FINANCE AND
MANAGEMENT SERVICES
AGENCY

PURCHASING POLICIES & PROCEDURES

MANUAL

PURCHASING DIVISION
JULY 2023

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FOREWORD

The purpose of this manual is to provide all departments with the policies and procedures to be used in the requisitioning and procurement of supplies, materials, labor, and equipment for non-Public Works contracts within the City of Santa Ana. These policies and procedures are intended as general guidelines, except and unless specific City Charter or Code sections are referenced.

This guide is to supplement and not supplant requirements set forth by federal, state, or local laws or regulations. If there is any conflict between policies contained herein and federal, state, or local laws or regulations, the language in the laws and regulations will prevail. Department/grant personnel should reference their agreements for specific or additional requirements not covered in this manual.

SECTION 1.00 MUNICIPAL PURCHASING

Section 1.1 Purchasing Authority & Responsibility

The City of Santa Ana is dedicated to the principles of open, fair, and ethical competition in its bidding practices.

The City Council of the City of Santa Ana (City) established a centralized purchasing system by the adoption of Sec. 2-800 to Sec. 2-808 of the Santa Ana Municipal Code (SAMC) for general goods and services. The City Charter and SAMC further sets forth formal, informal and open market procedures to be followed in carrying out the purchasing function.

The City Manager may bind the City to any one non-public works contract in an amount not exceeding $50,000 for non-public works contracts; $500,000 for public works contracts. In the event of a declared emergency and absent a resolution approved by City Council, competitive bidding shall be waived for the procurement of non-public works contracts. For emergency public works construction projects, the City Manager may authorize contracts up to $500,000.

The City Manager shall designate a Purchasing Manager to procure needed materials, supplies, labor, equipment and services from the most responsible vendor and at the least expense to the City pursuant to SAMC Article VII.II – Purchasing Rules and Regulations. In the event no City employee holds the Purchasing Manager position, the Finance Director or their designee shall assume the powers and duties of that position upon formal designation by the City Manager. Furthermore, the Finance Director may officially designate a Purchasing Manager upon written approval of the City Manager.

As part of the duties of the Purchasing Manager, they shall establish efficient administrative policies governing the procurement of materials, supplies, labor, equipment and services such as a Buyer's authority to process Purchase Orders and Change Orders. Such policies shall be implemented through written communication to the Buyers.

Buyers may authorize any department to proceed with a purchase or to contract for specified supplies, materials, labor and equipment, but shall require that such purchases or contracts be made in conformity with the SAMC Purchasing Rules and Regulations and administratively established policies and procedures.

The bid solicitation process for public works construction is managed and controlled by the Public Works Agency (SAMC Sec. 33-203). The Public Works Agency (PWA) Director shall maintain administrative procedures for the management of all public works projects. Such procedures shall conform to section 421 and 422 of the City Charter and the regulations outlined in SAMC Sec. 2-805 to Sec. 2-808.

Section 1.2 Vendors and E-procurement

The City's vendor relations reflect the public image of the City organization. Both the Purchasing Division and user departments are responsible for promoting fairness, integrity, courtesy, and goodwill in their vendor relations.

The City makes every effort to include local vendors within the Santa Ana city limits on its vendor list. Additional information about the City's Purchasing Division may be found at https://www.santa-ana.org/purchasing-division/.

Section 1.3 California Public Records Act

Pursuant to SAMC Sec. 2-154(b), "Contracts, Contractor's Bids, responses to Requests for Proposals and all other records of communications between the department and persons or firms seeking contracts shall be open to inspection immediately after a contract has been awarded." "Trade secrets" as defined by California Government Code Sec. 6250 are exempt from public release.

Section 1.4 Political Reform Act – Conflict of Interest Code and Form 700

Employees must disqualify themselves from participating in decisions that may affect their personal economic interests. Consequently, no City employee shall participate in the selection process if she/he has a financial relationship with a person or business entity being considered for a contract award. [2 CFR §200.318 (c)] Conflict of interest would arise when the employee or agent, any member of their immediate family, their partner, or an organization which employs or intends to employ any of the parties described herein, has a financial or other interest in or a tangible personal benefit from a vendor considered for a contract. Questions concerning potential conflicts of interest may be directed to the Purchasing Manager, who shall seek final determination from the City Attorney's Office as appropriate.

Every elected official and public employee who makes or influences governmental decisions must file a Statement of Economic Interest (Form 700) and complete forms as mandated by the specific disclosure category. Disclosure requirements may include, but are not limited to, investments, business positions, income, including loans and gifts.

Section 1.5 City of Santa Ana Gift Ban Ordinance

City employees must conduct themselves in such a manner as to foster public confidence in the integrity of the City's procurement process. Pursuant to SAMC Article IX. Gifts to Public Officials, receipt of gifts by any City officer and/or employee from persons who do or are interested in doing business with the City erodes public confidence is prohibited. Gifts include meals, beverages, free admission, flowers, plants, balloons or similar tokens from any such single source shall not exceed a value of $50.00 in any calendar year.

SECTION 2.00 PURCHASING POLICIES & PROCEDURES

Section 2.1 The Purchasing Process

The purpose of the purchasing process overview is to provide a general understanding of the procedures for procuring materials and services required by the City.

The Purchasing Process is summarized as follows:

2.1.1 Purchase Requisition (see Section 2.2)

- **a.** Departments requesting goods or services, including the initiation of a formal solicitation (i.e., IFB, RFP, cooperative procurement, sole source, etc.) must prepare an electronic Requisition and submit detailed specifications for processing along with supporting documentation (i.e., quotes, proposals, etc.).
- **b.** Upon obtaining all required approvals, the Requisition is assigned to a Buyer by the Purchasing Manager.
- **c.** Requisitions for projects or purchases funded by grant monies must include a comment alerting Buyer to the use of grant funding, as additional terms and conditions will need to be attached to the final Purchase Order sent to the vendor.
- **d.** Requests for change orders, addition of contingency funds, and use of a Buyer's credit card must be documented by the submittal of a requisition to the Purchasing Division.

It is the responsibility of the requesting department to provide complete description/specifications for each requisition. Incomplete specifications or insufficient information will delay the procurement process. With the exception of citywide blanket order contracts, Buyers shall not initiate the procurement process without an approved Requisition.

2.1.2 Purchasing Review

a. Buyers review Requisitions for completeness and determine the most appropriate procurement method (e.g. Purchase Order, credit card, formal Invitation for Bids or Request for Proposals, etc.).

2.1.3 Vendor Selection/Award of Contract

a. After selection of supplier, the Buyer issues a purchase order and sends a copy to the vendor and requesting department.

b. If City Council or City Manager approval is required, Buyer assists requesting department to recommend award to City Council or City Manager, whichever is appropriate.

c. Staff Reports requiring the issuance of a Purchase Order or Contract must be reviewed by the Department's assigned Buyer prior to the Department scheduling an item for a City Council Meeting.

2.1.4 Post-Award

a. The Buyer retains Requisition and contract backup as per the City's Record Retention and Destruction Policy.

b. Upon satisfactory completion of services or receipt of materials, the using department shall electronically receive items in Lawson (PO30) and subsequently submit the approved and appropriate type of documentation to Accounts Payable.

c. Upon receipt of the aforementioned items, Accounts Payable staff shall review for payment processing.

2.1.5 Contract Management

a. Using departments are responsible for documenting vendor performance. Documentation should include emails to vendors, end-user/project manager communications regarding vendor notifications to rectify, memos, phone logs, etc.

b. The assigned Buyer should be made aware of underperforming vendors and may assist departments in resolving issues.

c. If a renewal option is available and using department would **not** like to exercise it, the assigned Buyer must be notified in advance.

d. If the using department would like to exercise any renewal options, they should notify the assigned Buyer at least 60 calendar days prior to the contract's expiration date.

e. If no renewal options are available, the using department must enter a requisition to initiate the competitive bidding process upon all approvals with their assigned Buyer by no later than 6 months prior to the final renewal term's expiration to allow sufficient time to complete the bidding, evaluation, and award processes. A draft must be provided to the Buyer with complete specifications for their review and posting on the online bidding system. Invitation for Bids (IFB) and Request for Proposals (RFP) templates are located on the Purchasing Division's Citydesk website: http://citydesk/fi/purchasing/

Section 2.2 Procurement Methods

The purpose of this section is to identify and describe authorized procurement methods. The method used is determined by such factors as dollar value, complexity, urgency, and frequency of the procurement. All procurements methods shall conform to City policies and procedures including but not limited to the SAMC, Credit Card and Travel and Expense Reimbursement policies.

Upon receipt and review of a requisition, Buyers will determine which of the following methods is appropriate based on the substance of the request:

2.2.1 Purchase Order: The Purchase Order (P.O.) is the most common and generally preferred method of procurement used to place an order with a vendor or supplier. It establishes the parties involved, terms and conditions of the procurement, the description of goods, price and quantity. A P.O. notifies the vendor and authorizes them to proceed. Additionally, a P.O. encumbers funds (reserves a portion of the budget equal to amount of the P.O.). P.O.s are generally issued for one-time purchases of materials, supplies, labor or equipment.

2.2.2 Blanket Order Contract: Blanket Order Contracts (BOC) are created to facilitate the procurement of materials, supplies, labor and equipment required on a recurring and/or as-needed basis, reduce the number of low-dollar amount P.O.s and expedite payment. BOCs are reserved for the award of all citywide, and multi-year or on-call contracts formally solicited by the Purchasing Division. BOCs are also issued for citywide contracts for as-needed goods and services. BOCs may be established when one or more of the following conditions exists:

- There will be reoccurring (minimum of three), small value purchases per fiscal year.
- Payments to frequently used vendors need to be tracked to ensure payments for similar commodities do not exceed fiscal year aggregate amount limit of $50,000 per commodity, which would trigger a formal bid process.
- If multiple (three or more) departments require a Blanket Purchase Order (see below) for similar commodities or services, a citywide contract may be established at the discretion of the Purchasing division.

Department(s) shall be responsible for the following when purchasing against citywide BOCs:

- Verify funds are available before placing orders;
- Utilize a Material Release Form (MR) per Section 2.3.4 below. The available amount at time the MR is approved must be noted on the physical copy of the document;
- Ensure receipts and/or invoices are submitted along with approved MRs by employee(s) making purchases against BOCs immediately after purchases are complete, and submitted to Accounts Payable for payment;
- Ensure purchases comply with BOC specifications. BOCs are established for specific supplies, materials, and/or services;

- Submit a Requisition for individual orders exceeding $2,500;
- Obtain minimum of three competitive quotes for individual orders exceeding $15,000; and
- Prevent splitting of purchases to circumvent dollar threshold guidelines.

BOC orders that do not conform to these guidelines are considered “unauthorized” and subject to the process described in Section 2.3.5 Unauthorized Purchases (Commitments).

BOCs for similar commodities that accumulatively exceed $50,000 any given fiscal year may require a formal solicitation.

2.2.3 Blanket Purchase Order: A Blanket Purchase Order (BPO) is utilized only by individual departments. BPOs are issued per fiscal year and must not accumulatively exceed the current bidding thresholds per vendor and commodity by any using department, including all divisions within a department. BPOs must be requested as needed by using departments by submitting a requisition. Funds allocated to BPOs will be encumbered for the entirety of the fiscal year term and departments should only request amounts for actual projected needs as any unused amounts will be liquidated at the end of each fiscal year and may not be carried forward. Using departments are solely responsible for the management of, tracking expenditures, and processing payments of invoices against BPOs. MRs are not required for purchases against a BPO.

2.2.4 Emergency Order (Confirming): An Emergency Order is a commitment made by Purchasing staff or a requesting department for the procurement of materials, supplies, labor or equipment necessary for the immediate preservation of life, health or property. Confirming order numbers may also be issued by Buyers to prevent loss of revenue. Confirming order numbers are reserved for critical circumstances and not as a substitute for the appropriate procurement method.

It is the responsibility of the requesting department to assess the severity of the requirement and identify its critical needs, including the consequences of delaying the procurement. Prior to any ordering of materials or services the requesting department must complete and submit an Exception to Process Request form (Appendix A). If in agreement with the requesting department’s recommendation, the Buyer shall authorize the procurement and issue a confirming order number. This provides a reference for matching the Requisition, Purchase Order, and invoice properly. Buyers shall maintain a log of confirming order numbers and shall include additional information as required to maintain accurate records.

It shall be incumbent upon the requesting department to inform any contractors providing services to, for, or on behalf of the City that, per SAMC Sec. 2-750, they are required to provide to the City, prior to performing any services on City property, evidence of insurance in the amounts required. The requesting department is responsible for ensuring the contractors providing services submit compliant Certificates of Insurance, and receive approval from the Risk Management Division. The requesting department must also advise contractors/vendors to reference the confirming order number on any invoices and statements related to their emergency orders.

Requisitions and the resulting Purchase Orders shall then be processed per normal procedures, with the following exceptions:

- It is important that the using department clearly state "*Confirming Only"* and include the confirming order number provided by Purchasing staff on their Requisition to avoid duplication by the Buyer.
- The Buyer shall note the emergency confirming order number on the Purchase Order, thereby alerting Accounts Payable to match invoices by the emergency number rather than the Purchase Order number.
- If, under normal circumstances, the order would have required Council action, the requesting department shall prepare the Staff Report and present to Council before invoices are paid.

Pursuant to SAMC Sec. 2-807(b), if such commitments are made under a declaration of a state of emergency or disaster in the City, a full written account of emergency procurements made during the declared emergency or disaster shall be submitted to the City Council within 30 days after their procurement.

During normal City operating hours, the requesting department(s) shall not complete any emergency procurement prior to obtaining approval and/or authorization from a Buyer. Emergency orders outside of the normal City operating hours shall be approved by the requesting department's Executive Director.

2.2.5 Credit Card: Use of a credit card is not intended to circumvent the established procurement process, but to enhance it by providing an expedient, efficient, and cost-effective procurement method. Credit cards may be issued to Executive Management (or their designees), Departments (Department Credit Card), and Buyers.

Credit cards may be used for approved travel and training expenditures, and goods purchases. Further information regarding allowable uses, restrictions, and other credit card details for cardholders other than Buyers can be found on the City's Credit Card Policy.

Buyers' credit cards shall be used as an expedient, efficient, and cost-effective alternative for the purchase and payment of small dollar expense items. Executive Management and/or their designees are authorized users of credit cards. Credit cards may be used when at least one of the following conditions exists, including but not limited to the following:

- Company does not accept P.O.s.
- An infrequent purchase is required from a company that has not been established as a City vendor.

A department may request to use a Buyer's credit card by entering a Requisition. The assigned Buyer will review such requests and determine if the credit card is the appropriate procurement method. If the Buyer uses his/her credit card to process a Requisition, the Buyer shall:

- Advise the departments they will not be receiving a P.O.
- Instruct the end user to send an e-mail confirmation along with scanned copies of the shipping documents to the Buyer when the items are received.

2.2.6 Material Release (MR): Designed to allow City employees to make low value purchases quickly and easily with minimal paperwork and are required to be used for vendors with an existing citywide BOC. Properly identified City employees may make purchases of up to $2,500 with an approved MR, which the employee must present at the time of purchase. When ordering by phone, the end user is responsible for providing the vendor with the MR number for invoice referencing. Failure to provide the MR number when making purchase(s) may delay payment(s) to vendor. A copy of the MR must be submitted to Accounts Payable for accounting purposes.

The using department shall be responsible for verifying available funds in the BOC before issuing an MR as well as compliance with BOC specifications. The available balance at time the purchase is approved must be noted on the MR as confirmation of sufficient funds being available on date of purchase.

For purchases over $2,500, the using department must enter a Requisition for Purchasing's Approval before proceeding with such a purchase against a BOC.

MRs are not required for BOCs that are formally bid and "owned" by the requester's department because a competitive process has already been completed and formally awarded.

Contract Type	Material Release	Requisition
All Citywide BOCs (Formally Solicited, City Council Approved, and Under $50,000)	Required	Required for Purchases ≥ $2,500
Department-Specific/Multi-Dept BOC (shared, but not citywide)	Not Required, but a spend tracking mechanism must be in place by department(s)	Required for Purchases ≥ $15,000 (3 quotes required)
Department-Specific/Multi-Dept, Formally Solicited or Council Approved BOCs/Agreements (not citywide)	Not Required	Not Required
Blanket Purchase Orders	Not Required	Required to request the establishment of a BPO.

2.2.7 Professional Services Agreements: Within the City of Santa Ana, the term "Agreement" primarily refers to agreements for professional and consulting services, and is appropriate when contractors are providing specialized expertise, time, and/or effort, but do not deliver an entirely tangible end product other than reports or other documents, which are merely incidental to the required performance. Generally, these services are of an advisory nature; provide a recommended course of action or personal expertise; have an end product comprised of a transmittal of information (written or verbal) that is related to the governmental functions of administration, management, program management or innovation. The product may include anything from answers to specific questions to design of a system or plan, and includes provision of workshops, seminars, training and/or retreats for which expertise is necessary.

Professional Service Agreements for these services may be exempt from bidding per SAMC Sec. 2-807 (e). However, departments must obtain approval by the Purchasing Manager and, if approved for exemption, obtain competitive proposals to ensure open and fair competition. Formal solicitations for professional service agreements will require sealed pricing proposals.

Professional Service Agreements shall be prepared by the using department with the assistance of the City Attorney's Office and signed by the City Manager, City Attorney, Director of the using department, Clerk of the Council, and the Contractor/Consultant after exercising due diligence to select the consultant. Such efforts should be documented by the using department.

A BOC should be issued against an Agreement to facilitate payments to the vendor. To establish a BOC (or "PO25"), the using department shall submit to the Purchasing Division a completed Vendor Agreement Information (VAI) form (Appendix B) along with a copy of the fully executed Agreement and Staff Report, if approved by Council.

Section 2.3 Payment Request Forms

Most payment request forms described below are available through the Accounts Payable Division.

2.3.1 Payment Forms: The primary purpose of the payment forms is to present payment request information in a clear, concise and uniform manner to Accounts Payable. The using department places the order, receives the invoice, and forwards the properly authorized document to Accounts Payable for review and processing. In addition, the using department is responsible for obtaining complete information required to issue a vendor number using the New Vendor Checklist Packet.

2.3.2 Purchasing Authorization Form (PAF): Used for payments against approved agreements and contracts up to and including their maximum value. If ordering by phone, the end-user is responsible for providing the vendor with the Purchase Order number for accounting purposes.

2.3.3 Direct Payment Voucher (DPV): Used for the following types of purchases and dollar limits:

a. Any amount:
- Reimbursement requests;
- Registrations;
- Memberships;
- Fees;
- Utilities; and
- Travel expenses

b. Up to $500:
- Subscriptions: $500 per vendor, per department, per fiscal year. See Section 2.9 – Subscriptions and Software Licenses.
- Miscellaneous materials and services: $500 per vendor, per fiscal year.

2.3.4 Material Release: Used to make purchases from vendors with an existing citywide BOC. Appropriate copies of the Material Release Forms, along with the invoices and/or receipts, shall be submitted by the employee making the purchase to their department's fiscal designee, whom shall then submit directly to Accounts Payable for payment upon obtaining appropriate approvals. See Section 2.3.5 for more information.

2.3.5 Unauthorized Purchases (Commitments): Purchases/commitments made outside the Purchasing Division or without observing established purchasing requirements are unauthorized. These purchases are subject to review by the Purchasing Manager and require approval by the City Manager. When the contracting authority exceeds City Manager authority, City Council approval will be required. The Purchasing Manager shall make a final determination as to whether payment for the procurement shall be authorized after review. The Purchasing Division shall not recommend payment of any invoice(s) for an unauthorized purchase until the review and/or approval process has been completed.

An Unauthorized Purchase Acknowledgement and Payment Request Form shall be completed by the requesting department and forwarded to the Purchasing Division. A Payment Request Form will be required by Accounts Payable upon all appropriate approvals of an Unauthorized Purchase Acknowledgement Form have been obtained.

Requesting departments must obtain all appropriate approvals, including department manager and Executive Director's, Purchasing Manager's, City Manager's or City Council's approvals. If City Council approval is required, the requesting department must prepare and schedule a Staff Report for City Council action. All Unauthorized Purchase Acknowledgement and Payment Request Forms must be accompanied by a Memo from the requesting department's Executive Director to the City Manager, describing in further detail the reason why established processes were not followed.

Section 2.4 Acquisition of Goods and Services

The City Charter and SAMC set forth formal, informal, and open market procedures for carrying out the purchasing function.

<u>Splitting Bids is prohibited</u> (Public Contract Code § 20163). Departments shall not split orders or a contract into smaller contracts, smaller work orders or projects on any project, work, service or purchase, to avoid informal or formal competitive bidding. All efforts must be made by departments to plan in advance for any similar work or purchases to be combined for bidding whenever possible.

For purposes of this manual, "**<u>projects</u>**" shall mean any scope or process to achieve a goal, including planning, design, and inspection/surveying; deliverables; features; functions; tasks; phases; deadlines; costs; related maintenance, services, installation and the work required to prepare area(s); similar work performed within a reasonably close period; subsequent and/or related work related to a previous and recent procurement; and other work as reasonably determined by Purchasing Manager.

2.4.1 Informal Bids (Up to $15,000)

a. Purchases up to **$15,000** do not require competitive quotes. However, the Buyer (or designee) may solicit additional offers. Upon verification of price, delivery terms, delivery dates, shipping information, and source of quotation, the Buyer may issue a purchase order (SAMC Sec. 2-805(a)).

b. Purchases from **$15,001 to $50,000** require a minimum of 3 competitive quotes unless three are impractical due to a limited vendor pool, a common market price, or vendor unresponsiveness. These exceptions must be documented by completing an Exception to Process Form. Quotes may be solicited by the Buyer or their designee. Suppliers shall be selected based upon their ability to provide maximum quality goods and services at a minimum cost (SAMC Sec. 2-805(b)).

2.4.2 Formal Bid Solicitations (over $50,000)

a. Invitation for Bid (IFB): An IFB is a public solicitation for the purchase of specific materials, supplies, labor and equipment in excess of **$50,000** and require competitive, sealed and electronically submitted bids. A requisition must be submitted to Purchasing for the initiation of any formal solicitation process. Departments should contact their assigned Buyer for additional instructions.

An IFB is appropriate when the following applies:

- Specifications and/or Scope of Work (SOW) are clearly identified by the requester
- SOW is comprehensive as to ensure vendors bid on the same product or service
- Delivery method has been determined
- Products and/or services can be equally supplied by multiple vendors
- Alternate items may be acceptable

- Price is the only or main consideration for award
- Bid will result in a firm-fixed-price contract
- Award of Contract to the lowest, responsible bidder will be recommended.

b. **Request for Proposals/Qualifications (RFP/Qual):** Request for Proposals (RFP) and Requests for Qualifications (RFQual) are alternate methods for procurement of goods and services used when qualifying criteria other than price is determined to be of greater value and the lowest, responsive bidder cannot be determined by normal objective measures. Developing the specifications and evaluation criteria is the primary responsibility of the requesting department, and may be assisted by a Buyer. Evaluation criteria must be included in the RFP/Qual.

An RFQual may be the first step of a two-step solicitation process, followed by an RFP. The purpose of an RFQual would be to perform a preliminary evaluation of qualifications to establish a prequalified list of firms, which may be eligible to participate in a subsequently released RFP(s) for relevant project(s) by “invitation only”. RFQuals are more commonly used for the solicitation of professional and/or consulting services.

An RFP may be appropriate when one or more of the following applies:

- An IFB is either not practical or not advantageous to the City;
- The desired end result is known, but delivery method or qualifications vary from one vendor to another;
- Cost is not the only or primary consideration for award, rather evaluation criteria is established for project;
- Specialization or unique qualifications are necessary;
- Interviews, demonstrations, and other interactions with proposers may be required during evaluation period;
- City may need flexibility to negotiate, request clarifications and/or revised proposals via Best and Final Offer (BAFO) after evaluation;
- “Short List” may be required;
- Solicitation may result in a cost-reimbursable, revenue, or rebate program contract;
- Soliciting a design-build project; and/or
- Narrative proposal in addition to cost proposal will be required.

Prior to the advertising of an RFP/Qual, departments shall submit to the Purchasing Division a requisition to initiate the review process by the assigned Buyer. Once the Purchasing Division has reviewed the RFP/Qual draft and all edits are finalized by the Project Manager and Buyer, the Purchasing Division will post the document to the City's bid management website.

c. **Confidentiality/ Proposal Distribution:** Submitted proposals do not become public record until *after award*, rather than upon opening as with an IFB. Additionally, proposals shall only be discussed and distributed to designated evaluation panel members and City personnel during the evaluation period. Communication with bidders/proposers must also be coordinated with a Buyer or Project Manager (when appropriate) to further promote fairness, integrity, and consistency throughout the procurement process.

No employee or agent of the City shall discuss or otherwise communicate with any firm specific information related to an open competitive IFB or RFP process prior to the deadline of proposal/bid submittals, except as follows: Questions or requests for clarification must be submitted via the City's online bid management system prior to the deadline for receiving such requests, as set forth in the IFB/RFP documents. This process allows staff to respond to all questions via an addendum, which is distributed to those firms who hold the IFB/RFP documents. Using the addendum process, whereby all potential bidders/proposers receive the same information at the same time, ensures a level playing field, so that no firm benefits from an unfair advantage which could be gained by way of a direct communication with a City employee or agent; however, any general questions or concerns regarding an open IFB or RFP may be directed to Purchasing staff at any time.

2.4.3 Administration of Formal Solicitations – IFB, RFP, and RFQ (per SAMC Sec. 2-806)

a. **Competitive Bidding:** The requesting department shall enter a requisition and provide complete specifications. The Buyer will work in conjunction with the requesting department to develop the solicitation document. The requesting department shall review and approve the document before distribution and may provide a suggested list of qualified bidders. The Buyer shall issue an IFB/RFP/RFQual number and establish a timeline, which will include a deadline for questions, Bid/Proposal/Statement of Qualifications submittal deadline, an estimated Council award date (if applicable), and provide public notice. Public notices may include publication in newspapers of general circulation, electronic or paper mailing lists, or the City's online bid management system.

It shall be the responsibility of the requesting department to provide specifications containing sufficient information to obtain meaningful Bids/Proposals/Statement of Qualifications and adequate competition from suppliers/proposers. Buyers have the authority and responsibility to challenge specifications which limit competition or do not adequately represent the requirements to suppliers.

Buyers may assist in developing specifications that will result in a transparent, competitive procurement that is fair and equitable to all parties.

For projects that are partially or fully grant-funded, it is the responsibility of the grant administrator within the department to communicate to the Buyer any grant or other funding requirements, restrictions or deadlines prior to the release of solicitation documents.

Regulations and other information relevant to prospective bidder(s)/proposer(s) must be included in the solicitation. Specifications should address the following:

- General description - This may include dimensions, tolerances, model numbers, manufacturer names, colors, sizes, performance characteristics such as speed and storage capacity, or the specific functions to be performed
- Quantity and unit of measure
- Drawings, maps, plans, pictures, sketches, and other helpful reference documents (if applicable)
- Required delivery date
- Installation or site preparation requirements
- Compatibility requirements with existing equipment or programs
- Maintenance requirements (service location/response times)
- Warranty requirements
- Minimum or desired vendor qualifications
- Buyer’s contact information
- Estimated cost (Engineer's Estimate) if available/applicable

b. Bonds: Buyers may require a bidder’s security, or “**Bid Bond**” for jobs or projects with a strict deadline. Bid bonds help to prevent contractors from submitting frivolous or inappropriately low bids to win a contract. A bid bond serves as a guarantee that the contractor who wins the bid is financially capable and has the necessary resources to complete the project within the specified time. Moreover, if the contractor fails to honor the term of the bid and the City has to award the contract to another bidder, the bid bond compensates the City for the cost difference between original and new award amount. The Bid Bond in the form of a cashier’s or certified check payable to the City of Santa Ana, or a bid bond issued by a corporate surety for an amount not less than 10% of the aggregate of the bid is a guarantee that the bidder will enter into the proposed contract if the same is awarded to them. Bidders shall forfeit their bid security upon refusal or failure to execute the contract within the prescribed time. It is the responsibility of the requesting departments to hold, track, and release bid bonds or guaranties to the unsuccessful bidders promptly after awarding a contract.

The Buyer shall have the authority to require the contract to include a **Performance Bond** in such amount as is reasonably necessary to protect the best interests of the City. The Performance Bond shall be for 100% of the contract price to guarantee faithful performance of all work, within the time prescribed, in a manner satisfactory to the City, and that all materials and workmanship will be free from original or developed defects.

Other bonds (i.e. Labor and Material Payment Bonds, Maintenance Bonds, etc.) may be deemed necessary and required at the discretion of the Buyer and/or requesting department’s Project Manager.

Bid Bonds will be maintained by the Purchasing Division. All other Bonds required shall be maintained by the Project Manager throughout the duration of the contract. Maintenance of Bonds includes collecting bonds, securing in a safe place during contract term, returning to contractors when appropriate. All Bonds with the exception of Bid Bonds will require renewing upon contract expiration dates should any contract include provisions for extension or renewal options. Renewal and maintenance of such Bonds are the responsibility of the Project Manager or designee.

c. **Pre-Bid Job Walk/Pre-Proposal Conference:** A pre-bid/proposal job walk/conference may be scheduled to further explain product or project requirements. This shall be coordinated with and attended by the Project Manager and the Buyer. Based on the complexity of the specification or if site conditions could impact price and/or performance, the Buyer shall determine if the job walk or conference should be mandatory. Vendor attendance to a mandatory job walk or conference is required in order to be allowed to submit a bid/proposal. IFB and RFP/Qual must include pre-bid job walk/conference instructions and should be advertised with time considerations for prospective bidders/proposers to attend.

d. **Addenda:** An addendum is required when responding to prospective bidders'/proposers' questions; making clarifications, modifications, additions, and/or deletions to specifications. When required, addenda shall be composed and distributed by the Buyer to all vendors by posting them on the City's online bid management system. Unless an addendum is issued to extend the due date, addenda should be issued no less than 3 business days prior to bid/proposal due date. Addenda may only be issued prior to bid/proposal due date.

e. **Public Notice Period:** The recommended period for public notice (advertisement) of IFBs for procurement of materials, supplies, labor, and equipment is 30 days. RFP/Qs should be advertised for a period of 30 days or more, depending on the complexity of the solicitation, to allow prospective proposers sufficient time to prepare and submit responsive proposals.

f. **Errors in Bids/Quotes:** Bidders are solely responsible for the accuracy of their quoted prices. The essential consideration in evaluating actions related to errors is that no change or correction be permitted which would prejudice the interests of the public or would be unfair to other bidders. Standard bid instructions allow the City to waive informalities in any bid. Such informalities may consist of the correction of minor errors, but only if the bid is substantially in compliance with the terms and conditions of the solicitation. Errors that are immaterial and do not invalidate the legitimacy of the bid may be waived.

When a Buyer knows or has reason to believe that a mistake has been made, the bidder should be requested to confirm the bid. Situations in which confirmation should be requested include obvious, apparent errors on the face of the bid or a bid significantly lower than other bids received. Such confirmations should be requested and received in writing or electronically.

g. **Bid Openings:** Electronic Bids (E-Bids) are accepted on the City's online bid management system. Bids are locked (sealed) until bid due date and time. Bid results (Bid totals) become automatically available online in lieu of a traditional public Bid opening.

h. **Local Vendor Preference (Contracts):** For bid evaluation purposes qualified bidders may receive one of the following: a 7% preference for "small" Santa Ana businesses, or a 4% preference for "small" Orange County businesses, on all qualifying bids, pursuant to the Small Local Business Preference Program under SAMC Sec. 2-803.1.

   Small Local Business Preference eligibility requirements are available on the City's website at https://www.santa-ana.org/local-preference-program/

   Vendors located within the City of Santa Ana limits that do not qualify for the small local business preference program have historically receive a 1% local vendor preference when evaluating their bid total.

i. **Local Vendor Preference (Service Agreements):** Except for those contracts for which the Charter of the City of Santa Ana prohibits the provision of a local preference, and/or those contracts funded through programs or partners which prohibit the use of a local preference, City Council authorizes the agency to extend a preference, pursuant to SAMC Sec. 2-808, to local and Orange County business. It shall be the responsibility of the department to observe the following local vendor preference guidelines:

   - Contracts for services shall be awarded on the basis of demonstrated competence and on the professional qualifications necessary to for the satisfactory performance of the services required. In evaluating proposals for service contracts in amounts up to $100,000.00, proposers which qualify as local business or Orange County business shall be eligible for preference points. The preference shall be added to the proposal to reach a final score in determining the most advantageous proposal. Said preference shall be set by resolution of the city council.
   - A non-local proposer associating with a local business or Orange County business, shall be eligible for the local preference if a minimum of 50% of the contract value will be performed by the local business or Orange County business.

j. **IFB Contract Award:** The lowest, responsive and responsible bid, as determined by the Buyer and confirmed by the requesting department, shall be recommended for award. A Notice of Intent to Award must be posted after Bid analysis and selection of successful bidder/proposer.

k. **Council Approval:** Departments, with assistance from the Buyers, shall prepare a Staff Report for non-public works contracts exceeding $50,000, or public works contracts exceeding $500,000. If more than three bids are received, the Buyer shall prepare an Abstract of Bids to accompany the Staff Report which should include the Bidders' company name, location (City, State), and bid total. Otherwise, a similar summary will be included in the Staff Report Discussion.

Upon City Council approval, Buyers shall award the contract(s). Contract document(s) will include the Bid number, City Council meeting date, agenda item number and signatures are required from the Purchasing Manager and City Attorney.

Departments are responsible for obtaining Council approval for agreements resulting from RFPs. All Staff Reports resulting from a formal solicitation facilitated by the Purchasing Division must be reviewed by the assigned Buyer.

Section 2.5 Exceptions to Competitive Bidding

Pursuant to SAMC Sec. 2-807, certain procurements may be exempt from the bidding process after compliance with established rules, which shall include the review of alternative sources of supply or performance. Requests for exception to the bidding process shall be clearly and thoroughly documented by the requesting department on the Exception to Process Request form (Appendix A). The completed form along with supporting documentation shall be submitted to the Purchasing Division and is subject to verification by a Buyer and approval of the Purchasing Manager. Non-bid contracts shall be presented to the City Manager or City Council for approval if required by established dollar thresholds.

Non-bid purchases include but are not limited to:

2.5.1 Sole Source Purchases / Awards – SAMC Sec. 2-807 (a): Competitive bidding may be waived if a product or service is available from only a Single/Sole Source and solicitation of bids would be an idle act. A Sole Source shall be defined as a single supplier who is the sole distributor or manufacturer of a product or provides a service for which no acceptable substitute is available.

Supporting documentation should include a Sole Source letter on the manufacturer's company letterhead. If a vendor is the only authorized dealer for a product, a letter from the manufacturer as proof should be included with the Exception to Process Request Form (Appendix A).

2.5.2 Emergency Orders – SAMC Sec. 2-807 (b): Competitive bidding may be waived for procurements relating to Emergency Orders. See Section 2.2.4 above for additional information.

2.5.3 Cooperative "Piggyback" Contracts – SAMC Sec. 2-807 (d): Competitive bidding may be waived for purchases made from vendors who have been awarded the same type of purchase contract (as determined by the Purchasing Manager or his/her designees) by a federal, state, county, city or other public agency after a competitive bidding process substantially equivalent of that prescribed by the City Charter, Municipal Code, and herein. Any contract, even though not required to be let by competitive bidding, shall nevertheless be entered into only after review of alternative suppliers and determination of the most advantageous source available. The cooperative contract should be recent and must be still active at the time the City enters into contract with the awarded vendor.

The City must not piggyback on a contract past the contract term and any renewal periods established by the lead/awarding agency.

If RFP/Qual or Bid document does not include cooperative language allowing other public agencies to piggyback, permission should be obtained in writing from the awarding agency. Vendors awarded a contract by the City in this manner shall still comply with City's standard terms and conditions, minimum insurance requirements, and appropriate approvals according to dollar thresholds per Section 1.1 Purchasing Authority & Responsibility.

Supporting documentation should include the following:

- Copy of awarding/lead agency's RFP or Bid;
- Proof of RFP or Bid publication (legal, print, or online advertisement);
- Copy of awarded vendor's bid/proposal;
- Board/Council award documentation;
- Copy of awarding agency's contract/agreement;
- Pricing/Rate Sheet(s).

Section 2.6 Change Orders, Revisions, and Contingencies

A Change Order is used to document changes affecting an existing contract established by a Purchase Order or Council-approved Blanket Order Contract.

2.6.1 Informal Change Orders: All departmental requests for cancellation or changes in design, specifications, quantity, delivery schedule, pricing, payment terms, transportation, and similar contractual considerations, should be supported by a written request from an authorized fiscal approver within the department.

Buyers are authorized to issue change orders valued up to $1,000 or 5% of the total amount of the Purchase Order, whichever is less. Change orders valued above $1,000 shall be co-signed by the Purchasing Manager or designee.

Minor changes and corrections that do not require departmental or City Council approval or vendor notification *and* do not increase *<u>or decrease</u>* the value of the purchase order by more than $100 (including taxes, freight, etc.) shall not require a written change order.

2.6.2 Formal Change Orders: The City Manager is authorized to bind the City on change orders to City contracts for materials, supplies, labor or equipment, or for public works construction, when such change order for any one contract, together with any previously approved change orders for said contract, do not cumulatively amount to an increase of the City's expenditure obligation under said contract or more than 20%. These change notices shall be co-signed by the City Manager, City Attorney, and the Purchasing Manager or their designee. Any changes exceeding 20% over the approved amount shall require additional City Council action, as shall each subsequent change.

Formal Change Orders require submittal of a Change Order Request Form (Appendix C), supporting documentation, and a Requisition to Purchasing.

2.6.3 Contingency Provisions: Contract contingency amounts may be included as part of the recommended award amount to City Council for the purpose of covering unexpected cost increases that may arise throughout the project, and could not be accounted for in the initial estimating by the vendor. Contingency amounts should be reserved for large construction projects, IT systems, or other formally solicited one-time projects, and must not exceed 10% of the estimated project cost. Contingency amount will be added to the Purchase Order Contract until and unless it is needed. Requests to utilize contingency amounts must be submitted with a Requisition.

Amounts for major project scope changes, unforeseen risks, or extraordinary events should not be covered by contingency amounts.

Section 2.7 Environmentally Preferable Purchases

To the extent that is practical, the Purchasing Division and user departments shall promote the purchase of environmentally preferred products whenever they perform satisfactorily and are available at a reasonable competitive price.

The intent of this Policy is to help the City:

1. Protect and conserve natural resources.

2. Purchase products that minimize human health and environmental impacts.

3. Comply with State requirements as contained in 14 CCR Division 7, Chapter 12, Article 12 [Senate Bill (SB) 1383 procurement regulations] to procure Recovered Organic Waste Products to support Organic

   Waste disposal reduction targets and markets, and to purchase Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper.

The Purchasing Division may review bid specifications to minimize barriers to recycled content products.

City departments are encouraged to utilize recycling programs that keep materials out of landfills (e.g., reuse, recycling, return to manufacturers)

In cooperation with Purchasing, City departments shall evaluate the following product categories and purchase them whenever possible:

2.7.1 Recycled Content Paper Product Requirements

The following requirements must be met by all P.O.s, contracts, and agreements for or involving Paper Products, Printing, and Writing Paper:

- Recycled paper products must contain a minimum of 30% postconsumer recycled content, including: City letterhead, envelopes, note pads, copy machine and printer paper, janitorial supplies, hand towels, facial tissue, toilet tissue, corrugated boxes, file boxes, file folders and hangers, and other office products composed primarily of paper.

- All Paper Products and Printing and Writing Paper labeled as recyclable must be confirmed as accepted in the City's solid waste collection program as a recyclable material.
- City Departments shall provide records to the City's Solid Waste Enterprise of all Paper Products and Printing and Writing Paper purchases (both recycled-content and non-recycled content) made by a division or department or employee of the City annually upon request or more frequently if needed. Records, which may consist of reports (electronic or paper) provided by the vendor, shall include:
  - A copy of the invoice or other documentation of purchase;
  - Vendor and requester's (City staff) name;
  - Description of product purchased;
  - Quantity and date purchased; and
  - Recycled content as shown on product label, catalog, quote, website, or other written certification.
- The City's Solid Waste Enterprise will review all records annually and may request further information from City Department(s) if necessary.

2.7.2 Recovered Organic Waste Product Procurement

Procurement Target

The City's solid waste services provider is required to purchase sufficient mulch, compost, and renewable natural gas to meet the City's Annual Recovered Organic Waste Product Procurement Target. If necessary, the City may implement one or more of the following requirements on City Departments or Direct Service Providers to comply with the procurement requirements set forth in SB 1383.

- Annually procure, for use or giveaway, a quantity of Recovered Organic Waste Products that meets or exceeds its Annual Recovered Organic Waste Product Procurement Target. Eligible products may include:
  - Compost
  - SB 1383 Eligible Mulch
  - Renewable Gas (in the form of transportation fuel, electricity, or heat)

Compost and SB 1383 Eligible Mulch Requirements

- Use Compost and SB 1383 Eligible Mulch produced from recovered Organic Waste for landscaping maintenance, renovation, or construction, as practicable, whenever available, and capable of meeting quality standards and criteria specified. SB 1383 Eligible Mulch used for land application must meet or exceed the physical contamination, maximum metal concentration and pathogen density standards specified in 14 CCR Section 17852(a)(24.5)(A)(1) through (3).

- City Departments shall provide records to the City's Solid Waste Enterprise for all purchases made by a division or department or employee of the City annually. Records, which may consist of reports provided by the vendor, shall include:
    - General description of how and where the product was used and applied
    - Source of product, including facility name, physical location, and contact information for each entity, operation, or facility from whom the Recovered Organic Waste Products were procured
    - Quantity and type of each product
    - A copy of the invoice or other documentation of purchase
- For procurement of SB 1383 Eligible Mulch, maintain an updated copy of the landscaping service agreement requiring that all mulch meets the land application standards specified in 14 CCR Section 18993.1
- When Procurement of Recovered Organic Waste Products occurs through a Direct Service Provider, City Departments shall enter into a written contract or agreement or execute a purchase order with enforceable provisions that includes: (i) definitions and specifications for SB 1383 Eligible Mulch and Compost as defined in the glossary of this Policy and, (ii) an enforcement mechanism (e.g., termination, liquidated damages) in the event the Direct Service Provider is not compliant with the requirements.
- The City shall include the following requirements in any direct service agreements for landscaping maintenance, renovation, and construction:
    - Require the use of Compost and SB 1383 Eligible Mulch produced from recovered Organic Waste, as practicable and available as defined by this Policy, for all landscaping renovations, construction, or maintenance performed for the City, whenever available, and capable of meeting quality standards and criteria specified.
    - Require the Direct Service Provider to keep and provide records of Procurement of Recovered Organic Waste Products (either through purchase or acquisition) to the City's Solid Waste Enterprise annually upon request. Information to be provided shall include:
        - General description of how and where the product was used and applied
        - Source of product, including name, physical location, and contact information for each entity, operation, or facility from whom the Recovered Organic Waste Products were procured
        - Quantity and type of each product
        - Invoice or other record demonstrating purchase or procurement

For organic material procured through Renewable Gas, please refer to Appendix E. City Departments soliciting contractors that procure fuel in the course of their services to the City may be required to utilize Renewable Gas using the guidelines listed in Appendix E.

2.7.3 Energy Efficient

- ENERGY STAR™ labeled or approved electric equipment and appliances, including: refrigerators, microwave ovens, televisions, and audio-visual equipment.

- Replace conventional incandescent lighting with environmentally preferable alternatives such as Light Emitting Diode (LED) lighting.

2.7.4 Water Conserving

- Products and services that conserve water such as low-flow fixtures, drought-tolerant plants, mulch, and compost should be the standard.
- Recycled-water to be used for City irrigation whenever feasible.
- Smart Controller technology to be used for City irrigation whenever possible.

2.7.5 Preferable Packaging

- Select products with less packaging.
- Packaging should be made from cardboard or paper which can be recycled more easily.
- Phase out Styrofoam and replace with biodegradable materials.
- Buy in bulk will reduce excess packaging and waste.

The following websites may be used as a reference for the procurement of environmentally preferable durable goods and supplies: www.energystar.gov and www.epeat.net.

Nothing in this Policy shall be construed as requiring the purchase of products that do not perform adequately or are not available at a reasonable prices and terms.

Section 2.8 Insurance Requirements

Per Section 2-750 of the SAMC, each person, firm or association contracting with the City to perform any services for or on behalf of the City shall provide proof of insurance protecting the interests of the City, in a form acceptable to the City Attorney, in limits specified therein before a purchase order is issued. To further protect the City from liability exposure, as well as to keep the City informed of any change or cancellation of policies, the City has developed additional requirements (Appendix D). These documents shall be received before a purchase order is issued.

Insurance requirements may differ depending on the complexity of a project. Departments must request the review of insurance requirements to be included in formally bid projects (IFBs and RFPs) prior to submitting drafts for Buyer's review.

Section 2.9 Subscriptions and Software Licenses

For purposes of this document, subscriptions are defined as a model in which the customer agrees to pay a set amount on a recurring basis (i.e., weekly, monthly, annually) for a service and be automatically billed. This includes subscriptions to online and print versions of business journals, technical/training/professional periodicals and bulletins, newspapers, other web-based subscriptions. All purchased subscriptions must allow customers to cancel or deactivate at any time.

Requests for subscriptions to digital entertainment/streaming services, digital media creation websites, applications (apps), membership "clubs", and downloadable software must be submitted to Purchasing for approval by entering a Requisition. These subscriptions may require the approval of Information Technology Department. The Purchasing Division will issue either a Purchase Order to facilitate an invoice or renewal notice payment by the Department and Accounts Payable, or authorize payment with a Buyer's credit card.

Software subscriptions must not include service and maintenance agreements. These types of software service and maintenance agreements require either a Purchase Order or Agreement. Please consult with the Purchasing Division to determine the most appropriate procurement and payment option.

Software Licenses usually include an initial purchase and are owned by the customer indefinitely. Procurement of software licenses require the submittal of a requisition and may require review by City Attorney's Office or the execution of an Agreement if the vendor requires signing of their terms and conditions to complete a transaction.

SECTION 3.00 OTHER POLICIES & PROCEDURES

Section 3.1 Impacted Items

Purchases of materials, supplies or equipment unessential for the daily functions of department/agency operations or deemed for personal use are generally not allowable. Requisitions for such items may be approved at the discretion of the Purchasing Manager and may require City Manager's approval prior to being assigned to a buyer.

Section 3.2 Capital Assets

Property ID tags shall be issued for tangible capital assets.

Tags are provided by the Buyer and affixed to equipment by the using department. Tags are cross referenced with its Purchase Order number to allow for quick access to information on the acquisition and replacement costs for any given item. Please refer to the City's Capitalization Policy for capitalization thresholds.

Section 3.3 Public Works Projects

"Public works project" shall mean the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind (Public Contract Code § 1101), regardless of the requesting department. Any work that is considered a "public work" should be coordinated with PWA.

3.3.1 Prevailing Wage

Section 1771 of the California Labor Code stipulates that except for public works projects of $1,000 or less, contractors are to pay prevailing wage for Public Works Construction projects. Section 421 of the City Charter defines Public Works Construction as a project for the erection or improvement of public buildings, streets, drains, sewers, parks, or playgrounds.

Additionally, except on locally funded public works projects of $25,000 or less when the project is for construction work, or $15,000 or less when the project is for alteration, demolition, repair or maintenance work, all contractors performing work on a City public works project shall be subject to California prevailing wage law, codified at California Labor Code Section 1782, et seq, as it may be amended from time to time. The only limitation on this requirement shall be in the event federal funding requirements supersede state prevailing wage laws. For complete details see SAMC Sec. 33-202 and 33-206.

3.3.2 Department of Industrial Relations (DIR)

a. **Contractor DIR Registration:** Any contractor responding to and subcontractors listed on a public works bid requiring prevailing wage compliance must have a valid DIR registration at the time a bid is submitted.

b. **Project Registration / PWC-100 Filing:** DIR requires awarding bodies to register public works projects by filing a PWC-100 online within 5 days of awarding contract for projects exceeding $25,000 when the project is for new construction, alteration, installation, demolition or repair; or $15,000 when the project is for maintenance work.

The DIR Project ID number is automatically generated via email and must be provided to the awarded contractor and project manager. Verification of project registration shall be filed with the contract/Purchase Order. Completion and submission of the PWC-100 fulfills the required public works project award notification as required by Labor Code sec. 1773.3 and 8 Cal. Code Reg. sec. 1645(a). This also enables contractors to upload and submit certified payroll for work performed under awarded public works contracts.

The Buyer will register projects awarded resulting from an IFB, requisition, and BOCs under $25,000. City departments must register projects awarded resulting from an Agreement or RFP/Q and provide verification of project registration to their assigned Buyer for filing and PO reference if applicable.

3.3.3 Community Workforce Agreement (CWA): Multi-Trade construction contracts over $750,000 (including all subcontracts) or over $100,000 for Specialty Contracts (contracts either limited to a single trade or craft or limited to a singular scope of work), the CONTRACTOR shall adhere to the CITY'S Community Workforce Agreement (CWA). The CWA is a pre-hire collective bargaining agreement, which establishes the labor relations policies and procedures for CONTRACTOR to follow in the crafts persons employed to complete the WORK OF IMPROVEMENT as more fully described in the CWA. The CWA is incorporated by reference in the Construction Contract.

Departments/Project Managers soliciting projects where CWA terms and conditions apply, must notify the CWA Administrator, or authorized representative who will be the liaison between the City, Contractors, and Unions, before releasing a project that may require CWA compliance monitoring. Standard language provided by PWA shall be included on front-end documents and public advertisements. The CWA Administrator, or their designated representative, must be able to respond to inquiries regarding compliance must be invited to attend any pre-bid/proposal conferences.

3.3.4 Protest Procedures

Protest procedures must be included on all public works formal solicitations.

Only vendors who have actually submitted a bid may file a “protest” to an IFB with the City’s Purchasing Manager. In order for a Bidder’s protest to be considered valid, the protest must:

1. Be filed in writing before 5:00 p.m. of the fifth (5th) business day following the posting of Bid Results/Notice of Intent to Award on the City’s online bidding system;

2. Clearly identify the specific irregularity or accusation;

3. Clearly identify the specific City staff determination or recommendation being protested;

4. Specify, in detail, the grounds of the protest and the facts supporting the protest; and

5. Include all relevant, supporting documentation with the protest at time of filing.

If the protest does not comply with each of these requirements, it will be rejected as invalid. If the protest is valid, the City’s Purchasing Manager, or other designated City staff member, shall review the basis of the protest and all relevant information. The decision from the Purchasing Manager, or her/her designee, is final and no further appeals will be considered.

Section 3.4 Computer Equipment Purchases

All information technology equipment, including computers, hardware, software and other related purchases shall first be reviewed and approved by the Information Technology department before a requisition is created.

Software purchases requiring acceptance of vendor’s terms and conditions should be forwarded to City Attorney’s Office for review prior to entering a requisition.

Section 3.5 Procurement Standards for Federal Grant Management

As part of the Uniform Administrative Requirements implementation for the administration of Federal grants, the City shall also strictly adhere to Uniform Guidance requirements (Federal Procurements Standards). It shall be the responsibility of the managing Department(s) document the use of grant funds on Requisitions to alert Buyers, and to retain and maintain procurement documentation related to Federal grants. The City’s procurement procedures shall apply to the administration of grant funds except where they do not conform to the Federal Procurement Standards.

The City shall observe these exceptions:

3.5.1 Competition

a. **Local Vendor Preference:** Statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals is prohibited except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. [2 CFR §200.319 (c)]

b. **Suspension and Debarment:** Contracting with parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal programs or activities is prohibited. [2 CFR §200.213] Grant-managing departments are responsible for checking the excluded parties listing (sam.gov) prior to selecting vendors to comply with the requirements.

c. **Noncompetitive Procurement:** Noncompetitive proposals valued at above the micro-purchase threshold may be used only when one or more of the following circumstances exist [2 CFR §200.320 (c)]:
   - The item is available only from a single source (sole source)
   - An emergency which will not permit a delay resulting from competitive solicitation
   - The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals
   - After solicitation of a number of sources, competition is determined inadequate

d. **Contracting with Disadvantaged Businesses:** The responsible City agency must take affirmative steps to assure minority businesses, women's enterprises and labor surplus area firms are used when possible. [2 CFR §200.321]

3.5.2 Capital Expenditures

Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of $5,000 or more have the *prior written approval* of the Federal awarding agency or pass-through entity. [2 CFR §200.439]

3.5.3 Methods of Procurement

Federal procurement thresholds are established by 2 CFR Part 200.320. However, the City of Santa Ana elects to use procurement standards in conformance with its own policies and procedures outlined in sections 2.5.1 and 2.5.2.

3.5.4 American Rescue Plan Act (ARPA) Procurement

On March 11, 2021, the American Rescue Plan Act was signed into law. The program will provide support to governments in responding to the economic and public health impacts of COVID-19.

Noncompetitive procurement: Noncompetitive procurement can only be awarded if one or more of the following circumstances apply:

(1) The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold;

(2) The item is available only from a single source;

(3) The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;

(4) The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity; or

(5) After solicitation of a number of sources, competition is determined inadequate.

GLOSSARY

Agreement
Within the City of Santa Ana, the term "agreement" refers to a document initiated by the using department by completing and submitting a Request for Legal Assistance Form to the City Attorney's Office. Such document is signed by the City Manager, City Attorney, Director of the using department, Clerk of the Council, and the vendor.

Annual Recovered Organic Waste Product Procurement Target
The amount of Organic Waste in the form of a Recovered Organic Waste Product that the City is required to procure annually under 14 CCR Section 18993.1. This target shall be calculated by multiplying the per capita procurement target, which shall be 0.08 tons of Organic Waste per California resident per year, times the City's residential population using the most recent annual data reported by the California Department of Finance. Annually, CalRecycle will provide notice to each City of its Annual Recovered Organic Waste Product Procurement Target by posting such information on CalRecycle's website and providing written notice directly to the City.

Centralized Purchasing
A system of purchasing in which the authority, responsibility and control of purchasing activities for the City is administered by the Purchasing Division of the Finance and Management Services Agency.

Competitive Bidding
The City's preferred procurement method in which bids from competing suppliers or vendors are invited by openly advertising the scope, specifications and terms and conditions of a proposed contract. The process aims at obtaining goods and services at the lowest prices by stimulating competition and preventing favoritism.

Compost
The product resulting from the controlled biological decomposition of organic solid wastes that are source separated from the municipal solid waste stream or which are separated at a centralized facility or as otherwise defined in 14 CCR Section 17896.2(a)(4). The eligibility requirements for meeting the Annual Recovered Organic Waste Product Procurement Target require that the Compost must either be i) produced at a compostable material handling operation or facility permitted or authorized under 14 CCR Chapter 3.1 of Division 7; or ii) produced at a large volume in-vessel digestion facility that composts on-site as defined and permitted under 14 CCR Chapter 3.2 of Division 7. Compost shall meet the State's composting operations regulatory requirements.

Contract
Any type of Purchase Order issued by the Purchasing Division (i.e., Purchase Order, Blanket Order Contract, and Blanket Purchase Order).

Direct Service Provider
A person, company, agency, district, or other entity that provides a service or services to City pursuant to a contract or other written agreement or as otherwise defined in 14 CCR Section 18982(a)(17).

Emergency Purchase
A commitment made by Purchasing or a requesting department for the procurement of materials, supplies, equipment or services necessary for the preservation of life, health or property (SAMC Sec. 2-807(b)).

Formal Bid
A bid submitted in a sealed envelope or via the City's online bid management system in conformance with a prescribed format and that is to be opened at a specific time.

Informal Bid
Written or verbal quotations for goods and services that are less than fifty thousand dollars ($50,000) in value and do not require formal bid procedures. Informal bids may include unsealed written quotes, verbal quotes, and quotes received via fax or e-mail.

Landfill Disposal
The final disposition at a landfill or as otherwise defined in 14 CCR Section 18983.1(a) and includes use of material as alternative daily cover or alternative intermediate cover at a landfill, and other dispositions not listed in 14 CCR Section 18983.1(b).

Non-Responsive Bid
A bid that does not conform to the requirements of the Invitation for Bid.

Organic Waste
Solid wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, yard trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing And Writing Paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

Paper Products
Includes, but is not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a)(51).

Pre-Bid Meeting/Job Walk
A meeting scheduled prior to bidding for the purpose of providing clarification and/or touring the work site.

Printing and Writing Paper
Includes, but is not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, note pads, writing tablets, newsprint, and other uncoated writing papers, posters, index cards, calendars, brochures, reports, magazines, and publications; or as otherwise defined in 14 CCR Section 18982(a)(54).

Procurement of Recovered Organic Waste Products
Shall mean the purchase or acquisition (e.g., free delivery or free distribution from a hauler or other entity via a written agreement or contract), and end use by the City or others. The City's Annual Recovered Organic Waste Product Procurement Target can be fulfilled directly by the City or by Direct

Service Providers through written contracts or agreements for procurement of Recovered Organic Waste Products at the City's behest.

Project
For purposes of this manual, "**projects**" shall mean any scope or process to achieve a goal, including planning, design, and inspection/surveying; deliverables; features; functions; tasks; phases; deadlines; costs; related maintenance, services, installation and the work required to prepare area(s); similar work performed within a reasonably close period; subsequent and/or related work related to a previous and recent procurement; and other work as reasonably determined by Purchasing Manager.

Publicly Owned Treatment Works (POTW)
Is defined in section 403.3(r) of Title 40 of the Code of Federal Regulations, as a facility that receives vehicle-transported solid waste that is an anaerobically digestible material for the purpose of anaerobic co-digestion with POTW Treatment Plant wastewater.

Purchase Order
A Buyer's written offer to a seller stating all terms and conditions of a proposed transaction.

Recovered Organic Waste Products
Products made from California, landfill-diverted recovered Organic Waste processed at a permitted or otherwise authorized operation or facility, or as otherwise defined in 14 CCR Section 18982(a)(60). Products that can be used to meet the Annual Recovered Organic Waste Product Procurement Target shall include Compost, SB 1383 Eligible Mulch, Renewable Gas from an in-vessel digestion facility, and Electricity Procured from Biomass Conversion as described herein and provided that such products meet requirements of 14 CCR, Division 7, Chapter 12, Article 12.

Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper
Products that consist of at least thirty percent (30%), by fiber weight, postconsumer fiber, consistent with the requirements of Sections 22150 to 22154 and Sections 12200 and 12209 of the Public Contract Code, and as amended.

Request for Proposal
A request for proposal (RFP) is a document that solicits proposal, often made through a bidding process, by an agency or company interested in procurement of a commodity, service, or valuable asset.

Responsible Bid
A bid submitted by a supplier who has the capacity in all aspects to perform the contract requirements, and the integrity and reliability which will assure good faith performance.

Responsive Bid
A bid that conforms in all material respects to the terms and conditions, specifications, timeliness and any other requirements of the proposal.

SB 1383
Means Senate Bill 1383 of 2016, establishing methane emissions reduction targets in a Statewide effort to reduce emissions of short-lived climate pollutants as amended, supplemented, superseded, and replaced from time to time.

SB 1383 Eligible Mulch
Mulch eligible to meet the Annual Recovered Organic Waste Product Procurement Target, pursuant to 14 CCR Chapter 12 of Division 7, and which meets the conditions as specified by 14 CCR Section 18993.1(f)(4) for the duration of the applicable procurement compliance year.

Sole Source
A supplier that provides a unique or proprietary product or service for which they are the only known supplier.

Specification
The term "specification," generally refers to the detailed description of the commodity or service required. However, for certain products and/or projects it may also encompass the physical requirements, Scope or Statement of Work (SOW), installation requirements and other descriptive aspects of the procurement.

State
Means the State of California.

Subscription
A model in which the customer agrees to pay a set amount on a recurring basis (i.e., weekly, monthly, annually) for a service and be automatically billed. This includes subscriptions to online and print versions of business journals, technical/training/professional periodicals and bulletins, newspapers, other web-based subscriptions.

Unqualified Recyclable Label
Label which indicates that recycling facilities are available to at least 60 percent of the consumers or communities where the item is sold (as defined in Title 16 Code of Federal Regulations Section 260.12 [2013]).

APPENDIX

NOTES REGARDING APPENDICES:

APPENDIX A-C ARE INCLUDED HEREIN AS EXAMPLES OF PURCHASING FORMS REFERENCED IN THIS MANUAL – FOR REFERENCE ONLY.

ACTUAL FORMS ARE AVAILABLE TO STAFF ON CITYDESK, FINANCE AND MANAGEMENT SERVICES – "*PURCHASING"* SECTION.

APPENDIX A – Exception to Process Request must be submitted with a Requisition along with other supporting documents. Form is submitted to Buyer with all applicable department approvals prior to further review and additional approvals if/as needed.

APPENDIX B – Vendor Agreement Information Form is submitted to Buyer with Department contact's request to approve a PO25 in Lawson.

APPENDIX C – Contract Change Order Request must be submitted with a Requisition along with other supporting documents. Form is submitted to Buyer with all applicable department approvals prior to further review and additional approvals if/as needed.

ACCOUNTS PAYABLE FORMS ARE NOW MADE AVAILABLE ON CITYDESK, FINANCE AND MANAGEMENT SERVICES – "ACCOUNTS PAYABLE" SECTION.

APPENDIX A

EXCEPTION TO PROCESS REQUEST
Finance and Management Services – Purchasing Division

DEPARTMENT AND VENDOR INFORMATION		
Department/Division	**Department Contact/Requester**	**Date/Term of Agreement**
Vendor Name	**Vendor Email & Phone**	**Vendor Representative**
Type of Contract: ☐ One-time ☐ Multi-Year ☐ Renewal ☐ Change Order ☐ Increase	**Requisition No.**	**Amount (including all fees & taxes)** **$**

Type of Exception (check all that apply):

☐Sole Source ☐Piggyback ☐ Grant dictates vendor awarded ☐Other – explain below

☐Emergency Purchase: Provide Emergency PO pre-approved and assigned by Buyer: _____________

☐Preservation of life, health, or property

☐Formal solicitation previously attempted, but yielded no responsive solicitations or lowest, responsible bidder is not being awarded. Please provide more information below. Provide solicitation number: RFP/IFB #___________

JUSTIFICATION

Attach additional page(s) if needed.

Description - *Provide a detailed description of goods/services.*

Justification for exception to competitive bidding process request:
Explain why this purchase cannot be procured using the City's competitive bidding process or current Purchasing Policies and Procedures.

CERTIFICATIONS

I certify that:

- Purchase will not be split to circumvent the City's established Purchasing Policies and Procedures.
- It is my responsibility to verify vendor's compliance with the City's insurance and prevailing wage requirements (DIR) prior to commencement of any work on City property.
- I have verified due diligence has been performed by myself or department staff and can confirm purchasing these products/services in accordance with the City's established Purchasing Policies and Procedures is not advantageous to the City.

APPROVALS REQUIRED

<u>> $15,000</u>
- Division Head/Manager
- Purchasing Manager

<u>> $50,000 (Not Requiring City Council Approval)</u>
- Division Manager
- Executive Director
- Purchasing Manager

<u>City Council Approval Required for:</u>
- Non-Public Works > $50,000
- Public Works > $500,000

Dept. staff to work with Buyer to draft Staff Report.

SIGNATURES

Requester's Name (Print)		Date
Division Head/Manager's Name (Print)	Signature	Date
Executive Director/Designee's Name (Print)	Signature	Date
Purchasing Manager's Name Karla Lopez	Signature	Date

Requesters must attach to this form documents supporting justification for exemption requests.
The Purchasing Manager is authorized to exempt certain contracts from competitive bidding in accordance with Ordinance No. NS-3041.

APPENDIX B

VENDOR AGREEMENT INFORMATION

This form directs Purchasing to set-up an Agreement in the Lawson (PO25) for payment purposes.

Agreement Information		
Vendor Name:		***Vendor #***
Agreement No.:		
Description of Services/Goods provided:		
Contract Term:	***Contract Amount:***	
Contract Type: ☐ ***Service Only***	☐ ***Goods Only***	☐ ***Goods & Service***

Processing Information	
Citywide Buyer (Project Manager):	
Administrator (Dept. Fiscal):	
Create Commitment (Funds encumbered):	☐ ***Yes*** ☐ ***No***
Accounting Unit / Account # (if more than one, list below):	
Activity / Category	
Insurance required: ☐ ***Yes*** ☐ ***No***	***Insurance Expiration Date:***
Accounting Unit/ Account: *Activity / Category:*	*Amount:*
Accounting Unit/ Account: *Activity / Category:*	*Amount:*
Accounting Unit/ Account: *Activity / Category:*	*Amount:*
Accounting Unit/ Account: *Activity / Category:*	*Amount:*
Additional Information (i.e. price list, terms, etc.)	

Upload completed form to: Procurement Share Folder along with a copy or link to fully executed agreement and Staff Report if approved by Council, and a copy of the certificate of insurance approved by Risk Management to the Procurement Share Folder.

APPENDIX C

CONTRACT CHANGE ORDER (C.O.) REQUEST

Finance and Management Services – Purchasing Division

Formal C.O. Form for City Council Approved Projects

C.O. No: ________

CONTRACT INFORMATION			
Purchase Order Number	Council Agenda Date and Item No.	IFB / RFP /Spec. No.	Date
Vendor/Contractor	Project Description		

Description of Change and Justification *C.O. includes all labor, material, time (including prime contractor and subcontractor's general conditions, overhead and profit) and equipment per below/attached breakdown necessary to complete the following work.*	**C.O. Amount Increase** *(if applicable)*

CHANGE TO CONTRACT AMOUNT			
Original Contract Amount: $	Sum of Previously Approved C.O.s: $	Current Contract Amount: $	Remaining C.O. Allowance: $
REVISED CONTRACT TOTAL: **$**		Project/Contract Term or Expiration Date: Original ______________ Revised *(if applicable)* _____________	

ACCEPTANCE / APPROVALS		
Project Manager's Name and Title (Print)	Signature	Date
Division Head/Manager's Name (Print)	Signature	Date
Buyer's Initials	Purchasing Manager's Signature	City Manager's Signature

The City Manager is authorized to bind the City on Change Orders to any one (1) public works contract, per vendor, without previous City Council approval when such change order for any one (1) public works contract, together with any previously approved Change Orders for said contract, do not cumulatively amount to an increase of the City's expenditure obligation under said contract of more than twenty (20) percent of the original contract amount. Ordinance No. NS-3041

APPENDIX D

INSURANCE REQUIREMENTS
FOR PURCHASING OF PRODUCTS, SERVICES, AND PRODUCTS WITH SERVICES
(DOES NOT INCLUDE CONSTRUCTION OR LARGE PROJECTS)

✓ **PRODUCT - *NO INSURANCE REQUIRED:*** *If product is delivered by supplier or transport company (UPS, US Mail, etc.) with no installation or set-up, no insurance is required*

✓ **PRODUCT WITH SERVICES & SERVICES - *INSURANCE REQUIRED:*** *If Product is delivered and set-up by vendor or contracted installation company or any purchase providing services on-site or at a city property or facility, insurance is required*

- Standard insurance minimums listed below supersede any previously stated insurance requirements.
- The City of Santa Ana reserves the right to modify these requirements based on the nature of the risk, scope of services, insurance coverage or other special circumstances.
- It is recommended that quotes for coverages be obtained prior to signing any contract or agreement.

	REQUIREMENT	DESCRIPTION
✓	GENERAL LIABILITY	$1,000,000 per occurrence and $2,000,000 aggregate.
✓	AUTOMOBILE LIABILITY	$1,000,000 per accident for bodily injury and property damage. ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9).
✓	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY	$1,000,000 per accident for bodily injury or disease. • **Sole Proprietor:** Sole Proprietors who have **no employees** are not required to carry Workers' Compensation Coverage in accordance with California State statute but must complete the City's Workers' Compensation Declaration form.
✓	ADDITIONAL INSURED ENDORSEMENT	The City of Santa Ana, its officers, officials, employees, and volunteers must be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. ***General liability coverage can be provided in the form of an endorsement to the Vendor/Contractor's insurance*** (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).
✓	PRIMARY & NON-CONTRIBUTORY ENDORSEMENT	For any claims related to this contract, the ***Contractor's insurance coverage shall be primary*** insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
✓	CERTIFICATE HOLDER	MUST BE LISTED AS FOLLOWS: City of Santa Ana Risk Management Division 20 Civic Center Plaza Santa Ana, CA 92702
	ADDITIONAL REQUIREMENTS	Risk Management review of Scope of Services, any one or a combination of the following may also be required: 1. Sexual Abuse and Molestation Insurance Coverage may be required for services or events that include children. 2. Increased Commercial General Liability insurance coverage may be required for services or events of a larger scope. 3. Cyber Liability Coverage; or 4. Professional Liability or Errors & Omissions Coverage

ALL CERTIFICATES OF INSURANCE (COI) MUST BE APPROVED AND STAMPED BY RISK MANAGEMENT DIVISION PRIOR TO PURCHASE OR COMMENCEMENT OF SERVICES INCLUDING NEW AND RENEWAL COIS

APPENDIX E

Recovered Organic Waste Product Procurement Requirements for Renewable Gas

The City's solid waste services provider is required to purchase sufficient mulch, compost, and renewable natural gas to meet the City's Annual Recovered Organic Waste Product Procurement Target. If necessary, the City may implement one or more of the following requirements listed in Section 2.9.2 to comply with the procurement requirements set forth in SB 1383.

City Departments soliciting contractors that procure fuel in the course of their services to the City may be required to utilize Renewable Gas using the guidelines listed below.

Renewable Gas

- For Renewable Gas procurement (used for fuel for transportation, electricity, or heating applications), City shall:
  - Procure Renewable Gas made from Organic Waste for transportation fuel, electricity, and heating applications to the degree that it is appropriate and available for the city to help meet the Annual Recovered Procurement Target, which requires compliance with the criteria specified in 14 CCR Section 18993.1.
  - Keep records in the same manner indicated in the section titled, "Compost and SB 1383 Eligible Mulch Requirements", for the amount of Renewable Gas procured and used by the City and submit records to City's Solid Waste Enterprise annually or as requested. City shall additionally obtain the documentation and submit records as specified below, if applicable.
  - For Renewable Gas procured by Direct Service Providers, the City shall encourage:
    - Direct Service Providers transporting solid waste, organic materials, and/or recyclable materials to procure a percentage of their fuel as Renewable Gas if required to do so in RFPs and RFQs released by the City for such services or as required by permit, license, written agreement, or written contract with the City.
    - City Departments releasing RFPs and RFQs for contractors that procure fuel in the course of their services to include a percentage or price preference to contractors that propose to use the amount or percentage of Renewable Gas specified in the RFP or RFQ to be eligible for said price preference. Such use, if it occurs, shall be documented in a written contract or agreement.
    - Direct Service Providers using Renewable Gas made from recovered Organic Waste to submit information listed in Section 2.9.5.3(a) to City's Solid Waste Enterprise annually or as requested.
    - Direct Service Providers using Renewable Gas to comply with criteria specified in 14 CCR Section 18993.1.
- If the City procures Renewable Gas from a Publicly Owned Treatment Works (POTW), the City shall:
  - Annually verify that the Renewable Gas from the POTW complies with the requirements specified in 14 CCR Section 18993.1(h), including, but not limited

to the exclusion in 14 CCR Section 17896.6(a)(1) and the items listed in this Section.

  - Annually receive a record from the POTW documenting the tons of Organic Waste received by the POTW from: (i) a compostable material handling operation or facility as defined in 14 CCR Section 17852(a)(12), other than a chipping and grinding operation or facility as defined in 14 CCR Section 17852(a)(10), that is permitted or authorized under 14 CCR Division 7; (ii) transfer/processing facility or transfer/processing operation as defined in 14 CCR Sections 17402(a)(30) and (31), respectively, that is permitted or authorized under 14 CCR Division 7; or (iii) a solid waste landfill as defined in Public Resources Code Section 40195.1 that is permitted under 27 CCR Division 2.
  - Annually receive documentation from the POTW of the percentage of biosolids that the POTW produced and transported to activities that constitute landfill disposal in order to demonstrate that the POTW transported less than twenty-five percent (25%) of the biosolids it produced to activities that constitute landfill disposal. For the purposes of this Policy, landfill disposal is defined pursuant to 14 CCR Section 18983.1(a) and includes final disposition at a landfill; use of material as alternative daily cover or alternative intermediate cover at a landfill, and other dispositions not listed in 14 CCR Section 18983.1(b). Alternative daily cover or alternative intermediate cover are defined in 27 CCR Sections 20690 and 20700, respectively.
  - Annually receive documentation that the POTW receives vehicle-transported solid waste that is an anaerobically digestible material for the purpose of anaerobic co-digestion with POTW treatment plant wastewater to demonstrate that the POTW meets the requirement of 14 CCR Section 18993.1(h)(2).
- These records shall be submitted to City’s Solid Waste Enterprise annually or as requested.