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CHAPTER 18.

FINANCE.[1]

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[1]As to city treasurer, see Secs. 2-34 to 2-36 of this Code. As to director of finance, see Secs. 2-40 to 2-44. As to ambulance rates, see Secs. 4-5 to 4-7. As to licenses generally, see Ch. 26. As to taxation generally, see Ch. 40.

Article I. Claims, Demands and Warrants[2].

Sec. 18-1. "Warrant" or "check" defined.

Wherever the words "warrant" or "check" are used in this Code, they shall mean voucher checks. (Mun. Code, Sec. 2513)

Sec. 18-2. Presentment by city officers; opposition to allowance.

No city officer shall, except for his own service, present any claim, account or demand for allowance against the city, or in any way, except in the discharge of his official duty, advocate the relief asked in the claim or demand made by any other person. Any person may appear before the city council and oppose the allowance of any claim or demand made against the city. (Mun. Code, Sec. 2500)

Sec. 18-3. Invoices of the city.

Invoices of the city shall be approved or rejected by the city council in conformity with the procedure set forth in sections 18-4 and 18-5; and section 18-6 et seq., shall not govern if the claim or demand against the city is a claim based upon an invoice for contractual liability of the city. (Mun. Code, Sec. 2501)

Sec. 18-4. Presenting and filing invoices.

All invoices shall be submitted in duplicate and in writing to the director of finance and the procedure established in this article followed before payment can be made thereon. (Mun. Code, Sec. 2502)

Sec. 18-5. Audit and approval of invoices; submission to city council of register of audited invoices.

Invoices shall be audited and approved by the city manager and then the director of finance and a register of audited demand or invoices submitted to the city council for approval or rejection with an attached affidavit by the director of finance certifying to the accuracy of the demands or invoices and the availability of the funds for the payment thereof. (Mun. Code, Sec. 2503)

[2]For state law as to presentation and collection of claims against public entities, see Gov. C., Sec. 900 et seq.

Sec. 18-6. Claims other than invoices to be itemized.

The city council shall not hear or consider or allow or approve any claim, bill or demand against the city, other than invoices as set forth in sections 18-4 and 18-5, unless the same are itemized, giving names, dates and particular services rendered, character of process served and upon whom, distance traveled, character of work done, the number of days engaged, materials and supplies furnished, when and to whom and in what quantity furnished, the price thereof and other pertinent details as the case may be. Salaries and wages of officers and employees of the city shall not be considered to be claims, accounts, bills or demands against the city hereunder. (Mun. Code, Sec. 2504)

Sec. 18-7. Presenting and filing claims other than invoices.

Claims and demands arising out of tort and all claims and demands not founded upon contract or covered by this article shall set forth the time and place the claim arose, the public property, officers or employees alleged to be at fault, the nature and extent of the injury or damage claimed and full details as to the nature of the claim, shall be signed and verified to be correct by the claimant or someone authorized by him, and shall be filed with the city clerk within ninety days after the accident or event occurred. All other claims and demands shall be presented in writing to and filed with the city clerk within one year after the last item on the account or claim accrued. Unless so presented and filed, no such claim or demand shall be approved, allowed or paid, and the city shall not be liable upon any suit or action based upon any such claim or demand which is not filed in the form and within the time herein provided. (Mun. Code, Sec. 2505)

Sec. 18-8. Filing and rejection of claim prerequisite to suit.

Any claim or demand against the city or against any city officer in his official capacity, payable out of any city fund or any fund under control of the city treasurer, shall be filed and presented to the city council as provided in this article before any suit may be brought thereon. No suit may be brought on any claim until it has been rejected in whole or in part. If the city council refuses or neglects to allow or reject a claim for ninety days after it is filed with the city clerk, the claimant may treat such refusal or neglect as final action and rejection on the ninetieth day. (Mun. Code, Sec. 2506)

Sec. 18-9. Form for claims other than invoices.

All claims other than invoices shall be in duplicate and in writing and verified by the claimant or his authorized representative and set forth those items required in sections 18-6 and 18-7. Each claim shall be stamped "Received" by the city clerk and given a claim number. (Mun. Code, Sec. 2507)

Sec. 18-10. Method of approval of claims other than invoices.

Each claim or demand, other than invoices, shall be submitted by the city clerk or director of finance to the city manager within five days of the receipt thereof for audit and approval by him. The city manager may, in his discretion, refer the claims or demands to the city attorney for a report to the city manager when the city manager deems the same necessary. The city manager shall audit the claims and report on the claims, whether approved or not, to the city council within sixty days of the date the claims are first received by the city clerk or director of finance, and the report shall contain the findings and recommendations of the city manager. All claims and demands shall be submitted to the city council for final approval or rejection and the city council shall audit the claims and demands as required by law. (Mun. Code, Sec. 2508)

Sec. 18-11. Disposition of claims other than invoices.

If the city council finds that any claim or demand is not a proper charge against the city, it shall be rejected by minute motion, and the fact of rejection shall be plainly endorsed upon the claim by the city clerk. The city clerk shall also within five days of the action of the city council notify the claimant or his authorized representative in writing of the action of the city council, and the fact of rejection of the claim.

If any claim or demand is determined by the city council to be a proper charge against the city, the same shall be allowed by resolution or minute order setting forth as to each claim the name of the claimant, a brief statement of the claim, the amount allowed and a designation of the fund out of which it is to be paid. In such event the city clerk shall notify the claimant or his authorized representative in writing within five days of the action of the city council of the foregoing facts.

Any claim may be allowed in part and rejected in part by the city council. (Mun. Code, Sec. 2509)

Sec. 18-12. Approval and allowance of claims other than invoices.

If any claim or demand is allowed and approved by the city council, the city clerk shall endorse upon such claim the words, "Allowed by the City Council of the City of Paramount," together with the date of such allowance, and for what amount and from what fund, and the city clerk shall attest the same with his signature. The city clerk shall thereupon deliver the claim and a check therefor to the city manager with a copy of the resolution or minute order allowing the same. (Mun. Code, Sec. 2510)

Sec. 18-13. Repealed by Ordinance No. 467.

Sec. 18-14. Sufficient money to be in treasury prior to drawing warrant, etc.

Except as otherwise provided by law, no warrant shall be drawn or evidence of indebtedness issued unless there is at the time sufficient money in the treasury legally applicable to the payment of the same. (Mun. Code, Sec. 2512)

Sec. 18-15. Audit by director of finance.

All payroll warrants, checks, itemized statements of expenditures as required by section 18-19, and all invoices, claims and demands against the city shall be submitted to the director of finance for audit by him. Following the audit the director of finance shall submit the matters to the city manager and thereafter the matters shall be processed in accordance with this Code, other ordinances of the city, resolutions of the city council and the laws of the state. (Mun. Code, Sec. 2514)

Article II. Payroll Revolving Fund.

Sec. 18-16. Established.

There is hereby established a payroll revolving fund in the amount of three thousand five hundred dollars to be established, maintained and replenished out of the general fund of the city, and there shall be deposited in the payroll revolving fund from the general fund the sum of three thousand five hundred dollars. (Mun. Code, Sec. 2600)

Sec. 18-17. Expenditures generally.

All money in the payroll revolving fund shall be expended exclusively for payroll purposes. (Mun. Code, Sec. 2601)

Sec. 18-18. Expenditures to be as authorized.

All expenditures out of the payroll revolving fund shall be in accordance with previous authorization of the city council in respect to payment of salaries, wages and payrolls and in the amounts and at the times so authorized. Expenditures therefrom shall be made in accordance with section 18-13. (Mun. Code, Sec. 2602)

Sec. 18-19. Audit and replenishment.

Payroll warrants and checks need not be audited by the city council prior to payment but shall be presented by the city manager to the city council for ratification and approval at the first meeting after the delivery of the payroll warrants. Upon presentation to the city council by the city manager of an itemized statement of expenditures out of the payroll revolving fund, audited and approved by the city manager, the city council may authorize the reimbursement to the fund of the amount so audited and approved. (Mun. Code, Sec. 2603)

Article III. Special Gas Tax Street Improvement Fund.[3]

Sec. 18-20. Established.

To comply with the provisions of article 5, chapter 1, division 1 of the Streets and Highways Code there is hereby created in the city treasury a special fund to be known as the "special gas tax street improvement fund." (Mun. Code, Sec. 2700)

Sec. 18-21. Receipts.

All money received by the city from the state under the provisions of the Streets and Highways Code for the acquisition of real property or interests therein for, or the construction, maintenance or improvement of streets or highways other than state highways shall be paid into the special gas tax street improvement fund. (Mun. Code, Sec. 2701)

[3]For state law authorizing payment of state funds to city where special gas tax street improvement fund set up, see Sts. & H. C., Sec. 2113.

Sec. 18-22. Expenditures.

All money in the special gas tax street improvement fund shall be expended exclusively for the purposes authorized by, and subject to all of the provisions of article 5, chapter 1, division 1 of the Streets and Highways Code. (Mun. Code, Sec. 2702)

Article IV. Purchasing of Supplies and Equipment.[4]

Sec. 18-23. Adoption of purchasing system.

In order to establish efficient procedures for the purchase of supplies, services and equipment, to secure for the City supplies, services and equipment at the lowest possible cost commensurate with quality needed, to exercise positive financial control over purchases, to clearly define authority for the purchasing function through the use of contracts and other authorized procedures, and to assure the quality of purchases, the purchasing system set forth in this Chapter is adopted for the City of Paramount. This Chapter has no applicability to public works construction contracts. (Mun. Code, Sec. 2800; Ord. Nos. 967, 1030)

Sec. 18-24. Authority and responsibility.

The authority and responsibility for the purchase of supplies and equipment, procurement of professional services and disposition of surplus supplies and equipment is vested in the City Manager and City Council. The City Manager is the Purchasing Officer and may designate other City employees to serve as Purchasing Officers and delegate to those employees the duties and responsibilities imposed by this Chapter on the Purchasing Officer. The Purchasing Officer may promulgate additional rules and procedures necessary to carry out the responsibilities of this Chapter. The head of each City department is responsible for administering and implementing for that department the purchasing policies and procedures set forth in this Chapter. In addition to administering these policies and procedures, the Purchasing Officer and each department head shall:

(a) In awarding contracts or making purchases, first consider sources of supplies and equipment located within the City. The City Council has encouraged all residents and businesses located within the City of Paramount to shop locally at businesses located in the City. In keeping with this policy, the Purchasing Officer shall make every attempt to purchase supplies and equipment from Paramount businesses in accordance with this Chapter. The Purchasing Officer or City Council shall give preference to local bidders when awarding any contract or purchasing goods when the bids meet any of the following criteria:

(1) The difference between bids from local bidders and those outside the City is less than the current sales tax benefit the City would receive from the local sales tax; and

(2) A reasonable condition of the contract performance is expeditious delivery of goods and it is reasonably believed that the local bidder will be able to provide its goods more expeditiously than a business located outside the City; or

[4]For state law as to purchasing of supplies and equipment by cities, see Gov. C., Sec. 54201 et seq.

(3) Any other reason which would factually justify selection of a local bidder based upon criteria which does not illegally discriminate against outside businesses.

(b) Keep informed of current developments in market conditions and new products and maintain a bidder's list, vendor catalog files or other records needed for the efficient purchase of supplies and equipment.

(c) Cause supplies and equipment delivered to the City to be inspected to determine their conformance with specifications.

(d) Evaluate contract services performed to determine conformance with the specifications set forth in the contract.

(e) Consider and encourage the purchase and use of recycled and recyclable materials and products, whenever feasible.

(f) The term "department head" as used in this division means the person who is designated by the City Manager as being responsible for each particular City department, including, but not limited to, Administrative Services, Community Development, Community Services & Recreation, Finance, Public Safety and Public Works.

(Ord. Nos. 967, 1030)

Sec. 18-25. Determination of purchasing requirements and surplus.

The adopted budget for each department for each fiscal year shall include funding for the necessary supplies, services, and equipment for that department during the fiscal year. Unless directed by the City Manager, departments shall not purchase supplies, services or equipment unless there exists an unencumbered appropriation in the department account against which such purchase is to be charged. Each department head or his/her designee shall ensure that sufficient documentation is submitted with a request for payment to demonstrate compliance with these policies and procedures and to justify the acquisition of supplies and equipment. (Ord. Nos. 967, 1030)

Sec. 18-26. Purchasing limitations.

For the purchase of supplies, equipment, and nonprofessional services, such purchases may be made by the employees designated in this section subject to compliance with the procedures and limitations contained in this section.

(a) For purchases of $100.00 or less, petty cash may be used and the applicable department head, or designee, must approve the purchase. It is not required that bids be obtained for such purchases.

(b) For purchases over $100 but less than $2,500, the applicable department head, or designee, must approve payments for such purchases. It is not required that bids be obtained for such purchases. Requests for payment shall be submitted to the Finance Department.

(c) For purchases that are equal to or exceed $2,500, but are less than $25,000, a department head, or designee, must approve payments for such purchases. Before the purchase is made, three written informal bids must be obtained from vendors and each of these bids must be documented, all in accordance with Section 18-27. Verbal bids will not be accepted in satisfaction of this requirement.

(d) For purchases of $25,000 or more, the City Council must approve the contract for the purchase. Prior to City Council approval, three written formal bids must be obtained from prospective vendors, in accordance with Section 18-28. Verbal bids will not be accepted in satisfaction of this requirement. The City Council may authorize that such contracts be executed by the City Manager.

(Ord. Nos. 967, 1030)

Sec. 18-27. Competitive informal bidding procedures.

For purchases of supplies, equipment, or nonprofessional services with a value greater than $2,500 up to $25,000, at least three bids must be obtained; and the applicable department shall solicit bids from prospective vendors. Further, the contract for such purchases shall be awarded to the lowest responsible vendor, consistent with the quality, quantity and delivery requirements. The lowest responsible bidder shall be determined by such factors as reputation, ability, references, quality of supplies and equipment, and price. Bids shall be attached to the payment request(s) submitted to the Finance Department. This record, while kept, shall be open to public inspection. (Ord. Nos. 967, 1030)

Sec. 18-28. Competitive formal bidding procedures.

Contracts for supplies, equipment, and nonprofessional services of estimated value greater than $25,000 shall be set by the formal procedures:

(a) The department head, or designee, making the purchase shall mail notices inviting formal bids. The notices shall be mailed to all qualified vendors on the bid list or who have requested their name to be added thereto, unless the products or service is proprietary.

(b) The notices shall be mailed no later than ten (10) calendar days before the opening date of the bids. The notices shall describe the supplies and equipment in general terms, how to obtain more detailed information, and state the time and place for submission of bids.

(c) The notice inviting bids shall be published at least ten (10) calendar days before the date of opening of the bids. Notice shall be published in a newspaper of general circulation in the City or, if there is none, it may be posted in at least three (3) public places in the City that have been designated as the places for placing public notices.

(d) Sealed bids shall be identified as bids on the envelope and submitted to the department soliciting bids. Bids shall be opened in public at the time and place stated in the public notices. A tabulation of all bids shall be available during regular business hours for a period of not less than thirty (30) calendar days after the bid opening.

(e) Contracts shall be awarded by the City Council to the lowest responsible bidder except as otherwise provided herein. The decision of the City Council shall be final.

(f) In its discretion, the City Council may reject any bids presented, abandon the purchase or advertise again. After rejecting the bids submitted, the City Council may either advertise again or adopt a resolution declaring that the supplies or equipment can be furnished at a lower price in the open market, and may award the contract in the open market without further compliance with this section.

(g) If two (2) or more bids received are the same and are the lowest, the City Council may accept the one it chooses.

(h) If no bids are received, the purchase may be let in the open market or by the informal procedures set forth in Section 18-27.

(i) The City Council shall have the right to waive any defect or informality in the bidding or in the procedures set forth in this section. A waiver of any defect or informality shall not void any contract subsequently entered into.

(Ord. Nos. 967, 1030)

Sec. 18-29. Exemption from bidding upon determination of Purchasing Officer or City Council.

The bidding requirements set forth in Sections 18-27 and 18-28 may be waived, at the discretion of the Purchasing Officer, when any of the following is applicable:

(a) After a reasonable attempt has been made to obtain bids, and it has been determined by the Purchasing Officer that three (3) bids cannot be obtained under Section 18-27.

(b) The Purchasing Officer determines that due to the nature of the supplies or equipment, formal bidding is not likely to result in the lowest price.

(c) Sufficient, satisfactory bids are not received.

(d) Supplies or equipment are procured through a cooperative purchasing program with federal, state, county or other public agencies.

(e) The commodity is unique, including, but not limited to, acquisition of data processing, telecommunications and word processing equipment, goods and services.

(f) The product or service can be obtained from only one vendor (sole source).

(g) The purchase of a specific brand name, make or model is necessary to match existing City equipment or facilitate effective maintenance and support.

(h) The bidding requirements of Section 18-28 may be waived by the City Council when, in the opinion of the City Council, compliance with the procedures is not in the best interest of the City.

(i) Annual bids for office supplies/maintenance supplies.

(j) Emergency Conditions – Exemptions from bidding and Council approval upon determination of the Purchasing Officer if he/she finds that emergency conditions require the immediate purchase of supplies or equipment. For the purpose of this section, emergency purchases are those procurements required to prevent the immediate interruption or cessation of necessary City services or to safeguard life, property or the public health and welfare.

(Ord. Nos. 967, 1030

Sec. 18-30. Professional service contracts; exempt from bidding.

Professional services are defined as services provided by any specially trained and experienced person or firm, including but not limited to, persons or firms in the areas of accounting, administration, architecture, computer information systems, construction management, design, economics, engineering, environmental analysis, finance, law, planning, surveying, or other matters involving specialized expertise or unique skills.

(a) Contracts awarded for the performance of services in the above-listed areas shall be awarded by the City Council on the basis of the demonstrated competence of the contractors, and on the contractor's professional qualifications necessary for the satisfactory performance of the services required, and on the fairness and reasonableness of the cost of the services to the City, and shall not be awarded solely on the basis of cost. The competitive formal bidding requirements set forth in Section 18-28 are not applicable to the procurement of professional services.

(b) Subject to compliance with the procedures set forth in this section, the Purchasing Officer, or his/her designee, may enter into and execute contracts for professional services when the cost of such services does not exceed $40,000. City Council approval is required for all contracts for professional services when the cost of the services is over $40,000. The City Council may authorize that such contracts be executed by the City Manager.

(Ord. Nos. 967, 1030)

Sec. 18-31. Prohibition against splitting contracts.

Notwithstanding any authority given hereinabove, the Purchasing Officer or designated employees are prohibited from splitting a single contract in excess of the purchasing limitations defined in this ordinance into smaller contracts to avoid the competitive informal bidding procedures outlined in Section 18-27, or City Council approval required under Sections 18-28 (d) and 18-30 (b). (Ord. Nos. 967, 1030)

Sec. 18-32. Prohibited activity.

City officers and employees are specifically prohibited from engaging in any unlawful activity in the procurement of supplies, equipment, and services, including, but not limited to, receipt of rebates, kickbacks, or other unlawful consideration. City officers and employees are prohibited from participating in the selection process when those persons have a financial interest in the purchase or contract as described in Government Code Section 1090 *et. seq*. or 87100 *et. seq*. (Ord. Nos. 967, 1030)

(Mun. Code Secs. 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2512, 2513, 2514, 2600, 2601, 2602, 2603, 2700, 2701, 2702, 2800, 2801, 2802, 2803, 2804, 2805, 2806, 2807, 2808, 2809; Ord. Nos. 367, 455, 467, 897, 967, 1030)