

# Purchasing 101

## Overview of the Purchasing Process



Finance Department  
Purchasing Division  
May 9, 2023



# Presentation Overview

- **Laws Governing the Procurement Process**
- **BidsOnline System**
- **Timeline for Processing Contracts**
- **Types of Procurements**
- **CAL-Card (P-Card) Program**



# Laws Governing the Procurement Process

- **Charter City**
  - The City's Charter requires council approval for all purchases over \$10,000
- **Purchasing Policy**
- **Chapter 2.52 of the Richmond Municipal Code**
  - **The City ordinance that governs purchasing**



# Laws Governing the Procurement Process Cont...

- [Business Opportunity Ordinance](#)
- [Local Employment Program Ordinance](#)
- [Living Wage ordinance](#)
- [Ban the Box Ordinance](#)
- Resolution 55-10 Opposing Arizona Law SB1070
- [Sanctuary City Contracting and Investment Ordinance](#)
- [Limited Liability Corporation Disclosure Resolution](#)



# Signature Authority

- **City Manager Signs Contracts/Agreements Less than or equal to \$10,000**
- **Mayor Signs Contracts/Agreements greater than \$10,000**



# BidsOnline System

[www.ci.richmond.ca.us/bids](http://www.ci.richmond.ca.us/bids)

DEPARTMENTS    COMMUNITY    BUSINESS    GOVERNMENT    PUBLIC SAFETY

**Parade**    **Juneteenth**    **Fest**

Saturday, June 18th • Nicholl Park

Agenda Docs    Open Data    COR Connect    Environment    Employment    KCRT Channel 28    **Project & Bids**    Public Library



# BidsOnline System Cont....

## City of Richmond Vendor Portal



### NEW VENDOR REGISTRATION

Create a new vendor record.  
If you wish to view or edit an existing vendor,  
simply Log In.



### BID OPPORTUNITIES

Search and bid electronically on opportunities  
with this agency, download documents, and  
become a prospective bidder.



# BidsOnline System Cont....



## Bid Opportunities

Found 860 bids

Posted	Project Title	Invitation #	Due Date	Remaining	Stage	Format
05/17/2022	RFP for Unarmed Security Guard Services		06/07/2022 04:00pm	2:51:47	Bidding	Paper
05/20/2022	THREE YEAR CONTRACT FOR ADMINISTRATOR OF W...		06/15/2022 05:00am	7 days	Bidding	Paper
05/26/2022	On-Call Biohazardous Waste Cleanup		06/16/2022 03:00pm	9 days	Bidding	Electronic and Paper
05/25/2022	RFQ For Street & Traffic Light Poles and Related Produ...		06/16/2022 03:00pm	9 days	Bidding	Paper
06/03/2022	Encampment Resolution Project Manager	CD-CERP-RFQ- 06302022	06/30/2022 04:00pm	23 days	Bidding	Electronic
04/13/2022	Parking Citation and Management System		05/31/2022 05:00pm		Closed	Electronic
04/15/2022	Community Crisis Response Project (CCRP) RFP		05/20/2022 12:00pm		Closed	Electronic
04/21/2022	Traffic Signs & Line Materials		05/10/2022 02:00pm		Closed	Paper
04/07/2022	PUBLIC ART MASTER PLAN (2022 – 23) RFP		04/29/2022 03:00pm		Closed	Electronic



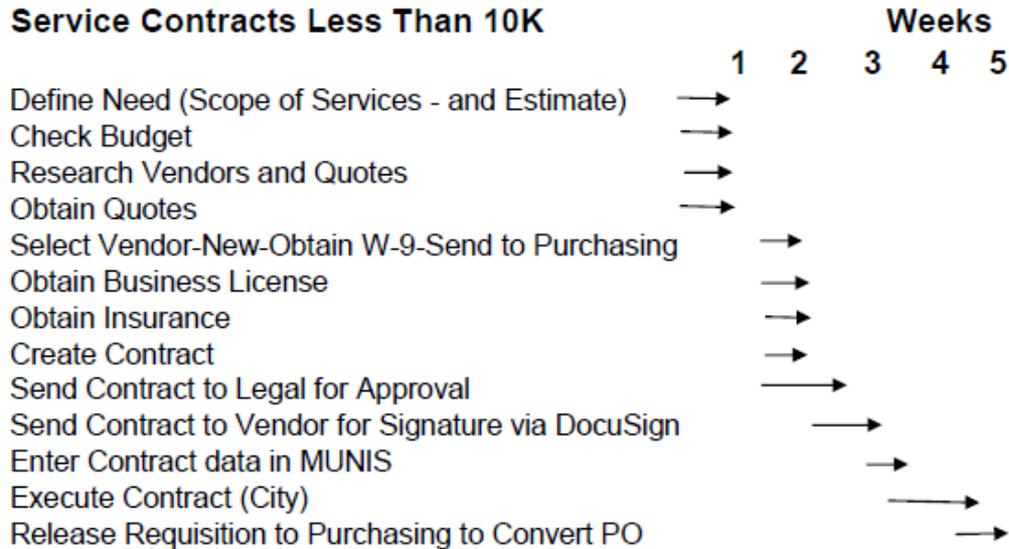
# Timeline for Processing Contracts

- **Plan Ahead – Give Yourself and Staff enough Time**
  - **Service Contract - <\$10K**
  - **Service Contracts Between \$10K - \$50K**
  - **Service Contracts Over \$50K**

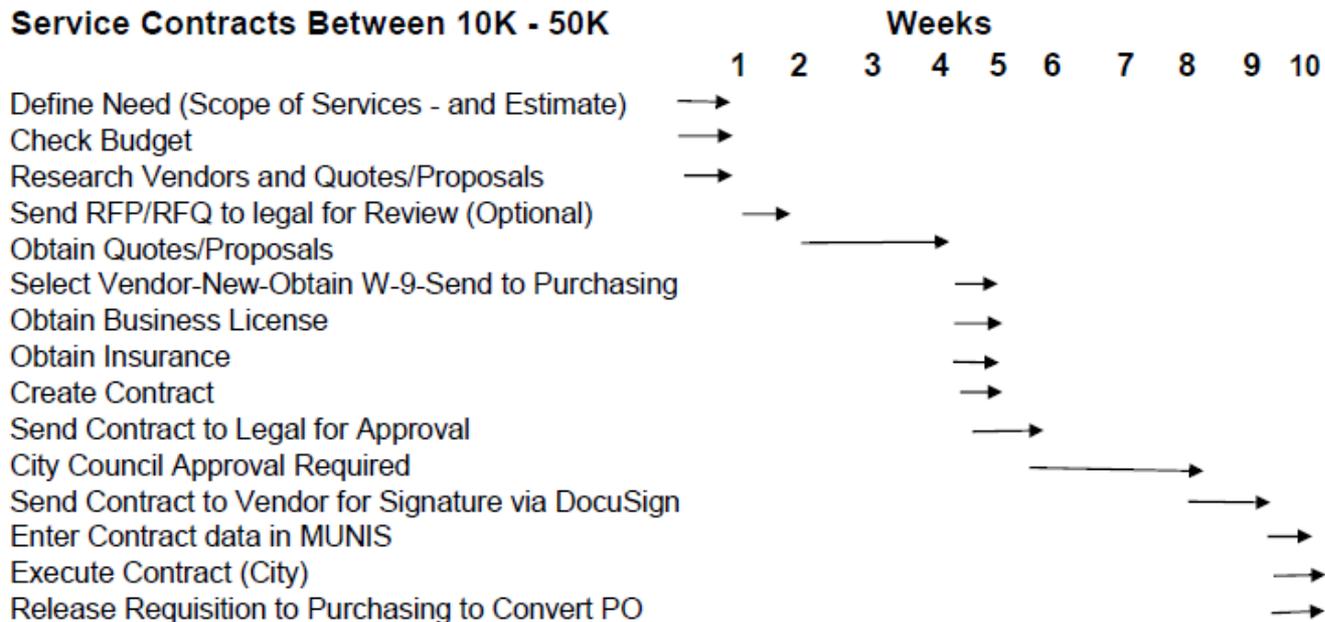


## Timeline - Going Out to Bid and Processing of a Service Contract

### Service Contracts Less Than 10K

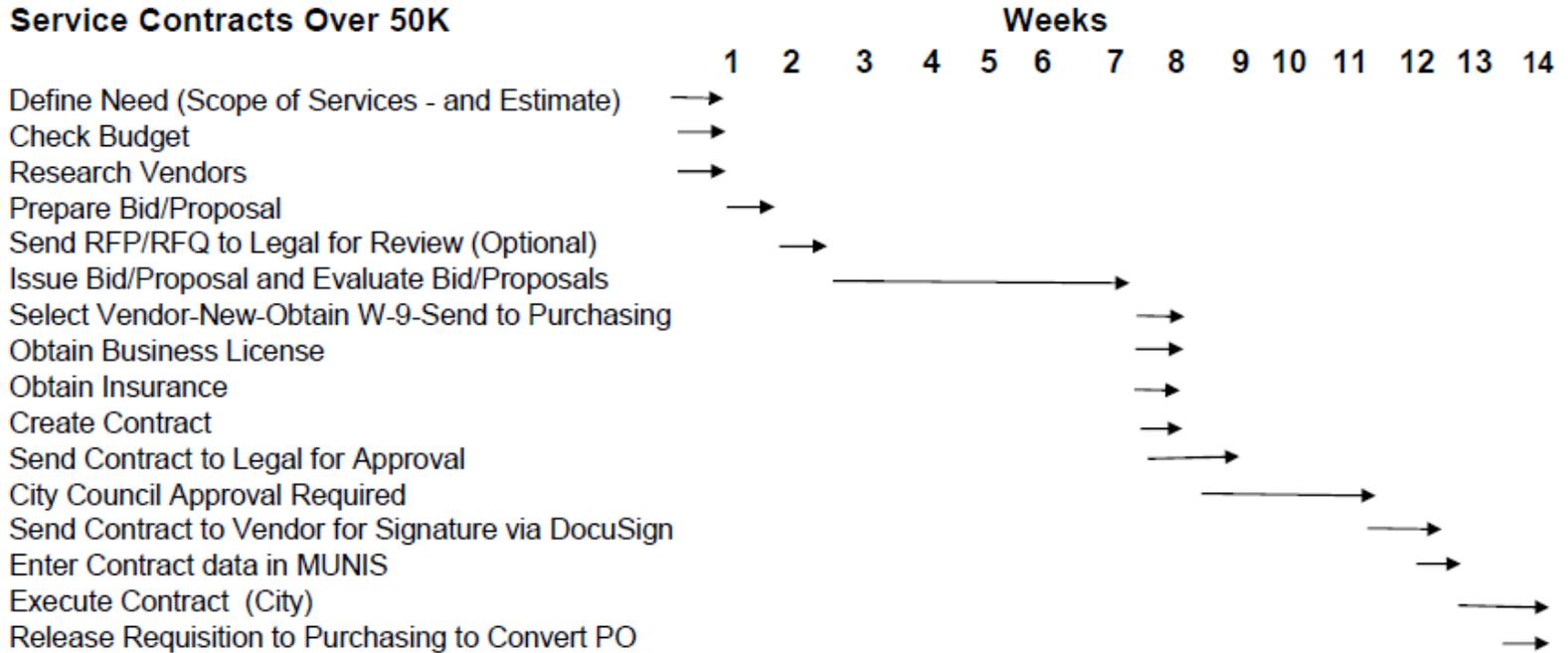


### Service Contracts Between 10K - 50K



## Timeline - Going Out to Bid and Processing of a Service Contract

### Service Contracts Over 50K



# Formal or Informal Solicitations

- **Informal - Less than or Equal to \$50,000**
  - **Informal Quotes**
- **Formal – Over \$50,000**
  - **Solicitation must be posted on the BidsOnline System**
  - **Sealed Bids/Proposals**
  - **Must be advertised for from 15 – 30 Days, depending on the complexity of the solicitation**
  - **Formal Evaluation**



# Types of Procurement

- **Small Orders – Informal Solicitations**
- **Competitive Bids – Over \$50,000**
- **Request for Proposals (RFP)**
  - Informal – Under \$50,000
  - Formal – Over \$50,000
- **Request for Qualifications (RFQ)**
  - Informal – Under \$50,000
  - Formal – Over \$50,000



# Small Orders – Informal Solicitations

- Procurement of goods or services (<\$50,000)
- No formal bid specifications or public advertisement required
  - Quotes may be solicited by fax, email or posted on the City's BidsOnline System
    - Less than \$3,000 – One Quote
    - Between \$3,000 - \$5,000 – Two Quotes
    - Between \$5,000 - \$50,000 – Three Quotes



# Competitive Bids

- **Formal Bid Solicitation (>\$50,000)**
  - **Public Advertisement Required**
  - **Public Bid Opening**
  - **Receipt of Bids must be sealed bids**
  - **Bid Solicitation period 14 - 30 calendar days**
  - **Bid Bonds may be required for some bids**
  - **Contract awarded to the lowest responsive and responsible bidder meeting City Specifications**



# Request for Proposals (RFP)

- Method used to solicit proposals to implement a new project requiring Professional Services
- Used when the City doesn't have in-house technical experts or resources to implement project or services
- RFP defines project objectives and scope of services, but doesn't detail every aspect of implementing project
- Requires detailed evaluation of proposals by and Evaluation Committee based on criteria stated in the RFP. Low price is not the only factor
- Award is made to the highest rated and ranked Respondents



# Request for Qualifications (RFQ)

- Method used to solicit qualifications from companies who possess a high degree of technical expertise and knowledge in specific disciplines
- City “pre-qualifies” companies to build a vendor pool to respond to future individual projects
- Evaluation/selection is based on qualifications and technical competence
- For Architect & Engineers (A&E), the fee schedule is negotiated later as part of the agreement
- Most commonly used for A&E Design contracts and certain categories of consulting



# Sole Source Justification Form

A sole source is the **only possible source**, not a preferred source and not the one who you “know” will offer the lowest price.

Sole Source Justification Form is approved by the Finance Director and City Manager if <\$10K by the City Council if >\$10K

Council Approval Recommended Action: **APPROVE** a Sole Source contract with (Name of the Vendor)



# Emergency Justification Form

Emergency procurements should be made only:

- To preserve life, health or property
- Upon a natural disaster
- To correct or forestall a shutdown
- To maintain essential public services
- Other unforeseeable events
- NOT because of poor planning



# Process After the Emergency

**A contract and Purchase Order needs to be created as soon as possible.**

**If over \$10,000, present at the next City Council meeting for Approval**

**Council Approval Recommended Action:  
APPROVE an Emergency contract with  
(Name of the Vendor)**



# After the Fact Form

- Used anytime a department makes a purchase before a contract and purchase order has been processed.

**After-The-Fact Purchase Authorization Form (as of June 15, 2011)**  
*Please attach this form to the requisition*

If you previously initiated a transaction that created an after-the-fact supplier invoice, it must be processed via the 'After-the-Fact (ATF) Purchase Authorization' Form.

An After-The-Fact purchase occurs when a department makes a purchase *before* a purchase order number is issued. For example, authorizing a vendor to begin work before the Purchasing Division issues a purchase order. Similarly, obtaining goods or services on credit and subsequently submitting the invoice to accounts payable is an ATF. All ATFs, regardless of the dollar amount, present problems for the Purchasing Division, Accounts Payable, vendors, and end-users.

In many cases, these transactions:

- \* Place the City at financial and credit risk and result in higher than necessary cost paid for products and services.
- \* Create unnecessary administrative efforts
- \* Bypass City encumbrance requirements
- \* Violate procurement policies and procedures

When an ATF purchase has been identified, the managing supervisor that made the unauthorized purchase shall complete this form.

Please provide detailed statement explaining the circumstances surrounding this ATF purchase.

What corrective steps have taken to avoid repetition of future ATF's?

Any corrective action with the responsible managing supervisor?

Vendor Name:

Amount of Purchase: \$  Purchase Date:

*I understand that all City purchases require pre-approval and need to be purchased utilizing City policies and procedures.*

**Supervisor Name** **Signature** **Title**

**Department Director authorizing After-The-Fact Purchase**

**Name** **Signature** **Date**



# After The Fact Purchases

- Place the City at financial and credit risk and result in higher than necessary cost paid for products and services
- Create unnecessary administrative efforts
- Bypass City encumbrance requirements
- Violate procurement policies and procedures



# CAL-Card (P-Card) Program

- **The Procurement Card**
  - Used by a cardholder to expedite the payment of goods of a small dollar amount
  - No Services on the CAL-Card
  - For Business Purposes Only
  - Approving Officials must review and approve all purchases on the CAL-Card Statement
  - Avoid Audit Findings



# Purchasing Division

For more information visit the City's Intra-Net  
Finance > Purchasing > Procurement

## Contact Information

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510-620-6732

