

<b>Procurement of Supplies, Materials, and Equipment</b>	<b>5.1.7</b>
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### PURPOSE

It is the policy of the City of San Jose to create opportunities for competition to arrive at the most economical price while meeting operational needs when acquiring supplies, materials, and equipment. This policy outlines the internal process of procuring supplies, materials, and equipment which cannot be requisitioned through the City's Central Warehouse or purchased via a citywide Open Purchase Order, or through utilization of a City Procurement Card (Please refer to [City Policy Manual Section 5.1.2, City Procurement Cards](#)).

### AUTHORITY

City of San Jose Municipal Code (Section 4.12), Council Policy 4-6 Environmentally Preferable Procurement, and Council Policy 0-35 Procurement and Contract Process Integrity and Conflict of Interest.

### POLICY

It is the policy of the City of San Jose to acquire supplies, materials, and equipment which meet the City's operational requirements, in the most cost-effective and efficient manner. The Finance Department provides for the acquisition of small, frequently used items at the Central Warehouse and through citywide open purchase orders.

The Finance Department/Purchasing Division ensures that the acquisition of all supplies, materials, and equipment is made in compliance with the applicable Municipal Code sections, including but not limited to the competitive solicitation requirements, the Local and Small Business Preferences, Procurement Integrity and Conflict of Interest, and applicable insurance requirements, and that the resulting contracts are executed by duly authorized City officials.

### ACQUISITION PROCEDURES

#### I. Processing of Purchase Requisitions:

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| Department | <ol style="list-style-type: none"> <li>1. Identifies the operational need to procure supplies, materials, and equipment.</li> <li>2. Obtains such supplies, materials, and equipment through the City's Central Warehouse and citywide open purchase orders, if available.</li> <li>3. If not available at the Central Warehouse or through citywide open purchase orders, the Department determines the continuous or one-time requirement for such supplies, materials, and equipment.</li> <li>4. If the requirement is infrequent, the requirement does not exceed the City's competitive solicitation requirement of \$10,000, and/or the unit cost does not exceed the Single Transaction limit for Procurement Cardholders, and the purchase is in compliance with <a href="#">City Policy Manual Section 5.1.2, City Procurement Cards</a>, the purchase is assigned to Department Procurement Cardholders.</li> </ol> |
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5. If the requirement exceeds the City's competitive requirement of \$10,000, the Department develops specifications for such supplies, materials, and equipment. Specifications must provide for fair and open competition, cannot be restrictive to a certain brand, cannot be written by potential respondents to the resulting solicitation, and shall comply with Council Policy 4-6, Environmentally Preferable Procurement. If warranted, the Department submits a "Request for Approval of Brand Name/Sole Source Procurement" in accordance with [City Policy Manual Section 5.1.4, Brand Name and Sole Source Procurements](#).
6. Complies with provisions of [City Policy Manual Section 5.1.1, Procurement and Contract Processing Integrity and Conflict of Interest – Administrative Procedures](#).
7. Processes a California Environmental Quality Act (CEQA) determination with Planning, Building and Code Enforcement (PBCE) for commodity codes identified on Purchasing Intranet site (see bolded Commodity Code listings).
8. If the procurement's estimated value exceeds \$1 million, submits a "Request to Develop a Source Selection Plan" for procurement of supplies, materials, and equipment, in accordance with [City Policy Manual Section 5.1.3, Source Selection Plan](#).
9. If grant funds are used to purchase products, informs Finance/Purchasing that a portion of or all of the procurement of such supplies, materials, equipment will be funded with grant funds in accordance with [City Policy Manual Section 5.1.6, Procurements with Grant Funds](#). The Department shall also transmit a copy of all relevant grant purchasing regulations.
10. Submits an FMS System requisition with detailed specifications and applicable information such as CEQA, Grant funding, and/or Source Selection Plan. Submits applicable forms via email to assigned Procurement Staff member.
11. Identifies a departmental contact person responsible for the requisition and the departmental billing contact person in the FMS requisition.
12. Includes contact information about vendors who may be qualified to provide the supplies, materials, and equipment.
13. Visits [Finance/Purchasing](#) intranet site for detailed information about these processes and any budget control measures and respective processes issued by the City Manager's Budget Office.

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## II. Processing of Solicitations:

Finance/  
Purchasing

1. Reviews the requisition and requests further information from the department contacts, as needed.
2. Issues a Request for Quote (if estimated value is less than or equal to \$100,000) or a Request for Bid (if estimated value is above \$100,000) in accordance with the City's Municipal Code.
3. Acts as single point of contact for the solicitation, any questions or clarifications about the solicitation with the department contact.
4. For bids, holds a public bid opening.
5. Receives solicitation responses and determines low, responsive quote or bid, including the local and small business preferences.
6. Communicates the pricing tabulation and response information to the Department.

Department

7. Reviews the pricing tabulation and response information for technical compliance of the specifications and provides input to Finance's recommendation for award of contract.

Finance/  
Purchasing

8. Issues Notices of Intent to Award contract, which starts the 10-day protest period.
9. Responds to protests received, if any.

## III. Issuance of Purchase Orders

Finance/  
Purchasing

1. If the bid is above \$1 million, processes Council Memorandum for award of contract.

Department

2. Assists Finance/Purchasing with processing of Council Memorandum, including but not limited, writing or providing information for the Outcome, Background, and Budget Reference sections.

Finance/  
Purchasing

3. Issues purchase order.
4. Distributes purchase order copies to department, vendor, and accounts payable.
5. Files purchase order copy in accordance with approved retention schedule.

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## IV. Receipt and acceptance of Supplies, Materials, and Equipment

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| Department | <ol style="list-style-type: none"> <li>1. If applicable, authorizes delivery of goods in accordance with the Purchase Order.</li> <li>2. Inspects products received.</li> <li>3. If applicable, reports damaged goods delivered immediately to the vendor and requests replacement of damaged goods.</li> <li>4. Compares receiving documents to Purchase Order issued for quantities ordered, product description, and price, as applicable. Notes any discrepancies on the receiving document.</li> <li>5. Signs off on receiving documents and forwards to departmental Accounts Payable section.</li> </ol> |
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## V. Payment Processing

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| Department/<br>Accounts Payable | <ol style="list-style-type: none"> <li>1. Receives invoice from vendor and compares with signed receiving document from departmental contact (who received the product) and Purchase Order for Unit Cost pricing.</li> <li>2. Adjusts invoice payment for early discount payments, if applicable (stated on Purchase Order).</li> <li>3. Identifies use tax accruals, if applicable.</li> <li>4. Pays for freight in accordance with Purchase Order.</li> <li>5. Ensures that invoices are mathematically correct.</li> <li>6. Enters appropriate payment data into the City's Financial Management System for payment of invoices received to generate an edit list.</li> <li>7. Forwards edit list, approved invoice, signed receiving document, and any other applicable back-up documentation to Finance/Accounts Payable.</li> <li>8. Records Fixed Assets (equipment valued over \$5,000) to Detail Code 4082 and includes a detailed description of the fixed asset (Make, Model, Serial Number) in the description section of the accompanying edit list.</li> </ol> |
| Finance/Accounts<br>Payable     | <ol style="list-style-type: none"> <li>9. Reviews documentation and issues payment during the payment cycle requested by Department after receiving approved invoices and applicable documentation.</li> <li>10. Accrues use tax, if applicable.</li> </ol>  |

