVICE	RESURFACE CYLINDER HEADS-RT#171	603-5500-600.400.000	1,951.58
GEORGE SIPIN	10/24/2022	O'REILLY'S	WATER PUMP, RADIATOR-RT#164	603-5500-600.256.000	569.03
GEORGE SIPIN	10/24/2022	TNT TOWING LLC	TOW RT#164-SANGER TO SELMA	603-5500-600.400.000	616.69
GEORGE SIPIN	10/24/2022	O'REILLY'S	BATTERIES-STOCK	603-5500-600.256.000	506.67
GEORGE SIPIN	10/26/2022	O'REILLY'S	ALTERNATORS-STOCK	603-5500-600.256.000	629.16
GEORGE SIPIN	10/26/2022	O'REILLY'S	BATTERIES, COOLANT CAPS-STOCK	603-5500-600.256.000	983.16
GEORGE SIPIN	10/27/2022	FRZ ELECTRICAL	RE-TAPPED TRANSFORMER SETTINGS	603-5500-600.400.000	321.31
GEORGE SIPIN	10/27/2022	O'REILLY'S	STARTER - STOCK	603-5500-600.256.000	84.94
GEORGE SIPIN	10/27/2022	WALMART	BREAKROOM/RESTROOM SUPPLIES	603-5500-600.250.000	119.27
GEORGE SIPIN	10/28/2022	O'REILLY'S	CORE RETURN	603-5500-600.256.000	(44.00)
GEORGE SIPIN	10/28/2022	TNT TOWING LLC	TOW RT#188-MAPLE AVE TO CHERRY AVE	603-5500-600.400.000	448.50
GEORGE SIPIN	11/2/2022	BASKIN AUTO UPHOLSTERY	REPAIR BUCKET SEATS-RT#147	603-5500-600.400.000	243.68
GEORGE SIPIN	11/2/2022	O'REILLY'S	BATTERIES - STOCK	603-5500-600.256.000	303.76
GEORGE SIPIN	11/3/2022	WALMART	BREAKROOM SUPPLIES	603-5500-600.250.000	52.21

US BANK INVOICE FOR CALCARD CHARGES: 10/25/22-11/22/22

EMPLOYEE NAME	TRANSACTION DATE	VENDOR NAME	DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT
GEORGE SIPIN	11/3/2022	O'REILLY'S	CAPSULES - STOCK	603-5500-600.256.000	40.66
GEORGE SIPIN	11/3/2022	O'REILLY'S	COP COILS, WIRE SET, LSR IRIIDIUMS-STOCK	603-5500-600.256.000	537.37
GEORGE SIPIN	11/3/2022	BLACKSTONE CHEVROLET	HEADLAMP-CREDIT	603-5500-600.256.000	(135.44)
GEORGE SIPIN	11/3/2022	BLACKSTONE CHEVROLET	HEADLAMP-CREDIT	603-5500-600.256.000	(270.88)
GEORGE SIPIN	11/4/2022	O'REILLY'S	COP COILS,WIRE SET,LSR IRIIDIUMS-STOCK	603-5500-600.256.000	537.37
GEORGE SIPIN	11/4/2022	SAFETY-KLEEN SYSTEMS, INC	PARTS WASHER SERVICE	603-5500-600.400.000	324.12
GEORGE SIPIN	11/7/2022	O'REILLY'S	THERMOSTAT,WATER PUMP,OIL PAN/GASKETS-STOCK	603-5500-600.256.000	469.96
GEORGE SIPIN	11/7/2022	O'REILLY'S	CVR GASKET-STOCK	603-5500-600.256.000	38.17
GEORGE SIPIN	11/9/2022	O'REILLY'S	SPANNER WRENCH	603-5500-600.305.000	123.64
GEORGE SIPIN	11/9/2022	O'REILLY'S	FILTERS, BATTERY-STOCK	603-5500-600.256.000	204.78
GEORGE SIPIN	11/9/2022	O'REILLY'S	WIPER BLADES-STOCK	603-5500-600.256.000	658.91
GEORGE SIPIN	11/10/2022	O'REILLY'S	INSULATORS - STOCK	603-5500-600.256.000	39.32
GEORGE SIPIN	11/10/2022	WALMART	BREAKROOM/RESTROOM SUPPLIES	603-5500-600.250.000	65.78
GEORGE SIPIN	11/10/2022	AMAZON	FORK EXTENSION FOR FORKLIFT	603-5500-600.250.000	175.57
GEORGE SIPIN	11/10/2022	AVS AIRBAG PARTS	AIR LIFT DOMINATOR BAGS-STOCK	603-5500-600.256.000	409.41
GEORGE SIPIN	11/10/2022	WALMART	PROPANE TANKS FOR SHOP HEATERS	603-5500-600.250.000	260.24
GEORGE SIPIN	11/11/2022	AMAZON	SHOP HEATERS	603-5500-600.250.000	417.31
GEORGE SIPIN	11/11/2022	AMAZON	SAFETY CAGE FOR FORKLIFT	603-5500-600.250.000	818.00
GEORGE SIPIN	11/11/2022	FLEETPRIDE	AIR BAGS FOR EL DORADO'S	603-5500-600.256.000	231.52
GEORGE SIPIN	11/16/2022	O'REILLY'S	FAN BELTS - STOCK	603-5500-600.256.000	1,159.60
GEORGE SIPIN	11/16/2022	O'REILLY'S	MINI TORCHES - STOCK	603-5500-600.305.000	108.42
GEORGE SIPIN	11/16/2022	O'REILLY'S	OIL FILTERS - STOCK	603-5500-600.256.000	65.35
GEORGE SIPIN	11/16/2022	TRUCKPRO LLC	BANDS, TERMINAL TOOL KITS, FILTER WRENCHES-STOCK	603-5500-600.256.000	90.55
GEORGE SIPIN	11/16/2022	NAPA AUTO PARTS	OIL FILTERS, FILTER WRENCH-STOCK	603-5500-600.256.000	316.16
GEORGE SIPIN	11/17/2022	BLACKSTONE CHEVROLET	HEADLAMPS -STOCK	603-5500-600.256.000	685.76
GEORGE SIPIN	11/17/2022	BLACKSTONE CHEVROLET	BOOSTER-STOCK	603-5500-600.256.000	791.29
GEORGE SIPIN	11/17/2022	OFFICE DEPOT	OFFICE SUPPLIES	603-5500-600.250.000	154.86
GEORGE SIPIN	11/18/2022	O'REILLY'S	MASTER CYLINDER, BRAKE FLUID	603-5500-600.256.000	159.74
GEORGE SIPIN	11/18/2022	O'REILLY'S	BLEEDER KIT-STOCK	603-5500-600.256.000	18.36
GEORGE SIPIN	11/18/2022	KINGSBURG SINCLAIR	PROPANE FOR SHOP HEATERS	603-5500-600.250.000	336.53
JASMIN BAINS	11/15/2022	CHILI'S SEASIDE CA	2023 CALPELRA CONFERENCE MEALS	100-1400-610.920.000	17.05
JASMIN BAINS	11/15/2022	CALPELRA	2023 CALPELRA CONFERENCE REGISTRATION	100-1400-610.920.000	1,140.00
JASMIN BAINS	11/15/2022	CALPELRA	2023 CALPELRA CONFERENCE REGISTRATION	100-1400-610.920.000	178.00
JASMIN BAINS	11/16/2022	MONTEREY DOWNTOWN GARAGES	2023 CALPELRA CONFERENCE PARKING	100-1400-610.920.000	7.00
JASMIN BAINS	11/16/2022	ROSINES RESTAURANT	2023 CALPELRA CONFERENCE MEALS	100-1400-610.920.000	26.16
JASMIN BAINS	11/16/2022	EMBASSY SUITES MONTEREY	2023 CALPELRA CONFERENCE LODGING	100-1400-610.920.000	338.83
JASMIN BAINS	11/18/2022	CALCITIES -LEAGUE OF CA CITIES	2023 LEAGUE OF CA CITIES FINANCE INSTITUTE REGISTRATION	100-1600-610.920.000	450.00
JESUS HERNANDEZ	10/24/2022	NELSON'S ACE HARDWARE	DUCT TAPE - BAND FESTIVAL	210-5400-600.250.000	52.02
JESUS HERNANDEZ	10/24/2022	THE HOME DEPOT	WINDOW BLINDS - NEW PD	702-9300-600.250.000	293.25
JESUS HERNANDEZ	10/24/2022	THE HOME DEPOT	FLOWERS - DOWNTOWN FLOWERBEDS	210-5400-600.250.000	154.59
JESUS HERNANDEZ	10/24/2022	THE HOME DEPOT	NIFTY NABBERS - TOOLS	210-5400-600.305.000	84.88
JESUS HERNANDEZ	10/24/2022	THE HOME DEPOT	HOSES	702-9300-600-250.000	171.75
JESUS HERNANDEZ	10/25/2022	NELSON'S ACE HARDWARE	WD40, STAPLES/STAPLE GUN	210-5400-600.250.000	51.69
JESUS HERNANDEZ	10/25/2022	NELSON'S ACE HARDWARE	DOOR KICK DOWN/DOOR STOP	702-9300-600.370.000	9.95

US BANK INVOICE FOR CALCARD CHARGES: 10/25/22-11/22/22

EMPLOYEE NAME	TRANSACTION DATE	VENDOR NAME	DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT
JESUS HERNANDEZ	10/26/2022	NELSON'S ACE HARDWARE	CUT KEY, WASHERS, COUPLERS	702-9300-600.250.000	80.18
JESUS HERNANDEZ	10/26/2022	NELSON'S ACE HARDWARE	SPRAY GLUE - BAND FESTIVAL	210-5400-600.250.000	42.06
JESUS HERNANDEZ	10/26/2022	THE HOME DEPOT	ROPE, EXTENSION CORD-BAND FESTIVAL	210-5400-600.250.000	199.19
JESUS HERNANDEZ	10/27/2022	NELSON'S ACE HARDWARE	CUT KEY, SPRAY PAINT	210-5400-600.250.000	14.61
JESUS HERNANDEZ	11/2/2022	NELSON'S ACE HARDWARE	MASONRY CUP WHEEL/GLOVES	210-5400-600.305.000	126.89
JESUS HERNANDEZ	11/2/2022	THE HOME DEPOT	4' STEP LADDER	702-9300-600.305.000	103.02
JESUS HERNANDEZ	11/2/2022	THE HOME DEPOT	REPAIR SUPPLIES-HOSE MENDER, WALLPLATES,HOSE-SENIOR CENTER	702-9300-600.370.000	109.33
JESUS HERNANDEZ	11/2/2022	THE HOME DEPOT	FOGGER, WASP/HORNET-RESTROOMS	702-9300-600.250.000	45.40
JESUS HERNANDEZ	11/2/2022	THE HOME DEPOT	REPAIR SUPPLIES-LIQUID NAILS, TILE DIVIDER, WALL PANEL-SENIOR CENTER	702-9300-600.370.000	76.06
JESUS HERNANDEZ	11/3/2022	GLOBAL INDUSTRIAL	ELKAY DRINKING/BOTTLE FILLING STATION-ART'S CENTER	702-9300-600.250.000	1,314.40
JESUS HERNANDEZ	11/3/2022	ULINE	PICNIC TABLE - NEW PD	702-9300-600.250.000	1,164.72
JESUS HERNANDEZ	11/5/2022	TRACTOR SUPPLY CO	TORCH KIT	210-5400-600.305.000	70.17
JESUS HERNANDEZ	11/8/2022	NELSON'S ACE HARDWARE	LED BULBS, PLUG STRIP, LAMPHOLDER	702-9300-600.250.000	97.29
JESUS HERNANDEZ	11/8/2022	NELSON'S ACE HARDWARE	PADLOCKS	210-5400-600.250.000	66.34
JESUS HERNANDEZ	11/9/2022	VULCAN	5 TONS COLD MIX	210-5400-600.250.000	538.02
JESUS HERNANDEZ	11/9/2022	NELSON'S ACE HARDWARE	REPAIR SUPPLIES-HARDWARE, EXT CORD, CABLE TIES-BABE RUTH STORAGE	702-9300-600.370.000	53.45
JESUS HERNANDEZ	11/9/2022	CAMACHO TIRES	TIRES FOR BERRY PARK TEETER TOTTER	100-5300-600.250.000	330.00
JESUS HERNANDEZ	11/9/2022	THE HOME DEPOT	REPLACE MOTION SENSORS- BABE RUTH	702-9300-600.250.000	84.55
JESUS HERNANDEZ	11/9/2022	THE HOME DEPOT	AVIATION SNIPS	702-9300-600.305.000	12.98
JESUS HERNANDEZ	11/9/2022	THE HOME DEPOT	DUAL COLOR HEADLAMP	702-9300-600.250.000	37.61
JESUS HERNANDEZ	11/14/2022	NELSON'S ACE HARDWARE	HARDWARE, MOTION LIGHT-BERRY PARK	702-9300-600.250.000	44.40
JESUS HERNANDEZ	11/14/2022	NELSON'S ACE HARDWARE	HARDWARE, PIPE INSULATION, VALVE-BRENTLINGER RESTROOMS	702-9300-600.250.000	59.90
JESUS HERNANDEZ	11/14/2022	NELSON'S ACE HARDWARE	SNAP ENDBOLT IRON-VETERAN'S PLAZA	100-5300-600.250.000	25.99
JESUS HERNANDEZ	11/14/2022	NELSON'S ACE HARDWARE	CUT KEYS - ART'S CENTER	702-9300-600.250.000	16.22
JESUS HERNANDEZ	11/14/2022	NELSON'S ACE HARDWARE	PROPANE TANK -STREETS	210-5400-600.250.000	65.08
JESUS HERNANDEZ	11/17/2022	THE HOME DEPOT	4.5/5 GRINDER	210-5400-600.305.000	194.17
JESUS HERNANDEZ	11/20/2022	O'REILLY AUTO PARTS	BATTERY CHARGER FOR FLASHING CROSSWALKS	210-5400-600.305.000	73.41
JESUS HERNANDEZ	11/21/2022	NELSON'S ACE HARDWARE	REPAIRS SUPPLIES - BRENTLINGER SNACK BAR	702-9300-600.370.000	47.81
JESUS HERNANDEZ	11/21/2022	NELSON'S ACE HARDWARE	EXTENSION CORD - SENIOR CENTER	702-9300-600.250.000	69.14
JESUS HERNANDEZ	11/21/2022	NELSON'S ACE HARDWARE	RUBBING ALCOHOL, FOAM TAPE-CITY HALL	702-9300-600.250.000	20.79
JESUS HERNANDEZ	11/21/2022	NELSON'S ACE HARDWARE	HANGER D RING- NEW PD	702-9300-600.250.000	4.98
JESUS HERNANDEZ	11/21/2022	NELSON'S ACE HARDWARE	CUT KEYS	702-9300-600.250.000	16.22
JOHNNIE CERDA	10/30/2022	FLORAL PLAZA SELMA	VEHICLE FUEL	701-9200-600.257.000	35.00
JOHNNIE CERDA	10/30/2022	FLORAL PLAZA SELMA	VEHICLE FUEL	701-9200-600.257.000	67.67
JOHNNIE CERDA	10/30/2022	FLORAL PLAZA SELMA	VEHICLE FUEL	701-9200-600.257.000	29.95
JOHNNIE CERDA	10/31/2022	Circle K	VEHICLE FUEL	701-9200-600.257.000	27.71
JOHNNIE CERDA	10/31/2022	CIRCLE K	VEHICLE FUEL	701-9200-600.257.000	60.00
JOHNNIE CERDA	11/2/2022	UNIFORMS AND ACCESSORIES	RAIN JACKETS	100-2200-600.250.000	203.36
JOHNNIE CERDA	11/3/2022	GALL'S	DUTY BELTS	100-2200-600.250.000	244.72
JUSTIN HOLT	10/31/2022	76 GAS STATION	GAS FOR UNIT 1002	701-9200-600.257.000	55.00
JUSTIN HOLT	10/31/2022	76 GAS STATION	GAS FOR UNIT 193	701-9200-600.257.000	71.27

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EMPLOYEE NAME	TRANSACTION DATE	VENDOR NAME	DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT
JUSTIN HOLT	10/31/2022	76 GAS STATION	GAS FOR UNIT 1000	701-9200-600.257.000	69.87
JUSTIN HOLT	10/31/2022	76 GAS STATION	GAS FOR UNIT 1003	701-9200-600.257.000	72.94
JUSTIN HOLT	11/4/2022	BEHAVIORAL ANALYSIS TRAINING	USE OF FORCE REPORT WRITING CLASS	100-2200-610.915.000	100.00
JUSTIN HOLT	11/9/2022	HILTON HOMES TO SUITES	HOTEL FOR TRAINING CLASS	100-2200-610.915.000	158.04
KELLI TELLEZ	11/17/2022	AMAZON	OFFICE SUPPLIES	100-1600-600.100.000	69.97
KELLI TELLEZ	11/17/2022	AMAZON	OFFICE SUPPLIES	100-1600-600.100.000	86.76
KELLI TELLEZ	11/20/2022	AMAZON	OFFICE SUPPLIES	100-1600-600.100.000	44.58
NESTOR GALVAN	10/24/2022	O'REILLY AUTO PARTS	STOP LIGHT- UNIT 180	701-9200-600-256.000	19.47
NESTOR GALVAN	10/24/2022	O'REILLY AUTO PARTS	FUEL CAP-UNIT 721	701-9200-600-256.000	19.36
NESTOR GALVAN	10/24/2022	FAST UNDERCAR	ENGINE MOUNT FOR UNIT 190	701-9200-600-256.000	306.35
NESTOR GALVAN	10/24/2022	CAMACHO TIRES	TIRE REPAIR & SERVICE- UNIT 1402	701-9200-600.255.000	80.00
NESTOR GALVAN	10/25/2022	O'REILLY AUTO PARTS	OIL & ANTIFREEZE- FLUID	701-9200-600.254.000	288.37
NESTOR GALVAN	10/25/2022	ASBURY ENVIRONMENTAL	OIL RECYCLING	701-9200-600.400.000	85.00
NESTOR GALVAN	10/25/2022	ASBURY ENVIRONMENTAL	OIL RECYCLING	701-9200-600.400.000	55.00
NESTOR GALVAN	10/25/2022	NELSON'S ACE HARDWARE	PLEATED HOSE, UNION NUT, ROPE GUIDE	701-9200-600.256.000	214.00
NESTOR GALVAN	10/26/2022	O'REILLY AUTO PARTS	BATTERY & BATTERY FEE - UNIT 804	701-9200-600.256.000	212.34
NESTOR GALVAN	10/26/2022	SAFETY KLEEN	OIL RECYCLING	701-9200-600.400.000	277.61
NESTOR GALVAN	10/26/2022	FAHRNEY BUICK GMC	DIAGNOSTICS CHECK UNIT 230	701-9200-600.457.000	370.00
NESTOR GALVAN	10/27/2022	NELSON'S ACE HARDWARE	STARTER CORD	701-9200-600.256.000	34.56
NESTOR GALVAN	10/27/2022	CAMACHO TIRES	NEW TUBE- UNIT 1402	701-9200-600.255.000	180.00
NESTOR GALVAN	10/28/2022	O'REILLY AUTO PARTS	FLOOR MATS	701-9200-600.256.000	27.11
NESTOR GALVAN	10/29/2022	CAMACHO TIRES	TIRE REPAIR & SERVICE- UNIT 1402	701-9200-600.255.000	140.00
NESTOR GALVAN	10/31/2022	FIRE APPARATUS SOLUTIONS	AUTO DRAIN - UNIT 8510	701-9200-600.256.000	207.55
NESTOR GALVAN	11/1/2022	O'REILLY AUTO PARTS	MOTOR OIL- UNIT 915	701-9200-600.254.000	19.49
NESTOR GALVAN	11/2/2022	NELSON'S ACE HARDWARE	SIDE ARM ASSEMBLY- UNIT 4415	701-9200-600.375.000	231.05
NESTOR GALVAN	11/2/2022	ISAAC'S AUTOMOTIVE	SMOG CHECK FOR FORD TAURUS	701-9200-600.457.000	51.75
NESTOR GALVAN	11/2/2022	FIRE APPARATUS SOLUTIONS	SCREEN INTAKE- UNIT 8510	701-9200-600.256.000	500.44
NESTOR GALVAN	11/3/2022	O'REILLY AUTO PARTS	LUBRICANT & BRAKE LUBE	701-9200-600.254.000	98.95
NESTOR GALVAN	11/3/2022	O'REILLY AUTO PARTS	TRANS FLUID- UNIT 8512	701-9200-600.254.000	110.51
NESTOR GALVAN	11/3/2022	O'REILLY AUTO PARTS	BATTERY & BATTERY FEE - UNIT 718	701-9200-600.256.000	139.44
NESTOR GALVAN	11/3/2022	SELMA LES SCHWAB	WHEEL SPIN BALANCE- UNIT 8562	701-9200-600.457.000	1,561.65
NESTOR GALVAN	11/3/2022	SELMA LES SCHWAB	WHEEL SPIN BALANCE- UNIT 8561	701-9200-600.457.000	1,561.65
NESTOR GALVAN	11/3/2022	CAMACHO TIRES	TIRE REPAIR & SERVICE- UNIT 196	701-9200-600.255.000	85.00
NESTOR GALVAN	11/3/2022	FIRE APPARATUS SOLUTIONS	KIT 2.5 AKR REPAIR- UNIT 8510	701-9200-600.256.000	306.78
NESTOR GALVAN	11/4/2022	NAPA AUTO PARTS	AIR FILTER, FUEL FILTER, OIL FILTER	701-9200-600.256.000	247.43
NESTOR GALVAN	11/4/2022	COLINS UPHOLSTERY	BUCKET SEAT BOTTOM- UNIT 8510	701-9200-600.375.000	435.61
NESTOR GALVAN	11/7/2022	TIFCO INDUSTRIES	MINI BLADE AUTO FUSE & CHEMICALS	701-9200-600.375.000	172.16
NESTOR GALVAN	11/7/2022	O'REILLY AUTO PARTS	BATTERY & BATTERY FEE- UNIT 1402	701-9200-600.256.000	151.88
NESTOR GALVAN	11/9/2022	O'REILLY AUTO PARTS	TRANS FLUID- UNIT 8510	701-9200-600.256.000	143.06
NESTOR GALVAN	11/9/2022	O'REILLY AUTO PARTS	TRANS MOUNT FOR POLICE CAR	701-9200-600.256.000	128.76
NESTOR GALVAN	11/9/2022	NELSON'S ACE HARDWARE	SPACER, SPINDLE, SCREW, NUT-FLANGE	701-9200-600.250.000	172.90
NESTOR GALVAN	11/9/2022	NELSON'S ACE HARDWARE	SEAL, OIL, KIT & REPLACE STATER -UNIT 3208	701-9200-600.250.000	261.17
NESTOR GALVAN	11/9/2022	NAPA AUTO PARTS	VACUUM GAUGE - SMALL TOOLS	701-9200-600.305.000	37.96
NESTOR GALVAN	11/9/2022	NAPA AUTO PARTS	TOGGLE SWITCH- UNIT 8510	701-9200-600.256.000	31.88
NESTOR GALVAN	11/9/2022	SWANSON FAHRNEY FORD	WIPER, FILTER FOR CHEVY IMPALA	701-9200-600.256.000	258.02
NESTOR GALVAN	11/9/2022	SWANSON FAHRNEY FORD	FILTER ASSEMBLY FOR FORD EXPLORER	701-9200-600.256.000	161.30

US BANK INVOICE FOR CALCARD CHARGES: 10/25/22-11/22/22

EMPLOYEE NAME	TRANSACTION DATE	VENDOR NAME	DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT
NESTOR GALVAN	11/9/2022	SWANSON FAHRNEY FORD	OIL & FILTER CHANGE FOR FORD EXPLORER	701-9200-600.457.000	1,029.43
NESTOR GALVAN	11/11/2022	FIRE APPARATUS SOLUTIONS	LED- UNIT 8512	701-9200-600.256.000	599.86
NESTOR GALVAN	11/14/2022	O'REILLY AUTO PARTS	BRAKE LUBE- PARTS	701-9200-600.256.000	52.05
NESTOR GALVAN	11/14/2022	CAMACHO TIRES	TIRES & TIRE DISPOSAL- UNIT 3205	701-9200-600.255.000	370.00
NESTOR GALVAN	11/14/2022	FIRE APPARATUS SOLUTIONS	LATCH LOCK, HANDLE- UNIT 8510	701-9200-600.256.000	123.35
NESTOR GALVAN	11/15/2022	O'REILLY AUTO PARTS	GASKETS- UNIT 226	701-9200-600.256.000	101.00
NESTOR GALVAN	11/15/2022	ARMANDO'S SMOG	SMOG CHECKS FOR CITY VEHICLES	701-9200-600.400.000	1,020.00
NESTOR GALVAN	11/15/2022	CAMACHO TIRES	TIRE INSTALL AND BALANCE- UNIT 1002	701-9200-600.255.000	90.00
NESTOR GALVAN	11/15/2022	NAPA AUTO PARTS	LED STOP LAMP- UNIT 8513	701-9200-600.400.000	144.53
NESTOR GALVAN	11/15/2022	SWANSON FAHRNEY FORD	OIL & FILTER CHANGE FOR FORD EXPLORER	701-9200-600.457.000	1,177.50
NESTOR GALVAN	11/16/2022	O'REILLY AUTO PARTS	GASKET RETURN- UNIT 226	701-9200-600.256.000	(14.75)
NESTOR GALVAN	11/16/2022	LIBERTY CHEVROLET	SEAL, LUBRICANT, PIPE- UNIT 226	701-9200-600.256.000	235.24
NESTOR GALVAN	11/16/2022	FIRE APPARATUS SOLUTIONS	HEAD MIRROR- UNIT 8512	701-9200-600.256.000	391.73
NESTOR GALVAN	11/17/2022	FAST UNDERCAR	BRAKE ROTORS- UNIT 1002	701-9200-600.256.000	698.47
NESTOR GALVAN	11/17/2022	FAST UNDERCAR	SEVERE DUTY PADS- UNIT 1002	701-9200-600.256.000	277.59
NESTOR GALVAN	11/17/2022	CAMACHO TIRES	TIRE INSTALL AND BALANCE- UNIT 194	701-9200-600.255.000	45.00
NESTOR GALVAN	11/17/2022	NAPA AUTO PARTS	OIL FILTER- UNIT 8508	701-9200-600.256.000	56.56
NESTOR GALVAN	11/17/2022	NAPA AUTO PARTS	ANCH SHACKLE- UNIT 1315	701-9200-600.256.000	12.97
NESTOR GALVAN	11/18/2022	A ECS	DPF CLEANING, REMOVE, INSTALL & RESET- UNIT 8562	701-9200-600.457.000	587.95
NESTOR GALVAN	11/18/2022	NAPA AUTO PARTS	HOSE CLAMP	701-9200-600.256.000	43.35
NESTOR GALVAN	11/18/2022	O'REILLY AUTO PARTS	HOSE CLAMP- UNIT 311	701-9200-600.256.000	3.31
NESTOR GALVAN	11/18/2022	O'REILLY AUTO PARTS	BATTERY & CORE CHARGE- UNIT 8562	701-9200-600.256.000	285.87
NESTOR GALVAN			ACCIDENTAL CHARGE- REIMBURSEMENT TO SHOW ON NEXT		
NESTOR GALVAN	11/18/2022	COLINS UPHOLSTERY	STATEMENT	701-9200-600.375.000	441.48
NESTOR GALVAN	11/21/2022	CAMACHO TIRES	TIRE REPAIR- FORKLIFT	701-9200-600.255.000	140.00
NICOLETTE ANDERSON	10/24/2022	THE UPS STORE	PIPPIN BACKDROP RETURN	605-4300-656.540.045	86.56
NICOLETTE ANDERSON	10/26/2022	AMAZON	CKP PARADE SUPPLIES	100-4300-600.250.000	75.92
NICOLETTE ANDERSON	10/26/2022	AMAZON	CKP PARADE SUPPLIES	100-4300-600.250.000	16.59
NICOLETTE ANDERSON	10/27/2022	SLACK	MARKETING PLATFORM FOR SAC	605-4300-600.400.000	74.37
NICOLETTE ANDERSON	10/27/2022	THE HOME DEPOT	OEDIPUS - SET SUPPLIES PAINT FOR FLOOR	605-4300-656.540.046	71.29
NICOLETTE ANDERSON	10/29/2022	AUTOZONE	CKP PARADE SUPPLIES- POWER CONVERTER	100-4300-600.250.000	35.95
NICOLETTE ANDERSON	11/1/2022	FOX DRUGS	SAC- HAND SOAP FOR BATHROOM	605-4300-600.250.000	2.72
NICOLETTE ANDERSON	11/2/2022	WALMART	SAC- FUNDRAISER CONCERT SNACK BAR SUPP	605-4300-600.250.000	34.04
NICOLETTE ANDERSON	11/2/2022	AMAZON	OEDIPUS - MAKEUP & COSTUME SUPPLIES	605-4300-656.540.046	91.12
NICOLETTE ANDERSON	11/2/2022	AMAZON	OEDIPUS - STAGE BLOOD FOR MAKEUP	605-4300-656.540.046	61.82
NICOLETTE ANDERSON	11/2/2022	MUSSON THEATER	OEDIPUS - GELS FOR LIGHTING	605-4300-656.540.046	33.90
NICOLETTE ANDERSON	11/4/2022	THEATRICAL RIGHTS WORLD	ONE YOUR FEET - DIGITAL PERUSAL	605-4300-600.400.000	7.00
NICOLETTE ANDERSON	11/4/2022	AMAZON	OEDIPUS - COSTUME SUPPLIES	605-4300-656.540.046	24.93
NICOLETTE ANDERSON	11/4/2022	AMAZON	OEDIPUS- COSTUME SUPPLIES	100-4300-600.400.000	231.36
NICOLETTE ANDERSON	11/4/2022	AMAZON	OEDIPUS - COSTUMES SUPPLIES	605-4300-656.540.046	154.00
NICOLETTE ANDERSON	11/4/2022	AMAZON	OEDIPUS- COSTUME SUPPLIES	605-4300-656.540.046	19.94
NICOLETTE ANDERSON	11/4/2022	THE HOME DEPOT	OEDIPUS - SET SUPPLIES PAINT	605-4300-656.540.046	203.25
NICOLETTE ANDERSON	11/4/2022	THE HOME DEPOT	OEDIPUS- SET SUPPLIES	605-4300-656.540.046	361.81
NICOLETTE ANDERSON	11/5/2022	THE HOME DEPOT	OEDIPUS- SET SUPPLIES	605-4300-656.540.046	321.06
NICOLETTE ANDERSON	11/6/2022	THE HOME DEPOT	OEDIPUS - SET SUPPLIES	605-4300-656.540.046	274.71
NICOLETTE ANDERSON	11/6/2022	THE HOME DEPOT	OEDIPUS - SET SUPPLIES	605-4300-656.540.046	121.32

US BANK INVOICE FOR CALCARD CHARGES: 10/25/22-11/22/22

EMPLOYEE NAME	DATE	VENDOR NAME	DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT
NICOLETTE ANDERSON	11/6/2022	THE HOME DEPOT	OEDIPUS - TOOL FOR SET	605-4300-656.540.046	15.45
NICOLETTE ANDERSON	11/7/2022	CROWN AWARDS	SACAS AWARDS FOR AWARD CEREMONY	605-4300-600.250.000	1,505.57
NICOLETTE ANDERSON	11/8/2022	BANNERBUZZ	SACAS AWARD CEREMONY- RED CARPET BANNER	605-4300-600.250.000	171.02
NICOLETTE ANDERSON	11/9/2022	AMAZON	OEDIPUS - COSTUME SUPPLIES	605-4300-656.540.046	74.79
NICOLETTE ANDERSON	11/9/2022	DOLLAR TREE	SACAS - DÉCOR SUPPLIES	605-4300-600.250.000	47.76
NICOLETTE ANDERSON	11/9/2022	AMAZON	OEDIPUS - COSTUME SUPPLIES	605-4300-656.540.046	91.08
NICOLETTE ANDERSON	11/10/2022	AMAZON PRIME	PRIME MEMBERSHIP	605-4300-600.400.000	16.26
NICOLETTE ANDERSON	11/10/2022	WALMART	SACAS - DÉCOR SUPPLIES	605-4300-600.250.000	112.86
NICOLETTE ANDERSON	11/10/2022	WALMART	SACAS- BAR & DINNER SUPPLIES	605-4300-600.250.000	154.61
NICOLETTE ANDERSON	11/10/2022	AMAZON	SACAS DINNER & DÉCOR SUPPLIES	605-4300-600.250.000	100.24
NICOLETTE ANDERSON	11/11/2022	AMAZON	SACAS - BAR, BATTERIES & DINNER SUPPLIES	605-4300-600.250.000	28.19
NICOLETTE ANDERSON	11/11/2022	AMAZON	SACAS- DINNER & DÉCOR SUPPLIES	605-4300-600.250.000	268.30
NICOLETTE ANDERSON	11/11/2022	VALERIE AZADIAN	EAT IT UP CATERING- SACAS	605-4300-600.400.000	2,133.85
NICOLETTE ANDERSON	11/11/2022	MICHAELS STORES	SACAS- DÉCOR SUPPLIES	605-4300-600.250.000	150.46
NICOLETTE ANDERSON	11/11/2022	PART CITY	SACAS- DÉCOR SUPPLIES	605-4300-600.250.000	86.66
NICOLETTE ANDERSON	11/12/2022	WALMART	SACAS DINNER & DÉCOR SUPPLIES	605-4300-600.250.000	183.00
NICOLETTE ANDERSON	11/16/2022	AMAZON	SACAS - DÉCOR RETURN	605-4300-600.250.000	(106.30)
NICOLETTE ANDERSON	11/16/2022	AMAZON	SACAS - DÉCOR RETURN	605-4300-600.250.000	(28.19)
NICOLETTE ANDERSON	10/25/2026	AMAZON	CKP PARADE SUPPLIES	100-4300-600-250.000	36.86
POLICE DEPT NO 1	10/26/2022	PETCO	K9 SUPPLIES	100-2200-600.250.000	161.59
POLICE DEPT NO 1	11/8/2022	AMAZON	K9 FOOD	100-2200-600.250.000	92.72
POLICE DEPT NO 1	11/16/2022	PET MEDICAL CENTER & SPA	K9 VACCINE /BOARDING	100-2200-600.250.000	262.00
POLICE DEPT NO 1	11/17/2022	PET MEDICAL CENTER & SPA	K9 VACCINE /BOARDING	100-2200-600.250.000	201.00
POLICE DEPT NO 2	11/9/2022	AMAZON	LECTROFAN/WHITE NOISE FILTER	100-2200-600.250.000	65.76
POLICE DEPT NO 2	11/17/2022	HOME DEPOT	TOOLS/EQUIPMENT/CODE ENFORCEMENT	100-2200-600.250.000	496.78
RECREATION DEPT	10/24/2022	EL MERCADO	WATERS FOR RESOURCE FAIR	805-0000-226.200.000	29.98
RECREATION DEPT	10/24/2022	DOLLAR TREE	TABLE CLOTHS FOR RESOURCE FAIR	805-0000-226.200.000	8.24
RECREATION DEPT	10/24/2022	WALMART	RESOURCE FAIR SUPPLIES	805-0000-226.200.000	229.32
RECREATION DEPT	10/25/2022	AMAZON	WITCHES HATS FOR PARADE	805-0000-226.200.000	17.56
RECREATION DEPT	10/26/2022	AMAZON	TRI-POD FOR PARADE	805-0000-226.200.000	24.40
RECREATION DEPT	10/26/2022	WALMART	SANDWICHES FOR SENIOR LUNCH	230-4500-600.250.800	200.00
RECREATION DEPT	10/26/2022	WALMART	SNACKS AND DRINKS FOR SENIOR CENTER	230-4500-600.250.800	111.10
RECREATION DEPT	10/27/2022	BEARS DEN	DONUTS FOR SENIORS	230-4500-600.250.800	33.28
RECREATION DEPT	10/27/2022	EL MERCADO	PLATES FOR SENIOR CENTER LUNCH	805-0000-226.200.000	6.50
RECREATION DEPT	10/29/2022	AMAZON	LIGHTS FOR SENIOR CENTER DANCE	805-0000-226.200.000	44.90
RECREATION DEPT	10/30/2022	WALMART	HALLOWEEN DANCE SUPPLIES	805-0000-226.200.000	57.14
RECREATION DEPT	10/30/2022	ROSA'S PIZZA	SENIOR CENTER LUNCH	230-4500-600.250.800	660.00
RECREATION DEPT	11/3/2022	AMAZON	REFUND FOR TRI-POD	805-0000-226.200.000	(24.40)
RECREATION DEPT	11/3/2022	WALMART	BREAKFAST ITEMS FOR SENIOR CENTER	230-4500-600.250.800	81.50
RECREATION DEPT	11/7/2022	WALMART	TOMATOES LETTUCE & PICKLES FOR SR. LUNCH	230-4500-600.250.800	17.09
RECREATION DEPT	11/7/2022	WALMART	POTATO SALAD FOR SENIOR LUNCH	230-4500-600.250.800	28.12
RECREATION DEPT	11/10/2022	ROSA'S PIZZA	SENIOR CENTER LUNCH	230-4500-600.250.800	420.00
RECREATION DEPT	11/14/2022	WALMART	BREAKFAST ITEMS FOR SENIOR CENTER	230-4500-600.250.800	177.74
RECREATION DEPT	11/14/2022	WALMART	SNACKS AND DRINKS FOR SENIOR CENTER	805-0000-226.200.000	89.17
RECREATION DEPT	11/14/2022	CLAY MIX	SLIP FOR CERAMICS	805-0000-226.200.000	30.12
RECREATION DEPT	11/14/2022	HOME DEPOT	LIGHTS FOR SENIOR CENTER BUILDING	805-0000-226.200.000	178.88

US BANK INVOICE FOR CALCARD CHARGES: 10/25/22-11/22/22

EMPLOYEE NAME	TRANSACTION DATE	VENDOR NAME	DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT
RECREATION DEPT	11/15/2022	G'S RISTORANTE ITALIANO	SENIOR CENTER LUNCH	230-4500-600.250.800	682.90
RECREATION DEPT	11/18/2022	PAYPAL - CPRS DISTRICT 7	RODEO & VENDOR'S FAIR	100-5300-610.915.000	270.00
RENE GARZA	10/19/2022	QUICK N HANDY GAS STATION	FUEL	701-9200-600.257.000	66.08
RENE GARZA	10/27/2022	SELMA STATION GAS	FUEL	701-9200-600.257.000	74.81
RENE GARZA	11/3/2022	CALNENA CONFERENCE	DISPATCH SUPERVISOR CONFERENCE	100-2100-610.915.000	625.00
RENE GARZA	11/10/2022	SAVE CENTER DELTA GAS STATION	FUEL (BACKGROUND IN PORTERVILLE CA)	701-9200-600.257.000	50.00
RENE GARZA	11/15/2022	EVIDENT INC	EVIDENCE SUPPLIES	100-2100-600.250.000	140.00
RENE GARZA	11/15/2022	EVIDENT INC	EVIDENCE SUPPLIES (SHIPPING)	100-2100-600.250.000	31.88
RENE GARZA	11/15/2022	CA PEACE OFFICERS ASSOC	TRAINING REG FOR RECORDS CLERK MALDONADO	100-2100-610.915.000	250.00
RENE GARZA	11/15/2022	CA PEACE OFFICERS ASSOC	TRAINING REG FOR RECORDS CLERK GALVAN	100-2100-610.915.000	250.00
REYNA RIVERA	10/26/2022	ZOOM	MONTHLY SUBSCRIPTION	100-1700-610.900.000	40.00
REYNA RIVERA	10/30/2022	CANVA	MONTHLY SUBSCRIPTION	100-1700-610.900.000	12.99
RICHARD FIGUEROA	10/26/2022	SIG SAUER	SIG SAUER (ARMOR CRSE) -FIGUEROA	100-2100-610.915.000	280.00
RICHARD FIGUEROA	10/26/2022	SIG SAUER	SIG SAUER (ARMOR CRSE) -CHACON	100-2100-610.915.000	280.00
RICHARD FIGUEROA	10/26/2022	BOOKING.COM	ROOM FOR TRAINING IN CAMARILLO FOR PMO CRSE	100-2100-610.915.000	740.28
RICHARD FIGUEROA	10/31/2022	WARRANT BUILDER	MAVERICK ACCOUNT FOR S.W. -FIGUEROA	100-2100-600.250.000	150.00
RICHARD FIGUEROA	11/15/2022	SHELL	FUEL (RETURN -TRAINING IN CAMARILLO)	701-9200.600.257.000	78.04
ROBERT TERRY	10/25/2022	AMERICAN PLANNING ASSOCIATION	ANNUAL MEMBERSHIP	100-3100-610.900.000	533.00
ROBERT TERRY	11/1/2022	HOME DEPOT	CVTC SUPPLIES	274-1600-600.250.000	427.88
ROBERT TERRY	11/8/2022	ADOBE	ADOBE CREATIVE CLOUD	100-3100-610.900.000	(14.13)
ROBERT TERRY	11/8/2022	ADOBE	ADOBE CREATIVE CLOUD	100-3100-610.900.000	599.88
ROBYN LEWIS	11/3/2022	AMAZON	THUMB DRIVES -DETECTIVES/BINS -DISPATCH	100-2200-600.250.000	101.57
ROBYN LEWIS	11/3/2022	AMAZON	SHELF -DISPATCH	100-2200-600.250.000	151.80
ROBYN LEWIS	11/17/2022	ANN'S DONUTS	ACTIVE SHOOTER TRAINING SNACKS	100-2300-600.250.000	59.96
RUDOLFO ALCARAZ	11/15/2022	SURF THRU	CAR WASH	100-2200-600.250.000	24.99
STEVEN MARES	11/15/2022	AMAZON	CHARGING BASES	100-2100-600.250.000	16.14
STEVEN MARES	11/15/2022	AMAZON	PHONE CHARGING CABLES	100-2100-600.250.000	77.76
TIFFANY FLORES	11/3/2022	STAPLES	SUPPLIES FOR MEETING	100-1300-600.250.000	42.89
TIFFANY FLORES	11/4/2022	KINGS RIVER GOLF & COUNTRY CLUB	OFF SITE EXEC MEETING LUNCH	100-1300-610.920.000	64.54
TIM CANNON	11/15/2022	METRO UNIFORM	UNIFORMS/OFFICER REVOLVING ACCT -CANNON	100-0000-123.010.000	114.72
					\$ 74,636.07

**CITY MANAGER’S/STAFF’S REPORT
COUNCIL MEETING DATE:**

February 6, 2023

ITEM NO: 5

SUBJECT: Second Reading, Public Hearing and Adoption of an Ordinance of the City of Selma Amending Section 1-13-1 of Title 1 of the Selma Municipal Code Relating to the City’s Purchasing System and Deleting Sections 1-13-2 through 1-13-10 of Title 1 of the Selma Municipal Code and Resolution Approving the Finance Purchasing Division Purchasing and Contract Procedures

BACKGROUND: The City’s purchasing system is currently located under Title 1, Chapter 13 of the Municipal Code, and has not been updated for some time (in some cases, dating back to the 1970s). During the January 17, 2023, Council meeting, Council approved the first reading of the Ordinance and set the public hearing. The public hearing notice was published in the Selma Enterprise on January 25, 2023.

DISCUSSION: Staff is proposing that the current ordinance be rescinded and replaced with a provision in the ordinance that allows the purchasing policy to be adopted by resolution. This will allow the purchasing policy to be revised and updated, as needed, by resolution without having to amend the Municipal Code. Significant changes between the existing ordinance and the proposed purchasing policy are included below:

Existing Ordinance	Proposed Ordinance
Adoption of policies and procedures governing bidding regulations and City purchases of supplies and services required by Gov. Code §54202.	Requires the City’s Purchasing Officer to develop Purchasing Procedures
Bidding (Section 1-13is -5) only required for purchases of over \$5,000 or when there is only one vendor available	To provide greater clarity, this section was ion replaced with formal and informal bid procedures and open market procedures as discussed below
Formal contract procedures for purchases and contracts in excess of \$15,000	Increases the threshold for formal bid procedures to more than \$25,000 for purchases of supplies, materials, non-professional services, and equipment
No informal bid procedures	Establishes informal bid procedures for purchases of supplies, materials, non-professional services, and equipment for purchases estimated in value between \$5,000 and \$25,000
Allows for open market procurement of supplies and equipment with an estimated value of \$15,000 or less. However, open	Allows for purchases of supplies, materials, services, and equipment estimated in value to be less than \$5,000 to be made in the open market without informal bids or quotes,

market procurement is anything of than formal bidding.	subject, to fair, just and equitable terms and conditions of purchase.
Requires purchases of supplies and equipment by purchase order only.	Requires purchase orders only for purchases of supplies and equipment in excess of \$5,000
No provision for purchases through cooperative purchase contracts	Allows for purchases through cooperative purchases contracts wherein a contract has been negotiated by another governmental agency, providing it is in the best interest of the City and has been awarded through a competitive bidding process
No provision for the disposal of surplus supplies and equipment	Gives the City the authority to dispose of surplus supplies and equipment
No provision for Contracts for Professional Services	Adds a section for Contracts for Professional Services to establish guidelines for procuring professional services as distinct from guidelines for purchase of supplies, materials, non-professional services, and equipment
No provision for Exceptions to Bidding and Purchasing Requirements	Adds Section for Exceptions to Bidding and Purchasing Requirements to include (a) emergency purchases, and (b) sole source purchases
No provision for Conflicts of Interest	Adds Section for Conflicts of Interest in Contracts which voids any contract for goods, labor or services or sale of City property in which any officer or employee has an interest
No provision for Interference with Bidders	Adds Section for Interference with or Misleading Bidders Prohibited which prohibits an officer or employee of the City from assisting bidders in securing a contract
No provision for Acceptance of Gifts by City Employees	Adds Section for Acceptance of Gifts by City Employees Prohibited which prohibits officers or employees of the City from accepting gifts which are intended as a reward to inducement for conducting business
No Provision for Local Small Business Preference	Adds Section for Application of Local Small Business Preference which provides guidelines for small business preference that can be applied to all purchases
No Provision for Severability	Adds Section for Severability, which states that should any section of the chapter be held to be invalid, such a decision does not affect the validity of remaining sections.

No Provision for Local Assistance Procedures Manual (LAPM) and Uniform Guidance	Included as Exhibits to satisfy State requirements
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The resolution approving the Finance Purchasing Division Purchasing and Contract Procedures are included for Council consideration.

Exhibit A provides a Purchasing Policy guide utilizing a flow chart to help guide through the various steps included within the Purchasing Policy in depth.

FISCAL IMPACT: There is no fiscal impact with the introduction of the revision to this ordinance, as all future fiscal impacts will be brought to the City Council. The implementation of this policy allows City Staff to better meet the needs of the City of Selma in an efficient manner.

RECOMMENDATION: Conduct Public Hearing, Waive Second Reading and adopt an Ordinance of the City of Selma Amending Section 1-13-1 of Title 1 of the Selma Municipal Code Relating to the City’s Purchasing System and Deleting Sections 1-13-2 through 1-13-10 of the Title 1 of the Selma Municipal Code and Adopt Resolution approving the Finance Purchasing Division Purchasing and Contract Procedures.

_____/s/
 Jasmin Bains
 Deputy City Manager

January 17, 2023
 Date

_____/s/
 Fernando Santillan
 City Manager

January 17, 2023
 Date

Attachments:

1. Proposed Ordinance: Purchasing Policy
2. Purchasing Policy
3. Purchasing Procedure Flowchart
4. Resolution Approving Purchasing Policy

ORDINANCE NO. 2023-_____
AN ORDINANCE OF THE CITY OF SELMA AMENDING SECTION 1-13-1 OF
TITLE I OF THE SELMA MUNICIPAL CODE RELATING TO THE CITY'S
PURCHASING SYSTEM AND DELETING SECTIONS 1-13-2 THROUGH 1-13-10
OF THE TITLE 1 OF THE SELMA MUNICIPAL CODE

THE CITY COUNCIL OF THE CITY OF SELMA DOES ORDAIN as follows:

SECTION 1. Section 1 of Chapter 13 of Title I (1-13-1) of the Municipal Code of the City of Selma is hereby amended to read as follows

“1-13-1: ADOPTION OF PURCHASING SYSTEM:

In order to establish efficient procedures for the purchase of supplies and equipment, to secure for the City supplies and equipment at the lowest possible cost commensurate with quality needed, to exercise positive financial control over purchases, to clearly define authority for the purchasing function and to assure the quality of purchases, a purchasing system shall be adopted by Resolution by the City Council.

SECTION 2. Sections 2 through 10 of Chapter 13 of Title I (1-13-2 to 1-13-10) of the Municipal Code are hereby deleted as follows:

SECTION 3. Severability. If any part of this Ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance, and the City Council hereby declares that it would have passed the remainder of this Ordinance, as if such invalid portion thereof had been deleted.

SECTION 4. This ordinance shall take effect thirty (30) days after its passage.

SECTION 5. The City Clerk is hereby ordered and directed to certify the passage of this Ordinance and to cause the same to be published once in a newspaper of general circulation, published in the County of Fresno.

I, Reyna Rivera, City Clerk of the City of Selma, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Selma held on the 17th day of January of 2023, and passed and adopted at a regular meeting of the City Council held on the _____ day of _____ 2023, by the following vote, to wit:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:

(Signatures Available on following page)

Scott Robertson
Mayor

ATTEST:

Reyna Rivera
City Clerk

APPROVED AS TO FORM:

Megan N. Dodd
City Attorney

RESOLUTION NO. 2023 - _R

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA
APPROVING THE FINANCE PURCHASING DIVISION'S
PURCHASING AND CONTRACT PROCEDURES**

WHEREAS, the City's management staff has reviewed and desires to establish a comprehensive purchasing policy that will serve as a guideline for operational and instructional in making related purchases; and

WHEREAS, at the request of the City Council, City staff has conducted an analysis with other agencies and is submitting to the City Council a Purchasing and Contract Procedures Policy for the City of Selma; and

WHEREAS, the policy updates the City's current practices, and brings the City into compliance with modern standards and establishes the overall procedures for purchasing and related activities; and

WHEREAS, an adequate purchasing policy serves as sound guidance to ensure that the City receives the best values for City purchases, and to establish proper controls, cooperative assistance and lawful practices that is efficient and effective in obtaining the supplies and services needed.

WHEREAS, the Finance Purchasing Division's Purchasing and Contract Procedures is attached as "Exhibit A", and is effective as of March 8, 2023.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Selma as follows:

Section 1. The above recitals are true and correct and are incorporated herein by reference.

Section 2. That the City Council hereby establishes the Finance Purchasing Division's Purchasing and Contract Procedures as set forth in the policy in "Exhibit A".

Section 3. Severability. The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

Section 4. Chapter 10 of Local Assistance Policy Manual. Within the Purchasing Division's Purchasing and Contract Procedures, the City has adopted Chapter 10 of CalTran's Local Assistance Policy Manual.

Section 5. 2 CFR 200.318-326. Within the Purchasing and Contract Procedures, the City has adopted 2 CFR 200.318-326, which sets forth the Procurement Procedures in the event of a Federal Award.

Section 6. Effective Date. That the City Clerk shall certify to the adoption of this Resolution and shall be in full force and effective as of March 8, 2023.

PASSED, APPROVED and ADOPTED at a Regular Meeting of the City Council of the City of Selma on this 6th day of February, 2023, by the following roll call vote:

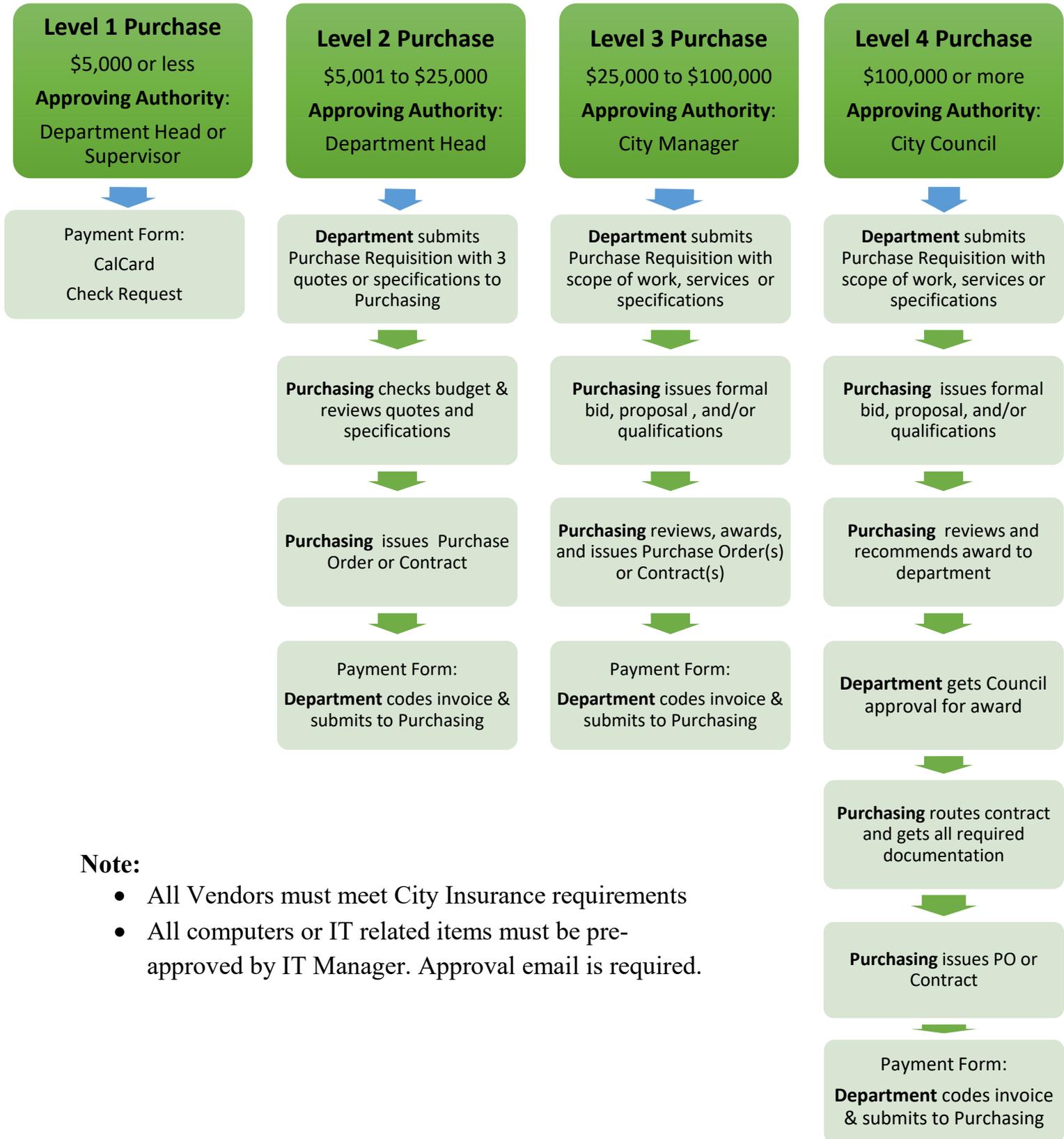
AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

Scott Robertson, Mayor

ATTEST:

Reyna Rivera, City Clerk

Exhibit A City of Selma Purchasing Procedures Guide



Note:

- All Vendors must meet City Insurance requirements
- All computers or IT related items must be pre-approved by IT Manager. Approval email is required.

CITY OF SELMA

FINANCE PURCHASING DIVISION PURCHASING AND CONTRACT PROCEDURES

CHAPTER 1

INTRODUCTION TO PURCHASING AND CONTRACT PROCEDURES

PURPOSE

The purpose of this manual is to provide a comprehensive set of policies and procedures that comply with applicable Federal, State and local laws and regulations and promote the cost-effective procurement of goods and services.

This manual has been compiled to assist each employee in understanding their responsibilities in the purchasing process by clearly specifying the procedures to be used by the City of Selma employees in obtaining the materials, goods and services necessary in carrying out their responsibilities to our community and its citizens.

PURCHASING AUTHORITY AND RESPONSIBILITIES

The Purchasing Agent is the Deputy City Manager or his/her designee, under the administrative direction of the City Manager, shall be the head and have general supervision of the Purchasing. The Purchasing Agent has the authority and responsibility to carry out and/or delegate applicable procurement laws and Council policies with regard to purchasing and related contractual agreements for materials, supplies and services.

The Purchasing Agent has authority to contract for rental or purchase of all materials, supplies, furnishings, equipment and other personal property upon written requisition by a City Department Head or his/her designee.

The Purchasing Agent also has the authority to contract for various services including building construction, alteration and repair and architectural, engineering and design consulting services.

In summary, the Purchasing Agent processes purchase requisitions for all City departments; obtains and evaluates competitive bids, proposals and quotes; awards purchase orders and contracts; creates, distributes and centrally files all purchasing documents; administers purchase orders and contracts and; monitors vendor performance.

OTHER PURCHASING DUTIES

Establish and maintain a central storing location for City supplies.

Redistribute, sell or otherwise dispose of personal property no longer required by the using department, i.e. surplus property.

Establish standard specifications, with department input, for items commonly used by City departments.

Coordinate Lease-Purchase agreements and Consultant Agreements.

PURCHASING AGENT AUTHORITY

All bidding may be dispensed with for purchases of supplies, materials, equipment and services having a total estimated value of \$5,000 or less.

Purchases of supplies materials, equipment and services of an estimated value in the amount of \$5,000 or less may be made by the Purchasing Agent in the open market. Open market purchases for supplies, materials, equipment and services of an estimated value between \$5,001 and \$25,000 shall, whenever possible, be based on at least three (3) quotes or bids, and shall be awarded to the lowest responsive, responsible bidder.

Except as otherwise provided herein, purchases of supplies, materials and equipment having an estimated value greater than \$25,000 shall follow formal bidding procedures. Such contracts shall be awarded to the lowest responsive, responsible bidder.

Architectural, engineering, construction management, land surveying, specialized and design services shall be procured in accordance with the Qualification Based Selection (QBS) procedures detailed in this manual in Chapter 15, Guidelines for Retaining Consultants.

DELEGATION OF AUTHORITY

The Purchasing Agent may delegate any of the duties listed above to other City employees. Those individuals shall follow all the guidelines of this policy manual and shall consult with the Purchasing Agent on technical aspects of the purchasing process. In general, departments have been given a delegated purchasing authority of \$5,000.

PROCURING GOODS, SERVICES, EQUIPMENT AND MATERIALS ON BEHALF OF THE CITY OF SELMA WITHOUT THE PROPER AUTHORITY CAN RESULT IN THE INDIVIDUAL BEING HELD PERSONALLY RESPONSIBLE FOR CHARGES

INCURRED.

COORDINATION WITH CITY DEPARTMENTS

While City departments have the primary responsibility for the determination of materials, supplies, equipment and services which they requisition, the Purchasing Agent will evaluate quality, quantity and type selected to insure that the best interests of the City are served. Departments are encouraged to consult with the Purchasing Agent or his/her designated representative concerning materials specification or other general information. The Purchasing Agent will arrange demonstrations of products and equipment and obtain other information when requested to do so by the departments. Information on new products, services or procedures should be shared with the Purchasing Agent as soon as any purchase is contemplated.

GOALS AND OBJECTIVES OF THE PURCHASING DIVISION

Purchase or contract for supplies, materials, equipment and services required by any using department in accordance with purchasing procedures prescribed by ordinance or law, such administrative regulations as the Purchasing Agent shall adopt for internal management and operation of the Finance Department and such other rules and regulations as shall be prescribed by the City Council and/or City Manager.

To provide City departments with quality and timely service that allows them to fulfill their obligations effectively.

To ensure that the City receives the best value obtainable for each tax dollar expended.

To promote free and open competition and equal opportunity for all qualified bidders.

The following are four fundamental elements of the procurement process:

1. Buying the proper supplies, equipment, materials or services for the purpose required.
2. Having material available at the proper time.
3. Securing the proper amount.
4. Paying the proper price.

CHAPTER 2

SPECIFICATIONS

DEFINITION

A specification is a purchase description and it is at the heart of the procurement process. A specification means any description of the physical or functional characteristics, or of the nature

of a supply, service or construction item. It may include a description of any requirement for inspecting, testing, or preparing a supply, service or construction item for delivery. It may also include drawings or samples.

A specification identifies what the buyer is to buy, informs prospective suppliers what is specifically required, provides the basis for the resulting purchase order or contract and establishes the standard against which inspections and tests are made.

A specification may influence the amount of competition.

CITY POLICY ON SPECIFICATIONS

All specifications shall seek to promote overall economy and functionality for the purposes intended and to encourage competition in satisfying the City's needs and shall not be unduly restrictive.

In order that the City receive the best quality of goods and services at the most advantageous price, the Purchasing Division will not issue bids for any article of a specific brand, nor any patented apparatus or appliance, when such requirements would prevent competition on the part of dealers or manufacturers of other articles of equal value, utility or merit. This means simply that Purchasing will not exclude competition by insisting on a particular manufacturer's product when other products of equal quality and functionality are available. Purchasing will ask for bids on approved equals. If a specific product is required, the requisitioning department must justify in writing to the Purchasing Agent, that the product desired has significant features which are lacking in other goods or services marketed by competitors.

However, Purchasing will not procure a brand or model that differs from that specified by the requisitioning department unless the department agrees that an "equal" unit is satisfactory. If it is not satisfactory, the requisitioning department must clearly state why it is not and may be asked to justify the rejection in writing.

DEPARTMENT RESPONSIBILITIES

It is the responsibility of the requisitioning department to write and justify specifications for materials, equipment or services of a technical nature or those requiring engineering. Purchasing has the authority to question any specification which seems unreasonably restrictive, luxurious or otherwise inappropriate. Requestors should contact Purchasing if assistance is needed from them or from vendors. In all instances, final approval of the specifications rests with Purchasing.

Vendors can be valuable sources of information, but care must be taken not to obligate the City to a particular vendor and not to tailor a specification to a particular vendor's product.

TYPES OF SPECIFICATIONS

Standard Specifications are a result of standardization. A standard specification describes the quality of materials to be purchased and are developed after carefully considering the

requirements of the City and the various types of products and supplies purchased by the organization. Examples of items lending themselves to standardization are office supplies, computer supplies, paper towels, toilet tissue and public safety equipment such as ammunition, ballistic vests, lightbars, mobile radios and even fire apparatus.

Brand Name Specifications are the most restrictive type of specification. This specification lists trade names, catalog numbers and model numbers of a particular manufacturer. Ideally, more than one brand name should be specified. When listing brand names, vendors should always be given the opportunity to submit bids for "Equal" products. Brand name products typically cost more because specifying them limits competition. Brand name specifications should only be used when time or resources are not available to prepare other types of specifications.

Qualified Products Lists can be generated with the help of vendors. During initial specification development, the specifications are sent to several vendors who are asked to comment on the specifications. Adjustments are made to the specifications based on the vendor comments and products are tested to determine suitability. Once a Qualified Products List is generated additional tests are not required. Qualified Products Lists are typically used for construction materials.

Design Specifications detail how a project is to be constructed or equipment is to be built. These specifications are typically used in public works construction projects.

Performance Specifications are less concerned with how a product is made and focus more on how well it performs. They describe a product by its capacity or operation, not by its physical characteristics. The vendor must show acceptable performance of his product as demonstrated by testing.

SPECIFICATION CHECKLIST

The description of the item should be written without the use of confusing abbreviations. As part of the description, the following should be included:

Size -dimensions, weight, volume, etc.

Color

State an estimate of requirements, i.e., quantity.

If known, a satisfactory make, model and part number. List all necessary features and do not list unnecessary ones. This information will be used to determine "equal" makes, models and part numbers.

Drawings or photographs, when useful.

Packaging -describe how the units are packaged, such as cartons of 52 packages per carton or cases of 20 cartons per case.

Purpose -briefly describe the intended use(s) of the item. For instance, mention the make and model of equipment when buying a supply item for that equipment. Mention other significant factors such as 24-hour, 7-day per week usage and anything else that may be unique to your use of the item.

Goods and services brochures or literature.

State estimated cost.

List known source(s), include company name, address and phone number.

State previous purchase order number if this is a reorder.

SOLE SOURCE PURCHASES

Sole source purchases must be well documented and provide verification that a good faith search for competition has been made. Sole source documentation shall be provided by the using department and subsequently verified by the Purchasing Agent. If a department believes that only a specific make and model of equipment or type of material will meet its needs, it must attach to the requisition, a *Sole Source Justification Form* (See Appendix).

If other brands and models have been tested or previously used and determined to be unsuitable, the department should specify the brands and models used, the dates used, and why they are not acceptable.

A contract may be awarded without competition when the Purchasing Agent has determined in writing, after conducting a good faith review of the available sources, that there is only one source for the required supply, service, material or equipment.

The Purchasing Agent shall conduct negotiations, as appropriate, as to price, delivery and terms. A record of the sole source procurement shall be maintained as a public record and shall list the vendor's name, amount and type of each contract, a listing of the item(s) procured under each contract and the bid number of each contract file.

VALUE ANALYSIS

Value analysis involves analyzing the intended function of a product and then specifying only the features that are actually needed.

The goal is to eliminate the purchase of unnecessary features and functions, thereby reducing cost and buying the most basic product capable of doing the job required. For example, if a mid-size automobile meets your requirements, the specifications should not be written for a luxury vehicle. The requesting department should employ value analysis when writing specifications.

STANDARDIZATION

It is the policy of the City of Selma Finance Department that supplies, materials or equipment may be standardized when the Purchasing Agent has determined that it is the best interest of the City of Selma or when required for the health, safety or welfare of the public or of the employees of the City of Selma. Standardization may occur when significant cost savings can be demonstrated. Standardization may limit the purchase to a single brand, trade name or sole source provider.

Standardization involves the creation of a specification through value analysis that will economically perform the needed function for multiple users of the product.

Standardization can result in cost savings because the purchase of fewer unique type items in larger quantities earns better discounts. Also, by calling for industry standard rather than custom features, availability is increased and cost is decreased.

Standardization can also reduce maintenance and training costs.

Standardization Process

The factors to be taken into consideration in standardization of equipment, materials or supplies are as follows:

1. Repair and maintenance costs would be minimized.
2. User personnel training would be minimized.
3. Supplies or spare parts would be minimized.
4. Modifications to existing equipment would not be necessary.
5. Training of repair and maintenance personnel would be minimized.
6. Match to existing supplies, materials and equipment is needed for efficient operation of a function or program.

Standardization is a collaborative effort between Purchasing and the departments. If standardization is deemed necessary, a department should prepare a memo to the Purchasing Agent requesting standardization, outlining the reasons for such action, based on one or more of the factors listed above.

USE OF RECYCLED PRODUCTS

Overview

This policy shall be known as the "City of Selma Recycled Product Procurement Policy". Its

purpose is to promote the development of markets for recycled products and recyclable products by establishing preferential purchase programs applicable to City departments and contractors, thereby diverting materials from the solid waste stream.

Buying recycled products benefits the City in the following ways:

The recycling of waste materials into new products reduces the resources disposed of in landfills. The City benefits by reduced transportation and landfill costs.

Buying recycled products conserves resources by reducing our dependence on virgin raw materials whose cost will continue to climb as sources are depleted. As much as 90% energy savings can be achieved in the manufacturing process.

The growth in recycling results in the creation of jobs and economic development opportunities.

Buying recycled provides a proactive, rather than reactive approach to our waste management.

Enhancement of the City's image as a result of environmental stewardship.

Many recycled products are competitively priced or less expensive than their non-recycled counterparts.

Definitions

Lead Department. The Finance Department.

Recycled Material. Waste material and by-products that have been recovered or diverted from solid waste and that can be utilized in place of raw or virgin material in manufacturing a product. Recycled material may consist of materials derived from post-consumer waste, manufacturing waste, industrial scrap, agricultural wastes and other items, all of which can be used in the manufacture of new products.

Post-consumer Recycled (Recovered) Materials. A material or product that has served its intended use and has been discarded for disposal or recovery by a final consumer. Examples of post-consumer recovered materials include, but are not limited to, used newspaper, office paper, yard waste, plastic bottles, aluminum cans, oil, asphalt, concrete and tires.

Pre-consumer Recycled (Recovered) Materials. Material or by-products generated after manufacturing of a product is completed, but before the product reaches the end-consumer. Examples of pre-consumer recovered materials include, but are not limited to, obsolete inventories of finished goods, rejected unused stock, and paper wastes generated during printing, cutting and other converting operations.

Practicable. Sufficient in performance and available at a reasonable price and within a reasonable time period.

Recycled Product Preference. To provide for the purchase of products by the City that, price, and quality being equal, preference shall be given to recycled products or vendors utilizing them.

Recycled Product. A product which, after its intended end use, is reusable or refillable, or can demonstrably be diverted from the solid waste stream for use as raw material in the manufacture of another product.

Total Recovered Material. The total pre-and post-consumer recovered material contained in a product.

General Policies

All City departments shall use recycled products and recyclable products whenever practicable. Special emphasis shall be placed on the purchase of products manufactured with post-consumer recycled material.

All departments may, at their option and with Purchasing's concurrence, require procurement of designated recycled products or recyclable products above the levels required by this policy.

The City shall require its contractors and consultants to use and specify recycled products and recyclable products in fulfilling contractual obligations whenever practicable.

The City shall promote the use of recycled products and recyclable products by publicizing its procurement program whenever practicable.

Recycled Content Preference

It is City policy, whenever practicable, to purchase products which contain, in order of preference, the highest percentage of:

Post-consumer recovered materials available in the market place.

Pre-consumer recovered materials available in the market place.

Recyclability and Waste Reduction

In addition to the recovered material content of the product, important criteria in selecting products shall also be:

The ability of a product and its packaging to be reused, reconditioned for use or recycled through existing recycling collections programs; and

The volume and toxicity of waste and by-products that a given product and its packaging generate in their manufacture, use and recycling and disposal. Products and packaging designed to minimize waste and toxic by-products in their manufacture, use, recycling and disposal shall be preferred.

Equipment Compatibility

Equipment purchased or rented by the City shall be compatible, whenever practicable, with the use of recycled-content products. If deemed impracticable, a specific reason for such finding must be included in the purchasing record.

Designated Recycled Products

Primary Products

1. Paper and paper products

a. Paper for printing and writing must be selected and purchased containing at least 20% post-consumer material, if that paper is available at a cost equal to paper made of virgin material and meeting the quality and specifications of the virgin material paper.

b. City departments and agencies shall use shall use for their letterhead stationery, envelopes and business cards, recycled paper that includes post-consumer content and state on the paper, envelopes and business cards that they contain recycled material.

c. City departments shall ensure that all contracts for printing, Invitations to Bid, Requests for Proposals, etc., shall:

Use recycled paper for all printed or photocopied material whenever practicable.

Use both sides of paper sheets for reports, bids, proposals, etc., whenever practicable.

d. Purchasing shall purchase copiers and printers capable of using recycled paper of the appropriate grade.

2. Lubricating oil with refined oil content

a. Oil for use in all City vehicles must be selected and purchased that is rerefined oil, if that rerefined oil is available at a cost equal to virgin oil and meets the quality, performance and specifications of the virgin oil, for intended use.

3. Remanufactured tires (retreads or recaps), consisting of two components:

a. A retreading service to retread the City's used tire casings must be selected if practicable.

b. Retread tires must be selected and purchased for use on all City vehicles if those retread tires are available at a cost equal to brand new tires and meet the quality, performance and specifications of the City for intended use.

4. Building insulation products

a. Price being equal, each department shall ensure minimum-content guidelines are met for the amount of recovered material that should be in the insulation products they purchase as

established by the United States Environmental Protection Agency.

b. Each department shall use case-by-case procedure when purchasing insulation materials for which minimum-content guidelines have not been established.

5. Cement and concrete containing fly ash

a. Each department shall ensure minimum-content guidelines are met for the amount of fly ash that should be in the products they purchase.

Minimum-content guidelines are recommended by the United States Environmental Protection Agency.

Responsibilities of the Lead Department

The lead department shall:

- Coordinate the implementation of this policy.
- Designate recycled products that shall be purchased by the departments whenever practicable. These designated recycled products shall include, but not be limited to, the products listed in this policy.
- Work with departments on establishing minimum recycled content standards for designated recycled products to maximize recycled product availability, recycled content and competition.
- Inform departments of their responsibilities under this policy, communicate to departments the list of designated recycled products, provide departments with information about recycled product procurement opportunities and review the recycled product procurement activity annually.

Responsibilities of All Other Departments

Each City department shall:

Purchase recycled products and recyclable products whenever practicable.

Evaluate each designated recycled product

1. REVIEW -As products come up for competition, departments will review their relative specifications. This review is to determine whether existing specifications either require the use of products manufactured from virgin materials or exclude the use of recycled products, reusable products or products designed to be recycled.
2. ELIMINATE -In the event specifications exclude the use of recycled products or require the use of virgin materials, the department or agency will document to Purchasing's

satisfaction that the recycled products would not achieve a necessary performance standard or that the product will negatively impact health, safety or operational efficiency.

3. PLAN - Within the bidding cycle, City departments and agencies must ensure that performance standards for particular products can be met and that specifications are not unnecessarily stringent. Also, the departments must ensure that specifications will incorporate a requirement for recycled materials, reusable products and products designed to be recycled to the maximum extent practicable.

Ensure that contracts issued by the City require recycled material content whenever practicable and that contractors provide certification of this content and report of amounts used.

Meet periodically with the lead department to report the progress of policy implementation by the department, including the results of product evaluations conducted by the department, types of recycled products purchased by the department and its contractors and the status of departmental efforts to maximize recycled product procurement.

Monitor total purchases of recycled products and non-recycled products by the department and its contractors.

Exemptions

Nothing contained in this policy shall preclude user departments from specifying "recycled" material content as a bid specification.

Nothing in this policy shall be construed as requiring a department or contractor to procure products that do not perform adequately for their intended use or are not available at a reasonable price in a reasonable period of time.

Nothing in this policy shall be construed as requiring a department or contractor to procure products where the warranty for recycled products is not equal to virgin products or where the recycled material voids, shortens, interrupts or cancels warranty of other supplies or units of components.

CHAPTER 3

METHODS OF ACQUISITION

OVERVIEW

This chapter summarizes the methods and means for procuring goods, services, materials and supplies.

Procurements are not City obligations until all guidelines, procedures and policies are approved by Purchasing or the City Council.

Depending on the requirements and the estimated cost, one of seven methods will be used to acquire a needed product or service.

The first step is to determine what is needed. The item and its purchase price will determine the procurement method that will be used to purchase the City's supplies, services and equipment. Following is a step-by-step method to determining the procurement method to be used.

ACQUISITION PROCESS

The City of Selma has seven separate methods for acquiring goods, materials, services and labor. The method used is determined by the dollar value of the final award.

Purchases Less Than or Equal To \$5,000

Annual Contract

Purchasing Card

Department Purchase Order

Petty Cash

Purchase Requisition

Request for Check Purchases Greater Than \$1,000 But Less Than \$5,000

Annual Contract Purchase

Requisition Informal Bid Process (Chapter 4)

After receiving the purchase requisition, each department will contact vendors informally by telephone or by written invitation or Facsimile for price quotes. The number of vendors considered will vary depending on the dollar amount of the purchase, the number of available vendors and the time available. Normally, a minimum of three vendors is contacted.

Purchases Greater Than \$5,000 But Less Than \$25,000

Annual Contract

Purchase Requisition

Informal Bid Process (Chapter 4)

Purchasing normally solicits written bids for purchases in this range.

Purchases Greater Than \$25,000

Annual Contract

Purchase Requisition

Formal Bid Process

Finance Department will notify potential bidders a minimum of ten (10) days prior to bid opening by advertisement in trade journal, newspapers or other media. Written bids are solicited for purchases in this range.

Special Considerations

When purchasing with Federal or State funds, the City's portion of matching funds shall determine the type of bid procurement category, up to \$25,000, when allowed by the fund-granting agency.

Request for Quotations shall not be solicited from prospective vendors unless it is intended that an order shall be placed, if the vendor is responsive and responsible. To the extent possible, three or more prospective vendors shall be solicited. All local and minority vendors known for the commodity being requested, will be included in solicitations.

REQUISITIONING OF GOODS AND SERVICES

All requirements for supplies, equipment, materials or services with an estimated cost of \$1,000 or more shall be issued in written form on a requisition or by written memo. To be processed, the requisition requires an account number and two signatures. One of the signatures must be that of a supervisor or the fund manager authorized to expend funds from the account number listed on the requisition.

Every attempt shall be made by the using department to specifically identify the type and quality of supplies, equipment materials or services to be procured.

Definition of Specification: A concise statement of a set of requirements to be satisfied by a product, material or process by means of its performance or design (See Chapter 2, Specifications).

Purchase Requisitions

The processing of all purchases through the Finance Department ultimately requires the use of three major documents: Purchase Requisition, Purchase Order and Receiving Report.

The Purchase Requisition begins the procurement process for goods, services, supplies, materials, labor and projects having an estimated cost of \$5,000 or more. The requisition is a

request for an order. The request comes from the user department. The Requisition will identify the equipment, material or supplies required, provide recommended or potential vendors and will be signed by a Department Head or their designated representative.

Purchasing's first step is to review the requisition to see if the information it contains is accurate and complete. In some instances, requisitions from various departments may be combined as a single purchase when requests are similar in nature (e.g., employee t-shirts).

Purchasing's next step is to determine what type of procurement process should be used, based on the previously mentioned award levels. The informal and formal bid processes are detailed in Chapter 4.

SPECIAL CIRCUMSTANCES

Goods or services related to data processing systems, communications equipment, legal services, grant-funded programs and emergency procedures require special processing as follows:

Data Processing Systems

Departments requesting data processing systems shall refer such requests to the Information Technology Department for a recommendation prior to sending a written request to the Purchasing Division.

The request shall be made on a requisition form and shall describe the hardware or software item(s) to be ordered along with any other pertinent information such as special ordering or delivery requirements, a description of the functions to be performed by the equipment, special requirements of the department and workload projections and accounting or budget information. The requisition must have the signature of the Information Technology Department before it will be processed by Purchasing.

Once this is done, Information Technology Department Staff will review the request and make a final determination on whether or not to approve the order and/or modify the request. The requesting department will then be notified as to the status of their request.

All requests for computer cabling will be submitted to the Information Technology Department. IT will arrange installation.

Lease or Rental

The lease or rental form of acquisition is used either to satisfy a temporary need for equipment, to provide equipment for the start up of an operation until more permanent arrangements can be made, when funds are not available to purchase and limited acquisition would be financially acceptable or in areas of rapidly changing technology.

Acquiring equipment through lease or rental is not to be used to circumvent purchasing

policy and procedures. The use of lease, lease purchase or rental will be determined by the Purchasing Agent with the approval of the requesting Department Head based on economic considerations.

Lease-Purchase Equipment and/or Facilities

The lease-purchase is used when there is a long-term need for the capital item and fiscal constraints prohibit a cash purchase. Lease-purchases must be appropriately budgeted and all requests for lease purchase must first be submitted to purchasing. Acquiring equipment through lease-purchase is not to be used to circumvent purchasing policy and procedures. It should be noted that a lease-purchase agreement differs from a regular lease or rental agreement in that the City acquires ownership of the asset in the former case.

Grant-Funded Programs

Many state or federally funded grant programs have special requirements covering the acquisition of supplies, equipment, materials and services. It is each department's responsibility to make Purchasing aware of these provisions so any required procedures may be followed.

Emergency Purchases

In the event of a bona fide emergency, Purchasing shall be contacted (if possible) and the matter discussed with the Purchasing Agent. If no one is available in Purchasing, the department head or his/her designated representative shall use his or her own best judgement in making the purchase.

In all instances, report the purchase and immediately prepare a requisition covering the emergency purchase, and forward to Purchasing. Each emergency purchase shall be submitted on a separate requisition and shall not be mixed with routine items being requisitioned in the regular manner.

An emergency purchase requires the subsequent approval and confirmation of Purchasing. If the purchase is over specified dollar limits, it may also require approval of the City Manager. Check with Purchasing as soon as possible after the obligation has been made.

Unless emergency purchases are approved and confirmed by either the Purchasing Agent or the City Manager, the cost shall not constitute a legal charge against the City. It shall become the personal obligation of the individual who made the purchase.

Competitive bids or proposals are not required in an emergency when goods or services are immediately necessary for the preservation of the public health, welfare, or safety or for the protection of City property. In such case, the City Manager may determine and declare that the public interest or necessity demands the immediate expenditure of public money to safeguard life, health or property, and thereupon they may proceed without advertising for bids or receiving the same, to expend or enter into a contract involving the expenditure of any money required in such emergency and on hand in the City treasury and available for such

purposes.

REQUISITIONING FLEET EQUIPMENT

Vehicles and equipment are crucial to many City operations. Consequently, the development of specifications for equipment/vehicles should take into consideration the function(s) for which the equipment/vehicle will be operated; the acquisition process; operating and maintenance costs, and; other relevant factors.

The City provides centralized Fleet Services. Acquisition of new or used vehicles or equipment requires review of the Fleet Services Representative. Draft specifications for vehicles and heavy equipment will, in most instances, be prepared by the Fleet Services Department cooperatively with the using department and the Finance Department.

Fleet Services should be the primary resource for specification development. They maintain a library of equipment and component specifications and keep abreast of the current types of equipment available.

Normal Budget Cycle Replacement Equipment

Departments requesting replacement of department assigned vehicles or equipment shall submit requests to the Fleet Supervisor. The departments should develop the initial operating requirements of the equipment. Fleet services will develop these requirements into detailed bid specifications within Purchasing guidelines. The specifications will be forwarded to Purchasing for the bid process.

Non-Budgeted Items

Departments requesting additional or mid-fiscal year vehicles or equipment shall formally request the Finance Department to appropriate funds for the purchase of the vehicles or equipment. The appropriation will require prior approval of the City Manager.

REQUISITIONING COMMUNICATIONS EQUIPMENT

All requests for communications equipment and service such as mobile and portable phones and pagers shall be submitted in writing to the IT D.

DIRECT PURCHASES BY USER DEPARTMENTS

Nearly all purchases must be pre-authorized by Purchasing with the following exceptions:

Petty Cash

Purchasing Card (CalCard)

Purchasing Cards facilitate small-dollar purchases while reducing the administrative costs

associated with authorizing, tracking, paying and reconciling those purchases.

Request for Check (RFC) The RFC is a multi-purpose document serving the ordering, receiving and payment functions. The RFC is intended to facilitate the economical, timely and limited procurement of specified materials by the City departments. The RFC can be used to issue advance payments. The RFC is used for payment of: Books and subscriptions Insurance Memberships and dues Tuition reimbursement UPS/Federal Express charges Conference Registration Employee reimbursements not related to travel or petty cash Customer reimbursements

CHAPTER 4

BID REQUIREMENTS AND PROCEDURES

OVERVIEW

This chapter includes policies and procedures for the use of each authorized source selection method. In addition, it states policies and procedures on contracts, appeals, plant inspection, audit of vendor records, reporting suspected antitrust practices and retention of procurement records.

FAIR AND OPEN COMPETITION

Healthy competition is at the heart of efficient purchasing. Competition is directly related to the prices the City pays and the quality of the goods and services it obtains.

The foundation for effective fair and open competition is equal treatment of each vendor. It is imperative that no vendor is given an advantage over the others. Therefore, vendor offers will be kept confidential during the bidding process. A vendor is not entitled to know the bids of the competitors so he can undersell them. In addition, vendors will not be allowed to dictate the specifications and thereby limit the bidding to only their company's product.

A consultant to the City who makes a needs assessment shall not be allowed to bid on a project except when full disclosure is made to the City.

Subject to the provisions of "Exceptions to Competitive Bids", no department shall draft, or cause to be drafted, any invitation to bid or request for proposal, in such a manner as to limit the bidding, directly or indirectly, to any one bidder.

PROCUREMENT OPPORTUNITIES

The City of Selma encourages businesses located inside and outside the City of Selma to participate in the City's procurement process. It is the policy of the City not to discriminate in regard to procurement procedures.

Purchasing will ensure the widest dissemination to minority and women-owned businesses by including the following organizations in the mailing of bids: Central California Builders Exchange and Tulare-Kings Counties Builders Exchange. Major contract opportunities, where appropriate, will be advertised in newspapers of wide circulation such as the *Selma Enterprise*, *Fresno Bee* and *the Business Journal*. Additionally, City departments are encouraged to seek out and use minority and women-owned businesses whenever such actions will not result in additional expense to the City. Chapter 7, Vendor Relations and Vendor Performance, details the utilization of minority and women-owned businesses.

All written solicitations are available in the Office of the Purchasing Agent for vendor review. Bids are normally open for two or more weeks. Potential vendors are encouraged to frequently review the listing of open bids. Copies of the specific bids will be available on request.

BIDDING REQUIREMENTS

Exemptions to Competitive Bids The City of Selma requires that competitive bids be secured for all contracts for goods and services that are proposed to be acquired by the City except in the following cases:

Goods or services are valued at \$25,000 or less.

In an emergency when goods or services are immediately necessary for the preservation of public health, welfare or safety or for the protection of City property.

When the contract is with a state, federal or local government entity.

When a contract provides only for payment of per diem and travel expenses and there is to be no payment for services rendered.

When obtaining the services of expert witnesses for litigation or special counsel to assist the City.

When, in unusual or extraordinary circumstances, the City Council or the City Manager determines that the best interests of the City would not be served by securing competitive bids or issuing a request for proposal.

Published books, periodicals and technical pamphlets.

The purchase of goods from the California Department of Corrections, Division of Prison Industries or services which can be provided by sheltered workshops or disabled industries in accordance with the Welfare and Institutions Code.

In those rare instances in which Purchasing does not conduct the competitive bidding process or bids or proposals cannot be secured, a full explanation shall be included in the contract transmittal as appropriate, including the names and addresses of the firms and the individuals requested to bid and the reasons why they did not bid or the reasons why the department head

believes that there is but a single source for the service or that the City's interests are better served by exemption. Such advice shall contain information in sufficient detail to support and justify the decision to not seek competitive bids or proposals.

COMPETITIVE BIDS

The City of Selma requires that competitive bids be secured for all contracts for goods or services greater than \$5,000. This is done to ensure that the goods or services acquired by the City of Selma are at the lowest cost to the taxpayers.

There are two types of competitive bids -informal and formal. Informal bids consist of written or emailed quotes . Formal bids consist of Requests for Proposals, Requests for Quotations and Invitations to Bid and all are sealed bids. Normally the price, time and complexity of the item being procured will dictate which procedure, formal or informal, is utilized. However, all procurements greater than \$25,000 are required to be processed through a formal process.

INFORMAL BID PROCESS

Although all purchases may use the formal process, most purchase between \$5,001 and \$25,000 will use the informal process, although the complexity of the item or service required will determine the specific method used to obtain pricing information. Contracts may not be divided in order to qualify for the informal bid process. All requests for bids will be solicited by the Purchasing Agent or his/her designated representative in writing, via facsimile or by phone. This process will ensure uniformity in the information provided to vendors and the treatment of vendors responding to price inquiries.

If oral price inquiries are obtained by Non-Purchasing City personnel, those quotes should be documented on the requisition and forwarded to Purchasing. Purchasing will have the ultimate responsibility to obtain additional quotes and/or verify all price quotations obtained by other City personnel.

If the department/division is soliciting the product or price information, the department/division may not commit the City with regard to preference for any product or vendor. In addition, vendor pricing shall not be disclosed to any of the prospective vendors until a decision for award has been made.

An award will be made to the most responsive, responsible bidder via a Purchase Order. If award is to be made to other than the lowest bidder, a written statement justifying the award must be filed in the bid file.

FORMAL BID PROCESS

Formal bids consist of Requests for Proposals, Requests for Quotations and Invitations to Bid and all are sealed bids. Formal bids include complete specifications and contractual terms and conditions applicable to the procurement, including, but not limited to, the place, date and time of the bid opening. The bid opening should take place no sooner than ten (10) calendar days after

the mailing and advertising of the bid, unless the Purchasing Agent authorizes a shorter time.

The following conditions apply to the formal bid process: Public Notice of the Invitation for Bid shall be a minimum of ten (10) calendar days prior to the date set for the opening of bids. Such notice may include publication in a newspaper, trade publication or other printed matter of general circulation. The public notice shall state the bid item and the place, date and time of the bid opening.

Bid Opening: Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the Invitation to Bid.

Request for Quotation (RFQ)

The RFQ is used to obtain written bids when the item or service requested can be clearly defined by the setting of complete specifications. The City of Selma uses three types of specifications. In order of preference, they are: performance, technical and brand name or equal, with the equal cited.

Purchases of supplies and equipment of an estimated value in the amount of \$25,000.00 or less may be made in the open market. All bidding may be dispensed with for purchases of supplies and equipment having a total estimated value of \$5,000.00 or less.

Minimum Number of Bids

Open market purchases shall, whenever possible, be based on at least three bids, and shall be awarded to the lowest responsible bidder by the City Council.

Notification of Potential Bidders

The Purchasing Agent shall solicit bids from prospective vendors by written request, telephone request, and facsimile request.

Invitation to Bid -Formal Sealed Bidding or Formal Contract Procedures

An Invitation to Bid, the formal sealed bidding process, is required for the procurement of supplies, equipment and any item, or group of items valued at more than \$25,000.00. It differs from the RFP process in that the items, supplies and equipment can be adequately described in terms of specifications. It differs from the RFQ process in that the RFQ process is utilized specifically for items valued between \$5,001.00 and \$25,000.00. Additionally, certain requirements must be met in the formal contract process, including: advertising requirements, bid opening procedures and award of contract. Professional Service Contracts are generally exempt from the formal sealed bid process. See Qualifications Based Selection procedures, Chapter 15.

Public Notice (Posting Bid Advertisements)

Bids that have not closed will be available for public inspection in the City Hall-City Clerk, 1710 Tucker Street, Selma, 93662 CA, during business hours.

Notices inviting bids shall be published at least ten (10) days before the bid opening date and shall be published in the official newspaper selected by the City.

Mailing bids to vendors on the City's established Commodity Bidder Lists is the preferred method of solicitation. The Purchasing Agent shall solicit bids from all responsible, prospective suppliers whose names are on the Bidder List. In addition, the use of trade journals and the yellow pages should be used to locate additional vendors to obtain the widest possible circulation of the bid.

Bidding Time and Due Date

The bidding time will be determined by the Purchasing Agent or buyer involved, but should be no less than (10) calendar days after the bids are advertised and mailed. All bids shall provide sufficient time for bidders to prepare and submit their bids.

Purchasing may change the bid due date. Such changes will be issued in writing in the form of an addendum to all bidders who received the original bid documents.

Form of Bid

To receive consideration, bids shall be made on the forms provided by Purchasing.

All bids must be in ink or typewritten. All changes must be initialed in ink.

Bids must be signed by an authorized representative of the vendor.

Purchasing reserves the right to waive any informality or irregularity in the bids.

Specifications

Specifications contained in the bid will, where practical, be nonrestrictive so as to provide an equal basis for competition and participation by an optimum number of qualified bidders.

Unless otherwise specifically provided in the bid, reference to any equipment, material or supplies by trade name, make or catalog number shall be regarded as establishing a standard of quality and shall not be construed as limiting competition. All bids that offer a different trade name, make or catalog number must include a complete description, list variances from the bid specification and include literature that describes the item offered. The final decision as to whether an item is an equal shall rest with the Purchasing Agent. Purchasing shall have the discretion to accept an equal bid if it can be shown that the equal substantially conforms to the specifications.

Addendum to Bid

A bid may be amended by Purchasing, provided the change is issued in the form of an addendum

to all vendors who received the original bid.

Oral interpretations of contract specifications, terms and conditions shall not be binding on the City unless confirmed in writing by the Purchasing Agent in the form of an addendum.

Bid Bonds and Contract Bonds

When deemed necessary by the Purchasing Agent, a bidder's security, payable to the City may be required. Such a requirement will be included as a part of the Notice Inviting Bids.

Bid security may be in the form of a certified check, cashiers check or surety bond payable to the City of Selma.

The bid security will be retained by the City until the related contract is executed. A successful bidder shall forfeit his bid security upon refusal or failure to execute the contract within ten (10) days after the notice of award of contract has been mailed. If the successful bidder fails to enter into the contract when offered, the proceeds of the bond will be paid to the City of Selma as liquidated damages.

The Purchasing Agent may also require the contractor to supply the City with bonds covering faithful performance and labor and materials. See Chapter 8, Insurance and Bonds for more details.

Faxed or Emailed Bids

Faxed or emailed bids in lieu of competitive sealed bids will not be accepted unless pre-approved by the Purchasing Agent and explicitly allowed by the terms and conditions of the bid.

To be acceptable, the faxed bid must be in writing, on the form provided, with an authorized signature. A faxed bid must be received in its entirety prior to the date and time set for the opening of bids.

Vendor will be required to confirm the faxed bid by submitting original bid documents by mail to the Purchasing Agent within two (2) working days after the bid closes. Original bid documents not received within the specified time frame will be cause for rejection of the faxed bid.

Late Bids

All bids must be received by the time specified in the bid. Late bids will not be considered and shall be returned unopened to the bidder.

Bid Opening

Bids shall be opened publicly in the presence of attendees, if any, at the time and place designated in the bid. The amount of each bid and other such relevant information the Purchasing Agent deems appropriate, together with the name of each bidder, shall be recorded; the record and each bid shall be open to public inspection at the bid opening and after an award decision has been made. Bid information will not be available for public review during the evaluation phase or until the award of contract.

Insufficient Number of Bid Copies

The Purchasing Agent may elect, if it is in the City of Selma's best interest, to accept a bid from a bidder who has not submitted the proper number of copies of the bid. A bidder who does not submit the proper number of copies as designated in the bid, may be allowed one (1) working day from the time of the bid opening, or sufficient time as deemed necessary by the Purchasing Agent, to supply the proper number of copies.

Bid Acceptance and Bid Evaluation

Bids shall be unconditionally accepted without alteration or correction, except as authorized in this chapter. Bids shall be evaluated based on the requirements set forth in the bid, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability to a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs and total or life cycle costs.

All contracts shall be based strictly upon the face value of the bids received. No secret rebates and other considerations can be accepted.

Award shall be made to the lowest responsive and responsible bidder based upon the criteria set forth in the bid such as:

The cost, including the effect of term discounts (not less than 20 calendar days after receipt of

goods or after receipt of correct invoices, whichever is later) and taxes. Prices may be determined by life cycle costing.

The quality of the article proposed to be supplied, conformity with specifications and the purposes for which required.

Compliance with bid requirements, terms and conditions.

The ability, capacity and skill of the bidder to perform the contract or provide the services required.

The character, integrity, reputation, judgement, experience and efficiency of the bidder.

Whether the bidder can perform the contract within the time specified.

The quality of performance of previous contracts.

The previous and existing compliance by the bidder with the laws relating to the contract or services.

Servicing resources, capability and capacity.

Uniformity or interchangeability, if such factors are important.

The energy efficiency of the product as projected throughout the useful life of the product.

Other information required by the bid that has a bearing on the decision to award the contract.

An Invitation to Bid sets forth the specific requirements of the City and the method by which the bids will be evaluated. The evaluation and selection process shall consist of determining which bidder meets the specifications at the lowest responsive responsible level. For each specific requirement, a basic "yes" or "no" answer is required. There is no "fully", "barely", "almost" or "exceeded" level of evaluation.

Correction of Bid

Correction of inadvertently erroneous bids before or after the bid opening will be permitted under the following circumstances: Mistakes in Bid Detected Prior to Bid Opening

Mistakes in bids detected prior to bid opening may be corrected by the bidder by withdrawing the original bid and submitting a corrected bid to the Purchasing Agent before the bid opening. If there is not sufficient time prior to bid opening to withdraw the original bid and submit a corrected bid, the bidder or an authorized representative may correct the mistake on the face of the original bid, provided that the official opening time has not yet been reached. A corrected bid must be time-stamped upon re-submission.

Mistakes discovered before the bid opening may only be modified or withdrawn by written or facsimile notice or by the personal presentation of the person signing the bid. The notice must be received in the office designated in the Invitation to Bid prior to the time set for bid opening.

Mistakes in Bid Detected During or After Bid Opening

After bids have been opened, corrections in bids shall be permitted only to the extent that the bidder can show by clear and convincing evidence (a) that a mistake of non-judgmental character was made; (b) the nature of the mistake, and; (c) the bid price actually intended. However, after the bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the City or fair competition shall be permitted.

If the bidder submits evidence in writing to the Purchasing Agent that a mistake has been made by the bidder in the calculation of his bid, the Purchasing Agent may allow the bid to be withdrawn, provided the claim of mistake and the evidence in support thereof is made and provided within five (5) business days after the bid has been opened. Compliance with this section, within the specified time limit, may relieve the bidder of forfeiture of the bid bond.

In lieu of ability to withdraw or correct a bid, a low bidder alleging a material mistake of fact may default by refusing to deliver goods or services by:

Written documentation on company letterhead requesting withdrawal and stating reason, and

Agreeing to provide a 100% bid bond with the next bid, and

Paying a penalty of \$100 plus the cost difference to issue an award to the next most responsive, responsible bidder.

All decisions to permit the correction or withdrawal of bids, or to cancel award or contract based on bid mistakes, shall be supported by a written determination made by the Purchasing Agent.

Minor Informalities and Irregularities in Bids

A minor informality or irregularity is one which is merely a matter of form or is some immaterial variation from the exact requirements of the Invitation for Bids having no effect, or merely a trivial or negligible, effect on total bid price, quality, quantity or delivery of supplies or performance of the contract, and the correction or waiver of which would not affect the relative standing of, or be otherwise prejudicial to, bidders.

The Purchasing Agent shall either give the bidder an opportunity to cure any deficiency resulting from the minor informality or irregularity in a bid or waive any such deficiency when it is to the advantage of the City of Selma. Examples of minor informalities include, but are not limited to:

Failure of a bidder to return the number of copies of the signed bids required by solicitation.

Failure of a bidder to furnish the required information concerning the number of the bidder's employees or failure to make a representation concerning its size.

Failure of bidder to sign its bid, but only if the firm submitting the bid has formally adopted or authorized the execution of the documents by typewritten, printed or rubber stamped signature and submits evidence of such authorization, and the bid carries such a signature or the unsigned bid is accompanied by other such material indicating the bidder's intention to be bound by the unsigned document, such as the submission of a bid guarantee with the bid or a letter signed by the bidder with the bid referring to and identifying the bid itself.

Failure of a bidder to acknowledge receipt of an amendment to a solicitation, but only if: the bid received indicates in some way that the bidder received the amendment or the amendment has no effect or merely a trivial or negligible effect on price, quality, quantity, delivery or the relative standing of bidders, such as an amendment correcting a typographical mistake.

Failure of a bidder to furnish an affidavit concerning affiliates.

Failure of a bidder to execute certifications with respect to Equal Opportunity and Affirmative Action programs.

Failure of a bidder to furnish cut sheets or product literature.

Failure of a bidder to furnish financial statements.

Failure of a bidder to furnish references.

Background Review of Major Contractors

It shall be the responsibility of any City official authorized to execute contracts or to enter into agreements on behalf of the City, to identify contracts which shall require a background review as an element to be included in Requests for Proposals, Invitations to Bid, or contracts.

Such officials, as indicated above, shall evaluate each contract to determine the appropriateness of a Background Review using the following criteria: the amount of contract, the term of contract, the extent of potential City liability related to the contract and the technical complexity of the services or item being purchased. When deemed appropriate, the following language shall be included in an Invitation to Bid, Request for Proposal, Request for Quotation or contract:

"The City reserves the right to conduct a background inquiry of each proposer/bidder that may include collection of appropriate criminal history information, contractual and business associations and practices, employment histories and reputation in the business community. By submitting a proposal/bid to the City, the proposer/bidder consents to such an inquiry and agrees to make available to the City such books and records the City deems necessary to conduct the inquiry."

In addition, the potential contractor will then be required to respond to questions concerning criminal history, contractual or business practices and pending civil litigation.

Partial Award

Purchasing shall have the discretion to award on an "all-or-nothing" basis or to accept any portion of the items bid, excluding others unless the bidder stipulates all-or-nothing on his/her bid.

Tie Bids

All other things being equal, tie bids shall be awarded to a local vendor or if both or neither is a local vendor, the bid shall be awarded by the flip of a coin by the Purchasing Agent in the presence of witnesses.

Exception to Award to Lowest Responsive Responsible Bidder Whenever there is a reason to believe that the lowest acceptable bid is not the best price obtainable, all bids may be rejected and Purchasing may call for new bids or enter into direct negotiation to achieve the best possible price. This may also be done if no responsive responsible bids are received.

Cancellation of Bid or Rejection of All Bids

Purchasing reserves the right to reject all bids or to cancel a bid. However, every effort will be made to guard against such an occurrence. Examples of reasons for cancellation of a bid or rejection of all bids are:

Inadequate or ambiguous specification.

Specifications have been revised.

Supplies or services being processed are no longer required.

Change in City requirements.

All bids are deemed unreasonable.

Bids were not independently arrived at or were submitted in bad faith.

A determination has been made that all the necessary requirements of the bid process have not been met.

Insufficient competition.

For reasons that indicate the cancellation or rejection of all bids is clearly in the best interest of the City.

The City may reject any or all bids presented and may, at its discretion, re-advertise for other bids, or the City Council may, after rejecting bids, determine and declare by a four-fifths vote of all of its members, that the work in question may be more economically or satisfactorily performed by day labor, or the labor and materials purchased at a lower price in the open market, and after adoption of a resolution to that effect.

Notice of Cancellation or Rejection of Bids

In the event of a cancellation of the bid, all participating bidders will be notified. If all bids are rejected, the reason(s) will be documented in the bid file.

Disclosure of Bid Results After award, the bids of all bidders shall be open to public inspection at the office of the Purchasing Agent, by appointment during normal business hours. The City assumes no responsibility for the confidentiality of information offered in a bid.

Appeals

Because it is essential that bidders, offerors and contractors have confidence in the procurement procedures for soliciting and awarding contracts, it is the policy of the Purchasing Division to offer all bidders, offerors and contractors the opportunity to appeal award of purchases or contracts.

The following procedures shall apply in regard to appeals by prospective bidders, offerors or contractors:

Any actual or prospective bidder, offeror or contractor who is aggrieved in connection with the solicitation or award of a contract may protest to the City of Selma Purchasing Agent and/or the Chief Financial Officer. Appeals must be submitted in writing within five (5) working days after such aggrieved person knows, should have reasonably known or could reasonably be expected to know of the facts giving rise thereto.

Appeals shall be submitted to the City of Selma Purchasing Agent, 707 West Acequia, Selma, CA 93291. Appeals should address only areas regarding bid contradictions, procurement errors, quotation rating discrepancies, legality of procurement context, conflict of interest in rating process and inappropriate or unfair competitive procurement grievance regarding the bid process.

The City of Selma Purchasing Agent or Finance Director shall have the authority to settle and resolve a protest of an aggrieved bidder, offeror or contractor, actual or prospective, concerning the solicitation or award of contract. The Purchasing Agent will provide a written response to the complainant within five (5) working days unless the complainant is notified more time is required.

If the protest cannot be resolved by mutual agreement, or if the protesting bidder is not satisfied with the decision of the Purchasing Agent and/or Finance Director, he/she shall have the right to appeal to the City Manager within five (5) business days after notification of the Purchasing

Agent decision.

If the protesting bidder is not satisfied with the decision of the City Manager, the final level of appeal is with the City Council. Complainant may appear at the City Council meeting to be heard by Council.

In general, the filing of a protest should cause the solicitation proceedings, which are subject to protest, to be halted until the appeal is resolved. In order to allow essential City functions to continue, the City may proceed with the solicitation or award of contract, despite the protest, upon an adequate determination in writing by the City's Purchasing Agent or Finance Director that such action is necessary. It is expected that such determination will occur only in those few circumstances where it is necessary to protect a substantial interest of the City of Selma. In an effort to limit frivolous protests, protesters who file two (2) protests within twelve (12) calendar months, whose protests are not resolved in their favor, may be withheld from future bid.

Discussions with Responsible Competitors and Revisions to Proposals

Discussions may be conducted with responsible responsive competitors for the purpose of clarification and to assure full understanding of responsiveness to the solicitation requirements.

Competitors shall be accorded fair and equal treatment with respect to opportunity for discussion and revision of proposals prior to award.

During the discussion process, there shall be no disclosure of any information derived from proposals of the competitors.

Award

The contract shall be awarded with reasonable promptness by appropriate written notice. Award shall be made to the most responsive, responsible bidder whose proposal meets the requirements and criteria set forth in the Invitation to Bid and whose bid is determined to be the most advantageous to the City. The contract file shall contain a written explanation of the award decision

A *responsible* bidder is one who has the capability, financial capacity and integrity to perform the contract. A *responsive* bidder is one who commits to all of the material terms (e.g., price, quantity, quality and delivery) of the Invitation to Bid.

Request for Proposals

Detailed procedures for obtaining the services of engineers, architects, land surveyors, planners and other specialized professions are found in Chapter 15, Guidelines for Retaining Consultants. This section primarily deals with specialized equipment and services that the City may contract out such as janitorial, pest control, street striping, etc.

In some cases the competitive bidding process may not be the best method of acquisition. A viable alternative is the competitive sealed proposal, generally called a Request for Proposals process (RFP).

The Request for Proposals (RFP) process is the formal bid process used when the City cannot precisely set forth its needs. The Request for Proposals process is a form of soliciting an offer, by one party to another with reference to some unique or technical task or equipment. An RFP is primarily used for professional and specialized services such as engineering and architectural services, or for equipment that is complex or highly technical in nature. Instead of specifications, a statement or scope of work is written and the vendors are asked to propose solutions. This process may be used as a basis for making an acquisition or entering into a contract when specification and price will not necessarily be the predominant award criteria. The process is subject to the competitive sealed bid process and the following requirements:

When there is no clearly established quantifiable standard associated with the service or asset being requested

When evaluation factors involve the relative technical or professional ability of the offerors to perform.

When the evaluation process involves weighing artistic and aesthetic values.

When price or cost may be a secondary consideration.

When it is likely to best serve the City's interest if a contract award were made to the most advantageous proposal rather than the lowest price submitted.

The award of contract shall be subject to City Council approval if the contract resulting from the RFP is expected to exceed \$25,000 and has not previously been approved by City Council as a part of the City's budget process, i.e., capital expenditures.

If the RFP process is used for a public project as defined in Section 20161 of the California Public Contract Code, the proposal shall be subject to City Council approval.

The "General Conditions" of the RFP detail what information vendors are to submit and in what form, the cost of their proposals, how the City will evaluate the proposals, select the vendor and develop the contract.

All requirements for the RFP shall be transmitted to the Purchasing Division in written form, i.e., memo or requisition. Under normal conditions, the time for processing an RFP is ninety (90) days. This allows vendors enough time to develop their proposals and Purchasing enough time to schedule and conduct interviews or demonstrations. Departments shall specify any required time frame less or greater than the ninety (90) day period on the requisition or memo.

The better a City department clarifies its requirement and communicates it to prospective bidders, the more responsive, complete and acceptable the proposals received will be.

Development of the RFP shall include:

A clear description of the problem to be solved. If a problem cannot be clearly defined, it is either not sufficiently understood to be successfully addressed by a bidder or it is not really a problem deserving of the bidder's attention.

Specifically identify, in realistic terms, what the bidder is to accomplish. This would include any desired approach to the problem; practical, policy, technological and legal limitations; specific questions to be answered; description of the items to be delivered; format and number of copies of any required reports; and the and nature of the assistance and cooperation which will be available to the bidder from the City.

Firm or established time schedules, including dates for: award of contract, commencement of performance, submission of progress reports, if any, and completion.

Whether, and to what extent, progress payments will be allowed and, if deemed appropriate, known or estimated budgetary limitations on the contract price.

A requirement that the prospective bidder include in the proposal:

The professional qualifications of the personnel that the firm will commit to the assignment.

An overall description of the techniques to be used in solving the problem.

The total cost of the study, a detailed breakdown of how it was computed and any desired method of payment.

List of similar types of contracts.

Amount of time and staff to be expended

Facilities and equipment to be utilized

Description and percentage of work to be performed by subcontractors

Other considerations including contractual requirements:

Description of applicable City contract language. Limitation of City's obligation due to non-appropriation of funds Prohibition against assignment Indemnification Insurance and bonding requirements Data security Warranties Compliance with applicable City, State and Federal laws, rules and regulations

If grant-related, compliance with applicable rules and regulations as required by the funding source. If a sample contract is included, RFP disclaimer language will be included stating that it is a sample contract and may or may not reflect final terms and conditions of the contract.

Solicitation of Responses to the RFP In order to ensure maximum project exposure and competition, the requisitioning department shall:

Ascertain the potential of qualified, competent firms or individuals and prepare a list of potential offerors with particular emphasis placed on qualifying local firms, companies or individuals.

Adequate public notice of the RFP shall be given in the same manner as provided in the competitive sealed bid (IFB) process, except that the minimum time is lengthened to twenty (20) days.

During the process of negotiation, proposals shall be handled to provide confidentiality of all offeror identities and any proposed content from competing offerors. Proposals will be registered containing the name of each offeror, the number of modifications received, if any, and a description sufficient to identify the item offered. After the contract is awarded, the register of proposals shall be open for public inspection.

The RFP shall state the evaluation factors, the relative importance of each factor and the composition of the evaluation committee.

Pre-Proposal Conferences and Equipment Demonstrations

Pre-proposal conferences may be conducted to explain the requirements of the project. The conference should be held long enough after the initial request has been issued to allow offerors time to become familiar with the project. In addition, equipment demonstrations for specialized equipment should be held long enough after the initial request has been issued to allow offerors time to arrange for demonstration of the equipment.

A summary of any pre-proposal conference should be provided to those prospective offerors known to have received an RFP.

Amendments to the RFP

Amendments to the RFP shall be identified as such and shall require that the offeror acknowledge all amendments issued. Amendments shall be sent to all prospective offerors known to have received an RFP and shall be sent within a reasonable time to allow offerors to consider them in their proposal. If the time and date established for the receipt of proposals will not allow such time for consideration, the time and date for receipt of such proposals will be increased by amendment to provide such time.

Amendments shall be used to:

Make any changes in RFP, i.e. quantity, descriptions, schedules and opening dates.

Correct defects or ambiguities.

Furnish to other offerors all information give to one, if such information will assist the others in submitting proposals or if the lack of such information would prejudice others.

Modification or Withdrawal of Proposals

Proposals may be modified or withdrawn prior to the established due date and time. Modified proposals may be re-submitted prior to the established due date and time.

Late Proposals

Any proposal withdrawal or modification received after the due date and time will not be considered for award. It is the responsibility of the offeror to submit the proposal at the time and date established and in the place designated for the receipt of proposal.

Receipt and Registration of Proposals

Proposals shall not be opened publicly so as to avoid disclosure of the contents to competing offerors during the negotiation process. Proposals shall be received by the Finance Department and shall be time-stamped upon receipt and held in a secure place until the established due date and time. A register of proposals shall be prepared registered containing the name of each offeror, the number of modifications received, if any, a description sufficient to identify the item offered and any additional information deemed necessary. The register of proposals shall be open for public inspection only after the contract is awarded. Proposals and modifications shall be shown only to City personnel or committee members having a legitimate interest in them.

Evaluation of Proposals

Selection of the evaluation committee should occur in the primary stages of development of the RFP in order that the committee has a complete and detailed understanding of the scope of the project, its limitations and the desired results.

The committee should consist of knowledgeable individuals from the requesting department, representatives from other involved City agencies, a representative from the Finance Department and, if deemed desirable, a recognized expert from the private sector.

The evaluation committee shall compile scores of participating firm(s) or individual(s) submitting the most responsive proposal(s), price and all other factors considered.

Evaluation Factors

The RFP should state the evaluation factors and their relative importance. Evaluation factors may include: General quality and responsiveness of the offeror to terms and conditions and times of performance.

Completeness and thoroughness of the proposal.

Grasp of the problem or of the work to be performed and of the approach to be used.

Evidence of good organizational and management practices.

Qualifications of personnel.

Experience and past performance

Financial condition of the offeror.

Price and cost breakdown, or price range and cost schedule.

Factors not specified in the RFP should be considered in the evaluation only as an enhancement to the RFP.

Methods of Evaluation

The method of evaluation should be included in the RFP. The three most commonly acceptable methods are as follows. All methods are appropriate for selecting consulting firms and service contractors. Method three shall be generally used for negotiated purchases of specialized equipment.

Utilizing a scoring method

All proposals shall be reviewed to determine those that meet the RFP requirements. The evaluation committee shall evaluate and score the proposals using the factors specified in the RFP, and shall prepare a priority list of offerors.

The project manager, the Purchasing Agent or the requesting department representative shall meet with the most responsive offeror to seek a clear understanding of the contract provisions, and an agreement of a fair and reasonable price, if the offeror was not requested to include the price in the proposal. If agreement is not achieved, negotiations shall be discontinued and negotiations shall begin with the second-most responsive offeror.

This process may be repeated until agreement of scope of work, timeline and costs are established with a capable firm or individual on the priority list.

Negotiate with "most-responsives"

The evaluation committee may select two (or more) of the most responsive proposals. The project manager, the Purchasing Agent or the requesting department representative shall meet with the

representatives of each to seek a clear understanding of the contract provisions, and an agreement of a fair and reasonable price, if the offeror was not requested to include the price in the proposal. Offerors shall be accorded fair and equal treatment with respect any opportunity for discussion and revision of proposals. Such revisions may be permitted after submissions, yet prior to award, for the purpose of obtaining the best and final offer. There shall be no disclosure of any information about proposals submitted by competing offerors.

Double-tiered proposal

The RFP may require that all proposals be submitted with price and/or price breakdown in a separate sealed envelope. The evaluation committee shall review all proposals and score each proposal. Then the sealed prices from each fully acceptable proposal will be opened and the final selection will be based on a combination of the proposal evaluation score and the price or weighted price.

Award and Execution of the Contract

The recommendation for award shall be justified by the requesting department head with concurrence from the Purchasing Agent.

Award shall be made to the lowest responsible offeror whose proposal is determined to be the most advantageous to the City, taking into consideration the price and evaluation factors set forth in the RFP. The contract files shall contain the basis on which the award is made.

If the RFP was approved by City Council, or if the recommended contract price exceeds \$100,000, the resulting contract shall be approved by City Council and executed by City contract or Purchase Order.

If the contract does not exceed \$100,000, the contract may be approved by the City Manager and executed by City contract or Purchase Order.

If the contract price does not exceed \$25,000, a Purchase Order contract shall be issued by the Purchasing Agent.

Formal contracts will require the signature of the City Attorney, the Purchasing Agent and the City Manager or his/her designee.

Development of the Document

The professional services agreement (contract) shall state the scope of work, contractor, term of contract and document process.

No agreement will be approved if there is startup date, or if actual work has begun, prior to the date that the City Attorney has reviewed and approved the proposed document.

Contracts will be pulled from the City Council Agenda if they have not been previously submitted to, reviewed and approved by the City Attorney's office.

In certain, very limited, circumstances, exceptions may be made to rules 1 and 2 listed above. However, in such instances it will be the burden and responsibility of the department head to provide a proper explanation and justification on the necessity to start contract performance before the City Attorney approves in final form or proceed before City Council approval, rather than pull the item from the agenda.

NOTE: In most cases, in the absence of the City Attorney's and/or City Manager's approval of the agreement/contract final draft, there can be no liability to the City of Selma. This in turn can create the potential for personal liability on the part of the individual department heads.

Approval Process

The City Council and/or the City Manager, or his/her designee, are the only City officials with authority to approve outside provider service agreements in excess of \$100,000. However, as an administrative policy, the City Manager shall exercise his/her authority to approve such agreements up to a maximum of \$100,000. City Council shall approve all outside service provider agreements/contracts in excess of \$100,000.

All attorney selection(s) must be through, and with the approval of the City Attorney.

Environmental Review Agreements, which have been paid for by the developer, will be exempt from this approval process. Contractor's selection, however, will be based on the criteria and guidelines for selection listed in this policy; a contract will be required, and; contractors will be selected on a rotating basis.

Other Considerations The City Attorney shall be consulted in the development of complex proposals.

A prospective bidder shall not be involved in drafting the RFP. While specifications can be obtained from potential bidders, the department is responsible for ensuring that those specifications are not unduly restrictive.

Throughout the proposal and negotiation process, all contacts with bidders and prospective contractors shall be strictly professional to avoid any conflict of interest or the appearance thereof.

During the evaluation process, it is very important that all offerors be given equal treatment with respect to discussions and revisions. Auction techniques – revealing one offeror's price to another – and disclosure of any information from a competing source are strictly prohibited.

In an emergency, the department head may select an outside service provider, notify the City Manager as soon as possible and seek approval at the next Council meeting.

Any State or Federal regulations or requirements pertaining to a particular contract or agreement and contrary to the provisions of this policy, shall supercede this policy.

Public Inspection

The most responsive proposal shall be available for public inspection at the conclusion of the process.

Rejection of Proposals

Nothing in the RFP procedure requires the awarding of a contract. If the City determines that none of the proposals received offers a suitable solution to the problem at a reasonable price, proposals may be rejected.

SOLE SOURCE PURCHASES

Invitations to Bid, Requests for Proposals and Requests for Quotation shall be secured for all contracts for goods or services which are proposed to be acquired by the City which are greater than \$25,000 in value. However, in those rare instances where bids or proposals cannot be secured, a full explanation shall be included in the requisition or Agenda Item, as appropriate. A memo from the department head and a *Sole Source Justification Form* shall be included stating reasons as to why the goods or services should not be bid or the reasons there is a single source for the service or that the City's interests are better served by the exemption. Such advice shall contain information in sufficient detail to support and justify the decision to not seek competitive bids or proposals.

Departments anticipating the need to sole source (e.g., unique -available only from one manufacturer or distributor) an item should contact Purchasing as early in the procurement process as possible. The steps involved in carrying out a sole source procurement are detailed below:

Discuss with Purchasing, the specific performance or functional intent that indicates a sole source. Typically sole source criteria are "match existing in place" or possessing a functional or performance characteristic that is, in the opinion of the requesting department, essential to performance of its mission and available from a single manufacturer or distributor. Standardization may not be a justifiable reason for sole sourcing unless properly justified and explained in detail.

Purchasing shall search for alternative sources to ensure equal opportunity is extended to all potential vendors and competition is maximized. Multiple distribution for the identical manufacturer and/or functional equivalents of the requested item as determined by the requesting department or technical expert will not be considered sole source and shall be subject to open competitive bidding.

If a sole source decision is reached, the requesting department shall work with Purchasing to negotiate the procurement.

DETERMINATION OF NON-RESPONSIVENESS

Failure of a bidder to promptly supply information in connection with a bid or an inquiry with respect to the vendor's bid may be grounds for a determination of non-responsiveness.

INSPECTION AND TESTING OF SUPPLIES AND EQUIPMENT

The Purchasing Agent shall inspect supplies and equipment to determine their conformance with the specifications set forth in the order. The Purchasing Agent shall have the authority to require chemical and physical tests of samples submitted with bids and samples of deliveries that are necessary to determine their quality and conformance with specifications.

INSPECTION OF PLANT AND AUDIT OF RECORDS

Right to Inspect Plant The City, may at reasonable times, inspect the part of the plant or place of business of a contractor or any subcontractor that is related to the performance of any contract awarded or to be awarded by the City.

Right to Audit Records

Audit of Cost or Pricing Data

The City may, at reasonable times and places, audit the books and records of any person who has submitted cost or pricing data to the extent that such books and records relate to such cost or pricing data. Any person who received a contract, change order or contract modification for which cost or pricing data is required shall maintain such books and records that relate to such cost or pricing data for three (3) years from the date of final payment under the contract unless a shorter period is otherwise authorized in writing.

Contract Audit

The City shall be entitled to audit the books and records of a contractor or any subcontractor under any negotiated contract or subcontract, other than a firm fixed-price contract, to the extent that such books and records relate to the performance of such contract or subcontract. Such books and records shall be maintained by the contractor for a period of three (3) years from the date of final payment under the prime contract and by the subcontractor for a period of three (3) years from the date of final payment under the subcontract unless a shorter period is otherwise authorized in writing.

Reporting of Anti-competitive Practices

Anti-trust violations are activities or practices that attempt to restrain trade or commerce. Anti-trust activities are illegal and are strictly regulated by three primary laws enacted by the Federal government: (1) The *Sherman Antitrust Act of 1890*; (2) The *Clayton Antitrust Act of 1914*, and; (3) The *Robinson-Patman Act of 1936*.

The *Sherman Antitrust Act* states that every contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several states or with

foreign nations is declared to be illegal. The *Clayton Antitrust Act* supplements the *Sherman Antitrust Act* and prohibits price discrimination, tying agreements and certain mergers and acquisitions. The *Robinson-Patman Act* is an amendment to the *Clayton Act* and is intended to eliminate discriminatory and predatory pricing practices.

Types of anti-trust activities include price fixing, boycotts, reciprocity and bid rigging.

When for any reason, collusion or other Anti-competitive practices are suspected among any bidder or offerors, a notice of the relevant facts shall be transmitted to the City Attorney's Office by the Purchasing Agent.

COOPERATIVE PURCHASING

The Purchasing Agent is authorized to join with other public and private entities for the purpose of collectively preparing specifications; requesting and receiving bids, quotations or proposals; and making award to the lowest responsive responsible bidder, provided that the source selection method used is substantially in compliance with the requirements of this chapter.

Purchasing may use State of California Cooperative Purchasing Contracts if the item on the state contract meets the City's needs and if it is unlikely that a separate City bid would result in more favorable prices, terms and/or conditions.

Contracted buying groups are considered to take the place of competition if, in Purchasing's opinion, it is the best interest of the City.

CHAPTER 5

CONTRACTS FOR GOODS AND SERVICES

City employees do not have the authority to procure services, supplies or make any purchases on behalf of the City without the proper authorization. Failing to obtain the proper authorization can result in the individual being held personally responsible for the obligation.

TYPES OF CONTRACTS

Service Contracts – A contract between the City and a public or private entity that provides for the contracting of governmental services to that entity.

Consultant/Professional/Personal Services -A contract between the City and a private firm that provides for services that are of an advisory nature; i.e., services of attorneys, physicians, architects, engineers, accountants, consultants or other individuals possessing a high degree of technical skill.

The product may include anything from answers to specific questions of design of a system or

plan and include workshops, seminars, retreats, and conferences for which paid expertise is retained by contract.

Expert Witnesses -When a contractor is retained as an expert witness in pending litigation, the rate paid shall be consistent with the complexity and difficulty of the testimony to be given, the going rate for similarly qualified contractors and the qualifications and reputation of the particular contractor. The contract shall detail exactly what the contractor is to do (submit to depositions, prepare a report, testify in court, make other appearances, etc.).

Grants -A gift or irrevocable commitment of money to the City, usually from the Federal or State government, to be expended to perform certain duties under the grant specifications. These duties become contractual obligations once the grant is accepted.

Joint Powers Contracts -A contract entered into by two or more public agencies whereby the agencies are to jointly exercise any power common to the contracting parties.

Lease and Lease Purchase Contracts -A contract for the use of real or personal property at a fixed price for an agreed period of time. It should be noted that a lease purchase agreement differs from a regular lease or rental agreement in that the City acquires ownership of the asset in the case of a lease purchase.

Equipment/Maintenance and Supply Contracts -A contract to provide ongoing maintenance, i.e., copiers, typewriters, etc.

Capital Project/Public Works Contracts -Contracts for such items as the construction, alteration or repair of public buildings, roads and bridges are considered Public Works contracts and are bound by separate regulations. Public Works contracts bidding and award procedures comply with the California Public Contract Code, the City Code, and various State and Federal codes and regulations as indicated by the individual project.

Procurement Contracts/Supply Agreements/Annual Contracts -Price agreements for various standard goods and/or services utilized by City departments, executed by the Purchasing Agent and vendor only.

Purchase Orders -Purchase orders issued by the Purchasing Agent are contracts. Typically its terms and conditions are very simple in nature and require minimal auditing.

Rental Contracts -A contract for limited use of real or personal property at an agreed price and for a limited term, i.e., month-to-month or less.

Confirming Purchase Order -An authorization provided by Purchasing to obtain goods or services. The authorization is usually verbal over the telephone. The Confirming Purchase Order is primarily used for emergency purchases. Additionally, the Confirming Purchase Order will not be issued for items on contract or for recurring requirements.

Blanket Purchase Order -Issued by Purchasing for the purchase of specific goods or services over a set period of time, with general terms and conditions.

Department Purchase Order -Initialized and approved at the departmental level with delegated Purchasing authority as a means to obtain goods and services without first processing a formal purchase order.

Purchasing Card – A City-issued credit card used by City employees to make small dollar purchases of \$1,000 or less.

Request for Check -Form typically used for payment of such things as books, subscriptions, insurance, memberships/dues, tuition reimbursement, UPS/Federal Express charges, conference registration, and utilities.

Emergency Contracts -Contracts where the item or items to be purchased or rented are immediately necessary. Such contracts must later be approved and confirmed by the Purchasing Agent or the City Council as provided by law. Emergency contract practices and procedures are discussed in Chapter 3, Methods of Acquisition.

Cost Plus and Cost Reimbursement Contracts -Any type of contract that will promote the best interests of the County may be used except cost-plus-a-percentage-of-cost contracts. Cost-plus-a-percentage-of-cost contracts offer no incentive to the contractor to minimize costs and thus are prohibited.

GENERAL REQUIREMENTS

Retroactive Contracts No City contract shall be commenced prior to approval by the City Manager or the Purchasing Agent. Contractors and vendors shall be advised by the responsible department head that performance under the contract may not commence prior to such approval. No payment shall be made prior to this approval. Any variation of this policy must be justified in writing to the Purchasing Agent for approval.

The submission of a contract for approval after the date of service has begun or after the date of service has been completed is counter to the City's best interest and prescribed approval process.

Contract Periods

Contracts for services shall normally cover not more than one (1) year (i.e., twelve (12) consecutive months) although a longer period may be approved. Multiple year contracts must include provisions for early termination and must be contingent upon available funding.

Unless exempted, as provided for above, no contract shall extend, either by original contract or by renewals or amendments, for more than a total period of five (5) years (60 months) unless competitive bids have been sought or a RFP has been processed or there is a distinct and particular advantage to the City of Selma to contract for longer periods of time.

Compensation for Contracts

The following are typical methods used in paying contracts:

A lump sum or fixed price for the total project. This avoids detailed accounting and is a contract for a given result. The City's concern is not with the cost incurred by the contractor, but with the end product.

Hourly rate plus cost reimbursement, with a ceiling on the total project or contract amount. The contractor agrees to charge only for the hours utilized at an agreed rate of compensation and reimbursement of costs. This method is also a contract for a given result.

Daily compensation plus cost reimbursement to work "when requested" during the term of the contract for daily rate plus cost reimbursement, with a ceiling on the total project or contract amount. This type of contract shall be avoided if a given result can be contracted for.

Monthly compensation for those contractors whose services are rendered generally not less than forty (40) hours per week and no longer than a one year period.

Net rate contracts where compensation is based on an agreed rate per unit of service rendered.

To implement the first and second methods above, the contract shall provide for the following:

The rate(s) of compensation to be paid the contractor(s). There are no set rates for paying contracts. Amounts to be paid depend upon the complexity and difficulty of the project, the going rate for similar work, both within and outside City service and the qualifications and reputation of the individual(s) or firm(s) being awarded the contract. Proposals submitted by individuals and firms will list the rate of compensation to be paid staff assigned to the contract by the bidder.

Generally, independent contractors are responsible for bearing all costs incidental to the performance of their services to the City. However, in limited circumstances, it may be appropriate for the City to pay incidental costs as a separately stated item. Such an example is where it is the ordinary industry practice for the hiring firm to pay incidental costs such as travel to and from various points of business and such costs cannot reasonably be calculated in advance.

The reimbursement of transportation costs and an allowance for per diem shall be paid at rates established by the City so as to reasonable reimburse a contractor for traveling expenses necessarily incurred while performing work for the City. Such rates shall generally not exceed those amounts paid to the City's employees except as otherwise negotiated.

Any other expenses shall be clearly and specifically set forth in the contract.

Progress payments shall be avoided whenever possible and especially on contracts less than three (3) months in duration. If it is essential that progress payments be made, they shall not be made more frequently than monthly in arrears or at clearly identifiable stages of progress based upon written progress reports submitted with the Contractor's invoices. In the aggregate, progress payments shall not exceed ninety percent (90%) of the total amount of the contract. Progress or other payments shall always be based on at least equivalent services rendered and not made in

advance of service rendered, except as otherwise negotiated.

In computing the amount of any progress payment, departments shall determine what the contractor has earned during the period for which payment is being made on the basis of contract terms.

For the purposes hereof, "progress payment" is defined as including any partial payment of the contract price during the progress of work even though the work is broken down into clearly identifiable stages or separate tasks.

Payments by the City in advance are legally permitted, but discouraged and shall be made only when necessary. So the City may realize income through investment of temporary excess monies, contracts or agreements containing provisions for advance payment by the City shall provide for small, periodic payments which are tied to deliverable goods or services, rather than total contract price or lump sum advances, whenever it is advantageous for the City to do so.

Contract Splitting

It is never permissible to split a contract or project in order to evade contract dollar limitation or bidding requirements.

Contracts for Approval That Have Not Been Competitively Bid

It is the policy of the City of Selma that Invitations for Bid or Requests for Proposals shall be secured for contracts for goods or services which are proposed to be acquired by the City except in those certain cases provided for in Chapter 4, Bid Requirements and Procedures. Any department head who submits a contract to the City Manager or the Purchasing Agent for approval that has not undergone the competitive bid process for selection of a contractor, shall submit with that contract, in an Agenda Item or memorandum as appropriate, a complete explanation of how the recommended vendor was selected. That explanation shall include the names of those prospective contractors contacted and their proposed fee for service; why the negotiated approach for selecting a contractor was used instead of the competitive bid process; and any other comments that support the recommendation.

Contracts for Approval That have Not Been Bid By Purchasing

If the selection process has not been conducted by Purchasing, a transmittal letter shall accompany the contract which states the reason for and the method of selection of the proposed contractor, including names and addresses of other prospective contractors considered, the basis for determining the compensation, and its reasonableness and the necessity for any proposed progress payments. Full justification must be given if the proposal accepted is not the lowest price proposal received. All evaluations of RFP's for consulting services must be accompanied by a transmittal letter justifying and explaining the selection.

Contracting Out Services That Displace City Employees

Contracting for services is permissible when any of the following conditions can be met:

- The contract is for a new City function and the City Council has specifically mandated or authorized the performance of the work by independent contractors.
- The services contracted are not widely available within the City service, cannot be performed satisfactorily by City employees or are of such a highly specialized or technical nature that the expert knowledge, experience or ability are not available through the City system.
- The services are incidental to a contract for the purchase or lease of real or personal property. Contracts under this criterion known as "service agreements", shall include, but not be limited to, agreements to service or maintain office equipment or computers that are leased or rented.
- The legislative, administrative or legal goals and purposes cannot be accomplished through the utilization of persons employed by the City.

Contracts are permissible under this criterion to protect against a conflict of interest or to insure independent and unbiased findings in cases where there is a clear need for different, outside perspective. These contracts shall include, but not be limited to, obtaining expert witnesses in litigation.

City departments need private counsel because City Counsel has determined that a conflict of interest on the part of the City's Legal department prevents it from representing the department.

The contractor will provide equipment, materials, facilities or support services that could not feasibly be provide by the City in the location where the services are to be performed.

The contractor will conduct training courses for which appropriately qualified City instructors are not available.

The services are of such an urgent, temporary or occasional nature that the delay incumbent in their implementation under civil service would frustrate their very purpose.

Contract Award

Individuals involved in awarding contracts subject to approval by the City Council, City Manager or Purchasing Agent shall, at the time the contractor signs the contract, advise the contractor that the contract of no force until approved by the Purchasing Agent and that he/she may not commence performance until the contract has been approved by the Purchasing Agent and all required certificates of insurance and acceptable bonds have been filed with the City.

Retention of Contract

In all cases an original of the fully executed contract must remain on file in the office of the Purchasing Agent for no less than four (4) years from the date of completion of the work under the contract. In cases of litigation or other special circumstances (i.e., grant requirements), the contract is to remain on file until those special circumstances have been satisfied.

Administrative Costs and Salary Limitation Policy

It shall be the responsibility of any City official authorized by the City Council to negotiate or execute contracts, or to enter into agreements on behalf of the City, to review all applicable contracts to ensure that the contractor limits administrative costs (defines as those costs, direct or indirect, for managing and administering the delivery of the service for which the City is contracting) to a maximum of 15% of the total program budget and employee benefits to a maximum of 20% of salaries and to include the following language in each applicable contract:

"The contractor agrees to limit administrative cost to a maximum of 15% of the total program budget and to limit employee benefits to a maximum of 20% of total salaries for those employees working under this agreement for the term of this agreement. Failure to conform to this provision will be grounds for contract termination at the option of the City of Selma."

The above salary provision shall be applied to renewal or multi-year contracts with non-profit organizations that primarily serve the City of Selma and professional services contracts where the City of Selma is the sole or primary client. For example:

Community-based Organization Service Contracts related to Social Services, Health Services or Probation Services; Cultural Arts Program Contracts; and Professional Services Contracts.

This policy will not apply to contracts between the City and Federal and State governments.

The department head shall contact the Purchasing Agent where special circumstances exist on a case-by-case determination of applicability, indicating that it is in the best interest of the City that this policy not apply.

Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods (Funding-out Clause)

When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract shall be canceled and the contractor shall be reimbursed for the reasonable value of any non-recurring costs incurred but not amortized in the price of supplies or services delivered under the contract. The cost of cancellation may be paid from any appropriations available for such purposes.

A specific boilerplate contract clause is required to ensure the City's right to cancel due to unavailability of funds (see Appendix for Model Contract boilerplate language).

CONTRACT PREPARATION AND PROCESSING

Negotiation

Once the prospective vendor has been identified, it is necessary to negotiate a contract. A working draft document is necessary. The draft contract may be provided by either the using department or the Purchasing Division. If being provided by the using department, Purchasing and the City Attorney are available to assist in contract drafting and negotiations. It is very important to involve all departments that may be affected by the particular contract in the negotiations as soon as possible.

Drafting a Contract

Model contracts with mandatory clauses have been prepared (see Appendix). With few exceptions, these contracts will be used by City departments if a contract involves services for accounting systems, data processing systems, legal services, lease, lease-purchase of equipment and/or facilities, construction and other areas as required.

All contracts must contain the vendor's name, address, telephone number, Federal Tax I.D. Number or Social Security Number and the appropriate fund, budget and account numbers that will be used to pay the contract. Each contract or agreement shall be prepared guided by the City's model contract.

Should the contract language differ from standard clauses, any and all such changes must be noted on the Contract Routing Form (see Appendix). Should alterations be proposed for insurance clauses, Risk Management will be required to review and sign off on the proposed changes. No contracts will be accepted for the City Attorney's final review and approval unless the Contract Routing Form is attached. Contracts may be rejected by the City Attorney due to incomplete or otherwise unacceptable language.

City departments are not contracting entities. Contracts must be let in the name of the City and clauses such as "doing business as" should not be used. The routing and approval for a contract will be determined by the type of contract and the approving authority. Service contracts having an aggregate cost exceeding \$1,000 must be approved by the Purchasing Agent.

The following information must be included with contracts being submitted for approval:

- Memo (if the contact person and phone number and justification/explanation of desired action is not on the requisition)
- Contract
- Contract Routing Form
- Requisition and copy of prior contract, if applicable.
- Agenda item, if applicable.

When outside legal counsel has been engaged to advise the City on a contract, an attached letter of approval shall be signed and included as a part of the contract in lieu of the signature of the City Attorney.

The departments submitting contracts for required approval shall make every effort to allow adequate time for reviewing departments to do so. It must be understood that a complex contract will require an extended period of time for review. If the contract must be executed by a specific date, the submitting department must route the contract for signature, allowing sufficient time to make any changes that may be required by the reviewing departments.

CITY COUNCIL OR CITY MANAGER APPROVED CONTRACTS

Preparing, processing and monitoring contracts are the responsibilities of the department entering into the contract. Adequate time shall be given to the departments to review, approve and make any necessary changes to the contract. The City Manager or City Attorney may also require changes to be made to the contract or request additional information. Contracts with specific execution or renewal dates shall be handled in a timely manner to assure approval prior to such dates.

PURCHASING AGENT CONTRACTS

This section will address the guidelines for developing contracts that are approved by the Purchasing Agent.

Procurement Contracts

Procurement contracts for various standard goods and/or services utilized by the City departments, where conditions are very simple in nature and delivery of that service can clearly be recognized and defined for purposes of knowing when completion has occurred and/or payment is to be made, are executed by Purchasing and the vendor only. Often times the purchase order will substitute as the contract.

Purchasing may require approval by the City Manager, City Attorney, Risk Management or other departments as deemed necessary. The contracts will be prepared by Purchasing and/or the department in conjunction with Purchasing. In either case a completed requisition must be submitted to Purchasing. An original and two (2) copies of the contract will be signed by Purchasing and the vendor. The original will be retained by Purchasing and the copies will be provided to the department and the vendor.

If a contract is not approved, it will be returned to the department for the necessary corrective action. Purchasing will distribute the contract to one point within a department. It is the department's responsibility to make any other distribution within the department.

FULL SIGN-OFF CONTRACTS

Full sign-off contracts include those for public construction, consultants, and any unusual circumstances requiring multiple level of approvals to ensure compliance with any applicable Federal, State and local laws or for the protection of the City. Full sign-off contracts are reviewed by a number of personnel as follows:

1. Party entering into the contract with the City
2. Department Head
3. City Attorney
4. Director of Finance or Budget Director as applicable
5. City Manager

6. Purchasing Agent

Three copies of the contract must be submitted to Purchasing with the original contract. Purchasing will distribute the contract as follows: City Clerk/City Manager Party entering into contract Submitting department Purchasing.

CHAPTER 6

CONTRACT ADMINISTRATION, ENFORCEMENT AND LEGAL REMEDIES

OVERVIEW

The procurement process does not end with the award of contract. The contractor's performance must be appropriately monitored, the contract itself may be amended in response to unforeseen problems and the contract must be eventually closed-out or terminated, if not renewed. In performing these tasks, the department shall:

Assure a mutual understanding of the rights, obligations and responsibilities of both the contractor and the department under the contractual agreement;

Initiate any contract changes desired by the department;

Protect the City's interests in the event of default by the contractor or contract termination;
and

Evaluate the performance of the contractor for future use by other City departments.

CONTRACT MONITORING

Contract monitoring allows the department to diagnose problems that may lead to work change orders, schedule slippages, cost overruns or unacceptable product quality. Four steps shall be taken to guard against these problems:

1. Designate a Contract Administrator (in some instances this may be Purchasing);
2. Establish administrative controls;
3. Monitor work progress regularly; and
4. Establish cost controls (these may have already been established as a part of the bid specification).

It has been demonstrated that the City receives the greatest benefit from certain contracts when the engagement is considered a joint undertaking and City personnel are active participants.

This provides the employees with useful training opportunities and valuable knowledge of what the contractor has done, why it was done, and how the agency can benefit by it. This often represents knowledge that could never be derived simply through the analysis of the end product. City personnel, working with the contractor, can give the project continuity at the operating level in subsequent months. Also, these individuals can lend "in-house acceptance" to the project and broaden its chances for an enduring success.

CONTRACT ADMINISTRATOR

One person shall be given the responsibility for administering the contract. This individual (Grants Manager/Contract Administrator) shall be the single contact person and shall be responsible for the following actions:

1. Coordinating the flow of information between the contractor and the department.
2. Responding to requests made by the contractor.
3. Monitoring disbursements against the contractual budget.
4. Monitoring the procurement progress against the work scheduled.
5. Coordinating the delivery of data or services to the contractor.
6. Approving all contract deliverables.

7. The Contract Administrator shall have a technical background to promptly diagnose problems in the development, testing, implementation and operation of the product or service. The department head or his designee shall formally designate the Contract Administrator by name and clearly define his or her responsibilities. If not designated in the contract, this designation shall be sent, by letter, to the contractor and user department.

Administrative Controls

The Contract Administrator and the contractor's project manager shall review the rights, obligations and responsibilities of both parties soon after the contract is signed. During this review, they shall again discuss all issues that were difficult to settle during negotiations since these issues are the most likely points for future disagreement. They shall review the following items:

1. Communication channels between the department and the contractor, designating specific personnel by name, title, responsibility, address and telephone number.
2. Major milestones, including the due dates for all contract deliverables and the provision of all property, material and manpower by the jurisdiction to the contractor.
3. Administrative and technical requirements for reporting work progress.
4. Administrative requirements for reporting expenses and procedures for progress payments or other financial arrangements.
5. Administrative and technical procedures for inspecting and accepting contract deliverables.
6. Administrative procedures for authorizing modifications to the contract.

Work Progress

Written progress reports are essential if the Contract Administrator is to maintain control over the project and shall be required in the contract. Regular progress reports shall describe actual progress during the current reporting period, deviations from planned progress and problems anticipated in the next reporting period. Information shall be maintained and accumulated for future use. Progress reports shall also explain any reasons for these deviations (current and expected); outline what is being done to correct them; and indicate what assistance, if any, is required from the department.

Control is facilitated by requiring the contractor to submit: (1) a schedule for approval by the Contract Administrator and (2) a comparison of actual progress to the schedule with each written progress report.

Cost Controls

Cost controls are another means of determining whether the procurement is proceeding as

planned. Cost controls warn the Contract Administrator of any problems the contractor may have in completing the required work within the contractual cost limits by showing the relationships between actual and expected costs. Cost controls are also used with cost-reimbursement contracts as a means of noting deviation from target costs. The Contract Administrator can then suggest actions that will reduce those and future deviations, thereby keeping actual costs as low as possible.

Cost control is maintained by requiring the contractor to submit: (1) a cost plan for approval by the Contract Administrator and (2) a cost status report with each written progress report.

A cost plan is a task-by-task budget of direct labor costs, fringe benefits, overhead, direct materials, direct services, other expenses, as well as general and administrative costs. The requirement for a cost plan will depend on the size and complexity of the contract. If the department feels a cost plan is required, that requirement and related conditions shall be specified in the contract.

A cost status report shall provide information using the same cost elements found in the cost plan and for updating the department on actual costs, cumulative cost-to-date and variances between actual and planned cost-to-date.

The following are examples of cost control criteria:

1. Estimated costs at completion -the latest estimate and original planning estimate.
2. Variances between estimated and planned costs at completion.
3. Explanations of the nature of any variances between actual and planned costs-to-date or estimated and planned costs at completion.
4. Descriptions of the actions proposed or taken to avoid or minimize any impending cost overruns
5. Ensuring the timely submittal of all progress and cost status reports.

6. Comparing these reports with the schedule and cost plans.
7. Ensuring that the contractor receives the governmental support promised him in a timely fashion.
8. Ensuring the timely delivery of all products, services and documentation required of the County by the contract.
9. Ensuring the timely performance of tasks required of the City.
10. Ensuring that all quality control procedures (i.e., tests and inspections) are followed by the appropriate requirements and technical support specialists immediately after the receipt of each contract deliverable.
11. Reviewing the results of tests and inspections before closing out the contract.
12. Coordinating all other contractual controls.

AMENDING THE CONTRACT

Unforeseen problems, circumstances and events may make a contract amendment a necessity. To protect the City's interests, the Contract Administrator or department head shall supervise all discussion with the contractor regarding amendments, but only after doing so with the Purchasing Agent. All amendments must be in writing and signed in the same manner as the original contract. The dollar amount of the amended contract must not exceed the signatory's limitations.

For purposes of approval, a copy of the original contract and any amendments must accompany the proposed amendments. All change orders, amendments to contract and supplemental agreements must be signed by the Purchasing Agent.

RENEWAL OF CONTRACTS

Contracts for services shall not usually cover a period of more than one (1) year, although longer periods may be approved. Unless exempted from competitive bidding procedures, contracts for goods and service should not extend, either by original contract or by extension, beyond five (5) years unless competitive bids/proposals have been sought or approval is obtained from the Purchasing Agent.

Contracts shall not be renewed without thorough consideration of contract performance, availability of new or better contractors, changing circumstances and other factors which could affect the existing contract to determine whether its renewal is the most appropriate and cost effective option.

Any decision to renew a contract must be made prior to the termination date of the existing contract. It is recommended that planning for renewal or a new contract begin not later than sixty (60), nor earlier than one hundred twenty (120) days prior to the existing termination date

depending on the complexity of the contract and renewal. Prior to any renewals, department heads or Contract Administrators shall consult with Purchasing.

Renewal shall not be used to circumvent any required bidding processes.

CLOSING OUT OR TERMINATING THE CONTRACT

All contractual relationships must eventually either be closed-out upon completion of all the work or terminated prior to completion. A contract closeout is an administrative procedure involving formal acceptance of all contract deliverables and payment of the contractor's final invoice. A contract termination is generally a unilateral action that stops work on all or part of the contract for cause or convenience. A contract can also be terminated by mutual agreement in the same way that a contract is amended.

Termination of a contract consists of three steps: (1) close out the contract; (2) issue a Stop Work Order; and (3) settle all claims. Step 1 is performed only upon satisfactory completion of all work. Steps 2 and 3 are performed only to terminate a contract for cause or convenience.

How to Close Out the Contract

A contract should not be closed out until the City is satisfied that all contractual obligations have been met by the contractor. This occurs when two conditions have been met:

The required products or services have been delivered and tested/inspected;
and

The results of these tests and inspections indicate that the required products or services comply with the technical specifications.

Where appropriate, the City shall formally notify the contractor, in writing, of the department's final acceptance of the work, as soon as these conditions are met. The contractor's final invoice can now be processed.

How to Issue a Stop Work Order

All or part of the contract may be terminated for cause whenever the contractor refuses or clearly fails to meet contractual performance requirements. Common causes for default include; failure to deliver acceptable products or services; failure to meet scheduled delivery dates or contractual milestones; failure to resolve disputes or offer explanations on disputed terms, conditions or requirements; or demonstrated lack of progress that is harmful to the jurisdiction.

Prior to terminating a contract for cause, consult with Purchasing.

The contractor shall be warned that he/she is in default before work is actually stopped. This warning shall consist of a formal letter from the City specifying how the contractor is in default and suggesting that these problems be corrected within a specified time frame. This warning

provides the contractor with an opportunity to correct the problems or dispute the City's claims before a Stop Work Order is issued. Depending upon the response the City may:

Authorize the contractor to proceed under the original or a revised schedule.

Allow the contractor to continue if he/she agrees to subcontract specified portions of the work to a reliable outside source.

Issue a Stop Work Order.

If a Stop Work order is required, it shall be a formal letter signed by an authorized City representative and reviewed by the City Attorney. The letter shall state:

The effective date of the Stop Work Order;

The portion of the contract covered by the Stop Work order;

Instructions for stopping work and canceling any purchase orders; and

A request that the contractor acknowledge receipt of the Stop Work Order.

If the contract provides for termination without cause, notice shall be given as provided by the contract. A formal Stop Work Order is not necessary.

Outstanding Contract Obligations

When a contract is terminated, the contractor may or may not be due any money and the City may or may not be due any monetary damages, materials, equipment or partially complete work. The City should make every effort to determine the status of contract obligations prior to terminating the contract.

VENDOR REQUESTS FOR CHANGES OR CANCELLATIONS

General Policy

When a vendor requests a change or cancellation to a purchase order or contract that will result in additional cost to the city, Purchasing's policy is to deny the request for a change or cancellation unless such denial will cause documented undue hardship to the vendor or unless there is no reasonable alternative. If the vendor refuses to perform according to the original contract, he will be in breach of contract.

"Price in Effect at Time of Shipment"

In the rare case where Purchasing accepts a "price in effect at time of shipment" offer, the purchase order should so state and the quote or bid file should document the necessity of accepting such an offer.

If the price increases between the date of order and date of shipment, the vendor should supply the buyer with documentation, generally in the form of old and new published price lists.

BREACH OF CONTRACT -DEFINITIONS

Actual Breach

Actual breach of contract is defined as a failure to perform on time and in a manner required by the contract. This includes failure to perform at all, as well as delivering the wrong goods or defective goods.

Anticipatory Breach

Anticipatory breach can be defined as the statement by one party, made prior to the time performance is required under the contract, that it does not intend to perform when performance is due, or the intentional act by one party to disable himself so that he is unable to perform.

In the case of anticipatory breach, the City must have actual evidence of the breach before employing legal remedies.

It is Purchasing's policy to document the vendor's statement in writing either by asking for a letter from the vendor stating his position or by issuing a letter to the vendor confirming the vendor's verbal statement to Purchasing and setting forth a deadline for the vendor's written reply if Purchasing's letter is incorrect.

If the City does not cancel the contract, materially change its position (i.e. orders substitute goods) or otherwise indicate that it considers the repudiation final, the vendor may retract its repudiation. Retraction must occur before performance is due.

ENFORCING CONTRACT PROVISIONS

Vendor's Right to Cure

The vendor has a right to cure improper tender or delivery as follows:

Where the City rejects delivery of non-conforming goods and the time for performance has not passed, the vendor may notify the City of its intention to cure and then within the contract time make a conforming delivery.

Where the City rejects a non-conforming tender which the vendor has reasonable grounds to believe would be acceptable, he may notify the City of his intent to cure and have further reasonable time to substitute a conforming tender.

Enforcement

The following steps shall be followed when breach of contract has occurred:

Notify the vendor and Purchasing verbally that the vendor has breached the contract and in what way breach has occurred. Reach an understanding with the vendor as to what he/she intends to do. If a vendor intends to remain in default, advise the vendor of the City's legal rights, the right to obtain comparable goods (known as "cover") elsewhere and charge the company with the difference between the contract price and the "cover" price if the "cover" price is higher. The City may obtain this reimbursement for damages by deducting it from any money due the vendor or by accepting another form of vendor payment.

Note: Barring a vendor's substantiated anticipatory breach, the City may not take action to obtain cover until the promised time for performance (delivery date) has passed or the goods have been rightfully rejected.

Document the verbal understanding, including a summary of the City's legal rights, as appropriate, in writing, and mail to the vendor; send a copy to Purchasing and attach a copy to the Purchasing Document. The letter should set forth a date by which the vendor must reply or cure his default in order to avoid legal action by the City. It should also state that a failure to resolve this problem may result in removal from Purchasing's bid list. Preparation of this letter must be coordinated with Purchasing and must be approved as to form by the City Attorney prior to mailing to the vendor.

If the vendor fails to fulfill contract requirements and has not replied in writing with an alternate proposal which is acceptable under the circumstances, Purchasing shall issue a written cancellation, signed by Purchasing, and approved by the City Attorney citing the vendor's breach of contract and shall proceed to obtain comparable goods elsewhere. It is assumed at this point that the City has exhausted all reasonable expectation of obtaining contract performance and cannot wait any longer for the goods.

CONTRACT ADMINISTRATION -FILES

It is imperative from a legal perspective that contract files, especially those pertaining to construction projects are detailed and complete. The following is a list of the types of correspondence and documents that should be kept, as originals or copies depending upon the circumstance. This list is by no means exhaustive and merely reflects those documents that would be critical in the event of litigation or disputes.

Copies of All Contracts Pertaining to the Project

Architect

Construction

Consultants

Interlocal/Cooperative Agreements

Grants

Notice of Award Letters

Copy of the Purchase Order

Requests for Insurance and Bonds

Memos/Letters/Reports Field Reports Meeting Notes Correspondence Daily Diaries Orders of Materials Copies of Bonds and Insurance Certificates Change Orders and Changer Order Correspondence Notices of Breach Notice of Completion

CHAPTER 7

VENDOR RELATIONS AND VENDOR PERFORMANCE

OVERVIEW

This section is intended to summarize the basic City policies governing vendor relationships and to furnish information on specific purchasing practices. It is intended only to supplement the policies and regulations set forth elsewhere in the Purchasing Manual.

VENDOR RELATIONS

It is essential that a professional, business-like relationship of mutual trust and confidence exist between the City and its suppliers. The primary responsibility for establishing this relationship for the City rests with Purchasing.

The following concepts are considered basic and fundamental to the City's vendor relationship policy.

Department staff has no obligation to see or talk with vendors unless requested to do so by Purchasing. In fact, vendors are discouraged from making site visits with individual City employees outside of the Finance Department.

Vendors soliciting sales are to be received by Purchasing staff only. However, if it is deemed necessary or beneficial by Purchasing, interviews for specific needs will be arranged with representatives of the other city departments.

Purchasing shall not make, nor be asked to make unreasonable or unnecessary demands on suppliers.

The name of the contractor(s) contacted by a using department should appear on any

resulting purchase request as a suggested contractor(s).

UNAUTHORIZED VENDOR CONTACT WITH CITY DEPARTMENTS

Once the bid has been issued, prospective bidders are prohibited from contacting any City department during the bid process unless approval is received from Purchasing. Failure to comply with this policy will be considered cause to reject the vendor's bid. This does not preclude the vendor from contacting City departments concerning other ongoing business.

POLICY ON VENDOR VISITS

Purchasing Division Buying Staff

Visits by appointment are preferred since drop-in visits can lead to inconvenience for both parties. Buyers may be in a meeting or away from the office at the time of the unscheduled visit.

Buyers are available to meet with vendor representatives between 10:00 a.m. and 4:00 p.m., Tuesday through Thursday. Meetings should be made by appointment.

Other City Employees

It is preferred that vendors use Purchasing as the first point of contact with the City. This saves time for both the City and the vendor because Purchasing is a central source of information on the City's needs, buying plans and existing contracts.

When a using department requires information from a vendor, these requests normally will be handled by Purchasing except when technical detail or preliminary information is required. If this occurs, Purchasing shall receive copies of all correspondence that includes pricing.

Vendors are asked to refrain from attempts to "backdoor" sell. This is defined as the vendor attempting to have the using department specify to Purchasing a specific brand, product or supplier to the exclusion of legitimate competition.

Visits with City departments may be made upon the recommendation of Purchasing. Purchasing will direct the vendor to the correct person and phone number. Using departments should maintain a log of all sales people making calls in their department.

City employees are not required to speak to or see private vendors.

Role of Non-Purchasing City Employees

Non-Purchasing City employees may find some vendors to be useful sources of products and price information needed for budget planning. Such employees, however, do not have authority to contract with vendors unless the purchase can be made with petty cash or as authorized under the small dollar purchase limit procedures.

Non-Purchasing City employees should notify Purchasing if they receive a visit from a vendor with useful products and price information and should also encourage the vendor to call Purchasing for an appointment with a buyer. Also, Purchasing can help vendors to use their sales time more efficiently by informing them about expiration dates of existing contracts, upcoming bids and where similar products are used throughout the City.

VENDOR OFFERS OF FREE TRIALS AND SAMPLES

In some industries it is common for vendors to offer free loaners, demonstrator equipment, trial use, free supplies or other promotionals. These offers are sales tactics and acceptance of such "free" equipment, supplies or services may or may not be to the City's the best interest.

Any department that receives a "free" offer should contact Purchasing for assistance. The offer will be evaluated and other alternatives will be considered which may better meet the department's needs. If the offer is in the best interest of the City, Purchasing will advise the department.

City departments shall not accept offers from vendors for free repair or services of any kind until a "no charge" Purchase Order is issued to cover the work to be performed or otherwise approved by Purchasing. The Purchase Order contains terms and conditions designed to protect the City from claims for damages resulting from injuries and accidents that might occur while work is in progress.

If a product demonstration is required, the demonstration shall be requested, arranged and overseen by Purchasing or their designee.

Occasionally, the City requires bidders to submit production samples of products that the City intends to purchase. For example, samples may be required for new, untried products where workmanship might be a significant factor or in cases when most of the bidders are expected to be distributors who may offer a wide variety of similar products. Failure to comply with a request for submission of a sample may be cause for the bid to be declared non-responsive and subject to rejection.

When samples are required for test and/or evaluation and the product will be consumed, the City may purchase the material. This allows the City the right to use the material as it sees fit and use the results of the tests in any manner it wishes. The determination of whether samples are requested free is dependent upon the reasonableness of the dollar amount and quantity requested. This determination will be at Purchasing's discretion and direction.

The most responsive bidder's sample is retained to compare with the vendor's shipment of the purchased goods. This sample will be returned at the request of the low bidder following acceptance of the total shipment. All other bidders wishing to have samples returned must pick them up at Purchasing within thirty (30) days following award of the bid. Samples not claimed within that period become the property of the City to be disposed of as the City sees fit. Bidders desiring to have samples returned by mail or parcel post must furnish return mail cartons, packing, postage, insurance, etc.

VENDORS AS CONSULTANTS

Departments shall not request nor expect contractors to perform no-cost pre-purchase design, demonstrations, layouts or presentations, as such services cannot be considered when an award of purchase is ultimately made by Purchasing.

When it is necessary to obtain pre-purchase services, these services will be purchased separately from any purchase of equipment, supplies or services. Contact Purchasing for assistance in advance of the need for prepurchase services.

Fair and open competition requires equal treatment for all prospective vendors. No vendor will be given an advantage over another. For instance, a vendor is not allowed to dictate the product specifications, thereby limiting the bidding to only his company's product.

It is the City's policy that contractors or consultants who are paid to write product specifications, prepare bid documents and/or evaluate proposals, or the like, may not also participate as bidders to sell the City the subject product either directly or through business partners, associates or affiliates.

COMPETITIVE SEALED BIDS

Whenever sealed bids are used for goods and services, all bids shall be publicly opened and the dollar amount of each bid shall be read aloud. Bids are then closed for public review after the last person leaves the bid opening, until the contract is awarded. Bids or proposals received at the designated place of opening after the established closing time for receipt of bids, as designated in the invitation for bids, shall not be opened or considered. Except for late bids, it is to be understood that a bid irregularity or minor informality may be waived by the Purchasing Agent when it can be determined that such waivers will not adversely affect the bidding process.

The Purchasing Agent may elect, if it is in the City of Selma's best interest, to accept a bid from a bidder who has not submitted the proper number of copies. A bidder who does not submit the proper number of copies as designated in the invitation to bid may be allowed up to one (1) working day, or sufficient time as deemed necessary by the Purchasing Agent, from the time of bid opening to supply the proper number of copies.

RELEASING BID RESULTS

During the bidding process, each vendor's bid is kept confidential and is not shared with anyone. However, any vendor or member of the public is entitled to review bid results after the bidding process has been completed. There are two ways to obtain this information:

For written, sealed bids, an interested party may be present at the time and date given in the bid document as the "closing date" or "opening date" and request to witness the bid opening from Purchasing.

For any bid or quotation, an interested party may contact the Buyer and make an

appointment to review the bid or quotation file after the award decision has been made.

Purchasing, as a matter of practice, does not normally photocopy bids. However, if an interested party requests photocopies, Purchasing will charge a fee to cover the costs of providing the copies.

LOCAL VENDORS

To provide for the purchase of goods and services by the City, if price and quality are equal, preference shall be given to local vendors and local products.

VENDOR PROTESTS

The procedures for protesting, both before and after an award, are set forth in Chapter 4, Bid Requirements and Procedures, Appeals.

Protests should be made verbally to Purchasing and confirmed in writing to the Purchasing Agent as soon as possible so that an objective decision can be made by the City and costly delays in the acquisition process can be avoided.

CONFIDENTIAL VENDOR INFORMATION

Generally, all information submitted by vendors during the competitive process is public information. "Trade Secrets" are deemed not to be public record.

If trade secret information is included in the bid, bidders must submit the trade secret information under separate cover, plainly marked "Trade Secret" or "Confidential" or "Proprietary Information". This information will be reviewed by Purchasing and referred to the City Attorney as deemed necessary.

Information identified by a bidder as a trade secret and determined not to be in conformance with the trade secrets definition shall be excluded from the proposal unless released by the bidder. Such information will be returned to the bidder, at the bidder's expense and upon written request.

Trade secrets are defined as, including, but not limited to:

Any formula, plan pattern, process, tool, mechanism, compound, procedure, production data or compilation of information that is not patented, which is known only to certain individuals within a commercial concern who are using it to fabricate, produce or compound and article of trade or a service having commercial value and which gives its user an opportunity to obtain a business advantage over competitors who do not know or use it.

The City shall not in any way be liable or responsible for the disclosure of any proposals or portions thereof containing trade secret information unless it is (1) submitted under separate cover that is plainly marked "Trade Secret", "Confidential" or "Proprietary Information" on the outside or (2) if disclosure is required under the provision of law or by the order of the Court. Vendors shall be advised that the City does not wish to receive trade secret information and that vendors are not to supply trade secrets unless absolutely necessary.

The Trade Secret Acknowledgment (See Appendix) shall be executed by the bidder as part of his/her response to a City Request for Proposal (RFP) or Request for Quotation (RFQ).

BIDDERS' LIST

Any vendor may apply to be placed on Purchasing's bidders' list. The only requirement is for the vendor to complete the Bid List Vendor Application Form (See Appendix).

Filling out a Bid List Vendor Application Form will not ensure receipt of an Invitation for Bid (IFB), a Request for Proposal (RFP) or a Request for Quotation (RFQ) for the items specified on the application. The City of Selma receives many requests for certain types of goods or services. Due to the cost involved in processing RFP's and RFQ's, the City is unable to send them to all interested vendors. Vendors are encouraged to frequently review the 'Out for Bid' binder in Purchasing's reception area. Specific bids that are requested will be provided.

REMOVAL FROM THE BIDDERS' LIST

Authority and Grounds

After reasonable notice to the vendor involved, and a reasonable opportunity for that vendor to be heard, the Purchasing Agent, after consulting with the City Attorney where appropriate, is authorized to debar a vendor for cause from consideration for award of contracts. The debarment shall be for no more than three years. Additionally, after consultation, the Purchasing Agent is authorized to suspend a vendor from consideration for award of contracts if there is probable cause to believe that the vendor has engaged in any activity that might lead to debarment. The period of debarment or suspension shall be as prescribed by the Purchasing Agent. The causes for debarment include:

Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;

Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property or any other offense indicating a lack of business integrity or business honesty which currently, seriously and directly affects responsibility as a City contractor;

Conviction under state or federal antitrust statutes arising out of submission of bids or proposals;

Violation of contract provisions, as set forth below, of a character that is regarded by the Purchasing Agent to be so serious as to justify debarment action:

Deliberate failure, without good cause, to perform in accordance with the specifications or within the time limit provided in the contract; or

A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the vendor shall not be considered to be a basis for debarment;

Any other cause the Purchasing Agent determines to be so serious and compelling as to affect the responsibility as a City vendor, including debarment by another governmental entity for any cause listed in this section; and

Written Decision

The Purchasing Agent shall issue a written decision to debar or suspend. The decision shall state the reasons for the action taken and inform the debarred or suspended vendor involved of their rights concerning judicial or administrative review.

Notice to Vendor

A copy of the decision shall be mailed or otherwise furnished immediately to the debarred or suspended vendor.

Finality of Decision

A decision to debar or suspend shall be final and conclusive, unless the debarred or suspended vendor files a written appeal with the Purchasing Agent or commences a timely action in court in accordance with applicable law. Appeals must be filed within ten (10) days after the receipt of the decision to debar or suspend.

REINSTATEMENT TO BIDDERS' LIST

After the time for suspension or debarment has passed, the vendor may apply for reinstatement to the Bidders' List by submitting a new Bid List Vendor Application to Purchasing.

DOCUMENTING VENDOR PERFORMANCE

A file is established for each vendor on the bidders' list. The file includes the vendor's bid list application form and correspondence regarding performance and attempts to resolve any problems. Correspondence should reference the related purchase order or agreement number and the related bid number, if any.

Performance records for vendors who are not on the bid list should also be maintained in a

vendor file. It will not contain a Bid List Vendor Application form.

All departments are encouraged to document vendor performance in writing and forward a copy to Purchasing.

MINORITY, DISADVANTAGED AND

WOMEN-OWNED BUSINESS UTILIZATION

It is the policy of the City of Selma that business concerns owned and controlled by women and/or socially and economically disadvantaged individuals shall have equal and maximum practicable opportunity to participate in the City's purchasing program.

Definitions

Small Business -Those businesses that fall in the category of small by the Small Business Administration criteria.

Minority Business Enterprise (MBE) -An independent and continuing business for profit, which performs a commercially useful function, and which is owned and controlled by one or more minority group members. For purpose of this definition, minority group members include Black Americans, Hispanic Americans, Native Americans (including American Indians, Eskimos, Aleutians and Native Hawaiians) and Asian-Pacific Americans (including persons whose origins are from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the United States, Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia and Taiwan).

Women-Owned Business Enterprise (WBE) -An independent and continuing business for profit, which performs a commercially useful function, and which is owned and controlled by one or more women.

Disadvantaged Business Enterprise (DBE) -A small business concern which is (a) at least fifty-one percent (51%) owned by one or more socially and economically disadvantaged individuals, or in the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned by one or more socially and economically disadvantaged individuals; and (b) whose management and daily business operations are controlled by one or more socially and economically disadvantaged individuals who own it. Socially and economically disadvantaged individuals include MBE's, WBE's and any other minorities or individuals found to be disadvantaged by the Small Business Administration pursuant to Section 8(a) of the Small Business Act.

Handicapped-Owned Business Enterprise (HBE) -An independent and continuing business for profit, which performs a commercially useful function, and which is owned and controlled by one or more disabled individuals pursuant to the federal ADA Act.

Good Faith Effort

The City of Selma expects all general contractors to solicit minority, disadvantaged and women-owned business firm as subcontractors and materials suppliers. All general contractors should make a good faith effort to work with the City of Selma Purchasing Division to fulfill our joint commitment to these business enterprises. Only through this combined effort can we create a business climate favorable to all citizens of the City of Selma.

Minority Determination

For purposes of determining whether a business is a Minority-Owned Business Enterprise, Disadvantaged-Owned Business Enterprise or a Women-Owned Business Enterprise, the minority or minorities, the woman or women, or a combination of minorities and women as the context requires shall (1) possess legal authority and power to manage business assets, good will and daily operation of the business, and (2) actively and continuously exercise such authority and power in determining the policies and directing the daily operations of the business.

General Requirements

City contracts and City Purchasing Division staff will:
Provide all qualified DBE's an opportunity to bid on any City contract.

Provide one-on-one counseling to DBE's with respect to obtaining bid bonds and performance bonds.

Advertise all upcoming contracts in minority publications.

Take a leadership role in interacting with organizations which promote minority business development such as the Hispanic Chamber of Commerce and the Small Business Development Center

Hold special events to acquaint DBE's with City purchasing procedures and upcoming opportunities.

Coordinate pre-bid conferences to include general contractors and subcontractors at the same time so as to provide opportunities for minority, women and handicapped business owners to meet general contractors.

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM

Policy Statement

It is the policy of the City of Selma to utilize Disadvantaged Business Enterprises (DBE's) and firms as defined in 49 CFR Part 23 in all aspects of contracting, to the maximum extent possible. This policy, which is fully described herein, constitutes policy and commitment to substantially increase DBE utilization in all program activities funded wholly or in part by any U.S. Department of Transportation model element.

This Agency, its contractors and subcontractors, which are the recipients of Federal-aid funds, agree to ensure DBE firms have the maximum opportunity to participate in the performance of contracts and subcontracts. In this regard, this Agency and all of its contractors and subcontractors will take all reasonable steps in accordance with 49 CFR Part 23 to ensure that DBE firms have the maximum opportunity to compete for and perform contracts.

Disadvantaged Business Enterprise Liaison Officer

The City of Selma Purchasing Agent is the DBE Liaison Officer for this agency and shall report to the City Manager. The DBE Liaison Officer shall be assigned such staff as necessary to fully implement the provisions of 49 CFR Part 23 and such other DBE programs as may be required.

Duties of the DBE Liaison Officer

The DBE Liaison Officer shall develop, manage and implement the DBE Program on a day-to-day basis. The Liaison Officer shall:

Develop and carry out technical assistance programs for DBE's.

Arrange solicitations, time for the presentation of bids, quantities, specifications and delivery schedules so as to facilitate the participation of DBE's. Where such changes are found necessary to increase DBE utilization, they will be made in consultation and cooperation with the functional unit involved.

Provide guidance to DBE's in overcoming barriers such as inability to obtain bonding or financing.

Carry out information and communication programs on contracting opportunities in timely manner. Programs shall be bilingual where applicable.

Investigate the services offered by banks owned and controlled by DBE's.

Listing of certified DBE's are to be made available to all project bidders. Such listing will include the following information: Name, address, telephone number, DBE classification and type of work performed by the firm.

Prior to approval of the substitution of any DBE subcontractor for any given project, the prime contractors will be required to provide and prove good faith effort to replace the DBE with another eligible DBE.

Establish a DBE overall annual goal. The goal shall be evaluated annually and adjusted as necessary.

Establish an appropriate individual project DBE goal for each Federal Aid Project advertised.

Perform good faith analysis when the project goal is not achieved.

Maintain such documentation as is necessary to verify performance of all activities included in this program.

Public Notification

Public notification shall include published notice in both a minority and majority local media and shall include the following information:

Annual overall DBE goal.

Notification that a description of how the goal was set is available for public inspection for a period of thirty (30) days.

Notification that both the U.S. DOT and this agency will accept comments on the goal for 45 days from the date of the notice. The notice shall advise interested parties that comments are for information purposes only.

The program will be reaffirmed annually, by public notice, at the time of the publication of the overall goal. If substantial changes are made to this document, the entire document shall be subject to notification as noted above.

In addition to the foregoing, interested DBE and majority contractor organizations will receive direct mailings of this complete program.

Establishment of Goal

The DBE goal will be established both annually (overall) and on a per contract basis. The overall goal will be based on planned contract activity for the coming year. The overall goal established will be subject to methodology and procedures established in 49 CFR Part 23, Subparts (C) and (D) and take effect on October 1st of each year.

The overall DBE goal established with this program is 10%. Individual project goals will be established based on the following criteria:

Attainment of established overall goals.

Size of the project.

Opportunities for DBE's as subcontractors, vendors and suppliers.

Minority population of the geographic area in which the work is to be performed.

DBE goals being utilized in the geographic area by other State Federal or local jurisdictions.

Availability of certified DBE's.

Past experience on projects similar to the project being evaluated.

Such other factors as may affect the utilization of DBE's.

Projects that do not contain a specific goal will contain the following provisions:

Policy. It is the policy of the Department of Transportation that Disadvantaged Business Enterprises as defined in 40 CFR Part 23 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal finds under this agreement. Consequently, the DBE requirements of 49 CFR Part 23 apply to this agreement."

DBE Obligation. The recipient or its contractor agree to ensure that Disadvantaged Business Enterprises, as defined in 49 CFR Part 23, have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with Federal funds provided under this agreement. In this regard, all recipients or contractors shall take all necessary and reasonable steps in accordance with 49 CFR Part 23 to ensure that Disadvantaged Business Enterprises have the maximum opportunity to compete for and perform contracts. Recipients and their contractors shall not discriminate on the basis of race, color, national origin, ancestry, religion handicap or gender in the award or performance of U.S. DOT-assisted contracts.

Contract Procedure

These procedures require bidders to submit the names of DBE subcontractors and suppliers, a description of the work each is to perform or material to be furnished, and the dollar value of each DBE subactivity.

DBE Notification

Projects will be advertised in local newspapers and minority-focus newspapers when possible. These ads will include reference to DBE requirements and will indicate the DBE project goal. DBE supportive service assistance centers will receive notification of projects scheduled to be advertised. Such centers will be afforded the opportunity to receive complementary plans and specifications for projects within their geographical area of responsibility.

Selection Criteria for Projects with DBE Goals

Every project containing a DBE goal shall be evaluated by the DBE Liaison Officer or his/her designee to ascertain bidding contractor's efforts to attain the DBE goal. The award of any project must be concurred by the DBE Liaison Officer or his/her designee before said contract may be awarded. Should there be a disagreement between functional units concerning contractor's efforts to attain contract goals for DBE participation, the matter shall be referred to the City Manager or his/her designee, for final determination. Competitors that fail to meet the DBE goal and fail to demonstrate sufficient reasonable good faith efforts shall be declared non-responsive and ineligible for award of contract.

All contracts that contain a DBE goal, pursuant to this policy, will be monitored on an on-going basis by City project personnel during the course of construction. The DBE Liaison Officer is to be immediately advised of any circumstances wherein contractor compliance with the DBE provision of the contract is questionable. The contractor shall submit a final report for each project that includes total payments to the prime contractor, as well as any payments the prime contractor has made to DBE subcontractors, vendors and suppliers. If the report indicates the prime contractor has not achieved project goal, project personnel shall attach an evaluation in narrative form, of the reasons for failure to attain the goal and any corrective action that was taken. Prime contractors will be required to notify the Agency of any situation in which regularly scheduled progress payments are not made to DBE subcontractors, vendors or suppliers.

Counting DBE Participants

This Agency, its contractors and subcontractors shall count DBE participation in accordance with the provisions of Section 23.47, Title 49, of the Code of Federal Regulations.

Records and Reports

The DBE Liaison Officer shall maintain such records, and provide such reports as are necessary to ensure full compliance with this policy. Such records and reports shall include, as a minimum, the following information:

Awards to DBE's.

Awards to majority contractors.

Final project reports concerning DBE Utilization.

Such other data as is needed to fully evaluate compliance with this program.

The DBE Liaison Officer shall submit reports to the California Department of Transportation or U.S. DOT element as required. These reports will include:

Number and dollar value of contracts awarded.

Number and dollar value of contracts and subcontracts awarded to DBE's.

The percentage of the dollar value of all contracts awarded during the year which were awarded to DBE's.

Reports shall be broken down separately by ethnic grouping.

Complaints

Any complaints received by the Agency concerning this program will be investigated. The Agency shall endeavor to resolve said complaints within ninety (90) days of receipt of the

complaint by the DBE Liaison Officer. The appropriate U.S. DOT element will be furnished a copy of the complaint and may be invited to participate in the investigation/resolution of the complaint. The U.S. DOT will receive a complete investigative report on the complaint and may be requested to concur in the proposed disposition of said complaint. The contractor will be directed to notify the Agency of any complaints they may receive concerning this program.

CHAPTER 8

INSURANCE AND BONDS

OVERVIEW

City policy is to require contractors providing services, materials or construction to the City to indemnify and defend the City for claims arising from their performance of the contract and supply proof of insurance coverage to the City. The proof the City requires is usually in the form of certificates of coverage provided by the contractor's insurance broker or carrier. All insurance requirements made of the contractor must appear in the contract, and in the case of a competitive bid, they should also be in the Invitation to Bid or Request for Proposal (RFP).

GENERAL INSURANCE REQUIREMENTS

Most agreements require general liability and workers compensation coverage. In addition, automobile liability, professional liability and/or some form of bond coverage may be required. As a rule, the insurance must be underwritten by a carrier admitted to transact business in California.

The carrier must be able to demonstrate sufficient financial strength to provide the protection the City seeks. Generally, insurers with an A rating in A.M. Best's Guide and a financial size designation of VIII or higher will meet the City's requirements. If departments need to determine the Best's rating on a carrier, contact the Risk Management Division.

In some circumstances, the City may accept carriers with Best's rating other than stated above. The approval of the City's Risk Manager must be obtained prior to acceptance.

The City must also be named as additional insured on the general liability coverage. This provision must be stated in the Invitation to Bid or Request for Proposals. Occasionally, the

insurance carrier will impose an additional charge on the insured to do this. If this becomes an unduly heavy burden on the contractor, contact the Risk Manager to obtain advice on the resolution of this issue. Additional insured coverage must be issued as separate endorsements to be valid.

Sole authority to waive insurance provisions and limits of liability rests with the City's Risk Manager.

LIMITS OF INSURANCE

General Liability

The rule for minimum limits for general liability coverage is \$1 million, per occurrence, combined single limit for bodily injury, personal injury and property damage, with an annual aggregate, if any, of at least \$1 million. Any substantial, ongoing business should carry insurance with these limits. Any variance to these requirements be acceptable to, and must be approved by, the Risk Manager.

Automobile Liability

Contractors who will drive in the course of performing the service or who deliver and maintain a product must maintain auto liability insurance. The limits must be a minimum of \$1 million per occurrence, combined single limit for bodily injury and property damage. Coverage should include any autos, owned autos and hired autos.

Professional Liability Contractors who are required to be licensed by the State of California or by an agency designated by the State to perform their work must maintain professional liability insurance. Examples include doctors, nurses, psychologists, licensed clinical social workers, engineers, architects and attorneys. As a rule, the City requires limits of a minimum of \$1 million per incident and an annual aggregate of at least \$3 million.

Workers Compensation and Employer's Liability

In accordance with the Labor Code of the State of California, every employer must provide workers compensation coverage for his/her employees. Therefore, all contracts with individuals or organizations who have employees must require workers compensation coverage. Many contractors are sole providers and have no employees. These contractors are not required to cover themselves with workers compensation. For that reason, the City has accepted contract provisions indicating the contractor must provide evidence of workers compensation as may be required by the State of California. If there is any question that this coverage may be needed, ask the contractor if he has such coverage, and if so, ask for a certificate of insurance from the workers compensation carrier. If you have any questions contact Risk Management.

Note: In the case of individuals performing services for the City, the contract must clearly state that they are not employees, that they are not entitled to any of the rights and benefits of City employees, that the City does not direct how they perform the work and that the contractor is expected to perform similar work for other individuals or organizations. If the City does not

establish a clear "arms-length" relationship with these individuals through appropriate contract language, they could be deemed to be employees of the City for workers compensation purposes.

INSURANCE CERTIFICATES

Insurance certificates providing evidence of coverage must be provided by the following categories of persons:

Any individual or non-City organization using a City facility.

Any individual performing a service or delivering a product under contract to the City.

Any individual or organization constructing something for the City.

Any agency required to provide such evidence as a condition of participating with the City in any endeavor, such as a joint powers authority.

Responsibility for Obtaining Insurance Certificates

The department designated as contract administrator for each agreement is responsible for obtaining insurance certificates and forwarding them on to Purchasing for review and approval. When Purchasing enters contracts for use by multiple City departments, Purchasing has this responsibility.

Basic Steps for Administering Insurance Requirements

Six basic steps should be followed to assure that each contract and contractor conforms to City policy regarding insurance coverage.

Utilize the current insurance specifications in all contracts.

Inform bidders and contractors of the insurance requirements early in the bid or negotiation process. Include in the information provided, the person and address to which the certificate is to be mailed.

Upon execution of the contract, review the contractor's certificates of coverage to be sure the coverage complies with contract requirements. Notify the contractor promptly if it does not and follow up to be sure that the terms are met before the contractor undertakes any of the work under the terms of the agreement.

Note the expiration dates of the policies. If any expire during the term of the contract, replacement certificates must be obtained to assure continuity of coverage. While this may occur without action by the City, the contract administrator must be ready to require a new certificate. Notification of the need for replacement certificates should be directed to the contractor before the expiration date of coverage.

File certificates with the contract so they will be available for inspection and to use as evidence of coverage in the event of a loss. Copies should also be placed in the bid file.

Notify Risk Management immediately in the event of claims or accidents arising from the work performed under the contract.

DEDUCTIBLE AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to, and approved by the City of Selma. At the option of the City of Selma, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its officials, employees, agents, and contractors, or; the vendor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses in an amount specified by the City of Selma.

SUBCONTRACTORS

Vendors shall include all subcontractors as insured under its policies or shall obtain separate certificates and endorsements from each subcontractor.

INDEMNIFICATION CLAUSES

Defense and indemnification clauses require the contractor to reimburse the City for any costs the City may incur to defend and/or pay damages to a third party because of the contractor's actions. The City is not permitted to require the contractor to assume the responsibility for the City's actions, but the City can require the contractor to defend it and reimburse it for any loss arising out of the contractor's performance of the contract. See Appendix for the preferred wording of an indemnification clause.

Occasionally, a contractor will demand that the City defend and indemnify the contractor against losses arising from the City's acts. Risk Management must be consulted in these instances.

BONDS

Bonds are policies issued by surety companies which guarantee that the contractor will meet the stated obligation. Except as stated below in the payment bond section, Purchasing decides whether to include bonds in the bid requirements or not.

Types of Bonds

The surety bonds which are most likely to be used by the City are:

Fidelity Bond

Reimburses an employer for loss sustained because of dishonest acts of employees covered by the bond.

Bid Bond

Guarantees that a contractor will enter into the contract under consideration if it is awarded to him/her and that he/she will comply with all terms and conditions of the bid or proposal.

Payment or Labor and Materials Bond

Guarantees that contractors will pay their subcontractors, employees and suppliers for labor, services and goods provided in performance of contracts for "public projects". Payment bonds should be required for all contracts valued at more than \$25,000.

Performance Bond

Guarantees performance by the contractor of all work under the contract, including replacement or repair of any defective materials or faulty workmanship and compliance with all the terms and conditions of the contract.

City Standards for Acceptable Surety Companies

For contracts *under* \$250,000

Either a California Admitted Surety OR current Treasury Listed Surety (Federal Register) to its specified dollar limitation. AND a current A.M. Best A:VIII rated surety

OR

In lieu of 1 and 2, a domestic or foreign company of equal stability that is approved by the City's Risk Manager.

For contracts in *excess* of \$250,000

Either a California Admitted Surety OR a current Treasury Listed Surety (Federal Register) to its specified dollar limitation AND a current A.M. Best A:VIII rated surety

OR

In lieu of 1 and 2, a company of equal financial stability that is approved by the City's Risk Manager.

BASIS OF PAYMENT AND DELIVERY OF MATERIALS AND EQUIPMENT

Under the Uniform Commercial Code, absent any statements to the contrary, the presumed place of delivery is the seller's place of business or the location of the goods. The implication is that title to materials as well as all related risks of loss and damage become the responsibility of the buyer at the location where the title transfers.

As a rule, the City requires that materials and equipment purchased be delivered "FOB Destination". This means the purchase price includes delivery of the item and the City takes title to it when it is received on City premises. If a seller insists on shipping "FOB Shipping Point" the City takes title to it when it leaves the sellers dock and assumes the risk of loss during transit. Should that occur, Purchasing and/or Risk Management should be consulted to determine the prudence of securing transit insurance.

NEED FOR WRITTEN PURCHASE ORDERS OR CONTRACTS

Under the Uniform Commercial Code, oral contracts for sums over \$500 are generally unenforceable in court. This means that, absent a written contract, the City of Selma may have difficulty enforcing the insurance provisions necessary to protect the City against loss. The Uniform Commercial Code has been adopted by all fifty states.

Annual contractual purchase order agreements provide an umbrella for all purchases and include appropriate risk transfer and liability statements.

RECORD RETENTION

Insurance certificates must be retained for a period sufficient to assure their availability in the event of a claim. Some exposures have a longer discovery period than others. The following record retention schedule is recommended:

Type of Contract Retention Period

Construction

Minor (Less than \$50,000) 10 years

Major (More than \$50,000) 25 years

Non-Professional Services

Furnish and install contracts 3 years

Purchase orders 3 years

Professional Services*

Medical services 10 years

Engineering, Architectural 25 years

Legal 10 years

All others 5 years

*Professional liability coverage is written on a "claims made" basis and must be in force when the City makes a claim against the contractor. Maintenance of certificates will be of value if the contractor uses the same carrier for long periods.

CHAPTER 9

INVENTORY CONTROL FIXED ASSETS, AND SURPLUS EQUIPMENT

OVERVIEW

Disposition of surplus City property will be accomplished through the Purchasing Division. Property will be disposed of by the following methods.

Trade-in on new equipment.

Sale at public auction.

Sale by sealed bids.

Junking (using as spare parts).

Sale as scrap.

Donation to non-profit organization

TRADE-INS AND DISPOSAL OF EQUIPMENT

Trade-ins

Departments are encouraged to trade-in equipment that is being replaced at the time of the new equipment acquisition. Trade-ins earn credits against the purchase of the new item, transfer moving and storage costs to the vendor and result in faster, less costly disposition of unwanted equipment than the sealed bid or auction processes. Trade-ins must be processed through Purchasing.

To trade in a unit, the department should attach to the requisition for new equipment purchase, Property Activity Form listing the equipment to be traded-in.

Purchasing will ask for bids on the trade-in as a part of the bid for the new equipment. After award of the purchase order, refer to the related purchase order number, attach a copy of the purchase order to the Property Activity Form and send to Purchasing to add the new item to inventory.

SALE, SCRAP OR DISPOSAL OF CITY OF PROPERTY

The Purchasing Agent is responsible for management of surplus property. Only the City Council, City Manager and Purchasing Agent have the legal authority to sell or otherwise dispose of personal property owned by the City.

Departments with personal property that is no longer useful should use the following procedure:

Who What

Owning Department Notifies Purchasing of materials and equipment to be surplusd. Purchasing will make a recommendation on the best disposal method.

For surplus property, sends an Property Activity Form to Purchasing describing the equipment or material, including serial number, location, date available, person to contact and their phone number, and fixed asset identification number, if applicable. Purchasing will sign and return two copies of the form to the department. Properly stores the surplus item(s) to prevent loss. Department Head or appropriate Fund Manager signature is required on the Property Activity Form.

Delivers item(s) to storage location when instructed to do so or contacts the Building Maintenance Division to schedule pickup. One copy of the signed Property Activity Form should accompany and be securely attached to, the item. Notifies Purchasing before delivering item(s).

If surplus equipment was obtained with a grant, states the disposition requirements on the Property Activity Form.

Purchasing Forwards a copy of the Property Activity Form to the Finance.

Transfers surplus property in Purchasing's possession to other City departments upon request.

Sell surplus equipment at auction or by sealed bid; sealed bids are opened on the due date in the presence of witnesses. Sell recyclable materials to scrap dealers. Also conducts other public sales. Complies with applicable state or federal regulations if the surplus equipment was acquired with a grant.

Maintains records of sales and advises the Finance Department of fixed asset disposition as appropriate.

Maintains record of surplus property on hand.

Collects revenues from sales and prepares deposit. Credits revenue, less 10% handling fee, to appropriate fund.

CHAPTER 10

COST CONTROL METHODS

PLANNED PURCHASES

Planned purchases save money by:

Allowing time to write a clear, non-restrictive, competitive specification by performance or design that eliminates unneeded features and function.

Allowing time to ask for, receive and evaluate competitive bids.

Making it possible to consolidate needs. This can result in volume discounts and reduce the frequency of, and therefore the cost of, rebidding, re-ordering and delivery.

Making it possible to accept the low bid with standard delivery time rather than accept a higher bid with shortened delivery time. Fast availability tends to cost more.

To plan purchases, departments must take responsibility for monitoring the stock of frequently used supplies and must determine reorder points. A reorder point is the point when there is enough stock left to last until the replenishment supplies can be requisitioned and received. If the supply item is a critical one, the reorder point should be increased with additional amount of "safety stock". Safety stock is an amount that would prevent running out of stock if the replenishment takes an unusually long time for some unforeseen reason.

SPECIFICATIONS

Specifications can be used to minimize cost if they are written to describe the most basic item that will meet the need; the process of writing a specification to eliminate unneeded features is called value analysis.

When value analysis is used to specify an item that has multiple users in the organization, it is called standardization. Standardization minimizes cost by simplifying the product, by reducing the number of versions of a common item that must be bought and stored, by consolidating volume and by increasing availability. "Availability" refers to availability in the market place; standard, high-demand items are sold by more vendors, than are custom or low-demand items. Increased availability results in increased competition, lower prices and shorter lead times. See Chapter 2, Specifications, for detailed information.

COMPETITION

A basic principle of public purchasing is free and open competition. Competition drives down price when it is between sellers of the same product and when it is between sellers of "equal" products. "Equal" products perform the same function as the product named in the specification, include the required features and are judged to be equal in value, utility and use to the product named by the City.

Competition is enhanced by non-restrictive specifications, by allowing adequate time for bidding and by inviting an adequate number of interested vendors to bid.

The bidding process allows each vendor a chance to submit his/her best price for the item without knowledge of the other vendor's offers. Favoritism toward any vendor is strictly prohibited.

FREIGHT AND SHIPPING CHARGES

When making purchases, freight, handling and other related costs incurred to place the purchased item in working order should be included when determining bid price. In determining freight charges, the cost of transporting an item from its "shipping point" or "point of origin", to the buyer's receiving point or "destination" must be considered during the bid process in order to determine the actual bid. There are two main methods used in determining freight charges. FOB (Free on Board) Destination and FOB Shipping Point. FOB Destination indicates that title does not pass to the City until we receive the goods at the delivery address stated on the purchase order. FOB Shipping Point indicates that title passes to the city when the vendor delivers the goods to the carrier. There are six variations of these two methods that are used as follows:

1. FOB Shipping Point, Freight Collect

- a. Buyer obtains title (owns goods in transit)
- b. Buyer pays and bears freight charges, freight charges not added to the invoice
- c. Buyer files claims for damaged goods, if any.

2. FOB Shipping Point, Freight Prepaid and Allowed

- a. Buyer obtains title (owns goods in transit)
- b. Seller pays and bears freight charges, freight charges are not added back to the buyer's invoice
- c. Buyer files claims for damaged goods, if any

3. FOB Shipping Point, Freight Prepaid and Charged-Back

- a. Buyer obtains title (owns goods in transit)

- b. Seller pay freight charges
- c. Buyer bears freight charges, which are charged back to the invoice
- d. Buyer file claims for damaged goods, if any

4. FOB Destination, Freight Collect

- a. Seller retains title (owns goods in transit)
- b. Buyer bears freight charges, freight charges not included on invoice
- d. Buyer pays freight charges
- e. Seller files claims for damaged goods, if any

5. FOB Destination, Freight Prepaid and Allowed

- a. Seller retains title (owns goods in transit)
- b. Seller bears freight charges, freight charges not include on buyer's invoice
- c. Seller pay freight charges
- d. Seller files claims for damaged goods, if any

6. FOB Destination, Freight Prepaid and Charged

- a. Seller retains title (owns goods in transit)
- b. Seller pays freight charges
- c. Buyer bears freight charges, freight charges added to buyer's invoice
- d. Seller files claims for damaged goods, if any

Usually, the party holding title bears the risk for loss or damage to the goods and must file claims, if any, for such loss or damage.

As a rule, the City requires that materials and equipment purchased be delivered "FOB Destination". This means the purchase price includes delivery of the item and the City takes title to it when it is received on City premises. If a seller insists on shipping "FOB Shipping Point" the City takes title to it when it leaves the sellers dock and assumes the risk of loss during transit

Whenever a bid is received it should include an actual or a "not to exceed" freight amount whenever freight is included with the bid price. In addition, bidders who bid FOB Shipping Point should be required to list the city and state of the shipping point. This will give the buyer an idea how long to expect the goods to be in transit, whether the stated freight fee is accurate and

whether a less expensive mode of transportation could be used.

Whenever an order is marked rush and must be delivered immediately, the buyer should determine exactly when the goods must arrive and work with the vendor to choose the best freight method. Air freight is not automatically the fastest form of delivery. Care should be taken that a significant premium for air freight is not made for normal delivery time.

Purchase orders based on FOB Shipping Point should include freight costs. The freight costs should indicate whether it is a firm cost or a not to exceed amount. This information will help prevent overcharges for freight.

If both buyer and vendor have agreed to a specific shipping mode, this should be noted on the purchase order in the description area. The shipping instructions, along with the particulars of the terms, should be included

PRICE AUDITING

Payment documents should be properly completed by the departments. This process should include using invoices, purchase orders, requisitions, and other documentation that is available to determine the proper purchase price. Departments are also responsible for verifying that the purchased item has been received as ordered.

Once the payment document has been completed, it is forwarded to Purchasing, who is responsible for performing a pre-audit prior to forwarding it to Accounts Payable who is responsible for processing the payment based on accurate and complete information received from the departments. In determining the reliability of this information, payment documents are audited for accuracy, completeness and proper authorization. Payments for contracts that do not agree with the contract pricing will be forwarded to Purchasing for approval.

PROMPT PAYMENT DISCOUNTS

Vendors frequently offer an additional cash discount to encourage prompt payment of an invoice. The City encourages departments to take advantage of the extra cost savings by taking the cash discount. In addition, contracts should be written to indicate no less than a thirty (30) day window for payments to be made from the date the invoice is received. Vendors who indicate a requirement to receive payment in less than 30 days must receive prior approval from the Finance Department.

CHAPTER 11

RECEIVING PROCEDURES

AUTHORIZED RECEIVING POINTS

Each department is responsible for receiving goods. To be effective, each department must:

Limit the points to which goods may be delivered to avoid misdelivery of goods, lost or stolen goods and lost or misplaced documentation.

Limit the number of people authorized to sign for deliveries and ensure that they are aware of the correct receiving procedures, as described in this section.

Whenever possible, ensure that three different individuals are involved in the receipt/payment process. However, a minimum of two different individuals is required.

- a. One to sign/authorize the requisition.
- b. One to physically inspect and sign for the goods received.
- c. One to authorize payment (may be the same person as "a" above).

The ordering department is obligated to accept delivery of any merchandise which has been ordered in accordance with purchasing procedures. If there is a change regarding the need for the items, the department should immediately contact Purchasing to make other arrangements. **ONLY PURCHASING HAS THE AUTHORITY TO MODIFY OR CANCEL PURCHASE ORDERS.** It should be realized that there may be a restocking charge if the items must be returned through no fault of the supplying vendor. The City's failure to accept and pay for ordered goods is a breach of contract.

RECEIVING GOODS FROM THE CARRIER

Avoid accepting delivery of any merchandise until adequate identification from the packaging or delivery tags is obtained. A purchase order number or other suitable identification indicating that the merchandise should be delivered to the department, must be in evidence before the shipment is accepted.

Sign only for the number of boxes or parcels which are received from that carrier and which are listed on the delivery tag (carrier's receipt) which accompanies the delivery.

NOTE: The receiver is not signing as to the condition of the merchandise inside the box or parcel, but should note any exterior damage, including unsealed packaging, on the delivery tag before signing. The receiver should not refuse a shipment because of apparent damage. This may result in storage fees to the City.

In cases of known damage (apparent at the time of delivery):

Note on both copies of the delivery tag (carrier's receipt) "case damaged in shipment" and, if the item is visible and the damage is visible, also include "item visibly damaged".

Obtain signature from carrier on both copies of the delivery tag before signing for receipt.

Return one copy of the receipt to the carrier.

Retain a copy of the receipt for the Finance Department files.

INSPECTING GOODS AFTER DELIVERY

Inspect the merchandise *promptly* after receipt. Inspections of items received and determination of compliance with the ordering description or specifications are the responsibilities of the ordering department.

Check merchandise received against the packing slip and the purchase order.

NOTE: If copies of invoices are received, they should be immediately forwarded to the person in the department who is authorized to make payments.

Post any partial deliveries received on a copy of the purchase order.

The receiver should keep all packing materials and merchandise and report the damage to the vendor immediately. If the problem is not resolved, contact Purchasing.

WARNING: Do not destroy damaged item(s) or any packaging materials.

Notify the vendor and the Finance Department if the quantity received is different from the quantity stated on the purchase order and no back order quantity is shown on the packing slip.

Purchasing need not be notified when the purchase order quantity states that the quantity is approximate or states that an over-shipment of a certain amount is acceptable and the quantity received falls within that range. In this event, the quantity on the receiving copy of the purchase order should be changed by the receiving department to agree with the quantity actually received.

If unable to resolve discrepancies with the vendor, notify Purchasing immediately.

LOST/DAMAGED GOODS

Usually, terms are FOB Destination and the seller holds title during transit. In this case, the receiving department shall notify the vendor of the loss, ask for replacement goods and give the vendor information to aid in filing a claim with the carrier. There will be no additional cost to the City. FOB Destination is the City's preferred method of shipment because the City's liability for lost or damaged goods is limited.

If shipping terms are FOB Shipping Point, the City owns the goods in transit. Therefore, the receiving department will file a claim with the carrier. If the goods must be replaced or repaired in the meantime, the City will have to pay the additional cost pending reimbursement by the carrier for the loss or damage.

INCORRECT GOODS

If the goods shipped do not comply with the purchase order, the receiving department will ask the vendor to bring them into compliance.

If the vendor fails to do so within a reasonable time, the receiving department will notify Purchasing. Purchasing will notify the vendor of the breach of contract.

It is the receiving department's responsibility, to notify Purchasing of the need to charge the defaulting vendor with any additional cost experienced by the City due to the breach of contract.

CHAPTER 12

PAYMENT PROCEDURES

OVERVIEW

Due to the large number of document processed by the Finance Department, it is extremely important to promptly verify all goods received and prepare payment documents as soon as possible. This prompt receipting of goods and the subsequent preparation of the payment

documents ensures that the payment will be processed timely and in a manner allowing the City to maximize discount terms. Payment documents that include discounts should be special handled by both the department receiving the goods and the Finance Department to ensure that payments will be processed in time to receive the discount.

Generally, invoices are sent by the vendor to the Finance Department. The requesting department verifies that all goods have been received and compares any packing slips or shipping documents with the purchase order. If the goods received agree with the purchase order, the receiving copy of the purchase order is processed for payment.

If there is a problem with the merchandise, i.e., damaged items, an incomplete order, incorrect items received or any other problem, the vendor should be notified and the problem corrected before the payment document is prepared (this does not apply to partial shipments).

If the problem cannot be corrected, contact Purchasing for assistance.

VENDOR RESPONSIBILITIES

1. Packing Slip: A packing slip should be included with each shipment. The related purchase order or contract number and the purchase order line item numbers should be referenced.
2. Invoices: Should refer to the purchase order number. Invoices which do not show a valid purchase order number should be directed to the vendor. Invoices should be mailed to the "Billing Address" shown on the purchase order.
3. Invoice Errors: Invoice pricing, terms and conditions must be consistent with the purchase order. Incorrect invoices should be credited by the vendor in their entirety and re-issued. Contact the Finance Department Accounts Payable Division for assistance.

PAYMENT PROCESS

Advance payments by the City are legally permitted, but discouraged and shall be made only when necessary (refer to procedures for Request for Check in this Chapter). So the City may realize income through investment of temporary excess monies, contracts or agreements containing provisions for advance payments shall provide for small periodic payments which are tied to delivered goods or services, rather than total contract price or lump sum advances.

The following details the major steps in the payment process, which by necessity is related to the receiving procedures. Questions not answered in this section should be addressed to Purchasing.

REGULAR PURCHASE ORDERS

The Purchase Order serves as the receiving report. After the Purchase order has been printed and prior to being returned to the department, it will be stamped by Purchasing with a payment record and a receipt record.

1. Receiving Requirements -The person receiving the delivery of materials or services shall, immediately upon receipt of goods, complete the receiving report by verifying the actual count of the items delivered. The payment record should be completed and the count should be recorded on the receiving report, along with the date of receipt, and then signed-off by the receiver. The invoice should be authorized for payment by the Department/Division Head and attached to the receiving report prior to sending to Purchasing for pre-audit.
2. Routing the Receiving Report -When the information has been added to the receiving copy, it should be forwarded to the Purchasing Division, along with the packing and freight slips (if any) and the invoice. (Note: All invoices should be date stamped upon receipt by the department) Delays in routing the receiving report may result in a loss of discounts or the City being charged a finance charge. Both instances are unacceptable. Purchasing will forward the receiving report and invoice to Accounts Payable for payment after pre-auditing the documents.
3. Partial Shipments (receipts) -There will be instances when partial shipments are received. In these cases, the department should record the receiving and payment information on the receiving copy of the P.O. and forward a photocopy of the receiving report, with any packing and freight slips and the invoice. The original copy of the receiving report will be retained by the department until the final shipment is received and then it will be forwarded to Purchasing with the final invoice, to be processed for payment as detailed in item #2.

PURCHASING CARD

The Purchasing Card Transaction Log should be filled out each time a purchase is completed using a Purchasing Card. The receipt should be placed in the Purchasing Card envelope. At the end of the month each employee holding a Purchasing Card will receive a statement. It is the employee's responsibility to reconcile the statement to the collected receipts. After reconciliation, the employee shall certify by signing the statement in the appropriate place, that the purchases were true, valid and strictly for City use. The Purchasing Card Transaction Log, Statement and receipts should be forwarded in the Purchasing Card envelope to the employee's Approving Official who will review the purchases prior to forwarding the packet to the Finance Department Accounts Payable Division.

BLANKET PURCHASE ORDERS

The person receiving the materials or services under the provisions of a Blanket Purchase Order shall obtain at the time of purchase or delivery, a fully itemized invoice. This invoice will be stamped for payment by the department and routed to the Accounts Payable Division by the next working day.

DEPARTMENT PURCHASE ORDERS

Department Purchase Orders should be processed for payment in the same manner as Regular Purchase Orders. Once the item has been purchased, the signed and itemized invoice should be attached to the receiving copy of the Department Purchase Order, authorized for payment by the

Department or Division Head and forwarded to Purchasing for pre-auditing. Purchasing will forward the audited documents to Accounts Payable for posting to the Financial Management System and payment.

CONFIRMING AND EMERGENCY PURCHASES

While the need for an occasional confirming or emergency purchase is recognized, the practice shall be limited as much as possible by anticipating needs in time for the use of regular purchasing procedures. Emergency orders differ from confirming orders in that informal or formal contract procedures are often dispensed with in emergency situations (i.e., dollar limits, bidding process, etc.). Ordinary confirming POs are limited to the \$1,000 amount unless three quotes have been obtained prior to requesting the P.O. number.

Procedure for Confirming Purchase Orders

In those times when a confirming P.O. is necessary, the department shall contact Purchasing and obtain a purchase order number. The department shall still be required to complete a requisition for the purchase (referencing the P.O. number), which will subsequently be converted to a P.O. by entering it into the FMS. The P.O. number must be referenced on the requisition. The requisition must be prepared no later than the following working day and shall contain the phrase "CONFIRMING ORDER DO NOT DUPLICATE". The department will then follow the procedures for payment outlined for "Regular Purchase Orders".

Procedure for Emergency Purchase Orders

During regular working hours, the using department must call the Purchasing Division, advising of the emergency which has arisen, and shall request a purchase order number. Purchasing shall confer with the using department to determine if bidding/quote procedures and P.O. dollar limits can be waived. On the day following the emergency, the requisition shall be prepared and processed as usual. The requisition shall contain the phrase "CONFIRMING EMERGENCY PURCHASE". The P.O. number must be referenced on the requisition.

During other than normal working hours, the using department shall obtain the material or service needed. On the day following the emergency, a requisition shall be prepared and processed as usual. The invoice or delivery slip shall accompany the P.O. receiving report. The requisition shall contain the phrase "CONFIRMING EMERGENCY PURCHASE". A brief report including the date, time and nature of the emergency shall accompany the receiving report and invoices when routed for payment.

Problem Areas in Payment Processing

A number of problems on a payment document can cause a payment to be delayed. For example:

No authorized signature included on the payment document. All invoices must be signed-off

for payment by the Department or Division Head. All receiving documents must be signed-off by the person receiving the goods.

No contract on file and efforts to locate a copy of the contract are unsuccessful.

Incorrect or no contract or bid number on payment document.

Invoices or other source documentation do not match the payment documentation. This can include missing invoices, missing invoice pages, invoice totals do not match the receiving report, the vendor name on the receiving copy of the P.O. does not match the vendor name on the invoice.

CHAPTER 13

FEDERAL, STATE AND LOCAL TAX REQUIREMENTS

SALES AND USE TAX ON TRANSPORTATION CHARGES

The sales tax rate for City of Selma purchases is 8.48%.

Depending on how freight charges are billed, they may be subject to sales tax. The following charges for freight are not taxable: Separately stated charges, direct delivery to purchaser by U.S. mail, independent contractor or common carrier and actual freight charges are borne by the purchaser. These charges could be either FOB Destination or FOB Shipping Point as long as transportation costs are not fixed and are the responsibility of the purchaser and are explicitly separate from the cost of goods purchased.

"Delivered Price", but transportation charges are separately stated, shipment is directed to purchaser, and transportation occurs after the seller completes physical delivery per contract requirements, i.e., FOB Shipping Point.

Delivered by seller's own facilities, but transportation charges are separately stated, shipment is directly to purchaser and transportation occurs after title has passed to the purchaser per an explicit written agreement between seller and purchaser, i.e. FOB Shipping Point.

The following charges are taxable:

Transportation charges are not separately set forth in the purchase order, contract for sale or

invoice.

Transportation charges which are "incoming freight" such as shipment to the retailer, to the retailer's agent or the retailer's representative.

Delivered price which is also FOB Destination.

Transportation by seller's own facilities without any explicit written agreement regarding when title passes.

Transportation by seller's own facilities with FOB Destination terms.

LIABILITY FOR SALES AND USE TAX

Sales tax is a liability of the seller and is paid for the privilege to sell tangible personal property at retail within the State of California. Sellers who conduct business within California, i.e. have employees, offices, stores or warehouses in California must register with the State of California Department of Revenue to collect sales tax.

Sellers may add sales tax to the selling price or include it in the selling price; either way, the amount must be remitted to the State by the seller. The buyer is not liable to the State for uncollected sales tax unless the buyer caused the seller to erroneously believe the buyer was exempt from paying sales tax.

Use tax is an excise tax imposed upon the purchaser of goods for storage, use or consumption of goods in California. The City pays use tax directly to the State of California in lieu of paying sales tax whenever it buys tangible personal property from an out-of-state vendor who is not registered to collect California sales tax or whenever an in-state vendor does not charge the proper sales tax rate. Use tax is a liability of the buyer and not of the seller.

ITEMS EXEMPT FROM SALES AND USE TAX

Generally, the following items are not taxable. However, frequent changes by the State of California, as a result of court cases, can cause additions or deletions in the list.

Labor on repairs when stated separately.

Installation labor.

Parts covered by a maintenance agreement.

Purchases for resale.

Professional services.

Transportation, shipping and freight charges from common carriers when itemized separately

from the purchase price.

Advertising.

Purchases of property to be resold to the United States Government.

Subscriptions to newspapers, newsletters and other periodicals when they are published at stated intervals of at least four times per year but not more than sixty times per year.

Software downloaded via modem to the City's computer system.

MINIMIZING SALES AND USE TAX

Sometimes knowledge of tax laws will allow the City to reduce the amount of sales or use tax which is due and payable. For example, if lubricants are purchased in barrels and the empty barrels are returned to the vendor for credit, tax is only paid on the contents of the barrels and not on the purchase price of the barrels.

Since tax laws are revised frequently, when in doubt as to whether an item is taxable or not, contact the State of California Franchise Tax Board

SHOWING SALES AND USE TAX ON PURCHASE ORDERS

Purchase orders must specify any applicable state and local taxes or the use tax unless the items are for resale.

If the items on the purchase order are for resale, the City's seller's permit number should be shown on the purchase order.

FEDERAL EXCISE TAXES

The City does not pay Federal Excise Taxes (F.E.T.).

CHAPTER 14

GUIDELINES FOR RETAINING CONSULTANTS TO PROVIDE ARCHITECTURAL, PROFESSIONAL ENGINEERING, LAND SURVEYING, AND DESIGN SERVICES

OVERVIEW

The need for assistance in the performance and delivery of City services will periodically necessitate the utilization of outside service providers. Outside service providers are individuals or companies that provide a service to the City for remuneration such as architects, engineers, land surveying and planning professionals. In general, outside service providers can be classified as:

Contracted Services – Outside service providers who operate within the provisions of a signed contract with the City.

Professional Services – Outside service providers who are typically licensed or certified, usually with advanced educational requirements; they may also be Contracted Services.

Consultants – Outside service providers who are retained for a specific project and a specific time period; they may also be a Professional Service and/or they may be a Contracted Service.

Criteria and Guidelines for Utilization

Outside service providers are utilized when:

Staff resources are not sufficient to perform these services and when the services are not of an on-going nature that would require a full-time employee, or;

Staff does not possess the required expertise, or;

The nature of the services requires third party objectivity, or;

State or Federal law prohibits assigning such services to staff, or;

The required services cannot be provided more economically by staff, or;

There exists an emergency or urgent need for services to preserve public health and safety.

Criteria and Guidelines for Selection

Competitive bidding for specialized services is not in the best public interest because it may lead to employment of the least qualified, rather than the best qualified, as should be the objective. The objective of competitive bidding is low cost. Only when services or a product can be described in sufficient detail, where all parties can bid on the same basis for comparison, should bidding be considered. Professional services in engineering, law, architecture, medicine, land surveying, and planning, to name a few, are not recognized as being amenable to detailed specifications.

One factor – qualifications – far outweighs all other considerations in retaining consultants, especially price. Once qualifications are established, work scope, price and means of compensation can be negotiated with the selected firm; these three items must be in harmony with each other because experience shows that inadequate compensation for the effort expected can lead to inadequate results.

The variety, complexity, size and quantity of annual projects required of the City justifies an efficient procurement effort. The City of Selma is interested in seeking broad competition and encouraging extensive participation by qualified firms. It is therefore incumbent upon the City to minimize the information and effort required to institute a short list. It is the intent of the City of Selma to limit submittals by interested firms. It is believed that this is everyone's best interest and allows for more equal competition between small and medium size firms and large firms that have substantial overhead or public relations budgets. The consultant is expected to extend costs and effort in applying for consideration without any guarantee of success. This would encourage greater participation, reduce cost to both the City and consultant, reduce selection time, and increase the responsiveness of the selection process.

The following guidelines have been developed to establish the City of Selma's policy for selection of consultants. Separate guidelines are established for three levels of anticipated fee:

Informal Selection Process -Anticipated fees at \$50,000 or less.

Semi-Formal Selection Process -Anticipated fees from \$50,001 to \$100,000. This level uses QBS Process.

Formal Selection Process -Anticipated fees over \$100,000. This level uses QBS Process.

Selection factors may include:

Educational background

Experience

Demonstrated record of success

Individuals who will have direct charge of the work

Adequate staffing for the time allowance

Proposed method of addressing the work

Ability to make public presentations

Adequate knowledge of local conditions

Current workload and relationship to proposed project

Demonstrated record of keeping costs within project budgets

Demonstrated support for Affirmative Action by having an Affirmative Action Policy

An outside service provider shall not be selected when a potential conflict of interest exists:

Involvement in a related decision-making process as a member of a

Committee/Commission/Board or a Council member, or;

Potential for additional personal financial gain beyond that resulting from performing the service, or;

Conflict with applicable provisions of the Fair Political Practices Commission and the regulations adopted pursuant thereto.

Local Preference

When the City determines a business within the City of Selma is capable of adequately providing the services being sought by the City, and factors such as cost and quality are acceptable, the City will give preference to the local area business in selection over a non-local competitor.

Local businesses can be selected from a pre-qualified list for special projects. In addition, local businesses should be utilized to the maximum extent possible for those projects of \$50,000 or less.

SELECTION PROCEDURES

Informal Selection Procedure -Anticipated Fees \$50,000 or Less

The highest ranking registered Engineer or Architect in charge of the project shall select a consultant taking into account (a) the nature of the project, (b) the geographic proximity of the consultant to the project, (c) the capability of the consultant to produce the required service within a reasonable time, (d) past performance, and (e) ability to meet project budget requirements.

The consultant will be selected from a list maintained by the Purchasing Division. New consulting firms shall be encouraged to make their capabilities known to the City. Selection of consultants by this method will be made on a rotational basis insofar as practicable; however, professional expertise and experience in the applicable field will be the major criteria for selection on any project.

Maximum Fees Payable to One Person or Firm. Fees paid during the twenty-four month period immediately preceding the negotiation of the contract for professional services performed by any one consultant shall not exceed one hundred thousand dollars (\$100,000) under the informal selection procedure. All firms seeking to render professional services pursuant to this

section shall furnish the City a list of professional services, including fees paid therefor, performed for the City during the fiscal year immediately preceding the fiscal year in which the negotiations are occurring and during the fiscal year in which the negotiations are occurring.

Projects may not be split into small projects for the purpose of circumventing the Informal Selection Process limit of \$50,000.

Effort must be made to distribute contracts fairly and equitably, without favoritism. Effort must also be made to utilize Minority and Women-owned businesses to the fullest extent possible.

The resulting professional services contract shall be approved by the Purchasing Agent.

Semi-Formal Selection Process -Anticipated Fees \$50,001 -\$100,000

(Modified QBS)

The professional community is notified, through advertisement in the newspaper and by other means, of the City's proposed project. Interested consultants will be invited to obtain a Request for Qualifications (RFQ) from the City.

The RFQ will contain a brief description of the project, the estimated budget and the selection criteria. Consultants will also be informed as to what is expected to be in the consultant's submittal.

The highest ranking registered Engineer in charge of the project, or his/her designee, shall implement a modified version of the Qualifications Based Selection process, as detailed in this chapter and develop a short list of at least three (3) firms who appear to have the desired professional expertise, experience and capacity to perform the work. These firms shall be invited to an interview to be conducted by a three (3) member committee comprised of City staff.

The resulting professional services contract shall be approved by the City Manager and the Purchasing Agent.

Formal Selection Process -Anticipated Fees Greater than \$100,000

(QBS Process)

The professional community shall be notified of the proposed project through advertisement in the newspaper and by other means. Interested consultants will be invited to obtain a Request for Qualification from the City.

The RFQ will contain a description of the work to be done, the estimated project budget and other pertinent information regarding the project. The RFQ will define the specific questions to be addressed in the proposal as well as the selection criteria to be used.

The consultants will be informed as to what specific information should be contained in their

written response. Question responses regarding the firms' technical perspective of the project are to be strictly limited to brief statements addressing consultants' general concepts and approach to the project. Detailed, voluminous design information is not desired and will not be considered in the selection process.

A short list of at least three (3) firms shall be developed by either a committee comprised of City staff or by a formal selection committee comprised of City staff and additional experts.

A formal selection committee shall be composed of three (3) or five (5) members. A diligent attempt should be made to obtain committee members who are not City employees (preferably a majority). Potential candidates for the formal selection committee are as follows: (a) City Engineer, Assistant City Engineer, Public Works Official, (b) Outside Public Works Officials, (c) Consulting firm representatives, (d) User department representatives, (e) Members-at large, (f) Public utility official. The committee chairperson shall be a registered professional engineer or architect. If feasible, the committee should be composed of other registered professional engineers or architects.

Debriefing Policy. The City will conduct a debriefing meeting for any consultants interested in attending. The debriefing will focus on the specific items that the selection committee utilized as selection criteria, the procedures used, and an assurance that it was followed consistently with all firms. The debriefing will be limited to a general discussion of what the selection committee used as selection criteria and in which areas firms rated lower than the first-ranked firm.

The resulting professional services contract shall be approved by the City Manager and the Purchasing Agent.

The City of Selma will assist any firm in applying for future jobs with the City by insuring that the opportunity for information is always readily available. Not being selected once, or even several times in a row, is not necessarily a trend of disregard or lack of objectivity.

INTRODUCTION TO QUALIFICATIONS BASED SELECTION

When public officials undertake a construction project, whether it involves a study, new construction or expanding and existing facility, the professional consultant's performance can influence the entire course of the project -financial, feasibility, public response, design, function efficiency, construction costs, operating costs and maintenance costs during the life of the facility. Many public owners do not undertake projects often enough to know how to adequately plan for such a project, or how to go about selecting a professional consultant in the most cost effective and efficient manner.

In October 1972, the federal government enacted Public Law 92-582, covering the selection of architects and engineers based on qualifications. This bill has since been known as the Brooks Selection Bill, as it was introduced by U.S. Representative Jack Brooks of Texas. During years of use throughout the U.S., Qualifications Based Selection (QBS) has proven to be a more efficient and less costly than a selection system using price as its primary criteria.

Qualifications Based Selection (QBS) is a method of procuring professional consultant services which permits the City to tailor the selection process to meet its specific needs. QBS entails a step-by-step process that facilitates the City's selection of a design professional on the basis of qualifications and competence in relation to the scope of the project. QBS meets the City's primary concern to get the best available professional services for the taxpayer's money, and to conduct a fair and equitable selection process.

QUALIFICATION BASED SELECTION PROCEDURES

The QBS process is a two-step process; first the selection of the consultant is made and then the financial arrangements are agreed upon.

QBS evolves from many variables that must be tailored to fit each specific project's requirement and should include all or some of the following steps:

The City identifies the general scope of work.

The projected time frame is established.

A list of professional consultant firms appropriate to the project is compiled.

Letters of Qualification are requested from the identified firms.

Letters of Qualifications are received and evaluated.

A short list of firms to be interviewed is established.

A tour of the site and/or facility is arranged for the short listed firm.

Interviews are conducted and the firms ranked for selection.

A contract is negotiated with the top-ranked firm. If an agreement cannot be satisfactorily negotiated with the top-ranked firm, negotiations are terminated and the City enters into negotiations with the second-ranked firm, and so on down the line, until agreement is reached and a firm is selected.

All firms involved receive post-selection communications.

Developing the General Scope of Work

The General Scope of Work defines the requirements and goals of the project. All services to be provided by the professional consultant, including feasibility studies, design, construction, coordination, budget, development, and funding strategy should be specifically identified in the General Scope of Work.

Establishing a Selection Time Frame

To keep the consultant selection process proceeding smoothly, owners should establish a time frame for completion of the selection process. This will prevent misunderstandings and last-minute "surprises" that might delay or sidetrack the project.

The time frame for each project will differ, depending upon the nature of the project, the concerns of the City, and other factors. In some instances, a tour of existing facilities may be provided to the firms before short listing.

Compiling a List of Design Professionals

Some factors to be considered when compiling a list of consultant firms from which to request Statements of Qualifications include:

The type of firm needed, e.g. architectural, engineering, surveying or related design professionals.

The reasonable number of firms that the owner can evaluate.

The geographic locations and distribution of the firms.

Advertisements for Projects

Placing public notices of projects in newspapers and trade or professional publications allows the City to reach many in the design community and will result in a large number of responses. The advertisement should specify the person to contact in the City to obtain a package of information regarding the project.

Directories

Most professional organizations publish directories or make mailing lists of member firms available. These lists can help the City to identify firms with interest or experience in specific types of projects. Directories can be found in the reference section of the local library or are maintained by the associations, national or state, representing various design professionals. Local telephone yellow pages and other kinds of community business directories can also be used to identify professional consulting firms.

Referrals

To identify firms more selectively, the City may wish to contact other agencies who have recently used professional consultant services on similar projects.

Selection Review Group

A Selection Review Group should be appointed to evaluate qualifications, interview candidates and rank the firms for selection. The group should include a representative from the department responsible for the administration of the consulting contract, as well as a representative from the

department responsible for the project's functions and functionality. In addition, the group should include such other qualified professional individuals who have knowledge or capabilities that are valuable in interviewing the prospective consultants.

On occasion, the City may not have several people with expertise on projects with similar scope to that required for the anticipated project. In this case, it is helpful to enlist the aid of known experts from surrounding public agencies or private consultants to serve as members of the Selection Review Group.

Request for Qualification Documents

A Request for Qualifications (RFQ) can be used to obtain the names and credentials of interested professional firms. The City will also need to advertise for interested design professionals in the local newspaper.

It is essential that all firms receive the same materials so that all firms' responses will be based on the same project specifications and constraints and, therefore, can be compared fairly.

Evaluating Qualifications Submittals

The City policy is that qualifications submittals received after the deadline will not be considered or evaluated.

The number of firms to be included on the short list, and then interviewed, may vary depending on the size and scope of the project. Generally, three to five firms are sufficient.

A sample evaluation form is provided in the Appendix to assist with reviewing and short listing firms based on their qualifications submittals. This form should be tailored to meet specific project needs. A form is also included for checking the references of firms the City is particularly interested in; references should be checked between the time qualifications submittals are received and the time the selection committee meets to develop a short list.

All evaluations should provide equal-opportunity considerations.

Establishing a Short list of Firms to be Interviewed

Based on evaluation of qualifications submittals and reference checks, the City can establish a short list of three to five firms to be interviewed. Because all firms that submitted qualifications committed time and expense to pursue the project, the City should contact the firms not selected for the short list as well as those to be interviewed. The memo sent to the firms not making the short list should express thanks and identify those firms that will be invited to interview. A sample memo is included in the Appendix.

Firms selected for interviews should immediately be sent information regarding interview requirements.

Interviewing Short listed Firms

Purpose. Interviews with the short listed firms let the City compare the firms' different approaches to the project, as well as their interpretations and understanding of the specific project requirements. The City should not expect sketches or other design work for the project at this time. The design requirements for even simple projects can be quite complex, and at this stage, the professional consultant will not be sufficiently aware of the City's needs and requirements to be able to produce a meaningful design solution.

The interviews allow for evaluation of the personal styles of each firm's management and key personnel, and their compatibility with pre-identified criteria for the project. It is imperative that design personnel assigned to the project, as well as key representatives from the firm's consultants, be present at the interview. It is also essential for the project users to be involved in the interviews. Direct interaction between the City/user and the professional consultant is essential for the development of a design that truly meets the City's needs.

Set-up

The physical set-up for the interview should be comfortable, with good acoustics and ample room. A separate waiting area should be provided for other firms to be interviewed. Equipment such as blackboards, flip charts and audio-visual screens probably will be useful if available, although most firms will bring the equipment they will need. Since equipment set-up time will cause delays, two rooms should be used, if possible. If not, interviews should be scheduled far enough apart to allow the prospective firms adequate time to setup their equipment without feeling rushed.

The City may elect to interview the short listed firms in the professional consultant's office. This can provide greater insight regarding the firm's work setting as well as methods, equipment and informational resources, and key team members proposed for the project.

Some Interviewing Guidelines

The following are suggested guidelines for setting up and conducting the interviews.

Interview only the firms communicated with during the selection process, to ensure that all interviewed firms have had equal opportunity to prepare presentations.

Schedule at least 45 minutes for each presentation, and 15 minutes between interviews. It's important to allow ample time for the presentation and question-and-answer period, and also for the committee to discuss the presentation privately before beginning the next interview.

Schedule all interviews on the same day or on consecutive days. This permits the committee to compare all of the interviewed firms while information is freshly in mind, and ensures consistent interview scoring.

The evaluation criteria for the interview scoring system should be communicated to all firms

in advance.

While it is appropriate to question firms about their approach to the design of a project, owners should not ask for an actual solution during the interview. Appropriate and responsive designs require considerable more interaction between the City and design professional than is possible during the selection phase. Preconceived design solutions brought to the table by either the design professional or the City rarely address the true needs of the City's program. Considerable time and effort, however, may be expended trying to salvage preconceived ideas and make them fit the program. This actually impedes progress and prevents the exploration of more responsive solutions to identified design issues.

The City may want to ask how the firms develop an appropriate level of compensation for their professional services. However, compensation amounts are best resolved through detailed discussions with the firm finally selected, and only after there is a comprehensive and mutual understanding of the actual scope of services.

Let all firms know when the selection decision will be made. It is recommended that, if possible, the decision be made on the same day as the interviews, after the committee has had ample time to evaluate all firms.

Use of Technical Proposals

Technical proposals should be required only when the project is well defined, and if the significance of the project justifies the expense and time to the short listed firms and the City. The process will add several weeks, and commensurate cost, to the preparation time for the short listed firms. The City will also require technically-experienced staff, as well as several additional weeks to review the technical proposals.

The technical proposal may be requested from short listed firms. This technical proposal can be used as a forerunner to the interviews, or as a substitute for the interview. The technical proposal should be requested of each of the short listed firms. The request should include the areas to be addressed in the technical proposal.

Ranking the Firms in Contention for Selection

An evaluation form that includes a weight and a score for each criteria or question is useful for evaluating, ranking and, finally, selecting the most qualified firm. Each firm should be evaluated separately by each interviewer during the presentation and interview. When all interviews have been concluded, the head of the selection committee should compile the individual score sheets. This system provides a documented selection process as support for the committee's actions. It is recommended that committee members take the time to achieve consensus rather than just ranking and selecting by majority vote. If technical proposals are included in the process, the results of the review should be incorporated in the evaluation process.

Negotiating an Agreement with the Selected Firm

As soon as possible after the selection, the owner should begin negotiations with the firm deemed most qualified. Normally it is not difficult to reach an agreement on fee, since the QBS process facilitates an early understanding of the project scope and requirements. If agreement on the scope of services and compensation cannot be reached, negotiations with the first-ranked firm should be terminated, and the City should open negotiations with the second-ranked firm.

The following considerations are also suggested:

A detailed and comprehensive scope-of-services should be developed jointly by the City and the top-ranked firm. This is often accomplished through one or more meetings of the professional consultant and the City, after which the professional consultant submits a project and work plan. The work plan should list consultants and the roles and responsibilities of all members of the design team, as well as the responsibilities of the City.

Once there is agreement on the work plan, the design firm should submit its proposal for compensation, to initiate fee negotiations.

A written contract should be used. All contracts must be approved as to form by the City Attorney, the Risk Manager, the Purchasing Agent and signed by the City Manager.

The agreement between the City and professional consultant should ensure that both parties have the same expectations and understanding of the project requirements.

Post-Selection Communications

After interviews and/or technical proposal reviews and ranking are completed, a post-selection memo should be prepared and mailed to all firms that participated in the process. After a contract is awarded, a debriefing for each short listed firm should be provided upon request. The debriefing will include information on ranking and scoring of that firm's proposal.

CHAPTER 15

SPECIAL TYPES OF PROCUREMENT

OVERVIEW

This chapter will provide insight to procurement policies for various nonstandard or *exception* procurements. This chapter will be continually evolving as new and innovative methods of procurement are adopted by the City of Selma.

PROCUREMENT OF USED FLEET VEHICLES

Purpose

The purpose of this section is to outline the procedure to be followed in the procurement of used vehicles for all City departments.

Procedure

The City of Selma frequently supplies its employees with vehicles to be used in the course of carrying out their duties. A staff vehicle can be defined as a non-specialized vehicle (i.e., not a specialized piece of equipment such as a front-end loader) which is used to transport City employees and, on occasion, business associates.

The City has determined that in many instances it is feasible to purchase low-mileage, late model, warrantied, used vehicles rather than brand new vehicles. While, a significant amount of money can be saved in purchasing used vehicles, it is always incumbent upon the City to insure that it is obtaining the best value for its money. As such the following procedure is to be used in the purchase of staff vehicles.

Determination as to whether a vehicle replacement is accomplished with a used or new vehicle shall be a cooperative effort between the Purchasing and Fleet Management staff and the using department. Not all staff vehicles will be purchased used. Vehicle use (how it is utilized and how much it is to be driven) and funding source are to be taken into consideration when determining whether a particular vehicle purchase qualifies under this policy.

Used staff vehicles are to be purchased by negotiation with local car dealers. Only in the case of non-availability of suitable vehicles from local dealers, may the purchase be made from a dealer located outside of the City of Selma city limits.

The following procedures are to be used in the purchase of a used staff vehicle:

Vehicle criteria are established. Criteria shall be based on required use, existing vehicle specifications and funds available for purchase. In most instances, the criteria shall be established and/or approved by the Fleet Manager.

The Purchasing Agent or department representative locates a suitable used vehicle at a local car dealer.

The car dealer completes the required paperwork, identifying the features, warranty and price of the subject vehicle and any trade-in for the vehicle to be replaced. The price of the vehicle to be purchased, including sales tax, excluding trade-in of the used fleet vehicle, may not exceed the approved budget amount.

After the dealer has completed the price quote on the vehicle, the vehicle shall be delivered to the City Shop where it can be physically inspected for mechanical soundness. If determined to be mechanically sound, the Fleet Services Manager will sign-off on the price quote form. The Purchasing Agent or Fleet Services Manager must develop a "Kelley Blue Book" comparison on the subject vehicle and possible trade-in.

The vehicle may be purchased if: (1) the vehicle passes Shop inspection;
(2) the price quoted, including sales tax, excluding trade-in, does not exceed the budget

amount, and; (3) a Kelley Blue Book comparison supports the price quote.

Purchasing will prepare all paperwork necessary to take ownership of the vehicle and relinquish ownership of the trade-in vehicle.

Other Considerations

If vehicles are to be procured outside of the annual replacement process, the same procedures shall apply.

This policy does **not apply to vehicles to be purchased using grant money.**

CHAPTER 16

ADOPTION OF CAL TRANS LOCAL ASSISTANCE POLICY MANUAL CHAPTER 10

Pursuant to 23 CFR 172.5(b), subrecipients shall develop and sustain organizational capacity and provide the resources necessary for the procurement, management, and administration of engineering and design related consultant services, reimbursed in whole or in part with Federal-Aid Highway Program funding as specified in 23 U.S.C. 106(g)(4)(A).

23 CFR 172.5(b)(1) requires subrecipients to adopt written policies and procedures prescribed by the awarding State Transportation Agency for the procurement, management, and administration of engineering and design related consultant services in accordance with applicable Federal and State laws and regulations.

The State of California Department of Transportation (Caltrans) has developed the Local Assistance Procedures Manual (LAPM), Chapter 10, Consultant Selection which sets forth policies and procedures for procurements and managements of contracts for engineering and design related consultant services contracts on federal and state funded transportation projects to ensure compliance with applicable Federal and State laws and regulations.

LAPM Chapter 10, Consultant Selection, describes the consultant selection and procurement process local agencies must follow to maintain eligibility for federal and state reimbursement.

The City hereby adopts Chapter 10 of Cal Tran's Local Assistance Policy Manual, and any updates thereto, in the procurement of A&E services for state and federal funded projects and incorporates such policy into this Purchasing Policy as **Exhibit A.**

CHAPTER 17

ADOPTION OF CAL TRANS LOCAL ASSISTANCE POLICY MANUAL CHAPTER 10

In the event that the City is utilizing a Federal Award as defined by 2 CFR 200.1, it will follow the procurement procedures as stated in 2 CFR 200.318-326. As part of this Purchasing Policy, the City hereby adopts 2 CFR 200.318-326, and any updates thereto, and incorporates such section into this Purchasing Policy as **Exhibit B**.

Chapter 10 Consultant Selection

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Exhibits

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[Exhibit 10-G: Individual A&E Task Order DBE Tracking Sheet](#)

[Exhibit 10-I: Notice to Proposers DBE Information](#)

[Exhibit 10-O1: Consultant Proposal DBE Commitment](#)

[Exhibit 10-O2: Consultant Contracts DBE Commitment](#)

[Exhibit 10-Q: Disclosure of Lobbying Activities](#)

[Exhibit 10-R: A&E Boiler Plate Agreement Language](#)

[Exhibit 10-S: Consultant Performance Evaluation](#)

[Exhibit 10-T: Conflict of Interest & Confidentiality Statement](#)

[Exhibit 10-U: Consultant in Management Support Role Conflict of Interest and Confidentiality Statement](#)

All LAPM Exhibits are located at:

<https://dot.ca.gov/programs/local-assistance/forms/local-assistance-procedures-manual-forms>

10.1 FEDERALLY-FUNDED A&E CONTRACTS

Procurement Planning		
1	2	3
		
<ul style="list-style-type: none"> *Select Project *Set Project Objectives *Determine Project Schedule *Obtain CTC Allocation/Federal Authorization to Proceed prior to beginning reimbursable work *Exhibit 10-U: Consultant in Management Support Role Conflict of Interest and Confidentiality Statement (if applicable): submit Conflict of Interest (COI) and Scope of Work (SOW) to DLA-HQ prior to contract advertisement. 	<ul style="list-style-type: none"> *Identify Need for Consultant *Appoint Contract Administrator *Segment Project Work *Define SOW of A&E Consultant *Specify Products to be delivered 	<ul style="list-style-type: none"> *Estimate Cost of Consultant Work (independent cost estimate) *Determine Type of Contract (Project Specific or On-Call) *Determine Method of Payment: Lump Sum; Cost-Plus- Fixed-Fee; Cost Per Unit of Work; or Specific Rate of Compensation *Submit Exhibit 9-D to DLAE

A&E = Architectural and Engineering
IOAI = Caltrans Independent Office of Audits and Investigations
CT = Caltrans
DBE = Disadvantaged Business Enterprise
DLA = Division of Local Assistance
DLAE = District Local Assistance Engineer
DLA-HQ = Division of Local Assistance-Headquarters
LAPG = Local Assistance Program Guidelines
LAPM = Local Assistance Procedures Manual
MOP = Method of Payment
RFP = Request for Proposal
RFQ = Request for Qualifications
SOQ = Statement of Qualifications
SOW = Statement/Scope of Work

Figure 10-1: A&E Contract Procurement Process Workflow Diagram

Solicitation Documents and Advertisement		
4	5	6
		
<ul style="list-style-type: none"> *Determine Solicitation Document; RFP or RFQ *Appoint Consultant Selection Committee *Collect signed Conflict of Interest forms and Confidentiality Statements (see Exhibit 10-T: Conflict of Interest & Confidentiality Statement) from all members involved in process *Determine Procurement Schedule *Develop Technical Criteria with level of importance (weights) for Evaluation of Proposals or the SOQ 	<ul style="list-style-type: none"> *Prepare RFP or RFQ documents *Include SOW, evaluation process/criteria, DBE goals, MOP and cost proposal, minimum requirement of Proposal or SOQ, Notice to Proposers DBE Information (see Exhibit 10-I: Notice to Proposers DBE Information), submittal deadline *Advertise RFP or RFQ on public forum (newspaper, technical publications, web hosting site, other local websites) *Issue RFP or RFQ (direct mailing, web posting) 	<ul style="list-style-type: none"> *Prepare to respond to RFP/RFQ questions *Conduct Proposers Conference, if applicable *Receive Proposals or SOQs

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Figure 10-1: A&E Contract Procurement Process Workflow Diagram- continued

Evaluation and Selection of Consultant		
		Contract Negotiation
7	8	9
<div style="border: 1px solid black; background-color: #4F81BD; color: white; padding: 5px; display: inline-block;">Local Public Agency</div> ↔	<div style="border: 1px solid black; background-color: #4F81BD; color: white; padding: 5px; display: inline-block;">Local Public Agency</div> ↔	<div style="border: 1px solid black; background-color: #4F81BD; color: white; padding: 5px; display: inline-block;">Local Public Agency</div> ↔
<ul style="list-style-type: none"> *Distribute Proposals or SOQs to Selection Committee members *Ensure Committee members receive the appropriate score sheet to use (see Exhibit 10-B: Suggested Consultant Evaluation Sheet) *Convene Selection Committee and evaluate submittals; perform reference checks *Develop Final Ranking or Short List *Notify proposers of ranking/Short List *Retain all original score sheets and summaries 	<ul style="list-style-type: none"> *Send out RFPs to Short List (two-step process) *Conduct Interview of Short List (if needed) *Develop Final Ranking of Consultants, and notify all interviewees *Retain all original score sheets and summaries *Provide a copy of Standard Contract language to top ranked consultant and invite for negotiations (see Exhibit 10-R: Boiler Plate Agreement Language for standard contract language and provisions) 	<ul style="list-style-type: none"> *Open and analyze cost proposal from the Highest Ranked firm <div style="border: 1px solid black; background-color: #FFD700; text-align: center; padding: 5px; margin: 10px 0;">Caltrans IOAI</div> <ul style="list-style-type: none"> *Review and evaluate Financial Document Review Request and supporting documents, if applicable *Issue Financial Review Letter, if applicable *Perform contract audits and reviews, if applicable, or review of CPA audited ICR workpapers to issue Cognizant Letter of Approval

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Figure 10-1: A&E Contract Procurement Process Workflow Diagram- continued

Contract Negotiation		
		Contract Execution
10	11	12
<div style="border: 1px solid black; background-color: #4F81BD; color: white; padding: 5px; display: inline-block;">Local Public Agency</div> ↔	<div style="border: 1px solid black; background-color: #4F81BD; color: white; padding: 5px; display: inline-block;">Local Public Agency</div> ↔	<div style="border: 1px solid black; background-color: #E86A5A; color: white; padding: 5px; display: inline-block;">DLAE</div>
<ul style="list-style-type: none"> *Negotiate contract costs with the most qualified Consultant *Prepare and retain record of cost negotiations *Initiate CT IOAI Financial Review Section (LAPM Section 10.1.3) and send documents (Financial Document Review Request), if applicable, to Caltrans IOAI *Receive and analyze findings of the Financial Review Letter from CT IOAI, if any *Address and resolve all findings by IOAI and incorporate into final contract and cost proposal *If negotiations with First ranked firm is unsuccessful, formally terminate cost negotiations with Consultant and begin Step 9 with next ranked consultant *Complete the A&E Consultant Contract form and submit to the database prior to award or after award, but no later than the first invoice *Retain A&E Consultant Contract form 	<ul style="list-style-type: none"> *Finalize contract, cost proposal *Retain copy of contract Financial Review Letter with acceptance, denial, or adjustment of the ICR *Sign and Execute contract *Offer and conduct debriefing meetings with consultant who asked for one *Send copies of executed contract and DBE Commitment (Exhibits 10-O1: Consultant Proposal DBE Commitment and Exhibit 10-O2: Consultant Contract DBE Commitment) to DLAE *Close out contract procurement process 	<ul style="list-style-type: none"> *Prior to concurring with invoice payment related to consultant services, ensure submittal of the A&E Consultant Contract form and has a copy of the executed consultant contract on file and 10-O1 and 10-O2. Also, check IOAI database to ensure that Certification of Indirect Costs and Financial Management System, if applicable, has been received by IOAI
		<div style="border: 1px solid black; background-color: #FFD700; padding: 5px; display: inline-block;">Caltrans IOAI</div>
		<ul style="list-style-type: none"> *Perform Incurred Cost Audit, if selected

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Figure 10-1: A&E Contract Procurement Process Workflow Diagram- continued

10.1.1 General

Introduction

A Local Public Agency (LPA) may engage consultants to perform architectural, engineering, and related services to develop a federal-aid funded project. LPAs requesting federal funds to reimburse Architectural and Engineering (A&E) Consultants must follow the selection and contracting procedures detailed in Section 10.1 of this chapter. LPAs using local funds to procure an A&E Consultant on a federal-aid funded project and will not seek federal reimbursement for the consultant cost may choose not to follow the selection and contracting procedures detailed in Section 10.1 of this chapter. LPAs using local funds to procure a Consultant in a Management Support Role (CMSR) are required to obtain FHWA approval (see Section 10.1.9: Retaining a CMSR of this chapter).

Definition of an Architectural and Engineering Consultant

23 CFR 172 and California Government Code 4525 defines A&E services as those private consulting firms providing architectural, landscape architectural, engineering, environmental, land surveying, construction engineering, or program management.

Architectural and Engineering Consultants

The Brooks Act (40 U.S.C.1104) requires LPAs to award federally-funded engineering and design related contracts based on fair and open competitive negotiations, demonstrated competence, and professional qualifications (23 CFR 172), at a fair and reasonable price (48 CFR 31.201-3).

Cost proposals submitted to the LPA must be sealed and must not be included as a criterion for rating such consultants. After ranking, cost negotiations will begin with the most qualified consultant and only their cost proposal will be opened. Should negotiations fail or result in a price that the LPA does not consider fair and reasonable, negotiations must be formally terminated, and the LPA must then undertake negotiations with the second most qualified consultant.

If the negotiations with the second most qualified firm are not successful, negotiations must be formally terminated and the LPA must then undertake negotiations with the third most qualified consultant, and so on, until the price is determined to be fair and reasonable by the LPA.

In selecting an A&E consultant, a detailed technical proposal or qualifications proposal, and a proposed contract will be required.

Depending upon the scope of work, the required contract provisions may need to include the California State Prevailing Wages (Federal Payment of Predetermined Minimum Wage applies only to federal-aid construction contracts). Prevailing wages will apply if the services to be performed will involve land surveying (such as flag persons, survey party chief, rodman or chainman), materials sampling and testing (such as drilling rig operators, pile driving, crane operators), inspection work, soils or foundation investigations, environmental hazardous materials and so forth. California State Prevailing Wage information is available through the California Department of Industrial Relations (DIR) websites below:

Consultants will need to provide their Prevailing Wage Policy if their participation on the project includes prevailing wage work. The policy will include information on the accounting treatment of delta base and delta fringe, and verify the accounting treatment is consistent every year.

- DIR FAQ [website](#)
- DIR Wage Determination [website](#)
- [Caltrans Prevailing Wage Interpretive Guidance](#)

Non-A&E Consultants

Consultants other than A&E consultants may be selected using cost, cost and qualifications (best value), or other critical selection criteria. The procedures outlined in this chapter can be modified for selecting non-A&E consultants by adding a cost item to the contract proposal.

For more details on non-A&E consultants, see [Section 10.3: Non-A&E Contracts](#) of this chapter.

Selecting the Project

The LPA is responsible for selecting and initiating a federal-aid financed transportation project. The decision to begin project development is influenced by the project needs, its acceptability, the timing of studies, financing, and construction. The LPA must identify the project's objectives including the general level of improvement or service, operating standards, maximum cost, and the target date for project completion before commencing any consultant selection process.

Subcontracted Services

The consultant is responsible for performing the work required under the contract in a manner acceptable to the LPA. The consultant's organization and all associated consultants and subconsultants must be identified in the proposal. If the consultant wishes to use a subconsultant not specified in the proposal, prior written approval must be obtained from the LPA. The subcontract must contain all required provisions of the prime contract. All subawards must include adequate oversight, management, and administration of engineering and design related consultant services and be administered in accordance with State laws and procedures specified in 23 U.S.C.106(g)(4) and 2 CFR 200.331.

Organizational and Consultant Conflicts of Interest

In the procurement of contracts for engineering services by private consulting firms using federal-aid highway funds, LPAs must take all the steps necessary to prevent fraud, waste, and abuse. The LPA must develop and maintain a written code of conduct governing the performance of its employees (including the contract administrator) engaged in the award and administration of federal-aid highway funded contracts, including the prevention of conflicts of interest in accordance with 23 CFR 172.7(b)(4).

A conflict of interest occurs when a public official's private interests and his or her public duties and responsibilities diverge or are not consistent. Conflicts of interest may be direct or indirect (e.g., as result of a personal or business relationship). The appearance of a conflict of interest should be avoided as an apparent conflict may undermine public trust if not sufficiently mitigated.

Federal Regulation Governing Conflict of Interest (23 CFR 172.7(b)(4)) requires that:

- LPA must maintain a written code of standards of conduct for employees engaged in the award and administration of engineering and design service contracts;
- No contracting agency employee who participates in the procurement, management, or administration of federal-funded contracts or subcontracts must have, directly or

indirectly, any financial or other personal interest in connection with such contract or subcontract;

- No person or entity performing services for a contracting agency in connection with a federal-funded project must have, directly or indirectly, any financial or other personal interest, other than employment or retention by the contracting agency, in any contract or subcontract in connection with such project;
- No person or entity performing services for a contracting agency in connection with a federal-aid highway funded project must have, directly or indirectly, any financial or other personal interest in any real property acquired for the project;
- No contracting agency employees or agents must neither solicit nor accept gratuities, favors, or anything of monetary value from consultants, potential consultants, or parties to sub-agreements;
- LPA must disclose in writing any potential conflict of interest to FHWA.

Consultants Performing Work on Multiple Phases of Federal-aid Projects

LPAs sometimes wish to hire the same consultant firm to perform construction engineering and/or inspection services on the same project on which the firm also performed design services. This can cause project delivery efficiencies, as the design firm is well-suited to verify that the project is being constructed in accordance with the design and can resolve issues related to the design on behalf of the contracting agency. However, this may also pose a potential conflict of interest if the firm has a vested financial interest in failing to disclose deficiencies in its design work product and seeks to insulate itself from pecuniary liability in subsequent phases of the project, such as minimizing or ignoring design errors and omissions, rather than serving the best interests of the contracting agency and the public. Procuring a different firm from the design firm to provide the construction engineering and/or inspection services provides another level of review and reduces the risk of, or potential for, a conflict of interest.

Although federal regulations do not expressly prohibit the same firm from providing services on subsequent phases, the LPAs are responsible for ensuring the public interest is maintained throughout the life of a project and that a conflict of interest, real or apparent, does not occur or is sufficiently mitigated by appropriate public agency controls. Prior to allowing a consulting firm to provide services on subsequent phases of the same project, the contracting agency must establish appropriate compensating controls in policies, procedures, practices, and other safeguards to ensure a conflict of interest does not occur in the procurement, management, and administration of consultant services.

When design and construction phase services are procured under a single solicitation, the selection of the consulting firm must be based on the overall qualifications to provide both design and construction phase services, which require different skill sets, experience, and resources. Procuring these services under different solicitations may result in selection of a more qualified firm to perform services in each phase, as the most qualified firm to perform design phase services may not be the most qualified firm to provide construction phase services. Similarly, the qualifications and capacity of a firm may change over time. As such, it may not be appropriate to contract with a consulting firm to provide construction phase services at the outset of a design phase, knowing that these services may not be needed for an extended period until the preconstruction phase of the project is complete and construction funding authorized. The contract with a consulting firm providing design phase services on a project may not be amended to include construction phase services unless the desired

construction phase services were included within the original advertised scope of services and evaluation criteria of the solicitation from which a qualifications-based selection was conducted. All consultants acting in a management support role must complete [Exhibit 10-U: Consultant in Management Support Role Conflict of Interest and Confidentiality Statement](#) (see [Section 10.1.9: Miscellaneous Considerations](#) in this chapter) and retain it in the LPA files.

Miscellaneous Considerations Authorization to Proceed

The Federal Highway Administration (FHWA) must give the LPA an Authorization to Proceed (E-76) with the work prior to performing of any work for which federal reimbursement is to be requested, (see [LAPM Chapter 3: Project Authorization](#)). Eligible consultant contracts may be procured using local funds prior to receiving the E-76, but reimbursement is for work performed after the E-76 authorization date. If contract is procured using state or local funds, federal procedures must have been followed if seeking federal reimbursement. For state-funded projects see [Section 10.2: State-Only Funded A&E Contracts](#) and [LAPG Chapter 25: State Programs for Local Agency Projects](#), for guidance on when work may proceed.

Copies of the Authorization to Proceed and the consultant contract must be retained in the LPA project files for future audit.

10.1.2 Identifying & Defining a Need for Consultants

The need for a consultant is identified by comparing the project's schedule and objectives with the LPA's capabilities, its staff availability of the required expertise, and its funding resources. If the LPA does not have sufficient staff capabilities, it may solicit assistance from another agency, or use a qualified private consultant to perform the required work.

If the LPA determines that there is a need to solicit assistance from another LPA, or to use a consultant, the District Local Assistance Engineer (DLAE) should be notified if federal-aid funds are to be requested for the project segment to be contracted out.

Appointing the Contract Administrator

The Contract Administrator is responsible for ensuring the quality of consultant contract products or services. The Contract Administrator is appointed as soon as the need for consultant services is identified. The Contract Administrator is involved throughout the development of the selection process and the contract provisions, and in the administration of the consultant's work. The Contract Administrator must be a qualified LPA employee or have staff that is qualified to ensure the consultant's work is complete, accurate, and consistent with the terms and conditions of the consultant contract. On federal-aid contracts, the Contract Administrator or staff members must be a full-time employee and familiar with the work to be contracted out and the standards to be used. The Contract Administrator must also abide by the laws, regulations and policies required as part of accepting federal or state funding for their project. Non-compliance with the laws, regulations, and policies may result in loss of project funding.

The Contract Administrator's duties are listed in 23 CFR 172.9(d)(1) and include:

- Contract negotiation, contract payment, and evaluation of compliance performance, and quality of services provided by the consultant;
- Being familiar with the contract requirements, scope of services to be performed, and products to be produced by the consultant;

- Being familiar with the qualifications and responsibilities of the consultant's staff and evaluating any requested changes in key personnel;
- Scheduling and attending progress and project review meetings, commensurate with the magnitude, complexity, and type of work, to ensure the work is progressing in accordance with established scope of work and schedule milestones;
- Documenting contract monitoring activities and maintaining supporting contract records as specified in 2 CFR 200.333;
- Provides direction to ensure the proposed work is advertised properly;
- Prepares and distributes the Request for Qualifications (RFQ), description of work, and Request for Proposals (RFP), if used;
- Prepares the draft contract;
- Arranges for preparation before an independent estimate of the value of the work to be contracted out;
- Ensures that the selection procedures are followed;
- Analyzes the selected/best-qualified consultant's cost proposal;
- Ensures contract audit and review procedure is followed;
- Ensures that fee/profit negotiation is conducted and keeps records;
- Serves as the LPA's primary contact person for the successful consultant;
- Monitors the consultant's progress and provides direction;
- Ensuring consultant costs billed are allowable in accordance with the Federal cost principles and consistent with the contract terms as well as the acceptability and progress of the consultant's work;
- Identifies other LPA staff for the consultant to contact, if needed;
- Closes out the contract at completion, by processing the final invoice; completing a mandatory consultant evaluation, and final DBE utilization reports ([Exhibit 17-F: Final Report Utilization of Disadvantaged Business Enterprises \(DBE\) and First-Tier Subcontractors](#)) or [Exhibit 17-F1: Final Report-Utilization of Disadvantaged Business Enterprises \(DBE\) and First-Tier Subcontractors for On-Call Contracts](#).

Segmenting Consultant Work

Consultant services are most effective when consultant work is segmented appropriately. The extent of segmenting depends upon the type and complexity of the work. Combining preliminary engineering tasks with the preparation of the required environmental analysis is normally desirable. Preparing an Environmental Assessment (EA) or Environmental Impact Statement (EIS) is more than simply writing a report. Assessment and impact reports include preliminary engineering needed to analyze project alternatives and produce an engineering and planning assessment. Initial project studies include only as much traffic and engineering analysis of alternatives, as is needed to produce a sound EA or EIS (see [LAPM Chapter 6 Environmental Procedures](#) and [Standard Environmental Reference \(SER\) Chapters 31:Environmental Assessment \(EA\)/Finding of No Significant Impact \(FONSI\)](#) and [Chapter 32:Environmental](#)

[Impact Statement \(EIS\)](#). Final design must not begin until NEPA environmental approval has been received if federal reimbursement is desired.

Refer to Figure 10-2: Segmenting Consultant Work below, which illustrates several satisfactory ways to segment consultant activities.

	Well-structured Projects With Simple Right of Way Requirements	Well-structured Projects With Complex Right of Way Requirements	More Difficult Projects	Very Complex Projects
Preliminary Engineering				
Environmental Analysis				
Plans, Specifications & Estimates				
Right of Way Activities				
Utility Relocation				
Construction Engineering				

Figure 10-2: Segmenting Consultant Work

Specify Products to be Delivered

The Contract Administrator identifies the products and services to be delivered as a result of consultant contract work, and minimum qualification of consultant professionals and staff. These vary depending upon the type of projects and the phase of project development being addressed.

Scope of Consultant Work

The scope of work, which the contract must include, is a detailed description of the products or services the consultant is to provide. From a detailed scope of work, consultants respond to a project advertisement, determine personnel and time requirements, and develop a technical proposal. Therefore, the scope of work must be clear, concise, complete, and describe the deliverables, standards for design and other work, quality control measures, acceptance criteria and deadlines.

Title VI Assurances

Title VI Assurances Appendices A and E must be included in each consultant contract. Include Title VI Assurances Appendices B, C, and D if applicable. The consultant must include the Title VI Assurances Appendices A and E, and if applicable Appendices B, C, and D in all subcontracts to perform work under the contract. Include Title VI Assurances Appendices B, C, and D if applicable. Refer to [Exhibit 10-R: A&E Boilerplate Agreement Language](#), Article XXXII Title VI Assurances.

Non-Discrimination Clause

The Non-Discrimination Clause ([Exhibit 10-R: A&E Boilerplate Agreement Language](#), Article XVI Non-Discrimination Clause and Statement of Compliance) must be included in each consultant contract. The consultant must include the non-discrimination and compliance provisions of the Non-Discrimination Clause in all subcontracts to perform work under the contract.

Disadvantaged Business Enterprise (DBE) Participation

When administering federal-aid projects, federal regulations (49 CFR 26) require the LPA to comply with the DBE program and take necessary steps to ensure that DBE firms have the opportunity to participate in the projects. Refer to [Chapter 9: Civil Rights and Disadvantaged Business Enterprises](#) for DBE requirements for A&E Consultant Contracts.

Estimated Cost of Consultant Work

An independent estimate for cost or price analysis is needed for all consultant contracts (23 CFR 172.7(a)(1)(v)(B)) to ensure that consultant services are obtained at a fair and reasonable price. The estimate must be prepared prior to opening the cost proposal from the top-ranked consultant, so the LPA has a cost comparison to evaluate the reasonableness of the consultant's cost proposal. The estimate, which is specifically for the use of the LPA's negotiating team, is to be kept confidential and maintained for records.

A good cost estimate can be prepared only if the scope of work is defined clearly. The scope of work must include a list of the products or services which the consultant is required to deliver, and a time schedule of when they must be delivered.

It should be stressed that all work to be derived from the consultant services, such as preliminary design, environmental, or final design, must be clearly identified in the solicitation of consultant services (RFQ or RFP) and included in the cost estimate. The addition of work to the original scope by amendment should be avoided whenever possible. Contract modifications are required for any amendments to the terms of the existing contract that change the cost of the contract; significantly change the character, scope, complexity, or duration of the work; or significantly change the conditions under which the work is required to be performed.

Some of the costs estimating techniques are:

Analogous Estimating:

Analogous cost estimating is using the actual cost of a previous, similar contract as the basis for estimating the cost of the current contract. Analogous cost estimating is frequently used to estimate costs when there is a limited amount of detailed information about the project. Analogous cost estimating is generally less accurate, and it is most reliable when previous projects are similar in fact, and not just in appearance, and it uses expert judgment.

Parametric Estimating:

Parametric estimating is a technique that uses statistical relationship between historical data and other variables to calculate a cost estimate for an activity resource. This technique can produce a higher level of accuracy depending upon the sophistication, as well as underlying resource quantity and the cost data. A cost example would involve multiplying the planned quantity of work by the historical cost per unit to obtain the estimated cost of the contract.

Bottom-up Estimating:

This technique involves estimating the cost for individual work in the contract with the lowest level of detail. This detailed cost is then summarized or rolled up to determine a total cost of contract. Cost detail should include estimated hours per task, labor hourly cost for professional and non-professional classifications, subconsultant costs, other project direct costs, and profit. Labor costs should be broken down to direct labor and indirect cost rates, if possible.

If more than one project or phase of work is to be developed within the consultant contract, separate cost estimates are required for each project or phase of work. Separate cost estimates are required for each milestone and portion of the work expected to be subcontracted.

For on-call (as-needed) contracts, the cost estimate/analysis should include at minimum, a historical analysis of annual needs for consultant work, professional labor cost and market analysis, and reasonable profit analysis.

Determine Type of Contract

Types of contracts to be used are described as follows:

- Project-specific contract is between the LPA and consultant for the performance of services and a defined scope of work related to a specific project or projects.
- Multi-phase contract is a project-specific contract where the defined scope of work is divided into phases which may be negotiated and executed individually as the project progresses.
- On-call contract is a contract that may be utilized for a number of projects, under which task or work orders are issued on an as-needed basis, for an established contract period and maximum total contract dollar amount. On-call contracts are typically used when a specialized service of indefinite delivery or indefinite quantity is needed for a number of different projects, such as construction engineering, design, environmental analysis, traffic studies, geotechnical studies, and field surveying, etc. Many agencies use these contracts to address peaks in workload of in-house engineering staff and/or to perform a specialized service which the agency does not have. On-call contracts must specify a reasonable maximum length of contract, not to exceed five (5) years, and a maximum total contract dollar amount (23 CFR 172). The maximum dollar amount for all contracts awarded under the solicitation must be stated in the solicitation. The maximum dollar amount is the aggregate of the on-call contracts anticipated to be awarded. For example, if the solicitation lists that up to five (5) contracts may be awarded, the aggregate amount of these 5 contracts is the maximum contract dollar amount. Setting maximum amount on each on-call contract under a multiple on-call solicitation does not meet the intent of 23 CFR 172. How many contracts are anticipated to be awarded must be stated in the solicitation. How task orders will be issued must be stated in the solicitation.

There are two options on how task orders must be awarded under multiple on-call contracts for the same type of service under the same solicitation:

1. Through an additional qualifications-based selection procedure also known as mini-RFP.
 - Solicit task order to the multiple on-call consultants on the master on-call contracts

- Master on-call contracts are contracts awarded to on-call consultants at the initial RFQ/RFP procurement process.
- Solicitation may be informal, e.g. email, letter, etc.; documentation is required.
- Evaluation criteria must be included in the solicitation. The mini-RFP contains evaluation criteria that matches the strengths of the qualified firms to the specifics of the known tasks, thereby selecting the most qualified firm for each task.
- The evaluation criteria can include:
 - i. availability of personnel,
 - ii. staff capabilities,
 - iii. DBE (10% or less of overall score); the overall DBE goal was established at the master on-call contract,
 - iv. completion of time,
 - v. experience of consultant
 - vi. specialized expertise, and past performance.
- Evaluate and rank proposals and select from the multiple on-call contracted consultants
 - Recommend at least three panel members to evaluate and rank
 - Evaluate based on criteria in mini-RFP solicitation
- Negotiate and award to the on-call contracted consultant
 - The mini-RFP or the task order will be negotiated with first ranked firm from each competition. Task order (mini-RFP) cost will be based on wage rates established in the master on-call contract, and the time and deliverable requirements in the task order.
- If only one proposal is received or there is an emergency, a Non-Competitive process must be justified, and [Exhibit 12-F](#) must be documented and signed by the DLAE
- Awarding task order to the multiple on-call consultants on a rotational basis does not meet the intent of the qualifications-based selection
- [Exhibit 10-G](#) must be used to track percentage of DBE [after a task order is completed](#)
- [Each task order must have an Exhibit 10-O1 and Exhibit 10-O2 as applicable](#)

2. Regional basis where each on-call consultant is contracted to a designated area.

To maintain the intent of the Brooks Act (40 U.S.C.1101-1104) in promoting open competition and selection based on demonstrated competence and qualifications, on-call consultant contracts established through the RFQ process must meet the following requirements:

- Must define a general scope of work, complexity, and professional nature of services.

- Specify a task order procedure the LPA uses to procure project-specific work under the contract.
- Task order work performed after the master on-call contract has expired will result in those costs being ineligible for federal or state reimbursement.
- If multiple consultants are to be selected and multiple on-call contracts awarded through a single solicitation for specific services, the number of consultants that may be selected or contracts that may be awarded must be identified.
- Specify procurement procedures in the contracts the LPA will use to award/ execute task orders among the consultants:
 - Either through an additional qualification-based selection process (see the Two-Step RFQ/RFQ process later in this chapter), OR
 - On regional basis whereby the region is divided into areas identified in the solicitation, and consultants are selected to provide on-call services for assigned areas only. The RFP may list multiple regions that allow consultants to crossover or be a “backup” to other consultants that for specifically documented reasons are not able to perform the work in their assigned region. Per 23 CFR 172.9 (a)(3)(B)(2), the “backup” option needs to be listed in the respective contracts.

An example of acceptable contract wording in multiple on-call contracts for the same type of service:

- “Agency has or will enter into three (3) task order contracts for performance of the Scope of Services identified in Exhibit “A”, including this Agreement (“CM Services Task Order Contracts”). The other CM Services Task Order Contracts are [identify other two contracts by agreement numbers and consultant firms]. The total amount payable by Agency for the CM Services Task Order Contracts must not exceed a cumulative maximum total value of Seven Million, Five Hundred Thousand Dollars (\$7,500,000) (“NTE Sum”). It is understood and agreed that there is no guarantee, either expressed or implied that this dollar amount will be authorized under the CM Services Task Order Contracts through Task Orders. Each time a Task Order is awarded under any of the CM Services Task Order Contracts, the Agency must send written notification to Consultant and each of the other consultants entering into the CM Services Task Order Contracts. The notice must identify the total funds allocated under issued Task Orders, and the remaining unencumbered amount of the NTE Sum. Consultant acknowledges and agrees that Agency must not pay any amount under this Agreement that would exceed the NTE Sum, and Consultant must not enter into a Task Order that exceeds the NTE Sum.”

Determining the Project Schedule

The LPA develops a schedule for performance of work and completion of the project. The schedule must include sufficient time to allow for:

- Selecting the consultant;
- Developing the consultant contract;

- Completing the A&E consultant contract audit process;
- Conducting meetings and project reviews.

Determine Method of Payment

The method of payment of contract must be specified. The following four methods are permitted under 23 CFR 172.9(b) depending on the scope of services to be performed ([sample cost proposals are provided on the A&E website](#)):

- Cost-Plus-Fixed Fee
- Cost Per Unit of Work
- Specific Rates of Compensation
- Lump Sum

The method of payment to the consultant must be set forth in the original solicitation, contract, and in any contract modification thereto. A single contract may contain different payment methods as appropriate for compensation of different elements of work. Markups are not allowed on any of the four methods of payment.

The cost plus a percentage of cost and percentage of construction cost methods of payment must not be used. Both of these methods are explicitly prohibited by 23 CFR 172.9(b).

Cost-Plus-Fixed Fee

The consultant is reimbursed for costs incurred and receives an additional predetermined amount as a fixed fee (profit). Federal regulations require that profit be separately negotiated from contract costs. The determination of the amount of the fixed fee must take into account the size, complexity, duration, and degree of risk involved in the work. The fixed fee is not adjustable during the life of the contract. The fixed fee dollar amount must be clearly stated in the contract. See the A&E [website](#) for a useful tool on Profit/Fee Determination.

This method of payment is appropriate when the extent, scope, complexity, character, or duration of work cannot be precisely predicted. The fixed fee limit applies to the total direct and indirect costs. Fixed fees in excess of 15 percent of the total direct labor and indirect costs of the contract may be justified only when exceptional circumstances exist. The contract must specify a reasonable maximum length of contract period and a maximum total contract dollar amount (see [Exhibit 10-R: A&E Sample Contract Language](#), Article V, Option 1). The contract cost proposal must identify all key employees and/or classifications to be billed. New key employees and/or classifications must be approved by the LPA before they incur work on the contract, or the costs can be questioned or disallowed. LPAs are not required to update the A&E Consultant Contract form when new key employees and/or classification are added to a contract. For more details, reference [Section 10.1.8. Completing the Project](#).

Cost Per Unit of Work

The consultant is paid based on specific item of work performed. The item of work must be similar, repetitive, and measurable, such as a specific geotechnical investigation and material testing. This method of payment is appropriate when the cost per unit of work can be determined with reasonable accuracy in advance, but the extent or quantity of the work is indefinite. Contract payment provisions must specify what is included in the price to be paid for each item. Any item of work not identified in the contract cost proposal is not eligible for

reimbursement. New items of work (those within the original scope of work only) must be amended into the contract before work is performed. The contract must also specify a reasonable maximum length of contract period and a maximum total contract dollar amount (see [Exhibit 10-R](#), Article V Option 2).

Specified Rates of Compensation

The consultant is paid at an agreed and supported specific fixed hourly, daily, weekly, or monthly rate, for each class of employee engaged directly in the work. Such rates of pay include the consultant's estimated costs and net fee (profit). Federal regulations require that profit be separately negotiated from contract costs. The specific rates of compensation, except for an individual acting as a sole proprietor, are to include an hourly breakdown, direct salary costs, fringe benefits, indirect costs, and net fee. Other direct costs may be included, such as travel and equipment rentals, if not already captured in the indirect cost rate. Other direct costs regardless of amount are to be listed on the cost proposal.

This method of payment should only be used when it is not possible at the time of procurement to estimate the extent or the duration of the work, or to estimate costs with any reasonable degree of accuracy. This method should not be used for project-specific contracts and is recommended for on-call contracts for specialized or support type services, such as construction engineering and inspection, where the consultant is not in direct control of the number of hours worked, and it also requires management and monitoring of the consultant's level of effort and the classification of employees used to perform the contracted work. The contract must also specify a reasonable maximum length of contract period and a maximum total contract dollar amount (see [Exhibit 10-R](#), Article V Option 3).

Lump Sum

The consultant performs the services stated in the contract for an agreed amount as compensation, including a net fee or profit. This method of payment is appropriate only if the extent, scope, complexity, character, duration, and risk of the work have been sufficiently defined to permit fair compensation to be determined and evaluated by all parties during negotiations (see [Exhibit 10-R](#), Article V: Option 4). Normally, a lump sum contract will be paid in full at end of the contract when completed. However, a lump sum contract can be negotiated with progress payment if feasible. The progress payment must be based on percent of work complete or completion of clearly defined milestones. The contract cost proposal must document the agreed-upon progress payment and include the necessary milestones costs, or the percent work complete schedule.

Changes to the cost proposal requiring resubmittal to Independent Office of Audits and Investigations (IOAI) for review:

- Consultant/subconsultant name change
- New participating subconsultant's ICR
- Change in ICR rate

Since these changes require an amendment, the LPA is to update the A&E Consultant Contract form.

A firm fixed price method of payment is not the same as lump sum. A firm fixed price contract must not be amended.

10.1.3 A&E Consultant Audit and Review Process

This section outlines the audit and review process for A&E contracts that at any time use state or [federal-aid highway funds in furtherance of highway construction projects](#). All proposed A&E contracts and supporting documents are subject to audit or review by Caltrans' Independent Office of Audits and Investigations (IOAI), other state audit organizations, or the federal government. Not all proposed contracts will be audited or reviewed; rather, they will be selected on a risk-based approach.

Applicable Standards

State and federal requirements listed below, and specific contract requirements, serve as the standards for audits and reviews performed.

LPAs, consultants, and subconsultants are responsible for complying with state, federal, and specific contract requirements. LPAs are responsible for determining the eligibility of costs to be reimbursed to consultants.

Applicable standards include, but are not limited to:

- Caltrans Local Assistance Procedures Manual (LAPM);
- State and Federal agreements between LPAs and Caltrans, (i.e., Master Agreements);
- Project Program Supplemental Agreements;
- 23 U.S.C., Section 112 – Letting of Contracts;
- 40 U.S.C., Chapter 11: the Brooks Act;
- 23 CFR, Chapter 1, Part 172 - Procurement, Management, and Administration of Engineering and Design Related Services;
- 23 CFR, Chapter 1- Federal Highway Administration, Department of Transportation;
- 48 CFR, Federal Acquisition Regulation (FAR), Chapter 1, Part 31- Contract Cost Principles and Procedures;
- 48 CFR, Chapter 99 – Cost Accounting Standards (CAS), Subpart 9900;
- 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- United States Government Accountability Office, Government Auditing Standards - Generally Accepted Government Auditing Standards (GAGAS);
- California Government Code sections 4525-4529; and
- Proposed contract terms and conditions.

See Section [10.1.11: References](#) of this chapter for links to above referenced standards.

Audit Guidance Available

The American Association of State Highway and Transportation Officials, Uniform Audit & Accounting Guide ([AASHTO Audit Guide](#)), which is referred to frequently in this section, is a valuable tool to guide LPAs, consultants, and Certified Public Accountants (CPA) through the requirements for establishing, and audits of FAR-compliant Indirect Cost Rates (ICR). The [AASHTO Audit Guide](#) is used extensively as an industry guide in the audit and review process.

LPAs may seek accounting assistance from internal audit staff and an independent CPA for compliance. The consultant may seek professional guidance in selecting its independent CPA. See also the [AASHTO Audit Guide](#), Ch 2.5C. Selection of CPA Firm as Overhead Auditor for guidance in the selection process. Training is also offered by FHWA's National Highway Institute (see <https://www.nhi.fhwa.dot.gov/home.aspx>). Courses offered include:

- Using the AASHTO Audit Guide for the Procurement and Administration of A&E Contracts (FHWA-NHI-231028)
- Using the AASHTO Audit Guide for the Development of A&E Consultant Indirect Cost Rates (FHWA- NHI-231029)
- Using the AASHTO Audit Guide for the Auditing and Oversight of A&E Consultant Indirect Cost Rates (FHWA-NHI-231030)

For training and additional information provided by Caltrans Local Assistance, visit the [Caltrans Local Assistance Blog](#). For FHWA's Q&A for ICRs and audits, and A&E related services, visit [FHWA](#).

Allowable Costs

23 U.S.C.112(b)(2)(B) states that any A&E contract or subcontract awarded, whether funded in whole or in part with federal-aid highway funds in furtherance of highway construction projects, must be performed and audited in compliance with the Federal cost principles.

LPAs are required to perform a cost analysis to ensure all costs are allowable and in compliance with federal and state requirements and retain documentation of negotiation activities and resources. Hourly rate(s) for each key personnel and/or classification of employee(s) proposed in cost proposals must be reasonable for the work performed and actual, allowable, and allocable in accordance with the Federal cost principles. Costs must be allowable only if the cost is incurred and cost estimates included in negotiated prices are allowable in accordance with the federal and state regulations and procedures, and contract provisions.

LPAs are required to apply Caltrans-accepted consultant or subconsultant's ICRs, to contracts. An ICR is valid for the one-year applicable accounting period accepted or [reviewed](#) by Caltrans. Consultants must update, on an annual basis, ICRs in accordance with the consultant's annual accounting period and in compliance with the Federal cost principles. For further guidance, refer to 23 CFR 172.11(b)(1). If the consultant is subject to Cost Accounting Standards (CAS), the consultant must use the applicable ICR for the contract.

A consultant's accepted ICR for its one-year applicable accounting period must be applied to contracts; however, once an ICR is established for a contract, it may be extended beyond the one-year applicable period, through the duration of the specific contract, provided all concerned parties agree. Agreement to the extension of the one-year applicable period must not be a condition or qualification to be considered for the work or contract award. The contract must clearly specify the ICR period if it is beyond the one-year applicable period.

Consultants must account for costs appropriately and maintain records, including supporting documentation, adequate to demonstrate that costs claimed have been incurred, and are allowable, reasonable, and allocable to the contract, and comply with Federal cost principles.

IOAI and representatives of the Federal Government have the right to conduct an audit of all contract costs. If the costs are subsequently determined to be unallowable, these costs are subject to repayment. For further guidance, refer to 23 CFR 172 and 48 CFR 31.

Generally, whenever LPAs, consultants, and/or contractors are unable to provide requested documentation, it must be viewed that the services were either not performed or the costs not properly recorded. Retention of all documents is required as it reduces the possibility of audit findings and **disallowed costs**. For more references, refer to Applicable Standards in this chapter.

Safe Harbor Rate

Developing ICRs annually can place a significant burden on some small or new and emerging A&E consulting firms that lack financial sophistication to develop an ICR, as well as on other established A&E consulting firms that may not have previous experience with federally-funded contracts for which an ICR would have been developed in compliance with Federal cost principles 48 CFR 31. This may create a barrier for otherwise eligible and qualified firms to compete for federally-funded contracts.

To help alleviate and remove potential barriers, the Division of Local Assistance (DLA) has adopted Caltrans Division of Procurement and Contract's (DPAC) Safe Harbor Rate (SHR) process and rates which took into account LPAs' data. The SHR information and rates can be found at the following DLA A&E website: <https://dot.ca.gov/programs/local-assistance/guidance-and-oversight/consultant-selection-procurement>. To request information regarding the SHR methodology, email the DLA A&E branch at aeoversight@dot.ca.gov. Eligible A&E consultant firms can choose to use the DLA SHR rate on new A&E contracts using federal-aid highway funds executed by LPAs in the State of California.

Use and application of the SHR by eligible firms provides reasonable assurance of consultant compliance with the Federal cost principles per 23 CFR 172.11(c)(2). A&E consulting firms approved to use the established SHR will have their accounting system evaluated for capabilities of accumulating and tracking direct labor for applying the SHR, as well as for billing other direct costs by contract, segregating indirect costs, etc.

Use of the SHR is voluntary on behalf of the A&E consulting firm and LPAs. LPAs have the discretion to determine certification of eligibility based on requirements shown on the following SHR certification form: [Consultant Firm Certification of Eligibility and Certification of Financial Management System](#).

A&E consultant firms (prime and/or sub consultants) that have not had an ICR previously accepted by a cognizant agency may elect and request to use the SHR in a contract by submitting the completed SHR certification form, [Consultant Firm Certification of Eligibility and Certification of Financial Management System](#), including the Questionnaire for Evaluating Consultant Firm's Financial Management System section, and any other documents as needed. This requirement is in addition to the A&E Consultant Audit and Review Process requirements described in this chapter.

It is the LPA's responsibility to:

- Collect and screen all requests to use the safe harbor indirect cost rate. See SHR certification form, [Consultant Firm Certification of Eligibility and Certification of Financial Management System](#), including the Questionnaire for Evaluating Consultant Firm's Financial Management System section.
- Submit all SHR documents to the Independent Office of Audits & Investigations (IOAI) as part of the Financial Document Review Request package. The IOAI email address is: Conformance.Review@dot.ca.gov.

Requests to use the safe harbor indirect cost rate must be accepted/approved by IOAI **before** contracts are executed.

Approval or Acceptance of Indirect Cost Rates

Cognizant Letters of Approval

A cognizant approved ICR has been audited by a Cognizant agency (a State transportation agency of the State where the consultant's accounting and financial records are located or a State transportation agency to which cognizance for the particular indirect cost rate(s) of a consulting firm has been delegated or transferred to in writing by the State transportation agency where the consultant's accounting and financial records are located) in accordance with generally accepted government auditing standards to test compliance with the requirements of the Federal cost principles (per 48 CFR 31), and the cognizant agency has either 1) issued an audit report of the consultant's indirect cost rate or 2) conducted a review of an audit report and related workpapers prepared by a certified public accountant and issued a letter of concurrence with the audited indirect cost rate(s). The cognizant agency approves the ICR and a cognizant approval letter is issued.

Caltrans Acceptance of Indirect Cost Rate

When the ICRs have not been established by a cognizant agency, Caltrans must perform an audit or review of a consultant's and subconsultant's ICR(s) to provide reasonable assurance of compliance with Federal cost principles.

An audit or review of the ICR may consist of one or more of the following:

- Perform a review to determine if the ICR was prepared in accordance with 23 CFR Part 172, and 48 CFR, Chapter 1, Part 31;
- Perform an audit to determine if the ICR was prepared in accordance with 23 CFR Part 172, and 48 CFR, Chapter 1, Part 31; and issue an audit report;
- Review and accept an ICR audit report and related workpapers prepared by a CPA or another State Transportation Agency;

The outcome of an audit or review is for Caltrans to approve or accept the ICR so that it can be relied upon for future contracts with the consultant for a given one-year accounting period and for reliance by other contracting agencies using the same consultant. LPAs must ensure that only approved or accepted ICRs of consultants for the applicable one-year accounting period be applied to contracts, if rates are not under dispute. LPAs may check IOAI's website for consultant's approved or accepted ICRs. All approved or accepted ICRs are issued an Acceptance Identification (ID) number by IOAI that is posted to IOAI's [website](#). This ID number should be referenced on all future contracts that use the same fiscal year ICR. ICR can be fixed for the life of the contract in prior written document or annually updated. Once it has been updated, it must be annually updated and the most current fiscal year of ICR must be used.

ICRs that have not been accepted by Caltrans will not be eligible for indirect cost payment. An ICR approved by a cognizant agency may be used across states for the one-year applicable accounting period, but an ICR accepted by Caltrans may **only** be applied to A&E contracts with Caltrans or LPA contracts using pass-through Caltrans funding. LPAs include Cities, Counties, Metropolitan Planning Organizations, Special Districts, and Regional Transportation Planning Agencies.

Financial Review Performed Prior to Contract Execution

All consultants, including prime and subconsultants, on a proposed contract with a dollar value equal to or greater than \$1M are subject to an ICR financial review by IOAI. The financial documents required are detailed in the [Financial Document Review Request form](#). IOAI will review the ICR financial documents to either accept or adjust the indirect cost rate **prior to contract execution** using a risk-based approach as dictated by factors that include but are not limited to:

- History of satisfactory performance and professional reputation of consultant;
- Prior FAR compliant history and audit frequency;
- Experience of consultant with FAHP contracts;
- General responsiveness and responsibility;
- The approximate contract volume and dollar amount of all A&E contracts awarded to the consultant by Caltrans or an LPA in California within the last three calendar years;
- The number of states in which the consultant does business;
- The type and complexity of the consultant's accounting system;
- The relevant professional experience of any CPA performing audits of the consultants indirect cost rate;
- Assessment of consultant's internal control. Responses to internal control questionnaire, see AASHTO Audit Guide, Appendix B;
- For ICRs that have been adjusted by IOAI, the consultant must provide a revised cost proposal that reflects the adjusted ICR.

Local Public Agencies' Responsibilities

LPAs are responsible for obtaining all required ICR supporting documentation from A&E prime consultants and sub-consultants as outlined in the Financial Document Review Request form. LPAs are responsible for forwarding these documents to IOAI for review. LPAs are also required to ensure that IOAI has a copy of the [Certification of Indirect Costs and Financial Management System form](#). The ICR included in [the LPA's cost proposal](#) must match the ICR included in the Certification of Indirect Costs and Financial Management System form and the consultant's ICR schedule. The proposed ICR, however, can be lower than ICR in the Certification of Indirect Costs and Financial Management System form and the consultant's ICR schedule if the consultant elects to propose a lower ICR. For contracts spanning more than one year, LPAs are responsible for ensuring the Certification of Indirect Costs and Financial Management System form and cost proposals are updated annually unless all concerned parties agree to fix the ICR for the term of contract, and this is clearly specified in the contract. ICR updates are not required to IOAI if the ICR is fixed for the life of the contract. ICR's are only reviewed for consultants that are being awarded a contract, not consultants on a shortlist or prequalified list.

The cost proposal includes contract costs: direct salary or wage rates, fixed fees, other direct costs, indirect costs, total costs, and certification for the costs. LPAs must perform and retain documentation of activities and resources used to support that a cost analysis has been performed to establish that costs and elements were determined to be fair and reasonable in accordance with Federal cost principles.

All contract supporting documentation must be retained by the LPA in project files for the required retention period. Unsupported costs may be disallowed and required to be returned to Caltrans. Having proper documentation policy and procedures, trained staff, and organized project files are essential for demonstrating that costs claimed and reimbursed have been incurred, are eligible, reasonable, allowable, and allocable to the contract and comply with Federal cost principles.

Contracts below **\$1 Million** are not subject to the Caltrans Financial Document Review but LPAs are required to establish that all costs are in compliance with the Federal cost principles, 48 CFR, Chapter 1, Part 31, and other applicable requirements are met. All documents listed above, and cost analysis documents are required to be retained in the project files to demonstrate compliance.

Instructions are provided in the Financial Document Review Request form including requirements for submitting a complete Financial Review packet. Financial packets can be e-mailed to: conformance.review@dot.ca.gov.

Alternatively, if you do not have internet access, you can mail Financial Review packets to:

Department of Transportation
Independent Office of Audits and Investigations
MS 2 Attention: External Audit Manager
P.O. Box 942874
Sacramento, CA 94274-0001

Consultants' Responsibilities (Both prime consultants and subconsultants)

A&E prime consultants and subconsultants in contract with LPAs using state or federal-aid highway funds should refer to the Financial Document Review Request form for the ICR financial documents required to be submitted to their LPA. Consultants must complete the Certification of Indirect Costs and Financial Management System form that attests that the ICR rate proposed is in compliance with FAR (48 CFR, Chapter 1, Part 31) and that the consultant's financial management system is adequate to accumulate and segregate reasonable, allowable, and allocable direct and indirect project costs. The Financial Document Review Request and Certification of Indirect Costs and Financial Management System forms should be submitted to the LPA who will forward a copy to IOAI along with all other related and required financial documents. For all future contracts within a same fiscal year, the consultant needs to only provide a copy of the Certification of Indirect Costs and Financial Management System form to the LPA.

Consultants must follow all the federal, state, and contract requirements outlined above in the Section above, "Applicable Standards". Each contracting consultant must ensure its ICR is not combined with any parent company's or subsidiary's ICR.

ICR schedules for both prime consultants and sub-consultants should be prepared using the accrual basis of accounting and be presented in compliance with the Federal cost principles. Figure 10-3 provides an example of a Standard Indirect Cost Rate Schedule that consultants can use when preparing their own.

For public works Prevailing Wage contracts, all workers must be paid the prevailing wage rate determined by the Director of the Department of Industrial Relations according to the type of work and location of the project: <http://www.dir.ca.gov/Public-Works/Prevailing-Wage.html>.

For guidance see Caltrans' Prevailing Wage Interpretive Guidance and webinar on IOAI's [website](#).

When determined necessary, IOAI may request additional information, such as a labor distribution summary and Executive Compensation Analysis (ECA). A consultant's labor distribution summary report is a labor expense report that detail all hours worked (paid and unpaid) for a fiscal year, wages earned, and benefits accrued by all the consultant's employees. The labor summary report should include employee names, salaries, hourly rates, total hours worked segregated by direct hours, indirect hours, paid time off hours, and uncompensated hours and amounts.

An ECA is an evaluation by the consultant to determine the allowability and reasonableness of executive compensation in compliance with Federal cost principles and the AASHTO Audit Guide that can be based on either the National Compensation Matrix or independent compensation surveys.

Independent Office of Audits and Investigations' Responsibilities

After IOAI receives a consultant's complete financial document packet (per the Financial Document Review Request form) from the LPA, IOAI will review the proposed ICR and supporting documents and notify LPAs in writing whether the proposed ICRs are accepted or adjusted.

Contracts will be executed after IOAI either accepts or adjusts the ICR. Correction of the final cost proposal, however, does NOT need to be cleared through Caltrans IOAI before executing the contract. An email notification from IOAI serves as documentation to support an accepted ICR.

Audits and Reviews to be Performed

After contract execution, a consultant's ICR may be subject to further detailed review or audit by IOAI based on certain risk factors. Costs that are determined to be unallowable as a result of the review or audit will be subject to repayment.

Indirect Cost Rate Audits

During an ICR audit, IOAI or an independent CPA will examine the consultant's proposed ICR for a one-year accounting period to ensure that unallowable costs have been removed from the indirect costs, that allowable costs have been correctly measured and properly charged and allocated, and that the ICR has been developed in accordance with the Federal cost principles (as specified in 23 U.S.C.112(b)(2)(B), 23 CFR 172.11, 48 CFR 31 and other FAR and State requirements). As a result of the audit, the LPA will work with the consultant to adjust the ICR based on audit recommendations.

For guidance regarding the existing policies and procedures set forth in the federal regulations, and acceptable ICR schedules, refer to the AASHTO Audit Guide, Chapter 5, and Figure 10-3 Standard Indirect Cost Rate Schedule in this Chapter. There is also a review program at Appendix A which serves as a guide for CPAs and IOAI when performing ICR audits and can also be used as a resource for consultants when preparing for an ICR audit.

CPA Workpaper Reviews

During a workpaper review of a CPA audit of an ICR, IOAI will review the CPA's audit workpapers to determine whether to issue a Cognizant Letter of Approval for the ICR. The CPA

Workpaper Review determines whether: (a) the CPA's audit of the ICR was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS), (b) the CPA adequately considered the auditee's compliance with the Federal cost principles and related federal and state laws and regulations. Chapter 11 of the AASHTO Audit Guide provides information to the CPA on the required audit disclosures.

IMPORTANT NOTE FOR CPAs: Contracts receiving state or federal funds are highly scrutinized. Materiality levels tend to be lower and more testing is required. GAGAS provides that auditors may find it appropriate to use lower materiality levels as compared with the materiality levels used in non-GAGAS audits because of the public accountability of government entities and entities receiving government funding, various legal and regulatory requirements, and the visibility and sensitivity of government programs. The AASHTO Audit Guide should be used as a tool for performing audits and attestations of A&E firms.

Contract Audits

During a Contract Audit, auditors will review a consultant's financial management system and contract cost proposal to determine if:

- The consultants' accounting system is adequate to accumulate and segregate costs;
- Costs are reasonable, allowable, allocable, and supported adequately;
- The contract contains all required fiscal provisions;
- Proper state and federal procurement requirements were followed.

Incurred Cost Audits

During an Incurred Cost Audit, auditors will review incurred contract costs to determine if:

- Cost data are maintained in an accounting system that adequately gathers, records, classifies, summarizes, and reports accurate and timely financial data for direct and indirect project costs by account;
- Costs are adequately supported, reasonable, allowable, and allocable;
- Costs incurred are in compliance with state and federal laws and regulations;
- Costs incurred are in compliance with the Master Agreement and Supplemental Agreement;
- Costs incurred are in compliance with the fiscal provisions stipulated in the contract; and
- The terms required by the Master Agreement and federal laws and regulations are in the contract.

Audit Findings and Review Deficiencies

If a consultant's ICR is audited or reviewed, LPAs are responsible for ensuring all executed and future contracts reflect the audited and adjusted fiscal year ICR(s). LPAs should request reimbursement from the consultant for overpayment on rates that were adjusted down.

The LPAs may be subject to sanctions outlined in [Section 10.5 Sanctions](#) if the state or federal government determines that any reimbursements to the consultant are the result of lack of proper contract provisions, unallowable charges, unsupported activities, or an inadequate financial management system.

Example of a FAR Compliant Indirect Cost Rate Schedule - Sample Consulting Company

Statement of Direct Labor, Fringe Benefits, and General Overhead for the Year Ended December 31, 20xx

Description	General Ledger Balance	Unallowable	FAR Reference	Total Proposed	Home Office	Field Office
Direct Labor	\$123,456,789	(\$934,568)	(1)(15)	\$122,522,221	\$85,765,555	\$36,756,666
Fringe Benefits						
Vacation/Paid Leaves	\$17,283,950			\$17,283,950	\$12,098,765	\$5,185,185
Payroll Taxes	\$1,530,864	(\$30,617)	(15)	\$1,500,247	\$1,050,173	\$450,074
Medical Insurance	\$10,864,197			\$10,864,197	\$7,604,938	\$3,259,259
401K Match	\$4,938,272			\$4,938,272	\$3,456,790	\$1,481,481
Incentives and Bonus	\$15,308,642	(\$3,123,456)	(2)	\$12,185,186	\$8,529,630	\$3,655,556
Other Employee Benefits	\$2,515,280	(\$553,433)	(3)	\$1,961,847	\$1,373,293	\$588,554
Total Fringe Benefits	\$52,441,206	(\$3,707,506)		\$48,733,700	\$34,113,590	\$14,620,110
General & Administrative Overhead						
Indirect Overhead Labor	\$72,696,030	(\$4,452,541)	(1)(2)(4)(15)	\$68,243,489	\$65,790,948	\$2,452,541
Purchased Labor/Subconsultants	\$22,433,019	(\$22,433,019)	(5)	\$ -	\$ -	\$ -
Office Rent	\$12,345,679	(\$987,654)	(6)	\$11,358,025	\$11,038,025	\$320,000
Supplies & Utilities	\$5,753,086			\$5,753,086	\$4,027,160	\$1,725,926
Postage and Shipping	\$1,770,000	\$321,456	(5)	\$2,091,456	\$1,464,019	\$627,437
Equipment and Maintenance	\$3,812,346			\$3,812,346	\$2,512,789	\$1,299,557
Depreciation Expense	\$6,202,469	(\$1,345,678)	(7)	\$4,856,791	\$3,205,482	\$1,651,309
Interest	\$123,456	(\$123,456)	(8)	\$ -	\$ -	\$ -
Dues and Subscription	\$123,456	(\$12,345)	(9)	\$111,111	\$77,778	\$33,333
Advertising & Marketing	\$427,406	(\$45,678)	(10)	\$381,728	\$267,210	\$114,518
Vehicles	\$5,896,123	(\$147,403)	(5)(11)(14)	\$5,748,720	\$4,024,104	\$1,724,616
Bad debts	\$12,345	(\$12,345)	(12)	\$ -	\$ -	\$ -
Legal and Accounting Services	\$3,713,580	(\$222,815)	(13)	\$3,490,765	\$3,490,765	\$ -
Fines and Penalties	\$80,000	(\$80,000)	(16)	\$ -	\$ -	\$ -
Total General & Admin. Overhead	\$135,388,995	(\$29,541,478)		\$105,847,517	\$95,898,280	\$9,949,237
Total Indirect Costs				\$154,581,216	\$130,011,870	\$24,569,347
Indirect Cost Rates				126.17%	151.59%	66.84%

Figure 10-3: Standard Indirect Cost Rate Schedule

FAR References:

- (1) FAR 31.202: Uncompensated overtime.
- (2) FAR 31.205-6: Profit distribution and excess of the reasonable compensation.
- (3) FAR 31.205-46, 31.205-14 & 31.205-51: Meals not for valid business purposes and associated with lobbying and lacking adequate support
- (4) FAR 31.201-2: Administrative staff costs billed to projects/clients.
- (5) FAR 31.201-2: Subconsultant labor and other direct costs billed to and paid by contracts/clients.
- (6) FAR 31.205-36 and 31.205-17: Capital lease costs, rent paid in excess of reasonable costs, and idle facilities and capacity costs.
- (7) FAR 31.201-2 & 31.205-6: Costs relates to personal use by employees and luxury vehicles.
- (8) FAR 31.205-20: Interest and other financial costs not allowable.
- (9) FAR 31.201-2: Non-business related dues and subscriptions.
- (10) FAR 31.205-1: Costs for advertisement and public relations costs and trade show expense including labor.
- (11) FAR 31.205-46(d) and 31.205-6(m)(2): Personal use of vehicle and lack of mileage logs and business purpose.
- (12) FAR 31-205-3: Bad debts and collection costs.
- (13) FAR 31.205-27 and 31.205-47: Reorganization and capital raising related costs and costs incurred in connection with violation of a law or regulation by the consultant.
- (14) FAR 31.205-46: Unreasonable costs and costs not supported by documents and lack of business purpose.
- (15) FAR 31.201-6(a) & CAS 405-40: Labor costs associated with unallowable costs.
- (16) FAR 31.205-15: Fines and penalties resulting from violations of laws and regulations.

10.1.4 Consultant Selection Methods

Figure 10-4: Consultant Selection Flowchart shows the three methods normally used in selecting a consultant. They are:

- One-Step RFP
- One-Step RFQ
- Two-Step RFQ/RFP

The method used depends upon the scope of work, the services required, the project's complexity, and the time available for selection of the consultant.

Beginning with [Section 10.1.5: Consultant Selection Using the One-Step RFP Method](#), each of the selection methods is explained in detail. Regardless of the method used, the LPA must retain all consultant selection documentation in their project files as required by 23 CFR 172.

One-Step RFP

The One-Step RFP method may be used for Project-specific contracts when the scope of work is well-defined or for Multi-phased contracts where the defined scope of work is divided into phases. Other considerations include when the consultant's services are highly specialized and there are few qualified consultants.

One-Step RFQ

The One-Step RFQ method is used when the requested services are specialized, or the scope of work is defined broadly and may include multiple projects. Typical services are preliminary engineering, surveying, environmental studies, preparation of Plans Specifications and Estimate (PS&E) and environmental documents, or construction management. This method or the two-step selection process is used for procurement of on-call contract(s). Note that specifications and requirements in the RFQ must cover all aspects of the final need. An RFP specific to the project, task, or service must be included in the solicitation for evaluation of a consultant's specific technical approach and qualifications.

Two-Step (RFQ Followed by RFP)

The Two-Step RFQ/RFP method may be used when the scope of work is complex or unusual. This method also may be preferred by LPAs that are inexperienced about negotiations and procedures for establishing compensation. However, the Two-Step RFQ/RFP method is recommended for procurement of multiple on-call contracts, or on-call list, through a single solicitation. Regardless of any process utilized for prequalification of consultants or for an initial assessment of a consultant's qualifications under a RFQ, a RFP specific to the project, task, or service is required for evaluation of a consultant's specific technical approach and qualifications. For more information, refer to description of on-call contract in [Section 10.1.2: Identifying & Defining a Need for Consultants](#). This method requires substantially more work and time than the other two methods described above.

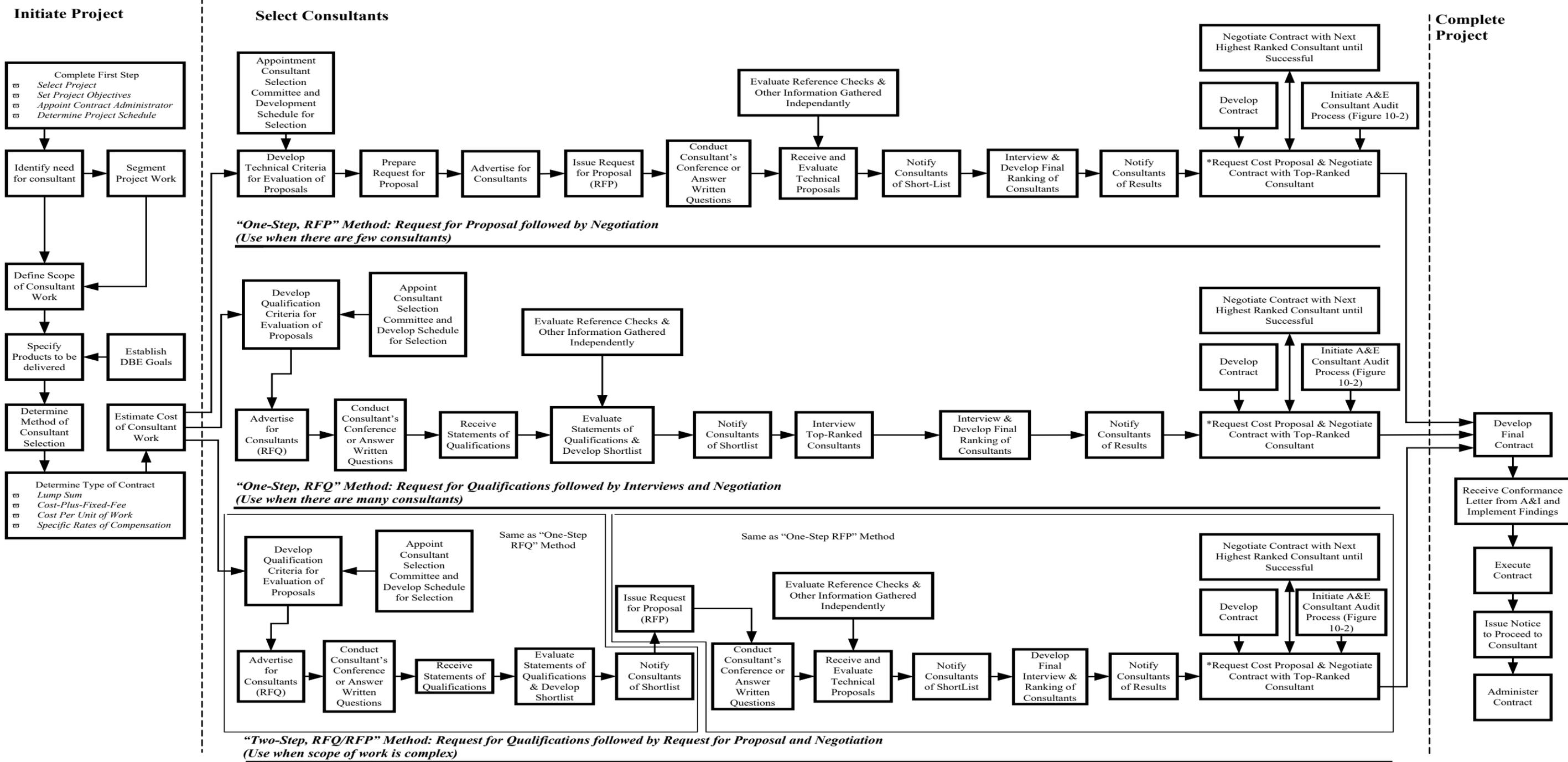


Figure 10-4: Consultant Selection Flowchart

10.1.5 Consultant Selection Using the One-Step RFP Method

Of the three methods discussed, this one is most easily modified for non-A&E consulting contracts. This procurement procedure usually involves a single step process with issuance of a request for proposal (RFP) to all interested consultants. For non-A&E consulting contracts, a cost proposal must be part of the RFP and the selection criteria. For A&E contracts, the cost proposal is not requested until the consultants have been final ranked based upon their submitted technical proposal.

Appoint Consultant Selection Committee

A consultant selection committee with a minimum of three members is appointed at the beginning of the consultant selection process. The committee reviews materials submitted by consultants, develops a shortlist of qualified consultants, and develops a final ranking of the most qualified proposals. Representation on the committee includes the Contract Administrator and subject matter experts from the project's functional area. The members should be familiar with the project/segment to be contracted out and with the LPA standards that will be used in the contract. Participation by a Caltrans district representative is at the option of the agency and subject to availability of the DLAE staff. Caltrans participation on the interview panel does not relieve the LPA of its responsibility to ensure that proper procurement procedures are followed, and all requirements are met.

LPA Contract Administrator ensures that all committee members meet the conflict of interest requirements (23 CFR 172) by completing and signing a conflict of interest statement prior to selection process initiation. A sample conflict of interest form is provided in [Exhibit 10-T: Conflict of Interest & Confidentiality Statement](#).

Develop Technical Criteria for Evaluation of Proposals

The Contract Administrator is responsible for developing the technical criteria, and their relative importance which are used to evaluate and rank the consultant proposals. In-State or local preference must not be used as factor in the evaluation, ranking, and selection phase. All non-technical evaluation criteria, including DBE participation, must not exceed 10 percent (23 CFR 172.7(a)(1)(iii)(D)). All price or cost related items which include, but are not limited to, cost proposals, direct salaries/wage rates, indirect cost rates, and other direct costs are prohibited from being used as evaluation criteria.

The criteria and relative weights must be included in the RFP, and the same criteria and relative weights must be used in the evaluation sheets. Failure to include criteria and relative weights and to use the same criteria and weights during the evaluation will result in the contract costs being ineligible for federal or state reimbursement. [Exhibit 10-B: Suggested Consultant Evaluation Sheet](#) is a recommended evaluation sheet with criteria and rating points for A&E consultants, where cost is not used as a rating factor. This format is not mandatory, but it is recommended in the interest of developing consistency among the hundreds of agencies and consultants operating in the state. The LPA should consult with the DLAE before making major changes to the suggested approach.

Develop Schedule for Consultant Selection

Before the contract is advertised, the Contract Administrator completes a contract procurement schedule including key dates for consultant selection activities. The Contract Administrator should confirm key dates with all selection committee members before completing the schedule.

Prepare RFP

The information required in an RFP solicitation includes the following:

- Description of project;
- Clear, accurate, detailed Scope of work, technical requirements, and qualifications;
- Services to be performed;
- Deliverables to be provided;
- Procurement schedule;
- Applicable standards, specifications, and policies;
- Schedule of work (including estimated start and end dates of the contract);
- Method of payment, and cost proposal requirements. The cost proposal is submitted in a separate concealed format. Cost proposals are requested from the highest ranked firm. If these negotiations are formally terminated, the cost proposal is then requested from the next highest ranked firm. See [sample cost proposals at the A&E website](#);
- Contract audit and review process requirements (see [Section 10.1.3: A&E Consultant Audit and Review Process](#));
- Proposal format and required contents;
- Method, criteria, and weighting for selection;
- Requirements for any discussions that may be conducted with three or more of the most highly qualified consultants following submission and evaluation of proposals;
- Specify contract type;
- Special provisions or contracts requirements;
- A DBE contract goal is specified in the solicitation (see [Exhibit 10-I: Notice to Proposers DBE Information](#)), if a federal-aid contract;
- CMSR requirements (see [Exhibit 10-U: Consultant in Management Support Role Conflict of Interest and Confidentiality Statement](#));
- Protest procedures and dispute resolution process per 2 CFR 200.318(k) and 23 CFR 172.5(c)(18).
- Title VI of the Civil Rights Act of 1964 – disadvantage business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, sex, national origin, religion, age, or disability in consideration for an award.

The RFP specifies the content of a proposal, the number of copies required, due date, mailing address, and a physical address where the submittals may be hand-delivered if different from the mailing address. A minimum of fourteen (14) calendar days is required between the time the RFP is published and time that proposals must be submitted. More time may be required for complex contracts or projects.

Items typically required in a technical proposal include:

- Work plan (specify what is to be covered);
- Organizational chart;
- Schedule and deadlines;
- Staffing plan;
- Proposed Team—complete for prime consultant and all key subconsultants;
- Key personnel names and classifications—key team members identified in the original proposal/cost proposal must not change (be different than) in the executed contract;
- Staff resumes;
- Names of consultant’s project manager and the individual authorized to negotiate the contract on behalf of the consulting firm;
- Consultant DBE Commitment document, see [Exhibit 10-O1: Consultant Proposal DBE Commitment](#);
- References.

Financial Management and Accounting System Requirements

The LPA must ensure that consultant contract solicitation and advertising documents (RFPs) clearly specify that contracts must not be awarded to a consultant without an adequate financial management and accounting system as required by 48 CFR 16.301-3, 2 CFR 200, and 48 CFR 31. The LPA must ensure the selected consultants have adequate financial management systems as required by the applicable federal regulations.

Advertise for Consultants

The solicitation process for consultant services must be by public advertisement, or by any other public forum or method that assures qualified in-State and out-of-State consultants are given a fair opportunity to be considered for award of contract. The minimum length of advertisement is 14 calendar days.

Advertisement of the RFP in a major newspaper of general circulation, technical publications of widespread circulation, professional associations and societies, recognized DBE organizations, web hosting or clearing houses known for posting government contract solicitations such as BidSync, Planetbids, Public Purchase, or posting the RFP on the LPA’s or other widely used websites are all acceptable methods of solicitation.

To document website postings, the LPA should retain copies of screen shots displaying the posted begin/end dates.

The LPA must keep a record of all consultants that have downloaded RFP online as well as those receiving an RFP through other means, to ensure that any inquiry responses, addendums, or amendments to the RFP are given to all consultants that received the RFP.

Conduct Proposer’s Conference or Answer Written Questions

The LPA may allow for clarification of the RFP by inviting submittal of written questions or by conducting a proposer’s conference, or by doing both. The LPA must publish or mail their responses to any written questions to all consultants receiving the RFP. No response should be given to verbal questions. It is important that all competing consultants receive the same

information. If a proposer's conference is to be held, the exact time and place must be specified in the RFP. Attendance at a proposer's conference normally is not mandatory. However, consultants not attending the conference do not receive notes from the meeting unless they request the notes.

Receive and Evaluate Technical Proposals

The Contract Administrator must verify that each proposal contains all of the forms and other information required by the RFP. If all required information is not provided, a proposal may be considered nonresponsive and rejected without evaluation. Late submittals, submittals to the wrong location, or submittals with inadequate copies are considered nonresponsive and must be rejected. Submittal of additional information after the due date must not be allowed.

Documentation of when each proposal was received must be maintained in the project files. Copies of date stamped envelope covers or box tops are recommended. The members of the consultant selection committee must evaluate each proposal according to the technical criteria listed in the RFP. Minimum of three proposals must be received and evaluated. If only two proposals are received, a justification must be documented to proceed with the procurement. The justification should state that the solicitation did not contain conditions or requirements that arbitrarily limited competition per 23 CFR 172(a)(1)(iv)(D) and competition is determined to be inadequate and it is not feasible or practical to re-compete under a new solicitation per 23 CFR 172(a)(3)(iii)(C). If only one proposal is received, a Non-Competitive process must be justified and an Exhibit 12-F must be documented and signed by the DLAE. In either case, the re-advertisement of the RFP should be considered as an option.

The committee must also evaluate reference checks and other information gathered independently. Reference checks must be completed, and other information gathered before the interviews are conducted. If necessary, the results of the reference checks or other information may be discussed with the highest ranked qualified consultants at the interviews.

Develop Final Ranking and Notify Consultants of Results

The selection committee evaluates each proposal, interviews the three or more highest ranked consultants (short listed) if noted in solicitation, and develops a final ranking of the highest ranked consultants. All consultants that submitted proposals must be informed about the final ranking of consultants. It is important that all competing consultants receive the same information.

Most consultants will request information as to why they were not the highest ranked. The LPA may have an established procedure adopted for conducting debriefings but may also consider the following: The selection committee should keep notes as to why a particular consultant was not selected. When a consultant requests debriefing, the reasons for not being selected must be objective reasons. The consultant should not be compared to others and should not be provided with information about other consultants during this debriefing. Normally, the Contract Administrator does the debriefing; however, any member of the selection committee may be designated to do the debriefing.

Negotiate Contract with Top-Ranked Consultant

Cost proposal (for both Prime and all Subconsultant), and contract audit and review documents such as the Certification of Indirect Costs and Financial Management System and Financial Document Review Request forms, whichever is applicable (see [Section 10.1.3: A&E Consultant Audit and Review Process](#)) should be submitted in a separate sealed envelope. Typically, the

cost proposals are submitted by the short-listed consultants only, at time of interview. However, if time is of the essence and it can be justified, or if no interviews are planned, the cost proposal can be requested from all consultants with their technical proposal.

The cost proposal for the most qualified consultant will be opened and used to begin negotiations. If agreement cannot be reached, then negotiations proceed to the next most qualified consultant. Each consultant's cost proposal must remain sealed until negotiations commence with that particular consultant. The goal of negotiations is to agree on a final contract that delivers the services, or products required at a fair and reasonable cost to the LPA. At the completion of successful cost negotiations, all remaining sealed envelopes containing cost proposals must be returned to consultants.

Cost proposals in electronic form must be submitted separately from the RFP and contained in a secure database that is inaccessible to the members involved in the A&E consultant contract procurement process. Only the cost proposal of the most qualified consultant will be requested to be sent to the members. Cost proposals of unsuccessful consultants are confidential and must not be opened by the LPA or any private entity that the LPA uses to store the cost proposals. Any concealed cost proposals of the unsuccessful consultants must be returned unopened or properly disposed of in accordance with the LPA's written policies and procedures.

The independent cost estimate, developed by the LPA in advance of requesting a cost proposal from the top-ranked consultant, is an important basis and tool for negotiations or terminating unsuccessful negotiations with the most qualified consultant. Items necessary for the independent cost estimate include, hours/detailed work, direct labor costs, indirect labor costs, other direct costs, and profit/fee. Agencies must retain documentation of how the cost estimate was developed. It can be revised, if needed, for use in negotiations with the next most qualified consultant. A contract audit and review may be required (see [Section 10.1.3: A&E Consultant Audit and Review Process](#) in this chapter). LPA Contract Administrator ensures that all required documentations are provided to Caltrans IOAI within 10 days of written request, including all documents for a Financial Review, if applicable. Caltrans IOAI will not proceed with a Financial Document Review until all required documentation is completed correctly and submitted. Negotiations should be finalized after addressing all deficiencies noted in the Caltrans IOAI Financial Review Letter if applicable. An indirect cost audit may be performed within the record retention period of the contract.

Items typically negotiated include:

- Work plan;
- Schedule and deadlines (for deliverables and final duration of contract);
- Products to be delivered;
- Classification, wage rates, and experience level of personnel to be assigned;
- Cost items, payments, and fees. Fee is required to be negotiated as a separate element;
- Hours, level of effort by task and/or classification.

The consultant's ICR is not a negotiable item. A lower rate cannot be negotiated by the LPA. The LPA and the consultant will agree on the final cost proposal and incorporate into final contract. Retain all documentation related to negotiations.

Before executing the consultant contract, the LPA must review contract to ensure that all federal and state requirements have been met and adjustment or denial of ICR as identified in the Financial Review Letter has been included in the final cost proposal, if applicable.

Prior to contract award, or after contract award but no later than the first invoice, the LPA must submit a completed A&E Consultant Contract form for all new federal funded A&E consultant contracts using the database at:

<https://dla.dot.ca.gov/fmi/webd/AE%20Consultant%20Contract%20Form> (please use Firefox or Chrome if not supported by your browser). Submission of the A&E Consultant Contract form is not required for non-A&E consultant contracts.

If there are any changes requiring an amendment to the contract after submittal of the A&E Consultant Contract form, refer to Section 10.1.8: Contract Amendments.

10.1.6 Consultant Selection Using the One-Step RFQ Method

The RFQ method is used when the services being procured are specialized, or the scope of work is defined broadly and may include multiple projects.

Appoint Consultant Selection Committee

A consultant selection committee with a minimum of three members is appointed at the beginning of the consultant selection process. The committee reviews and scores the materials submitted by consultants in response to the RFQ, develops a shortlist of qualified consultants, interviews those consultants, and develops a final ranking of the most qualified consultants. Representation on the committee includes the Contract Administrator and subject matter experts from the project's functional area. The members should be familiar with the scope of work to be contracted out and with the LPA standards that will be used in the contract.

Participation by a Caltrans district representative is at the option of the LPA and subject to the availability of the DLAE staff. Caltrans participation on the interview panel does not relieve the LPA of its responsibility to ensure that proper procurement procedures are followed, and all requirements are met.

LPA Contract Administrator ensures that all committee members meet the conflict of interest requirements (23 CFR 172) by completing and signing a conflict of interest statement prior to selection process initiation. A sample conflict of interest form is provided in [Exhibit 10-T: Panel Member Conflict of Interest & Confidentiality Statement](#).

Develop Technical Criteria for Evaluation of Qualifications

The Contract Administrator is responsible for developing the technical criteria, and their relative importance which are used to evaluate and rank the consultant qualifications. The criteria and relative weights must be included in the RFQ, and the same criteria and relative weights must be used in the evaluation sheets. Failure to include criteria and relative weights and to use the same criteria and weights during the evaluation will result in the contract costs being ineligible for federal or state reimbursement. [Exhibit 10-B: Suggested Consultant Evaluation Sheet](#) is a recommended evaluation sheet with criteria and rating points for A&E consultants, where cost is not used as a rating factor. This format is not mandatory, but it is recommended in the interest of developing consistency among the hundreds of agencies and consultants operating in the state. The LPA should consult with the DLAE before making major changes to the suggested approach.

Develop Schedule for Consultant Selection

Before a contract is advertised, the Contract Administrator completes a contract procurement schedule including key dates for consultant selection activities. The Contract Administrator should confirm target dates with all selection committee members before completing the schedule.

Prepare RFQ

As a minimum, the RFQ generally includes the following:

- General description of the services or project(s);
- Scope of work;
- Schedule of work (including contract begin and end dates);
- Method of payment, and cost proposal requirements. The cost proposal is submitted in a separate sealed envelope. See sample cost proposals at the A&E [website](#);
- Contract audit and review process requirements (see [Section 10.1.3: A&E Consultant Audit and Review Process](#));
- Statement of Qualification (SOQ) format and required content to be submitted;
- Method and criteria and weights for selection;
- A DBE contract goal is specified in the solicitation (see [Exhibit 10-I: Notice to Proposers DBE Information](#)), if a federal-aid contract;
- Consultants acting in a management support role requirements [Exhibit 10-U: Consultant in Management Support Role Conflict of Interest and Confidentiality Statement](#); Protest procedures and dispute resolution process per 2 CFR 200.318(k).

The RFQ specifies the content of the SOQ, the number of copies required, due date, mailing address, and a physical address where the submittals may be hand-delivered if different from the mailing address. Two to four weeks is usually allowed between the time the RFQ is published and time that SOQs must be submitted. More time may be required for complex contracts or scope of work.

Items typically required in a statement of qualification include:

- Qualifications of key personnel (including consultant project manager) proposed for the contract. Key team members identified in the original proposal/cost proposal must not change (be different than) in the executed contract;
- Staff resumes;
- Related projects that key personnel have worked on;
- Qualifications/experience of the firm;
- Organizational chart;
- Forecast or Schedule of work;
- Consultant DBE Commitment document, see [Exhibit 10-O1: Consultant Proposal DBE Commitment](#);

- References.

Financial Management and Accounting System Requirements

The LPA must ensure that Consultant contract solicitation and advertising documents (RFQs) clearly specify that contracts must not be awarded to a consultant without an adequate financial management and accounting system as required by 48 CFR 16.301-3, 2 CFR 200, and 48 CFR 31. The LPA must ensure the selected consultants have adequate financial management systems as required by the applicable federal regulations.

Advertise for Consultants

The solicitation process for consultant services must be by public advertisement or any other public forum or method that assures qualified in-State and out-of-State consultants are given a fair opportunity to be considered for award of contract. The RFQ must contain sufficient project work information, so that interested consultants can submit an appropriate SOQ.

Advertisements for RFQ may take one of two approaches. The most common is an advertisement or publication of the RFQ in a major newspaper of general circulation, technical publication of widespread circulation, professional associations and societies, recognized DBE organizations, web hosting or clearing houses known for posting contract solicitations such as Bid Sync, PlanetBids, or posting the RFQ on other widely used websites. To document website postings, the LPA should retain copies of screen shots displaying the posted begin/end dates.

In the second approach, the LPA advertises the availability of the RFQ in a major newspaper of general circulation, technical publications of widespread circulation, professional associations and societies, recognized DBE organizations, or through a web hosting or clearing houses known for posting contract solicitations such as BidSync or PlanetBids, and requests that interested consultants send a letter of interest to the LPA for the RFQ. The RFQs must then be sent to those firms who indicated interest in the RFQ. In some cases, it may be desirable to advertise nationwide for a particular project or service. This approach provides a registry for firms who received the RFQ and therefore facilitates the broadcast of any revisions or addenda to the RFQ, if necessary.

Issue/Publish RFQ

The LPA must publish the RFQ online and also issue the RFQ to all consultants responding to newspaper advertisement. The LPA must keep a record of all consultants that have downloaded the RFQ online as well as those receiving an RFQ through other means, to ensure that any inquiry responses, addendums, or amendments to the RFQ are given to all consultants that received the RFQ.

Receive/Evaluate Statements of Qualifications and Develop Shortlist

The first step in the evaluation process is to determine that each SOQ contains all forms and other information required by the RFQ. Otherwise, the submittals may be considered nonresponsive and rejected without evaluation. Late submittals, submittals to the wrong location, and submittals with inadequate copies are considered nonresponsive and must be rejected. Submittal of additional information after the due date must not be allowed. Documentation of when each proposal was received must be maintained in the project files. Copies of date stamped envelope covers or box tops are recommended.

Minimum of three proposals must be received and evaluated. If only two proposals are received, a justification must be documented to proceed with the procurement. If only one proposal is received, a Non-Competitive process must be justified, and an Exhibit 12-F must be documented and signed by the DLAE. In either case, the re-advertisement of the RFP should be considered as an option.

The consultant selection committee reviews the submitted SOQ according to the published evaluation criteria and weighting factors. The committee makes an independent random check of one or more of the consultant's references. This check applies to major subconsultants also. The committee establishes a shortlist of consultants who are considered to be best qualified to perform the contract work. The shortlist includes enough qualified consultants to ensure that at least three consultants are interviewed.

Notify Consultants of Shortlist

All consultants that submitted an SOQ must be notified of the results of the review. The notification also identifies those consultants (short list) that will be requested to attend interviews if interviews were an option in the solicitation. Most consultants will request information as to why they were not placed on the shortlist. Therefore, the selection committee should keep notes why a particular consultant was not selected for the shortlist. When a consultant requests a debriefing, the reasons given for not being selected must be objective reasons. Consultants should not be compared with each other during the debriefing. Normally, the Contract Administrator does the debriefing; however, any member of the selection committee may be designated to do the debriefing.

Interview Top-Ranked Consultants

Each consultant to be interviewed is given a copy of the draft of the proposed contract, defining the detailed scope of work, and/or description of required services, and other information. This should be sent with the initial notification of the interview.

Between the time of the notification of the shortlist and interviews, the LPA may answer any questions concerning the scope of work to be contracted out, if not done earlier during the solicitation. In addition, the LPA may conduct additional reference checks for each consultant to be interviewed. Consultants should submit their questions about the RFQ and receive their answers from the LPA in writing. It is required that all consultants on the shortlist receive the questions and answers and are given the same information.

The committee should evaluate reference checks and other information that is gathered independently. Reference checks must be completed, and other information gathered before the interviews are conducted. If necessary, the results of the reference checks and other information may be discussed with the consultant at the interview.

Interviews are to be structured and conducted in a formal manner. Each consultant must be allowed the opportunity to make a presentation if desired; however, a time limit should be specified. Interview questions are prepared in advance.

Two types of questions may be asked:

- Questions that are to be asked of all competing consultants, and
- Questions relating to each specific consultant, based upon the reference checks, and the strengths and weaknesses identified during evaluation of the SOQ

The agency can request competing consultants to bring additional information or examples of their work to the interviews; if the additional information facilitates the interview or evaluation process. Additional information requested should be kept at a minimum, that is, only information required to select the most qualified consultant for the contract. The selection committee or LPA must not gather additional information concerning the consultants after the interviews are completed.

Develop Final Ranking and Notify Consultants of Results

All consultants interviewed must be informed about the final ranking of consultants. It is important that all competing consultants receive the same information.

Most consultants will request information as to why they were not selected as the most qualified. Therefore, the selection committee should keep notes as to why a particular consultant was not selected. When a consultant requests debriefing, the reasons for not being selected must be objective. Consultants should not be compared with each other or provided with information about other consultants during the debriefing.

Normally, the Contract Administrator does the debriefing; however, any member of the selection committee may be designated to do the debriefing. The next two sections provide guidance when the RFQ is solicited for specialized services and additional information is required prior to cost negotiations with consultant. For on-call contracts, skip the next two sections and begin Negotiation phase.

Conduct Scoping Meeting

The Contract Administrator should meet with the first-ranked consultant's project manager to review the project, and to ensure that the consultant has a complete understanding of the work that is required. The consultant is shown as much material as is available regarding the project. Any technical questions regarding the project are answered for the consultant.

Request Cost Proposal

The first-ranked consultant is asked to provide a cost proposal to perform the work described in the draft contract and discussed at the scoping meeting. The work is to be performed according to the conditions described in the draft contract using the payment method described therein. Alternatively, if time is of the essence and it can be justified, sealed cost proposals may be requested from all of the consultants on the shortlist.

If the contract involves more than one project, the consultant must provide a separate cost proposal for each project in addition to a summary cost proposal for the total contract. If the contract involves milestones, the consultant must furnish a separate cost proposal for each milestone with a summary cost proposal for the total costs. If the contract involves subconsultants, the prime consultant must include a separate cost proposal for each subconsultant. Each subconsultant's cost proposal must follow the same format as the prime consultant's cost proposal.

Negotiate Contract with Top-Ranked Consultant

Cost proposals (for both Prime and all Subconsultant), and contract audit and review documents such as Certification of Indirect Costs and Financial Management System and Financial Document Review Request forms, whichever applicable (see [Section 10.1.3: A&E Consultant Audit and Review Process](#)), will be submitted in a separate sealed envelope. Typically, the cost

proposals are submitted by the short-listed consultants only, at time of interview. However, if time is of the essence and it can be justified, or if no interviews are planned, the cost proposal can be requested from all consultants with their statements of qualification.

After the top-ranked consultant submits a sealed cost proposal, the LPA reviews the cost proposal and compares it with the LPA's confidential detailed independent cost estimate and enters into negotiations. The goal of negotiation is to agree on a final contract that delivers to the LPA the services or products required at a fair and reasonable cost. The independent cost estimate, developed by the LPA in advance of requesting a cost proposal from the top-ranked consultant, is an important basis and tool for negotiations.

Negotiations should commence with the most qualified consultant. If agreement on a fair and reasonable price cannot be reached, negotiations should then be formally terminated. Negotiations then proceed to the next most qualified consultant, and so on. Each consultant's cost proposal must remain sealed until negotiations commence with that particular consultant.

At the completion of successful cost negotiations, all remaining sealed envelopes containing cost proposals must be returned to consultants.

Cost proposals in electronic form must be submitted separately from the RFQ and contained in a secure database that is inaccessible to the members involved in the A&E consultant contract procurement process. Only the cost proposal of the most qualified consultant will be requested to be sent to the members. Cost proposals of unsuccessful consultants are confidential and must not be opened by the LPA or any private entity that the LPA uses to store the cost proposals. Any concealed cost proposals of the unsuccessful consultants must be returned unopened or properly disposed of by permanently deleting the cost proposals in accordance with LPA's written policies and procedures.

A contract audit and review may be required (see [Section 10.1.3: A&E Consultant Audit and Review Process](#) earlier in this chapter). LPA Contract Administrator is responsible for the submittal of all required documentations to Caltrans IOAI in a timely fashion, including all documents for a Financial Review, if applicable. Caltrans IOAI will not proceed with a Financial Review until all required documentation is completed correctly and submitted. Negotiations may be completed after receipt of the Caltrans IOAI Financial Review Letter. An indirect cost audit may be performed within the record retention period of the contract.

The items typically negotiated include:

- Work plan;
- Staffing plan;
- Schedule (including contract begin and end dates);
- Products to be delivered;
- Classification, wage rates, and experience level of personnel to be assigned;
- Cost items, payments, and fee. Fee is required to be negotiated as a separate element.

The consultant's ICR is not a negotiable item. A lower rate cannot be negotiated by the LPA. For on-call contracts, typically a price agreement is reached based on specific rate of compensation for the term of the contract. The subsequent task orders (or mini agreements for

individual project work) is negotiated based on cost plus fee, or lump sum, which is derived from the wage rates agreed upon earlier for the on-call contract.

Before executing the consultant contract, the LPA must review the contract to ensure that all federal and state requirements have been met, and receive Caltrans IOAI's Financial Review acceptance letter, if applicable.

Prior to contract award, or after contract award but no later than the first invoice, the LPA must submit a completed A&E Consultant Contract form for all new federal-funded A&E consultant contracts using the database at <https://dla.dot.ca.gov/fmi/webd/AE%20Consultant%20Contract%20Form> (please use Firefox or Chrome if not supported by your browser).

If there are any changes to the contract after submittal of the A&E Consultant Contract form, refer to Section 10.1.8: Contract Amendments.

10.1.7 Consultant Selection Using the Two-Step RFQ/RFP Method

Combined RFQ and RFP

Selecting consultants using the Two-Step RFQ/RFP method requires combining certain steps from each of the other two methods previously described. The consultants are rated based upon both their qualifications and their technical proposals. This procurement procedure involves a two-step process with issuance of a request for qualifications (RFQ) whereby responding consultants are evaluated and ranked based on qualifications and an RFP is then provided to three or more of the most highly qualified consultants. The two-step method leads to an executed project specific contract.

A different process may also be used that includes assessing minimum qualifications of consultants to perform services under general work categories or areas of expertise through a prequalification process whereby annual statements of qualifications and performance data are encouraged. These consultants are not ranked, and an RFP must be submitted to the entire list for evaluation and consideration. Regardless of any process utilized for prequalification of consultants or for an initial assessment of a consultant's qualifications under a RFQ, a RFP specific to the project, task, or service is required for evaluation of a consultant's specific technical approach and qualifications.

The initial steps in this method (up to the development and notification of the shortlist) are similar to the steps followed when using the One-Step RFQ method. At this point, the consultants from the shortlist are issued an additional RFP. The remaining steps are the same as the later steps followed in the One-Step RFP method. The combination of these steps is indicated in Figure 10-4: Consultant Selection Flowchart. Because it is a combination of the One-Step RFQ and One-Step RFP methods, this method of consultant selection requires more work and time than the other two methods. Consequently, the combined RFQ/RFP method is recommended for use only when the scope of work is not clearly known, very complex, or unusual.

The Two-Step RFQ/RFP is also well-suited for procuring multiple on-call contracts through a single solicitation (see [Section 10.1.2 Determine Type of Contract](#)). The outcome of the first step RFQ will be multiple contracts, or on-call list of consultants. For multiple on-call contracts, project work will be procured through subsequent competition or mini-RFPs amongst the on-call consultants.

LPAs may also use the Two-Step RFQ/RFP method to:

1. Develop and maintain a pre-qualified file/list of consultant firms by specific work categories or areas of expertise. This list includes all consultants that meet the minimum published pass/fail requirements. The pre-qualified list can be updated annually or at least every two years and must be maintained by the agency. This list has not gone through the evaluation process.
2. Create a short list of evaluated and ranked consultants that leads to executed contracts

Because it is a combination of the One-Step RFQ and One-Step RFP methods, this method of consultant selection requires more work and time than the other two methods. Consequently, the combined RFQ/RFP method is recommended for use when the scope of work is very complex or unusual.

Categorize work

Descriptions of the categories of work, deliverables, and the minimum qualification standards for each category must be clearly identified.

The LPA may prequalify consulting firms in the following (or more) categories:

- Roadway Design
- Bridge Design
- Bridge Inspection
- Traffic Engineering
- Environmental Services
- Roadway Construction Inspection and Administration
- Landscape Architecture
- Land Surveying
- Intelligent Transportation System (ITS)
- Federal-aid Highway Project Development Support Services

Establish Minimum Qualifications

In an effort to ensure quality performance and results, a consultant should be required to meet certain minimum qualifications to be eligible for consideration in the pre-qualification process.

General criteria guidelines should be established for consultant selection for a pre-qualified list. The criteria may be established by an individual or a panel of subject matter experts for the specific task of developing the criteria. Some agencies also establish appropriate weights for each criterion. It may be necessary to modify the criteria to fit specific cases. When a RFQ is published, it should state the criteria that will be used in the selection process.

Criteria for evaluating statements of qualifications, may include but are not limited to:

- Special expertise and experience of the firm's key employees
- Proposed staffing (include number of licensed and specialized staff) for the project and previous experience of those identified

- Experience of the firm and their personnel on previous projects similar to the one under consideration
- Consultant DBE Commitment document (see [Exhibit 10-O1](#))
- Professional references by the firm with the LPA
- Understanding of the project by the firm as demonstrated by their approach to organizing and management of the work
- Current workload of the firm and their ability to meet the proposed project schedule
- Quality of previous performance by the firm with the LPA
- Use of sub-consultants to accomplish work on the project
- Equipment the firm has available and proposes to use as compatibility with Computer-Aided Drafting and Design (CADD) and other equipment proposed to be used in accomplishing the work
- Familiarity with federal, state, and local codes, requirements, standards, and procedure
- Examples of minimum qualifications for work categories above are provided here based on Caltrans best practices

Issue RFQ

The need for services of a consulting firm may be advertised in appropriate national, state, and local publications and web sites. Notices can also be sent to firms known to be qualified to do specific work, to professional societies, and to recognized Disadvantaged Business Enterprises (DBE) organizations. The advertisements and notices seek statements of interest and qualifications from consultants who are interested in the project. The DBE goal is established at the master on-call contract and included in the solicitation document.

The SOQ should list consulting firm details, names of principals, office locations, personnel by discipline, project experience and examples, current workload, types of service the firms are qualified to perform, and previous performance. Also, resumes of key persons, specialists, and other associates that may be assigned to the project or projects should be included. This information should be the basis for evaluating and placing a consulting firm on a general pre-qualification list.

Federal regulations require that any procedures related to pre-qualifying consultants cannot restrict competition.

Pre-qualification of consultants may be allowed as a condition for submitting a technical proposal for a contract only if the period between the date of the issuance of the RFP and the deadline for submitting a technical proposal affords sufficient time to enable a consultant to obtain pre-qualification status.

Another practice is to qualify consultants on a project-by-project basis. This is accomplished for some agencies by advertising or publishing notices in national, state, and local publications for needed services for specific, individual projects. These notices include a precise project location, a defined preliminary scope of services to be performed, a specific schedule within which the work is to be completed, and a list of products and deliverables to be provided by the consultant. Specific project advertisements usually are published when the proposed project is

large and complex, in-house resources are not available, special expertise is required, or the objectivity of an outside authority is desired.

Appropriate Federal-aid requirements should be complied with on Federal-aid projects.

Set-Up Evaluation Process

The first step in the evaluation process is to determine that each SOQ contains all forms, qualifications, and other information required by the RFQ. Otherwise, the submittals may be considered nonresponsive and rejected without evaluation. Documentation of when each SOQ was received must be maintained in the project files. Copies of date stamped envelope covers or box tops are recommended.

If all required information is not provided, a SOQ may be considered nonresponsive and rejected without evaluation. Late submittals, submittals to the wrong location, or submittals with inadequate copies are considered nonresponsive and must be rejected. Submittal of additional information after the due date must not be allowed.

The LPA must establish a process by which SOQs are evaluated and consultants who are deemed meeting the minimum qualifications are accepted and placed on a pre-qualified list. Whether the LPA has a "committee" of experts evaluating the SOQs or individuals responsible for the evaluation, the process must be well-defined, open, and transparent. The pre-qualification process must also allow for consultants to be re-evaluated in cases of denials. The LPA must specify how long the pre-qualified list lasts, not to exceed two years. Federal regulation recommends refreshing the SOQs on an annual basis.

LPA Contract Administrator ensures that all committee members meet the conflict of interest requirements (23 CFR 172) by completing and signing a conflict of interest statement prior to selection process initiation. A sample conflict of interest form is provided in [Exhibit 10-T](#).

Evaluate Qualifications and Add Firm to List

All SOQs received should first be reviewed for completeness. Each response must contain all required forms and any other information requested in the advertisement. The response may be considered incomplete and rejected without further evaluation if all required information is not provided or if the submittal is late.

The qualifications of all responding firms are then reviewed according to established evaluation criteria or factors. The agency then establishes a short list of at least three consultants that are determined to be the most highly qualified to perform the required work. Firms not selected should be notified in writing.

Maintain List

Pre-qualification of a consultant expires in two years. Pre-qualified consultants must renew their pre-qualification status every two years. Firms can apply to be on the list at any time. After a period of two years, firms should re-apply (repeat the process of submitting SOQs) to be on the list. In addition to the required two-year renewal process, the consultant should also be required to update the firm's organizational structure within one year when there is a corporate/affiliate change, ownership control, type of work expertise, capacity, or any other major change.

If the consultant does not meet the minimum requirements and their SOQ is rejected, the committee must respond to the consultant explaining the reason for their rejection. The

consultant is allowed to reapply to be on the list again provided the reasons for rejection are corrected.

The list of qualified firms can be maintained online through the agency's website. Firms can also apply to be on the list through the agency website for ease of operation.

Issue RFP to Pre-Qualified Consultants on List

An RFP is sent to the short-listed firms. The RFP should indicate the content of the technical proposal, technical review procedures, anticipated schedule of activities, scope of work, project description, where the technical proposals are to be delivered, the number of copies required, and the due date.

Some agencies receive the technical proposal orally as part of an interview conducted for this purpose. In these cases, written documentation may not be required.

Items typically required in a technical proposal include:

- Work plan
- Organization plan
- Schedule for meeting time frame
- Available computer equipment and programs
- Staffing plan and resumes including sub-consultants
- Pre-award audit/financial package information (if deemed appropriate)
- Examples of similar work previously completed
- Sub-consultants, DBE, their proposed participation, and other related information

Conduct Proposer's Conference or Answer Written Questions

The LPA may allow for clarification of the RFP by inviting submittal of written questions or by conducting a proposer's conference, or by doing both. The LPA must publish or mail their responses to any written questions to all consultants receiving the RFP. No response should be given to verbal questions. It is important that all competing consultants receive the same information. If a proposer's conference is to be held, the exact time and place must be specified in the RFP. Attendance at a proposer's conference normally is not mandatory. However, consultants not attending the conference do not receive notes from the meeting unless they request the notes.

Receive and Evaluate Technical Proposals

The Contract Administrator must verify that each technical proposal contains all forms and other information required by the RFP. If all required information is not provided, a technical proposal may be considered nonresponsive and rejected without evaluation. Late submittals, submittals to the wrong location, or submittals with inadequate copies are considered nonresponsive and must be rejected. Submittal of additional information after the due date must not be allowed. Documentation of when each technical proposal was received must be maintained in the project files. Copies of date stamped envelope covers or box tops are recommended.

A consultant selection committee with a minimum of three members is appointed at the beginning of the consultant selection process. The members of the consultant selection

committee must evaluate each technical proposal according to the technical criteria listed in the RFP. A minimum of three technical proposals must be received and evaluated.

If only two technical proposals are received, a justification must be documented to proceed with the procurement. If only one technical proposal is received, a Non-Competitive process must be justified, and an Exhibit 12-F must be documented. In either case, the re-advertisement of the RFP should be considered as an option.

The committee must also evaluate reference checks and other information gathered independently. Reference checks must be completed, and other information gathered before the interviews are conducted. If necessary, the results of the reference checks or other information may be discussed with the highest ranked qualified consultants at the interviews.

Develop Final Ranking and Notify Consultants of Results

The selection committee discusses and documents the strengths and weaknesses of each technical proposal, interviews the three or more highest ranked consultants (shortlisted), and develops a final ranking of the highest ranked consultants. All consultants that submitted technical proposals must be informed about the final ranking of consultants. It is important that all competing consultants receive the same information.

Most consultants will request information as to why they were not the highest ranked. Therefore, the selection committee should keep notes as to why a particular consultant was not selected. When a consultant requests debriefing, the reasons for not being selected must be objective reasons. The consultant should not be compared to others and should not be provided with information about other consultants during this debriefing. Normally, the Contract Administrator does the debriefing; however, any member of the selection committee may be designated to do the debriefing.

Request Cost Proposal and Negotiate Contract with Top-Ranked Consultant

The first-ranked consultant is asked to provide a cost proposal to perform the work described in the draft contract and discussed at the scoping meeting. The work is to be performed according to the conditions described in the draft contract using the payment method described therein. Alternatively, if time is of the essence and it can be justified, sealed cost proposals may be requested from all of the consultants on the shortlist.

If the contract involves more than one project, the consultant must provide a separate cost proposal for each project in addition to a summary cost proposal for the total contract. If the contract involves milestones, the consultant must furnish a separate cost proposal for each milestone with a summary cost proposal for the total costs. If the contract involves subconsultants, the prime consultant must include a separate cost proposal for each subconsultant. Each subconsultant's cost proposal must follow the same format as the prime consultant's cost proposal.

Cost proposals (for both prime and all subconsultants) and contract audit and review documents, such as Certification of Indirect Costs and Financial Management System and Financial Document Review Request forms, whichever applicable (see [Section 10.1.3: A&E Consultant Audit and Review Process](#)), will be submitted in a separate sealed envelope.

After the top-ranked consultant submits a sealed cost proposal, the LPA reviews the cost proposal and enters into negotiations. The goal of negotiation is to agree on a final contract that delivers to the LPA the services or products required at a fair and reasonable cost. The

independent cost estimate, developed by the LPA in advance of requesting a cost proposal from the top-ranked consultant, is an important basis and tool for negotiations.

Negotiations should commence with the most qualified consultant. If agreement on a fair and reasonable price cannot be reached, negotiations should then be formally terminated. Negotiations then proceed to the next most qualified consultant, and so on. Each consultant's cost proposal must remain sealed until negotiations commence with that particular consultant. At the completion of successful cost negotiations, all remaining sealed envelopes containing cost proposals must be returned to consultants.

A contract audit and review may be required (see [Section 10.1.3: A&E Consultant Audit and Review Process](#)). The LPA Contract Administrator is responsible for the submittal of all required documentations to Caltrans IOAI in a timely fashion, including all documents for a Conformance Review, if applicable. Negotiations may be completed after receipt of the Caltrans IOAI Conformance Letter. An indirect cost audit may be performed within the record retention period of the contract.

Items typically negotiated include:

- Work plan
- Schedule and deadlines (for deliverables and final duration of contract)
- Products to be delivered
- Classification, wage rates, and experience level of personnel to be assigned
- Other Direct Cost items, and profit or fee

The consultant's ICR is not a negotiable item. A lower rate cannot be negotiated by the LPA.

The LPA and the consultant will agree on the final cost proposal and incorporate into final contract.

Before executing the consultant contract, the LPA must review the contract to ensure that all federal and state requirements have been met.

10.1.8 Completing the Project

Develop the Final Contract

The Contract Administrator requests a revised cost proposal from the consultant after: (1) negotiations have been completed, (2) the LPA and consultant have agreed to a fair and reasonable price, and (3) a letter, if applicable, is released by Caltrans IOAI that accepts, denies, or makes an adjustment to the proposed ICR. The Contract Administrator should review the revised cost proposal to ensure that all the items and changes discussed during negotiation were included. This revised cost proposal then becomes the final cost proposal and is attached to and made a part of the consultant contract. Sample contract language and format have been included as [Exhibit 10-R: A&E Boilerplate Agreement Language](#).

The Contract Administrator has responsibility to ensure that the final negotiated contract is complete and has verified that all required backup documents have been provided. Copies of the contract are sent to the consultant for signature first.

Review and Approval of Contracts

Proposed contracts for consultant services (including subcontracted work) must be reviewed by the LPA to verify that:

- Compensation is fair and reasonable and includes prevailing wage rates, if applicable;
- Work activities and schedules are consistent with the nature and scope of the project;
- DBE goal [Exhibit 10-O2: Consultant Contract DBE Commitment](#) is included for all contracts regardless of goal;
- Certification of Indirect Costs and Financial Management System (for Prime and Subs) and Financial Document Review Request forms and all supporting documents, if applicable (contracts at or above **\$1 Million**), have been submitted to Caltrans IOAI;
- If applicable, adjustment or denial of the ICR identified in the Financial Review Letter have been included in the final cost proposal;
- [A&E Consultant Contract database](#) must be used to ensure that required documentation has been provided;
- A cost proposal must include the costs of materials, direct salaries, payroll additions, other direct costs, indirect costs, fees, and backup calculations.

Before approving a contract for consulting services, the Contract Administrator must be satisfied that the consultant's organization:

- Is qualified to perform the services required;
- Is in a position, considering other work commitments, to provide competent and experienced personnel to perform the services in the time allowed;
- Is fully aware of all applicable federal and state laws including implementing regulations, design standards, specifications, previous commitments that must be incorporated into the design of the project, and administrative controls including those of Caltrans and FHWA.
- Has an adequate financial management system as required by the applicable federal regulations.
- Is not disbarred or suspended from state or federally-funded contracts. Per 23 CFR 172.7(b)(3) "A contracting agency shall verify suspension and debarment actions and eligibility status of consultants and subconsultants prior to entering into an agreement or contract in accordance with 2 CFR 1200 and 2 CFR 180."

The contract must provide for a defined level of acceptability and a statement to the effect that the consultant may be required to modify its work as necessary; to meet that level of acceptability as defined in the contract. The contract must provide for LPA reviews at appropriate stages during performance of the work, to determine if any changes or other actions are warranted.

The contract must provide that the consultant and subconsultants must maintain all books, documents, papers, accounting records, and other information pertaining to costs incurred. Such materials must be available for inspection and audit by federal, State, and LPA authorized representatives; and copies thereof must be furnished, if requested.

Following final settlement of the contract accounts with the State or FHWA, such records and documents may be archived at the option of the LPA and must be retained for a three-year period after processing of the final voucher by FHWA.

Execute Contract and Issue Notice to Proceed to Consultant

The Contract Administrator sends the consultant a fully executed copy of the contract with an original signature and issues a notice to proceed. Funds may not be used to reimburse the agency for any work or costs incurred before the Authorization to Proceed is issued, or for consultant costs incurred prior to the execution of the consultant contract. All executed on-call contracts must have a begin and end date. All executed project-specific or multiphase contracts must have a begin date and should have an end date prior to the Project End Date. Work performed after the Project End Date is not eligible for reimbursement; see LAPM Chapter 3. LPA consultant selection and contract execution costs may be reimbursable.

For on-call contracts, a fully executed copy of the contract with original signatures will be sent to the consultant. Each subsequent task order (for individual project) will be accompanied with a copy of the signed task order and a Notice to Proceed, once it is negotiated and approved. Task order expiration dates must not exceed the Master On-call agreement end date.

Administer the Contract

Project work begins as specified in the contract after the notice to proceed is issued to the consultant. Thereafter, the LPA manages and administers the contract to ensure that a complete and acceptable product is received on time, within standards, and within budget and terms of the contract.

Contract administration activities help to ensure that contractual obligations are completed satisfactorily. Generally, these activities include:

- Monitoring project progress and compliance with contract requirements;
- Receiving, reviewing, and assessing reports, plans, and other required products/deliverables;
- Receiving and reviewing state prevailing wages (see Department of Industrial Relations websites below):
 - DIR FAQ website: http://www.dir.ca.gov/OPRL/FAQ_PrevailingWage.html
 - DIR Wage Determination website: <http://www.dir.ca.gov/opri/DPreWageDetermination.htm>
- Reviewing invoices to ensure costs claimed are in accordance to the method of payment and contract cost proposal, approving payments;
- If new consultant personnel are added or substituted, labor rates must be verified prior to approving invoices.
- Record keeping and reporting;
- Controlling costs;
- Identifying changes to the scope of work and preparation of amendments (must ensure that any changes to the scope is within the constraints of the original RFP/RFQ;

- Completing the consultant performance evaluations (see [Exhibit 10-S: Consultant Performance Evaluation](#)).

Substitution of Consultant Personnel and Subconsultants

After contract execution the consultant should not substitute key personnel (project manager and others listed by name in the cost proposal) or subconsultants without prior written approval from the LPA. Refer to [LAPM Chapter 9: Civil Rights & Disadvantaged Business Enterprise](#) and 49 CFR 26 for DBE substitution requirements. To do so can result in the costs being ineligible for federal or state reimbursement. The consultant must request and justify the need for the substitution and obtain approval from the LPA prior to use of a different subconsultant on the contract.

The proposed substituted person must be as qualified as the original, and at the same or lower cost. For engineering types of consultant contracts, the consultant's project manager must be a registered engineer in the State of California.

Invoicing (or Progress Payments)

The frequency and format of the invoices/progress payments are to be determined by the contract. Program Supplement Agreements (see [LAPM Chapter 3: Project Authorization](#)) need to have been prepared prior to any payments being requested. Payments to the consultant are to be in arrears. In other words, the consultant must have actually incurred and paid the costs before invoicing the LPA.

For federal reimbursement of consultant costs on a project, the LPA must submit the following to the DLAE, for each consultant or consulting firm used on the project (failure to do so will result in the consultant's invoices for reimbursement being returned to the agency unprocessed):

- Copy of Executed Consultant contract;
- [Exhibit 10-O1: Consultant Proposal DBE Commitment](#)
- [Exhibit 10-O2: Consultant Contract DBE Commitment](#)
- Copy of issued task order and Exhibit 10-O2 for the task order for on-call contracts.

DLAE must confirm that the LPA has submitted copies of the Certification of Indirect Costs and Financial Management System form (for Prime and Subconsultants) to Caltrans IOAI and that LPA has submitted the A&E Consultant Contract form to Caltrans.

The LPA is to follow the procedures given in [LAPM Chapter 5: Invoicing](#), to obtain reimbursement of federal or state funds.

Contract Amendments

Contract amendments are required to modify the terms of the original contract for changes such as extra time, added work, or increased costs. Only work within the original advertised scope of services must be added by amendment to the contract. The addition of work outside the original advertised scope will make that work ineligible for federal or state reimbursement (see [Q&As](#)).

There is no prescribed format for contract amendments. They may take the form of letter-type agreements meeting the legal requirements of the LPA, clearly outlining the changes and

containing a mutually agreed-upon method of compensation. Such agreements must conform to the requirements of this manual with regard to payment.

A consultant contract may be amended at any time prior to the expiration date of the original contract. The most common amendment is to extend the ending date of the contract. All contract amendments must be fully executed before the ending date of the contract by formal amendment. Failure to amend a contract prior to the ending date will make the subsequent costs ineligible for federal and state reimbursement. Task orders are not considered an amendment and therefore not appropriate to extend the terms of the contract.

All contract amendments must be negotiated following the same procedures as the negotiation of the original contract and must be in writing and fully executed by the consultant and LPA before reimbursable work begins on the amendment. For any additional engineering and design related services outside of the scope of work established in the original solicitation, a contracting agency must either procure the series under a new solicitation, perform the work itself using agency staff, or use a different, existing contract under which the services would be within the scope of work. Overruns in the costs of the work must not automatically warrant an increase in the fixed fee portion of a cost-plus-fixed fee reimbursed contract. Permitted changes to the scope of work or duration may warrant consideration for adjustment of the fixed fee portion of cost-plus-fixed fee or lump sum reimbursed contracts. If an emergency exists of such magnitude that a delay cannot be tolerated, the LPA and the consultant may agree on an amendment initiating the work, so that reimbursable work may begin. The initiating amendment is then followed by a final amendment once the full scope of the emergency work is known and agreed to by both parties. In both cases, sufficient funding should be included in the amendments to pay for all work to be performed by the consultant. The final amendment must be executed as quickly as possible. Failure to fully comply with this section may result in the loss of LPA funding. [Section 10.1.3: A&E Consultant Audit and Review Process](#) of this chapter must apply to the entire contract and must be completed prior to execution of the contract amendment. For contracts greater than or equal to **\$1 Million**, submit the [Financial Document Review Request form](#) to IOAI for all amendments on consultant/subconsultant's name change, amending an ICR, or adding new subconsultant's ICR. ICRs that have not been accepted by IOAI are not eligible for federal or state reimbursement. For contracts with original amounts under **\$1 Million** but subsequently became greater than or equal to **\$1 Million** after amendment, IOAI Financial Document Review is not required. If there are any changes to the contract after submittal of the A&E Consultant Contract form, the LPA must submit an amended form to the [database](#) prior to the first invoice after the contract has been amended. Submission of the A&E Consultant Contract form is not required for non-A&E consultant contracts. All amendments must incorporate any current requirements of the federal regulations including the federal fiscal provisions and submit the A&E Consultant Contract form to the database prior to the first invoice after the contract has been amended (please use Firefox or Chrome if not supported by your browser).

Performance Evaluation

Pursuant to 23 CFR 172.9(d)(2) agencies are required to prepare an evaluation of the consultant when the project has been completed. The Contract Administrator evaluates the consultant's performance after the consultant's final report has been submitted, and the Contract Administrator has conducted a detailed evaluation with the consultant's project manager. See [Exhibit 10-S: Consultant Performance Evaluation](#) for a suggested format for use by the LPA.

Project Records

Federal-Aid Highway Program funding recipients and sub-recipients must maintain adequate and readily accessible project performance and financial records, supporting documents, and other records considered pertinent to the grant agreement and in compliance with federal laws and regulations (e.g., 23 USC 112; 40 USC 1101-1104, 23 CFR 172, 48 CFR 31, and 2 CFR 200). These records must be maintained for a minimum of three (3) years following issuance of the final voucher from FHWA (forwarded by Caltrans) and the closure of all other pending matters (2 CFR 200.333).

For audit purposes, project records and documentation must be kept for three (3) years after payment of the final federal or state voucher. Among the records to be retained are as follows (not an all-inclusive list):

- Copies of RFPs and RFQs, changes, addendums, etc. and bidder's list;
- Documentation of DBE participation (including [Exhibit 10-O1: Consultant Proposal DBE Commitment](#), [Exhibit 10-O2: Consultant Contract DBE Commitment](#)), [Exhibit 10-G: Individual A&E Task Order DBE Tracking Sheet](#), [Exhibit 17-F: Final Report – Utilization of DBE and First-Tier Subcontractors](#) or [Exhibit 17-F1: Final Report-Utilization of Disadvantaged Business Enterprise \(DBE\) for On-Call Contracts](#), and [Exhibit 17-O: DBE Certification Status Change](#)).
- Solicitation and advertisement records;
- Identification of selection committee members;
- Record of receiving proposals, statement of qualifications;
- Evaluation and ranking records such as original score sheets from all panel members, short list questions, and other documentation (see [Exhibit 10-B: Suggested Consultant Evaluation Sheet](#));
- Independent cost estimate (prepared in advance of requesting a cost proposal from the top-ranked consultant);
- Record of negotiations (to include a separate negotiation of profit in accordance with federal guidelines);
- Financial Review Letter and Cognizant Agency Letter, when applicable;
- CPA-audited ICR Audit Report or Approved State DOT Cognizant Indirect Rate Letter, if any;
- Consultant Certification of Costs and Financial Management (Certification of Indirect Costs and Financial Management System form) for contracts [at or above \\$1 Million](#);
- A&E Consultant Audit Request Letter and Checklist (Financial Document Review Request form) for contracts [at or above \\$1 Million](#) and all supporting documentation.
- Executed consultant contracts, cost proposals, and amendments (see [Exhibit 10-R: A&E Boilerplate Agreement Language](#));
- Contract oversight and progress meeting documents;
- Progress and final payments, and supporting documentation;
- Performance evaluation (see [Exhibit 10-S: Consultant Performance Evaluation](#));

- A&E Consultant Contract form (see [A&E Consultant Contract database](#));
- Accounting records documenting compliance with State and federal administrative requirements;
- Certifications and Conflict of Interest forms ([Exhibit 10-T: Conflict of Interest & Confidentiality Statement](#), all personnel involved in the procurement of the agreement should complete Exhibit 10-T, [Exhibit 10-U: Consultant in Management Support Role Conflict of Interest and Confidentiality Statement](#), and [Exhibit 10-Q: Disclosure of Lobbying Activities](#), as appropriate). Exhibit 10-Q is included in the solicitation and must be completed if the consultant needs to disclose any lobbying activities.

Retention Clauses

At the option of the LPA, a retention clause may be included in the consultant contract. A retention clause in the consultant contract is recommended (see [Exhibit 10-R: A&E Boilerplate Agreement Language](#), Article VIII).

Review of Local Public Agency Actions

Federal-aid or state reimbursement is contingent on meeting the federal or state requirements and can be withdrawn, if these procedures are not followed and documented. The LPA files are to be maintained in a manner to facilitate future FHWA or Caltrans process reviews and audits. As specified in the Review and Approval of Contracts above, the Contract Administrator must review the proposed consultant contract before execution.

The A&E Consultant Contract form is to be completed prior to award, or after contract award but no later than the first invoice. A copy of this form must be retained in the LPA project files.

10.1.9 Miscellaneous Considerations

Agreements with Other Governmental Agencies

Intergovernmental or inter-entity agreements are encouraged if appropriate. If another governmental agency is requested to do work or provide services to an agency, an interagency agreement is needed (2 CFR 200 and California Government Codes 10340 and 11256).

Small Purchase Contracts

Contracts that are less than \$250,000 are considered small contracts in accordance with federal regulations. However, within the State of California, there is no recognized small purchase procedure and all A&E contracts are procured using qualifications based selection and not cost. For federal contracts that are less than \$250,000 and are not anticipated to exceed this amount, the agency must use either [Section 10.2: State-Only Funded A&E Contracts](#) or the federal guidance for contracts greater than \$250,000. If the contract is anticipated to exceed \$250,000, use one of the accepted procurement procedures listed in the previous sections. Small contracts using the simplified acquisition procedure (State-Only funded section) must not exceed \$250,000 or the additional costs are considered not reimbursable. The entire contract could also be considered ineligible by FHWA depending on circumstances. The scope of work, project phases, and contract requirements must not be broken down into smaller components to permit the use of small purchase procedure. DBE requirements apply for all federally-funded projects.

Noncompetitive Negotiated Contracts (Sole-Source)

Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under sealed bids or competitive proposals (23 CFR 172.7(a)(3)).

FHWA considers these types of contracts as Sole Source contracts and should be used only in very limited circumstances. An Exhibit 12-F prepared by the LPA and approved by Caltrans is required before establishing these services (23 CFR 172.7(a)(3); also see [Exhibit 12-F: Cost-Effectiveness/Public Interest Finding/A&E Noncompetitive](#).

Conditions under which noncompetitive negotiated contracts may be acceptable include:

- Only one organization is qualified to do the work;
- An emergency exists of such magnitude that cannot permit delay;
- Competition is determined to be inadequate after solicitation of a number of sources.

The LPA must:

- Follow its defined process for noncompetitive negotiation;
- Develop an adequate scope of work, evaluation factors, and cost estimate before solicitation;
- Conduct negotiations to ensure a fair and reasonable cost.

The LPA must carefully document details of the special conditions, obtain Caltrans approval on the Exhibit 12-F and retain all documents in the project files for future Caltrans' or FHWA's review.

Retaining a Consultant in a Management Support Role (CMSR)

An LPA may retain a qualified CMSR on its staff in professional capacities for federal-aid projects such as:

- A City Engineer (or equivalent) who manages the engineering unit for the city, providing oversight of a project, series of projects, managing or directing work of other consultants or contractors on behalf of the city.
- A County Engineer (or equivalent) who manages the engineering unit for the county such as duties described above.
- A Project Manager (or equivalent) who manages and oversees a project, series of projects, or the work of other consultants and contractors on behalf of the public agency.
- A Program Manager (or equivalent) who manages and oversees an element of a highway program, function, or service on behalf of the public agency.

However, typically a CMSR is not:

- A consultant engineer performing project-specific design, and/or construction contract administration and construction engineering for the public agency.
- A consultant providing support to administrative duties such as federal authorization process, labor compliance activities, and other management and administrative tasks.

The use of a CMSR should be limited to unique or very unusual situations. These situations require a thorough justification as to why the LPA cannot perform the management. Consultants used in management support roles must be selected using the same procedures as those for other consultants specified in this chapter. A CMSR funded by local or state funds must have approval from FHWA to be considered qualified to manage federal projects or consultants providing services on federal projects.

Eligibility for federal or state reimbursement for a CMSR requires the following:

- Compliance with the selection procedures specified in this chapter;
- Existence of a contract between the LPA and the consultant specifying the LPA engineering services to be performed;
- Written designation by the LPA of the responsibilities and authority of the consultant as an agency engineer;
- For a federal-aid project, completion of [Exhibit 10-T: Conflict of Interest & Confidentiality Statement](#) by all members (both consultants and employees) prior to participating in the Architect & Engineering (A&E) Selection Panel pertaining to the specific selection process and the firms being considered;
- Selection of consultants for A&E management positions must be by the use of qualification-based selection procedures on an open and competitive basis resulting in a contract with defined beginning and ending dates not to exceed five (5) years;
- For a federal-aid project, the LPA's CMSR must not:
 - Participate in, or exercise authority over the A&E selection process, if that consultant's firm is one of the proposing firms, or subconsultant to a proposing firm;
 - Participate in, or exercise authority over management of work performed by the consultant's firm, or to a consultant's firm of which the LPA consultant firm is a subconsultant. This would include, but not be limited to, managing or directing the work, approving changes in the schedule, scope, or deliverables; and approving invoices.
 - Apply for or receive reimbursement of federal-aid funds for the LPA's federal-aid project if either of the foregoing has occurred. However, reimbursement for the construction contract portion of the project will still be allowed provided all other federal-aid requirements have been met.
 - Where benefiting more than a single federal-aid project, allocability of consultant contract costs for services related to a management support role must be distributed consistent with the cost principles applicable to the contracting agency in 23 CFR 172.7(b)(5).

If engineering services for a project are within the scope of the services described in the retained consultant's contract, these services may be performed by the person or firm designated as an agency engineer. If the services are not within the scope, eligibility for federal reimbursement for these services require a new consultant contract to be developed using the selection procedures in this chapter. Retained consultants involved in the preparation of the RFP or RFQ must not be considered in the selection of consultants for the resulting project specific work.

When a CMSR is procured with federal-aid funds, the LPA (subgrantee) must fully comply with the following:

- Subparagraphs of 2 CFR 200.318 maintain a contract administration system and maintain a written code of standards. No employee, officer, or agent of the subgrantee must participate in selection, or in the award or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved.
- Subparagraph of 23 CFR 172.7(b) requires that the LPA must receive approval from FHWA.
- Liability insurance should normally be required from the consultant (errors and omissions, etc.).

For federally-funded projects, LPAs that solicit to hire A&E consultant(s) in a management support role must obtain FHWA approval prior to contract execution.

In order for a contract for a CMSR to be federally eligible, the following are required prior to contract execution:

- The LPA must submit a request for approval via email, the Scope of Work (SOW) and Conflict of Interest (COI) Policy to the Division of Local Assistance-Headquarters (DLA-HQ) at aeoversight@dot.ca.gov, prior to solicitation.
- Once the LPA receives FHWA's written response, the LPA may need to revise the documents reflecting FHWA's opinions and can proceed with the RFQ.
- After consultant selection, the LPA must submit the completed [Exhibit 10-U: Consultant in Management Support Role Conflict of Interest and Confidentiality Statement](#) to the DLA-HQ at aeoversight@dot.ca.gov. LPA will receive FHWA's approved [Exhibit 10-U](#) via email.

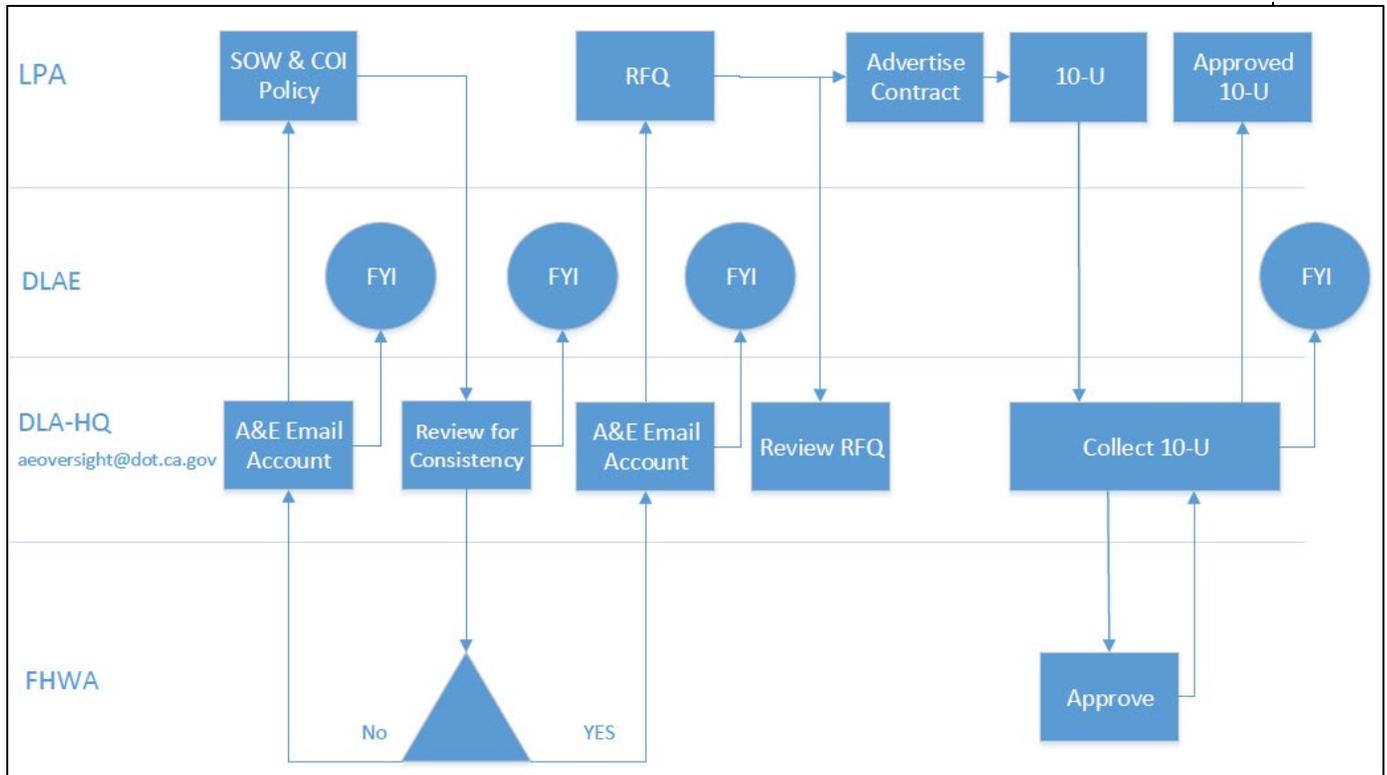


Figure 10-5: Consultant in a Management Support Role Flowchart

Construction Engineering Services

Under federal-aid regulations and state policy, the primary responsibility for general supervision of construction must remain with the LPA. The LPA must also ensure that the work is performed in accordance with the approved plans and specifications, by employing or retaining as a consultant a registered engineer for construction engineering services on the project.

All construction engineering activities performed by a consultant must be under the overall supervision of a full-time employee of the agency who is in responsible charge. These activities may include preparation of contract change orders, construction surveys, foundation investigations, measurement, and computation of quantities, testing of construction materials, checking of shop drawings, preparation of estimates, reports, and other inspection activities necessary to ensure that the construction is being performed in accordance with the plans and specifications. The construction engineering consultant's contract defines the relative authorities and responsibilities of the full-time employee of the LPA in charge of the project and the consultant's construction engineering staff.

If a technical inspection consultant is to provide professional assistance to the LPA, a formal consultant contract must be executed which follows this chapter's requirements. The contract must provide for reviews at appropriate stages during performance of the work to determine if any changes or other actions are warranted. These reviews are to be made by the LPA.

10.1.10 Program Management

According to 23 CFR 172.5, LPAs are required to adopt written policies and procedures prescribed by Caltrans. As such, the LPA must adopt Caltrans Local Assistance Chapter 10: Consultant Selection, which contain the A&E policies and procedures.

To meet this requirement, LPAs are required to email and provide one of the following documents to the DLA Office of Guidance and Oversight (OGO) at aeoversight@dot.ca.gov:

1. A Board Resolution showing that the LPA is adopting Caltrans LAPM Chapter 10; OR
2. An official letter signed by the LPA's Public Works Director or equivalent manager addressed to the DLA OGO Office Chief, stating that the agency is adopting Caltrans LAPM Chapter 10

The DLA A&E [website](#) includes an example of the adoption [resolution](#) and [letter](#). These examples are for reference only; the appropriate language to be used is determined by the individual agency.

LPAs are responsible for providing all resources necessary for the procurement, management, and administration of A&E consultant contracts including subcontracts. Ensuring consultant costs billed are allowable in accordance with the Federal cost principles and consistent with the contract terms as well as the acceptability and progress of the consultant's work;

- Monitoring the consultant's work and compliance with the terms, conditions, and specifications of the contract;
- Preparing a consultant's performance evaluation when services are completed and using such performance data in future evaluation and ranking of consultant to provide similar services;
- Closing-out a contract;
- Retaining supporting programmatic and contract records, as specified in 2 CFR 200.333 and the requirements of this part;
- Determining the extent to which the consultant, which is responsible for the professional quality, technical accuracy, and coordination of services, may be reasonably liable for costs resulting from errors and omissions in the work furnished under its contract;
- Assessing administrative, contractual, or legal remedies in instances where consultants violate or breach contract terms and conditions, and providing for such sanctions and penalties as may be appropriate; and
- Resolving disputes in the procurement, management, and administration of engineering and design related consultant services.

10.1.11 References

- 2 CFR Part 200
<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>
- 2 CFR Part 215 Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
<https://www.govinfo.gov/app/details/CFR-2012-title2-vol1/CFR-2012-title2-vol1-part215/context>
- 23 U.S.C. Letting of Contracts
<http://www.fhwa.dot.gov/map21/docs/title23usc.pdf>
- 23 CFR 172
<https://www.ecfr.gov/current/title-23/chapter-I/subchapter-B/part-172>
- 40 U.S.C. 1104 Brooks Act
<https://www.govinfo.gov/app/details/USCODE-2011-title40/USCODE-2011-title40-subtitle-chap11/context>
- 41 CFR Public Contracts and Property Management
http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title41/41tab_02.tpl
- 41 U.S.C. Public Contracts
<https://www.govinfo.gov/content/pkg/USCODE-2009-title41/html/USCODE-2009-title41.htm>
- 48 CFR, Chapter 1, Subpart 15.404
<https://www.acquisition.gov/far/part-15>
- 48 CFR, Chapter 1, Part 31
<https://www.acquisition.gov/far/part-31>
- 48 CFR, Chapter 1, Part 16 – Types of Contracts
<https://www.acquisition.gov/far/part-16>
- 48 CFR 27, Chapter 1, Subpart 27.3 – Patent Rights under Government Contracts
<https://www.acquisition.gov/far/part-27>
- 48 CFR, Chapter 1, Subpart 31.201-3 – Determining Reasonableness
<https://www.acquisition.gov/far/part-31>
- 48 CFR, Chapter 99 – Cost Accounting Standards, Part 9904
https://www.acquisition.gov/chapter_99
- 49 CFR 26 Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs
http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title49/49cfr26_main_02.tpl
- American Association of State Highway and Transportation Officials (AASHTO) Uniform Audit and Accounting Guide
<https://audit.transportation.org/>
- Caltrans Division of Procurement and Contracts Website
<http://www.dot.ca.gov/dpac/index.html>

California Labor Code, Section 1775

https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=LAB§ionNum=1775

Government Auditing Standards (GAS) issued by the United States Government Accountability Office

<http://www.gao.gov/yellowbook/overview>

Government Code Sections 4525 through 4529.5 and Sections 4529.10 through 4529.20

https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=5.&title=1.&part=&chapter=10.&article=

Standard Environmental Reference (SER)

<http://www.dot.ca.gov/ser/>

10.2 STATE-ONLY FUNDED A&E CONTRACTS

10.2.1 General

LPA's are required to follow all applicable local and state regulations including those listed in LAPM Chapter 10 in accordance with their State Master Agreement. Although the requirements listed in this section are minimum requirements, the LPA must use good engineering judgment and best practices to document their processes and procedures when procuring A&E contracts utilizing qualifications based selections. LPA's using local funds to procure an A&E Consultant on a state-only funded project and will not seek state reimbursement for consultant cost may choose not to follow the selection and contracting procedures detailed in Section 10.2 of this chapter.

All consultants must comply with 48 CFR 31: Contract Cost Principles and Procedures. Also, consultants and LPA's must comply with 2 CFR 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, excluding sections 200.318-200.326 Procurement Standards (reference Federal Highway Administration December 4, 2014 Memorandum Action: 2 CFR 200 Implementation Guidance).

Agency state-only funded (SOF) agreements must contain the required federal fiscal provisions from 2 CFR 200 in all Division of Local Assistance funded agreements. [Exhibit 10-R: A&E Boilerplate Agreement Language](#) contains 2 CFR 200 requirements and may also be used in SOF agreements. Depending upon the scope of work, the required contract provisions may need to include the California State Prevailing Wages.

All proposed A&E contracts and supporting documents (including state-only funded) are subject to audit or review by Caltrans' Independent Office of Audits and Investigations (IOAI), other state audit organizations, or the federal government and required to follow [LAPM Section 10.1.3 A&E Consultant Audit and Review Process](#).

For consultant contracts, procured with local or state funds, to provide services for federal-aid projects, or to oversee or manage other consultants providing these services, the Consultant in Management Support Role process must be completed to be eligible for reimbursement. Refer to [Section 10.1.9 Miscellaneous Considerations: Retaining a Consultant as an Agency Engineer or in a Management Support Role](#).

DBE contract goals are not required for state-only funded contracts.

This guidance is for contracts utilizing state funds only. If any federal funds are added or reimbursed, the federal process must be followed.

Non-A&E consultant contracts reference [Section 10.3: Non-A&E Contracts](#).

Reference: California Government Code Title 1, Division 5, Chapter 10, Contracts with Private Architects, Engineering, Land Surveying, and Construction Project Management Firms §4525-4529.5.

10.2.2 Definition of A&E

Architectural, landscape architectural, engineering, environmental, and land surveying services includes those professional services of an architectural, landscape architectural, engineering, environmental, or land surveying nature as well as incidental services that members of these professions and those in their employ may logically or justifiably perform.

Construction project management means those services provided by a licensed architect, registered engineer, or licensed general contractor. Any individual or firm proposing to provide construction project management services must provide evidence that the individual or firm and its personnel carrying out onsite responsibilities have expertise and experience in construction project design review and evaluation, construction mobilization and supervision, bid evaluation, project scheduling, cost-benefit analysis, claims review and negotiation, and general management and administration of a construction project.

Environmental services mean those services performed in connection with project development and permit processing in order to comply with federal and state environmental laws.

Reference: California Government Code §4527

10.2.3 Minimum Audit Requirements

A. Written Procedures

Local agencies shall follow the minimum requirements listed below in addition to any local laws and regulations.

Reference: California Government Code §4526

B. Conflict of Interest

The LPA must develop and maintain a written code of conduct governing the performance of its employees engaged in the award and administration of state-funded contracts, including the prevention of conflicts of interest.

References:

California Government Code §4526

California Government Code §1090

California Government Code §4529.12

C. Records

Local agencies shall keep adequate records of all contracts including the procurement, project management, accounting, and financial administration.

References:

California Government Code §4529.14

California Government Code §4006

D. Full & Open Competition

All A&E contracts shall be procured through a qualifications-based selection utilizing open and fair competition. Evaluate at least three consultants using published evaluation criteria and rank these firms in order of preference. If less than three consultants are evaluated, provide justification for agency file.

References:

California Government Code §4526

California Government Code §4527

California Government Code §4529.12

E. Selection Basis

Selection of a firm shall be based on qualifications and the order of ranked preference.

References:

California Government Code §4526
California Government Code §4527

F. Publication

Solicitations for A&E contracts shall be in a manner that is open and competitive.

Reference: California Government Code §4527

G. Solicitation

The solicitations shall include published evaluation criteria to rank in order of preference. Clearly define expectations in the solicitation in order to evaluate firms.

Reference: California Government Code §4527

H. Cost Analysis

An independent cost comparison to the consultant's cost proposal shall be done in order to ensure the contract is negotiated at a fair and reasonable price.

Reference: California Government Code §4528

I. Negotiations

Negotiations must be documented to verify a fair and reasonable contract has been executed using public funds.

Reference: California Government Code §4528

J. Audit and Review Process

A&E contracts procured by public agencies shall be subject to standard accounting practices and may require financial and performance audits. All agencies shall follow the Audit and Review Process as stated in [Section 10.1.3: A&E Consultant Audit and Review Process](#).

[Financial Document Review Request form](#).

References:

California Government Code §4529.14
2 CFR 200

K. A&E Consultant Contract Form

The A&E Consultant Contract form must be completed and submitted in the database at <https://dla.dot.ca.gov/fmi/webd/AE%20Consultant%20Contract%20Form> (please use Firefox or Chrome if not supported by your browser) prior to contract award, or after contract award but no later than the first invoice for all new state-only funded A&E consultant contracts.

If there are any changes requiring an amendment to the contract after submittal of the A&E Consultant Contract form, the LPA must submit an updated form to the [database](#) prior to the first invoice after the contract has been amended. Submission of the A&E Consultant Contract form is not required for non-A&E consultant contracts.

Reference: LAPM Ch.10.2

CA Government Code References

California GOV §1090

(a) Members of the Legislature, state, county, district, judicial district, and city officers or employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Nor shall state, county, district, judicial district, and city officers or employees be purchasers at any sale or vendors at any purchase made by them in their official capacity.

(b) An individual shall not aid or abet a Member of the Legislature or a state, county, district, judicial district, or city officer or employee in violating subdivision (a).

(c) As used in this article, "district" means any agency of the state formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries.

California GOV §4006

Plans, specifications, work authorizations describing work to be performed, and all other information referred to in this chapter are open to inspection and examination as a public record.

California GOV §4525

For purposes of this chapter, the following terms have the following meaning:

(a) "Firm" means any individual, firm, partnership, corporation, association, or other legal entity permitted by law to practice the profession of architecture, landscape architecture, engineering, environmental services, land surveying, or construction project management.

(b) "State agency head" means the secretary, administrator, or head of a department, agency, or bureau of the State of California authorized to contract for architectural, landscape architectural, engineering, environmental, land surveying, and construction project management services.

(c) "Local agency head" means the secretary, administrator, or head of a department, agency, or bureau of any city, county, city and county, whether general law or chartered, or any district which is authorized to contract for architectural, landscape architectural, engineering, environmental, land surveying, and construction project management services.

(d) "Architectural, landscape architectural, engineering, environmental, and land surveying services" includes those professional services of an architectural, landscape architectural, engineering, environmental, or land surveying nature as well as incidental services that members of these professions and those in their employ may logically or justifiably perform.

(e) "Construction project management" means those services provided by a licensed architect, registered engineer, or licensed general contractor which meet the requirements of Section 4529.5 for management and supervision of work performed on state construction projects.

(f) "Environmental services" means those services performed in connection with project development and permit processing in order to comply with federal and state environmental laws. "Environmental services" also includes the processing and awarding of claims pursuant to Chapter 6.75 (commencing with Section 25299.10) of Division 20 of the Health and Safety Code.

California GOV §4526

Notwithstanding any other provision of law, selection by a state or local agency head for professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. In order to implement this method of selection, state agency heads contracting for private architectural, landscape architectural, professional engineering, environmental, land surveying, and construction project management services shall adopt by regulation, and local agency heads contracting for private architectural, landscape architectural, professional engineering, environmental, land surveying, and construction project management services may adopt by ordinance, procedures that assure that these services are engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices to the public agencies. Furthermore, these procedures shall assure maximum participation of small business firms, as defined by the Director of General Services pursuant to Section 14837.

In addition, these procedures shall specifically prohibit practices which might result in unlawful activity including, but not limited to, rebates, kickbacks, or other unlawful consideration, and shall specifically prohibit government agency employees from participating in the selection process when those employees have a relationship with a person or business entity seeking a contract under this section which would subject those employees to the prohibition of Section 87100.

California GOV §4527

In the procurement of architectural, landscape architectural, engineering, environmental, land surveying, and construction project management services, the state agency head shall encourage firms engaged in the lawful practice of their profession to submit annually a statement of qualifications and performance data.

(a) When the selection is by a state agency head, statewide announcement of all projects requiring architectural, landscape architectural, engineering, environmental, land surveying, or construction project management services shall be made by the agency head through publications of the respective professional societies. The agency head, for each proposed project, shall evaluate current statements of qualifications and performance data on file with the agency, together with those that may be submitted by other firms regarding the proposed project, and shall conduct discussions with no less than three firms regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services and then shall select therefrom, in order of preference, based upon criteria established and published by him or her, no less than three of the firms deemed to be the most highly qualified to provide the services required.

(b) When the selection is by a local agency head, the agency head may undertake the procedures described in subdivision (a). In addition, these procedures shall specifically prohibit practices which might result in unlawful activity including, but not limited to, rebates, kickbacks, or other unlawful consideration, and shall specifically prohibit government agency employees from participating in the selection process when these employees have a relationship with a person or business entity seeking a contract under this section.

California GOV §4528

(a) When the selection is by a state agency head the following procedures shall apply:

(1) The state agency head shall negotiate a contract with the best qualified firm for architectural, landscape architectural, engineering, environmental, land surveying, and construction project management services at compensation which the state agency head determines is fair and reasonable to the State of California or the political subdivision involved.

(2) Should the state agency head be unable to negotiate a satisfactory contract with the firm considered to be the most qualified, at a price the agency head determines to be fair and reasonable to the State of California or the political subdivision involved, negotiations with that firm shall be formally terminated. The state agency head shall then undertake negotiations with the second most qualified firm. Failing accord with the second most qualified firm, the state agency head shall terminate negotiations. The state agency head shall then undertake negotiations with the third most qualified firm.

(3) Should the state agency head be unable to negotiate a satisfactory contract with any of the selected firms, the state agency head shall select additional firms in order of their competence and qualification and continue negotiations in accordance with this chapter until an agreement is reached.

(b) When the selection is by a local agency head, the local agency head may undertake the procedures described in subdivision (a).

California GOV §4529

This chapter shall not apply where the state or local agency head determines that the services needed are more of a technical nature and involve little professional judgment and that requiring bids would be in the public interest.

California GOV §4529.12

All architectural and engineering services shall be procured pursuant to a fair, competitive selection process which prohibits governmental agency employees from participating in the selection process when they have a financial or business relationship with any private entity seeking the contract, and the procedure shall require compliance with all laws regarding political contributions, conflicts of interest or unlawful activities.

California GOV §4529.14

Architectural and engineering services contracts procured by public agencies shall be subject to standard accounting practices and may require financial and performance audits as necessary to ensure contract services are delivered within the agreed schedule and budget.

California GOV §4529.20

This act seeks to comprehensively regulate the matters which are contained within its provisions. These are matters of statewide concern and when enacted are intended to apply to charter cities as well as all other governmental entities.

Federal Highway Administration Memorandum 2 CFR Part 200
Implementation Guidance 12/4/2014

Attachment A: FHWA 2 CFR Part 200 Uniform Guidance – Questions and Answers

Question 21: "Will the FHWA/USDOT provide a waiver of the requirements in 2 CFR 200.317 for subrecipients to comply with State procurement requirements or other policies and procedures approved by the State (200.317)?"

Answer: Yes. The USDOT requested and received an OMB waiver of the requirements in 2 CFR 200.317 concerning procurement by subrecipients. This waiver provides an exception to the requirement for all subrecipients of a state to follow the procurement requirements in Sections 200.318 through 200.326. The waiver will allow States and subrecipients to continue to use state-approved procurement procedures as they did under part 18 prior to the adoption of the Uniform Guidance.

10.3 NON-A&E CONTRACTS

Scope

This section covers the procurement requirements for the services that are not included in [Section 10.1 Federally-Funded A&E Contracts](#) and [Section 10.2 State-Only Funded A&E Contracts](#). This guidance is for contracts utilizing federal-aid funds and state funds. Federal regulations refer to state and local regulations for non-A&E type contracts. Although LPAs are required to follow 2 CFR 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards for all contracts, the Procurement Standards section 200.318-200.326 is exempt. The guidance in this section follows the established regulations in the California Public Contract Code. Depending upon the scope of work, the required contract provisions may need to include the California State Prevailing Wages.

LPA must designate one person within the LPA as a contract manager.
(PCC 10348.5)

LPAs using local funds to procure non-A&E Consultants on a federal-aid funded or state-only funded project and will not seek federal or state reimbursement for consultant cost may choose not to follow the selection and contracting procedures detailed in Section 10.3 of this chapter.

Determining Non-A&E

After identifying that there is a need for consulting services, the LPA must determine that the services needed are more of a technical nature and involve minimal professional judgement and that requiring a cost proposal would be in the public's best interest. These type of consultant services that are not directly related to a highway construction project or that are not included in the definition of engineering and design-related services are considered non-A&E. The services must not be included in Section 10.2.2 Definition of A&E.

The determining factor is whether the services being procured are related to a specific construction project and whether the services require work to be performed, provided by, or under the direction of a registered engineer or architect.

Example of Determining Non-A&E

Material testing has been requested to ensure quality assurance on a construction project. The service includes only performing the material test and providing material test data. Although the service is related to a construction project, the overall service did not provide an evaluation or a discipline report. In this example, the LPA can determine that the service provided is more of a technical nature and is therefore a non-A&E service.

The following is a list of the more common non-A&E services:

- Right-of-Way Appraisal
- Right-of Way acquisition activities
- Conducting public outreach during environmental clearance or construction
- Active Transportation Program educational and outreach activities
- Intelligent Transportation System (ITS)
- Non-Infrastructure

- Local Roadway Safety Plan (LRSP) associated with Highway Safety Improvement Program (HSIP)-funded projects

Intelligent Transportation System (ITS) Projects

Intelligent Transportation System (ITS) means electronic, communications, or information processing used singly or in combination to improve the efficiency or safety of a surface transportation system. ITS projects are those that in whole or in part, fund the acquisition of technologies or systems of technologies that provide significant contributions to the provision of one or more ITS user services as defined in the National ITS Architecture.

The federal-aid procurement regulations identify three possible contract procurement procedures for ITS projects including engineering and design related services (A&E), construction, and non-engineering/non-architectural (non-A&E).

If ITS projects include physical installation of field devices and/or communications infrastructure, such as new traffic signals, new controller cabinets, changeable message signs, radio and computers, vehicle detectors, and conduits for cabling in the roadway, then that work and required equipment usually meets the definition of construction. The construction contract must be procured based on competitive bidding. If the ITS project involves software development, system integration, hiring engineers, and specialists for ITS design and installation support, inspection, design documentation, training and deployment, it may be considered an engineering and design services contract and the contract must be procured as an A&E consultant contract. If the scope of work is unclear as to whether it is an A&E type of work, contact aeoversight@dot.ca.gov for assistance.

However, if an ITS project does not meet either the definition of construction or engineering and design services, then the contract may be considered to be a non-A&E consultant contract.

Examples of non-A&E consultant contracts are:

- The procurement of hardware and software associated with incident management system;
- Software systems for arterial and freeway management systems;
- Operating the 511 traveler information service;
- Nonprofessional services for system support such as independent validation and verification, testing and specification development;

For more information regarding Intelligent Transportation Systems (ITS) Program procurement requirements, refer to [LAPG Chapter 13: Intelligent Transportation Systems](#).

Non-Infrastructure Projects

Non-infrastructure (NI) projects are those transportation-related projects that do not involve either engineering design, Right-of-Way acquisition (for additional guidance refer to [LAPM Chapter 13](#)), or the eventual physical construction of transportation facilities.

Procurement of non-A&E consultant contracts associated with non-infrastructure projects must follow Non-A&E procurement procedures described in this chapter. For more information on NI projects, refer to [LAPM Chapter 3: Project Authorization](#).

Governing Regulations and Codes for Non-A&E

When procuring non-A&E services with federal-aid funds, LPAs must comply with 2 CFR 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, excluding sections 200.318-200.326 Procurement Standards (reference FHWA December 4, 2014 Memorandum Action: 2 CFR 200 Implementation Guidance, Attachment A). LPAs must follow the same policies and procedures that the State uses for procurement with its non-Federal funds. When procuring non-A&E services with federal-aid and state-only funds, the governing procurement code is Public Contract Code 10335-10381.

Procurement of Non-A&E Consultant Contracts

All non-A&E procurements contracts must be conducted in a manner providing full and open competition consistent with federal and state standards. LPA must meet the code of conduct governing the performance of its employees engaged in the award and administration of federal-aid and state-funded contracts, including the preventions of conflict of interest in PCC 10410.

The following are the fundamental rules when procuring a non-A&E consultant contract.

1. The request for proposal (RFP) must not limit the competition directly or indirectly to any one consultant. The RFP must be publicized, and all evaluation factors and their relative importance identified (PCC 10339).
2. Splitting a single transaction into a series of transactions for the purpose of evading the procurement requirements is not allowed (PCC 10329).
3. LPA must secure at least three competitive proposals for each contract. (PCC 10340) When receiving less than three proposals, refer to the [Cost-Effective/Public Interest Finding](#) in this section as an alternative to re-advertisement.
4. No proposals must be considered which have not been received at the place, and prior to the closing time as stated in the RFP (PCC 10344(a)).
5. LPA must have a written procedure for evaluating proposals (PCC 10344).

RFP Basic Requirements

There are two general types of consulting service contract solicitations:

- A. Request for Proposal using Cost only
- B. Request for Proposal using Cost and Qualifications

The LPA must include the following in the request for proposal:

- A. A clear, precise description of the work to be performed or services to be provided.
- B. Description of the format that proposals must follow and the elements they must contain.
- C. The standards the agency will use in evaluating proposals. This includes qualifications and certifications if applicable.
- D. The date the proposals are due.
- E. The procurement schedule that the LPA will follow in reviewing and evaluating the proposals.

(PCC 10344)

Additional Requirements and Evaluation Criteria

Additional Requirements for Request for Proposal using Cost only

- A. LPA must require consultants to submit their proposals and cost in a separate, sealed envelope.
- B. LPA must determine those that meet the format requirements and the standards specified in the request for proposal.
- C. The sealed envelopes containing the price and cost information for those proposals that meet the format requirements and standards must then be publicly opened and read.
- D. Contract must be awarded to the lowest responsible consultant meeting the standards.

(PCC 10344(b))

Additional Requirements for Request for Proposal using Cost and Qualifications

- A. LPA must include in the proposal the description of the evaluation and scoring method. Substantial weight in relationship to all other criteria utilized must be given to the cost amount proposed by the consultant.
- B. LPA must determine those that meet the format requirements specified in the RFP.
- C. LPA evaluation committee must evaluate and score the proposals using the methods specified in the RFP. All evaluation and scoring sheets must be available for public inspection after the committee scoring process. Evaluation committee should comply to the prevention of conflict of interest in PCC 10410.
- D. The non-A&E contract must be awarded to the consultant whose proposal is given the highest score by the evaluation committee.

(PCC 10344(c))

When using RFP (Cost and Qualifications), the criteria used to evaluate the consultant's proposals must have a logical foundation within the scope of work or within other technical requirements contained in the RFP. Each criterion must have a weight or level of importance, and it is recommended that total possible score for the evaluation criteria be one hundred (100) points. The proposed cost should be at least thirty percent (30%) of total points in evaluation criteria.

An example RFP for non-A&E is provided on the Local Assistance website at <https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/ae/files/rfp-example-non-ae.docx> and may be modified.

Submission of the A&E Consultant Contract form is not required for non-A&E consultant contracts.

Consultant's Proposal

The consultant's proposal should include the following information:

- Consultant Project Manager – qualifications, roles, and responsibilities.
- Methodology - description of work and overall approach, specific techniques that will be used and specific administrative and operations expertise to be used.

- Workplan and Work Schedule - the technical proposal should include activities and tasks, and their delivery schedule.
- Personnel - List of personnel who will be working on the project, and their resumes.
- Facilities and resources (If applicable) - Explanation of where the services will be provided and what type of equipment is needed to perform services.
- Sub-contracts - Identify all sub-contracts that are to be used, description of each, and the work by each sub-consultant/sub-contractor. No work must be subcontracted unless listed in the technical proposal. Sub-consultant resumes should be provided.
- References - The technical proposal should provide at least three (3) clients for whom the proposer has performed work of similar nature to the request.

Cost Proposal Worksheet

The RFP should provide a standard format for cost proposal that all proposers must include in their proposal. The cost proposal format can be broken down by specific tasks, showing hourly labor rates, level of effort and material, and/or by milestones and deliverables.

LPA is not required to award a contract if it is determined that the contract price is not reasonable (PCC 10340(c)).

DBE Consideration

DBE consideration is required on all federal-aid funded contracts including non-A&E.

Administrative Requirements

Advertisement for RFPs may be through the LPA website, local publications, and national publications. Minimum solicitation time is 14 calendar days. The solicitation should inform potential qualified consultants that questions must be submitted in writing to the Agency Contract Manager/Administrator by a specified date and time. All pertinent technical information and answers to consultant's questions must be provided to all potential consultants. Written responses to all questions will be collectively compiled and provided as an addendum.

A proposal may be considered nonresponsive and rejected without evaluation if all required information is not provided. Proposals without information regarding, or not meeting, the required DBE utilization goal or without a Good Faith Effort documentation (see [Exhibit 15-H: Proposer/Contractor Good Faith Efforts](#)), late submittals, submittals to the wrong location, or submittals with inadequate copies are considered nonresponsive and must be rejected. Submittal of additional information after the due date must not be allowed. Documentation of when each proposal was received must be maintained in the project files. Copies of date stamped envelope covers or box tops are recommended.

No consultant who has been awarded a consulting service contract may be awarded a subsequent contract for the services or goods which are required as an end product of the consulting service contract, unless the subcontract is no more than 10 percent of the total monetary value of the consulting services contract. Excludes A&E contracts.

(PCC 10365.5)

Contracts may be modified or amended only if the contracts so provide. Amendments must be requested and executed prior to the termination date of the most recently approved original or amended contract. All records of contract activities must be kept for three years after federal

final voucher E-76 or state final voucher for State-Only funds. Costs are reimbursable after state allocation by the California Transportation Commission (CTC) and/or the issuance of the federal E-76. The per diem rate must not exceed the state rate. Contract Managers are responsible for monitoring expenditures on all contracts and verifying categories of work that require prevailing wage. A person in Responsible Charge of contract management is required for all federally-funded projects.

Oral Presentations Optional

When oral presentations are required by the LPA, the evaluation criteria must include factors/sub-factors and weights used to score the proposers performance at the oral presentation. The evaluation committee will only be able to score each proposer based upon these criteria. The Contract Manager/Administrator should develop a set of questions related to the scope of work or the project to be asked during the evaluation committee question and answer (Q & A) section of the oral presentations. All proposers are asked the same questions for consistency.

The committee must also evaluate reference checks and other information gathered independently. Reference checks must be completed, and other information gathered before the interviews are conducted. If necessary, the results of the reference checks or other information may be discussed with the highest ranked qualified consultants at the interviews.

Cost-Effective / Public Interest Finding

A minimum of three proposals must be evaluated to establish effective competition. Any agency that has received less than three proposals on a contract must document the names and addresses of the firms or individuals it solicited for proposals. Prepare an explanation as to why less than three proposals were received. When only two proposals are received, a justification must be documented to proceed with the procurement. When only one proposal is received, a Non-Competitive process must be justified and a Public Interest Finding (PIF) ([Exhibit 12-F: Cost-Effective/Public Interest Finding/A&E Noncompetitive](#)) must be documented. In either case, the re-advertisement of the RFP should be considered as an option. Retain document as supporting documentation in the contract file.

(PCC 10340(c))

Protest / Appeals / Reinstatement Procedures

Both state and federal regulations require well-defined protest/reinstatement procedures. It is essential that the procedures include a reasonable opportunity for the prospective consultant to present his/her case. The appeals procedures strengthen the process by which the contracting agency reaches its ultimate goal and helps defend its action against a claim of lack of due process. A termination clause and a provision for settlement of contract disputes are required. Protest procedures and dispute resolution processes should be in accordance with PCC 10345.

10.4 A&E OVERSIGHT PROGRAM AND PROCESS REVIEW

General

The A&E Oversight Branch is responsible for the oversight of consultant contracts procured by LPAs complying with federal regulations 23 CFR 172 and 23 U.S.C.112, and state regulations California Government Code 4525.

For locally-administered federal-aid highway projects, A&E consultant contract oversight reviews will be performed by Caltrans' Local Assistance A&E Oversight Engineers (A&EOEs). DLAE staff should participate in the reviews.

Type of Reviews

The purpose of A&E consultant contract oversight reviews is to verify LPA compliance with federal and state consultant contract administration requirements. A risk-based approach has been identified by the A&E branch to aid LPAs with compliance that includes requiring agencies to complete and submit the A&E Consultant Contract form prior to contract award, or after contract award but no later than the first invoice. The objective is to create a database documenting all consultant contracts and to perform process reviews on a sample of contracts for the annual performance measures report.

Although the risk-based approach is the submittal of the A&E Consultant Contract form via the database, a process review may be conducted on projects for reporting purposes and to determine accuracy of the A&E Consultant Contract form information.

A&E Consultant Contract Form Review

The purpose of the A&E Consultant Contract form is to provide oversight and guidance to an LPA regarding consultant contract administration on a federal or state-funded project prior to the award of the contract. The database includes items considered critical for compliance with federal and state regulations.

Subsequent process reviews may be performed on selected state and/or federal projects requiring a greater degree of oversight if deemed necessary for agencies with a noncompliance history.

The following factors may be used when selecting projects for subsequent review:

- LPAs with identified deficiencies during an Incurred Cost Audit
- Projects administered by agencies with previous sanctions/findings
- Lack of experienced/trained LPA personnel
- Request by LPA or DLAE for additional assistance

During subsequent process reviews, the A&EOE will meet with the LPA's consultant contract administration team and discuss project record documentation requirements using the A&E Consultant Contract form. The timing of these types of reviews is targeted for pre-advertisement, pre-negotiations, and pre-award of the consultant contract. This will allow for any changes to take place prior to execution or termination of negotiations for re-advertising. The A&EOE will also explain new policies or procedures, discuss available training, and highlight common problem areas and the means to avoid them.

Review Findings and Deficiencies

Caltrans will not be involved in most project-level reviews and approval activities. Instead, the Process Review as outlined in this section is Caltrans' primary method of ensuring that federal and state requirements are met. During a Process Review of an LPA's project files, errors and/or deficiencies that may violate federal or state law or regulation could be found. If that happens, federal and/or state funds may be withdrawn from a project depending on the severity and circumstance of the deficiency, as well as the possibility of jeopardizing future federal and/or state funding opportunities for the agency's other projects.

It is important to note that the formal process review is not the only method of discovering project deficiencies. Errors or deficiencies are discovered occasionally as part of the normal routine of processing project submittals by DLAEs or DLA Area Engineers.

Review findings from any subsequent reviews will be forwarded to the LPA and the DLAE within five business days. Deficiencies identified during a review may require development of a corrective action plan by the LPA in consultation with the District within 30 calendar days of receipt of the deficiency notification, unless the agency disagrees with the deficiencies identified and appeals the decision as discussed below.

A list of common A&E consultant procurement-related deficiencies is found at the A&E [website](#). These examples, not all-inclusive, should assist LPAs with knowing common deficiencies found in the past and the possible ramifications for those errors and deficiencies. The key to avoiding possible sanctions is to follow the procedures outlined in this chapter and other appropriate policies and guidelines, and if you have any questions, to consult your DLAE.

Corrective action plans, if required, will identify actions the LPA will take to address each deficiency noted. Corrective actions may include the following: Re-advertising, modifications of LPA policies and procedures, and participation in training to address systemic related deficiencies. Project-specific issues may require additional measures to remedy deficiencies to ensure compliance with federal and state requirements and ensure reimbursement eligibility. Corrective action plans must also include timelines for each action to be implemented. Failure to provide and implement corrective actions may result in sanctions or federal/state ineligibility notices against the project or LPA and could prevent federal or state participation in all or a portion of the project.

In the event the LPA disagrees with the deficiencies identified, the LPA will have 30 calendar days from receipt of the deficiency notification to submit their written request for appeal in accordance with the DLA's [Local Agency Dispute Resolution Process](#). If the appeal is denied, the LPA will have 30 calendar days from receipt of the decision to submit their corrective action plan.

The Dispute Resolution Process provides a means for the LPA to appeal a sanction that they feel has been imposed upon them unfairly or they feel the penalty is too harsh for the error or deficiency. This appeal process is not limited to just the appeal of sanctions; it can be used by LPAs when they disagree with the decision, they receive from a district office.

10.5 SANCTIONS

Depending on the severity and circumstances of the deficiencies which may require sanctioning by Caltrans, the DLA or DLAE may impose one of the following sanctions:

- Freeze on all future programming of federal or state funds until corrective action is implemented
- Freeze progress payments for a federal-aid project until the project's deficiency is corrected
- Percentage of federal or state funds for a project withdrawn
- All federal or state funds withdrawn from a project

The DLAE will be responsible for notifying the LPA of sanctions imposed. Whether or not sanctions are imposed against an LPA, the LPA will be expected to develop a corrective action plan and implement it to correct the deficiencies. LPAs will be given adequate time to develop and implement their action plan. Failure to correct the deficiencies in a timely manner will be grounds for imposing additional sanctions

- (i) Trade secrets, commercial information, materials necessary to be held confidential by a researcher until they are published, or similar information which is protected under law; and
- (ii) Personnel and medical information and similar information the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, such as information that could be used to identify a particular person in a research study.

§ 200.316 Property trust relationship.

Real property, equipment, and intangible property, that are acquired or improved with a Federal award must be held in trust by the non-Federal entity as trustee for the beneficiaries of the project or program under which the property was acquired or improved. The Federal awarding agency may require the non-Federal entity to record liens or other appropriate notices of record to indicate that personal or real property has been acquired or improved with a Federal award and that use and disposition conditions apply to the property.

PROCUREMENT STANDARDS

§ 200.317 Procurements by states.

When procuring property and services under a Federal award, a State must follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will comply with §§ 200.321, 200.322, and 200.323 and ensure that every purchase order or other contract includes any clauses required by § 200.327. All other non-Federal entities, including subrecipients of a State, must follow the procurement standards in §§ 200.318 through 200.327.

§ 200.318 General procurement standards.

- (a) The non-Federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or subaward. The non-Federal entity's documented procurement procedures must conform to the procurement standards identified in §§ 200.317 through 200.327.
- (b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- (c)
 - (1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

- (2) If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a State, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.
- (d) The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
- (e) To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the non-Federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services. Competition requirements will be met with documented procurement actions using strategic sourcing, shared services, and other similar procurement arrangements.
- (f) The non-Federal entity is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
- (g) The non-Federal entity is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.
- (h) The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. See also § 200.214.
- (i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
- (j)
 - (1) The non-Federal entity may use a time-and-materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time-and-materials type contract means a contract whose cost to a non-Federal entity is the sum of:
 - (i) The actual cost of materials; and
 - (ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

- (2) Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the non-Federal entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.
- (k) The non-Federal entity alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

[85 FR 49543, Aug. 13, 2020, as amended at 86 FR 10440, Feb. 22, 2021]

§ 200.319 Competition.

- (a) All procurement transactions for the acquisition of property or services required under a Federal award must be conducted in a manner providing full and open competition consistent with the standards of this section and § 200.320.
- (b) In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:
 - (1) Placing unreasonable requirements on firms in order for them to qualify to do business;
 - (2) Requiring unnecessary experience and excessive bonding;
 - (3) Noncompetitive pricing practices between firms or between affiliated companies;
 - (4) Noncompetitive contracts to consultants that are on retainer contracts;
 - (5) Organizational conflicts of interest;
 - (6) Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
 - (7) Any arbitrary action in the procurement process.
- (c) The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
- (d) The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

- (1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and
 - (2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
- (e) The non-Federal entity must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-Federal entity must not preclude potential bidders from qualifying during the solicitation period.
- (f) Noncompetitive procurements can only be awarded in accordance with § 200.320(c).

§ 200.320 Methods of procurement to be followed.

The non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section and §§ 200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

- (a) **Informal procurement methods.** When the value of the procurement for property or services under a Federal award does not exceed the *simplified acquisition threshold (SAT)*, as defined in § 200.1, or a lower threshold established by a non-Federal entity, formal procurement methods are not required. The non-Federal entity may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the SAT include:
- (1) **Micro-purchases -**
 - (i) **Distribution.** The acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (See the definition of *micro-purchase* in § 200.1). To the maximum extent practicable, the non-Federal entity should distribute micro-purchases equitably among qualified suppliers.
 - (ii) **Micro-purchase awards.** Micro-purchases may be awarded without soliciting competitive price or rate quotations if the non-Federal entity considers the price to be reasonable based on research, experience, purchase history or other information and documents it files accordingly. Purchase cards can be used for micro-purchases if procedures are documented and approved by the non-Federal entity.
 - (iii) **Micro-purchase thresholds.** The non-Federal entity is responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures. The micro-purchase threshold used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal

laws or regulations. Non-Federal entities may establish a threshold higher than the Federal threshold established in the Federal Acquisition Regulations (FAR) in accordance with paragraphs (a)(1)(iv) and (v) of this section.

(iv) **Non-Federal entity increase to the micro-purchase threshold up to \$50,000.** Non-Federal entities may establish a threshold higher than the micro-purchase threshold identified in the FAR in accordance with the requirements of this section. The non-Federal entity may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with § 200.334. The self-certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following:

- (A) A qualification as a low-risk auditee, in accordance with the criteria in § 200.520 for the most recent audit;
- (B) An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or,
- (C) For public institutions, a higher threshold consistent with State law.

(v) **Non-Federal entity increase to the micro-purchase threshold over \$50,000.** Micro-purchase thresholds higher than \$50,000 must be approved by the cognizant agency for indirect costs. The non-federal entity must submit a request with the requirements included in paragraph (a)(1)(iv) of this section. The increased threshold is valid until there is a change in status in which the justification was approved.

(2) **Small purchases -**

- (i) **Small purchase procedures.** The acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity.
- (ii) **Simplified acquisition thresholds.** The non-Federal entity is responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk and its documented procurement procedures which must not exceed the threshold established in the FAR. When applicable, a lower simplified acquisition threshold used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal laws or regulations.

(b) **Formal procurement methods.** When the value of the procurement for property or services under a Federal financial assistance award exceeds the SAT, or a lower threshold established by a non-Federal entity, formal procurement methods are required. Formal procurement methods require following documented procedures. Formal procurement methods also require public advertising unless a non-competitive procurement can be used in accordance with § 200.319 or paragraph (c) of this section. The following formal methods of procurement are used for procurement of property or services above the simplified acquisition threshold or a value below the simplified acquisition threshold the non-Federal entity determines to be appropriate:

- (1) **Sealed bids.** A procurement method in which bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bids method is the preferred method for procuring construction, if the conditions.
 - (i) In order for sealed bidding to be feasible, the following conditions should be present:
 - (A) A complete, adequate, and realistic specification or purchase description is available;
 - (B) Two or more responsible bidders are willing and able to compete effectively for the business; and
 - (C) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
 - (ii) If sealed bids are used, the following requirements apply:
 - (A) Bids must be solicited from an adequate number of qualified sources, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;
 - (B) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
 - (C) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
 - (D) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
 - (E) Any or all bids may be rejected if there is a sound documented reason.
- (2) **Proposals.** A procurement method in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. They are awarded in accordance with the following requirements:
 - (i) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Proposals must be solicited from an adequate number of qualified offerors. Any response to publicized requests for proposals must be considered to the maximum extent practical;
 - (ii) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and making selections;
 - (iii) Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the non-Federal entity, with price and other factors considered; and
 - (iv) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby offeror's qualifications are evaluated and the most qualified offeror is selected, subject to negotiation of

fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms that are a potential source to perform the proposed effort.

- (c) **Noncompetitive procurement.** There are specific circumstances in which noncompetitive procurement can be used. Noncompetitive procurement can only be awarded if one or more of the following circumstances apply:
- (1) The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (see paragraph (a)(1) of this section);
 - (2) The item is available only from a single source;
 - (3) The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;
 - (4) The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity; or
 - (5) After solicitation of a number of sources, competition is determined inadequate.

§ 200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

- (a) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- (b) Affirmative steps must include:
- (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 - (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
 - (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
 - (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
 - (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (b)(1) through (5) of this section.

§ 200.322 Domestic preferences for procurements.

- (a) As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.
- (b) For purposes of this section:
 - (1) “Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
 - (2) “Manufactured products” means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

§ 200.323 Procurement of recovered materials.

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

§ 200.324 Contract cost and price.

- (a) The non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.
- (b) The non-Federal entity must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.
- (c) Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under subpart E of this part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles.
- (d) The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

§ 200.325 Federal awarding agency or pass-through entity review.

- (a) The non-Federal entity must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the non-Federal entity desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.
- (b) The non-Federal entity must make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:
 - (1) The non-Federal entity's procurement procedures or operation fails to comply with the procurement standards in this part;
 - (2) The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;
 - (3) The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product;
 - (4) The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
 - (5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.
- (c) The non-Federal entity is exempt from the pre-procurement review in paragraph (b) of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part.
 - (1) The non-Federal entity may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third-party contracts are awarded on a regular basis;
 - (2) The non-Federal entity may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from the non-Federal entity that it is complying with these standards. The non-Federal entity must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

§ 200.326 Bonding requirements.

For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

- (a) A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.
- (b) A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor’s requirements under such contract.
- (c) A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

§ 200.327 Contract provisions.

The non-Federal entity’s contracts must contain the applicable provisions described in appendix II to this part.

PERFORMANCE AND FINANCIAL MONITORING AND REPORTING

§ 200.328 Financial reporting.

Unless otherwise approved by OMB, the Federal awarding agency must solicit only the OMB-approved governmentwide data elements for collection of financial information (at time of publication the Federal Financial Report or such future, OMB-approved, governmentwide data elements available from the OMB-designated standards lead. This information must be collected with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes, and preferably in coordination with performance reporting. The Federal awarding agency must use OMB-approved common information collections, as applicable, when providing financial and performance reporting information.

§ 200.329 Monitoring and reporting program performance.

- (a) **Monitoring by the non-Federal entity.** The non-Federal entity is responsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function or activity. See also § 200.332.
- (b) **Reporting program performance.** The Federal awarding agency must use OMB-approved common information collections, as applicable, when providing financial and performance reporting information. As appropriate and in accordance with above mentioned information collections, the Federal awarding agency must require the recipient to relate financial data and accomplishments to performance goals and objectives of the Federal award. Also, in accordance with above mentioned common information collections, and when required by the terms and conditions of the Federal award, recipients must provide cost information to demonstrate cost effective practices (e.g., through unit cost data). In some instances (e.g., discretionary research awards), this will be limited to the requirement to submit technical performance reports (to be evaluated in accordance with Federal awarding agency policy). Reporting requirements must be clearly articulated such that, where appropriate, performance during the execution of the Federal award has a standard against which non-Federal entity performance can be measured.

**CITY MANAGER'S/STAFF'S REPORT
COUNCIL MEETING DATE:**

February 6, 2023

ITEM NO: 6

SUBJECT: Discussion Regarding Commemoration of Fallen Officer Gonzalo Carrasco

BACKGROUND: The Selma community mourns the loss of one of our own, Selma Police Officer Gonzalo Carrasco Jr. On Tuesday, January 31, 2023, while serving and protecting the citizens of Selma, Officer Carrasco passed away due to injuries sustained while on-duty. The City has received and greatly appreciates the outpouring of support from throughout the Valley and the State.

DISCUSSION: City Staff has received several questions regarding ways to commemorate Officer Carrasco. Staff is seeking direction from Council to establish the Commemoration of our fallen hero.

FISCAL IMPACT: None at this time.

RECOMMENDATION: City Staff is requesting direction from Council.

_____/s/_____
Fernando Santillan
City Manager

February 6, 2023
Date

**CITY MANAGER'S/STAFF'S REPORT
CITY COUNCIL MEETING DATE:**

February 6, 2023

ITEM NO: 7

SUBJECT: Consider Mayoral/City Council Appointments to Various Boards

BACKGROUND: With the results of the November 2022 Statewide General Elections being certified on December 8, 2022, the City Council had requested that the matter of Mayoral and City Council appointments be revisited. During the January 17, 2023 Council meeting, Council reviewed and made appointments to various regional boards and commissions. There are additional Committees that also require appointments.

DISCUSSION: The Selma City Council is represented on various regional boards and commissions, as well as on several Joint Powers Authorities (JPAs) and the Selma-Kingsburg-Fowler (SKF) Sanitation District. Selma City Council representation on some of those boards and committees are determined by the Selma Mayor, and in the case that the Mayor decides to appoint a different representative, the Council may have the authority to approve the appointment.

Listing and Selection Process for Selma City Council Representation on Boards and Committees

- Fresno County City Selection Committee – The purpose of the Committee shall be to appoint city representatives to boards, commissions and agencies as required by law. (GC § 50270.) The membership of the Committee shall consist of the mayor of each city within Fresno County. (GC § 50270.) When the mayor of a city is unable to attend a meeting of the Committee, the mayor shall designate in writing another member of the city's legislative body to attend and vote at the meeting as the mayor's representative (GC § 50271).
- San Joaquin Valley Special City Selection Committee – On September 30, 2008 Governor Schwarzenegger signed SB 1548 (Florez) which creates Section 40600.5 of the Health and Safety Code (H&SC) establishing a valley-wide Special City Selection Committee which is charged with making appointments of city representatives to the San Joaquin Valley Air Pollution Control District's (District's) Governing Board. The Special City Selection Committee consists of one member selected by a majority vote of the council of each city located within the District. An alternate can be selected to attend if the primary member is unable to attend a meeting.

- Southeast Regional Solid Waste Commission – In 1970, the cities of Sanger, Reedley, Selma, Orange Cove, Kingsburg, Fowler, and Parlier (Cities) and the County of Fresno (County) executed a Joint Powers Agreement to share ownership of the now closed Southeast Regional Disposal Site (SERDS) located at 12716 E. Dinuba, Selma, CA. One Council person and an alternate designee shall be appointed.
- Association for the Beautification of Highway 99 – The purpose of the Association is to work with and advise Caltrans, the County of Fresno and the cities of Fresno, Fowler, and Kingsburg on matters involving the landscaping and maintenance of Highway 99, including the enhancement of existing programs and the planning and development of new programs. One Council person and an alternate designee shall be appointed. Resolution No. 98-67R

The Council may appoint representatives or alternates, as applicable, for the committees above and direct staff to notify each respective body of the Council’s selections.

FISCAL IMPACT: There is no anticipated fiscal impact related to this item at this time.

RECOMMENDATION: Appoint representatives or alternates, as applicable, for the committees above and direct staff to notify each respective body of the Council’s selections.

_____/s/_____
 Fernando Santillan, City Manager

January 27, 2023
 Date

**CITY MANAGER'S/STAFF'S REPORT
CITY COUNCIL MEETING:**

February 6, 2023

ITEM NO: 8

SUBJECT: Discussion Regarding State and Federal Budget Appropriations and Legislative Funding Priorities for the City of Selma

DISCUSSION: At a previous Council meeting, the City Council requested that staff agendize a discussion regarding State and Federal Budget Appropriation and Legislative requests, which staff would then communicate to our elected officials via our legislative advocacy consultant CrisCom.

RECOMMENDATION: Staff recommends that Council discuss State and Federal budget appropriation and legislative priorities and direct staff to communicate these priorities to our representatives.

_____/s/_____
Fernando Santillan, City Manager

_____/2/2/23_____
Date

**CITY MANAGER'S/STAFF'S REPORT
CITY COUNCIL MEETING:**

February 6, 2023

ITEM NO: 9

SUBJECT: Council request to update Council's Code of Conduct and Discussion Regarding a City Council Handbook

DISCUSSION: During the January 17, 2023 Council meeting, Council member Trujillo requested to discuss updates to the Council's Code of Conduct. Attached is the current code of conduct policy, which was approved on May 3, 2021.

Staff is seeking direction regarding what Council would like to see amended, added, or deleted from the current Code of Conduct Policy. Further, staff is recommending that Council incorporate any new code of conduct policy into a City Council Handbook.

FISCAL IMPACT: N/A

RECOMMENDATION: As a Council request, Staff has placed the item on the agenda for discussion and direction.

_____/s/_____
Megan Dodd, City Attorney

_____/1/31/2023_____
Date

RESOLUTION NO. 2021- 21 R

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA
ADOPTING AN UPDATED CODE OF CONDUCT FOR THE CITY
COUNCIL AND MEMBERS OF COMMISSIONS AND BOARDS AND
RESCINDING RESOLUTION NO. 2016-53R**

WHEREAS, the residents of the City of Selma are entitled to have fair, ethical, and accountable local government; and

WHEREAS, the residents of the City of Selma are entitled to have complete confidence in the integrity of local government; and

WHEREAS, on July 18, 2016, the City Council adopted Resolution No. 2016-53R adopting a Code of Conduct Policy for elected and appointed officials of the City of Selma; and which includes certain rules and regulations regarding conduct and a commitment to uphold a standard of integrity beyond that required by law; and

WHEREAS, the City of Selma is interested in establishing a framework for day to day actions and decision-making by the City's elected officials and members of boards, commissions, and committees; and

WHEREAS, integrity of officials of local government is key to the effective and fair operation of government; and

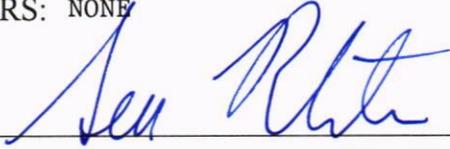
WHEREAS, the updating of the Code of Conduct Policy will demonstrate the City's commitment to ethics and commitment to continuous evaluation.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Selma, as follows:

1. The recitals set forth above are true and correct and are incorporated by reference.
2. The City Council adopts the Code of Conduct for the City Council and Members of Commissions and Boards as set forth in Attachment A and incorporated by reference.
3. Resolution No. 2016-53 as set forth in Attachment B is repealed and replaced in its entirety by this Resolution.
4. This resolution is effective upon adoption.

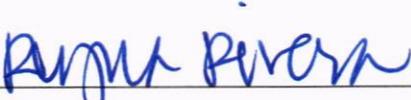
The foregoing Resolution was duly approved this 3rd day of May, 2021 by the following vote, to wit:

AYES:	3	COUNCIL MEMBERS:	MENDOZA-NAVARRO, CHO, TRUJILLO
NOES:	2	COUNCIL MEMBERS:	GUERRA, ROBERTSON
ABSTAIN:	0	COUNCIL MEMBERS:	NONE
ABSENT:	0	COUNCIL MEMBERS:	NONE



 Scott Robertson Mayor of the City of Selma

ATTEST:



 Reyna Rivera City Clerk of the City of Selma

**CITY OF SELMA CODE OF CONDUCT FOR THE CITY COUNCIL
AND MEMBERS OF COMMISSIONS AND BOARDS.**

1. Implementation

This Code of Conduct, as adopted by the City Council of the City of Selma applies to Members of the City Council and to all Member of all Boards and Commissions of the City of Selma, whether elected or appointed. This Code of Conduct supersedes the previous version of this Code of Conduct adopted on July 18, 2016, but is otherwise intended only to supplement, and not replace or supersede, any other Code of Conduct, Code of Ethics, or rules governing meetings of the City Council or any Board or Commission of the City of Selma contained in any prior Resolution or the Selma City Municipal Code.

The purpose of this Code of Conduct is to establish standards of ethical conduct required of elected and appointed City officials to insure the integrity and effective and fair operation of the government of the City of Selma, and to maintain and promote the faith and confidence of the public in their government.

The City Council will review, from time to time, this Code of Conduct and make changes or revisions as deemed necessary to insure the fairness and impartiality of proceedings before the City Council, Boards and Commissions and insure the public's trust in the governess of the City.

Members in office at the time of the adoption of this Code of Conduct and all newly elected or appointed Members shall sign a statement affirming they have read and understand this City of Selma Code of Conduct for Members of the City Council, Boards and Commissions.

Therefore each Member, when representing the City of Selma, shall conduct themselves in accordance with the following Code of Conduct:

2. Conduct of Members.

Members of the City Council, Boards and Commissions are stewards of the Public interest and shall endeavor to serve for the benefit of their constituents and the public. Members are expected to treat all persons, claims and matters coming before the Selma City Council or any Commission or Board of the City equally and in an unbiased manner.

Members shall comply with all of the laws of the United States, State of California and the City of Selma in the performance of their public duties. These laws include but are not limited to; The U.S. and California Constitutions, Federal, State, and Local Acts,

Statutes, Regulations, and Ordinances and the California Fair Political Practices Commission Rules and Regulations relating to financial disclosures, election campaigns, conflicts of interests, and open processes of government.

Members shall always conduct themselves in a professional manner and strive to avoid even the appearance of impropriety. The City expects all Members to use good manners; to be considerate, respectful, and civil at all times and to refrain from abusive conduct, verbal or nonverbal personal attacks upon the character or motives of other Members of the City Council, Commissions or Boards, the Public or Staff, in any setting including before, during, or after the conduct of a Public Meeting, including electronic communications such as email or social media outlets. Members shall support a positive and constructive environment for all Residents, Businesses, other Members, the Council, Boards and Commissions of the City and City Employees.

3. Role of Members

Members shall strive at all times to cooperate with other public officials, employees, and the public, while also respecting the distinct roles that public officials and staff have in the organizational structure of the City's operations.

It is the role of the City Council of the City of Selma to determine the policies of the City with the advice, information and recommendations provided by the Public, Boards and Commissions and City Staff. The independent advice and recommendations of Boards and Commissions to the City Council is extremely valuable to the City Council's decision-making process and in particular for setting City Policy, but the ultimate decision over City policy remains with the City Council.

Under the City of Selma's City Council-City Manager form of Government, neither the City Council nor City Boards and Commissions, nor any Members thereof acting individually, have authority to give orders, directions or instructions to City Employees. This authority falls solely to the City Manager and applicable department heads and supervisors.

However, a Member may make inquiries of City Employees related to the scope of their duties provided that such inquiries will not require significant time or resources of City Employees, without the approval of the City Manager. In addition, Members may, and should, report to City Staff that is available, or the department head that is in charge of a particular function an emergency or other urgent situation requiring the attention of that staff person or department which affects the health, safety or welfare of the public or any citizen or citizens of the City when communication through the City Manager is not practicable. Members may also convey facts they reasonably believe should be made

known to a particular member of the City staff or department in circumstances where conveying such facts or information through the City Manager is not reasonably feasible. In all circumstances, Members shall recognize their role in dealing with City Employees to work for the public interest and shall endeavor to avoid creating the perception of and inappropriate direction to City Staff.

4. Conduct of Public Meetings.

Members shall perform their duties in accordance with the procedures and Rules of Order established by the City Council and/or Boards and Commissions governing the deliberation of issues before them. Member shall prepare themselves for Public Meetings, listen courteously and attentively to the Public, Staff, and each other and shall refrain from interrupting other speakers, making personal comments not germane to the business of the body or otherwise interfering with the orderly conduct of Public Meetings. Members should disclose all substantive information that is relevant to the matter that is under consideration by their body which they may have received from sources outside of the public decision making process. Members shall respect the confidentiality of information made confidential or privileged by law and shall not disclose such confidential or privileged information without proper legal authorization nor shall any Member use such confidential or privileged information for their personal, financial or private interests. Members shall always act in the best interests of the public.

All deliberations of any issue before the City Council, Boards or Commissions, shall be in public, unless those issues are authorized to be heard in Closed Session pursuant to the Brown Act.

5. Conflict of Interest.

Maintaining the independence and impartiality of the City Council, Boards and Commissions is imperative to maintain the Public trust. Members shall not use their official positions to influence City decisions in which they have a material financial interest or personal relationship which may give the appearance of a conflict of interest. Members shall refrain from accepting any gifts, favors or promises of future benefits which might compromise their independence or judgement or give the appearance of their independence or judgement being compromised. Member shall not use public resources unavailable to the public in general, such as City Staff time, equipment, supplies or facilities, for private gain or personal purposes. Members shall disclose investments, interest in real property, sources of income, and gifts pursuant to applicable laws and regulations. Members shall abstain from participating in deliberations and decision-making where a conflict exists, pursuant to applicable law.

Council Members may attend any Board or Commission meeting, which are open to any member of the public. However, they should be sensitive to the way their participation - especially if it is on behalf of an individual, business developer - could be viewed as unfairly affecting the process. Public comments by a Council Member at a Board or Commission meeting should be clearly made as individual opinion and not a representation of the decision, direction, or on behalf of the Council. Public comments by a Council Member at a Board or Commission adjudicatory hearing should not be made and may prohibit the Council Member from participating at City Council hearing on the same matter.

Members of Boards and Commissions may attend a public meeting of the Council or other Boards and Commissions. Because conflicts of interest are fact-intense, Members of Boards and Commissions who wish to address another body should be circumspect and clearly state that public comments are made as individual opinion and not on behalf of the Board or Commission they represent.

6. Compliance and Enforcement.

The City of Selma Code of Conduct for Members of the City Council, Boards, and Commission Members is intended to be self-enforcing.

The Mayor and the Chairs of the Boards and Commissions of the City shall have the additional responsibility to insure compliance with this Code of Conduct during the conduct of Public Meetings. Any Member who becomes aware of any breach of this Code of Conduct by any other Member shall report that violation to the Mayor or City Manager for possible further action. If the Mayor is the subject of the alleged violation, the Member shall report the violation to the City Manager or City Attorney.

An allegation of violation of this Code of Conduct by a Member will be referred to an ad hoc committee composed of one Council Member not subject to the allegation(s), the City Manager, and the City Attorney, who will meet and determine if further fact-finding, process, and referral to the full City Council is appropriate. Such initial inquiry by the ad hoc committee will include notifying the Member subject to the allegation(s) of the allegation(s) and providing the Member an opportunity to present information to the ad hoc committee.

Following completion of a fact-finding process resulting in sustained allegations against a Member, the City Council may impose sanctions on Members whose conduct does not comply with the City's Code of Conduct. For elected officials, such sanctions are limited to a formal public censure, which requires the affirmative vote of ~~(insert at least two-thirds of the City Council present or a majority of the City Council present)~~. For other

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Members, possible sanctions include, but are not limited to, reprimand, formal censure, loss of chair or other designation on the City Council, Board or Committee, or removal from Board or Committee assignment/appointment.

A violation of this Code of Conduct or any enforcement action taken thereunder shall not be considered as a basis for challenging the validity of any action taken or decision made by the City Council, or Board or Commissions of the City of Selma.

ITEM NO: 2.

SUBJECT: Update the City Council Code of Conduct

RECOMMENDATION: Council discuss and approve Resolution or provide additional direction regarding the updated City Council Code of Conduct.

DISCUSSION: On February 16, 2021, the City Council directed staff to have Liebert Cassidy Whitmore assess and update the City Council Code of Conduct. The revisions were made largely for clarity. One substantive change: the current version allows the City Council to impose a range of sanctions on Board/Committee members, but appears to make elected City Council members entirely immune to enforcement of this policy. Instead, the new version is revised to allow the limited sanction of formal public censure against City Council members, while preserving the broader range for everyone else. An additional substantive change is deleting the section on Council Members being able to appear before the Council relative to private interests. Some conflicts of interest cannot be resolved with mere recusal, could conflict the entire Council out of making a decision on a matter, and common law conflicts could be triggered by allowing this type of comment by an individual Council member in a Council meeting. New language was added regarding allowing Council Members to attend Board and Commission meetings and Members of Boards and Commissions attending Council meetings.

On March 16, 2021, the City Council gave further direction to add process information in Section 6, Enforcement and Compliance. Attached is the updated Code of Conduct with that addition.

RECOMMENDATION: Council discuss and approve Resolution or provide additional direction regarding the updated City Council Code of Conduct.

/s/ _____
Teresa Gallavan, City Manager

04/14/2021
Date

RESOLUTION NO. 2016- 53 R

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA ADOPTING A
CODE OF CONDUCT POLICY FOR ELECTED AND APPOINTED OFFICIALS OF
THE CITY OF SELMA**

WHEREAS, the City Council of the City of Selma desire to adopt a Code of Conduct Policy governing the manner in which Public Officials, both elected and appointed, should treat one another, City Staff, Residents of the City of Selma, and other who they may come into contact with when representing the City of Selma, in order to insure that the residents and businesses of the City of Selma are served by a fair, ethical, transparent and accountable government; and

WHEREAS, in order to insure that the residents and businesses have confidence in their elected and appointed officials, the City Council of the City of Selma desires to and hereby does adopt the "City of Selma Code of Conduct for Members of City Council, Boards, Commissions and Committees". Attached hereto and incorporated by this reference herein as Attachment "A".

NOW, THEREFORE, be it resolved by the City Council of the City of Selma as follows:

1. The City Council hereby adopts Attachment "A" attached to this Resolution as the City of Selma's Code of Conduct for Members of City Council, Boards, Commissions and Committees. A copy of this Code of Conduct and the Resolution shall be provided to each person who is a Member of the City Council, or of any Commission or Board of the City.

The foregoing Resolution was duly approved this 18th day of July, 2016 by the following vote, to wit:

AYES: 5 COUNCIL MEMBERS: Rodriguez, Montijo, Derr, Avalos, Robertson
NOES: 0 COUNCIL MEMBERS: None
ABSTAIN: 0 COUNCIL MEMBERS: None
ABSENT: 0 COUNCIL MEMBERS: None



Scott Robertson Mayor of the City of Selma

ATTEST:



Reyna Rivera City Clerk of the City of Selma

ATTACHMENT "A"

**CITY OF SELMA CODE OF CONDUCT FOR THE CITY COUNCIL
AND MEMBERS OF COMMISSIONS AND BOARDS.**

1. Implementation

This Code of Conduct, as adopted by the City Council of the City of Selma applies to Members of the City Council and to all Member of all Boards and Commissions of the City of Selma, whether elected or appointed. This Code of Conduct is intended to supplement, and not replace or supersede, any other Code of Conduct, Code of Ethics, or rules governing meetings of the City Council or any Board or Commission of the City of Selma contained in any prior Resolution or the Selma City Municipal Code.

It is the intent of this Code of Conduct that all Members ("Members" shall mean any Member of the City Council or any Board or Commission of the City of Selma whether elected or appointed) to insure the integrity and effective and fair operation of the governness of the City of Selma.

Therefore each Member, when representing the City of Selma, shall conduct themselves in accordance with the following Code of Conduct:

A. Conduct of Members. Members must always work for the common good of the residents and inhabitants of the City of Selma and treat all persons, claims and matters coming before the Selma City Council or any Commission or Board of the City equally and in an unbiased manner. Members shall comply with all of the laws of the United States, State of California and the City of Selma in the performance of their public duties. These laws include but are not limited to; The U.S. and California Constitutions, Federal, State, and Local Acts, Statutes, Regulations, and Ordinances and the California Fair Political Practices Commission Rules and Regulations relating to financial disclosures, election campaigns, conflicts of interests, and open processes of Government.

Members shall always conduct themselves in a professional manner and must be above reproach and avoid even the appearance of impropriety. Members shall refrain from abusive conduct, verbal or nonverbal personal attacks upon the character or motives of other Members of the City Council, Commissions or Boards, the Public or Staff, in any setting including before, during, or after the conduct of a Public Meeting. This prohibition applies, as stated, to any setting, which includes,

but is not limited to personal or telephonic communication or contact, email or other electronic communication and the posting of comments or transmission of other communication through social media outlets such as Facebook and Twitter. Members shall support a positive and constructive environment for all Residents, Businesses, other Members, the Council, Boards and Commissions of the City and City Employees.

- B. Role of Members.** Members of the City Council, Boards and Commissions are stewards of the Public interest. Members may appear before their own body or before the City Council or any Board or Commission or proceeding of the City on behalf of their own interests, or on the behalf of private interest of third parties on matters related to an area of service on their bodies; but may only do so if the Member has recused himself or herself from the consideration of the matter on which the Member is appearing on his or her own behalf or on behalf of a third party, if the appearance is made before the body to which the Member has been appointed or elected to serve. In addition, at any time a Member appears before his or her own body or before the City Council or other Board or Commission of the City the Member shall state or affirm that he or she has, if necessary, recused him or herself from consideration of an item in which the Member is interested, and that the appearance is being made by the member in his or her capacity as an interested citizen and not in his or her capacity as a Member of any Council, Board or Commission of the City.

In the City of Selma, the City Council of the City of Selma determines the policies of the City with the advice, information and recommendations provided by the Public, Boards and Commissions and City Staff. The independent advice and recommendations of Boards and Commissions to the City Council is extremely valuable to the City Council's decision making process and in particular for setting City Policy.

Under the City of Selma's City Council-City Manager form of Government, it is not the role of and Members are prohibited from giving orders, directions or instructions to City Employees. All instructions, directions or orders to City Employees shall be through the City Manager. However, Member may make inquiries of City Employees related to the scope of their duties provided that such inquiries will not require significant time or resources of City Employees, without the approval of the City Manager. In addition, Members may, and should, report to City Staff that is available, or the department head that is in charge of a particular function an emergency or other urgent situation requiring the attention of that staff person or

department which affects the health, safety or welfare of the public or any citizen or citizens of the City when communication through the City Manager is not practicable. Members may also convey facts they reasonably believe should be made known to a particular member of the City staff or department in circumstances where conveying such facts or information through the City Manager is not reasonably feasible. In all circumstances, Members shall recognize their role in dealing with City Employees to work for the public interest and shall endeavor to avoid creating the perception of and inappropriate direction to City Staff.

- C. **Conduct of Public Meetings.** Members shall perform their duties in accordance with the procedures and Rules of Order established by the City Council and/or Boards and Commissions governing the deliberation of issues before them. Member shall prepare themselves for Public Meetings, listen courteously and attentively to the Public, Staff, and each other and shall refrain from interrupting other speakers, making personal comments not germane to the business of the body or otherwise interfering with the orderly conduct of Public Meetings. Members should disclose all substantive information that is relevant to the matter that is under consideration by their body which they may have received from sources outside of the public decision making process. Members shall respect the confidentiality of information made confidential or privileged by law and shall not disclose such confidential or privileged information without proper legal authorization nor shall any Member use such confidential or privileged information for their personal, financial or private interests. Members shall always act in the best interests of the public.

All deliberations of any issue before the City Counsel, Boards or Commissions, shall be in public, unless those issues are authorized to be heard in Closed Session pursuant to the Brown Act.

- D. **Conflict of Interest.** Maintaining the independence and impartiality of the City Council, Boards and Commissions is imperative to maintain the Public trust. Members shall not use their official positions to influence City decisions in which they have a material financial interest or personal relationship which may give the appearance of a conflict of interest. Members shall refrain from accepting any gifts, favors or promises of future benefits which might compromise their independence or judgement or give the appearance of their independence or judgement being compromised. Member shall not use public resources unavailable to the public in general, such as City Staff time, equipment, supplies or facilities, for private gain or personal purposes. Members shall disclose investments, interest in real property,

sources of income, and gifts, and shall abstain from participating in deliberations and decision-making where a conflict exists, pursuant to applicable law.

E. Implementation and Enforcement. The City of Selma Code of Conduct for Members of the City Council, Boards, and Commission Members is intended to be self-enforcing. Members are expected to represent the City in a manner consistent with the Code of Conduct. The City Council will review, from time to time, this Code of Conduct and make changes or revisions as deemed necessary to insure the fairness and impartiality of proceedings before the City Council, Boards and Commissions and insure the public's trust in the governers of the City.

Members in office at the time of the adoption of this Code of Conduct and all newly elected or appointed Members shall sign a statement affirming they have read and understand this City of Selma Code of Conduct for Members of the City Council, Boards and Commissions.

2. Compliance and Enforcement.

The Mayor and the Chairs of the Boards and Commissions of the City shall have the additional responsibility to insure compliance with this Code of Conduct during the conduct of Public Meetings. Any Member who becomes aware of any breach of this Code of Conduct by any other Member shall report that violation to the Mayor or City Manager for further investigation or action.

The City Council may impose sanctions on Members who are not elected City Council persons whose conduct does not comply with the City's Code of Conduct which include, but are not limited to, reprimand, formal censure, loss of chair or other designation on the City Council, Board or Committee, or removal from Board or Committee assignment/appointment.

A violation of this Code of Conduct or any enforcement action taken thereunder shall not be considered as a basis for challenging the validity of any action taken or decision made by the City Council, or Board or Commissions of the City of Selma.

**CITY MANAGER'S/STAFF'S REPORT
COUNCIL MEETING DATE:**

February 6, 2023

ITEM NO: 10

SUBJECT: Council Request to Clarify the Central Valley Lioness Lions Club 11th Annual Senior Thanksgiving Meal

DISCUSSION: The City Manager received a request from Mayor Pro Tem Cho to discuss the 11th Annual Senior Thanksgiving Meal that took place on November 23, 2022. Attached is the breakdown of expenses for this event.

The Exhibits attached reflect donations received by the City of Selma for the Central Valley Lioness Lions Club for the Senior Thanksgiving Meal Event, as well as a shopping list of items purchased with the available funding. Mayor Pro Tem Cho made the purchases of the food items and materials needed for the Senior Meals, and was later reimbursed by the City in the amount of \$1,570.81 for the expenses from the fund created for the donations.

FISCAL IMPACT: None.

RECOMMENDATION: As a Council request, Staff has placed the item on the agenda for discussion and information.

_____/s/_____
Fernando Santillan
City Manager

February 6, 2023
Date

Attachments:

1. Copy of Expenses and Shopping List
2. Copies of Checks

**Central Valley Lioness Lions Club
11th Annual Senior Thanksgiving Meal
Nov. 23rd, 2022**

Beginning Balance from 2021: **\$1568.66**

Donations Received:

- Central Valley Lioness Lions Club \$250.00
- Selma Lions Club \$250.00
- Kiwanis Club of Selma \$250.00
- Selma Cares \$250.00
- Selma Rotary \$250.00
- Selma Women Club \$250.00
- Kiwanis Club of Greater Selma \$250.00
- Selma Charter Lions \$200.00

Total Donations:	\$1950.00
Total Amount:	\$3,518.66

Expenses:

Dinners (16)	\$ 959.68
Extra Food items & Supplies	\$ 611.13

Totals:	\$ 1,570.81
Credit towards next year:	\$1,947.85

Fed: 350 Meals

Hours Worked: 101

(20 Lions, 10 Leos, & 2 guests)

Annual Senior Thanksgiving Shopping List

1. 16 Turkey Meals -- Winco (2 turkey per tray)
2. 17 Boxes of Stuffing -- Winco (5 boxes in each tray = 3 trays)
3. 15 cans Cranberry (jellied) – Winco (One big tray)
4. 7x Margarine -- Winco (Mashed potatoes and dressing)
5. 12 packets of gravy mix -- Winco
6. 10 #10 Green beans -- Smart & Final (Makes 4 trays)
7. 2 #10 diced tomatoes -- Smart & Final
8. 10# Mashed potatoes flakes -- Smart & Final (3 trays) plus 1 box
9. 2 ½ gallon of milk
10. 20 Pies -- Costco
11. 7 bags of rolls – Costco

350 Plates, 300 pies plates, 350 silverwares pkg, plastic bags

Recipes:

Dressing- 3 trays

1. 5 boxes
2. onion & celery grounded
3. 5 Tubes of margarine – 12 c. broth
4. 4 cup broth for mixing afterward

Mashed potatoes – 3 trays (2 batches per tray)

One batch:

1. 3 qt boiling water 96 ounces
2. 2 tubes margarine
3. 4 tsp salt
4. 1 ½ qt milk 48 ounces
5. 3 qt. flakes 96 ounces

Trays:

1. 8 trays of turkey
2. 5 mashed potatoes
3. 6 green beans
4. 5 stuffing
5. 2 cranberry
6. 1 big pot of gravy

Senon Thanksgiving

11-28-22

Pay to the
Order of

City of Selma

\$ *200.00*

Two Hundred Dollars and no Dollars



For *Selma Charke Hons*

16-49 818 No. 956
1220

CENTRAL VALLEY LIONESS LIONS CLUB
P.O. BOX 1405
SELMA, CA 93662

DATE *November 28, 2022*

Pay to the order of *City of Selma* \$ *250.00*

Two hundred fifty and 00/100 DOLLARS

UnionBank
Payable at any Union Bank branch including
400 California Street, San Francisco, CA 94104
(800) 238-4486 unionbank.com

CVLLC Thanksgiving Lunch

16-49 818 1470
1220

DATE *10-29-22*

\$ *250.00*

Two hundred fifty and no DOLLARS

16-49 818 1149
1220

SELMA WOMEN'S CLUB
PO BOX 531
SELMA, CA 93662

DATE *November 2, 2022*

PAY TO THE ORDER OF *City of Selma* \$ *250.00*

Two hundred fifty and 00/100 DOLLARS

UnionBank
(800) 238-4486 unionbank.com

MEMO *CVLLC Thanksgiving Lunch*

SELMA LIONS CLUB
PH. 559-473-9775
P.O. BOX 8
SELMA, CA 93662

PAY TO THE ORDER OF *City of Selma*

Two hundred fifty and no DOLLARS



16-49/1220 944

CENTRAL VALLEY LIONESS LIONS CLUB
P.O. BOX 1405
SELMA, CA 93662

DATE *November 2, 2022*

PAY TO THE ORDER OF *City of Selma* \$ *250.00*

Two hundred fifty and 00/100 DOLLARS

UnionBank
(800) 238-4486 unionbank.com

MEMO *CVLLC Thanksgiving Lunch*

SELMA CARES INC
P.O. BOX 522
SELMA, CA 93662

1667

PAY TO THE ORDER OF

WESTAMERICA BANK
KINGSBURG OFFICE 1-800-946-1688
1400 GRAY STREET
KINGSBURG, CA 93631

FOR Senior Thanksgiving Luncheon

City of Selma
Two hundred fifty and no/100

DATE Nov. 15, 2022

\$ 250.00

DOLLARS

90-4021/1211

SELMA ROTARY CLUB
PO BOX 121
SELMA, CA 93662

CITIBANK
CITIBANK, N.A., BR. #987
2121 HIGH ST
SELMA, CA 93662
90-7118/211

5199

11177/22

PAY TO THE ORDER OF: CITY OF SELMA

\$ 250.00

TWO HUNDRED FIFTY AND NO/100 *****

DOLLARS

MEMO SENIORS LUNCH

AUTHORIZED SIGNATURE

Details on Back.

Photo Safe Deposit®

16-49 818
1220
KIWANIS CLUB OF GREATER SELMA FOUNDATION

2029 HIGH ST.
SELMA, CA 93662

2059

DATE

11/16/22

PAY TO THE ORDER OF

City of Selma

\$ 250.00

Two hundred fifty & 00/100

DOLLARS

UnionBank
(800) 238-4488
unionbank.com

FOR

Senior Thanksgiving Dinner

**CITY MANAGER'S/STAFF'S REPORT
CITY COUNCIL MEETING:**

February 6, 2023

ITEM NO: 11

SUBJECT: Consider Approval of Amendments to City Manager Employment Agreement

DISCUSSION: Consider approval of amendments to the City Manager Employment Agreement as discussed during Closed Session.

_____/s/_____
Megan Dodd, City Attorney

_____/2/2/23_____
Date