



STAFF REPORT

City Council

Meeting Date:

7/14/2026

Staff Report Number:

26-121-CC

Consent Calendar:

Consider and adopt a resolution rescinding Resolution No. 6704 and adopting City Council Procedure No. CC-26-024 updating the City's purchasing policy

Recommendation

Staff recommends that the City Council adopt a resolution (Attachment A) rescinding Resolution No. 6704 and City Council Procedure CC-21-024, "Award Authority for Purchases and Professional Service," and adopting City Council Procedure CC-26-024, "Award Authority and Bid Requirements" (Exhibit A of Attachment A), effective upon adoption. The proposed policy modernizes and consolidates the City's procurement framework under Menlo Park Municipal Code (MPMC) Chapter 2.42, strengthens internal controls, and reflects the city manager's signature authority (CMSA) of \$100,000 for fiscal year (FY) 2026–27, with an automatic annual inflation adjustment thereafter.

Policy Issues

Chapter 2.42 of the Menlo Park Municipal Code (MPMC) establishes the City's purchasing system and Section 2.42.30 provides that the City Council shall approve policies and procedures necessary to implement a purchasing system including dollar limits associated with the purchase of goods, supplies and services, professional services agreements, and public projects. Chapter 2.42 was established by Ordinance No. 962 on October 28, 2008, shortly after Resolution No. 5832 (listed below).

Background

Procurement is an extremely important area of municipal operations, involving the expenditure of public funds, the acquisition of critical goods and services and the management of contractual obligations that directly affect public safety, service delivery, and fiscal accountability. As such, it requires clear, consistently applied rules, strong internal controls, and regularly updated thresholds that reflect current market conditions and legal requirements.

The City also maintains a Sustainable Vehicle Fleet Policy, which provides guidance for the acquisition and management of City vehicles. This policy is separate from the purchasing policy and is not proposed to be amended as part of this update. However, it may warrant review in the future to ensure continued alignment with the City's purchasing practices and organizational priorities.

The City established its original purchasing policy on March 17, 1992, and has periodically updated it since, as outlined below:

- March 17, 1992 – Resolution No. 4354 established Procedure CC-92-004
- Oct. 21, 2008 – Resolution No. 5832 amended CC-92-004 to add contract approval authority and established annual inflation adjustments to the CMSA
- Feb. 12, 2019 – Resolution No. 6479 rescinded Procedure CC-92-004 and adopted Procedure CC-19-001 establishing award authority and bid requirements
- Dec. 14, 2021 – Resolution No. 6704 rescinded prior resolutions and adopted Procedure CC-21-024, incorporating Senate Bill 1383 recycled paper products requirements and updated procurement procedures

The City's procurement authority is exercised through the purchasing agent, as defined in Menlo Park Municipal Code Section 2.42.020, which designates the city manager or the city manager's designee as responsible for administering procurement functions under Chapter 2.42.

Since the 2021 update, staff conducted a review of the City's procurement procedures, including benchmarking against peer agencies and applicable best practices for public agency procurement. The review identified opportunities to strengthen internal controls, eliminate inconsistencies, and better align approval thresholds and award authority across procurement types.

As part of the annual budget adoption process, City Council approved inflation-based adjustments to the amounts outlined in the policy. City Council last adopted the award memo for authority and bid requirements June 23 (Attachment C).

Analysis

The revised purchasing policy (Attachment A, Exhibit A) would be effective July 15. Given the scope of the changes, the transition period will require coordination and adjustment as departments and finance implement the updated requirements. During the transition period, finance will provide training sessions and guidance to department staff regarding the revised thresholds, procedures, workflows, forms and related requirements. Finance will also work with departments to address questions and refine implementation processes to support a successful transition to the updated purchasing policy.

City manager signature authority and approval thresholds

At its June 23 meeting, the City Council approved increasing the CMSA from \$93,000 to \$100,000, effective July 1, 2026. The CMSA was originally established in 2021 and has been adjusted periodically, with the threshold set at \$93,000 since 2023. The updated policy also changes how the CMSA is adjusted for inflation each year, replacing the Engineering News-Record (ENR) Construction Cost Index used in the 2021 policy with the Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco–Oakland–Hayward metropolitan area, which more accurately reflects the City's general cost environment. Annual adjustments are rounded to the nearest \$5,000 and may not move the CMSA downward, and the City Council retains authority to modify, freeze, or adjust the CMSA by resolution during the annual budget process or as otherwise deemed necessary.

Aligned with the new \$100,000 CMSA, the policy establishes updated tiered approval thresholds for goods, general services, professional services, public projects, and claims settlements. It delegates approval authority to department designees (up to \$25,000) and department heads (up to \$50,000) for goods, general services and professional services, streamlining routine approvals that previously required

city manager sign-off, while City Council approval remains required for amounts exceeding the CMSA.

Purchasing process and purchase orders

The policy introduces an explicit three-step compliance check for every purchase, intended as a practical guide for staff across all departments: 1) whether a purchase order is required; 2) what level of competitive procurement is required based on dollar amount and purchase type; and 3) who has signature authority to approve the purchase.

Building on that framework, the policy establishes a \$10,000 threshold above which a purchase order is required, replacing the prior practice of delegating the threshold to administrative policy. A purchase order is also required where cumulative spend with a single vendor across departments exceeds \$10,000, even if no single department reaches that threshold on its own. Exemptions from the purchase order requirement are established for governmental entities and utilities. Finance will make reasonable efforts to monitor purchase order compliance and cumulative vendor spending using available systems and data, subject to system limitations, timing of transactions and staff capacity. Efforts are underway to implement systems and controls that enable monitoring of cumulative spending with a single vendor across all departments, with the intent that such spending is managed within applicable approval and procurement thresholds. In the interim, staff will make reasonable efforts to monitor cumulative vendor spending across departments; however, such monitoring is subject to the limitations of available systems, data accuracy and availability, and staff capacity.

Blanket purchase orders (BPOs). The policy adds comprehensive requirements for BPOs, including pricing documentation, authorized personnel, not-to-exceed ceilings, expiration dates, renewal procedures, and permissible price-escalation provisions. BPOs may not be used for contracts related to Public Projects or for professional services requiring a request for proposal (RFP) process.

New and clarified definitions

The updated policy adds and clarifies several key definitions for new and existing practices:

- Blanket purchase order (BPO) – formally defined with requirements for a BPO Request Form, maximum not-to-exceed ceiling, pricing terms, authorized personnel, and renewal conditions
- CalCard, the City's business credit cards – defined with explicit reference to procurement thresholds and prohibition on split purchases
- Direct purchase – newly defined for procurements under \$10,000 that do not require competitive bidding
- Maintenance work – defined separately from public projects to clarify prevailing wage and bidding applicability
- Purchasing agent – formally identified as the city manager or designee per Menlo Park Municipal Code Section 2.42.020
- Request for proposals (RFP) – added as a distinct procurement method for professional services. The RFP process is used to procure professional services through a competitive, qualifications-based evaluation of vendors' experience, approach, staffing, and proposed work plan. The process includes development of a scope of work, internal review and approval of the solicitation, public posting through the City's procurement portal, receipt and evaluation of proposals, and selection of the most qualified proposer, subject to applicable approval authority and contract execution. The City's long-term objective is to standardize the RFP process across departments through the development of uniform

templates, standardized forms, and consistent evaluation frameworks to improve transparency, efficiency, and comparability of procurement outcomes.

- Single source procurement – added and distinguished from sole source procurement
- Split purchases – explicitly defined and prohibited

Exceptions to competitive procurement

The updated policy consolidates and expands the exceptions to competitive procurement requirements, including direct purchases under \$10,000, sole source and single source procurement (with written justification and Bid Waiver Form requirements), cooperative/piggyback purchasing agreements, maintenance agreements, replacement parts, agreements with governmental entities and non-profits, pass-through agreements, and situations where competitive bidding is impractical or impossible.

Internal controls

The updated policy adds a new internal controls section addressing four areas previously not covered or only partially addressed:

- Signature authority list – an annual citywide list identifying authorized approvers by department, to be used by Accounts Payable for verification purposes
- Separation of duties – explicit requirements that no single employee may initiate, approve, and receive a purchase, with compensating controls required where full separation is not practicable
- Vendor management – requirements for independent verification of new vendor accounts and changes to banking or remittance information, including Automated Clearing House (ACH) verification procedures and a prohibition on processing payments to newly modified vendor accounts until verification is complete
- Revenue management – requirements for timely billing, recording, and reconciliation of City receivables, separation of duties in revenue collection, and procedures for delinquent account follow-up and write-offs
- Vendor due diligence and verification – prior to contract award or addition to the City's approved vendor list, departments shall complete and document tiered verification appropriate to contract value and risk, including identity and good standing checks, independent validation of business legitimacy and references, screening against applicable exclusion/debarment lists and enhanced due diligence for higher-value, sole source, or high-risk contracts, with ongoing re-verification required for vendors handling sensitive data or significant ongoing payments and upon material changes in vendor status.

Other provisions retained from the prior policy

- Emergency procurement – retains the \$250,000 Emergency CMTA, with its annual inflation adjustment now using the same CPI-U (San Francisco–Oakland–Hayward) mechanism described above, the 12-month change as of Dec. 31 of the prior year, rounded up to the nearest \$5,000
- Recycled paper products (RPP) – retained consistent with prior policy and applicable state law (California Public Contract Code Sections 22150–22154 and Sections 12200 and 12209), with minor clarifying updates
- Digital signatures – retains authorization for electronic signatures under California Government Code Section 16.5, with the city manager delegated authority to establish related administrative procedures

Impact on City Resources

The updated purchasing policy strengthens the City's internal controls by establishing clearer procurement procedures, enhancing oversight and accountability, and providing greater consistency in how purchasing decisions are evaluated and documented. These improvements help safeguard public resources by promoting responsible spending, ensuring appropriate levels of review and authorization, and supporting transparency throughout the procurement process. The updated policy does not result in any direct fiscal impact to City resources at this time.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines Sections 15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment.

Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

- A. Resolution
- B. Hyperlink – City Council Procedure No. CC-21-024 – superseded
www.menlopark.gov/files/sharedassets/public/v/1/city-council/documents/cc-policies/cc-21-024-award-authority-and-bid-requirements.pdf
- C. Hyperlink – June 23 Staff Report #26-114-CC:
www.menlopark.gov/files/sharedassets/public/v/1/agendas-and-minutes/planning-commission/2026-meetings/minutes/k1-20260623-cc-adopt-fy-2026-27-budget.pdf

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RESOLUTION NO. XXXX**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
RESCINDING RESOLUTION NO. 6704 AND CITY COUNCIL PROCEDURE NO.
CC-21-024 AND ADOPTING CITY COUNCIL PROCEDURE NO. CC-26-024
ESTABLISHING AWARD AUTHORITY AND BID REQUIREMENTS AND
UPDATING THE CITY'S PURCHASING POLICY**

WHEREAS, Chapter 2.42 of the Menlo Park Municipal Code establishes the City's Purchasing System and Section 2.42.30 provides that the City Council shall approve policies and procedures necessary to implement a purchasing system including dollar limits associated with the purchase of goods, supplies and services, professional services agreements, and Public Projects; and

WHEREAS, the City established its original purchasing policy March 17, 1992, through Resolution No. 4354, which adopted City Council Procedure No. CC-92-004; and

WHEREAS, Oct. 21, 2008, the City Council adopted Resolution No. 5832 amending City Council Procedure No. CC-92-004 to add contract approval authority and to establish annual inflation adjustments to the city manager's authority; and

WHEREAS, Feb. 12, 2019, the City Council adopted Resolution No. 6479 rescinding City Council Procedure No. CC-92-004 and adopting City Council Procedure establishing award authority and bid requirements; and

WHEREAS, Dec. 14, 2021, the City Council adopted Resolution No. 6704 adopting City Council Procedure No. CC-21-024, "Award Authority for Purchases and Professional Service," incorporating the recyclable and recycled-content paper product requirements of Senate Bill 1383 and updating the City's procurement procedures; and

WHEREAS, policies adopted by the City Council must be amended or replaced by further action of the City Council, and since the 2021 update staff has reviewed the City's procurement procedures, including benchmarking against peer agencies and applicable best practices for public agency procurement, and identified opportunities to strengthen internal controls, eliminate inconsistencies, and better align approval thresholds and award authority across procurement types; and

WHEREAS, at its June 23, 2026, meeting, the City Council approved an increase to the City Manager's Signature Authority (CMSA) from \$93,000 to \$100,000, effective July 1, 2026, with an automatic annual inflation adjustment calculated using the U.S. Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco-Oakland-Hayward metropolitan area, rounded to the nearest \$5,000, provided that the CMSA may not be adjusted downward and the City Council retains authority to modify, freeze, or adjust the CMSA by resolution during the annual budget process or as otherwise deemed necessary; and

WHEREAS, the updated purchasing policy modernizes and consolidates the City's procurement framework under Menlo Park Municipal Code Chapter 2.42 by, among other things, establishing updated tiered approval authority thresholds aligned with the new \$100,000 CMSA, delegating approval authority to department designees (up to \$25,000) and department heads (up to \$50,000), introducing a three-step compliance framework and purchase order requirements,

establishing comprehensive requirements for blanket and shared purchase orders, consolidating the exceptions to competitive procurement, adding and clarifying key procurement definitions, and adding a new internal controls section addressing the signature authority list, separation of duties, vendor management, revenue management, and vendor due diligence and verification; and

WHEREAS, the updated purchasing policy retains the emergency procurement provisions, the recycled paper products requirements consistent with applicable state law under California Public Contract Code Sections 22150–22154 and Sections 12200 and 12209, and the authorization for electronic signatures consistent with California Government Code Section 16.5; and

WHEREAS, adoption of this resolution supersedes Resolution No. 6704 and City Council Procedure No. CC-21-024; and

NOW, THEREFORE, BE IT RESOLVED, that the City of Menlo Park, acting by and through its City Council, having considered and been fully advised in the matter and good cause appearing therefore, does hereby rescind Resolution No. 6704 and City Council Procedure No. CC-21-024.

BE IT FURTHER RESOLVED, that the City Council does hereby adopt City Council Procedure No. CC-26-024, entitled “Award Authority and Bid Requirements,” updating the City’s purchasing policy, attached hereto and incorporated herein by this reference as Exhibit A, effective upon adoption.

I, Judi A. Herren, City Clerk of Menlo Park, do hereby certify that the above and foregoing City Council resolution was duly and regularly passed and adopted at a meeting by said City Council on the fourteenth day of July, 2026, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this ___ day of ___, 2026.

Judi A. Herren, City Clerk

Exhibits:

A. City of Menlo Park Purchasing Policy

AWARD AUTHORITY AND BID REQUIREMENTS

City Council Procedure #CC-26-024

Proposed July 14, 2026

Resolution No. XXX

**Purpose**

This policy establishes the award authority and bid requirements for the procurement of goods, general services, professional services, and Public Projects, and the settlement of claims as set forth in the Menlo Park Municipal Code (MPMC) Chapter 2.42. It is intended to ensure adequate internal controls, avoid conflicts of interest, generate best value for public funds, and achieve maximum efficiency in the administration of City resources.

This policy supersedes City Council Procedure #CC-21-024: "Award Authority for Purchases and Professional Service" and establishes the city's manager's authority to issue administrative policies necessary to implement this policy.

Definitions

Approval authority. Approval authority refers to the individual authorized to approve purchase requisitions, purchase orders, and invoices on behalf of the City within the limits established by this policy. Department head designees who are not department heads themselves may only approve invoices and purchase orders for expenditures made pursuant to fully-executed agreements that have been signed by the city manager or a department head (including the assistant city manager), or for approved under-threshold direct purchases. Approval authority is determined by transaction type and dollar amount as set forth in this policy and applies regardless of the procurement method utilized. This financial approval authority does not confer the authority to negotiate, execute, or amend contracts, agreements, or settlements, which remains reserved to the city manager or department heads as specifically delegated.

Blanket purchase order. A blanket purchase order (BPO) is a pre-authorized procurement instrument used for recurring purchases of goods or services where the exact timing, frequency, or cumulative quantity cannot be determined in advance. BPOs establish agreed-upon pricing terms and a not-to-exceed ceiling amount, allowing authorized staff to place individual orders against the agreement without initiating a new procurement for each transaction. All blanket purchase orders must be supported by a negotiated price list, hourly rate schedule, or percentage discount from a published catalog to ensure that the City receives competitive pricing throughout the term of the agreement. Departments intending to establish a BPO must complete a BPO Request Form and obtain all required approvals prior to issuance; purchases may not be made against a BPO until a BPO number has been issued by the purchasing agent.

CalCard. The City's purchasing card (credit card) program. CalCard purchases are subject to all procurement thresholds and competitive requirements in this policy. A purchase order is not required for individual CalCard purchases under \$10,000; however, split purchases using a CalCard to circumvent thresholds are prohibited. CalCard use is governed by the City's CalCard administrative procedures.

City manager's signature authority (CMSA). The maximum authorization for city manager approval of purchases, tort claims, and contracts. The CMSA shall be adjusted every July 1 based on the year-over-year change in the U.S. Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco-Oakland-Hayward metropolitan area, using the most recently published 12-month percentage change as of December 31 of the prior calendar year, rounded up to the nearest \$5,000; provided that in no event shall the CMSA be adjusted downward. The fiscal year 2026-27 CMSA is \$100,000 effective July 1, 2026. Notwithstanding the foregoing automatic annual adjustment, the City Council may periodically modify, freeze, or adjust the CMSA threshold by City Council resolution during the annual budget process or as deemed necessary.

Change order/contract amendment. A modification to an approved contract or agreement affecting the scope of work, compensation, time of completion, or other provisions. Contract amendments shall be subject to the City's contracting authority thresholds. The cumulative value of the original contract, together with all approved amendments, shall determine the level of approval required. Contract amendments that result in a total contract value within a department head's contracting authority may be approved by the department head. Contract amendments that result in a total contract value within the CMSA shall be approved by the city manager. Any contract amendment that would cause the total contract value to exceed the CMSA threshold shall require City Council approval. Additionally, any amendment to a contract originally approved by the City Council shall require City Council approval, except for amendments to pass-through account agreements where the amendment does not increase the City's financial obligation or otherwise require Council action under applicable policy.

Claims settlement. Monetary settlement of any claim against the City or a City employee under the Government Claims Act or other applicable law. For the purposes of this policy, claims settlement refers to general liability and workers' compensation claims.

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Cooperative purchasing agreement. A form of intergovernmental cooperative purchasing in which an entity will be extended the same pricing and terms of a contract entered into by another entity (commonly referred to as a “piggyback” provision). Generally, the originating entity will competitively award a contract that includes language allowing other entities to utilize the contract, gaining economies of scale. Cooperative purchasing agreements apply only to goods, general services, and professional services. See also: Piggyback agreement.

Direct purchase. A procurement of goods, general services, or professional services awarded without competitive bidding where the estimated value is less than the applicable purchasing policy threshold. Pursuant to MPMC Section 2.42.060, such contracts may be awarded by the purchasing authority via direct negotiated contract, force account, or purchase order. All direct purchases shall be awarded on fair and equitable terms and shall represent the best value to the City.

Force account. Work performed on Public Projects using the City’s own staff, equipment, and materials rather than an outside contractor, including labor, equipment, materials, supplies, and any City subcontracts necessary to complete the work. For instance, when a storm damages a retaining wall along a City street, the Public Works Department may dispatch its own crew, use City-owned equipment directly to complete the repair rather than soliciting bids from an outside contractor. Force account work on Public Projects is subject to the cost limits and authorization thresholds established in this policy. When the estimated cost of force account work meets or exceeds the applicable threshold under the Uniform Public Construction Cost Accounting Act (California Public Contract Code Sections 22000 et seq.), the City shall comply with the informal or formal bidding requirements of the Act unless a recognized exemption applies.

Formal bid. A competitive sealed bid process shall require: (1) public notice no fewer than 14 calendar days prior to the bid due date; (2) for Public Projects, notice published on the City’s website; (3) solicitation from a minimum of three prospective bidders; and (4) public opening of bids and announcement of aggregate bid amounts. Notices inviting bids shall generally describe the goods, services, or Public Projects to be procured, identify where bid documents, specifications, and related contract materials may be obtained electronically, and specify the date and time by which bids must be submitted. All bids shall be submitted electronically through the City’s designated procurement platform prior to the stated deadline. Bids received after the specified date and time shall not be accepted. Timely submitted bids shall be publicly opened at the date and time specified in the notice inviting bids, and the aggregate bid amount of each bidder shall be announced. This guidance supplements MPMC Section 2.42.090.

General services. Work, labor, or services not requiring specialized certification, knowledge, or training, with or without furnishing of goods or materials. Includes, but is not limited to, maintenance of public buildings, streets, parks, playgrounds, and other public improvements; repair and maintenance of equipment; information technology (IT) goods and services (unless requiring specialized certification); janitorial, landscaping, and street sweeping services; equipment rental; and general class instruction. Note: services requiring specialized expertise may qualify as professional services.

Goods. Supplies, materials, or equipment including but not limited to office supplies, janitorial supplies, furnishings, machinery, tools, vehicles, and computer hardware, software and similar products. Goods may include labor incidental to the purchase, such as delivery, installation, configuration, assembly, or testing. Goods may be procured via blanket purchase order with a maximum dollar amount and pricing terms established at time of execution.

Informal bid. A competitive procurement process involving solicitation of written or electronic quotations or proposals from a minimum of three vendors by any reasonable means. Quotations should be obtained in writing whenever practicable. If a vendor is unable to provide a written or electronic quotation and a quotation is obtained verbally or by telephone, the employee shall document the vendor’s quoted price and other relevant terms in an email to their supervisor. The supervisor-approved email shall be attached to the purchase request as supporting documentation. If three quotations cannot be obtained through due diligence, fewer quotations are acceptable provided the purchase request includes documentation describing the efforts made to solicit quotations and the reason three quotations could not be obtained (e.g., limited vendor availability, nonresponsive vendors, sole source compatibility, or other market conditions). Governed by MPMC Section 2.42.080.

Maintenance work. Routine, recurring and usual work for the preservation or protection of any publicly owned, leased, or operated facility for its intended purpose. Maintenance work includes: minor repainting and surface repair of publicly owned facilities; street resurfacing of less than one inch; landscape maintenance; operation of publicly owned utility

AWARD AUTHORITY AND BID REQUIREMENTS

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systems; and routine repair work on publicly owned, leased, or operated facilities. Maintenance work is not a "Public Project" as that term is defined by Public Contract Code Section 22002 for purposes of this policy.

Piggyback agreement. An intergovernmental purchasing arrangement in which the City is extended the pricing and terms of a competitively awarded contract by another public entity. The City must document that: (1) the originating contract was competitively procured; (2) the originating contract has not expired; (3) the originating contract was awarded within the past six (6) months, unless the City makes a written finding that pricing and terms remain current and competitive; and (4) the terms are reasonable and appropriate for the City's needs. Staff shall not use a piggyback arrangement as a substitute for competitive procurement when a contract is outdated or when market conditions have materially changed. See also: Cooperative purchasing agreement.

Professional services. Services requiring the exercise of professional discretion and independent judgment based on specialized certification, knowledge, expertise or training. Professional services include, but are not limited to, accounting, actuarial, appraisal, architectural, auditing, engineering, environmental, financial advisory, information technology, instructional, land use planning, legal, consulting and other specialized professional or technical services. General class instruction services are general services, not professional services.

Public project. A contract paid in whole or in part with public funds for any of the following: (1) construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility; or (2) painting or repainting of any publicly owned, leased, or operated facility, as defined in California Public Contract Code Section 22002 and MPMC Section 2.42.020. Does not include maintenance work.

Purchase order. A formal contractual authorization issued by the City for the procurement of goods, general services, professional services, and Public Projects. Required for all purchases above \$10,000. A purchase order may be issued for purchases below \$10,000 at the vendor's request or at the discretion of the purchasing agent. Purchase orders for amounts exceeding the CMSA shall be issued only after City Council approval. Increases to the authorized dollar amount or changes to general ledger account coding require re-approval through the same approval authority as the original purchase order; reductions to the authorized dollar amount do not require re-approval. Any modification that materially changes the scope of goods or services authorized under the original purchase order shall be treated as a new procurement and is subject to applicable competitive requirements.

Purchasing agent. As defined in Menlo Park Municipal Code Section 2.42.020, the purchasing agent is the city manager or their designee, authorized to carry out the procurement functions set forth in Chapter 2.42. Any designee exercising purchasing agent authority shall be designated by the city manager based on the individual's knowledge, training, and experience necessary to perform the delegated procurement responsibilities.

Recycled paper products (RPP). Paper products consisting of at least 30% postconsumer fiber by weight, eligible to be labeled with an unqualified recyclable label as defined in Title 16 Code of Federal Regulations (CFR) Section 260.12.

Request for proposals (RFP). A procurement method used to solicit detailed proposals from qualified vendors for professional services, evaluated based on criteria such as qualifications, relevant experience, understanding of the scope of work, proposed staffing, approach or work plan, and project timeline.

The RFP process generally includes development of a written scope of work or project description by the requesting department, internal review and approval of the solicitation package, and issuance of the RFP through the City's designated procurement or bidding portal. The solicitation shall be publicly advertised through the City's designated procurement or bidding portal for a reasonable period of time to promote adequate competition, generally not less than 14 calendar days unless the purchasing agent determines that a shorter or longer solicitation period is warranted based on the complexity, urgency, or nature of the procurement. Addenda may be issued as needed to clarify or modify the scope or requirements during the open solicitation period.

Following the close of the solicitation, proposals are reviewed and evaluated by City staff and/or an evaluation committee in accordance with established evaluation criteria. Shortlisted vendors may be invited to participate in interviews, presentations, or additional clarification rounds. The process concludes with a recommendation for award, subject to the applicable approval authority and execution of a final contract or agreement.

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Single source procurement. Procurement from a specific vendor without competitive bidding, even when other vendors may be capable of providing the product or service, because that vendor is determined necessary for compatibility, standardization, or continuity of service (e.g., procuring a software add-on module from the original vendor to ensure integration with an existing City system). Single source procurement requires the requesting department to provide written justification establishing that a recognized basis applies, that no reasonable alternative source exists, and that the price is fair and reasonable. Such procurements require prior written approval by the city manager or designee through a bid waiver form and must be fully documented in the procurement record. For Public Projects, any such determination must comply with California Public Contract Code Section 3400(b) and (c).

Sole source procurement. Procurement from the only known vendor capable of providing the required equipment, product, supply, or service, where the procurement is not adaptable to competitive bidding. Pursuant to MPMC Section 2.42.070, the requesting department may negotiate the technical scope of work, service levels, schedule, deliverables, and other operational requirements with the sole source vendor. When appropriate and practicable, the purchasing agent should negotiate pricing, contract terms, scope, or other commercial conditions, as appropriate, particularly for high-value procurements, contract renewals or extensions, customized services, or when market pricing or cost reasonableness cannot otherwise be established. Sole source procurement requires written justification establishing that only one source is capable of meeting the City's requirements. Such procurements require prior written approval by the city manager or designee through a bid waiver form and must be fully documented in the procurement record.

Split purchases. Purchases intentionally divided into smaller transactions to circumvent the requirements of this policy. Split purchases are prohibited, including purchases made on CalCard.

Uniform public construction cost accounting act (UPCCAA). California Public Contract Code Section 22000 et seq. or any successor provision thereto, governing award of contracts for Public Projects.

Three requirements of every purchase

Every purchase must be evaluated against three compliance requirements before the purchase is made or a contract is signed:

1. **Purchase order:** When is a purchase order required to authorize the transaction?
2. **Procurement method:** What level of competitive purchasing is required based on the dollar amount and type of purchase?
3. **Signature authority:** Who is authorized to approve the purchase based on amount and method?

Administrative provisions

The city manager shall establish administrative procedures to ensure the efficient operation of the City's purchasing system, consistent with this policy and MPMC Chapter 2.42.

Digital signatures

The City Council authorizes acceptance of electronic signatures for all City contracts. The city manager is delegated authority to establish administrative procedures on the use and acceptance of digital signatures, as defined in California Government Code Section 16.5.

Purchase order requirement

A purchase order is required for all purchases above \$10,000. A purchase order may be issued for purchases below \$10,000 at the vendor's request. Except in cases expressly authorized by this policy, goods shall not be ordered and services shall not be performed prior to the issuance of an approved purchase order. If the cumulative spend with a single vendor across departments exceeds \$10,000, a purchase order should be issued even if no individual department has reached that threshold. Purchase orders for amounts exceeding the CMSA shall be issued only after City Council approval.

Purchase orders are not required for agreements with other governmental entities, or utilities (e.g., San Mateo County, PG&E, SFPUC); however, such payments must be budgeted and documented in accordance with City financial procedures.

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Award authority

The city manager may approve all purchases, settlement of monetary claims and contracts at or below the CMSA. The city manager may also approve change orders and contract amendments that:

- Do not affect compensation and make only minor adjustments to scope or term;
- Increase compensation where no single amendment exceeds the CMSA and the cumulative total of all amendments does not exceed the CMSA for contracts not approved by the City Council; or
- Are otherwise authorized by special circumstances as delegated by City Council resolution.

For Public Projects, the public works director may be delegated authority to approve change orders within the CMSA per the city manager's administrative procedures.

The City Council shall review and authorize all purchases, claims settlements and contracts in excess of the CMSA with the following exceptions:

1. **Multi-year goods and services agreements:** The city manager may execute a multi-year agreement not to exceed three fiscal years and three times the CMSA in force upon execution, provided that no single year in the three-year term exceeds the CMSA in effect on the date of execution.
2. **On-call services master agreements:** The city manager may execute a multi-year master agreement for on-call general or professional services, not to exceed three years, with an annual amount not to exceed the CMSA in force on the date of execution. All competitive procurement thresholds and purchase order requirements still apply. Scope of work should describe services as: "On-call [general/professional] services for [function], not to exceed [\$ amount] annually."
3. **Multi-year master consultant agreements:** The city manager may execute a multi-year master consultant agreement for professional services, not to exceed three years. A master consultant agreement establishes a pool of qualified consultants available to provide services through subsequent task orders or individual project assignments as needed. Execution of a master consultant agreement does not guarantee work or authorize compensation beyond the approved agreement terms. Individual task orders or project assignments remain subject to applicable procurement requirements, funding availability, and any required approvals.

Software maintenance, support contracts, and telecommunication services

The standardization of IT (information technology) hardware, software, and telecommunications is essential to consistent service delivery. The following rules apply:

- Initial hardware and software purchases, or significant operating system upgrades, shall follow the general purchasing guidelines in this policy.
- Initial procurement of telecommunications services shall follow the guidelines for general services agreements.
- Renewals of software maintenance and support contracts, required software licenses, and ongoing telecommunications services are exempt from competitive procurement requirements, as their continuation is essential to City operations. Renewals must be budgeted annually, and IT shall verify appropriation availability before processing.

All IT solution procurements shall be centralized through IT. Departments shall not independently procure, implement, maintain, or renew software, technology systems, or related services without review and approval by IT. All IT procurements shall comply with the competitive procurement requirements, approval authority, and purchasing thresholds applicable to the expenditure amount and procurement type under this policy. Purchases of new software, software add-ons, modules, or significant upgrades that expand functionality, rather than routine maintenance or license renewals, are subject to the applicable competitive procurement requirements. An exception may be made for software modules or functionality that expand or integrate with an existing City enterprise system where procurement from the original software provider is necessary to maintain compatibility, interoperability, or system continuity. Such procurements may be processed as a single source procurement in accordance with this policy.

Blanket purchase orders

Blanket purchase orders may be utilized when specific purchasing requirements are not known at the time of purchase. They are appropriate for recurring goods (e.g., office supplies, materials, small equipment) and on-demand services (e.g., specialized equipment repair). Blanket purchase orders may not be used for construction contracts, professional services requiring a Request for Proposals process, or any purchase category otherwise excluded by City policy or state law. Blanket purchase orders:

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- Must follow the same competitive threshold limits as all other purchases as set forth in the Award Authority and Procurement Requirements table; no single order placed against a BPO may exceed the applicable informal or formal bid threshold without prior approval of the purchasing agent;
- Must be supported by a negotiated price list, hourly rate schedule, or percentage discount from a published catalog, which must be attached to the BPO Request Form at issuance and updated upon any renewal;
- Must establish a maximum not-to-exceed (NTE) dollar amount and an expiration date at issuance, generally coinciding with the end of the fiscal year; individual orders may not cause cumulative expenditures to exceed the NTE amount without a formal written amendment approved in advance by the purchasing agent;
- Must identify, by name or position title, which City staff are authorized to place orders against the BPO; the issuing department is responsible for notifying finance promptly of any changes to authorized personnel and for ensuring that only listed staff place orders against the BPO;
- Are valid for an initial term of one year and may be renewed for up to two additional one-year terms without re-competition, provided that: (a) vendor performance has been satisfactory; (b) pricing remains competitive and reflective of current market conditions; and (c) the cumulative contract value does not exceed CMSA on an annual basis or exceed the CMSA cumulatively over the full three-year term, including all renewals; renewal requests must be submitted to finance at least 30 days prior to expiration of the current term and require written approval of the purchasing agent before the current term expires;
- Require that all goods and services ordered against a BPO be received and documented through the City's standard receiving process; payment shall not be made against a BPO that has expired or whose NTE amount has been exhausted; and
- Note: Price escalation provisions are permissible where documented in the original BPO agreement and approved by the purchasing agent at issuance. Allowable escalation methods include a fixed annual percentage cap, an adjustment tied to a published index such as the Consumer Price Index, or a manufacturer cost increase pass-through supported by written documentation from the vendor. Any mid-term price adjustment must be approved in writing by the purchasing agent before the new pricing takes effect; adjustments not provided for in the original BPO agreement require a formal amendment.

Separate agreements with the same vendor for distinct services

When a vendor provides distinct services under separate agreements, each agreement may be evaluated independently for applicable approval thresholds, provided the agreements represent separate scopes of work and are not structured to avoid required approval. If multiple agreements with the same vendor, when combined, exceed the CMSA threshold solely because they involve different services, City Council approval is not required unless otherwise provided by applicable law, policy, or regulation.

For purposes of this policy, "distinct services" means services that are separately identifiable and independently necessary to meet the City's needs. Distinct services generally have separate scopes of work, deliverables, objectives, or technical requirements and may reasonably be performed under separate agreements. Services are not considered distinct when they are substantially related, interdependent, or divided into separate agreements primarily to avoid applicable approval requirements, competitive procurement obligations, or contract value thresholds.

If staff executes a new agreement for a distinct service, City Council approval is not required solely because the aggregate value of separate agreements with the same vendor exceeds the CMSA threshold, provided each agreement independently falls below the applicable CMSA threshold and the services are separately identified, justified, and not intentionally divided to circumvent approval requirements.

Shared purchase orders and contracts

Multiple departments may utilize the same purchase order or contract where administratively efficient. When a purchase order or contract is shared across departments, the applicable competitive procurement requirements and approval authority shall be determined based on the total cumulative amount of all departmental use under that purchase order or contract. Departments shall not divide or structure purchases into separate purchase orders or transactions for the same or substantially similar goods or services for the purpose of avoiding applicable procurement thresholds or approval requirements.

Departments are responsible for initiating procurement in compliance with these requirements and for accurately representing the full scope and estimated value of their purchasing needs at the time of requisition. Finance is responsible for making reasonable efforts to monitor cumulative spend across departments, flagging potential threshold violations, and withholding payment approval where procurement requirements have not been met. Where shared purchasing arrangements are contemplated, the requesting department and finance shall coordinate prior to issuance.

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requisition to confirm the appropriate competitive process and approval authority based on the cumulative value. Finance may establish internal controls, reporting mechanisms, or system flags to support compliance monitoring across departments.

Recycled paper products (RPP) requirements

If the recycled product is suitable for its intended use and quality are equal, the City shall purchase RPP whenever available at a cost no more than 115% of non-recycled alternatives, consistent with California Public Contract Code Sections 22150–22154 and Sections 12200 and 12209. Vendors shall certify that the product meets the definition of RPP (including the minimum 30% postconsumer fiber requirement) unless verifiable by a product label, catalog, invoice, or website demonstrating compliance with Title 16 CFR Section 260.12.

Examples of goods subject to the RPP requirement include: file folders, envelopes, copy and printing paper, calendars, brochures, reports, publications, and paper janitorial supplies (toilet paper, toweling, facial tissues, seat covers).

Emergency procurement

The City Council may suspend procurement requirements upon adopting or ratifying a declaration of emergency, and may empower the city manager to procure goods and services consistent with FEMA and applicable state and federal requirements. During a declared emergency:

- The CMSA shall be increased to \$250,000 (the "Emergency CMSA"), adjusted each July 1 by the year-over-year percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco–Oakland–Hayward metropolitan area. The adjustment shall use the most recently published 12-month percentage change as of December 31 of the prior calendar year and shall be rounded up to the nearest \$5,000.
- The Emergency CMSA applies only to goods or services necessary to address an immediate and present threat to life, safety, public health, or improved property.
- When expenditures equal or exceed the standard CMSA, the city manager shall report to the City Council.

Exceptions to competitive procurement requirements

The following exceptions to competitive procurement are permitted under specific conditions. All exceptions require clear documentation, written justification, and adherence to all other applicable policy provisions. Exceptions are subject to audit.

1. **Direct purchases (Under \$10,000):** Procurements under \$10,000 do not require a competitive bidding process and may be executed as a Direct Purchase. This threshold balances administrative cost against procurement value. While formal or informal quotes are not required, employees are still expected to exercise good judgment in seeking the best value for the City, including informal price comparison where appropriate. CalCard purchases under \$10,000 are classified as Direct Purchases and are subject to these same provisions.
2. **Sole source and single source procurement:** Sole source and single source procurements shall be used only when justified and necessary to meet the City's needs. Written justification and prior written approval by the purchasing agent are required before proceeding with sole source or single source procurement. Justification must document:
 - The unique product specifications, proprietary technology, compatibility requirements, or continuity-of-service need that precludes competition;
 - Vendors researched and reasons they could not meet requirements;
 - Price reasonableness determination (e.g., published price lists, prior purchase history, comparable agency pricing)

The requesting employee and any City officer or employee involved in the selection, award, or administration of any contract must disclose, in writing, any actual, potential, or perceived conflict of interest related to the procurement. This includes, but is not limited to:

- Any direct or indirect financial interest, business relationship, or personal relationship with the proposed vendor, its owners, representatives, or employees that could impact the employee's impartiality;
- Any prior employment, consulting, or contractual relationship with the vendor within the preceding 12 months;
- Any direct material benefit the employee, an immediate family member, domestic partner, or their respective employers may receive from the contract;
- Any prior or existing relationship that could reasonably be perceived as compromising the objectivity of the procurement decision; and
- Any other circumstance that may create an actual, potential, or perceived conflict of interest.

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Employees must comply with applicable conflict of interest requirements under California Government Code Section 1090 et seq., Government Code Section 87100 et seq., applicable case law, and City policies. Any actual or potential conflict must be reported promptly to the employee's department head or the city attorney's office. Employees who are uncertain whether a conflict exists should consult the City Attorney's Office before participating in the procurement process. Consultants and contractors may also be subject to applicable conflict of interest requirements as public officials under Government Code Section 1090. Employees should consult the city attorney's office regarding potential conflicts involving third-party consultants or contractors.

Employees shall not accept any gift, favor, loan, or other item of value from a vendor, contractor, or other party doing business with the City if it would not have been offered but for the employee's official position. Employees subject to Form 700 filing requirements should consult the City Clerk's Office regarding applicable disclosure obligations.

Departments must use the City's Bid Waiver Form for all sole source and single source requests. Example of single source: procuring a software module or add-on from the original vendor where compatibility with the existing system cannot be assured from another supplier.

Cooperative (piggyback) purchasing agreements

Goods and services may be procured through pre-established competitively awarded contracts from the following types of entities:

- California Department of General Services
- Federal General Services Administration (GSA)
- Governmental purchasing cooperatives such as Sourcewell, OMNIA Partners, or the National Association of State Procurement Officials (NASPO)
- Other governmental entities with existing competitively procured agreements

Due diligence must be documented to confirm that the originating contract was competitively procured and that contract terms are reasonable, fair, and appropriate for the City.

IT-related software and equipment maintenance agreements

IT-related maintenance agreements for existing equipment and software in good operational condition may be renewed on a recurring basis. Routine software license renewals, increases in the number of authorized users or licenses under an existing agreement, and contractually authorized subscription price adjustments or annual escalations (including Consumer Price Index (CPI)-based increases) may be processed as renewals and are not subject to re-competition, provided they do not materially expand the scope or functionality of the original agreement. Increases exceeding 20% of the existing license count or otherwise constituting a material expansion shall be evaluated by the purchasing agent to determine whether a new competitive procurement is required. Award authority provisions remain in effect, and City Council approval is required for agreements exceeding the CMSA.

Replacement parts and components

Replacement parts and components may be exempt from competitive requirements when no available information exists to confirm that parts from another supplier would be compatible with existing equipment or would not compromise safety or reliability.

Agreements with other entities

Agreements with other governmental entities and utilities (e.g., PG&E, SFPUC, CalPERS) are exempt from competitive procurement requirements. These agreements do not require a purchase order unless needed for payment processing purposes.

Note: Some utility or government payment systems (e.g., SFPUC) may require a purchase order to process payments. Departments should confirm PO requirements with Finance for recurring utility or inter-governmental payments.

Pass-through agreements

If City funds are not being used and the funding source does not impose competitive procurement requirements (e.g., certain grant funds with their own procurement rules), a competitive process is not required under this policy. The applicable funding source's procurement requirements must still be followed and documented.

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Impractical or impossible competition

Competitive requirements may be waived if the city manager determines in writing that competitive bidding is impractical or impossible. Such a determination shall be based on documented facts demonstrating that a competitive solicitation would not result in meaningful competition or would be contrary to the City's operational needs or public interest. Circumstances that may justify a waiver include:

- Urgent or emergency repairs necessary to protect public health, safety, or City property (e.g., emergency plumbing failure, critical infrastructure failure) where the time required for competitive bidding would pose an unacceptable risk;
- Situations where only one vendor possesses the technical capability or holds the rights necessary to perform the required services; or
- Other documented circumstances where a competitive process is genuinely not feasible.

Written documentation of the circumstances and the city manager's written determination must be maintained in the procurement file.

Award authority and bid requirements

The following table establishes thresholds for contract approval and bid requirements. The approving authority is responsible for ensuring compliance with the City's purchasing system as established by MPMC Chapter 2.42 and applicable City Council and administrative policies. Employees may utilize a more restrictive procurement method if it provides greater benefit to the City and/or satisfies grant/funding requirements. The \$100,000 thresholds reflected in the award authority table correspond to the current CMSA of \$100,000. As the CMSA is adjusted annually pursuant to the CMSA definition in this Policy, the award authority thresholds set at the CMSA amount shall be deemed updated accordingly without requiring formal amendment to this table. All other dollar thresholds in this table are fixed and do not adjust automatically. Authorized department designees are determined by their department head and listed on the citywide Signature Authority List. This list shall be reviewed and updated no less than once per fiscal year.

Category	Amount	Approving authority	Required procurement method
Goods and general services	Up to \$25,000	Department designee	Direct purchase (under \$10,000) or informal bid
	\$25,001 to \$50,000	Department head	Direct purchase (under \$10,000) or informal bid
	\$50,001 to \$100,000/year (up to 3 years, not to exceed three times the CMSA, provided that no single year exceeds the CMSA)	City manager	Informal bid
	\$100,001 to \$200,000	City Council	Informal bid
	Greater than \$200,000		Request for proposals or formal bid

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Professional services	Up to \$25,000	Department designee	Direct purchase (under \$10,000) or informal bid
	\$25,001 to \$50,000	Department head	Direct purchase (under \$10,000) or informal bid
	\$50,001 to \$100,000/year (up to 3 years, not to exceed three times the CMSA, provided that no single year exceeds the CMSA)	City manager	Informal bid
	Greater than \$100,001	City Council	Request for proposal or formal bid
Public Projects	Up to \$75,000	City manager designee	Informal bid if over the force account/negotiated contract limit in Public Contract Code section 22032(a).
	\$75,001 to UPCCAA informal bid limit	City Council	Informal bid
	Greater than UPCCAA informal bid limit		Formal bid
General liability and worker's compensation related settlement	Less than or equal to \$100,000	City manager	N/A
	Greater than \$100,000	City Council	

Internal controls

The City shall maintain internal controls over its purchasing, payment, vendor management, and revenue collection functions to safeguard public funds, prevent fraud and error, and ensure accountability.

Signature authority list. An annual signature authority list shall be established and approved by the city manager identifying department heads and designated staff with signature authority of up to \$50,000 and \$25,000, respectively, by department and functional area. Accounts Payable shall utilize this list to verify that invoices, purchase requests, and other applicable approvals are authorized by the appropriate personnel.

Separation of duties. The employee or department requesting or ordering goods, supplies, or services shall be different from the employee responsible for receiving and inspecting those goods, supplies, or services upon delivery whenever possible. Similarly, the employee processing payment shall be different from the employee who initiated or approved the purchase. Where staffing constraints make full separation impractical, the department head shall implement compensating controls (such as supervisory review or periodic audits) and document those controls in writing.

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Vendor management. The City shall maintain accurate and current vendor records to safeguard against fraud, unauthorized payments, and financial loss. New vendor accounts and changes to existing vendor information, including banking details, remittance addresses, and contact information, shall be verified independently by department contact before becoming effective. Requests to add or modify vendor information shall be submitted in writing by an authorized department representative and verified by finance through a secondary confirmation method (such as a direct callback to a verified vendor phone number on file) before the change is processed. No payment shall be processed to a newly added or recently modified vendor account until verification is complete. Before establishing or modifying ACH payment instructions, finance shall independently verify banking information directly with the vendor using contact information obtained from the City's existing records or the vendor's publicly listed corporate website (not from information provided in the change request itself) and shall maintain a verification log for all ACH setups and modifications. Finance shall conduct periodic reviews of the vendor master file to identify and remove inactive vendors, duplicate entries, and unsupported changes.

Vendor due diligence and verification.

Prior to contract award or addition to the City's approved vendor list, the following verification steps shall be completed and documented in the procurement file by the awarding department. Verification is cumulative: each tier requires completion of all checks in the preceding tier(s), in addition to its own requirements below. The applicable tier is determined by contract value and risk, per the thresholds below.

All vendors (any dollar threshold):

- Confirm business address via independent source (e.g., Google Street View, county assessor parcel lookup, or Secretary of State filing), not solely the address provided by the vendor
- Verify active status and good standing with the California Secretary of State (or home-state equivalent) and confirm entity name matches exactly across the W-9, contract, and state filing
- Confirm the vendor's business license, if required by the jurisdiction of operation
- Cross-check the vendor against the SAM.gov excluded parties list and applicable debarment lists

Contracts above \$10,000 or new vendors without prior City history above \$2,500:

- Contact a minimum of two client references directly, using contact information independently sourced (not solely numbers/emails supplied by the vendor) confirm the reference is a real, reachable organization with a verifiable relationship to the vendor
- Verify key personnel identified in the proposal exist and are employed by the vendor (e.g., LinkedIn cross-check, direct call to the reference organization asking who they worked with)
- Review the vendor's website and digital footprint for consistency domain registration age, whether the site independently corroborates claimed history and scale, and whether contact information matches formation documents
- Check for shared addresses, officers, or contact information with other vendors or related nonprofit entities already known to the City, which may indicate undisclosed affiliation or conflict of interest

Contracts above CMSA or sole-source awards:

- Require a Certificate of Good Standing/status letter directly from the Secretary of State (not a vendor-supplied copy)
- Conduct a basic principal/officer background check consistent with City risk tolerance and applicable law
- Document any red flags identified and the resolution/risk acceptance in the procurement file, with sign-off from the awarding department and purchasing agent

Ongoing monitoring: Vendors handling resident payment data, personally identifiable information (PII), or recurring high-dollar payments shall be subject to periodic re-verification (recommend annually) rather than a one-time check at onboarding and any material change in ownership, address, or personnel shall trigger re-review before contract renewal.

Revenue management. The City shall establish and maintain procedures for the timely billing, collection, and recording of all revenue owed to the City. Where the City provides services in advance of collecting the associated fee, the responsible department shall document the service provided, the amount owed, and the due date at the time of service delivery, and receivables shall be recorded promptly in the City's financial system and reconciled on a monthly basis by finance. The employee or department responsible for delivering a service and recording the receivable shall be different from the employee responsible for processing and recording payment receipts, consistent with the

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separation of duties requirements above. Accounts including but not limited to water utility billing that remain unpaid beyond 60 days shall be referred to finance for follow-up, and the city manager (or designee) is authorized to refer delinquent accounts to a third-party collection agency when internal collection efforts have been exhausted. Uncollectible accounts with balances of \$10 or less shall be automatically written off after one year as de minimis amounts. Write-off for amounts exceeding \$10 shall require city manager approval up to \$100 and City Council approval for amounts above that threshold. Utility accounts, including water utility accounts, shall be administered and written off in accordance with applicable City utility policies, ordinances, and state law.

Procedure history

Resolution	Date	Notes
No. 4354	March 17, 1992	Established Procedure CC-92-004
No. 5832	October 21, 2008	Amended CC-92-004 to add contract approval; established annual inflation adjustments to CM's authority
No. 6479	February 12, 2019	Rescind Procedure CC-92-004 and adopts Procedure CC-19-001
No. 6704	December 14, 2021	Rescind Resolution Nos. 4354, 5832, and 6479; adopts Procedure CC-21-024
No. XXXX	July 14, 2026	Rescind Resolution No. 6704; adopts Procedure CC-26-024

Procedure maintenance

As part of their review of procedures establishing internal controls, finance shall periodically inform the organization of the current city manager's Signature Authority (CMSA) and applicable thresholds under the Uniform Public Construction Cost Accounting Act (UPCCAA). The limits established under UPCCAA shall automatically reflect the most current thresholds as updated by the California Uniform Construction Cost Accounting Commission, without requiring a formal amendment to this policy.

The city manager is authorized to issue administrative policies and procedures necessary to implement and supplement this policy, including but not limited to purchasing manuals, forms, and staff guidance documents.