AWARD AUTHORITY AND BID REQUIREMENTS

City Council Procedure #CC-26-024
Proposed July 14, 2026
Resolution No. 7048

CITY OF MENLO PARK

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.

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 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.

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.

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:

- 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 issuing a 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.

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.

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	City Council	Request for proposals or formal bid

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.

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 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. 7048	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.