



DATE: October 18, 2021

AGENDA ITEM # 2

TO: Financial Commission
FROM: John Furtado, Finance Director
SUBJECT: City of Los Altos Purchasing Policy update

RECOMMENDATION:

Provide a recommendation to the City Council on approval of the Purchasing Policy update

BACKGROUND

Currently the City Manager is appointed the purchasing officer of the City and grants him/her the authority to purchase or contract for supplies, services and equipment required by the City departments in accordance with purchasing procedures prescribed in the code and other resolutions and administrative rules approved by the City Council.

The City Manager has assigned the responsibility for administering the City's purchasing policies and procedures to individual departments through the Finance Director.

DISCUSSION

Staff recommends clarification to different authorization levels contained in the Purchasing Policy and updated the Procedure Manual to simplify the purchasing processes and recognize automation of various processes. Over the years the Finance Division has heard increasing frustration from staff in other departments that the existing policy is difficult to understand and follow. Staff updated the policy to clarify the procedures that City employees should follow when making purchases from vendors, including what authorization is needed for a purchase.

The proposed amendment specifically updates the following:

- Adds a section of Ethical Guidelines
- Reflects changes to the new structure of the Finance Department, versus the prior administrative services department.
- Requests and increase of the city managers limit from the current \$75,000 to \$100,000
- Requests the increase in Petty cash payments from \$50 to \$ 100
- Makes corrections to errors and conflicting information between tables and text.
- Adds as sentence (under bidding exceptions) on the ability of City Council or the City Manager to declare an emergency.
- Further additions of eligible expenses to the shared cost section.
- Allowing the City Manager to approve invoices related to legal fees up to the budgeted appropriation limit.

Staff recommends that the Financial Commission send a recommendation to the City Council to adopt the revised Purchasing policy with any suggested comments or revisions.