

ORDINANCE NO. 14 -005
AN ORDINANCE OF THE CITY OF PACIFIC GROVE
AMENDING PACIFIC GROVE MUNICIPAL CODE CHAPTER 2.16 TO
AUTHORIZE CITY MANAGER PURCHASES OF UP TO \$35,000

FINDINGS

1. Currently, PGMC Section 2.16.160 requires the City Council approve any purchase of goods or services the cost of which exceeds \$15,000. Purchases of less than that amount can be approved by the City's Purchasing Agent, which the Municipal Code identifies as the City Manager (PGMC 2.16.010).
2. The current purchase limit has not been changed since at least 1984, and possibly before that. According to the Bureau of Labor Statistics, over \$35,000 is now required to purchase what could have been purchased for \$15,000 in 1984, due to the effects of inflation.
3. This measure provides a mechanism to change the maximum purchase authority value every five years, based on changes in the consumer price index, to prevent the approved value from again becoming out of date, which would repeat what has taken place since 1984.
4. In the enactment of this ordinance, the City followed the California Environmental Quality Act (CEQA) Guidelines adopted by the State of California and published in the California Code of Regulations, Title 14, Section 15000, et seq. Amendment of PGMC Chapter 2.16 does not constitute a "project" as that term is defined by CEQA.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE:

SECTION 1. The foregoing findings are adopted by the City Council as though set forth in full.

SECTION 2. The text of the Pacific Grove Municipal Code set forth in existing Chapter 2 Administration and City Government, Articles II, III, and IV shall be changed by the deletion of all text shown in ~~strikeout text~~ and the addition of all text shown is bold, italic, underscored text (***bold, italic, underscored text***), as follows:

2.16.080 Bidding procedures – Dispensation when.

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Provided, that even when procedures are dispensed with hereunder, council approval, by resolution, shall be required for purchases in excess of \$15,000 the ***maximum amount for which the purchasing agent is authorized, as specified in Article II below.***

2.16.090 Competitive negotiation.

As an alternative to the procedures set out in Articles II and III of this chapter, in the case of obtaining consulting and other specialized personal services, those services may be obtained by competitive negotiations. When this process is utilized, the best offer judged against proposal

evaluation shall be accepted. Any offer exceeding \$15,000 *the maximum amount for which the purchasing agent is authorized, as specified in Article II below*, shall require council approval by resolution prior to acceptance.

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Article II. Open Market Purchases

2.16.160 Authorized for purchases ~~under \$15,000~~ *by the purchasing agent*

(a) Purchases of supplies, services, materials, equipment and contractual services, including public works, having an estimated market value under \$15,000 \$35,000 may be made by the purchasing agent in the open market, as hereinafter described in this article, without observing the formal contract procedures prescribed in Articles III and IV of this chapter.

(b) The purchase authority limit set forth in paragraph (a) above shall be adjusted on July 1st of each fifth fiscal year, starting on July 1, 2020. The adjustment shall cause an increase or decrease to the purchase limit based upon the cumulative change in the Consumer Price Index (CPI) that occurred since the last adjustment, based upon the "CPI , All Urban Consumers, San Francisco-Oakland-San Jose area; base years 1982-1984 = 100" as published by the U.S. Department of Labor or any comparable replacement or successor index. For ease of administration, the purchase authority limit set for each following five-year period shall be adjusted by rounding to the nearest \$5,000.

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Article III. Purchases ~~over \$15,000~~ *in amounts over the purchasing agent's authorization*

2.16.220 Formal contract procedure.

Except as otherwise provided herein, purchases and contracts for supplies, services and equipment of estimated market value greater than \$15,000 *the maximum amount for which the purchasing agent is authorized, as specified in Article II above*, shall be by written contract, approved by the council by resolution, with the lowest responsible bidder pursuant to the procedure prescribed in this article. (The procedures prescribed in Article IV of this chapter shall be observed in the case of all public works projects, as defined in Article IV of this chapter, involving expenditures of ~~over \$15,000~~ *greater than the maximum amount for which the purchasing agent is authorized, as specified in Article II above.*) [Ord. 1405 N.S. § 2, 1984].

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Article IV. Public Works Contracts

2.16.320 Written contract.

Every project involving an expenditure of ~~more than \$15,000~~ *greater than the maximum amount for which the purchasing agent is authorized, as specified in Article II above*, for the erection, improvement, or repair of public buildings and works, in all sewer and street work, and in furnishing materials or supplies for same shall be let by written contract, approved by the council by resolution, with the lowest responsible bidder in accordance with the procedures prescribed in this article. PGMC [2.16.080](#) notwithstanding, dispensation of bid procedures for

projects described in this section shall be made only as allowed in this article. [Ord. 1667 N.S. § 1, 1989; Ord. 1405 N.S. § 2, 1984].

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2.16.420 Splitting projects.

No undertaking involving amounts in excess of \$15,000 *the maximum amount for which the purchasing agent is authorized, as specified in Article II above*, shall be split into parts ~~so as to produce amounts of \$15,000 or less~~ for the purpose of avoiding the provisions and restrictions of this article. [Ord. 1405 N.S. § 2, 1984].

SECTION 3. If any provision, section, paragraph, sentence, clause, or phrase of this ordinance, or any part thereof, or the application thereof to any person or circumstance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance, or any part thereof, or its application to other persons or circumstances. The City Council hereby declares that it would have passed and adopted each provision, section, paragraph, subparagraph, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, paragraphs, subparagraphs, sentences, clauses, or phrases, or the application thereof to any person or circumstance, be declared invalid or unconstitutional.

SECTION 4. The City Manager is directed to execute all documents and to perform all other necessary City acts to implement this Ordinance.

SECTION 5. In accord with Article 15 of the City Charter, this ordinance shall become effective on the 30th day following passage and adoption hereof.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 19th day of March, 2014, by the following vote:

AYES: Mayor Kampe, Councilmembers Cohen, Cuneo, Fischer

NOES: Councilmember Miller

ABSENT: Councilmember Lucius

APPROVED:

BILL KAMPE, Mayor

ATTEST:

DEBORA THOMSEN, Interim City Clerk

APPROVED AS TO FORM:

DAVID C. LAREDO, City Attorney