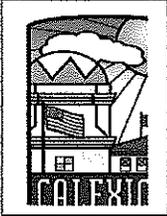


**AGENDA
ITEM**

15



AGENDA STAFF REPORT

DATE: September 1, 2015

TO: Mayor and City Council

APPROVED BY: Richard N. Warne, City Manager *RNW*

PREPARED BY: Nick Servin, Public Works Director/ City Engineer
Mark Vasquez, Assistant City Planner

SUBJECT: Public Hearing to Consider Resolution of the City Council of the City of Calexico for vacation of a Public Alleyway, Located in Block 30, Townsite of Calexico, Pursuant to Streets and Highways Code Section 8324.

RECOMMENDATION

Hold a public hearing and, after receiving testimony from all interested parties, take all required steps to vacate and abandon the east-west alley in Block 30 of the City of Calexico, more particularly described as follow (hereinafter, the "Alley"):

That twenty-foot (20') wide by one-hundred-thirty-foot (130') long alley in Block 30, Townsite of Calexico, lying between Fifth Street and Sixth Street, off Paulin Avenue, running east-west, as per the amended Map of the Townsite of Calexico filed in Book 58, page 43 of Official Maps, in the office of the County Recorder, Imperial County California.

BACKGROUND

The Project Review Committee (PRC) reviewed a proposal for the remodel of the former Anderson Apartments and the new construction of ten (10) additional studio units for senior-citizen housing on the southwest corner of 6th street and Paulin Avenue. There is an existing single family home on the property, which was recently remodeled by the developer and converted into two (2) additional studio units and a storage room. The PRC was in favor of the proposed senior-housing development and project and did not have any adverse comments.

The remodel project was issued a permit by the Building Division, and, during the remodel, the owner's representative requested abandonment of the Alley, located at the rear of the property, to create more open space between the proposed new structure and the parking lot.

**AGENDA
ITEM**

Following this request, the City's planning staff has reviewed the past, current, and expected future use of the Alley and determined, in accordance with Chapter 3 of Part 3 of Division 9 of the Streets and Highway Code (in particular, Section 8324), that the Alley is no longer necessary for present or prospective public use, and that vacation of the Alley would promote economic development in the City while increasing the City's property tax base and development fees. Thus, City staff has determined that it would be appropriate to vacate the Alley, and recommends that the City Council do so.

City staff understands that there may be sewer, water, or other utility lines under the Alley. Thus, in abandoning the Alley, the City should reserve the right to access, maintain, replace, remove, operate, or construct any sanitary, sewer, storm-drain, water, or other utility lines in, upon, over, or across the area to be vacated. In addition, the Imperial Irrigation District (IID) and Southern California Gas Company request the City to reserve the necessary easements to ensure continued operation of each of their existing utilities, respectively (attached - Exhibits A and B).

Pursuant to Streets and Highways Code section 8322, notice of the public hearing on this matter was published in the Calexico Chronicle, for two successive weeks, once on August 13, 2015 and again on August 20, 2015. In addition, pursuant to Streets and Highways Code section 8323, three separate notices of the public hearing and the proposed vacation of the Alley were also conspicuously posted along the Alley for the two weeks preceding the public hearing, beginning August 17, 2015, with each notice less than 300 feet apart from the next.

PLANNING COMMISSION ACTION

Pursuant to Government Code section 65402, the proposed vacation of the Alley was presented to the City's Planning Commission at its meeting of August 24, 2015, for a report on conformance of the proposed vacation with the City's General Plan. At that meeting, the Planning Commission reported that it declined to find that the vacation of the Alley would be in conformance with the General Plan.

DISCUSSION AND ANALYSIS

Because the Alley is no longer needed for the public convenience, its abandonment would allow the proposed senior-housing development to acquire additional area, providing much needed open space, additional landscaping, and/or expansion of the proposed parking lot in accordance with city development standards. Furthermore, the proposed vacation and abandonment of the Alley conforms to and is consistent with the terms, policies, and objectives of the city's General Plan applicable to the residential area in which the Alley is located. The Alley abandonment is also in conformity with the Land Use element of the General Plan and will assist in achieving a well-balanced mix of residential densities and new housing types. The immediate area would also be greatly improved after having been neglected following the 2007 earthquake.

Staff believes that the proposed senior-housing project is well designed and will not be detrimental to the health, safety, and welfare of any person residing or working within or near this neighborhood. Meanwhile, abandonment of the Alley will not cause irregular

traffic and circulation patterns that would be contrary to the Circulation Element of the General Plan.

Letters from the IID and Southern California Gas Company requesting that an easement in accordance with Section 8330 of the Streets and Highway Code be reserved for continued operation of each utility are attached hereto as Exhibit A and B.

CEQA REVIEW

This action is exempt under Section 15061, subsection (b)(3), of Title 14 of the California Code of Regulations, in that it can be seen with reasonable certainty that there is no possibility that the vacation of the Alley will have a significant effect on the environment.

Fiscal Impact:

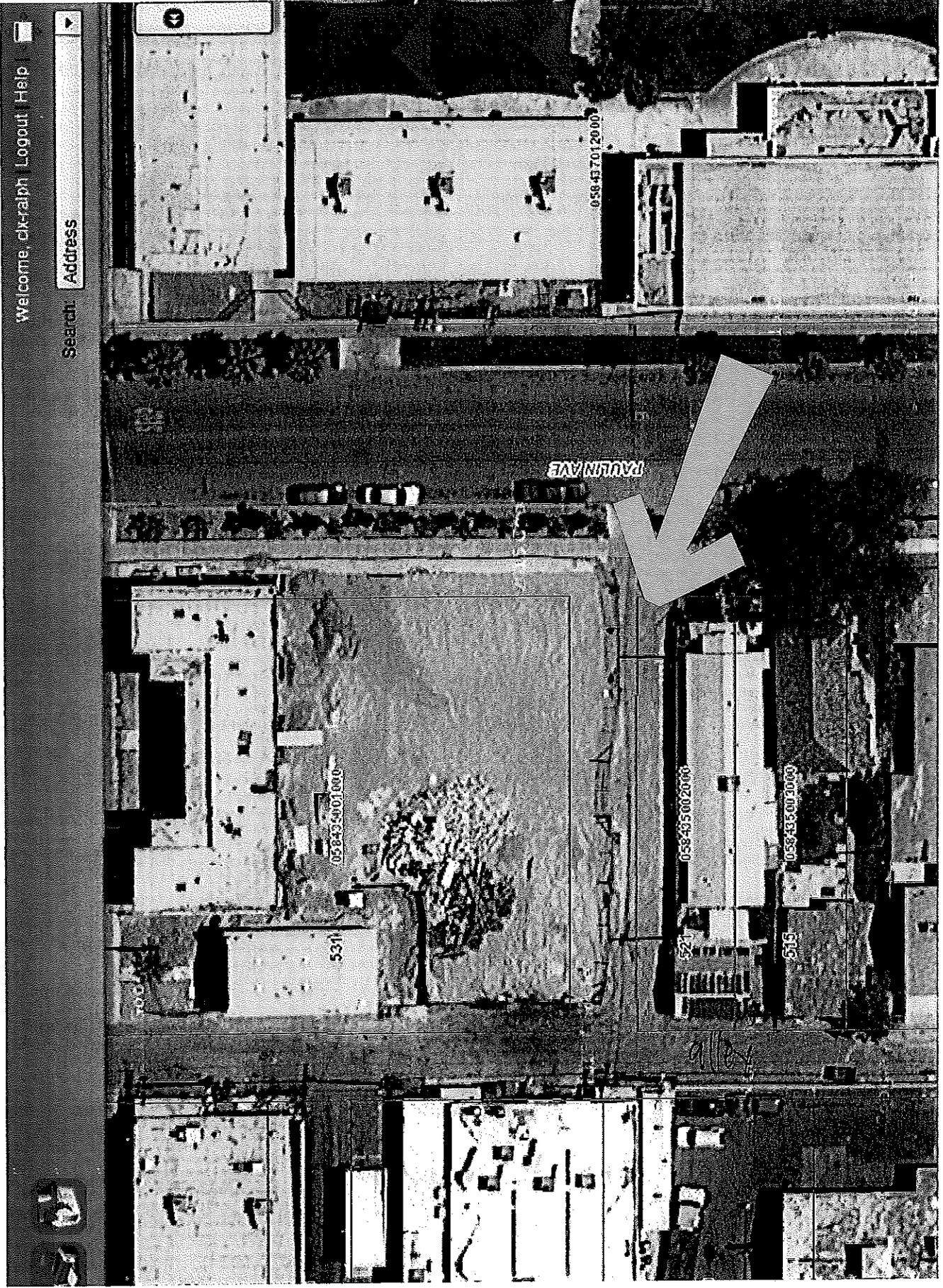
None

Coordinated With:

None

Attachments:

1. City Council Resolution
2. Exhibit A: Letter from Southern California Gas Company
3. Exhibit B: Letter from Imperial Irrigation District (IID)
4. Planning Commission Staff Report



ATTACHMENT 1

CITY COUNCIL RESOLUTION NO. 2015-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO VACATING A PUBLIC ALLEYWAY, LOCATED IN BLOCK 30, TOWNSITE OF CALEXICO, PURSUANT TO STREETS AND HIGHWAYS CODE SECTION 8324

WHEREAS, the Planning staff of the City of Calexico ("City") has reviewed the past, current, and expected future use of that certain alleyway more particularly described as follows (hereinafter, the "Alley"); and

That twenty-foot (20') wide by one-hundred-thirty-foot (130') long alley in Block 30, Townsite of Calexico, lying between Fifth Street and Sixth Street, off Paulin Avenue, running east-west, as per the amended Map of the Townsite of Calexico filed in Book 58, page 43, of Official Maps, in the office of the County Recorder, Imperial County, California;

WHEREAS, based on that review, City staff has determined, in accordance with Part 3 of Division 9 of the Streets and Highway Code (Sections 8300 *et seq.*)—specifically, Section 8324—that the Alley is no longer necessary for present or prospective public use by the City; and

WHEREAS, City staff has also determined that vacation of the Alley would promote economic development in the City while increasing the City's property tax base and development fees; and

WHEREAS, because the Alley is no longer needed for the public convenience, its abandonment would allow the proposed senior-housing development on the abutting property to acquire additional area, providing much needed open space, additional landscaping, and/or expansion of the proposed parking lot in accordance with city development standards; and

WHEREAS, pursuant to Government Code section 65402, the proposed vacation of the Alley was presented to the City's Planning Commission at its meeting of August 24, 2015, for a report on conformance of the proposed vacation with the City's General Plan; at that meeting, the Planning Commission reported that it declined to find that the vacation of the Alley would be in conformance with the General Plan; and

WHEREAS, the vacation of the Alley is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061, subsection (b)(3), because it can be seen with certainty that alley vacation will have no significant effect on the environment; and

WHEREAS, on September 1, 2015, the City Council held a public hearing on the issue of whether to vacate the Alley (the "Public Hearing"), at which Public Hearing the City Council heard and considered the testimony of all interested parties; and

WHEREAS, pursuant to Streets and Highways Code section 8322, notice of the Public Hearing was published in the Calexico Chronicle, for two successive weeks, on August 13, 2015 and August 20, 2015; and

WHEREAS, pursuant to Streets and Highways Code section 8323, three separate notices of the Public Hearing and the proposed vacation of the Alley were also conspicuously posted along the Alley, for the two weeks preceding the public hearing, beginning August 17, 2015, with each notice less than 300 feet apart from the next.

NOW, THEREFORE, the City Council of the City of Calexico **DOES HEREBY RESOLVE** as follows:

Section 1. The foregoing recitals are true and correct, and are incorporated herein by this reference.

Section 2. The City hereby finds and determines that the Alley is no longer necessary for present or prospective public use by the City.

Section 3. The City hereby finds and determines that the public interest and convenience would be best served by the vacation of the Alley as set forth herein.

Section 4. The City hereby finds that the vacation of the Alley would promote economic development in the City while increasing the City's property tax base and development fees.

Section 5. The City Council hereby certifies that the vacation of the Alley is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061, section (b)(3), of Title 14 of the California Code of Regulations.

Section 6. The City hereby finds and determines that (a) the vacation of the Alley would be consistent with the terms policies, and objectives of the City's General Plan applicable to this residential area, (b) the vacation would conform with the Land Use Element of the General Plan and assist in achieving a well-balanced mix of residential densities and new housing types, and (c) the vacation of the Alley will not cause irregular traffic and circulation patterns that would be contrary to the Circulation Element of the General Plan.

Section 7. Pursuant to Chapter 3 of Part 3 of Division 9 of the Streets and Highways Code, commencing with Section 8320—and in particular, Section 8324—the City hereby vacates and abandons the Alley, except as set forth in the following Section of this Resolution.

Section 8. Notwithstanding the foregoing, the City hereby reserves for itself, and for any impacted third parties (including but not limited to the Imperial Irrigation District (“IID”) and Southern California Gas Company), and does not vacate or abandon, the right, at any time, to access, construct, maintain, operate, replace, remove, renew, and/or enlarge any sanitary sewer lines, storm drains, water lines, or other utility lines, and all appurtenant structures and pipes, located in, upon, under, over, or across the Alley, as well as the right to access, construct, maintain, operate, replace, remove, renew, and/or enlarge any lines of pipe, conduits, cables, wires, poles, and other structures, equipment, and fixtures necessary or convenient for the operation of gas pipelines, telegraphic and telephone lines, railroad lines, and for the transportation or distribution of water, electric energy, and/or ammonia, or any other utilities, and for incidental purposes, including access to protect these works from all hazards, in, upon, under, over, or across the Alley.

Section 9. Without limiting the generality of the preceding Section, the City hereby reserves for itself, and for any impacted third parties (including but not limited to the IID), and does not vacate or abandon, the right, at any time, to access, maintain, operate, replace, remove, renew, and/or enlarge the existing water pipelines located in, upon, under, over, or across the Alley, as shown on the City of Calexico’s waterlines map on file with the City.

Section 10. From and after the date this Resolution is recorded, the Alley will no longer constitute a public street, highway, or alleyway.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the City Council of the City of Calexico on this 1st day of September, 2015.

JOONG S. KIM, MAYOR
CITY OF CALEXICO

ATTEST:

GABRIELA GARCIA, CITY CLERK
CITY OF CALEXICO

ATTACHMENT 2



A  Semptra Energy company

Southern California Gas Company
1981 W. Lugonia Avenue
Redlands, CA 92374-9720

Mailing Address:
PO Box 3003, SC8031
Redlands, CA 92373-0306

June 22, 2015

Nick Servin, PE
Public Works Director & City Engineer
City of Calexico
608 Heber Avenue
Calexico, CA 92231

Re: Abandonment of 20' wide x 130' long East-West alley in Block 30 – Portion of Township of Calexico.

Dear Nick,

The purpose of this letter is to inform the City that Southern California Gas Company ("SoCalGas") owns and operates a medium pressure gas pipeline beneath those portions of Public Streets proposed to be vacated. In accordance with Section No. 8330 (c) of the Streets and Highways Code, SoCalGas hereby requests that an easement be reserved to ensure the continued operation of this pipeline.

SoCalGas is requesting a copy of the recorded street vacation resolution upon its completion.

If you have any questions, please call me at (909) 335-7733.

Sincerely,

Gertman Thomas
Right of Way
South Inland Region

ATTACHMENT 3

Attachment 3



IID

www.iid.com

A century of service.

July 1, 2015

EMAILED & MAILED

Nick Servin, P.E.
Public Works Director & City Engineer
CITY OF CALEXICO
608 Heber Avenue
Calexico, CA 92231

Dear Mr. Servin:

SUBJECT: Abandonment of 20' wide x 130' long East-West alley in Block 30-Portion of Township of Calexico, CA.

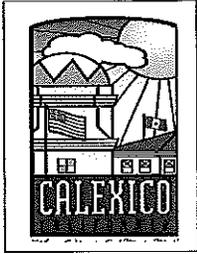
The purpose of this letter is to inform the City of Calexico that the Imperial Irrigation District (IID) owns and maintains IID infrastructure near to, or within, the aforementioned alley that is to be vacated. Although there is no easement the IID request that the existing infrastructure location(s) be reserved to ensure the continued operation and access for service to existing IID customers.

IID is requesting a copy of the recorded street vacation resolution upon its completion. If you have any questions, please feel free to contact me at (760) 339-9511.

Sincerely,

MARK K. GAPPINGER
Superintendent
Customer Operations and Planning
Energy Services

ATTACHMENT 4



AGENDA STAFF REPORT

DATE: August 24, 2015

TO: Planning Commission

APPROVED BY: Richard N. Warne, Interim City Manager

PREPARED BY: N. Servin, Public Works Director/City Engineer
M. Vasquez, Assistant City Planner

SUBJECT: Vacation of Alleyway - Finding of Consistency with General Plan Pursuant to Government Code Section 65402

=====

RECOMMENDATION

That the Planning Commission find that the City of Calexico's proposed vacation of the east-west alley in Block 30 of the City (hereinafter, the "Alley") conforms to and is consistent with the City's General Plan. The Alley is more particularly described as follows:

That twenty-foot (20') wide by one-hundred-thirty-foot (130') long alley in Block 30, Townsite of Calexico, lying between Fifth Street and Sixth Street, off Paulin Avenue, running east-west, as per the amended Map of the Townsite of Calexico filed in Book 58, page 43, of Official Maps, in the office of the County Recorder, Imperial County, California.

BACKGROUND

The Project Review Committee (PRC) reviewed a proposal for the remodel of the former Anderson Apartments and the new construction of ten (10) additional studio units for senior-citizen housing on the southwest corner of 6th street and Paulin Avenue. There is an existing single family home on the property, which was recently remodeled by the developer and converted into two (2) additional studio units and a storage room. The PRC was in favor of the proposed senior-housing development and project and did not have any adverse comments.

The remodel project was issued a permit by the Building Division, and, during the remodel, the owner's representative requested abandonment of the Alley, located at the rear of the property, to create more open space between the proposed new structure and the parking lot.

Following this request, the City's planning staff reviewed the past, current, and expected future use of the Alley and determined, in accordance with Chapter 3 of Part 3 of Division 9 of the Streets and Highway Code (in particular, Section 8324), that the Alley

is no longer necessary for present or prospective public use, and that vacation of the Alley would promote economic development in the City while increasing the City's property tax base and development fees. Thus, City staff has determined that it would be appropriate to vacate the Alley, intends to recommend to the City Council that it do so.

Before the City Council can vacate the Alley, the City's "planning agency" (most likely the Planning Commission) must first determine that the vacation would conform to and be consistent with the City's General Plan.

DISCUSSION AND ANALYSIS

The proposed vacation and abandonment of the Alley conforms to and is consistent with the terms, policies, and objectives of the city's General Plan applicable to the residential area in which the Alley is located. The Alley abandonment is also in conformity with the Land Use element of the General Plan and will assist in achieving a well-balanced mix of residential densities and new housing types. The immediate area would also be greatly improved after having been neglected following the 2007 earthquake.

Staff believes that the proposed senior-housing project is well designed and will not be detrimental to the health, safety, and welfare of any person residing or working within or near this neighborhood. Meanwhile, abandonment of the Alley will not cause irregular traffic and circulation patterns that would be contrary to the Circulation Element of the General Plan.

In the event of any vacation of the Alley, City staff will recommend that the City reserve the right for it and any third parties to access the existing utility lines under the Alley. In fact, the Imperial Irrigation District (IID) and Southern California Gas Company request the City to reserve the necessary easements to ensure continued operation of each of their existing utilities, respectively. (See Exhibit A and B)

FISCAL IMPACT

None

EXHIBITS:

- A Letter from So. Cal Gas Company
- B. Letter from Imperial Irrigation District (IID)

ATTACHMENTS:

1. Planning Commission Resolution

PLANNING COMMISSION STAFF REPORT

JUNE 8, 2015

PAGE 3 of 3

**PROJECT TITLE: Abandonment of 20' wide x 130' long East-West alley in Block 30 – Portion
of Townsite of Calexico**

PLANNING COMMISSION RESOLUTION NO. 2015-_____

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CALEXICO FINDING THAT THE PROPOSED VACATION OF A PUBLIC ALLEYWAY, LOCATED IN BLOCK 30, TOWNSITE OF CALEXICO, IS CONSISTENT WITH THE CALEXICO GENERAL PLAN

WHEREAS, the Planning staff of the City of Calexico ("City") has reviewed the past, current, and expected future use of that certain alleyway more particularly described as follows (hereinafter, the "Alley"):

That twenty-foot (20') wide by one-hundred-thirty-foot (130') long alley in Block 30, Townsite of Calexico, lying between Fifth Street and Sixth Street, off Paulin Avenue, running east-west, as per the amended Map of the Townsite of Calexico filed in Book 58, page 43, of Official Maps, in the office of the County Recorder, Imperial County, California;

WHEREAS, based on that review, City staff has determined, in accordance with Chapter 3 of Part 3 of Division 9 of the Streets and Highway Code (in particular, Section 8324) that the Alley is no longer necessary for present or prospective public use by the City;

WHEREAS, City staff has also determined that vacation of the Alley would promote economic development in the City while increasing the City's property tax base and development fees;

WHEREAS, because the Alley is no longer needed for the public convenience, its abandonment would allow the proposed senior-housing development on the abutting property to acquire additional area, providing much needed open space, additional landscaping, and/or expansion of the proposed parking lot in accordance with city development standards; and

WHEREAS, the vacation of the Alley (1) would be consistent with the terms policies, and objectives of the City's General Plan applicable to the residential area in which the Alley is located, (2) would conform with the Land Use Element of the General Plan, (3) would assist in achieving a well-balanced mix of residential densities and new housing types, and (4) will not cause irregular traffic and circulation patterns that would be contrary to the Circulation Element of the General Plan.

NOW, THEREFORE, the Planning Commission of the City of Calexico **DOES HEREBY RESOLVE** as follows:

Section 1. The foregoing recitals are incorporated herein by this reference.

Section 2. The Planning Commission hereby finds and determines that the proposed vacation of the Alley would conform to and be consistent with the Calexico General Plan. In particular, the vacation of the Alley (1) would be consistent with the terms

policies, and objectives of the City's General Plan applicable to the residential area in which the Alley is located, (2) would conform with the Land Use Element of the General Plan, (3) would assist in achieving a well-balanced mix of residential densities and new housing types, and (4) will not cause irregular traffic and circulation patterns that would be contrary to the Circulation Element of the General Plan.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Planning Commission of the City of Calexico on this 24th day of August, 2015.

CESAR RODRIGUEZ
CHAIRPERSON

STATE OF CALIFORNIA)
) **ss.**
COUNTY OF IMPERIAL)

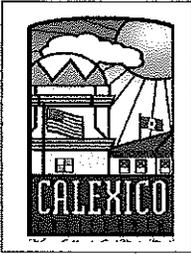
I, **GABRIELA GARCIA**, Secretary to the Planning Commission of the City of Calexico, California, **DO HEREBY CERTIFY**, that the foregoing Resolution was adopted at a regular meeting of the Planning Commission of the City of Calexico held on the 24th day of August, 2015, and was carried by the following roll call vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

GABRIELA GARCIA, SECRETARY TO
THE PLANNING COMMISSION

**AGENDA
ITEM**

16



AGENDA STAFF REPORT

DATE: September 1, 2015

TO: Mayor and City Council

APPROVED BY: Richard Warne, City Manager *rw*

PREPARED BY: Mark J. Austin, Interim City Attorney

SUBJECT: Public Hearing to Introduce and Waive First Reading of an Ordinance of the City Council of the City of Calexico Approving and Adopting a Zoning Code Amendment to Add New Provisions to the Calexico Zoning Code (Title 17 to the Calexico Municipal Code) Relating to Expedited Permitting Procedures for Small Residential Rooftop Solar Energy Systems and a Checklist of Requirements for Expedited Processing of Permits for Small Residential Rooftop Solar Energy Systems

RECOMMENDATIONS

City staff recommends that the City Council open the public hearing, take public testimony and evidence, and, after the hearing, take the following actions:

- (1) Approve the introduction and first reading (by title only, waiving full reading) of the Ordinance submitted herewith as **Attachment 1**, amending the Zoning Code (Title 17 to the Calexico Municipal Code) to create an expedited and streamlined permitting process for small residential rooftop solar energy systems (hereinafter, the "Zoning Code Amendment"); and
- (2) Adopt the Resolution submitted herewith as **Attachment 2**, adopting the "Checklist of Requirements for Expedited Processing of Permits for Small Residential Rooftop Solar Energy Systems" that will be used to implement the new provisions of the Zoning Code (hereinafter, the "Checklist").

BACKGROUND

To promote and encourage the installation and use of solar-energy systems by limiting obstacles to their use and minimizing permitting costs, Section 65850.5 of the California Government Code requires cities to administratively approve applications to install solar-energy systems through the issuance of a building permit or similar

AGENDA ITEM <hr/>

nondiscretionary permit. Under that law, a city may only require a discretionary permit (such as a conditional use permit) for a solar energy system if the system could have a “specific, adverse impact on the public health and safety.” As a result, the vast majority of solar energy systems are currently approved administratively via building permit.

On September 21st, 2014, Governor Brown signed Assembly Bill 2188 (“AB 2188”) into law, amending Section 65850.5 of the California Government Code to further streamline the process by which certain solar-energy systems (referred to as “small residential rooftop solar energy systems”) can obtain a building permit. AB 2188 requires cities to adopt an ordinance that creates an expedited, streamlined permitting process for “small residential rooftop solar energy systems,” and to adopt a checklist of all requirements with which these systems must comply to be eligible for expedited permit review.

To qualify as a “small residential rooftop solar energy system,” a system must meet all of the following criteria:

- a. It cannot be larger than 10 kilowatts alternating current nameplate rating or 30 kilowatts thermal.
- b. It must conform to all applicable State fire, structural, electrical, and other building codes as adopted or amended by the City and paragraph (iii) of subdivision (c) of Section 714 of the Civil Code, as such section or subdivision may be amended, renumbered, or re-designated from time to time.
- c. It must be installed on a single or duplex family dwelling.
- d. Its solar panel or module array cannot exceed the maximum legal building height.

To assist in expediting and streamlining the process, AB 2188 also requires cities to accept applications for “small residential rooftop solar energy systems” electronically (*i.e.*, by email, fax, or website). As with other types of solar energy systems, AB 2188 limits the City’s ability to deny such applications or require discretionary permits (*i.e.*, a CUP requirement) unless there is a “specific, adverse impact” resulting from the proposal.

ZONING CODE AMENDMENT

The City does not currently have a streamlined permitting procedure for solar energy systems. If adopted, the proposed Zoning Code Amendment will add a new Article XI to Chapter 17.11 of the Zoning Code that provides standards and streamlined permit-processing requirements for “small residential rooftop solar energy systems” (as that term is defined in AB 2188). The purpose of the proposed Zoning Code Amendment is to ensure that the City’s Zoning Code complies with state law—specifically, Government Code Section 65850.5.

CHECKLIST FOR EXPEDITED PERMIT PROCESSING

As noted above, AB 2188 also requires cities to adopt a “checklist” of eligibility requirements for streamlined permitting. The “checklist” must substantially conform to the recommendations for expedited permit processing contained in the most current version of the Governor’s Office of Planning and Research’s “California Solar Permitting Guidebook” (which is available online at: http://www.opr.ca.gov/s_renewableenergy.php#A).

The proposed Checklist is submitted herewith for the City’s review and approval by separate Resolution. The proposed Resolution and its attached Checklist are attached hereto as **Attachment 2**.

PLANNING COMMISSION ACTION

After a public hearing held on August 10, 2015, the Planning Commission voted to recommend the approval of the Zoning Code Amendment. (The Planning Commission was not asked or required to make a recommendation relating to the proposed Checklist.)

CEQA REVIEW

This action is exempt under Section 15061, subsection (b)(3), of Title 14 of the California Code of Regulations. The amendments are intended to bring the City’s Zoning Code into compliance with recent changes to state law. It can be seen with reasonable certainty that there is no possibility that the activity in question will have a significant effect on the environment.

ALTERNATIVES

As an alternative to following staff’s recommendations, the City Council can choose to not approve of the Zoning Code Amendment or the Resolution adopting the Checklist as they are currently drafted.

PUBLIC NOTIFICATION

Consistent with local and state-mandated noticing requirements, notice of this public hearing was published in the Calexico Chronicle on August 20, 2015 and posted at City Hall, 608 Heber Avenue, Calexico, CA 92231.

FISCAL IMPACT

None.

COORDINATED WITH

None.

ATTACHMENTS

1. Proposed Ordinance.
2. Proposed Resolution, with attached Checklist.

City of Calexico

Checklist of Requirements for Expedited Processing of Permits for Small Residential Rooftop Solar Energy Systems

SCOPE AND INTENT

To be eligible for expedited permit processing pursuant to Article XI of Chapter 17.11 of the Calexico Municipal Code, applicants for small residential rooftop solar energy systems must follow this Checklist of Requirements ("Checklist").¹ An application that provides all of the information required by this Checklist, as determined by the City, shall be deemed complete and shall be processed as expeditiously as practicable.

SMALL RESIDENTIAL ROOFTOP SOLAR ENERGY SYSTEMS

The term "small residential rooftop solar energy system" is defined in Subsection (j)(3) of Section 65850.5 of the Government Code, as amended from time to time or replaced by a successor statute. To qualify as a "small residential rooftop solar energy system," a solar energy system must meet all of the following requirements: (1) it is no larger than 10 kilowatts alternating current nameplate rating or 30 kilowatts thermal; (2) it conforms to all applicable State fire, structural, electrical, and other building codes as adopted or amended by the City and paragraph (3) of subdivision (c) of Section 714 of the Civil Code; (3) it is installed on a single or duplex family dwelling; and (4) its solar panel or module array does not exceed the maximum legal building height as defined by the City of Calexico.

GENERAL REQUIREMENTS

- | | | |
|--|----------------------------|----------------------------|
| A. System size is 10 kW AC CEC rating or less | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| B. The solar array is roof-mounted on one- or two-family dwelling or accessory structure | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| C. The solar panel/module arrays will not exceed the maximum legal building height | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| D. Solar system is utility interactive and without battery storage | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| E. Permit application is completed and attached | <input type="checkbox"/> Y | <input type="checkbox"/> N |

ELECTRICAL REQUIREMENTS

- | | | |
|--|----------------------------|----------------------------|
| No more than four photovoltaic module strings are connected to each Maximum PowerPoint Tracking (MPPT) input where source circuit fusing is included in the inverter | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| 1) No more than two strings per MPPT input where source circuit fusing is not included | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| 2) Fuses (if needed) are rated to the series fuse rating of the PV module | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| 3) No more than one noninverter-integrated DC combiner is utilized per inverter | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| A. For central inverter systems: No more than two inverters are utilized | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| B. The PV system is interconnected to a single-phase AC service panel of nominal 120/220 Vac with a bus bar rating of 225 A or less | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| C. The PV system is connected to the load side of the utility distribution equipment | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| D. A Solar PV Standard Plan and supporting documentation is completed and attached | <input type="checkbox"/> Y | <input type="checkbox"/> N |

¹ If Article XI of Chapter 17.11 of the Calexico Municipal Code is amended or renumbered subsequent to the City Council's adoption of this Checklist, those amendments may be incorporated into this Checklist administratively without the need for City Council approval. In addition, the Director of Planning may from time to time amend this Checklist pursuant to his or her authority under Article XI of Chapter 17.11 of the Calexico Municipal Code.

STRUCTURAL REQUIREMENTS

- A. A completed Structural Criteria and supporting documentation is attached (if required) Y N

FIRE SAFETY REQUIREMENTS

- A. Clear access pathways provided Y N
B. Fire classification solar system is provided Y N
C. All required markings and labels are provided Y N
D. A diagram of the roof layout of all panels, modules, clear access pathways and approximate locations of electrical disconnecting means and roof access points is completed and attached Y N

Notes:

- 1. These criteria are intended for expedited solar permitting process.*
- 2. If any items are checked NO, revise design to fit within Eligibility Checklist; otherwise permit application may go through standard process.*

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO, CALIFORNIA, ADOPTING A CHECKLIST OF REQUIREMENTS FOR EXPEDITED PROCESSING OF PERMITS FOR SMALL RESIDENTIAL ROOFTOP SOLAR ENERGY SYSTEMS

WHEREAS, on September 21, 2014, the Governor signed Assembly Bill 2188 (Stats. 2014, Ch. 521) into law; and

WHEREAS, Assembly Bill 2188 provides that the implementation of consistent statewide standards to achieve the timely and cost-effective installation of small residential rooftop solar energy systems is a matter of statewide concern; and

WHEREAS, Assembly Bill 2188 amended Section 714 of the California Civil Code, and Section 65850.5 of the California Government Code; and

WHEREAS, Section 65850.5 of the California Government Code now requires every city to adopt an ordinance that creates an expedited and streamlined permitting process for small residential rooftop solar energy systems and to adopt a checklist of all requirements with which small rooftop solar energy systems shall comply to be eligible for expedited review; and

WHEREAS, the City of Calexico ("City") does not currently have an expedited and streamlined permitting process or checklist for small residential rooftop solar energy systems; and

WHEREAS, if adopted, the proposed "Checklist of Requirements for Expedited Processing of Permits for Small Residential Rooftop Solar Energy Systems," as set forth in Exhibit "A" attached to this Resolution and incorporated herein by this reference (the "Checklist"), will list the requirements with which small rooftop solar energy systems shall comply to be eligible for expedited review; and

WHEREAS, the Checklist is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061, subsection (b)(3), of Title 14 of the California Code of Regulations, in that the proposed Checklist is consistent with California law, specifically Government Code Section 65850.5 and Civil Code Section 714, and because it can be seen with certainty that the proposed Checklist will have no significant effect on the environment; and

WHEREAS, a duly noticed public meeting on the Checklist was held by the City Council on September 1, 2015; and

WHEREAS, in conjunction with the public meeting on the Checklist, the City Council also held a duly noticed public hearing on an ordinance to add a new Article XI of the Calexico Municipal Code to create an expedited permitting process for small residential

solar energy systems, a copy of which was included with the City Council's staff report for this item, dated September 1, 2015.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CALEXICO, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct, and are incorporated herein by this reference.

SECTION 2. The City Council has read and considered the Checklist, as set forth in Exhibit "A" hereto.

SECTION 3. After consideration of the staff report and all of the information and public comments presented at the public meeting, the City Council finds and determines that (i) the Checklist complies with all applicable requirements of State law, including, without limitation, Assembly Bill 2188 (Stats. 2014, Ch. 521), codified at Civil Code Section 714 and Government Code Section 65850.5, (ii) the Checklist will not adversely affect the health, safety, or welfare of the residents within the community, (iii) the Checklist is in the public interest of the City of Calexico, (iv) the Checklist is consistent with the Calexico General Plan and its various elements, and (v) the Checklist will not be contrary to other goals, objectives, and/or policies of the Calexico Zoning Code (Title 17 to the Calexico Municipal Code).

SECTION 4. The City Council hereby certifies that the Checklist is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061, section (b)(3), of Title 14 of the California Code of Regulations.

SECTION 5. Based on the findings herein, the City Council does hereby approve and adopt the Checklist, as set forth in Exhibit "A" hereto.

SECTION 6. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Calexico on September 1, 2015.

JOONG S. KIM, MAYOR

ATTEST:

GABBY GARCIA, CITY CLERK
CITY OF CALEXICO

APPROVED AS TO FORM:
RUTAN & TUCKER LLP

INTERIM CITY ATTORNEY

I, GABBY GARCIA, City Clerk of the City of Calexico, California, DO HEREBY CERTIFY that the foregoing Ordinance was adopted at a regular meeting of the City Council of the City of Calexico held on the 1st day of September, 2015, and was carried by the following roll call vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

GABBY GARCIA, CITY CLERK
CITY OF CALEXICO

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALEXICO APPROVING AND ADOPTING A ZONING CODE AMENDMENT TO ADD NEW PROVISIONS TO THE CALEXICO ZONING CODE (TITLE 17 TO THE CALEXICO MUNICIPAL CODE) RELATING TO EXPEDITED PERMITTING PROCEDURES FOR SMALL RESIDENTIAL ROOFTOP SOLAR ENERGY SYSTEMS

WHEREAS, on September 21, 2014, the Governor signed Assembly Bill 2188 (Stats. 2014, Ch. 521) into law; and

WHEREAS, Assembly Bill 2188 provides that the implementation of consistent statewide standards to achieve the timely and cost-effective installation of small residential rooftop solar energy systems is a matter of statewide concern; and

WHEREAS, Assembly Bill 2188 amended Section 714 of the California Civil Code, and Section 65850.5 of the California Government Code; and

WHEREAS, Section 65850.5 of the California Government Code now requires every city to adopt an ordinance that creates an expedited and streamlined permitting process for small residential rooftop solar energy systems; and

WHEREAS, the City of Calexico ("City") does not currently have an expedited and streamlined permitting process for small residential rooftop solar energy systems; and

WHEREAS, if adopted, the proposed amendments to the Calexico Zoning Code (Title 17 of the Calexico Municipal Code), as identified in Exhibit "A" attached to this Resolution and incorporated herein by this reference (the "Zoning Code Amendment"), will create an expedited and streamlined permitting process for small residential rooftop solar energy systems; and

WHEREAS, the Zoning Code Amendment is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061, subsection (b)(3), of Title 14 of the California Code of Regulations, in that the proposed amendments are consistent with California law, specifically Government Code Section 65850.5 and Civil Code Section 714, and because it can be seen with certainty that the proposed text amendments will have no significant effect on the environment; and

WHEREAS, pursuant to Sections 17.01.230 and 17.01.325 of the Calexico Municipal Code, a duly noticed public hearing on the Zoning Code Amendment was held by the Planning Commission on August 10, 2015; and

WHEREAS, although it was not required by law, in conjunction with the public hearing on the Zoning Code Amendment, the Planning Commission also considered a proposed "Checklist of Requirements for Small Residential Solar Rooftop Energy Systems" ("Checklist"), a copy of which was included with the Planning Commission's staff report for the Zoning Code Amendment, dated August 10, 2015, and is attached hereto with the City Council's staff report for the Zoning Code Amendment, dated September 1, 2015.

WHEREAS, on August 10, 2015, the Planning Commission of the City of Calexico, adopted Resolution No. XXXX recommending to the City Council approval of the Zoning Code Amendment; and

WHEREAS, pursuant to Section 17.01.325 of the Calexico Municipal Code, a duly noticed public hearing on the Zoning Code Amendment was held by the City Council on September 1, 2015.

WHEREAS, in conjunction with the public hearing on the Zoning Code Amendment, the City Council also considered a proposed "Checklist of Requirements for Small Residential Solar Rooftop Energy Systems," a copy of which was included with the City Council's staff report for the Code Amendment, dated September 1, 2015.

NOW, THEREFORE, the City Council of the City of Calexico does hereby ordain as follows:

SECTION 1. The Recitals set forth above are true and correct, and are incorporated herein by this reference.

SECTION 2. The City Council has read and considered the Zoning Code Amendment, as identified in Exhibit "A."

SECTION 3. After consideration of the staff report, all of the information, testimony, and evidence presented at the public hearing, and the Planning Commission's recommendation, the City Council finds and determines that (i) the Zoning Code Amendment complies with all applicable requirements of State law, including, without limitation, Assembly Bill 2188 (Stats. 2014, Ch. 521), codified at Civil Code Section 714 and Government Code Section 65850.5, (ii) the Zoning Code Amendment will not adversely affect the health, safety, or welfare of the residents within the community, (iii) the Zoning Code Amendment is in the public interest of the City of Calexico, (iv) the Zoning Code Amendment is consistent with the Calexico General Plan and its various elements, and (v) the Zoning Code Amendment will not be contrary to other goals, objectives, and/or policies of the Calexico Zoning Code (Title 17 to the Calexico Municipal Code).

SECTION 4. The City Council hereby certifies that the Zoning Code Amendment is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061, section (b)(3), of Title 14 of the California Code of Regulations.

SECTION 5. The Council hereby accepts the recommendation of the Planning Commission to adopt the Zoning Code Amendment.

SECTION 6. The City Council hereby adopts the Zoning Code Amendment. The Calexico Zoning Code (Title 17 of the Calexico Municipal Code) is hereby amended as identified in Exhibit "A" attached to this Ordinance and incorporated herein by this reference.

SECTION 7. All of the above-referenced documents and information have been and are on file with the Planning Department of the City.

SECTION 8. This ordinance shall take effect thirty (30) day after its adoption.

SECTION 9. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase added by this Ordinance, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity of effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more subsections, subdivisions, paragraphs sentences, clauses, or phrases are declared unconstitutional, invalid, or ineffective.

SECTION 10. The City Clerk shall certify to the passage of this Ordinance and shall cause this Ordinance to be published or posted as required by law.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Calexico on September 1, 2015.

JOONG S. KIM, MAYOR

ATTEST:

GABBY GARCIA, CITY CLERK
CITY OF CALEXICO

APPROVED AS TO FORM:
RUTAN & TUCKER LLP

CITY ATTORNEY

I, GABBY GARCIA, City Clerk of the City of Calexico, California, DO HEREBY CERTIFY that the foregoing Ordinance was adopted at a regular meeting of the City Council of the City of Calexico held on the 1st day of September, 2015, and was carried by the following roll call vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

GABBY GARCIA, CITY CLERK
CITY OF CALEXICO

EXHIBIT "A"

ZONING CODE AMENDMENT

A new Article XI ("Small Residential Rooftop Solar Energy Systems") is added to Chapter 17.11 ("Special Uses and Conditions") of Title 17 ("Zoning") the Calexico Municipal Code as set forth below:

Article XI – Small Residential Rooftop Solar Energy Systems

17.11.1110 – Purpose.

- A. The purpose of this Section is to create an expedited, streamlined permitting process for small residential rooftop solar energy systems, in accordance with California Civil Code Section 714 and California Government Code Section 65850.5.
- B. It is also the purpose of this Section to promote and encourage the use of small residential rooftop solar energy systems and to limit obstacles to their use, in accordance with the standards adopted by the City pursuant to this Section and State law, while allowing the City to protect the public health and safety.
- C. It is hereby declared that in any instance where the provisions of this Section conflict with any applicable State law or regulation, such State law or regulation shall govern.

17.11.1120 – Definitions. The following definitions shall govern the meaning of words and phrases used herein:

- A. "Checklist of Requirements for Small Residential Rooftop Solar Energy Systems" or "Checklist" means the rules, regulations, guidelines, and checklist adopted by resolution of the City Council that sets forth implementing and additional requirements for small residential rooftop solar energy systems consistent with Section 65850.5 of the Government Code.
- B. "Director" means the director of the City's Planning Department or his or her designee.
- C. "Electronic submittal" shall have the same meaning as the term is defined in Subsection (j)(2) of Section 65850.5 of the Government Code, as amended from time to time or replaced by a successor statute.
- D. "Small residential rooftop solar energy system" shall have the same meaning as the term is defined in Subsection (j)(3) of Section 65850.5 of the Government Code, as amended from time to time or replaced by a successor statute.
- E. "Solar energy system" shall have the same meaning as the term is defined in Subsection (j)(4) of Section 65850.5 of the Government Code, as amended from time to time or replaced by a successor statute.

- F. "Specific, adverse impact" shall have the same meaning as the term is defined in Subsection (j)(5) of Section 65850.5 of the Government Code, as amended from time to time or replaced by a successor statute.

17.11.1130 – Applicability. This Section applies to the permitting of all small residential rooftop solar energy systems, as defined herein, in the City. Small residential rooftop solar energy systems legally established or permitted prior to the effective date of this Section are not subject to the requirements stated herein, unless physical modifications or alterations are undertaken that materially change the size, type, or components of a small rooftop solar energy system in such a way as to require new permitting. Routine operation and maintenance or like-kind replacements shall not require a permit.

17.11.1140 – Development Standards. In addition to the Checklist of Requirements for Small Residential Rooftop Solar Energy Systems, the following standards shall apply to each small residential rooftop solar energy system:

- A. Systems shall meet applicable health and safety standards and requirements imposed by state and local permitting authorities, consistent with Section 65850.5 of the Government Code.
- B. Systems for producing electricity shall meet all applicable safety and performance standards established by the California Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.
- C. The Director may from time to time revise the Checklist of Requirements for Small Residential Rooftop Solar Energy Systems as long as any revisions are consistent with the most recently adopted resolution of the City Council adopting the Checklist, and are consistent with Section 65850.5 of the Government Code.
- D. The Checklist of Requirements for Small Residential Rooftop Solar Energy Systems shall be made available to the public during regular business hours at the Office of the City Clerk and by posting the Checklist on the City's web site.

17.11.1150 – Application; Documents and Requirements. All documents required for the submission of an expedited small residential rooftop solar energy system application shall be made available on the City's website. The applicant may submit the permit application and associated documentation to the City's Planning Department in person or by electronic submittal, together with any required permit processing and inspection fees. For electronic submittal, the City shall accept an electronic signature on all forms, applications, and other documentation in lieu of a wet signature by an applicant to the extent permitted by law and to the extent such electronic submittal complies with the requirements set forth in this Section and the Checklist of Requirements for Small Residential Rooftop Solar Energy Systems.

17.11.1160 – Review. Review of the application to install a small residential rooftop solar energy system shall be limited to an expedited administrative, nondiscretionary review by the Planning Department of whether the application meets all health and safety requirements of local, state, and federal law. The requirements of local law shall be limited to those standards and regulations necessary to ensure that the small residential rooftop solar energy system will not have a specific, adverse impact upon the public health or safety. If the building official makes a finding based on substantial evidence, that a small residential rooftop solar energy system could have a specific, adverse impact upon the public health and safety, the City may require the applicant to apply for a conditional use permit or other applicable license or permit in accordance with the in accordance with the procedure and standards set forth in Section 65650.5 of the Government Code.

17.11.1170 – Approval Requirements.

- A. An application that satisfies the requirements of this Section and the Checklist of Requirements for Small Residential Rooftop Solar Energy Systems shall be deemed complete upon confirmation by the Director that the application and supporting documents are complete and meet the requirements of this Section and the Checklist. Upon the Director's determination that an application is complete, the City's Planning Department shall approve the application and, in conjunction with any other City Departments, issue all required permits or authorizations. Upon receipt of an incomplete application, the Director shall issue a written correction notice detailing all deficiencies in the application and any additional information required to be eligible for expedited permit issuance.
- B. If the City denies an application for a use permit to install a small residential rooftop solar energy system, the City shall make written findings based upon substantial evidence in the record that the proposed installation would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. The findings shall include the basis for the rejection of potential feasible alternatives of preventing the adverse impact.
- C. The decision of the Director pursuant to paragraphs (1) and (2) above may be appealed to the Planning Commission and the decision of the Planning Commission may be appealed to the City Council in accordance with this Code.

17.11.1180 – Inspections. For a small residential rooftop solar energy system eligible for expedited review, only one inspection shall be required, which shall be done in a timely manner and may include a consolidated inspection, except that a separate fire safety inspection may be performed if the City does not have an agreement with a local fire authority to conduct a fire safety inspection on behalf of the fire authority. If a small residential rooftop solar energy system fails inspection, a subsequent inspection is authorized, however the subsequent inspection need not conform to the requirements of this Section.

17.11.1190 – Approval by Association Not Required. The City shall not condition approval for any small residential rooftop solar energy system permit on the approval of the system by an association, as that term is defined in Section 4080 of the Civil Code.

**AGENDA
ITEM**

17

**PUBLIC HEARING ON
PROPOSED BUDGET
FOR FISCAL YEAR
2015-2016 AND
BUDGET WORKSHOP.**

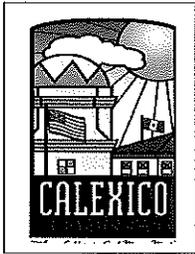
**(BACK-UP DOCUMENTS
SAME AS PROVIDED WITH
AUGUST 11, 2015 AGENDA)**

**AGENDA
ITEM**

18

**AGENDA
ITEM**

19



AGENDA STAFF REPORT

DATE: September 1, 2015

TO: Mayor and City Council

APPROVED BY: Richard N. Warne, City Manager *RN*

PREPARED BY: Richard N. Warne, City Manager *RN*
Mark J. Austin, Interim City Attorney

SUBJECT: Introduction and Waive First Reading of an Ordinance Amending City's Purchasing Policy and Procedures to Reduce the Purchasing Authority of the City Manager and Make Other Changes to the City's Purchasing Policy and Procedures.

=====

Options / Recommendation

The City Council has the following options, with the recommendation of staff set forth below:

1. **[STAFF RECOMMENDATION]** Do not take action, leaving intact the existing Purchasing Policy and Procedures (adopted by the City Council on February 18, 2014). The existing Purchasing Policy and Procedures limit the City Manager's spending authority to \$49,999, with anything greater requiring the approval of the City Council.
2. Approve the introduction and first reading of the Ordinance attached hereto as **Attachment 3**, reading the Ordinance by title only, and waiving the full reading. The draft Ordinance would adopt the Amended Purchasing Policy and Procedures attached to the Ordinance. The Amended Purchasing Policy and Procedures would limit the spending authority of the City Manager and Finance Director to \$10,000 (subject to certain exceptions), amongst other changes.
3. Approve the introduction and first reading of the Ordinance attached hereto as **Attachment 3** (by title only, waiving full reading), subject to modifications approved by the City Council, such as increasing the purchasing authority of the City Manager stated in the Amended Purchasing Policy so it is above \$10,000.

Background

California Government Code Sections 54202 and 54203 require the City to adopt, by ordinance, a formal purchasing policy that governs the purchase of supplies and equipment by the City. Pursuant to that mandate, on February 18, 2014, the City Council adopted Ordinance No. 1153, which adopted the City's "Purchasing Policy and Procedures." A copy of Ordinance No. 1153 is attached hereto as **Attachment 1**.

The Purchasing Policy and Procedures adopted under Ordinance No. 1153 (hereinafter, the "Purchasing Policy") established various rules and procedures, including the following spending limits: (1) Department Heads can make over-the-counter purchases of less than \$2,500, (2) purchasing authority from \$2,500 to \$49,999 is delegated to the Finance Director or the City Manager after obtaining three competitive bids or quotations, and (3) purchases that exceed \$49,999 require a formal bid process and City Council approval.

At its meeting of August 18, 2015, City staff presented information regarding the spending authorities of the City Manager and Chief Executive Officers of various nearby public agencies. That information showed the following:

1. The purchasing authority of the El Centro City Manager is \$50,000.
2. The purchasing authority of the Imperial County CEO is \$100,000.
3. The purchasing authority of the Calexico Unified School District's Superintendent is \$200,000.

The purchasing policy excerpts for the City of El Centro, Imperial County, and the Calexico Unified School District are attached hereto as **Attachment 2**.

After considering this evidence, the City Council directed the City Attorney's office to prepare an ordinance amending the City's existing Purchasing Policy, so that the City Manager's spending authority would be limited to \$10,000 per item or order, annually. Certain members of the City Council further indicated that this limitation should not apply to expenditures such as (1) personnel-related investigations and expenses, including, but not limited to investigations and related services in response to personnel-related complaints and employee misconduct; (2) recurring and/or routine expenditures, so long as the total amounts expended do not exceed the amounts permitted in the budget; (3) expenditures that are required to be reimbursed by third parties; and (4) the City's legally and/or contractually mandated payments, to the extent not otherwise expressly addressed by action of the City Council. With respect to those expenditures, the City Manager's spending limit would remain at \$50,000 per item or order, annually.

Pursuant to this direction, the City Attorney's office, in conjunction with City staff, drafted the Ordinance that is attached hereto as **Attachment 3**. The draft Ordinance would adopt the Amended Purchasing Policy and Procedures attached thereto (the "Amended Purchasing Policy"), supplanting and replacing the existing Purchasing Policy. Among other things, the Amended Purchasing Policy would make the following changes:

1. Limit the spending authority of the City Manager and Finance Director to \$10,000;
2. Clarify that this spending authority applies on a per order and/or per item basis – *i.e.*, that each individual product, item, or service, purchased for a particular purpose, would have a separate annual limit of \$10,000;
3. State that any purchase above this spending limit would require approval by the City Council;
4. State that purchases between \$10,000.01 and \$50,000, while requiring the approval of the City Council, could be initiated via an informal bid process, but that purchases above \$50,000 would require a formal bid process (consistent with the prior Purchasing Policy);
5. State that the \$10,000 spending limit would not apply to (1) personnel-related investigations and expenses, including, but not limited to investigations and related services in response to personnel-related complaints and employee misconduct; (2) recurring and/or routine expenditures, so long as the total amounts expended does not exceed the amounts permitted in the budget; (3) expenditures that are required to be reimbursed by third parties; and (4) the City's legally and/or contractually mandated payments, to the extent not otherwise expressly addressed by action of the City Council. With respect to those expenditures, the City Manager's spending limit would remain at \$50,000 per item or order, annually; and
6. Eliminate the ability of City staff to use City credit cards for incidental personal expenses, which had been allowed by the prior Purchasing Policy.

Discussion

City staff does not recommend that the City Council adopt the Amended Purchasing Policy. The City Council already approves all spending each meeting when it approves the City's warrants.

A spending limit of \$10,000 would cause a large number of routine and non-controversial spending items to require City Council approval. Such a rule would impede the efficient operation of the City, allow City Council Members to micromanage staff and interfere with the day-to-day operations of the City, politicize business decisions, clog regular City Council agendas where meetings already go late into the night, reduce customer service, interfere with personnel investigations (if not excluded) and interfere with the City Manager's ability to respond to problems as they arise.

The proposed Amended Purchasing Policy is inconsistent with other large governments in Imperial County. The purchasing authority of the El Centro City Manager is \$50,000. The purchasing authority of the Imperial County CEO is \$100,000 and purchasing authority of the Calexico Unified School District's Superintendent is \$200,000.

Fiscal Impact

The adoption of the Amended Purchasing Policy and Procedures would require more spending items to be brought to the City Council for approval.

Attachments:

1. Ordinance No. 1153, adopting existing Purchasing Policy and Procedures.
2. Purchasing policy excerpts for the City of El Centro, Imperial County, and the Calexico Unified School District.
3. Proposed ordinance with Amended Purchasing Policy and Procedures.

ORDINANCE NO. 1153

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALEXICO, CALIFORNIA, ADOPTING THE AMENDED CITY OF CALEXICO PURCHASING POLICY AND PROCEDURES

WHEREAS, the City of Calexico ("City") is a municipal corporation organized and existing under the Constitution and the laws of the State of California; and

WHEREAS, the City has the authority to enter into contracts to carry out the necessary functions of the City; and

WHEREAS, the City must adopt its Purchasing Policy governing the purchase of supplies and equipment by means of an ordinance pursuant to California Government Code sections 54202 and 54203; and

WHEREAS, the existing Purchasing Policy requires revisions to ensure efficient operation of the City's business.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CALEXICO DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The City Council finds and determines that each of the findings set forth above are true and correct.

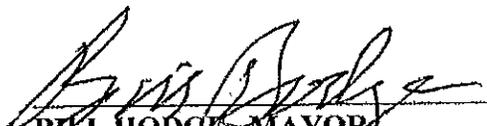
SECTION 2. A Purchasing Policy, attached as Exhibit "A," is adopted in order to establish efficient procedures for the purchase of supplies and equipment, to secure supplies and equipment at the lowest possible cost commensurate with quality needed, to exercise positive financial control over purchases and to define authority for the purchasing function.

EFFECTIVE DATE: This Ordinance shall be effective thirty days after its adoption; and the City Clerk shall certify the adoption of this Ordinance and cause it to be published as required by law.

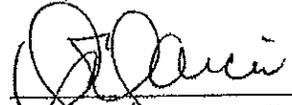
INTRODUCED AND FIRST READ at a regular meeting of the City Council of the City of Calexico on the 21st day of January, 2014 and

THEREAFTER ADOPTED at a regular meeting of the City Council of the City of Calexico, California, on the 18th day of February, 2014, by the following vote:

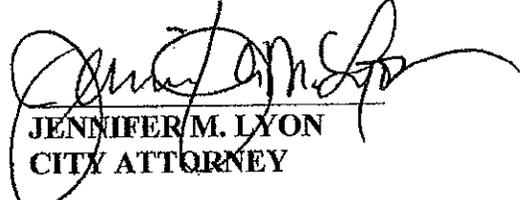
AYES: Hodge, Moreno, Hurtado
NOES: Kim, Castro
ABSENT: None


BILL HODGE, MAYOR

ATTEST:


GABRIELA GARCIA
DEPUTY CITY CLERK

APPROVED AS TO FORM:


JENNIFER M. LYON
CITY ATTORNEY

ISSUE DATE: MARCH 19, 2014

The purpose of this procedure is to provide the City of Calexico a means of assuring continuity and uniformity in its purchasing operation and to define the responsibilities for purchasing supplies, services and equipment for the City of Calexico. The general rule is that a general law City cannot take action except through its City Council. Further, a City cannot be obligated under a contract except through action by its City Council. However, the City Council chooses to create this policy so that certain contracts can be formed and purchases can be made without formal action by the City Council so that the City can operate efficiently. The basic standard that should always prevail is to exercise good judgment in the use and stewardship of City resources, including keeping within the budget authorized by City Council.

The policy outlined herein is to be adhered to by all Departments when procuring supplies, services and equipment. This policy strives to define making the prudent review and internal control procedures and to maintain Department Head responsibility for their budget and flexibility in evaluating, selecting and purchasing supplies, equipment and services.

Unauthorized Purchases

Except for urgencies or other authorized exemptions as stated in these guidelines, no purchase of supplies, services, or equipment shall be made without an authorized purchase order. Unless allowed by some other City Council ordinance, resolution, or law, a purchase or contract formed in violation of this Policy is void. An employee ordering the unauthorized purchase may be subject to reprimand for violation of this policy.

Purchase orders shall be issued prior to ordering supplies, equipment and services and not after the fact for work already done or materials already ordered.

City employees, officers or officials shall not solicit or accept gifts except for those items that can be shared by all staff such as food and flowers. In addition, no employee, officer, or official shall be entitled to any special consideration, i.e. discounts from vendors and merchants in their personal affairs.

Vendor Relations

It is to the City's advantage to promote and maintain good relations with vendors. The Finance Department and Departments' staff shall conduct their dealings with vendors in a professional manner and shall promote equal opportunity and demonstrate fairness, integrity, and courtesy in all vendor relations. When feasible to do so, vendors within the City of Calexico should be utilized for supplies, services and equipment. When determining the lowest responsible bidder, the amount of local City sales tax included in the bid submitted by a local vendor shall be credited by the City against said bid.

Purchasing Method**Requirements for certain purchasing dollar limits**

Purchasing dollar limits are "per order". This policy specifically prohibits splitting an order to circumvent the specified dollar limits. Departments shall contact the Finance Department to coordinate volume bids of repetitive requirements (i.e., the frequent purchase of items such as chemical, paper goods, etc., which annually exceed the specified limits).

Purchases of Less than \$2,500 -- Over-the-Counter

For purchases of less than \$2,500, the authority to award is the Department Head. Comparative pricing is not required but shall be used when practical. Prudent judgment shall be used at all times. All departments may purchase supplies, equipment, and services, of less than \$2,500 without competitive bidding.

Purchase between \$2,500 - \$49,999 -- Open Market

For Purchases of between \$2,500 and \$49,999 the authority to award is the City Manager or Finance Director. Department staff shall not award purchase orders for \$2,500 or more without the approval of the City Manager, Finance Director, or Assistant Finance Director, except in the event of an urgency purchase (see Urgency Purchases). All Departments shall obtain three oral or written competitive quotations whenever possible for purchases. The Department should submit a requisition, which includes the recommended vendor, with all supporting documentation to the Finance Department. Supporting documentation shall include competitive price quotes obtained, names of vendors contacted, description of the items required, and certificates of insurance if applicable. The Finance Department should review the recommendation and supporting documentation and may contact additional sources for quotations.

The City Manager, Finance Director, or Assistant Finance Director may award purchase to the lowest responsive and responsible bidder whose quote fulfills the intended purpose, quality, and delivery needs of the solicitation, provided that an appropriation for that item exists. In lieu of awarding the purchase, the City Manager, Finance Director, or designee may reject bids, or may negotiate further to obtain terms acceptable to the city.

Purchases of \$49,999 or More -- Formal Bid

Purchases that exceed \$49,999 require a Formal Bid Process and City Council approval. See Informal and Formal Bid Process.

Open Purchase Orders :

An Open Purchase Order is an agreement whereby the City contracts with a vendor to provide equipment or supplies on an as-needed and often over-the-counter basis. Open Purchase Orders provide a mechanism whereby items, which are uneconomical to stock, may be purchased in a manner that allows field operations timely access to necessary materials. Open Purchase Orders shall not be used to purchase services, capital assets or items maintained in stock.

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The Finance Department shall request confirmation of Open Purchase Orders annually, before the beginning of the fiscal year. Requests for Open Purchase Orders may also be submitted to the Finance Department on an as-needed basis. The Finance Department shall review the Open Purchase Order requests based upon the following criteria:

1. Geographic location
2. Responsiveness and capabilities
3. Average dollar value and type of items to be purchased
4. Frequency of need

All Open Purchase Orders shall include the following information:

- a. A general description of the equipment or supplies which may be charged;
- b. The period of time the order will remain open, not to exceed one fiscal year;
- c. The maximum total amount which may be charged on the purchase order;
- d. Items excluded from the purchase, if applicable;
- e. Requirement that employees print and sign their names when picking up goods; and
- f. Account number to be charged.

Once an Open Purchase Order is issued to a vendor, any authorized City employee may contact the vendor directly to place orders per the terms and conditions in the Open Purchase Order.

Contract Purchase Orders

Contract Purchase Orders are the preferred method of purchasing repetitive-use items or services, for example office supplies, which may be common to several departments or within one department. Establishing Contract Purchase Orders provides a means of obtaining volume pricing based upon the combined needs of all departments, reduces the administrative costs associated with seeking redundant competitive bids and processing a Purchase Order each time an order is placed, and allows Departments to order as needed, reducing the requirement to maintain large inventories of stock.

If a Contract Purchase Order exists, Departments shall order all of their requirements from the successful vendor. No other source shall be used without prior approval of the Finance Department. Departments shall submit in writing to the Finance Department any performance problem encountered immediately following the occurrence so that corrective action may be taken.

Contract Purchase Orders are annual and may include option for renewal for specific products, product types, or services at agreed upon prices or pricing structure and for a specified period of time.

Cooperative Purchases

The City may participate in purchases and contracts established by other political jurisdictions, provided the cooperative agreement is established following a competitive

CITY OF CALEXICO

PURCHASING POLICY & PROCEDURES

bid process. The City Manager may authorize the award of cooperative purchase agreements up to \$49,999. City Council approval is required for the award of any cooperative purchase of \$50,000 or more.

Sole Source Purchases

Commodities and services, which can be obtained from only one vendor, are exempt from competitive bidding. Sole source purchases may include proprietary items sold directly from the manufacturer, items that have only one distributor authorized to sell in this area or a certain product had been proven to be the only product that has proven to be acceptable. All sole source purchases shall be supported by written documentation signed by the appropriate Department Head and forwarded to the Finance Department. The Finance Director or designee will make final determination that an item is a valid sole source purchase.

Urgency Purchases

An urgency purchase is one where there is an unforeseen situation which requires immediate procurement of materials or services in order to continue operations of an essential department, or for the preservation of health, safety and welfare of the people, or protection of property, when there is a present, immediate and existing danger. A depletion of stock through normal routine usage is not considered an urgency item.

Urgency purchases may be made without competitive bidding when time is of the essence, and shall be made only for the following reasons:

1. to preserve or protect life, health or property; or
2. upon natural disaster; or
3. to forestall a shutdown of essential public services

Since urgency purchases do not normally provide the City an opportunity to obtain competitive quotes or properly encumber funds committed, sound judgment shall be used in keeping such order to an absolute minimum. In addition, the following requirements shall apply:

4. The Finance Department shall be contacted as soon as possible for an advance purchase order number, which may be given verbally to cover the urgent transaction. If unable to contact the Finance Department place the order and contact the Finance Department the next workday.
5. A completed purchase requisition shall be submitted to the Finance Department within two working days, or as soon as possible as the information is available. The appropriate Department Head shall sign all purchase requisitions for urgent purchases.
6. Documentation explaining the circumstances and nature of the urgency purchase shall be submitted by the appropriate Department Head as follows:
 - a. Purchases less than \$2,500: Use standard purchasing procedure;
 - b. Purchases in the amount of \$2,500 - \$49,999: Report to the Finance Director by processing requisition within one day and report to the City Manager within two working days for ratification;

CITY OF CALEXICO PURCHASING POLICY & PROCEDURES

- c. Purchases of \$50,000 or more: 1) Report to the City Manager within two working days, and 2) report to the City Council at its next scheduled meeting for ratification
7. If the urgency purchase causes any budget line item to exceed the adopted budget, it shall be the responsibility of the Department requesting the purchase to make a transfer to cover the purchase or obtain subsequent City Council approval for an additional appropriation to cover the purchase. If funds are available to transfer from another budget line item, the Transfer of Appropriation form shall be used. If the urgency purchase requires an increase in the Adopted Budget, a Budget Amendment Resolution form must be submitted to the City Council for approval.

Purchase Order Exemptions

Certain purchases are not readily adaptable to the open market and formal bidding process. These purchases are generally for items where the competitive bid process is not applicable or where a check is required to accompany the order. Following is a list of allowable exemptions:

Advertisements and Notices	Payments to other Governmental Units
Attorney Services	Petty Cash Replenishments
Consultant Services	Property Rentals
Courier/Delivery/Messenger Services	Subscriptions
Insurance Claims and Premiums	Trade Circulars or books
Medical Payments	Travel Expense/Advances
Membership Dues	Utility Payments

Exemptions are limited to those items listed above. Departments may submit written requests for additional exemptions to the Finance Department. If warranted, additional exemptions will be added to this list.

If a vendor requires a Purchase Order to process an order, the department shall submit a purchase order requisition to the Finance Department to initiate a purchase order.

Petty Cash

A petty cash advance is used to obtain petty cash for a quick purchase of small items from a local store. Department Heads have approval of petty cash purchases up to \$25 only. Only the Finance Director or the Assistant Finance Director can approve petty cash purchases over \$25 to a maximum of \$100. All petty cash transactions must be completed on the same day an advance is made. If the transaction cannot be completed the cash must be returned to Accounts Payable by the end of the day and another advance obtained the next day.

Petty cash advances are obtained from Accounts Payable. When seeking an advance, obtain the appropriate form from Accounts Payable and fill out form with date, name, department description, account number and signature. After the purchase is made,

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CITY OF CALEXICO PURCHASING POLICY & PROCEDURES

please submit receipt with any unused money. A petty cash voucher is then prepared by Accounts Payable, which will be used to reimburse the petty cash fund.

Purchase Award

1. Lowest responsive and qualified bidder
 - A. Bids shall be awarded to the "responsive" and "qualified" bidder who submits the lowest bid.
 - B. In determining the lowest "responsive" bid, the following elements shall be considered in addition to price:
 - a. A responsive bid is one, which is in substantial conformance with the requirements of the invitation to bid, including specifications and the City's contractual terms and conditions. Bidders who substitute terms and conditions or who qualify their bids in such a manner as to nullify or limit their ability shall be considered non-responsive bidders.
 - b. Conformance with the requirements of the invitation to bid may also include providing proof of insurance, completing all forms, including references, and all other information as requested in the bid document.
 - c. The successful bidder must demonstrate the ability to successfully fulfill a contract, including rendering of subsequent and continuing service. Staff may request proof of a prospective bidder's reliability. Prospective bidders may be requested to furnish proof of financial resources, a list of current or previous customers, and other pertinent data. Such action may also be taken after receipt of bids.
 - d. A bidder may be determined to be non-responsive if a prospective bidder fails to furnish proof of qualifications when required.
 - C. In determining the lowest "qualified" bidder, the following elements shall be considered in addition to price:
 - a. That the products offered provide the quality, fitness, and capacity for the required usage.
 - b. That the bidder has the ability, capacity and skill to perform the contract satisfactorily and within the time required.
 - c. That bidder's experience(s) regarding past purchases by the City or other public agencies demonstrates the reliability of the bidder to perform the contract.
 - D. When a bid is recommended to be awarded to other than the low bidder, written justification is required. The written statement, signed by the appropriate department head, shall be attached to the purchase requisition.
2. Rejection of Bids
The City Manager shall have the authority to reject any or all bids for a contract of \$49,999 or less. The City Council shall have the authority to reject any or all bids for a contract of \$50,000 or more, upon recommendation of the City Manager. The City Manager may recommend rejection of any or all bids if it is determined to be in the best interests of the City. Reasons for rejection may

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include, but are not limited to, the following: 1) a bid is determined to be non-responsive, 2) the number of bids received is inadequate, 3) bids received are not reasonably uniform in price, or 4) the lowest bid received is deemed to be too high. If all bids are rejected, the requesting Department may be authorized to re-solicit bids, negotiate a contract for the purchase, or abandon the purchase.

3. Tie Bids

If two or more bids are received which are in all respects equal, the City Manager may accept the one deemed to be in the best interests of the City.

Change Orders

Purchase Orders represent a contract between the City and the Vendor. Any substantial change to a Purchase Order shall be documented as a change order. Change Orders shall be reviewed and approved by either the Finance Director or the City Manager. A purchase order may not be increased by more than 10% or \$100 whichever is less without a change order except for taxes, shipping and handling as discussed below.

In the event the purchase of supplies or services exceeds this limit, written authorization must be given to the vendor by the City Manager, Finance Director, or designee in order to proceed.

Taxes, shipping and handling may cause the purchase order to exceed the authorized purchase order amount. These items do not require a change order, even if they exceed 10% of the original purchase order amount.

This section does not apply to Change Orders for housing programs and public works and utility construction and/or improvement contracts. All public works and utility construction and/or improvement contracts in the amount of \$100,000 or more that require a Change Order, which results in either an increase or a deduction in the original contract amount, must be approved by the City Council. All housing program contracts that result in an increase in the original contract, including any contingency, shall be approved by the City Manager, if the Change Order exceeds 20% of the total contract.

Informal and Formal Bid Process

Except as otherwise exempted in the policy, supplies, services and equipment with an estimated value of \$2,500 to \$49,999 shall be purchased following an Informal Bid Process and purchases of \$50,000 or more shall be made following a Formal Bid Process.

To initiate the informal/formal bid process, the Department making the request shall provide specifications for the item to be purchased and documentation showing the existence of an unencumbered appropriation for the item in the current approved budget.

Informal bids may be posted at City Hall, mailed to prospective bidders a minimum of ten calendar days before the due date, or solicited over the phone. Formal bids shall be posted at City Hall and shall be published at least once in a newspaper of general circulation as required by State law, and, if applicable, in appropriate trade publications.

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The date of publication shall be at least ten days before the due date. All formal bids shall be sealed and shall be publicly opened and read at the date, time and place indicated in the published notice.

Bids shall be reviewed for compliance with specifications by the requesting Department. All deviations shall be fully documented by the requesting department and the impact of the deviations on the performance or suitability of the bid item shall be detailed. Staff will prepare and forward a recommendation for approval of purchase. Informal bids shall be approved by the City Manager. Formal bids shall be approved by the City Council.

Credit Card Usage

Under certain circumstances the use of a city credit card may be the most appropriate method for certain purchases. The following policies and procedures are established to insure internal control and timely payment of charges.

1. City bank, gasoline, vendor credit cards will be signed out on an as-needed basis to City Council or staff at the sole discretion of the Finance Department or the appointed designee, in accordance with internal control procedures. Failure to comply with established procedures may result in discontinuance of use by the employee/department.
2. Because of Internal Revenue Service (IRS) tax reporting requirements, except for Urgency Purchases, city credit cards may not be used to purchase services provided by vendors who are doing business as partnerships or sole proprietors. Examples of this include, but are not limited to:
 - a. Labor charges for auto repair
 - b. Plumbers
 - c. Construction contractors
3. City credit cards shall be available to the City Council and staff for the conduct of official City business included but not limited to the following purposes:
 - a. Gasoline purchases
 - b. Authorized travel expenses and hotel charges, which shall subsequently be documented on the travel reconciliation report
 - c. To charge the cost of meals when required in the conduct of official business except when an employee is traveling in a per diem basis
 - d. Other circumstances where the use of a credit card best meets the City's purchasing needs as determined by the Finance Director or the appointed designee
3. Only the City Manager, Finance Director and City Council are authorized to carry a bank credit card at all times. Gasoline cards and vendor credit cards may be signed out by an employee authorized to purchase items and may be distributed by that authorized employee to personnel under their supervision as long as that authorized employee later approves the receipt. Once the purchase is complete the credit card shall be returned.

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4. All receipts must be turned in when credit card is turned in.
5. No personal items shall be charged on any City credit card except those charges that might be incidental to another charge made on the card for travel or meetings. Whenever one of these personal charges is made on the City credit card, the charges will be reimbursed to the City when the travel is completed. Under no circumstances shall a single personal charge be made on a City credit card. Intentional use of the credit card for other than appropriate City use could be considered an attempt to commit fraud against the City of Calexico. Proof of such fraud could result in immediate cancellation of your credit card and disciplinary action against you under applicable City of Calexico Personnel Rules and Regulations. You will be personally liable to the City for the amount of any non-approved purchases. If you leave the City, you must return your credit card to the Finance Director prior to leaving.

Professional Consultant Selection

Selection of Consultants for Professional Services (General):

The following criteria shall be used to determine approval authority for Professional Consultant Service Contracts:

Contracts under \$2,500	Department Head Approval
Contracts of \$2,500 - \$49,999	City Manager Approval
Contract of \$50,000 or greater	City Council Approval

This policy specifically prohibits splitting a purchase to circumvent the limits set forth above.

The appropriate Department Head, with the approval of the City Manger shall prepare a scope of work consistent with budget and project authorization of the City Council. The Request for Proposal (RFP) shall outline the City requirements and project description. The list of solicited firms will be drawn from firms who, in the opinion of the Department Head, can perform the work. A Request for Qualifications may first be necessary if the required services are particularly specialized or if the qualifications of the available consultants are unknown. The list of solicited firms may be limited to a minimum of 3 to 5 due to time constraints or specialties involved.

The involved Department Head(s), who shall make a recommendation to the City Manager, shall conduct the initial review of proposals.

Qualifications should be the determining factor in the selection of a professional consultant. Staff shall then negotiate the final fee based upon the agreed scope of work.

Prior to approval of a contract, the Department Head shall conduct appropriate background and reference checks and ensure that adequate bonding or security, if required, is posted.

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Consultants shall comply with all regulations and laws dealing with conflict of interest disclosure and reporting. Consultants shall not be engaged if a conflict of interest exists.

Approval of "Additional Work" items shall comply with the cost limits.

Selection of Consultants for Professional Services for Continuing Services:

Professional firms providing engineering, land surveying, transit, planning, environmental, auditing, landscape architecture or other services may be retained on a continuing basis to provide professional services. The Department Head, with the approval of the City Manager may contract on a project-by-project or on a retainer basis for additional work/services without going through the RFP and selection process. At least every three years these arrangements shall be reviewed and every effort shall be made to receive proposals from at least three consultants to perform the same services. This is to ensure the city is receiving the best value in their service.

During the budget process the Finance Department shall make a written request to each Department Head to submit to the City Manager a list of consultants currently under contract by their department, setting forth name of firms, type of services, cost of contracts, length of contracts and date entered into, and the number of years retained by the City.

Exclusions

The provisions of this policy shall not apply:

1. To public works projects (governed by the provisions of the California Public Contracts Code);
2. To franchises (governed by the provisions of the California Utilities Code or other statute of the State of California);
3. Where State or Federal law requires a different procedure;
4. To franchises, rights, privileges, licenses and permits granted by the City;
5. To the purchase of insurance;
6. To the leasing, purchase or sale of land or any interest therein;
7. To the hiring of or contracting for personnel (whether as temporary, seasonal or permanent employees or agents)
8. To construction contracts other than public works projects;
9. To the purchase of utilities, including, but not limited to, telephone service, gas, electricity or water.

ORDINANCE NO. 1153

The City Attorney has prepared the following summary of Ordinance Number 1153.

The City of Calexico's Purchasing Policy establishes procedures for the purchases of goods and services and for contracts for professional services. It also sets the contract awarding authority of the City Manager and the City council based on the dollar amount of the contract. The Purchasing Policy also sets the minimum dollar amount of a contract that can be entered into before a formal bid process is required.

This Ordinance revises the Purchasing Policy to allow the City Manager to have contract awarding authority up to \$49,999. Further, the Ordinance revises the current Purchasing Policy to allow for informal bids for any purchases and contracts under \$49,999. Under the proposed Purchasing Policy, the formal bid process would be used for purchases of \$50,000 or more.

A copy of the ordinance is available for review in the City Clerk's Office at City Hall located at 608 Heber Avenue, Calexico, California. This ordinance was introduced at the regularly scheduled City Council meeting of January 21, 2014. It is scheduled for adoption at the regular meeting of February 18, 2014.

PURCHASING POLICIES LIMIT COMPARISON

CITY OF EL CENTRO	
Purchasing Agent (Finance Director)	Up to \$25,000
City Manager & Purchasing Agent	\$25,000 - \$50,000
Formal Bid Process with award made by both C.M. & P.A. C.M. has final decision.	

COUNTY OF IMPERIAL	
Purchasing Agent	Individual items up to \$5,000.
	Public Works contracts up to \$50,000
Executive Officer	\$100,000
Has authority to authorize and/or execute contracts and purchase and hold personal property necessary.	

CALEXICO UNIFIED SCHOOL DISTRICT	
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Superintendent	Up to \$200,000
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CITY OF EL CENTRO

Sec. 2-168. - Purchasing officer—Appointed.

The director of finance, or in the alternative such other person as may be designated in writing by the city manager, shall be and is appointed to perform the functions of the purchasing officer for the city.

(Ord. No. 90-14, § 1; Ord. No. 07-16, § 1)

Sec. 2-169. - Same—Powers and duties.

The purchasing officer shall:

- (1) Purchase or contract for supplies, services and equipment required by any using agency or department in accordance with purchasing procedures prescribed by this division, such administrative rules and regulations as the purchasing officer shall adopt for the internal control and operation of the purchasing function and such other rules and regulations as shall be prescribed by the council or city manager;
- (2) Prepare and adopt administrative rules and regulations not in conflict with the provisions of this ordinance for the purpose of carrying out the requirements and intent of this purchasing system.
- (3) Negotiate and execute contracts for the purchase of supplies, services and equipment;
- (4) Procure for the city the needed quality in supplies, services and equipment at least expense to the city;
- (5) Encourage uniform bidding and endeavor to obtain as full and open competition as possible on all purchases;
- (6) Prepare and recommend to the council rules governing the purchase of supplies, services and equipment for the city;
- (7) Prepare and recommend to the council revisions and amendments to the purchasing rules;
- (8) Keep informed of current developments in the field of purchasing, prices, market conditions and new products;
- (9) Prescribe and maintain such forms as are reasonably necessary to the operation of this chapter and other rules and regulations;
- (10) Insure that all supplies, services and equipment purchased conform with specifications;
- (11) Recommend to the city manager or city council, as appropriate, the transfer of surplus or unused supplies and equipment between agencies or departments as needed and the sale of all supplies and equipment which cannot be used by any agency or which become unsuitable for city use;
- (12) Maintain a bidder's list.
- (13) Recommend to the council the disqualification for a stated period of time vendors who default on their quotations.
- (14) Consider the possibilities of buying "in bulk" so as to take full advantage of discounts.
- (15) Have the right to waive any defect or informality with the approval of the using department or agency.

(Ord. No. 90-14, § 1; Ord. No. 07-16, § 1)

Sec. 2-173. - Contracts for \$50,000.00 or less.

Except as otherwise provided by specific statute.:

- (1) The purchasing officer may enter into a contract of any nature without advertising when the estimated amount required to perform the contract is twenty-five thousand dollars (\$25,000.00) or less.
- (2) Contracts of between twenty-five thousand dollars (\$25,000.00) and fifty thousand dollars (\$50,000.00) will require both the city manager's and purchasing officer's approval and shall be let by the administrative bid process set forth herein:
 - a. The purchasing officer may mail notices inviting formal bids. The notices shall be mailed to all qualified vendors on the bid list or who have requested their name to be added thereto unless the product or service is proprietary.
 - b. The notices to the fullest extent possible should be mailed no later than ten calendar days before the opening date of the bids. The notices shall describe the commodities or services in general terms, how to obtain more detailed information, and state the time and place for submission of bids. Failure of any person to receive such notice shall not invalidate any bid awarded.
 - c. A notice inviting bids shall be published at least ten (10) calendar days before the date of opening of the bids. Notice shall be published in a newspaper of general circulation, printed and published in the city, or, if there is none, it shall be posted in at least three (3) public places in the city.
 - d. Such notice must state:
 1. The nature, character or object of the contract.
 2. If the plans and specifications are to constitute part of the contract, where the plans and specifications may be seen.
 3. The time and place where bids will be received and opened.
 4. Such other matters as may properly pertain to giving notice to bid.
 - e. Sealed bids shall be submitted to the city clerk and shall be identified as a bid on the envelope. The bid must include an original signature of an authorized person.
 - f. Bids shall be opened in public by the city clerk or designee at the time and place stated in the public notices.
 - g. Contracts shall be awarded by the city manager and purchase officer to the lowest responsible bidder except as otherwise provided in this chapter. The decision of the city manager shall be final.
 - h. In their discretion, the city manager and purchase officer may reject any or all bids presented, abandon the purchase or re-advertise. A permanent record of all requests for bids and all bids received shall be maintained. If no responsible bid is received, the city manager and purchasing officer may let the contract without further competitive bidding.
 - i. If two (2) or more bids received are the same and lowest, the city manager and purchase officer may accept the one it chooses.
 - j. If no bids are received, the contract may be let in the open market, or by the informal procedures set forth in section 2-173.
 - k. The city manager and purchase officer shall have the right to waive any defect or informality in the bidding or in the procedures set forth in this section. No defect or informality shall void any contract entered into.
 - l. In the event no responsible bids are received, the city manager and purchase officer may let the contract without competitive bidding.

- (3) If the estimated amount required to perform the contract, is more than five thousand dollars (\$5,000.00) but not more than twenty-five thousand dollars (\$25,000.00), requests for bids may be submitted in writing or verbally to two (2) or more persons or businesses capable of performing the contract. If the bid was received verbally, the department head must submit a written memo documenting the request and bids received. The contract shall be issued to the lowest responsible bidder. The purchasing officer shall maintain a permanent record of all requests for bids and all bids received. If no responsible bid is received, the purchasing officer may let the contract without further competitive bidding.
- (4) Nothing in this section prohibits the purchasing officer from advertising for or requesting bids regardless of the estimated amount to perform the contract.
- (5) The council may, from time to time, modify the monetary limits in this section by resolution.

(Ord. No. 90-14, § 1; Ord. No. 07-16, § 1)

Sec. 2-174. - Contracts for more than \$50,000.00.

- (a) Purchases and contracts for supplies, services, equipment and the sale of surplus property of estimated value greater than fifty thousand dollars (\$50,000.00) shall be let by the formal procedures set forth herein.
 - (1) The purchasing officer shall mail notices inviting formal bids. The notices shall be mailed to all qualified vendors on the bid list or who have requested their name to be added thereto unless the product or service is proprietary.
 - (2) The notices to the fullest extent possible should be mailed no later than ten (10) calendar days before the opening date of the bids. The notices shall describe the commodities or services in general terms, how to obtain more detailed information, and state the time and place for submission of bids. Failure of any person to receive such notice shall not invalidate any bid awarded.
 - (3) A notice inviting bids shall be published at least ten (10) calendar days before the date of opening of the bids. Notice shall be published in a newspaper of general circulation, printed and published in the city, or, if there is none, it shall be posted in at least three public places in the city.
 - (4) Such notice must state:
 - a. The nature, character or object of the contract.
 - b. If the plans and specifications are to constitute part of the contract, where the plans and specifications may be seen.
 - c. The time and place where bids will be received and opened.
 - d. Such other matters as may properly pertain to giving notice to bid.
 - (5) Sealed bids shall be submitted to the city clerk and shall be identified as a bid on the envelope. The bid must include an original signature of an authorized person.
 - (6) Bids shall be opened in public by the city clerk or designee at the time and place stated in the public notices.
 - (7) Contracts shall be awarded by the council to the lowest responsible bidder except as otherwise provided in this chapter. The decision of the council shall be final.
 - (8) In its discretion, the council may reject any bids presented, abandon the purchase or readvertise. If all the bids submitted are rejected, the council may either readvertise or adopt a resolution by a four-fifths (4/5) majority declaring that the materials or supplies can be furnished

at a lower price in the open market and away award the contract in the open market without further complying with this section.

- (9) If two (2) or more bids received are the same and lowest, the council may accept the one it chooses.
 - (10) If no bids are received, the contract may be let in the open market, or by the informal procedures set forth in section 2-173.
 - (11) The council shall have the right to waive any defect or informality in the bidding or in the procedures set forth in this section. No defect or informality shall void any contract entered into.
 - (12) In the event no responsible bids are received, the council may let the contract without competitive bidding.
 - (13) The council may modify, from time to time, the monetary limits in this section by resolution.
- (Ord. No. 90-14, § 1; Ord. No. 07-16, § 1)

COUNTY OF IMPERIAL

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF IMPERIAL
COUNTY EXECUTIVE OFFICER DELEGATION OF AUTHORITY
RESOLUTION NO. 2013-069**

WHEREAS, pursuant to Imperial County Code sections 2.20.010-040, the Imperial County Board of Supervisors ("Board") has appointed a County Executive Officer ("CEO") who, subject to the direction of the Board, is responsible for administering County business; and

WHEREAS, the Board has authority to enter into certain service contracts pursuant to California Government Code sections 23005; and

WHEREAS, in the interest of efficient use of resources and to assure the timely preparation and execution of contracts needed to carry out responsibilities of the County, the Board desires to delegate the authority to enter into certain agreements to the CEO; and

WHEREAS, the public was given an opportunity to comment on such delegation of authority during open session at the August 13, 2013 Board of Supervisors regular agenda meeting.

NOW, THEREFORE, BE IT RESOLVED that the Imperial County Board of Supervisors hereby finds that the delegation of certain authority to the County Executive Officer will provide for more efficient and cost effective governing and thereto, delegates authority to the CEO to make and execute or ratify any contract pursuant to California Government Code Section 23004 (c) including but not limited to the to acceptance grant funding, services or other benefit to the County subject to the following:

1. The authority delegated to the CEO to execute or ratify any agreement pursuant to California Government Code section 23004 (c) is limited to and shall not exceed \$100,000.
2. The CEO shall, upon exercising of the delegated authority:
 - a. Obtain from County Counsel approval as to form of the Contract; and
 - b. Submit an executed copy of the agreement to the Clerk of the Board for placement on the next regular meeting agenda of the Board of Supervisors as an informational item.

PASSED AND ADOPTED by the Board of Supervisors, County of Imperial, State of California, on this 13th day of August, 2013 by the following vote:

Renison, Terrazas, M. Kelley, R. Kelley, Castillo



Raymond R. Castillo, Chairman
Imperial County Board of Supervisors



Blanca Acosta, Clerk of the Board
County of Imperial, State of California



GOVERNMENT CODE - GOV

TITLE 3. GOVERNMENT OF COUNTIES [23000 - 33205] (*Title 3 added by Stats. 1947, Ch. 424.*)

DIVISION 1. COUNTIES GENERALLY [23000 - 23732] (*Division 1 added by Stats. 1947, Ch. 424.*)

CHAPTER 1. General [23000 - 23027] (*Chapter 1 added by Stats. 1947, Ch. 424.*)

A county may:

23004. (a) Sue and be sued.

(b) Purchase, receive by gift or bequest, and hold land within its limits, or elsewhere when permitted by law.

(c) Make contracts and purchase and hold personal property necessary to the exercise of its powers.

(d) Manage, sell, lease, or otherwise dispose of its property as the interests of its inhabitants require.

(e) Levy and collect taxes authorized by law.

(Amended by Stats. 1947, Ch. 829.)

CALEXICO UNIFIED SCHOOL DISTRICT

CALEXICO UNIFIED SCHOOL DISTRICT
RESOLUTION NO. 10-06-13
**DELEGATION OF AUTHORITY TO PAY AND SIGN PROPER
LEGAL BILLS, BILLINGS, INVOICES, AND ORDERS UNDER
SPECIFIC LIMITATIONS**
October 22, 2013

WHEREAS. The Governing Board is authorized in Education Code section 35161 to delegate any of its statutory powers or duties to the Superintendent of the District or any other management employee of the District

WHEREAS. Education Code section 42632 authorizes the Governing Board to authorize the Superintendent of the District and/or any other management employee pursuant to Board Policy No. 3314.3 to sign "orders" drawn on the funds of the District.

WHEREAS. The Governing Board now desires to specifically delegate to the Superintendent of the District and/or also the Assistant Superintendent of Business Services of the District the authority to pay proper and legal bills, billings, invoices, and orders submitted to the District without prior or subsequent approval by the Governing Board; and also now desires to specifically authorize the Superintendent and/or the Assistant Superintendent of Business Services to sign the necessary orders so that proper and legal payment may be made in response to such bills, billings, invoices and orders to the District.

NOW, THEREFORE, BE IT RESOLVED THAT

The Governing Board hereby specifically delegates to the Superintendent of the District and the Assistant Superintendent of Business Services of the District the authority to pay proper and legal bills, billings, invoices, and orders submitted to the District without prior or subsequent approval by the Governing Board under the limitations of this Resolution.

BE IT FURTHER RESOLVED THAT

The Superintendent and/or the Assistant Superintendent of Business Services, within their discretion, are hereby authorized to pay proper and legal bills, billings, invoices, and orders submitted to the District without prior or subsequent approval by the Governing Board under the limitations of this Resolution which shall include all of the following:

1. Each and every payment of any bill, billing, invoice or order authorized and signed shall be consistent with the current adopted Budget in the District. This means that each and every payment shall be consistent with the amounts budgeted in any major classification of the current adopted Budget in the District.

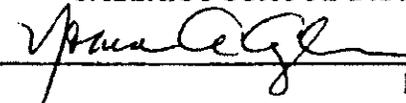
2. The Superintendent and Assistant Superintendent of Business Services shall exercise great care and diligence with regard to each and every payment of any bill, billing, invoice or order, and shall adhere to established, careful business practices.
3. Each and every payment and signing of each and every proper and legal bill, billing, invoice and order shall be consistent with all Board Policies in the District and all actions by the Governing Board.
4. Each and every monthly payment, or possible alternate payment, schedule of more than a month, under this Resolution shall have an absolute maximum amount of \$200,000.00 dollars. Multiple payments shall not be utilized to exceed this absolute maximum amount with regard to any regular or monthly bill, billing, invoice or order.
Payments for the following purpose will be exempt of the maximum amount limitation: Medical, Dental, Vision, Long Term Disability & Life Insurance, Voluntary Deduction Insurances, Worker's Compensation, Certificate of Participation payments, Liability insurance, and Payroll Taxes.
5. No payment shall be made under any contract or agreement unless such contract or agreement was authorized and entered into lawfully and consistent with established Board Policies and practices in the District.
6. The Superintendent and/or Business Manger shall report to the Governing Board at its next regular meeting as an information item each and every payment and signing under this Resolution.
7. This Resolution shall not be in effect during any time when the District is operating without an approved Budget, or during any time when the County Superintendent has stay and rescind authority over actions by the District.

BE IT FURTHER RESOLVED THAT

The Superintendent and/or the Assistant Superintendent of Business Services and also are authorized to sign the necessary orders so that proper and legal payment may be made in response to such bills, billings, invoices and orders to the District:

PASSED AND ADOPTED this 22nd day of October 2013.

CALEXICO SCHOOL DISTRICT

 10/25/13
President

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALEXICO, CALIFORNIA, AMENDING THE CITY OF CALEXICO PURCHASING POLICY AND PROCEDURES TO REDUCE THE PURCHASING AUTHORITY OF THE CITY MANAGER AND MAKE OTHER CHANGES TO THE CITY'S PURCHASING POLICIES AND PROCEDURES

WHEREAS, the City of Calexico ("City") is a municipal corporation and general law city organized and existing under the Constitution and laws of the State of California; and

WHEREAS, the City has the authority to enter into contracts to carry out the functions of the City; and

WHEREAS, the City is required, under California Government Code sections 54202 and 54203, to adopt by ordinance a formal purchasing policy governing the purchase of supplies and equipment; and

WHEREAS, the City's existing purchasing policy was adopted by the City Council on February 18, 2014; and

WHEREAS, the City Council desires to revise the existing purchasing policy in the manner reflected in this Ordinance.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CALEXICO DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The City Council finds and determines that each of the findings set forth above are true and correct.

SECTION 2. An amended purchasing policy, attached hereto as Exhibit "A," is hereby adopted to establish procedures for the purchase of supplies, equipment, and services, to secure supplies, equipment, and services at the lowest possible cost commensurate with needed quality, to exercise financial control over purchases, define authority for the purchasing function of the City and reduce the purchasing authority of the City Manager.

SECTION 3. The purchasing policy attached hereto as Exhibit "A" shall supersede and replace the prior purchasing policy that was adopted by the City Council on February 18, 2014.

EFFECTIVE DATE: This Ordinance shall become effective thirty days after its adoption; the City Clerk shall certify the adoption of this Ordinance and cause it to be published as required by law.

INTRODUCED AND FIRST READ at a regular meeting of the City Council of the City of Calexico on the _____ day of _____, 2015; and

THEREAFTER ADOPTED at a regular meeting of the City Council of the City of Calexico, California, on the _____ day of _____, 2015, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Joong S. Kim, Mayor

ATTEST:

Gabriela Garcia
Deputy City Clerk

APPROVED AS TO FORM:

Mark J. Austin
Interim City Attorney

ISSUE DATE: MARCH 19, 2014

ISSUE DATE: _____

The purpose of this ~~procedure purchasing policy~~ is to provide the City of Calexico ("City") with a means of assuring continuity and uniformity in its purchasing operation, and to define the procedures and responsibilities for purchasing supplies, services, and equipment for the City of Calexico. ~~The general rule is that Under most circumstances, a general law City-city cannot take action except through its City Council. Further city council, a City- and cannot be obligated under a contract except through action by- of its City Council city council.~~ However, to allow for more efficient operation of the City, the City Council chooses to ~~create-adopt~~ adopt this policy ~~so that allowing~~ certain contracts can to be formed and purchases can to be made without formal action by the City Council ~~so that the City can operate efficiently.~~ The basic standard that should always prevail is to the exercise of good and prudent judgment in the use and stewardship of City resources, including keeping-staying within the budget authorized by the City Council.

The policy outlined herein is to be adhered to by all City Departments when procuring supplies, services, and equipment. This policy strives to define ~~making~~ the prudent review and internal control procedures and that will govern such purchases, to maintain Department Head responsibility for their ~~budget- budgets,~~ and to provide flexibility in evaluating, selecting, and purchasing supplies, equipment, and services.

Unauthorized Purchases

Except for urgencies or other authorized exemptions ~~as~~ stated in these guidelines, no purchase of supplies, services, or equipment shall be made without an authorized purchase order. Unless allowed by some other City Council ordinance, resolution, or law, a purchase or contract formed in violation of this Policy is void. An employee ordering the unauthorized purchase may be subject to reprimand for violation of this policy.

Purchase orders shall be issued prior to ordering supplies, equipment ~~and-~~, and/or services, and not after the fact for work already done or materials already ordered.

City employees, officers, or officials shall not solicit or accept gifts, except for those items that can be shared by all staff such as food and flowers. In addition, no employee, officer, or official shall be entitled to any special ~~consideration, i.e.-~~ consideration- i.e., discounts from vendors and merchants in their personal affairs.

Vendor Relations

It is to the City's advantage to promote and maintain good relations with vendors. ~~The Finance Department and Departments'~~ City staff shall conduct their dealings with vendors in a professional manner ~~and-~~, shall promote equal opportunity, and shall demonstrate

fairness, integrity, and courtesy in all vendor relations. When feasible and prudent to do so, and when otherwise consistent with this policy, vendors within the City of ~~Calexico~~ should be utilized for supplies, services, and equipment. When determining the lowest responsible bidder, the amount of local City sales tax included in the bid submitted by a local vendor shall be credited by the City against said bid.

Purchasing Method

Requirements for ~~certain purchasing dollar limits~~ Certain Purchasing Dollar Limits

Purchasing dollar limits are "per order". ~~—~~ This policy specifically prohibits splitting an order to circumvent the specified dollar limits, which shall apply on an annual basis, and shall apply separately to each item or order. City Departments shall contact the Finance Department to coordinate volume bids of repetitive requirements (i.e., the frequent purchase of items such as chemical, paper goods, etc., which ~~annually~~ exceed the specified limits in a given fiscal year).

Purchases of Less than \$2,500 - Over-the-Counter

For purchases of less than \$2,500, the person with the authority to award is the appropriate Department Head (or, the absence of a particular Department Head, the City Manager). Comparative pricing is not required but shall be used when practical. Prudent judgment shall be used at all times. All departments may purchase supplies, equipment, and services, of less than \$2,500 without competitive bidding.

Purchase between ~~52,500—\$49,999—2,500 and \$10,000~~—Open Market

For ~~Purchases of purchases~~ between \$2,500 and ~~\$49,999—10,000, inclusive, the persons with~~ the authority to award ~~is—~~ are the City Manager ~~or—and the~~ Finance Director. Department staff shall not award purchase orders ~~for between~~ \$2,500 ~~or more and \$10,000, inclusive,~~ without the approval of the City Manager, ~~Finance Director, or Assistant—or the~~ Finance Director, except in the event of an urgency purchase (see "Urgency Purchases"). All Departments shall obtain three oral or written competitive quotations whenever possible for purchases in this range. The Department requesting the purchase should submit a requisition, ~~which includes the recommended vendor, with all supporting documentation~~ to the Finance Department, which requisition shall recommend a vendor and provide all supporting documentation. Supporting documentation shall include competitive price quotes obtained, names of vendors contacted, a description of the items or services required, and certificates of insurance if applicable. The Finance Department should review the recommendation and supporting documentation and may contact additional sources for quotations.

The City Manager, ~~Finance Director, or Assistant—or~~ Finance Director may award a purchase to the lowest responsive and responsible bidder whose quote fulfills the intended purpose, quality, and delivery needs of the solicitation, provided that an appropriation for that item exists. In lieu of awarding the purchase, the City Manager, Finance Director, or their designee may reject bids, or may negotiate further to obtain terms acceptable to the ~~city~~ City.

CITY OF CALEXICO AMENDED PURCHASING POLICY & PROCEDURES**Purchases between \$10,000.01 and \$50,000 – City Council Approval Required, but Informal Bid Process Permitted**

For purchases between \$10,000.01 and \$50,000, City Council approval is required, but an Informal Bid Process may be followed for the solicitation of bids. See Informal and Formal Bid Process, below.

Purchases of \$~~49,999~~ 50,000.01 or More — Formal Bid

Purchases that exceed \$~~49,999~~ 50,000 require a Formal Bid Process and City Council approval. See Informal and Formal Bid Process, below.

!

Investigations and Recurring Purchases – City Manager Authorization Up to \$50,000

Notwithstanding the dollar limits otherwise specified herein, the City Manager shall have authority, up to \$50,000 annually for each item or service purchased, in the following instances: (1) for personnel-related expenditures, including but not limited to investigations and related services in response to personnel-related complaints, (2) for recurring and/or routine expenditures, so long as the total amount expended does not exceed the amounts permitted in the budget, (3) expenditures that are required to be reimbursed by third parties, and (4) the City's legally and/or contractually mandated payments, to the extent not otherwise expressly addressed by action of the City Council.

Open ~~Purchas~~ Purchase Orders

An Open Purchase Order is an agreement whereby the City contracts with a vendor to provide equipment or supplies on an as-needed, and often over-the-counter, basis. Open Purchase Orders provide a mechanism whereby ~~Hems, which items that~~ are uneconomical to stock, may be purchased in a manner that allows field operations timely access to necessary materials. Open Purchase Orders shall not be used to purchase services, capital assets, or items maintained in stock.

The Finance Department shall request confirmation of Open Purchase Orders annually, before the beginning of the fiscal year. Requests for Open Purchase Orders may also be submitted to the Finance Department on an as-needed basis. The Finance Department shall review the Open Purchase Order requests based upon the following criteria;

1. Geographic location;
2. Responsiveness and capabilities;
3. Average dollar value and type of items to be purchased; and
4. Frequency of need.

All Open Purchase Orders shall include the following information:

- a. A general description of the equipment or supplies which may be charged;
- b. The period of time the order will remain open, not to exceed one fiscal year;

CITY OF CALEXICO AMENDED PURCHASING POLICY & PROCEDURES

- c. The maximum total amount which may be charged on the purchase order;
- d. Items excluded from the purchase, if applicable;
- e. Requirement that employees print and sign their names when picking up goods; and
- f. Account number to be charged.

Once an Open Purchase Order is issued to a vendor, any authorized City employee may contact the vendor directly to place orders per the terms and conditions in the Open Purchase Order.

Contract Purchase Orders

Contract Purchase Orders are the preferred method of purchasing repetitive-use items or services, ~~for example such as~~ office supplies, which may be common to several ~~departments~~ Departments or within one ~~department~~ Department. Establishing Contract Purchase Orders (i) provides a means of obtaining volume pricing based upon the combined needs of all ~~departments~~ City Departments, (ii) reduces the administrative costs associated with seeking redundant competitive bids and processing a Purchase Order each time an order is placed, and (iii) allows Departments to order as needed, reducing the requirement to maintain large inventories of stock.

If a Contract Purchase Order exists, ~~Departments~~ Departments shall order all of their requirements from the successful vendor. No other source shall be used without prior approval of the Finance Department. Departments shall submit in writing to the Finance Department any performance problem encountered immediately following the occurrence so that corrective action may be taken.

Contract Purchase Orders are annual and may include option for renewal for specific products, product types, or services at agreed-upon prices or pricing ~~structure~~ structures, and for a specified period of time.

Cooperative Purchases

The City may participate in purchases and contracts established by other political jurisdictions, provided the cooperative agreement is established following a competitive bid process. The City Manager may authorize the award of cooperative purchase agreements up to \$~~49,999~~ 10,000, but City Council approval is required for the award of any cooperative purchase of \$~~50,000~~ 10,000.01 or more.

Sole Source Purchases

Commodities and services, ~~which that~~ can be obtained from only one vendor, ~~(“sole-source purchases”)~~ (“sole-source purchases”) are exempt from competitive bidding. Sole-source purchases may include proprietary items sold directly from the manufacturer, items that have only one distributor authorized to sell in this area ~~or a certain product had~~, or products that have been proven to be the only ~~product that has proven to be~~ acceptable option. All sole-source

purchases shall be supported by written documentation signed by the appropriate Department Head and forwarded to the Finance Department. The Finance Director or designee will make final determination that an item is a valid sole-source purchase.

Urgency Purchases

Urgency purchases may also be made by the City Manager or the Finance Director. An urgency purchase is one where there is an unforeseen situation ~~which that~~ requires immediate procurement of materials or services in order to (i) continue operations of an essential department, ~~or for the preservation of health, safety and welfare of the people, or protection of property, when there is~~ (ii) preserve the health, safety, welfare, and/or property of the City or its citizens, (iii) avoid or reduce City liability, or (iv) avoid a present, immediate, and existing danger. A depletion of stock through normal routine usage is not considered an urgency item.

Urgency purchases may be made without competitive bidding when time is of the essence, and shall be made only for the following reasons:

1. to forestall a shutdown of essential public services
2. to preserve or protect life, health, the public welfare, or property;
- ~~or 23.~~ upon to avoid or reduce City liability;
4. to avoid a present, immediate, and existing danger; or
5. in response to a natural disaster; ~~or 3. to forestall a shutdown of essential public services~~

~~Since~~ Because urgency purchases do not normally provide the City with an opportunity to obtain competitive quotes or properly encumber funds ~~committed~~, sound judgment shall be used in keeping such ~~order purchases~~ to an absolute minimum. In addition, the following requirements shall apply to all urgency purchases:

41. The Finance Department shall be contacted as soon as possible for an advance purchase order number, which may be given verbally to cover the urgent transaction. If ~~unable to contact~~ the Finance Department, ~~place~~ cannot be contacted, the order shall be placed and ~~contact~~ the Finance Department shall be contacted the next workday.
52. A completed purchase requisition shall be submitted to the Finance Department within two working days, or as soon as possible as ~~after~~ the necessary information is available. The appropriate Department Head shall sign all purchase requisitions for urgent purchases.
63. Documentation explaining the circumstances and nature of the urgency purchase shall be submitted by the appropriate Department Head as follows:
 - a. Purchases of less than \$2,500; ~~Use - use~~ standard purchasing procedure procedures;
 - b. Purchases in the amount range of \$2,500 ~~to \$49,999; Report 10,000 - (a) report~~ to the Finance Director by processing requisition within

CITY OF CALEXICO AMENDED PURCHASING POLICY & PROCEDURES

one day, and (b) report to the City Manager within two working days for ratification;

- c. Purchases of \$~~50,000-10,000.01~~ or more: ~~1~~ -(a) Report report to the City Manager within two working days, and ~~2~~(b) report to the City Council at its next scheduled meeting for ratification.

74. If the urgency purchase causes any budget line item to exceed the adopted budget, it shall be the responsibility of the Department requesting the purchase to make a transfer to ~~cover~~cover the purchase or obtain subsequent City Council approval for an additional appropriation to cover the purchase. If funds are available to transfer from another budget line item, the Transfer of Appropriation form shall be used. If the urgency purchase requires an increase in the Adopted Budget, a Budget Amendment Resolution form must be submitted to the City Council for approval.

Purchase Order Exemptions

Certain purchases are not readily adaptable to the open market ~~and, the~~ formal bidding process, or the use of purchase orders. These purchases are generally for items where the competitive bid process is not applicable or where a check is required to accompany the order. ~~Following~~ The following is a list of allowable exemptions from the purchase-order requirement:

Advertisements and Notices	Payments to other Governmental Units
Attorney Services	Petty Cash Replenishments
Consultant Services	Property Rentals
Courier/Delivery/Messenger Services	Subscriptions
Insurance Claims and Premiums	Trade Circulars or books
Medical Payments	Travel Expense/Advances
Membership Dues	Utility Payments

Exemptions are limited to those items listed above. Departments may submit written requests for additional exemptions to the Finance Department. If warranted, additional exemptions will be added to this list.

If a vendor requires a ~~Purchase Order~~ purchase order to process an order, the department shall submit a purchase order requisition to the Finance Department to initiate a purchase order.

Petty Cash

A petty cash advance ~~is~~ can be used to obtain petty cash for a ~~quick~~ purchase purchases of small items from a local store, for City use. Department Heads have approval of petty cash purchases up to \$25 only, per Department, on a monthly basis. Only the ~~Finance Director~~ City Manager or the ~~Assistant~~ Finance Director can approve petty cash purchases over \$25, to a maximum of \$100 on a monthly basis. All petty cash transactions must be completed on the same day an advance is made. If the

CITY OF CALEXICO AMENDED PURCHASING POLICY & PROCEDURES

transaction cannot be completed, the cash must be returned to Accounts Payable by the end of the day and another advance obtained the next day.

Petty cash advances are obtained from Accounts Payable. When seeking an advance, obtain the appropriate form from Accounts Payable and fill out form with date, name, department description, account number and signature. After the purchase is made, please submit receipt with any unused money. A petty cash voucher is then prepared by Accounts Payable, which will be used to reimburse the petty cash fund.

Purchase Award

1. Lowest responsive and qualified bidder
 - A. Bids shall be awarded to the "responsive" and "qualified" bidder who submits the lowest bid.
 - B. In determining the lowest "responsive" bid, the following elements shall be considered in addition to price:
 - a. A responsive bid is one, ~~which~~ that is in substantial conformance with the requirements of the invitation to bid, including specifications and the City's contractual terms and conditions. Bidders who substitute terms and conditions or who qualify their bids in such a manner as to nullify or limit their ability to provide the required products or services shall be considered ~~non~~-non-responsive bidders.
 - b. Conformance with the requirements of the invitation to bid may also include providing proof of insurance, completing all forms, including references, and all other information as requested in the bid ~~document~~documents.
 - c. The successful bidder must demonstrate the ability to successfully fulfill a contract, including the rendering of subsequent and continuing ~~services~~services. Staff may request proof of a prospective bidder's reliability. Prospective bidders may be requested to furnish proof of financial resources, a list of current or previous customers, and other pertinent data. Such action may also be taken after receipt of bids.
 - d. A bidder may be determined to be non-responsive if a prospective bidder fails to furnish proof of qualifications when ~~required~~requested.
 - C. In determining the lowest "qualified" bidder, the following elements shall be considered in addition to price:
 - a. That the products offered provide the quality, fitness, and capacity for the required usage.
 - b. That the bidder has the ability, capacity and skill to perform the contract satisfactorily and within the time required.
 - c. That the bidder's experience ~~(s)~~ regarding past purchases by the City or other public agencies demonstrates the reliability of the bidder to perform the contract.

ATTACHMENT A

CITY OF CALEXICO AMENDED PURCHASING POLICY & PROCEDURES

- D. When a bid is recommended to be awarded to other than the ~~low~~ lowest bidder, written justification is required. The written statement, signed by the appropriate ~~department head~~ Department Head, shall be attached to the purchase requisition.

2. Rejection of Bids

The City Manager shall have the authority to reject any or all bids for a contract of ~~\$49,999 or less~~ 10,000 or less. The City Manager, or the City Council if the bids are presented to it, shall have the authority to reject any or all bids for a contract between \$10,000.01 and \$50,000, inclusive. The City Council shall have the authority to reject any or all bids for a contract of \$50,000.01 or more, upon recommendation of the City Manager. The City Manager may recommend rejection of any or all bids if it is determined to be in the best interests of the City. Reasons for rejection of bids may include, but are not limited to, the following: (1) ~~a~~ the bid is determined to be ~~non~~ non-responsive, (2) the number of bids received is inadequate, (3) the bids received are not reasonably uniform in price, or (4) the lowest bid received is deemed to be too high. If all bids are rejected, the requesting Department may be authorized to ~~re~~ re-solicit bids, negotiate a contract for the purchase, or abandon the purchase.

3. Tie Bids

If two or more bids are received ~~which~~ that are in all respects equal, the City Manager may accept the one deemed to be in the best interests of the City.

Change Orders

Purchase ~~Orders~~ orders represent a contract between the City and ~~the Vendor~~ vendor. Any substantial change to a Purchase ~~Order~~ order shall be documented as a change order. Change ~~Orders~~ orders shall be reviewed and approved by either the Finance Director or the City Manager. A purchase order may not be increased by more than 10% or \$100, whichever is less, without a change order, except for taxes, shipping, and handling, as discussed below.

In the event the ~~purchase of supplies or services~~ change order exceeds this limit, written authorization must be given to the vendor by the City Manager, the Finance Director, or their designee, in order to proceed.

Taxes, shipping, and handling may cause the purchase order to exceed the authorized purchase order amount. These items do not require a change order, even if they exceed 10% of the original purchase order amount.

This section does not apply to ~~Change Orders~~ change orders for housing programs ~~and~~ and public works ~~and~~ or utility construction and/or improvement contracts. All public works and utility construction and/or improvement contracts in the amount of \$100,000 or more that require a ~~Change Order~~ change order, which ~~results~~ change order would result in either an increase or a deduction in the original contract amount, must be approved by the City Council. All housing ~~program~~ contracts that result in an increase in the original contract, including any contingency, shall be approved by the City Manager, if the ~~Change Order~~ change order exceeds 20% of the total contract.

CITY OF CALEXICO ~~AMENDED~~ PURCHASING POLICY & PROCEDURES**Informal and Formal Bid Process**

Except as otherwise exempted in ~~the~~ this policy, supplies, services, and equipment with an estimated value of \$2,500 to ~~\$49,999~~ 50,000 shall be purchased following an Informal Bid Process (albeit with City Council approval for purchases above \$10,000), and purchases of \$50,000 .01 or more shall be made following a Formal Bid Process.

To initiate the informal ~~/~~ or formal bid process, the Department making the request shall provide specifications for the item to be purchased and documentation showing the existence of an unencumbered appropriation for the item in the current approved budget.

Informal bids may be posted at City Hall, mailed to prospective bidders a minimum of ten calendar days before the due date, or solicited over the phone. Formal bids shall be posted at City Hall and shall be published at least once in a newspaper of general circulation as required by State law, and, if applicable, in appropriate trade publications.

The date of publication shall be at least ten days before the due date. All formal bids shall be sealed and shall be publicly opened and read at the date, time and place indicated in the published notice,

Bids shall be reviewed for compliance with specifications by the requesting Department. All deviations shall be fully documented by the requesting department and the impact of the deviations on the performance or suitability of the bid item shall be detailed. Staff will prepare and forward a recommendation for approval of purchase. Informal bids shall be approved by the City Manager ~~;~~ Formal bids shall be approved by the City Council.

Credit Card Usage

Under certain circumstances, the use of a city credit card may be the most appropriate method for certain purchases. The following policies and procedures are established to insure internal control and timely payment of charges ~~;~~:

1. City bank, gasoline, and vendor credit cards will be signed out on as as-needed basis to City Council or staff at the sole discretion of the Finance Department or ~~the~~ its appointed designee, in accordance with internal control procedures. Failure to comply with established procedures may result in discontinuance of use by the employee/department.
2. Because of Internal Revenue Service (IRS) tax reporting requirements, except for ~~Urgency Purchases~~ urgency purchases, city credit cards may not be used to purchase services provided by vendors who are doing business as partnerships or sole proprietors. Examples of this include, but are not limited to:
 - a. Labor charges for auto repair ;
 - b. Plumbers ;
 - c. Construction contractors ;
3. City credit cards shall be available to the City Council and staff for the conduct of official City business ~~included~~ , including but not limited to the following purposes ~~;~~:

CITY OF CALEXICO ~~AMENDED~~ PURCHASING POLICY & PROCEDURES

- a. Gasoline purchases.
 - b. Authorized travel expenses and hotel charges, which shall subsequently be documented on the travel reconciliation report.
 - c. To charge the cost of meals when required in the conduct of official business, except when an employee is traveling ~~in~~ on a per diem basis.
 - d. Other circumstances where the use of a credit card best meets the City's purchasing needs as determined by the Finance Director or the appointed designee
4. Only the City Manager, the Finance Director, and the City Council are authorized to carry a bank credit card at all times. Gasoline cards and vendor credit cards may be signed out by an employee authorized to purchase items and may be distributed by that authorized employee to personnel under their supervision as long as that authorized employee later approves the receipt. Once the purchase is complete the credit card shall be returned.
 5. All receipts must be turned in when the credit card is turned in.
 6. No personal items shall be charged on any ~~City credit card except those charges that might be incidental to another charge made on the card for travel or meetings. Whenever one of these personal charges is made on the City credit card, the charges will be reimbursed to the City when the travel is completed. Under no circumstances shall a single personal charge be made on a~~ City credit card. Intentional use of the credit card for other than appropriate City use could be considered an attempt to commit fraud against the City ~~of Calexico~~. Proof of such fraud could result in immediate cancellation of ~~your~~ the employee's credit card and disciplinary action against ~~you~~ the employee under applicable City of Calexico Personnel Rules and Regulations. ~~You will~~ Any employee guilty of such conduct shall be personally liable to the City for the amount of any ~~non~~ non-approved purchases. ~~If you leave~~ an employee leaves employment with the City, ~~you~~ he or she must return ~~your~~ his or her credit card to the Finance Director prior to leaving.

Professional Consultant Selection

Selection of Consultants for Professional Services (General);

The following criteria shall be used to determine approval authority for ~~Professional Consultant Service Contracts~~ professional consultant service contracts, unless otherwise authorized herein or by other City Council action:

Contracts under \$2,500	Department Head Approval
Contracts of \$2,500 - \$49,999	City Manager Approval
Contract of \$50,000 - \$10,000.01 or greater	City Council Approval

CITY OF CALEXICO AMENDED PURCHASING POLICY & PROCEDURES

This policy specifically prohibits splitting a purchase to circumvent the limits set forth above. The above dollar limits shall apply on an annual basis.

The appropriate Department Head, with the approval of the City Manager, shall prepare a scope of work consistent with budget and project authorization of the City Council. The Request for Proposal (REP) shall outline the City requirements and project description. The list of solicited firms will be drawn from firms ~~wh~~that, in the opinion of the Department Head, can perform the work. A Request for Qualifications may first be necessary if the required services are particularly specialized or if the qualifications of the available consultants are unknown. The list of solicited firms may be limited to a minimum of 3 to 5 due to time constraints or specialties involved.

The involved Department Head(s), who shall make a recommendation to the City Manager, shall conduct the initial review of proposals.

Qualifications should be the determining factor ~~In~~in the selection of a professional consultant. Staff shall then negotiate the final fee based upon the agreed scope of work.

Prior to approval of a contract, the Department Head shall conduct appropriate background and reference checks and ensure that adequate bonding or security, if required, is posted.

Consultants shall comply with all regulations and laws dealing with conflict ~~of~~of-interest disclosure and reporting. Consultants shall not be engaged if a conflict ~~of~~of-interest exists.

Approval of "Additional Work" items shall comply with the cost limits specified herein.

Selection of Consultants for Professional Services for Continuing Services:

Professional firms providing engineering, land surveying, transit, planning, environmental, auditing, landscape architecture, or other services may be retained on a continuing basis to provide professional services. The Department Head, with the approval of the City Manager, may contract on a project-by-project or on a retainer basis for additional work/services without going through the RFP and selection process. At least every three years these arrangements shall be reviewed, and every effort shall be made to receive proposals from at least three consultants to perform the same services. This is to ensure the city~~City~~ is receiving the best value in ~~their service~~its purchased services.

During the budget process the Finance Department shall make a written request to each Department Head to submit to the City Manager a list of consultants currently under contract by their department, setting forth, for each contract, the name of ~~firms~~the firm, the type of services provided, the cost of ~~contracts~~the contract, the length of ~~contracts~~and the contract, the date entered into, and the number of years ~~retained by~~remaining on the City~~contract~~.

Exclusions

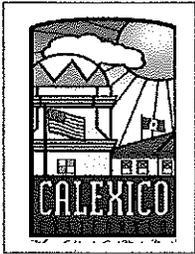
CITY OF CALEXICO AMENDED PURCHASING POLICY & PROCEDURES

The provisions of this policy shall not apply:

1. To public works projects (which are governed by the provisions of the California Public Contracts Code);
2. To franchises (governed by the provisions of the California Utilities Code or other statute of the State of California);
3. Where State or Federal law requires a different procedure;
4. To franchises, rights, privileges, licenses and permits granted by the City;
5. To the purchase of insurance;
6. To the leasing, purchase or sale of land or any interest therein,
7. To the hiring of or contracting for personnel (whether as temporary, seasonal or permanent employees or agents);
8. To construction contracts other than public works projects;
9. To the purchase of utilities, including, but not limited to, telephone service, gas, electricity or water.

**AGENDA
ITEM**

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AGENDA STAFF REPORT

DATE: September 1, 2015

TO: Mayor and City Council

APPROVED BY: Richard N. Warne, City Manager *RW*

PREPARED BY: Richard N. Warne, City Manager *RW*
Mark J. Austin, Interim City Attorney

SUBJECT: Resolution of the City Council of the City of Calexico Limiting the Ability of the City Manager to Make Administrative Transfers of Appropriations Without the Approval of the City Council

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Options / Recommendation

The City Council has the following options, with the recommendation of staff set forth below:

1. **[STAFF RECOMMENDATION]** Do not take action, leaving intact the existing City policy of allowing the City to make administrative transfers of appropriations between different accounting funds within the City budget without the need for approval of the City Council.
2. Approve the Resolution attached hereto as **Attachment 1**, eliminating the City Manager's authority to make administrative transfers of appropriations between different accounting funds within the City budget without the need for approval by the City Council, subject to certain exceptions.

Background

The City approves a City budget on an annual basis. Under longstanding City policy, the City Manager has had the authority to make administrative transfers of appropriations between different accounting funds within the City budget without the need for a formal budget amendment by the City Council.

The Mayor has asked City staff, with the assistance of the City Attorney's office, to prepare a resolution limiting the authority of the City Manager to make such administrative transfers of appropriations without the approval of the City Council.

**AGENDA
ITEM**

In response to the Mayor's request, City staff prepared the resolution attached hereto as **Attachment 1** (the "Resolution"). The Resolution would prohibit the City Manager from making administrative transfers of appropriations between different accounting funds within the City budget without approval by the City Council.

This prohibition would be subject to various exceptions. Specifically, the City Manager would be permitted to do any or all of the following:

(1) Transfer an appropriation to ensure there are sufficient appropriations in a given accounting fund to cover projects, purchases, and capital expenditures expressly approved by the City Council; (2) to transfer an appropriation to ensure there are sufficient appropriations in a given accounting fund for legally or contractually obligated payments of the City; (3) to make appropriation transfers between accounting funds where the transfer is expressly permitted by the adopted budget; (4) to make appropriation transfers between accounting funds when the transfer will not cause the total appropriations of both funds to exceed the City Council-approved total budget of all accounting funds; (5) to comply with State or Federal laws or regulations; (6) to comply with the provisions or conditions of a State or Federal grant; (7) to comply with the accounting standards and guidelines as published by the Governmental Accounting Standards Board (GASB) or other government accounting regulatory body.

Discussion

City staff does not recommend that the City Council adopt the proposed Resolution. Eliminating the City Manager's authority to make the identified administrative transfers of appropriations without a formal budget amendment would impede the efficient operation of the City and interfere with the City Manager's ability to quickly respond to changes in circumstances or unanticipated developments during a fiscal year. In addition, Staff does not recommend that City Council micro-manage the accounting functions of the City nor micro-manage City staff or politicize administrative operations of the City.

Fiscal Impact

Approving the Resolution would prohibit the City Manager from making administrative transfers of appropriations between different accounting funds within the City budget without approval by the City Council subject to certain limitations.

Attachments

Resolution of the City Council of the City of Calexico Limiting Ability of the City Manager to Make Administrative Transfers of Appropriations Without the Approval of the City Council.

CITY COUNCIL RESOLUTION NO. 2015-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO LIMITING THE ABILITY OF THE CITY MANAGER TO MAKE ADMINISTRATIVE TRANSFERS OF APPROPRIATIONS WITHOUT THE APPROVAL OF THE CITY COUNCIL

WHEREAS, the City Council of the City of Calexico ("City") approves a City budget on an annual basis; and

WHEREAS, under longstanding City policy, the City Manager has had the authority to make administrative transfers of appropriations between different accounting funds within the City budget without the need for a formal budget amendment by the City Council; and

WHEREAS, the City Council would like to limit the authority of the City Manager to make such administrative transfers of appropriations.

NOW, THEREFORE, the City Council of the City of Calexico **DOES HEREBY RESOLVE** the following:

Section 1. The foregoing recitals are true and correct, and are incorporated herein by this reference.

Section 2. Unless otherwise established hereafter by resolution or ordinance of the City Council, any administrative transfer of appropriations between different accounting funds within the City budget will require approval by the City Council.

Section 3. Notwithstanding the foregoing, the City Manager shall have the authority, without the approval of the City Council, to do any or all of the following: (1) to transfer an appropriation to ensure there are sufficient appropriations in a given accounting fund to cover projects, purchases, and capital expenditures expressly approved by the City Council; (2) to transfer an appropriation to ensure there are sufficient appropriations in a given accounting fund for legally or contractually obligated payments of the City; (3) to make appropriation transfers between accounting funds where the transfer is expressly permitted by the adopted budget; (4) to make appropriation transfers between accounting funds when the transfer will not cause the total appropriations of both funds to exceed the City Council-approved total budget of all accounting funds; (5) to comply with State or Federal laws or regulations; (6) to comply with the provisions or conditions of a State or Federal grant; (7) to comply with the accounting standards and guidelines as published by the Governmental Accounting Standards Board (GASB) or other government accounting regulatory body.

