

City of Citrus Heights

Purchasing Policy

Adopted September 26, 2019

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SCOPE OF POLICY

The provisions of this policy shall apply to:

- (a) All contracts funded by the City of Citrus Heights for research and development, professional studies, design and engineering, construction and construction-related matters, to the extent allowed by applicable law. Professional services shall not include the services of physicians and attorneys.
- (b) The purchase of goods and services.
- (c) Transfers between funds.
- (d) The disposition of surplus property.
- (e) Federally funded projects and purchases.

OVERVIEW OF THE PURCHASING PROCESS

The purchasing process is centralized (the Purchasing Agent coordinates purchases) for the following goods and services: computer hardware and software, and phones. The purchasing process is decentralized (the Initiator, the person or department requesting the merchandise or service, seeks out potential vendors, obtains the bids, and interacts with the vendor) for all other goods and services. The Purchasing Agent/Initiator is responsible for assuring that adequate budgeted funds are available. A purchase order may be requested from the Administrative Services Department. The Purchasing Agent/Initiator checks receipt of the merchandise or service. Approved invoices are forwarded to Finance for payment. Staging of purchases, also known as bid splitting, in order to avoid bidding procedures or authorization limits is prohibited. For projects that are not federally funded, a 5% bid evaluation-pricing preference will be given to businesses based in Citrus Heights. For procurement, information regarding projects and purchases funded with Federal funds see the section titled Federal Procurement. Each department is responsible for establishing a system of checks and balances throughout the purchasing process to help deter possible fraudulent activity.

PURCHASING AGENT

The Purchasing Agent shall be the Assistant City Manager and shall provide a quarterly summary report to the City Manager of purchases made. The Purchasing Agent is responsible for overseeing the procurement of centralized goods and services, the administration of the Purchasing Policy and the management of surplus City property.

GIFTS AND UNAUTHORIZED PURCHASES

City employees, officers or officials are not entitled to any special consideration from vendors and merchants in their personal affairs nor are such city employees, officers, or officials to attempt to procure materials for the personal use of any other person. 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. Such persons shall comply with all state conflict of interest laws including Government Code Section 1090, the Political Reform Act, and FPPC regulations. Except for emergencies or other authorized exemption, no purchases shall be made without specific authorization as outlined in this policy. The person ordering the unauthorized purchase may be held personally liable for the costs of the purchase or contract.

PURCHASING AUTHORIZATIONS

The following authorization limits apply to all purchases except Public Works Projects, which are covered by the Public Contract Code Section 20161, et seq., and the provisions in this policy below. See “Special Types of Purchases” (below) for additional information. Public Works Projects purchasing authorizations and information are listed at the end of this document.

Formal Bid – purchases more than \$50,000

Authority to award – City Council.

Formal bid or Request for Proposal process is required.

Award to the lowest cost, responsive, responsible bidder. In the event of a tie, award to the business located in Citrus Heights.

Staging of purchases (i.e., bid splitting) in order to avoid authorization limits is prohibited.

Formal Bid – purchases more than \$25,000 and up to \$50,000

Authority to award – City Manager or designee.

If possible, quotes must be received from three competitive sources.

Award to the lowest cost, responsive, responsible bidder. In the event of a tie, award to the business located in Citrus Heights.

Staging of purchases (i.e., bid splitting) in order to avoid authorization limits is prohibited.

Open Market (Informal Bid) – purchases more than \$5,000 and up to \$25,000

Authority to award – Department Directors or designee.

If practical, quotes must be received from three competitive sources.

Award to the lowest cost, responsive, responsible bidder. In the event of a tie, award to the business located in Citrus Heights.

Staging of purchases (i.e., bid splitting) in order to avoid authorization limits is prohibited.

Small Purchases – purchases of \$5,000 or less

Authority to award – Department Director or authorized designee.

Seek competitive quotations when feasible or rotate awards to local vendors.

Award to the lowest cost, responsive, responsible bidder. In the event of a tie, award to the business located in Citrus Heights.

TYPES OF SOLICITATIONS

Requests for Bids (RFB)

An RFB is a request to vendors to submit an offer or quote for specific, defined goods or products. An RFB should be used when seeking fixed prices for goods with known specifications (e.g. Dell Computers). RFBs must be posted on the City’s website.

Requests for Proposals (RFP)

An RFP is a request to vendors to submit a proposal for goods or services for which the exact specifications or methodology of providing the desired goods or services is not defined. An RFP is generally used for more complex goods or services purchases. RFPs allow for consideration of factors other than price, including the qualifications of the vendor and the vendor's ability to perform. RFPs must be posted on the City's website.

Requests for Qualifications (RFQ)

An RFQ is a request for a statement of qualifications for a certain class of vendors or consultants. RFQs are used to develop On-call or Master Agreements. RFQs must be posted on the City's website.

SPECIAL TYPES OF PURCHASES

Purchases requiring Competitive Sealed Bids
Purchases requiring Competitive Sealed Proposals
Contracting for Professional Services
Cooperative Purchasing
Sole Source Purchasing
Open (Blanket) Purchases
Petty Cash Reimbursement
Credit Card Purchases
Emergency Purchases
Other Purchases

Purchases requiring Competitive Sealed Bids

- (a) All contracts greater than \$50,000 shall follow the Formal Bid process and be awarded by competitive sealed bidding. The City Manager is authorized to award contracts up to \$50,000. City Council approval is required for awards greater than \$50,000. Contracts shall not be staged or separated into smaller units or segments solely for the purpose of evading competitive bidding requirements.
- (b) Competitive Sealed Bidding Process.
 - (1) Invitation and Notice: An invitation for bids shall be issued and shall include specifications and all contractual terms and conditions applicable to the procurement. Adequate public notice of the invitation for bids shall be given not less than ten (10) calendar days prior to the date set forth therein for the opening of bids for contracts under \$50,000 and (thirty) 30 days for contracts over \$50,000. Such notice may include publication in a newspaper of general circulation a reasonable time prior to bid opening. The public notice and all invitations to bid shall state the place, date and time of bid opening and shall state that the bids should be submitted to the City Clerk or designee of the City Clerk. The notice will indicate whether a pre-bid walk through is required.
 - (2) Bid Opening: Bids shall be opened publicly in the presence of one or more witnesses at the place and not earlier than the time designated in the invitation for bids. The amount of each bid and such other relevant information as the City deems appropriate, together with the name of each bidder shall be open to public inspection in accordance with the policy.

- (3) Bid Evaluation and Acceptance: Bids received at or prior to the time set for bid opening shall be unconditionally accepted without alteration or correction, except as authorized in this policy. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs, and total or life cycle costs. The invitation for bids shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluations that are not set forth in the invitation for bids.
- (4) Correction or Withdrawal of Bids: Subject to any provisions of federal or state granting authorities to the contrary, correction or withdrawal of inadvertently erroneous bids before or after bid opening, or cancellation of awards or contracts based on such bid mistakes, shall be in accordance with this section. Mistakes discovered before bid opening may be modified or withdrawn by written notice received in the office designated in the invitation for bids prior to the time set for bid opening. After bid opening, no corrections to bid or provisions shall be permitted but, in lieu of bid correction, a low bidder alleging a material mistake of fact may be permitted to withdraw its bid if:
- (A) The mistake is clearly evident on the face of the bid document; or
 - (B) The bidder submits evidence that clearly and convincingly demonstrates that a mistake was made.
- All decisions to permit the correction or withdrawal of bids shall be supported by a written determination made by the City.
- (5) Award: The contract shall be awarded by appropriate written notice to the lowest cost, responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids.
- (c) Multi-Step Sealed Bidding: When it is considered impractical to prepare initially a purchase description to support an award based on price, an invitation for bids may be issued requesting the submission of unpriced offers to be followed by an invitation for bids limited to those bidders whose offers have been determined to be technically acceptable under the criteria set forth in the first solicitation.
- (d) Cancellation of Invitations: An invitation for bids, a request for proposals, or other solicitation may be cancelled, or any or all bids or proposals may be rejected in whole or in part as may be specified in the solicitation. Each solicitation issued by the City shall state that the solicitation may be cancelled and that any bid or proposal may be rejected in whole or in part at the City's discretion with or without a showing of good cause.
- (e) Determination of Non-responsibility: If a bidder or offeror who otherwise would have been awarded a contract is found non-responsible, a written determination of non-responsibility, setting forth the basis of the finding, shall be prepared by the City Manager or his or her delegate. The unreasonable failure of a bidder or offeror to supply promptly information in connection with an inquiry with respect to responsibility may be grounds for a determination of non-responsibility with respect to such bidder or offeror. A copy of the determination shall be sent promptly to the non-responsible bidder or offeror. The final determination shall be made part of the contract file and be made a public record.

- (f) Use of Subcontractors: All contracts between the City of Citrus Heights and its consultants, vendors, and contractors shall state that “should you (the consultant, vendor, or contractor) utilize subcontractors, vendors or consultants to fulfill this contract with the City, you agree to use all reasonable efforts to include Citrus Heights-based businesses in your bidding processes.”
- (g) Bid and Payment Bonds: Bid and payment bonds or other security may be requested for supply contracts or service contracts, as the City Attorney deems advisable to protect the City’s interests. Any such bonding requirements shall be set forth in the solicitation. Bid or payment bonds shall not be used as a substitute for a determination of a bidder’s or an offeror’s responsibility.

Purchases requiring Competitive Sealed Proposals

- (a) When the City determines that the use of competitive sealed bidding is either not practicable or not advantageous to the City, a contract may be entered into by use of the competitive sealed proposals method.
- (b) Competitive Sealed Proposals Process.
 - (1) Request for Proposals and Notice: Proposals shall be solicited through a request for proposals. Adequate public notice of the request for proposals shall be given in the same manner as provided for Competitive Sealed Bids; provided, the minimum time shall be fifteen (15) calendar days for contracts in the amount of \$50,000 or less and thirty (30) calendar days for contracts in the amount of more than \$50,000.
 - (2) Evaluation Factors: The request for proposals shall state the relative importance of price and other evaluation factors.
 - (3) Interviews with Responsible Offerors and Revisions to Proposals: As provided in the request for proposals, interviews may be conducted with responsible offerors whose proposals are responsive to the request for proposals for the purpose of clarification to assure full understanding of, and conformance to, the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of the identity of competing offerors or of any information derived from proposals submitted by competing offerors.
 - (4) Award: Award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the City, taking into consideration price and the evaluation facts set forth in the request for proposals. No other factors or criteria shall be used in the evaluation. The contract file shall contain the basis on which the award is made.
- (c) Cancellation of Invitations: See “Competitive Sealed Bids” (d) above.
- (d) Determination of Non-responsibility: See “Competitive Sealed Bids” (e) above.(e)
Bid and Payment Bonds: See “Competitive Sealed Bids” (g) above.
- (f) Use of Subcontractors: See “Competitive Sealed Bids” (h) above.

Contracting for Professional Services

- (a) For the purpose of procuring the services of accountants, architects, engineers and other professionals, the City department or agency using such a professional may award a

contract for service in accordance with the purchasing authorizations and limitations of this policy. Special consideration for design/architect services is noted in (b)(4) below.

(b) Selection Procedure.

- (1) Request for Qualifications and Notice: Adequate notice of the need for the desired professional services shall be given by the City through a request for qualifications. The request for qualifications shall describe the services required, list the types of information and data required of each offeror, and state the relative importance of particular qualifications.
 - (2) Statement of Qualifications: Persons engaged in providing the designated types of professional services may submit statements of qualifications and expressions of interest in providing such professional services. The City may specify a uniform format for statements of qualifications. Persons may amend these statements at any time by filing a new statement.
 - (3) Interviews: The Director of the City department or agency or his or her designee using the professional services may conduct interviews with any offeror who has submitted a statement of qualifications for the purpose of ranking the qualifications of the offerors, based on the evaluation factors set forth in the request for qualifications. Interviews shall not disclose any information derived from statements submitted by other offerors.
 - (4) Award: Award shall be made to the offeror determined to be the best qualified based on the evaluation factors set forth in the request for qualifications, and negotiation of compensation determined to be fair and reasonable. If compensation cannot be agreed upon with the best-qualified offeror, then negotiations will be formally terminated with the selected offeror. If statements were submitted by one or more offerors determined to be qualified, negotiations may be conducted with such other offeror or offerors, in order of their respective qualification ranking, and the contract may be awarded to the offeror then ranked best qualified if the amount of compensation is determined to be fair and reasonable. In the case of design/architect services, the city will pick the most qualified candidate and THEN open the price envelope and negotiate price.
- (c) Cancellation of Invitations: See “Competitive Sealed Bids” (d) above.
- (d) Determination of Non-responsibility: See “Competitive Sealed Bids” (e) above.
- (e) Use of Subcontractors: See “Competitive Sealed Bids” (g) above.
- (f) Bid and Performance Bonds: See “Competitive Sealed Bids” (H) above.

Cooperative Purchasing

The City Manager is authorized to enter into cooperative purchasing arrangements with other governmental entities without separate competitive bidding by the City if a governmental agency has solicited bids and awarded a contract for services or materials which the City desires to obtain, and participation in such a purchase is agreeable to the bidder awarded the contract and the City Manager finds that participation in such group purchasing agreement is for the benefit of the City.

Sole Source Purchasing

A contract may be awarded without competition when the City determines in writing, after conducting a good faith review of available sources, that there is only one source for the required supply, service or construction item. The City Manager or his or her designee shall conduct

negotiations, as appropriate, as to price, delivery and terms. A statement of the basis for the sole source determination shall be placed in the contract file.

Open (Blanket) Purchases

Open procurement can be used when very similar goods or services are purchased frequently during the year. Generally, the individual purchases are small in relation to the total amount authorized. Authority to determine whether open procurement is appropriate rests with the City Manager. Examples are dead animal removal and office supplies. Bids and approvals must be obtained annually using the same criteria as for a single item purchase order.

Petty Cash Reimbursement

The Petty Cash Fund is used to reimburse purchases which were originally paid out-of-pocket by a City official or employee. Mileage reimbursement is also paid from the Petty Cash Fund at the Internal Revenue Service's standard mileage rates. Petty Cash reimbursements will either be paid in cash or by check, depending on the amount. Reimbursement requests less than \$50 will be paid in cash. Reimbursement requests greater than \$50 will be paid by check on the next accounts payable check date.

Credit Card Purchases

Each Department Director will be responsible for the credit cards issued in their department. Only a Department Director can request a new CAL-Card, using the CAL-Card Request Form. The credit card can only be used for authorized transactions.

- (a) Credit card purchases are limited to Small Purchases only. Guidelines and conditions for small purchases as set forth in this policy will be as follows:

The credit card shall *not* be used for:

- (1) Cash advances,
 - (2) Alcoholic beverages,
 - (3) Gambling or betting,
 - (4) Securities or insurance,
 - (5) Political or religious organizations,
 - (6) Tax payments,
 - (7) Court costs, fines, bail or bond payments,
 - (8) Lease or rental items
- (b) Credit cards are issued to individual employees and are to be used for official City business only. No personal transactions are allowed. Credit cards belong to the City and can be cancelled or revoked at any time at the discretion of the City Manager.
- (c) Credit cards should only be used if a check request is not practical.
- (d) The Cardholder's purchasing limit is determined according to specific needs and will be set by the Department Director and approved by the City Manager.
- (e) Prior to receiving a credit card from the CAL-Card Administrator (Finance Manager), the employee must sign "Acknowledgement of Receipt of City Bank Card". By signing this form, the employee acknowledges:
- (1) receipt of card,
 - (2) purchasing limits,
 - (3) and understands the rules/guidelines of the credit card portion of the Purchase Policy.

- (f) Each cardholder is to maintain and attach a CAL-Card Description Form to their monthly statement. Maintaining and submitting this form is mandatory.
- (g) It is the responsibility of the employee to furnish receipts for all credit card purchases.
- (h) CAL-Cards may be used for travel expenses such as meals not provided by the conference/seminar (meal expenses including gratuity must not exceed the Maximum Federal Rate), parking expenses, and fuel for a rental vehicle.
- (i) If there is a missing receipt and/or missing detail it is required that the employee write a memorandum, addressed to the City Manager providing information of the missing receipt and/or detail. Payment for purchases without receipts may become the responsibility of the employee.
- (j) The Approving Official (Department Director) shall be responsible for receiving statements from Cardholder whom they have authority each month. Approving Officials are responsible for reviewing the statements, assuring all purchases are authorized and comply with the Purchasing Policy, signing and forwarding the statements and backup by the 15th of the month to the Finance Division.
- (k) Should an employee lose or have his/her credit card stolen, it is their responsibility to contact the credit card company immediately. Also, they must notify their supervisor in writing one (1) working day after discovery. The supervisor must also notify the Purchasing Agent as soon as possible.
- (l) The cardholder is responsible for returning the CAL-Card to their Department Director upon termination.

Emergency Purchases

Notwithstanding any other provisions of this chapter, the City may make emergency purchases of supplies, services, or construction items when there exists a threat to public health, welfare, or safety; provided that such emergency purchases shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file. In the case of contracts less than \$50,000, this determination shall be made by the City Manager and, in the case of contracts in the amount of \$50,000 or more, this determination shall be made retroactively by the City Council.

Other Purchases

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 or obtaining quotes is not applicable or where a check is required to accompany the order. Following is a list of allowable exceptions:

- (1) Advertisement and Notices
- (2) Courier/Deliverer/Messenger
- (3) Emergency Fuel Purchases
- (4) Insurance Claims and Premiums
- (5) Medical Payments (Physicians, lab)
- (6) Membership Dues
- (7) Court Fee
- (8) Payments to Other Governmental Units
- (9) Petty Cash Replenishment

- (10) Property Rentals
- (11) Lease of Real Property
- (12) Real Property/Easement Acquisition
- (13) Subscriptions
- (14) Trade Circulars or Books
- (15) Travel Expense/Advances

OPPORTUNITIES FOR CITRUS HEIGHTS AND SMALL DISADVANTAGED BUSINESS ENTERPRISES

- (a) It is the policy of the City of Citrus Heights to ensure full and equitable opportunities for Citrus Heights and Small Disadvantaged Business Enterprises to participate as contractors in the provision of goods and services to the City. Policies and programs that enhance the opportunities and entrepreneurial skills of Citrus Heights and Small Disadvantaged Business Enterprises will best serve the public interest because the growth and development of such businesses will have a significant positive impact on the economic health of the City.
- (b) On projects that are not Federally Funded, it is the City of Citrus Heights’ policy that a 5% bid evaluation pricing preference be given to businesses located within its City limits. The public interest is also served by continuing to encourage businesses to locate and remain in Citrus Heights.
- (c) Initiators will make it a priority to seek vendors that are members of the Citrus Heights Chamber of Commerce and other Chambers that encourage diversity in the private sector.

SURPLUS SUPPLIES AND EQUIPMENT

- (a) Surplus property is used to generically describe any City property that is no longer needed or useable by the holding department. The Purchasing Agent or designee has the authority to declare item(s) with a market value of less than \$10,000 surplus. Items with a market value greater than \$10,000 will be formally declared surplus by the Council. Each department shall periodically review its equipment, material, and inventory, and shall promptly notify the Purchasing Agent of any surplus property.
- (b) The Purchasing Agent or designee shall determine or approve one of the following methods of disposition that is most appropriate and in the best interest of the City:
 - (1) *Transfer to Another Department:* Surplus property may be transferred between City departments.
 - (2) *Trade-In:* Property declared as surplus may be offered as a trade-in credit toward the acquisition of new property. All trade-in offers will be submitted to the Purchasing Agent for review and approval.
 - (3) *Disposal:* The Purchasing Agent may offer surplus property for sale. All surplus property is for sale “as is”, with no warranty, guarantee, or representation of any kind, expressed or implied, as to the condition, utility or usability of the property offered for sale. Appropriate methods of disposal are as follows:
 - (A) *Public Auction:* Surplus property may be sold at public auction. City staff may conduct Public Auctions, use internet auction sites, or the City may contract with a professional auctioneer.

(B) *Sealed Bids*: Sealed bids may be solicited for the sale of surplus property. Surplus property disposed of in this manner shall be sold to the highest responsible bidder.

(C) *Selling for Scrap*: Surplus property may be sold as scrap if the Purchasing Agent deems that the value of the raw material exceeds the value of the property as a whole.

(D) *Negotiated Sale*: Surplus property may be sold outright if the Purchasing Agent determines that only one known buyer is available or interested in acquiring the property.

(E) *No Value Item*: Where the Purchasing Agent determines that specific supplies or equipment are surplus and of minimal value to the City due to spoilage, obsolescence of other cause or where the Purchasing Agent determines that cost of disposal of such supplies or equipment would exceed the recovery value, the Purchasing Agent shall dispose of the same in such manner as he or she deems appropriate and in the best interest of the City.

- (c) Proceeds from the sale or trade-in of surplus property shall be returned to the appropriate fund.

PUBLIC WORKS PROJECTS

- (a) Public works projects over \$5,000 are subject to bidding and other requirements set forth by statutes, including Public Contract Code Section 20161, et seq. “Public works contracts” include contracts for a project for the erection, improvement, painting, or repair of public buildings and works; work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow; street or sewer work, except maintenance or repair; and furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.
- (b) Public works projects over \$1,000 are subject to prevailing wage law, consistent with Labor Code Section 1720, et seq. “Public works contracts” for the purpose of prevailing wage law are defined as the construction, alteration, demolition, or repair work done under contract and paid for in whole or in part out of public funds. Public Works contractors are required to register with the Department of Industrial Relations pursuant to the Labor Code.
- (c) Most of the public contracting statutes are contained in the California Public Contract Code. Other sources of public contracting statutes can be found in The Public Resources Code, Business and Professions Code, Civil Code, Government Code, Labor Code, and the Code of Regulations.

FEDERAL PROCUREMENT

- (a) **Purpose and Applicability.** This section pertains to Federally funded projects and purchases. The purpose of this section is to ensure compliance with all applicable Federal requirements when Federal money is being expended by the City. To the extent that any provisions of this policy are inconsistent with any other City regulations, the provisions of this policy shall prevail with respect to Federally-funded procurements. If any provisions of this policy become inconsistent with Federal requirements, whether due to a change in Federal law or regulations, through judicial precedent, or for any other reason, the City shall not be required to comply with the inconsistent provision.
- (b) **Solicitation Procedures**
- (1) Acquisition of unnecessary or duplicative items must be avoided. Consideration

should be given to consolidating or dividing procurements to obtain a more economical purchase. When appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach. (2 CFR §200.318(d)).

- (2) To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services, the City shall enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services. (2 CFR §200.318(e)).
- (3) Procuring Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs shall be utilized. (2 CFR §200.318(f)).
- (4) Value engineering clauses may be used in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost. (2 CFR §200.318(g)).
- (5) Contracts shall only be awarded to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. (2 CFR §200.318(h)).
- (6) Records will be maintained sufficient to detail the history of procurement. These records will include but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. The City Clerk will be the repository for said records and shall be maintained in accordance the City's records retention schedule. (2 CFR §200.318(i)).
- (7) Time and material type contracts as defined by may be used only after a determination that no other contract is suitable. Time and material type contract means a contract where the cost to the City is the sum of the actual cost of materials, and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expense, and profit. Each time and material contract will set a ceiling price that the contractor exceeds at its own risk. A higher degree of oversight is required in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls. (2 CFR §200.318(j)).
- (8) The City alone will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the City of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the City unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction. (2 CFR

§200.318(k)).

(c) **Competition**

In compliance with the policy stated in 2 CFR §200.319, all procurement transactions must be conducted in a manner providing full and open competition. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals will be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include, but are not limited to:

- (1) Placing unreasonable requirements on firms in order for them to qualify to do business;
- (2) Requiring unnecessary experience and excessive bonding;
- (3) Noncompetitive pricing practices between firms or between affiliated companies;
- (4) Noncompetitive contracts to consultants that are on retainer contracts;
- (5) Organizational conflicts of interest;
- (6) Specifying only a “brand name” product instead of allowing an equal product to be offered and describing the performance or other relevant requirements of the procurement; and
- (7) Any arbitrary action in the procurement process. (2 CFR §200.319(a)).

Procurements shall be conducted in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract. (2 CFR §200.319(b)).

All solicitations will incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standard to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a brand name or equivalent description may be used as a means to define the performance or other relevant requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated. (2 CFR §200.319(c)(1)).

Bids and proposals shall identify all the requirements which the offerors must fulfill and all other factors to be used in evaluation bids or proposals. (2 CFR §200.319(c)(2)).

(d) **Methods of Procurement.** In addition to the City's purchasing provisions, one of the following methods should be used for purchasing and procurement:

- (1) **Micro-purchase:** Purchases where the aggregate dollar amount does not exceed \$3,000, or the current limitation set by the Federal Acquisition Regulation at 48 CFR §2.101, where this threshold is periodically adjusted for inflation. (2 CFR §200.320(a); 2 CFR §200.67). To the extent practicable, the City will distribute micro-purchases equitably among qualified suppliers.
- (2) **Small purchase:** Purchases up to the Simplified Acquisition threshold, which is currently \$150,000. Informal purchasing procedures are acceptable, but price or rate quotes must be obtained from an adequate number of sources. (2 CFR §§200.320(b), 200.88; 2 CFR Part 200 Appendix II (A).)
- (3) **Sealed bid:** Purchases over the Simplified Acquisition threshold, which is currently \$150,000. (2 CFR Part 200 Appendix II (A).) Under this purchase method, formal solicitation is required, and the fixed price (lump sum or unit price) is awarded to the responsible bidder who conformed to all material terms and is the lowest in price. (2 CFR §200.320(c)).
 - (a) This method is the preferred procurement method for construction contracts, if the following conditions apply:
 - (1) A complete, adequate, and realistic specification or purchase description is available;
 - (2) Two or more responsible bidders are willing and able to compete effectively for the business, and,
 - (3) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally based on price.
 - (b) If this method is used, the following requirements shall apply:
 - (1) The invitation for bids will be publicly advertised and bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date for opening the bids; (2 CFR §200.320(c)(2)(i)).
 - (2) The invitation for bids, which will include any specifications and pertinent attachments, must define the terms or services in order for the bidder to properly respond; (2 CFR §200.320(c)(2)(ii)).
 - (3) All bids will be publicly opened at the time and place prescribed in the invitation for bids; (2 CFR §200.320(c)(2)(iii)).
 - (4) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. (2 CFR §200.320(c)(2)(iv)). Where specified in bidding documents, factors such as discounts will only be used in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
 - (5) Any or all bids may be rejected if there is a sound documented reason. (2 CFR §200.320(c)(2)(v)).
- (4) **Competitive proposals:** Purchases over the Simplified Acquisition threshold, which is currently \$150,000. (2 CFR Part 200 Appendix II (A).) This procurement method requires formal solicitation, fixed-price or cost-reimbursement contracts, and is used when sealed bids are not appropriate. The

contract should be awarded to the responsible firm whose proposal is most advantageous to the program, with price being one of the various factors. (2 CFR §200.320(d)). If this method is used, the following requirements apply:

- (a) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practicable; (2 CFR §200.320(d)(1)).
- (b) Proposals must be solicited from an adequate number of qualified sources; (2 CFR §200.320(d)(2)).
- (c) The methods for conducting technical evaluations of the proposals received and for selecting recipients may include, but not limited to: oral interviews, references, past performance, availability to perform work, and certifications as determined by project scope. Any response that takes exception to any mandatory items in this proposal process may be rejected and not considered; (2 CFR §200.320(d)(3));
- (d) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; (2 CFR §200.320(d)(4)) and,
- (e) Competitive proposal procedures may be used for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services, though A/E firms are a potential source to perform the proposed effort. (2 CFR §200.320(d)(5)).

(5) **Noncompetitive proposals:** Also known as sole-source procurement, this may be appropriate only when one or more of the following criteria are met:

- (a) The item is available only from a single source;
- (b) The public emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (c) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- (d) After solicitation of a number of sources, competition is determined inadequate. (2 CFR §200.320(f)).

(e) **Contract Cost and Price.** A cost or price analysis shall be performed in connection with every procurement action in excess of the Simplified Acquisition threshold (currently \$150,000) including contract modifications. The method and degree of analysis is dependent on the facts surrounding the procurement situation, but as a starting point, independent estimates shall be made prior to receiving bids and proposals.

- (1) Profit shall be negotiated as a separate element of the price for each contract in which there is a no price competition and in all cases where cost analysis is

performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

- (2) Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the City under Subpart E- Cost Principles of Part 200- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- (3) The cost plus a percentage of cost and percentage of construction cost methods of contracting shall be used. (2 CFR §200.323)

(f) **Federal Awarding Agency or Pass-Through Entity Review.**

- (1) The City shall make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the City desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.
- (2) The City will make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:
 - (a) Procurement procedures or operations fails to comply with the procurement standards in this part;
 - (b) The procurement is expected to exceed the Simplified Acquisition Threshold (\$150,000) and is to be awarded without competition or only one bid or offer is received in response to a solicitation;
 - (c) The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product;
 - (d) The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
 - (e) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.
- (3) The City is exempt from the pre-procurement review in paragraph 2 of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part.
- (4) The City may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets

these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third-party contracts are awarded on a regular basis;

- (5) The City may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from the City that it is complying with these standards. The City must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review. (2 CFR § 200.324).

- (g) **Bonding Requirements.** For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold (\$150,000), the Federal awarding or pass-through entity may accept the bonding policy and requirements of the City provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

- (1) A bid guarantee from each bidder equivalent to five percent (5%) of the bid price. The bid guarantee must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified;
- (2) A performance bond on the part of the contractor for 100 percent (100%) of the contract price. A performance bond is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract; and,
- (3) A payment bond on the part of the contractor for 100 percent (100%) of the contract price. A payment bond is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract. (2 CFR § 200.325).

- (h) **Contracting with small and minority business, women's business enterprises, and labor surplus area firms.** All necessary affirmative steps will be taken to assure that minority business, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps include:

- (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (2) Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;
- (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises;
- (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses and women's business enterprises;
- (5) Using the services and assistance, as appropriate, of such organizations as the

Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and,

- (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.
- (i) **Contract Provisions.** In accordance with 2 CFR §200.326, contracts with a Federal funding source must include the following compliance provisions, as applicable:
- (1) **Equal Employment Opportunity-** All contracts, when funded in whole or partly by monies derived from the Federal government (either directly or indirectly), shall contain a provision requiring compliance with Executive Order No. 11246 (Equal Employment Opportunity), as amended by Executive Order No. 11375 (requires nondiscrimination in contracting) and as supplemented in U.S. Department of Labor regulations. (2 CFR pt. 200 Appendix II(C)).
 - (2) **Remedies** – Contracts in excess of \$150,00 must contain provisions or conditions that will allow for administrative, contractual or legal remedies in instances when contractors violate or breach contract terms and provide for such sanctions and penalties as may be appropriate. (2 CFR pt. 200, Appendix II(A)).
 - (3) **Termination** – All contracts in excess of \$10,000 must address termination for cause and convenience by the City, including the manner by which it will be effected and the basis for settlement. (2 CFR pt. 200, Appendix II(B)).
 - (4) **Record Retention** – Contractors must be required to maintain all requisite records for 3 years after the City makes a final payment, unless a specific exception applies. (2 CFR §200.333). Contracts must contain a provision that the City, the federal grantor agency, the U.S. Comptroller General or any of their duly authorized representatives must have access to any books, documents, papers, and records of the contractor that are directly pertinent to that specific contract, for purposes of making audits, examinations, excerpts and transcripts. (2 CFR §200.336).
 - (5) **“Anti-Kickback”** - Applies to construction or repair contracts in excess of \$2,000. It prohibits kickbacks in construction contracts funded with Federal monies. Contractors and subcontractors or subrecipients shall be prohibited from inducing any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled and suspected or reported violations shall be immediately reported to the Federal awarding agency. (18 USC §874; 2 CFR pt. 200, Appendix II(D), 29 CFR pt. 3).
 - (6) **Davis-Bacon Act-** Applies to construction contracts in excess of \$2,000. It requires contracts to pay laborers and mechanics wages not less than the prevailing wage as determined by the Secretary of Labor and must be required to pay wages not less than once a week. Each bid solicitation published by the City must contain the current prevailing wage determination. Any award of the contract must be conditioned on contractor’s acceptance of that wage determination and suspected or reported violations of this act shall be immediately reported to the Federal awarding agency. (40 CFR §3141 et seq.,

- 2 CFR pt. 200, Appendix II(D), 29 CFR pt. 5.)
- (7) **Contract Work Hours & Safety Standards** – When applicable, all contracts awarded by recipients in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with the Contract Work Hours and Safety Standards Act, 40 USC §§3702, 3704; 2 CFR pt. 200, Appendix II(E)).
 - (8) **Environmental Law Compliance** - Applies to contracts and sub grants in excess of \$150,000. Contractor shall be required to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 USC §7606) and the Clean Water Act. (42 USC §1368). Suspected or reported violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). 2 CFR pt. 200, Appendix II(G)).
 - (9) **Debarment and Suspension**- Contracts funded with Federal grant monies may not be awarded to contractors that have been debarred or suspended from receiving Federal monies pursuant to the System for Award Management (SAM). (2 CFR §180).
 - (10) **Byrd Anti-Lobbying Amendment**- Contractors that apply or bid for an award of \$100,000 must certify that they will not and have not used Federal funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award. (31 U.S.C. §1352).

ENVIRONMENTALLY PREFERABLE PURCHASING POLICY

STATEMENT OF POLICY

It is the policy of Citrus Heights to:

- (1) institute practices that reduce waste by increasing product efficiency and effectiveness,
- (2) purchase products that minimize environmental impacts, toxics, pollution, and hazards to worker and community safety to the greatest extent practicable, and
- (3) purchase products that include recycled content, are durable and long-lasting, conserve energy and water, use agricultural fibers and residues, reduce greenhouse gas emissions, use unbleached or chlorine free manufacturing processes, are lead-free and mercury-free, and use wood from sustainably harvested forests.

PURPOSE

This Policy is adopted in order to:

- (1) conserve natural resources,
- (2) minimize environmental impacts such as pollution and use of water and energy,
- (3) eliminate or reduce toxics that create hazards to workers and our community,
- (4) support strong recycling markets,
- (5) reduce materials that are landfilled,
- (6) increase the use and availability of environmentally preferable products that protect the environment,
- (7) identify environmentally preferable products and distribution systems,

- (8) reward manufacturers and vendors that reduce environmental impacts in their production and distribution systems or services,
- (9) create a model for successfully purchasing environmentally preferable products that encourages other purchasers in our community to adopt similar goals.

SPECIFICATIONS

Source Reduction

- (1) Citrus Heights shall institute practices that reduce waste and result in the purchase of fewer products whenever practicable and cost-effective, but without reducing safety or workplace quality.
- (2) Citrus Heights shall purchase remanufactured products such as laser toner cartridges, tires, furniture, equipment and automotive parts whenever practicable, but without reducing safety, quality or effectiveness.
- (3) Citrus Heights shall require all equipment bought after the adoption of this policy to be compatible with source reduction goals as referred to in this section, when practicable.
- (4) All buyers shall consider short-term and long-term costs in comparing product alternatives, when feasible. This includes evaluation of total costs expected during the time a product is owned, including, but not limited to, acquisition, extended warranties, operation, supplies, maintenance, disposal costs and expected lifetime compared to other alternatives.
- (5) Products that are durable, long lasting, reusable or refillable are preferred whenever feasible.
- (6) Citrus Heights requests vendors to eliminate packaging or use the minimum amount necessary for product protection, to the greatest extent practicable.
- (7) Packaging that is reusable, recyclable or compostable is preferred, when suitable uses and programs exist.
- (8) Vendors shall be encouraged to take back and reuse pallets and packaging materials.
- (9) Suppliers of electronic equipment, including but not limited to computers, monitors, printers, and copiers, shall be required to take back equipment for reuse or environmentally safe recycling when Citrus Heights discards or replaces such equipment, whenever possible.

Recycled Content Products

- (1) All products for which the United States Environmental Protection Agency (U.S. EPA) has established minimum recycled content standard guidelines, such as those for printing paper, office paper, janitorial paper, construction, landscaping, parks and recreation, transportation, vehicles, miscellaneous, and non-paper office products, shall contain the highest postconsumer content practicable, but no less than the minimum recycled content standards established by the U.S. EPA Guidelines.
- (2) Copiers and printers bought shall be compatible with the use of recycled content products.
- (3) In accordance with California Public Contract Code, Sec. 10409, Citrus Heights shall purchase re-refined lubricating and industrial oil for use in its vehicles and other equipment, as long as it is certified by the American Petroleum Institute (API) as appropriate for use in such equipment.

- (4) When specifying asphalt concrete, aggregate base or portland cement concrete for road construction projects, Citrus Heights shall use recycled, reusable or reground materials when practicable.
- (5) Citrus Heights shall specify and purchase recycled content transportation products, including signs, cones, parking stops, delineators, and barricades.
- (6) All pre-printed recycled content papers intended for distribution that are purchased or produced shall contain a statement that the paper is recycled content.

Energy and Water Savings

- (1) Where applicable and practicable, energy-efficient equipment shall be purchased with the most up-to-date energy efficiency functions. This includes, but is not limited to, high efficiency space heating systems and high efficiency space cooling equipment.
- (2) When practicable, Citrus Heights shall replace inefficient lighting with energy-efficient equipment.
- (3) All products purchased by Citrus Heights and for which the U. S. EPA Energy Star certification is available shall meet Energy Star certification, when practicable. When Energy Star labels are not available, choose energy-efficient products that are in the upper 25% of energy efficiency as designated by the Federal Energy Management Program.
- (4) Citrus Heights shall purchase water-saving products whenever practicable.

Green Building - Construction and Renovations

- (1) All building and renovations undertaken by Citrus Heights shall follow Green Building practices for design, construction, and operation, where appropriate, as described in the LEED™ Rating System.

Landscaping

- (1) All landscape renovations, construction and maintenance by Citrus Heights, including workers and contractors providing landscaping services for Citrus Heights, shall employ sustainable landscape management techniques for design, construction and maintenance whenever possible, including, but not limited to, integrated pest management, grasscycling, drip irrigation, composting, and procurement and use of mulch and compost.
- (2) Plants should be selected to minimize waste by choosing species for purchase that are appropriate to the microclimate, species that can grow to their natural size in the space allotted them, and perennials rather than annuals for color when practicable. Native and drought-tolerant plants that require no or minimal watering once established are preferred.
- (3) Hardscapes and landscape structures constructed of recycled content materials are encouraged. Citrus Heights shall limit the amount of impervious surfaces in the landscape, wherever practicable. Permeable substitutes, such as permeable asphalt or pavers, are encouraged for walkways, patios and driveways.

Toxics and Pollution

- (1) To the extent practicable, no cleaning or disinfecting products (i.e. for janitorial or automotive use) shall contain ingredients that are carcinogens, mutagens, or

teratogens. These include chemicals listed by the U.S. EPA or the National Institute for Occupational Safety and Health on the Toxics Release Inventory and those listed under Proposition 65 by the California Office of Environmental Health Hazard Assessment.

- (2) The use of chlorofluorocarbon-containing refrigerants, solvents and other products shall be phased out and new purchases shall not contain them.
- (3) All surfactants and detergents shall be readily biodegradable and, where practicable, shall not contain phosphates.
- (4) When maintaining buildings and landscapes, Citrus Heights shall manage pest problems through prevention and physical, mechanical and biological controls where practicable. Citrus Heights may implement pest management practices using the least toxic pest control as a last resort.
- (5) When maintaining buildings, the Citrus Heights shall use products with the lowest amount of volatile organic compounds (VOCs), highest recycled content, and low or no formaldehyde when purchasing materials such as paint, carpeting, adhesives, furniture and casework as practicable.
- (6) Citrus Heights shall reduce or eliminate its use of products that contribute to the formation of dioxins and furans. This includes, but is not limited to:
 - (a) Purchasing paper, paper products, and janitorial paper products that are unbleached or that are processed without chlorine or chlorine derivatives, whenever possible.
 - (b) Prohibiting purchase of products that use polyvinyl chloride (PVC) such as, but not limited to, office binders, furniture, flooring, and medical supplies whenever practicable.
- (7) Citrus Heights shall purchase products and equipment with no lead or mercury whenever possible. For products that contain lead or mercury, Citrus Heights shall give preference to those products with lower quantities of these metals and to vendors with established lead and mercury recovery programs.
- (8) When replacing vehicles, Citrus Heights shall consider less-polluting alternatives to diesel such as compressed natural gas, biobased fuels, hybrids, electric batteries, and fuel cells, as available.

Forest Conservation

- (1) To the greatest extent practicable, Citrus Heights shall not procure wood products such as lumber and paper that originate from forests harvested in an environmentally unsustainable manner. When possible, Citrus Heights shall give preference to wood products that are certified to be sustainably harvested by a comprehensive, performance-based certification system.

Agricultural Bio-Based Products

- (1) Vehicle fuels made from non-wood, plant-based contents such as vegetable oils are encouraged whenever practicable.
- (2) Paper, paper products and construction products made from non-wood, plant-based contents such as agricultural crops and residues are encouraged whenever practicable.

PRIORITIES

- (1) The health and safety of workers and citizens is of utmost importance and takes precedence over all other policies.
- (2) Citrus Heights has made and continues to make significant investments in developing a successful recycling system and recognizes that recycled content products are essential to the continuing viability of that recycling system and for the foundation of an environmentally sound production system. Therefore, to the greatest extent practicable, recycled content shall be included in products that also meet other specifications, such as chlorine free or bio-based.
- (3) Nothing contained in this policy shall be construed as requiring a department, purchaser or contractor to procure products that do not perform adequately for their intended use, exclude adequate competition, or are not available at a reasonable price in a reasonable period of time.
- (4) Nothing contained in this policy shall be construed as requiring the Citrus Heights, department, purchaser or contractor to take any action that conflicts with local, state or federal requirements.

IMPLEMENTATION

- (1) The Finance Director shall implement this policy in coordination with other appropriate jurisdiction personnel.
- (2) Successful bidders shall certify in writing that the environmental attributes claimed in competitive bids are accurate. In compliance with State law, vendors shall be required to specify the minimum or actual percentage of recovered and postconsumer material in their products, even when such percentages are zero.
- (3) Upon request, buyers making the selection from competitive bids shall be able to provide justification for product choices that do not meet the environmentally preferable purchasing criteria in this policy.
- (4) Purchasers shall include businesses certified by the Sacramento Sustainable Business Program in requests for products and services.
- (5) Vendors, contractors and grantees shall be encouraged to comply with applicable sections of this policy for products and services provided to the Citrus Heights, where practicable.

PROGRAM EVALUATION

- (1) The Finance Director shall periodically evaluate the success of this policy's implementation.

DEFINITIONS

- (1) "Agricultural Bio-Based Products" means commercial or industrial products (other than food or feed) that utilize agricultural crops or residues but does not include products made from forestry materials.
- (2) "Buyer" means anyone authorized to purchase or contract for purchases on behalf of this jurisdiction or its subdivisions.
- (3) "Chlorine free" means products processed without chlorine or chlorine derivatives. "Contractor" means any person, group of persons, business, consultant, designing architect, association, partnership, corporation, supplier, vendor or other entity that has a

- contract with Citrus Heights or serves in a subcontracting capacity with an entity having a contract with Citrus Heights for the provision of goods or services.
- (4) “Dioxins and furans” are a group of chemical compounds that are classified as persistent, bioaccumulative, and toxic by the Environmental Protection Agency.
 - (5) “Energy Star” means the U.S. EPA’s energy efficiency product labeling program.
 - (6) “Energy Efficient Product” means a product that is in the upper 25% of energy efficiency for all similar products, or that is at least 10% more efficient than the minimum level that meets Federal standards.
 - (7) “Federal Energy Management Program” is a program of the Department of Energy that issues a series of *Product Energy Efficiency Recommendations* that identify recommended efficiency levels for energy-using products.
 - (8) The “Forest Stewardship Council” is a global organization that certifies responsible, on-the-ground forest management according to rigorous standards developed by a broad variety of stakeholder groups.
 - (9) “Integrated Pest Management (IPM)” is an ecosystem-based strategy that focuses on long-term prevention of pests or their damage through a combination of techniques such as biological control, habitat manipulation, modification of cultural practices, and use of resistant varieties. Pesticides are used only after monitoring indicates they are needed according to established guidelines, and treatments are made with the goal of removing only the target organism. Pest control materials are selected and applied in a manner that minimizes risks to human health, beneficial and nontarget organisms, and the environment.
 - (10) “LEED™ Rating System” means the self-assessing system developed by the U.S. Green Building Council designed for rating new and existing commercial, institutional, and high-rise residential buildings.
 - (11) “Organic Pest Management” prohibits the use and application of toxic chemical pesticides and strives to prevent pest problems through the application of natural, organic horticultural and maintenance practices. All pest control products shall be in keeping with, but not limited to, those products on the approved list of California Certified Organic Foods (CCOF).
 - (12) "Postconsumer Material" means a finished material which would normally be disposed of as a solid waste, having reached its intended end-use and completed its life cycle as a consumer item, and does not include manufacturing or converting wastes.
 - (13) “Practical” and “Practicable” mean whenever possible and compatible with local, state and federal law, without reducing safety, quality, or effectiveness and where the product or service is available at a reasonable cost in a reasonable period of time.
 - (14) “Preconsumer Material” means material or by-products generated after manufacture of a product is completed but before the product reaches the end-use consumer. Preconsumer material does not include mill and manufacturing trim, scrap, or broke which is generated at a manufacturing site and commonly reused on-site in the same or another manufacturing process.
 - (15) “Proposition 65” means a list of chemicals that are known to the State of California to cause cancer, birth defects or other reproductive harm.
 - (16) “Recovered Material” means fragments of products or finished products of a manufacturing process, which has converted a resource into a commodity of real

economic value, and includes preconsumer and postconsumer material but does not include excess resources of the manufacturing process.

- (17) “Recycled Content” means the percentage of recovered material, including preconsumer and postconsumer materials, in a product.
- (18) “Recycled Content Standard” means the minimum level of recovered material and/or postconsumer material necessary for products to qualify as “recycled products.”
- (19) “Recycled Product” means a product that meets [jurisdiction’s] recycled content policy objectives for postconsumer and recovered material.
- (20) “Remanufactured Product” means any product diverted from the supply of discarded materials by refurbishing and marketing said product without substantial change to its original form.
- (21) “Reused Product” means any product designed to be used many times for the same or other purposes without additional processing except for specific requirements such as cleaning, painting or minor repairs.
- (22) “Sacramento Sustainable Business Program” is a free service sponsored by local government agencies and utility providers. It certifies and promotes businesses and other organizations that pledge to adopt environmentally friendly practices and conserve resources.
- (23) “Source Reduction” refers to products that result in a net reduction in the generation of waste compared to their previous or alternate version and includes durable, reusable and remanufactured products; products with no, or reduced, toxic constituents; and products marketed with no, or reduced, packaging.
- (24) The “Toxics Release Inventory” (TRI) is a publicly available U. S. EPA database that contains information on toxic chemical releases and other waste management activities reported annually by certain covered industry groups as well as federal facilities.
- (25) “U.S. EPA Guidelines” means the Comprehensive Procurement Guidelines established by the U.S. Environmental Protection Agency for federal agency purchases as of May 2002 and any subsequent versions adopted.
- (26) “Water-Saving Products” are those that are in the upper 25% of water conservation for all similar products, or at least 10% more water-conserving than the minimum level that meets the Federal standards.

EFFECTIVE DATES

This policy shall take effect on September 26, 2019.