



Town of Apple Valley

## A GUIDE TO PURCHASES IN THE TOWN OF APPLE VALLEY & LOCAL PREFERENCES

### Town of Apple Valley Municipal Code Chapter 3.12

#### **GOALS OF THE TOWN PURCHASING SYSTEM:**

The Town adopted a purchasing system to foster the following Town goals:

- To establish efficient procedures for the purchase of high quality supplies and equipment (“Purchases”) at the lowest cost;
- To exercise positive financial control over Purchases;
- To provide clear authority for the Town’s function as a purchaser; and
- To assure the high quality of Purchases.

#### **TOWN’S PURCHASING AGENT RESPONSIBILITIES:**

Purchases are made by the Town’s purchasing agent, who shall be the Town Manager or the Town Manager’s designee and shall have the authority to:

- Purchase or enter into contracts for Purchases for the Town’s various agencies at the lowest expense;
- Ensure there are available funds for Purchases prior to contracting for their purchase (unless there is an emergency);
- Follow all Town guidelines for such Purchases, including preparing, revising and recommending rules governing Town Purchases and recommendations to the Council on the lowest bidder (including Local Preference credits);
- Negotiate contract terms on the Town’s behalf and recommend contracts and terms to the Town;
- Encourage full and open competition on sellers submitting bids to the Town for Purchases;
- Remain informed about current developments in the field of purchasing, prices, market conditions, and products;
- Prepare all forms reasonably necessary to effect his or her duties;
- Supervise the inspection and, if needed, the testing of all Purchases received by the Town to ensure high quality and conformance with the order placed for the Purchases;
- Recommend the transfer of excess Purchases between Town departments as needed;
- Maintain an approved vendors list and other necessary purchasing files and records for the Town; and
- Exchange, trade in, or sell (with the Town Manager’s approval) goods which can no longer be used by any Town department or which have become unsuitable for Town use.

#### **BIDDING PROCEDURES FOR “PUBLIC PROJECTS” & PROJECTS OVER \$50,000**

##### **Notices**

- The Town will publish notices inviting formal bids at least ten days prior to the date of opening bids;
- These notices will include a general description of the services desired, where and when responsive bid documents shall be delivered, and the time and place when the bids will be opened;

- The Purchasing Agent will also solicit formal sealed bids from responsible suppliers whose names are either: on the approved vendors list or who have made a written request for their names to be added to the list. To be added to the approved vendors list, suppliers must have a valid Town business license.

#### **Pending Purchases**

- The Purchasing Agent will advertise all pending formal Purchases by posting a public notice on the public bulletin board at the Town offices;

#### **The Submittal, Rejection, Acceptance, and Re-Advertising of Bids**

- For public projects, and when determined by the Purchasing Agent, formal bids must include, as security, an amount of ten percent (10%) of the total bid. This security will be returned to all bidders, but the security of the successful bidder is forfeited if that bidder refuses or fails to execute the contract within ten days after the Notice of Award of contract is mailed (unless the Town is solely responsible for this failure). In this case, the Town Council may award the contract to the next lowest responsible bidder or may reject all bids and re-advertise.
- For public projects, and all other projects designated by the Town, a faithful performance bond and labor and material bond shall be required unless waived by the Town. Bid notices will state this amount.
- Bids must be identified as “Bids” on the envelope and must be submitted to the Purchasing Agent to be opened at the time and place stated in the notice. After opening, a list of all bids received is available for public inspection for thirty days.
- The Town may reject any and all bids and re-advertise for bids at its discretion.
- Formal bid contracts will be awarded by the Town Council to the lowest responsible bidder, pursuant to the findings and recommendations of the Purchasing Agent. Ties for lowest responsible bidder may be resolved by the Town Council if re-advertising for the bids is against the public interest. A Town business license is required prior to the commencement of work on a given contract.
- When no responsive bids are received, the Purchasing Agent can negotiate for written proposals and present his or her recommendation to the Town Manager for awarding the contract.

#### **BIDDING PROCEDURES FOR PROJECTS \$50,000 AND BELOW**

- In general, these Purchases may be made by the Purchasing Agent in the open market, with consideration for Local Preference as outlined below. The Purchasing Agent will solicit informal bids by written requests to prospective vendors, by telephone, or by public notice posted on the Town bulletin board.
- The Purchasing Agent will keep a record of all open market purchases and informal bids for a period of one year. This record is open to public inspection.
- When possible, open market purchases will be awarded:
  - Based on the receipt of at least three informal bids; and
  - To the bidder offering the most advantageous bid to the Town based on price, quality, durability, servicing, delivery time, standardization, and other factors.

#### **BIDDING PROCEDURE EXCEPTIONS**

Exceptions to the enumerated bidding procedures include:

- When the estimated contract amount is less than five thousand dollars (\$5,000);
- When the Purchase can only be obtained from one vendor;

- When the Town Manager authorizes the Purchases where an emergency is deemed to exist and service involving the public health, safety, or welfare would be interrupted if the normal procedures were followed;
- When the Town Council, in its discretion, authorizes the execution of contracts for personal services, professional/consultant services, and for other non-public projects for amounts over \$50,000 (within the procedures and rules established by the Town);
- When the Town Manager, in his discretion, authorizes the execution of contracts for personal services, professional/consultant services, and for other non-public projects for contracts with amounts less than \$50,000 and in accordance with allowable Local Preferences outlined below;
- When an agreement for Purchases is entered into with another governmental entity;
- When the Town Council authorizes the executions of a lease for office space for Town government;
- When the Town Manager authorizes agreements for licensing or annual support contracts for previously approved purchases in an amount of \$50,000 or less and there exists appropriate funds for same;
- When the Assistant Town Managers or Directors authorize agreements for licensing or annual support contracts for previously approved purchases in an amount of \$10,000 or less and there exists appropriate funds for same; and
- If the Town Council determines it to be advantageous to the Town, when the Town Finance Director or Purchasing Agent to make the Purchases through legally competitively awarded contracts by other governmental or public agencies (commonly known as piggybacking).

### **LOCAL PREFERENCE**

#### Local Preference Credit:

- Is given to businesses with their principal place of business operation in the Local Preference Region for at least six (6) months prior to the publication of the call for bids. This Local Preference Region includes the municipalities contained within the geographical area depicted by the borders of the map found in Section 3.12.290(1)(b) of the Town Municipal Code, a copy of which is on file with the Town Clerk.
- Is in an amount equal to 5% of the total points used to determine the most advantageous bid or proposal. For businesses incorporated in the Town of Apple Valley, an additional 1% credit is given.

#### Limitations on the Local Preference classification include:

- The Local Preference classification will only apply to the procurement of Purchases and services not involving public works projects and the procurement of Purchases and services of more than five thousand dollars (\$5,000).
- The Local Preference classification shall not apply to the procurement of goods and services for public works projects as outlined under state law<sup>1</sup> or to any project assisted in whole or part by federal funds.

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<sup>1</sup> See California Public Contract Code section 20162.