Procurement of Supplies, Materials, and Equipment 5.1.7

PURPOSE

~~It is the~~This policy outlines the internal process of procuring supplies, materials, and equipment. ~~the City of San José 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 José 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 José 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 and Contract Process Integrity and Conflict of Interest, and applicable insurance requirements, and that the resulting contracts are executed by duly authorized City officials.

~~ACQUISITION~~ PROCEDURES

I. Procurement Development~~essing of Purchase Requisitions~~:

Department

1. Identifies the operational need to procure supplies, materials, and equipment.

2. ~~Obtains such supplies, materials, and equipment through the City's Central Warehouse and citywide open purchase orders, if available~~Refers to the Purchase Order & Bid Procurement Guidelines on the Finance-Purchasing Intranet Page.~~.~~

~~3. If not~~ Submits a Financial Management System (FMS) requisition with all required documents~~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~~.

~~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 City Policy Manual Section 5.1.2, City Procurement Cards, the purchase is assigned to Department Procurement Cardholders.~~

~~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.~~

~~Complies with provisions of City Policy Manual Section 5.1.1, Procurement and Contract Processing Integrity and Conflict of Interest – Administrative Procedures.~~

~~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).~~

~~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.~~

~~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.~~

~~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.~~

~~Identifies a departmental contact person responsible for the requisition and the departmental billing contact person in the FMS requisition.~~

~~Includes contact information about vendors who may be qualified to provide the supplies, materials, and equipment.~~

~~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.~~

~~15.~~3.

II. ~~_____~~Processing of Procurements~~Solicitations~~:

Finance~~-~~/ Purchasing

1. Reviews the requisition and requests further information from the department contacts, as needed.

~~1.~~2. Provides scope/specifications to Risk Management for determination of insurance requirements.

~~2.~~3. Issues a solicitation ~~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 when required. (Move to Section III Issuance of Purchase Orders if no solicitation is required)

~~3.~~4. Acts as single point of contact for the solicitation and addresses~~, any~~ questions or clarifications about the solicitation with the department contact.

~~4.~~5. ~~For bids, H~~holds a public bid opening, if applicable.

~~5.~~6. ~~Receives~~ Reviews solicitation responses for responsiveness and compliance with specified requirements~~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~~ 7. Facilitates the low-price determination/review process and forwards the results to the Department.

Department

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

Finance~~-~~/ Purchasing

9. Issues Notices of Intent to Award ~~contract~~, which starts the ~~10-day~~ protest period.

10. Responds to protests received, if any.

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III. Issuance of Purchase Orders

Finance~~ -~~/ Purchasing	1. ~~If the~~ Prepares Council Memorandum for award of Purchase Order if the resulting Purchase Order is above the City Manager's Contract Authority. (Move to #3 if the Purchase Order is less than the City Manager's Contract Authority~~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 as applicable.
Finance/ Purchasing	3. Issues P~~p~~urchase O~~o~~rder after obtaining required approvals.
	4. Distributes P~~p~~urchase O~~o~~rder copies to department and~~,~~ vendor~~, and accounts payable~~.
	5. Files P~~p~~urchase O~~o~~rder copy in accordance with approved City retention schedule.

IV. ~~Receipt and acceptance of Supplies, Materials, and Equipment~~Purchase Order Administration

Department~~-~~ Purchase Order Administrator	1. ~~If applicable, A~~authorizes delivery of goods in accordance with the Purchase Order if applicable.
	2. Inspects products received.
	3. ~~If applicable, R~~reports damaged goods delivered immediately to the vendor and requests replacement of damaged goods if applicable.
	4. Compares receiving documents/invoice to Purchase Order issued for quantities ordered, product description, and price, as applicable. Notes any discrepancies on the receiving documents/invoice and addresses discrepancies accordingly.
	5. Approves ~~Signs off on~~ receiving documents/invoice and forwards to departmental Accounts Payable section.

V. Payment Processing

Department~~ -~~/ Accounts Payable	1. Receives approved receiving documents/invoice from Purchase Order Administrator~~vendor~~ and compares with ~~signed receiving~~

~~document from departmental contact (who received the product) and~~ Purchase Order for Unit Cost pricing.

~~Adjusts invoice payment for early discount payments, if applicable (stated on Purchase Order).~~

~~3.~~2. Identifies use tax accruals, if applicable.

~~Pays for freight in accordance with Purchase Order.~~

~~5.~~3. Ensures that invoices are mathematically correct.

~~6.~~4. Enters appropriate payment data into FMS ~~the City's Financial Management System~~ for payment of invoices received to generate an edit list.

~~7.~~5. Forwards edit list, approved receiving documents/invoice, ~~signed receiving document,~~ and any other applicable back-up documentation to Finance~~/~~Accounts Payable.

~~8.~~6. 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.

Finance~~/~~Accounts Payable

~~9.~~7. Reviews documentation and issues payment during the payment cycle requested by Department after receiving approved invoices and applicable documentation.

~~10.~~8. Accrues use tax, if applicable.

~~11.~~9. Retains all original documentation in accordance with City ~~the Finance Department~~ retention schedule.

Approved:

/s/ Maria Öberg
Director of Finance

July Day, 2026
Date

Approved for Posting:

/s/ Jennifer A. Maguire
City Manager

July Day, 2026
Date

~~/s/ Scott P. Johnson~~

~~May 18, 2007~~

Director of Finance	Date

Approved:

/s/ Kay Winer Chief Deputy City Manager	May 18, 2007 Date