



CITY OF PALMDALE

Chapter 3.08 PURCHASING

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Prior legislation: Ords. 415 § 1, 779, 805, 837, 991, 1121, 1309 and 1310.

3.08.010 Title and purpose.

This chapter shall be known as the City of Palmdale purchasing ordinance. The provisions of this chapter shall prevail over any conflicting state law. The purpose of this chapter is to establish procedures and policies for the procurement of goods, materials, equipment, supplies and services, including, but not limited to, construction of public works projects and professional services. (Ord. 1398 § 2 (Exh. A), 2010)

3.08.020 Policy of competitive procurement.

It is the policy of the City of Palmdale to utilize competitive procurement processes to obtain the best quality and prices for needed goods, materials, equipment, supplies and services except as specifically provided in this chapter. (Ord. 1398 § 2 (Exh. A), 2010)

3.08.030 Definitions.

As used in this chapter, unless the context otherwise clearly indicates:

(A) "Bid" means a response to a procurement solicitation, including a bid, a proposal and a statement of qualifications and experience.

(B) "Bidder" means a person or company that submits a bid or any response to a procurement solicitation.

(C) "Competitive procurement process" means a selection process where contractors and vendors who supply goods, materials, equipment, supplies and services to the City are selected through a formal or informal process that allows full, fair and open competition for all qualified vendors with selection based on specified criteria established to best meet the needs of the City. Invitations for bids, requests for proposals, and requests for qualifications and experience are examples of competitive procurement processes.

(D) "Contract" means a written agreement between the City and a vendor, including a purchase order issued to a vendor.

(E) "Chief Procurement Officer" means the person appointed by the Director of Finance to manage the City's Central Purchasing Office to procure goods, materials, equipment, supplies and services for the City.

(F) "Eligible local provider" shall mean a local provider who is an otherwise responsible bidder and responsive to the City's procurement solicitation.

(G) "Local provider Palmdale" shall mean a manufacturer, supplier or provider of goods, materials, equipment, supplies or services which has an established place of business within the City of Palmdale, which has complied with City of Palmdale business license requirements, which has paid all currently due business license fees and taxes, and which began doing business within the City of Palmdale at least one year prior to the City's procurement solicitation for the respective purchase.

(H) "Local provider Antelope Valley" shall mean a manufacturer, supplier or provider of goods, materials, equipment, supplies or services which has an established place of business within the Antelope Valley as that area is defined in Chapter [3.10](#) PMC, which has complied with City of Palmdale business license requirements, which has paid all currently due business license fees and taxes, and which began doing business within the City of Palmdale at least one year prior to the City's procurement solicitation for the respective purchase.

(I) "Local provider employer" shall mean a manufacturer, supplier or provider of goods, materials, equipment, supplies or services for which at least 50 percent of its employees are residents of the Antelope Valley as defined in Chapter [3.10](#) PMC, or, if the business has no employees, shall be at least 50 percent owned by one or more persons whose primary residence(s) is located within Antelope Valley.

(J) "Using department" means any office, department, commission, board or other agency of the City using goods, materials, equipment, supplies or services. (Ord. 1398 § 2 (Exh. A), 2010; Ord. 1347 § 1, 2008. Formerly 3.08.020)

3.08.040 Adoption of centralized purchasing system.

In order to establish efficient procedures for the purchase of goods, materials, equipment, supplies and services, to secure for the City goods, materials, equipment, supplies and services at the lowest possible cost, commensurate with quality needed, to exercise positive financial control over purchases, to clearly define authority of the purchasing function and to assure the quality of purchases, a centralized purchasing system is adopted. (Ord. 1398 § 2 (Exh. A), 2010; Ord. 1347 § 1, 2008. Formerly 3.08.010)

3.08.050 Chief Procurement Officer.

The Chief Procurement Officer shall be appointed by the Director of Finance, who may combine those duties with the duties of any other office or position. Except as specifically exempted herein, the Chief Procurement Officer shall have authority to:

(A) Procure, purchase and contract for all goods, materials, equipment, supplies and services required by any using department in accordance with purchasing procedures prescribed by this chapter, such administrative regulations as the Chief Procurement Officer shall adopt, and such other rules and regulations as shall be prescribed by the Director of Finance or the City Manager;

(B) Negotiate and recommend execution of contracts for the purchase of goods, materials, equipment, supplies and services;

(C) Act to procure for the City the needed quality in goods, materials, equipment, supplies and services at least expense to the City;

(D) Discourage collusive bidding and endeavor to obtain as full and open competition as possible on all purchases;

(E) Prepare and recommend to the Director of Finance rules governing purchasing, maintaining an inventory, and warehousing of goods, materials, equipment, supplies and services of the City;

(F) Keep informed of current developments in the fields of purchasing, prices, market conditions and new products;

(G) Prescribe and maintain such forms as are reasonably necessary to the operation of this chapter and other rules and regulations;

(H) Be responsible for the inspection of all goods, materials, equipment, supplies and services purchased to ensure conformance with specifications, and, where necessary, to require chemical and physical tests of samples submitted with bids and samples of deliveries to determine their quality and conformance with specifications;

(I) Recommend the transfer of surplus or unused supplies and equipment between City departments as needed and the sale or other disposition of all supplies and equipment which cannot be used by any using department or which have become obsolete or otherwise unsuitable for City use;

(J) Maintain a vendors list of qualified vendors and contractors;

(K) Perform such other duties and functions as may be assigned by the Director of Finance. (Ord. 1398 § 2 (Exh. A), 2010; Ord. 1347 § 1, 2008. Formerly 3.08.030)

3.08.060 Delegation to other departments.

(A) The Chief Procurement Officer, with approval of the Director of Finance, may authorize, in writing, any using department to purchase and contract for specified goods, materials, equipment, supplies and services independently of the Central Purchasing Office; but the Chief Procurement Officer shall require that such purchases and contracts be made in conformity with the procedures established by this chapter, and shall further require periodic reports from the using department on the purchases and contracts made under such written authorization.

(B) Contracts to implement the capital improvement program and for construction services for public projects shall be procured by the Director of Public Works/designee in cooperation with the Chief Procurement Officer and in compliance with the requirements of this chapter and the Palmdale Charter. For contracts to be procured by the Public Works Department, the references in this chapter to Chief Procurement Officer shall mean the Director of Public Works/designee, unless, by mutual agreement between the departments, the Chief Procurement Officer agrees to perform such tasks. (Ord. 1398 § 2 (Exh. A), 2010; Ord. 1347 § 1, 2008. Formerly 3.08.040)

3.08.070 Requisitions.

Using departments shall submit requests for services, supplies and equipment to the Chief Procurement Officer using standard purchase requisition forms. (Ord. 1398 § 2 (Exh. A), 2010; Ord. 1347 § 1, 2008. Formerly 3.08.050)

3.08.080 Exceptions to competitive procurement requirements.

(A) Specified Professional Services. The procurement of services from the following specified professional classifications, without regard to the dollar amount of the contract, is exempt from the competitive process, but shall be selected based on qualifications: financial services, actuaries, psychologists, medical doctors, entertainers and performers, claims consultants, insurance brokers,

attorneys-at-law and consultants and experts used during the ongoing course of litigation in which the City, the Redevelopment Agency or any of the boards, commissions, officers or employees are involved.

(B) Sole Source. A purchase may be made or contract awarded without competition when the Director of Finance determines that there is only one reasonable and practicable source for the required goods, materials, equipment, supplies or service because of its uniqueness, quality, durability, availability, compatibility with existing City programs, equipment or systems or fitness for a particular use.

(C) City's Best Interest. Except where competitive bidding is required by federal law or by reason of the source of funding for the project, goods, materials, equipment, supplies and services may be procured by negotiated contract and without competition, when the Director of Finance determines that, due to the nature of the supplies or equipment, bidding is not likely to serve the best interests of the City or to result in the lowest price.

(D) Emergencies. "Emergency procurement" means the procurement of goods, materials, equipment, supplies or services which are required to remedy a situation where the health, safety, welfare or quality of welfare of the public or public property is endangered or severely reduced if immediate corrective or preventive action is not taken and the emergency will not permit a delay resulting from a competitive procurement and that the action is necessary to respond to the emergency. Notwithstanding any other provisions of this chapter, the City Manager, upon finding that there exists an emergency situation as described herein, may authorize the Chief Procurement Officer/designee and/or Public Works Director/designee to make emergency procurements of goods, materials, equipment, supplies or services; provided, that such emergency procurements shall be made with such competition as is practicable under the circumstances. An emergency procurement shall be limited to those goods, materials, equipment, supplies and services necessary to satisfy the emergency need.

(E) Other. Competitive procurement may be dispensed with in accordance with any other section of this code which provides such an exemption. (Ord. 1398 § 2 (Exh. A), 2010; Ord. 1347 § 1, 2008. Formerly 3.08.060)

3.08.090 Cooperative purchasing authorized.

The Central Purchasing Office may participate in, sponsor, conduct, or administer cooperative purchasing with other public agencies and with nonprofit groups or organizations established by public entities for the purpose of cooperative purchasing; provided, that competitive purchasing procedures similar to those required in the City of Palmdale are employed. Such participation may also consist of the following:

(A) Purchasing goods, materials, equipment, supplies or services through contracts or bid award lists of others; provided, that competitive purchasing procedures similar to those required in the City of Palmdale were employed to create such contracts or bid award lists.

(B) Purchasing supplies and equipment through federal programs when authorized by City Council.

(C) Participating in joint or cooperative sale or disposal of City property. (Ord. 1398 § 2 (Exh. A), 2010; Ord. 1347 § 1, 2008. Formerly 3.08.070)

3.08.100 Types of contracts.

The award of contracts for construction, repairs, maintenance and other services shall not be limited to the standard process of design/bid/build, but alternative contracting methods such as job order contracting, design/build, and construction manager at risk may be utilized whenever such alternative contracting methods best meet the needs of the City. (Ord. 1398 § 2 (Exh. A), 2010)

3.08.110 Use of City forces.

City employees may be used to perform services including but not limited to repairs, maintenance and construction of public projects whenever such use best meets the needs of the City. (Ord. 1398 § 2 (Exh. A), 2010)

3.08.120 Vendors list.

The Central Purchasing Office shall develop and maintain a list (City vendors list) of qualified vendors and contractors, identified as to categories of the types of goods, materials, equipment, supplies or services for which they are qualified. (Ord. 1398 § 2 (Exh. A), 2010; Ord. 1347 § 1, 2008. Formerly 3.08.090)

3.08.130 Local preference.

In order to promote the economic health and development of the City, to stimulate and enhance the local economy, to generate jobs and spur further investment into the community, to recognize the amount of sales tax that is returned to the City as a result of the award of a purchase contract for goods and services to a local bidder, and to encourage local participation in the purchase of goods, materials, equipment, supplies and services, the City shall grant a local preference as provided herein.

(A) In determining the price submitted in response to a formal or informal solicitation, the Chief Procurement Officer/designee shall grant preference to an eligible local provider Palmdale who submits a price within 10 percent of the lowest price submitted by any other bidder, which preference shall allow the eligible local provider Palmdale the opportunity to reduce its price to an amount equal to the amount of the lowest price submitted, if the lowest price is submitted by other than an eligible local provider Palmdale.

(B) If there is no local provider Palmdale, then such preference shall be granted to a local provider Antelope Valley in the same manner as provided above.

(C) If there is neither a local provider Palmdale nor a local provider Antelope Valley, then such preference shall be granted to a local provider employer in the same manner as provided above.

(D) The preference and opportunity to reduce the price submitted shall be provided first to the lowest eligible local provider Palmdale and, if not accepted by such eligible local provider Palmdale within five business days of the opening of the bids, then to each successive eligible local provider (considering all local providers (Palmdale, Antelope Valley and employer)) that is within 10 percent of the lowest price submitted, in ascending order of the amount of the bids.

(E) The local provider shall certify under penalty of perjury, as a part of its bid and in a form and manner as required by the City, that the bidder qualifies as a local provider. The preference established in this section shall be waived if the certification does not appear on the respective bid.

(F) No Exemption from Local Sales Tax. The application of a local preference as set forth in this chapter shall not exempt any eligible local provider to which a contract is let or awarded from having to pay all applicable federal, state or local sales tax.

(G) Notwithstanding any other provision in this chapter to the contrary, local preference shall not be applicable to:

- (1) Procurements made with federal or state grant funds;
- (2) Procurements where the application of local preference is prohibited by the source of funding; or
- (3) Procurements made in cooperation with other public entities.

(H) Any bidder, who received an award due to consideration of a local preference, shall agree to designate the City of Palmdale as the recipient of the receipt of the sales tax for the contract that is awarded.

(I) Any person or business falsely claiming to be a local provider under this section will be ineligible to conduct business with Palmdale for a period of not less than three months and not more than 24 months as determined in the sole discretion of the Chief Procurement Officer/designee. The Chief Procurement Officer/designee also has the right to terminate all or part of any contract entered into with such person or business. (Ord. 1398 § 2 (Exh. A), 2010)

3.08.140 Award of contracts.

Contracts shall be awarded to the vendor or contractor who best meets the needs of the City based on specified criteria, including but not limited to the following:

- (A) Price.
- (B) Qualifications and experience.

(C) Experience with the City of Palmdale.

(D) Schedule and ability to meet the City's time constraints.

(E) Percentage of local employees for both prime and subcontractors who will perform one percent or more of the contract.

(F) Any other criteria appropriate for the type of contract to be awarded. (Ord. 1398 § 2 (Exh. A), 2010)

3.08.150 Contract provisions.

(A) All contracts, including, but not limited to, those for design professional services and for construction-related services, shall require the contractor to fully indemnify the City for all damages and loss caused by them, without regard to negligence and whether caused in whole or in part by the contractor.

(B) Payment and performance bonds in amounts determined by the City to provide appropriate protection shall be required.

(C) Contracts for services in excess of \$50,000, except for professional services, shall require the contractor to comply with Chapters [2.50](#) and [3.10](#) PMC.

(D) Contractors shall advertise any job openings with the Palmdale work source center. (Ord. 1398 § 2 (Exh. A), 2010)

3.08.160 Negotiated contract procurement – Direct select.

Goods, materials, equipment, supplies and services valued at \$30,000 or less may be procured by negotiated contract and need not be publicly bid but shall be procured at a reasonable price in a manner that best meets the needs of the City. Care shall be taken to avoid the appearance of favoritism, bias or preclusion of new vendors. (Ord. 1398 § 2 (Exh. A), 2010; Ord. 1347 § 1, 2008. Formerly 3.08.080)

3.08.170 Open market procurement (informal bidding).

Except as otherwise provided herein, goods, materials, equipment, supplies and services valued at more than \$30,000 but less than or equal to \$125,000 may be procured by the open market procedure described herein.

(A) Solicitation Notice. At least 10 days prior to the date the contract will be awarded, the Chief Procurement Officer/designee shall mail or send electronically a notice requesting quotations or proposals to those vendors or contractors on the City vendors list listed as qualified to provide the required type of service, supplies or equipment. If there are no vendors or contractors on the City's vendors list qualified to provide the type of goods, materials, equipment, supplies or services sought, the notice shall be posted on the City's website and published on at least three websites

that publish solicitations and specifications which have been determined to provide best notice to potential bidders for the type of goods, materials, equipment, supplies or services sought. The notice shall generally describe the goods, materials, equipment, supplies or services being sought, describe how to obtain more detailed information and state the time and place for submission of quotations or informal bids. The notice or detailed information shall also describe required contract provisions such as E-Verify requirements of Chapter [2.50](#) PMC and economic opportunities requirements of Chapter [3.10](#) PMC. Quotations, proposals and informal bids must be in writing but may be submitted by mail, by fax or electronically.

(B) Minimum Number of Quotations. If fewer than three quotations, proposals or informal bids are received, the Purchasing Officer shall determine whether to use a formal solicitation or to make the award based on less than three quotations because there are fewer than three vendors qualified to provide the services, supplies or equipment.

(C) Quotations and Bids Exceeding \$125,000. If all of the quotations, proposals or informal bids received exceed \$125,000, a contract may be awarded for not more than \$137,500 if the City Council determines, by a four-fifths vote, that the City's cost estimate was reasonable. Otherwise the goods, materials, equipment, supplies or services must be procured through a formal bid procurement.

(D) Records. Quotations shall be submitted to the Chief Procurement Officer, who shall keep a record of all open market quotations and contracts for a period of two years after submission of quotations or the execution of contracts. This record, while so kept, shall be open to public inspection, except that vendor proprietary data shall not be open to public inspection. (Ord. 1398 § 2 (Exh. A), 2010; Ord. 1347 § 1, 2008. Formerly 3.08.100)

3.08.180 Procurement by formal solicitation.

Except as otherwise provided herein, purchases of goods, materials, equipment, supplies and services of an estimated dollar value greater than \$125,000 shall be procured by a formal competitive procurement process, and awarded to the responsive, responsible bidder who best meets the City's needs based on the criteria specified in the formal solicitation.

(A) Solicitation Notice. Notices inviting bids, requesting proposals or requesting qualifications and experience shall include a general description of the goods, materials, equipment, supplies or services to be procured, describe how to obtain more detailed information, state where bid forms and specifications may be obtained and state the time and place for submission of bids, proposals or statements of qualifications and experience. The notice or detailed information shall also describe required contract provisions such as E-Verify requirements of Chapter [2.50](#) PMC and economic opportunities requirements of Chapter [3.10](#) PMC.

(1) Published Notice. The notice inviting bids, requesting proposals or requesting qualifications and experience shall be published on the City's website and on at least three

websites that publish solicitations and specifications which have been determined to provide best notice to potential bidders for the type of goods, materials, equipment, supplies or services to be procured, at least 30 days before the date of opening of the bids. The notice inviting formal bids for public projects as defined by California Public Contracts Code Section 20161 shall also be published in a newspaper of general circulation in accordance with Section 22037 of such Code.

(2) Additional Mailed Notice. The Chief Procurement Officer may also mail the solicitation notice to prospective vendors and contractors whose names are on the City vendors list.

(B) Bidder's Security. For procurement of construction services for public works projects, bidder's security in an amount equal to at least 10 percent of the amount of the bid shall be submitted with a bid. When deemed necessary or appropriate by the Chief Procurement Officer for other procurements, bidder's security in an amount deemed appropriate may also be required. Bidders shall be entitled to return of bid security; provided, that a successful bidder shall forfeit its bid security upon refusal or failure to execute the contract within the time specified in the invitation to bid, unless the City is responsible for the delay. The City may, on refusal or failure of the successful bidder to execute the contract, award it to the next highest scoring (based on the selection criteria) responsive, responsible bidder. If the City awards the contract to the next highest scoring bidder, the amount of the highest scoring bidder's security shall be applied by the City to the difference between the highest scoring bid and the second highest scoring bid, if any, and the surplus, if any, shall be returned to the highest scoring bidder.

(C) Bid Opening Procedure. Sealed bids, proposals and statements of qualifications shall be submitted to the Chief Procurement Officer/designee, and shall be identified as bids on the envelope. Bids shall be opened in public at the time and place stated in the public notice. A tabulation of all bids received shall be open for public inspection during regular business hours for a period of not less than 30 calendar days after the bid opening.

(D) Rejection of Bids. Any and all bids may be rejected at the discretion of the City. If the City intends to reject all bids, the Chief Procurement Officer/designee must mail notice of the City's intent to reject the bid at least two business days prior to the Council meeting at which the bids will be considered. After rejecting all bids, the City may:

(1) Abandon the project;

(2) Re-advertise the project; or

(3) Perform the work with City employees. (Ord. 1398 § 2 (Exh. A), 2010; Ord. 1347 § 1, 2008. Formerly 3.08.110)

3.08.190 Written contracts required.

Purchases of goods, materials, equipment, supplies and services valued at greater than \$2,500 shall be made only by written contract executed by an authorized representative of the City. No verbal agreement greater than such amount shall be binding on the City and no City employee has authority to verbally bind the City of Palmdale to such verbal agreements or any course of action. For purchase of goods, materials and supplies, written contracts may include a purchase order or an executed credit card purchase form. (Ord. 1398 § 2 (Exh. A), 2010; Ord. 1347 § 1, 2008. Formerly 3.08.120)

3.08.200 Funding of purchases.

The Chief Procurement Officer shall not authorize or issue a written contract for supplies or equipment unless there exists a sufficient unencumbered appropriation in the fund account against which the purchase is to be charged. (Ord. 1398 § 2 (Exh. A), 2010; Ord. 1347 § 1, 2008. Formerly 3.08.130)

3.08.210 Approval of purchase orders or contracts.

(A) Except as provided in PMC [3.08.220](#), the approval authority for all purchase orders and contracts shall be as follows:

(1) The City Manager shall have the authority to review, approve, award and execute, on behalf of the City, all purchase orders or contracts for the purchase of services, equipment or supplies, the retention of professional services, or work on a public project in an amount not exceeding \$50,000 per contractor per year. The City Manager shall have the authority to approve in writing any change order directing an addition, deletion or revision to such purchase orders or contracts; however, in no event shall the sum total of the purchase order or contract, including all such change orders, exceed \$50,000.

(2) All purchase orders or contracts in excess of \$50,000, or change orders which cause the total contract or purchase order to exceed \$50,000, shall be submitted to the City Council for approval.

(3) The City Manager shall have the authority and discretion to delegate to department directors and division managers such authority as the City Manager deems appropriate up to \$25,000 to review, approve and execute contracts, purchase orders, contract amendments and change orders.

(B) The City Manager shall annually report to the City Council on purchase orders, contracts or change orders which are approved pursuant to this section. (Ord. 1398 § 2 (Exh. A), 2010; Ord. 1347 § 1, 2008. Formerly 3.08.140)

3.08.220 Approval of change orders by City Manager.

(A) After the effective date of any contract approved by the City Council for the purchase of services, equipment or supplies, the retention of professional services, or work on a public project, the City

Manager shall have authority to approve in writing any amendment or change order directing an addition, deletion or revision in such contract, including, without limitation, plans, specifications, and the nature or quantity of services, equipment, supplies or work, subject to the following limitations:

(1) The cumulative dollar value of all such change orders relating to any one contract shall not exceed 10 percent of the contract price as approved by the City Council.

(2) The City Manager shall annually report to the City Council on change orders which are approved pursuant to this section.

(B) Any change order exceeding the limitations set forth in subsection (A) of this section shall be submitted to the City Council for approval in the form of a contract amendment or supplemental agreement. Such amendment or supplemental agreement shall set forth the amended contract price which will constitute the new contract price for purposes of the authority for City Manager-approved change orders or amendments in accordance with subsection (A) of this section. (Ord. 1398 § 2 (Exh. A), 2010; Ord. 1347 § 1, 2008. Formerly 3.08.150)