

ORDINANCE NO. 1183

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, AMENDING CHAPTER 3.20 *PURCHASING OF THE PICO RIVERA MUNICIPAL CODE*

WHEREAS, the City's existing Purchasing Municipal Code was last revised and adopted by the City Council on December 12, 2023, with Ordinance No. 1179; and

WHEREAS, an amendment to Chapter 3.20 (Purchasing) to the Pico Rivera Municipal Code is necessary to increase the procurement thresholds authorized under the same to align with the Federal and State practices which periodically adjust the procurement thresholds for inflation and efficiency; and

WHEREAS, an amendment to Chapter 3.20 (Purchasing) is also necessary to standardize citywide procurement policies and procedures; and

WHEREAS, pursuant to sections 54201 through 54204 of the California Government Code, policies and procedures that govern the purchase of supplies and equipment must be adopted by an ordinance; and

WHEREAS, the City Council considered, concurrently herewith, a resolution adopting Procurement Policies and Procedures to assist with their standard implementation citywide.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Pico Rivera as follows:

SECTION 1. Findings. The City Council finds and determines that the adoption of the Ordinance is based upon the following findings.

- A. The recitals set forth above are incorporated herein as part of the findings.
- B. An amendment to Chapter 3.20 ("Purchasing") is consistent with the General Plan as they provide and maintain efficient services which strive to be responsive to the public needs.
- C. Based on the above, the City Council determines that the Ordinance contained herein is necessary and in the public's best interest.

SECTION 2. Amendment. Sections **3.20.030** ("Exemptions from chapter application"), **3.20.080** ("Bid procedures requirements"), **3.20.100** ("Open market procedure"), **3.20.105** ("Personal and professional services excluded"), **3.20.110** ("Formal contract procedure"), **3.20.200** ("Sales of surplus supplies and equipment"), **3.20.210** ("City procurement and approval thresholds") of Chapter 3.20 ("Purchasing"), Title 3

("Revenue and Finance"), are hereby amended to read as follows (deletions on ~~Strikethrough~~ and additions in Underline):

3.20.030 Exemptions from chapter application.

E. Procurement of personal and professional services under ~~five~~ sixty thousand dollars (\$60,000).

3.20.80 Bid procedures required when.

B. Bidding shall be dispensed ~~with~~ only when an emergency requires that an order be placed with the nearest available source of supply when the amount involved is less than ~~five~~ ten thousand dollars (\$10,000), or when the commodity can be obtained from only one vendor. Purchases shall not be divided or split in order to circumvent formal bidding requirements.

3.20.100 Open market procedure.

A. Authorized when purchases of supplies and equipment of an estimated value of ~~thirty~~ forty thousand dollars (\$40,000) or less may be made by the purchasing officer in the open market without observing the procedure prescribed by Sections 3.20.110 through 3.20.190. Purchases of supplies and equipment of an estimated value between the amounts of ten thousand dollars (\$10,000) and ~~thirty~~ forty thousand dollars (\$40,000) shall also require the approval of the Director of Finance.

3.20.105 Personal and professional services excluded.

A. Except for the provisions of Section 3.20.210, the City may award purchase orders and contracts ~~five~~ sixty thousand dollars (\$60,000) for personal or professional services without complying with the provisions of this chapter; provided that the award shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the service required and shall be subject to the provisions of Government Code Section 4526, when applicable.

3.20.110 Formal contract procedure.

Except as otherwise provided in this chapter, purchases and contracts for supplies and equipment of estimated value greater than ~~thirty~~ forty thousand dollars (\$40,000) shall be by written contract with the lowest responsible bidder, pursuant to the procedure prescribed in Sections 3.20.120 through 3.20.190 of this chapter.

3.20.200 Sale of surplus supplies and equipment.

All department heads shall submit to the purchasing officer, at such times and in such forms as they shall prescribe, reports showing all supplies and equipment which are no longer used, or which have become obsolete or worn out. The purchasing officer shall have the authority to sell all personal property desired to be sold by the City, supplies, and equipment which cannot be used by any department, or which have become unsuitable for City use, or to exchange the same for or trade in the same on new supplies and equipment. Sales not exceeding sixty five thousand dollars (\$60,000) shall be made pursuant to section 3.20.100 and sales of more than sixty five thousand dollars (\$60,000) shall require approval of the City Council and be made pursuant to Section 3.20.110, except sales shall be made to the highest responsible bidder or by public auction to the highest bidder. Notice of any public auction pursuant to this section shall be published in a newspaper of general circulation and posted on the City's website at least ten (10) days prior to the date of the auction. The auction may be conducted by professional auctioneers who are compensated out of the proceeds of the sale, or by a flat or hourly fee. Records of all bids and payments conducted by professional auctioneers shall be provided to the City. The City Council may also elect to have the surplus supplies and equipment donated to a non-profit organization or other tax-exempt organization pursuant to Internal Revenue Code Section 510(c)(3) in lieu of sale.

3.20.210 City procurement and approval thresholds.

If no exemptions or special federal and/or state requirements are applicable, the City has the following procurement thresholds, which may be adjusted periodically for inflation:

A. The small purchase threshold is set at five ten thousand dollars (\$10,000). For purchases less than this amount, no purchase order is required. The department heads or their designees may approve the purchases.

B. An informal competitive procurement is for a purchase between five ten thousand and thirty forty thousand dollars (\$10,000 - \$40,000). Either three (3) informal quotes or a sole source form is required. The Finance Director and City Manager may approve the sole source form, purchase orders, and/or contracts in this category.

C. A formal competitive procurement is for a purchase above thirty forty thousand dollars (\$40,000). A formal competitive process or a sole source form is required.

1. The City Manager is authorized to approve and execute, on behalf of the City, any contract in an amount not exceeding fifty sixty thousand dollars (\$60,000), including the contracts for the services described in Section 3.20.105(B) and (C).

2. The City Council shall approve any contracts above fifty sixty thousand dollars (\$60,000), including the procurement for personal and professional

services described in Section 3.20.105 (B) and (C). Contracts described in Section 3.20.105(C) shall be subject to the provisions of Section 3.20.105(A).

SECTION 3. Adoption of New Sections 3.20.025 (“Vehicle Purchasing Authority”) and 3.20.075 (“Change Order”).

A. New Section **3.20.025** (“Vehicle Purchasing Authority”) is hereby adopted to read as follows:

The acquisition of vehicles, which has been deemed necessary by the Public Works Director and City Manager through methods such as cooperative agreements, piggyback contracts, or sole source procurement, shall not require the City Council's approval prior to the purchase. However, if the purchase amount exceeds the City Manager's approval threshold, it must be reported at the next City Council meeting for ratification.

B. New Section **3.20.075** (“Change Orders”) is hereby adopted to read as follows:

The City Manager has the authority to approve cumulative change orders, up to 10% of the original contract value. If the total change order is over 10% of the original contract value City Council approval will be required.

SECTION 4. CEQA. Pursuant to Section 15060(c)(2) of the California Environmental Quality Act (CEQA) Guidelines, the City Council finds that adoption of this Ordinance will not result in a direct or reasonably foreseeable indirect physical change in the environment and therefore is not subject to CEQA. Additionally, pursuant to Section 15060(c)(3) the activity is not a “project” as defined in Section 15378 because it has no potential for resulting in physical change to the environment, directly or indirectly.

SECTION 5. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of 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 or 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 of this Ordinance irrespective of the fact that one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional, invalid or ineffective. To this end, the provisions of this Ordinance are declared to be severable.

SECTION 6. The City Clerk shall certify the adoption of this Ordinance. The City Council hereby finds and determines that there are no newspapers of general circulation both published and circulated within the City and, in compliance with Section 36933 of the Government Code directs the City Clerk to cause said Ordinance, within fifteen (15)


days after its passage, to be posted in at least five (5) public places within the City. This Ordinance shall take effect thirty (30) days after its adoption.

ADOPTED AND PASSED this 26th day of March, 2024.

Andrew C. Lara
Andrew C. Lara, Mayor

ATTEST:

APPROVED AS TO FORM:



Cynthia Ayala, City Clerk

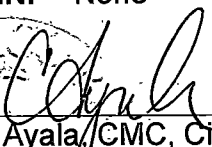


Arnold M. Alvarez-Glasman, City Attorney

STATE OF CALIFORNIA)
)§
COUNTY OF LOS ANGELES)

I, Cynthia Ayala, City Clerk of the City of Pico Rivera, do hereby certify that the foregoing Ordinance No. 1183 was adopted at a regular meeting of the City Council of the City of Pico Rivera, held on Tuesday, March 26, 2024, with the following vote:

AYES: Camacho, Garcia, Lutz, Sanchez, Lara
NOES: None
ABSENT: None
ABSTAIN: None



Cynthia Ayala, CMC, City Clerk

