

Welcome to the Purchasing Division of the City of Modesto. We appreciate your interest and hope this brief guide will be of benefit to you as a prospective new supplier or as one of our present suppliers. Our aim is to be helpful to you in your sales effort and to promote a climate for good business relationships with the City of Modesto. This pamphlet will outline our purchasing procedures, and our policies affecting purchasing. Should you need more information, please feel free to contact us.

PURPOSE

It is the Purchasing Division's purpose to maintain continuity of services and supplies to support the various city departments enabling them to provide their services to the public. The Purchasing Division's goal is to obtain the best overall value to the City, consistent with the quality and quantity required.

ORGANIZATION

Purchasing services for all city departments are centralized under the City Purchasing Manager. The Purchasing Manager has sole authority under the City Charter and Municipal Code to purchase personal property and services for the City. Vendors are encouraged to contact the Purchasing Division Buyers to discuss the City's requirements for goods and services. Do not ship materials or initiate any services without a Purchase Order Number.

POLICIES AND PROCEDURES

BIDS: It is the City's policy to obtain competitive bids whenever possible. Written bids are the primary means of obtaining prices; phone quotations are solicited when practical. All written bids are due on the date and time specified on the bid form. Emergency purchases may be made without the use of the public notice or sealed bid procedure.

Sometimes a vendor will expend considerable time and money in presenting his/her product to an individual city department in the hopes of making a sale. If you do this, remember

that the purchase will eventually be made by a competitive bid and what you spend for expensive designs, demonstrations and layouts does not guarantee you an order. Specifications prepared by City Departments are carefully reviewed by Purchasing to eliminate undue restrictions and other limitations, which unnecessarily reduce competition. The Purchase will eventually be made from the lowest responsive and responsible bidder meeting these objective specifications.

BIDDERS LIST: The City has an online system which allows vendors to register online to automatically receive bid notifications. The online registration system allows vendors to receive automatic notification of bids for vendor-selected commodity codes. The vendor online system can be accessed from the City's home page at www.modestogov.com.

BID RESULTS: After the due date, bid awards are a matter of public record. Abstracts of written bids showing prices and awards are available for your inspection. Due to the quantity of bids received, we are unable to furnish copies of the abstract or accept telephone inquiries as to bid results. Formal bids results will be posted online.

It should be understood that a formal bid constitutes an offer to enter into a contract with the City which, if accepted, is binding upon you. If your bid is accepted, your contract will hold you to all the terms and conditions of the bid specification.

PROTEST AND APPEAL PROCEDURES: In order to maintain fairness and impartiality, the City has established a bid protest and appeal procedure. A copy of the procedure can be obtained by contracting the City of Modesto Purchasing Office at (209) 577-5405.

SPECIFICATIONS: Written specifications are used in the bidding process to describe the level of quality required; unless otherwise specified, all merchandise purchased is new and unused.

In addition to the specifications, certain terms and conditions governing purchases are also outlined in the bid form. Award is made to the vendor who meets the specifications, terms and conditions stated, including the delivery requirements, and offers the lowest price. Cash discounts are encouraged and may be considered in the award.

SHIPMENT: Deliveries in almost all cases are required to be made to the City, FOB: destination.

DELIVERY: Requirements for delivery are specified on all bids and purchase orders. Failure to meet the specified date may cause cancellation of the order and will reflect on the vendor's performance rating.

INSPECTIONS

City specifications define the quality and performance required of each purchase. Variations from the specifications make a shipment subject to rejection. In addition to quality condition checks at delivery, purchases are subject to inspection for conformity with specifications. Such inspections may be made at the supplier's plant, upon delivery, or when the items are later applied to their intended use. A vendor's record of compliance with specifications is an important factor in evaluating buying sources.

OTHER REQUIREMENTS

INSURANCE: In all instances in which vendor personnel enter City of Modesto property to repair, install, service, construct, etc., the City of Modesto requires General Liability and Auto Liability Insurance for not less than \$1,000,000. The Certificate required must also name the City of Modesto as additional insured, and must include Workers' Compensation Insurance coverage. Whenever insurance is required on a Purchase Order, the vendor will be supplied with complete requirements for coverage. Some vendors have their carriers issue the Certificate to cover "all operations" for the City of Modesto. This eliminates the need to provide a Certificate for

each project. Contact the Purchasing Department for further information on this plan.

BID AND PERFORMANCE BONDS: Bid and Performance bonds are required only when it is absolutely necessary to protect the interests of the City, and they may be required on certain purchases, depending on the complexity of the procurement and dollar value.

BLANKET PURCHASE ORDERS: A Blanket Purchase Order allows a vendor to sell goods to the City on an as-needed basis at specific prices or under a specific pricing formula, for a specified period of time (one fiscal year or less). A vendor holding a Blanket Purchase Order does NOT ship goods until an authorized City employee issue a written or verbal release for specific goods to be supplied pursuant to the Blanket Purchase Order. Only items which are described on the Blanket Purchase Order may be purchased. The vendor should reference the Blanket Purchase Order number on all invoices.

CHANGE ORDERS: The Purchase Order is the City's contact with the vendor. Therefore, any change to that contract must be in writing and authorized by the Purchasing Manager. Department personnel may NOT make changes to the Purchase Order.

TAX: The City is exempted from federal excise tax by federal law. Prices quoted by vendors shall include sales or use tax, unless otherwise requested; all applicable taxes should be included on invoices. Use tax is paid directly to out-of-state vendors, if the vendor is licensed to collect such tax.

BILLING: The purchase order number must appear on all invoices, shipping tags, and all correspondence relevant to the order.

PAYMENT: Payment is made to the vendor after receipt of invoice in triplicate and delivery and acceptance of material on the purchase order.

VENDOR'S GUIDE TO DOING BUSINESS WITH THE CITY OF MODESTO

Partial payments can be arranged if necessary. The Invoice Processing Section of the Finance Department will process invoices and receiving reports and forward to the City Clerk who will issue checks for payment to the vendor. Using departments are not responsible for payment to vendors, and all invoices are to be sent to Accounts Payable.

EQUAL OPPORTUNITY: It is the policy of the City of Modesto to encourage equal opportunity in all of its contracts for goods and services. We see new and small businesses as an important part of a competitive bid process, which deserve our encouragement and help.

GIFTS AND GRATUITIES: The City of Modesto maintains a strict policy prohibiting the acceptance by its employees, or gifts and/or gratuities from any supplier or potential supplier.

SALES CALLS AND CONTRACTS

Office hours are from 8:00 a.m. to 4:30 p.m., Monday through Friday. We will try to see you on the first visit even if you have not called for an appointment. However, the buyers specifically assigned to your product lines may not be available. In order to conserve your time and ensure you an adequate hearing, we urge you to make a definite appointment before coming to the Purchasing Division. Routine "courtesy" visits are not encouraged.

All sales representatives should deal directly with the Purchasing Division. No one outside the Purchasing Division can commit the City to a purchase. Do not ship materials or initiate any services without a Purchase Order number. Doing so puts the vendor at risk of not getting paid for unauthorized sales.

EXCEPTION: There are obviously times during emergencies when an order must be placed by City personnel after hours or on weekends, times when the Purchasing office is normally closed. Emergency purchases may be made for items which are immediately necessary for the continued

operation of the office or department involved, or which are immediately necessary for the preservation of life or property. Be assured that true emergency purchases at such times without Purchase Order numbers will be approved.

RECYCLING: Consideration will be given for products that contain recycled material or have the potential of being recycled, if fitness, quality, purpose and prices are equal.

BUY LOCAL: Preference shall be given to the purchase of supplies and materials from local merchants, quality and price being equal. Local merchants who have a business location within the City and a current City business license shall be granted a two (2) percent bid preference. The two (2) percent bid preference is based on the amount of that portion of the bid which is subject to sales tax. Some exceptions do apply.

SUMMARY: We hope this brief outline has helped you in understanding our Department and its purpose.

We know that we can assist you by:

- Directing your attention to our web site which lists our present needs.
- Consolidating our requirements.
- Arranging for demonstrations before the proper people.
- Aiding in obtaining the greatest yield for your time and effort

We hope you will help us by:

- Keeping us informed concerning new items and trends.
- Remembering that contractual commitments may only be made by purchasing personnel.
- Checking with us before leaving demonstration or loaner equipment or supplies with departments.
- Aiding us in obtaining the greatest yield for our time, effort and the taxpayer's dollars.

When we do conduct business with you, it is our desire to have you feel that each transaction has been satisfactorily concluded.

STANDARDS OF PURCHASING PRACTICE

1. To regard Public Service as a sacred trust, giving primary consideration to the interests of the governmental unit by whom we are employed.
2. To purchase the best value obtainable, securing the maximum benefit for each tax dollar expended
3. To avoid sharp practices, giving all qualified vendors an equal opportunity.
4. To respect our obligations and to require that obligations to us and our governmental unit be respected.
5. To accord vendor representatives the same treatment we should like to receive, remembering that they are important sources of information and assistance in our buying problems.
6. To strive constantly for greater knowledge of purchasing methods and of the materials we buy.
7. To be receptive to counsel from our colleagues and to cooperate with them to promote a spirit of unity.
8. To conduct ourselves with fairness and dignity and to demand honesty and truth in buying and selling.
9. To cooperate with all organizations and individuals engaged in enhancing the development and standing of the Purchasing profession.
10. To remember that everything we do reflects on the entire Purchasing profession, and to govern our every action accordingly.

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