



# HOW TO DO BUSINESS WITH THE CITY OF COSTA MESA

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## PURCHASING STAFF

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## FOREWARD

The purpose of this document is to inform potential suppliers of the procedures for doing business with the City of Costa Mesa. The intent is to encourage open and business-like relationships between City staff and suppliers.

This brochure is intended as a general guide. Any questions, which are not answered here, may be directed to one of the purchasing staff listed above.

## MISSION STATEMENT

Ensure that the materials and services required by the City are available on time, are of the best value, and are acquired with integrity.

## ETHICAL STATEMENT

Purchasing is dedicated to the highest principles of fairness and competition. The Division operates under the auspices of federal, state and local law. Purchasing staff are strictly prohibited from taking any actions, which do not reflect the ideals of honor and integrity in the performance of their work. The offering of gratuities or promises of future employment by vendors to any City employee is prohibited.

All vendors will adhere to the principles of equal employment opportunity with respect to hiring and promotion.

## PURCHASING AUTHORITY & RESPONSIBILITIES

Purchasing solicits bids for materials, supplies, and equipment and services for all City Departments. The Division's legal authority is found in the City of Costa Mesa Municipal Code and the State of California Government Code.

Purchases of land, and construction services for buildings and highways (public projects) are handled by the Public Services Department.

## **HOURS OF OPERATION**

The Purchasing Division (City Hall) is open for business Monday through Thursday, from 8:00 a.m. to 5:00 p.m.

## **OFFICE VISITS**

Sales representatives are a valuable source of information in obtaining bids, specifications, state of the art advancements or product improvements, and in resolving problems in delivery, billing and payment difficulties, etc. We value your visits. However, we recommend you call for appointments in order to productively utilize our time and yours.

## **METHODS OF PROCUREMENT**

Acquisitions of goods and services are made via Purchase Order or Order Form. All purchases are subject to the City of Costa Mesa Terms and Conditions. The City of Costa Mesa encourages competition in its purchasing practices.

The City of Costa Mesa utilizes the following methods of purchasing: formal Request for Proposal (RFP), formal Invitation for Bid (IFB), and informal Request for Quotation (RFQ - written and phone solicitations). City Departments are authorized to issue "City Order Forms" for purchases under \$1,000. All other acquisitions of goods and services require the issuance of a Purchase Order.

Formal solicitations, RFPs and IFBs, require posting of a public notice, submission of an electronic bid or proposal, public bid opening or acknowledgment, and an award by the City Council. Formal IFBs and RFPs are for purchases in excess of \$50,000. These solicitations are posted through PlanetBids™.

Informal requests for quotation must be written.

## **TYPES OF CONTRACTS**

The City of Costa Mesa normally contracts for two types of purchases, either a one-time contract or a term contract.

- **One Time Contract:** The City procures required services or materials on a one time basis. A firm price is requested for fixed quantities with single or multiple delivery sites. Depending on the dollar amount of the purchase, the formal sealed solicitation method or informal quotation method is used.
- **Term (Standing) Contract:** The City has established, and continues to establish, term contracts for estimated quantities of materials or services commonly used in volume by specific departments or on a City-wide basis. These contracts are awarded by a formal sealed solicitation method for a specified period of time.

## **INSURANCE**

If a vendor will be performing work on city premises, the vendor will need to furnish insurance certificates to the City prior to beginning work. The insurance that is required is the general liability with a separate endorsement page (detailed description below), automobile insurance and workers compensation.

### **General Liability Insurance Coverage**

Commercial General Liability, including coverage for premises-operations, products/completed operations hazard, blanket contractual, broad form property damage, independent contractors, and personal injury.

The above insurance coverage shall have limits of not less than one million dollars (\$1,000,000) combined single limit, per occurrence and aggregate.

### **Endorsement Page** (\* A separate endorsement page must be provided)

Endorsements to the policies providing the above insurance shall be obtained by contractor, adding the following three provisions:

#### *a) Additional insureds:*

"The City of Costa Mesa and its elected and appointed boards, officers, agents, and employees are additional insureds with respect to the subject project and agreement.

#### *b) Notice:*

"Said policy shall not terminate, nor shall it be canceled nor the coverage reduced, until thirty (30) days after written notice is given to City.

#### *c) Other Insurance:*

Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy."

All insurance carriers utilized by the contractor or any subcontractor under this agreement shall be approved by the California Department of Insurance to transact business in the State of California. The types of services provided under this agreement may further require contractor's insurance carrier(s) to be admitted insurers in the State of California.

### **Workers' Compensation Insurance**

Contractor shall obtain and maintain during the life of this contract workers' compensation insurance in statutory amount and, if any work is sublet, contractor shall require all subcontractors to obtain workers' compensation insurance in statutory amount.

All workers' compensation insurance policies shall provide that the insurance may not be canceled without thirty (30) days advance written notice of such cancellation to City.

Contractor is aware of the provision of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers' Compensation or undertake self-insurance in accordance with the provisions of that Code, and will comply with such provisions before commencing the performance of the work of this contract.

### **Automobile Insurance**

Automobile insurance including owned, hired, and non-owned vehicles. The above insurance coverage shall have limits of not less than one million dollars (\$1,000,000) combined single limit, per occurrence and aggregate.

## **DELIVERIES**

All purchases are made F.O.B. destination, unless otherwise specified. The City's title to goods occurs upon satisfactory delivery and acceptance at the delivery point shown on the purchase order. Shipping charges, if applicable, must be included in the bid document.

All shipments to the City of Costa Mesa must be made to the locations designated on the purchase order. Deliveries may be required to be made to different departments and divisions located in various parts of the City. The purchase order number must appear on the receiver or delivery ticket.

## **PAYMENT**

In order to receive payment for goods or services furnished to the City of Costa Mesa, the vendor is required to submit an original invoice to: City of Costa Mesa Accounts Payable, P.O. Box 1200, Costa Mesa, California 92628-1200. Invoices should not be sent to the using department or to the Department of Procurement. Submitting the invoice anywhere other than to the Accounting Division may delay payment.

Invoices must show: (1) City purchase order number or department organization number (if applicable); (2) complete descriptions of the goods or services furnished; (3) quantity; (4) unit prices and extensions; (5) all applicable taxes; (6) the discount terms; (7) name of department/division to which shipment was made. In addition, the invoice should include the vendor's invoice number.

The vendor receives payment from the City after delivery and acceptance of the goods, commodities, or services. The default payment terms are net 30 days.

## **HAZARD COMMUNICATIONS ACT**

The City of Costa Mesa requires proper labeling and Material Safety Data Sheets (MSDS) on all products covered by the Hazard Communications Act – 29 CFR 1910.1200. It is the vendor's responsibility to determine which products are covered by the act and to provide the necessary MSDS with material shipments.

## **RECYCLED MATERIAL**

The City of Costa Mesa supports the purchase of recycled materials, both in products that are reduced to raw material and remade into material that can be used for other purposes, as well as items that can be rebuilt or remanufactured and placed back into service for continuous use. In an effort to support recycling, purchasing staff will consider the purchase of recycled material if the price differential between available virgin material and recycled material is minimal.

## **COSTA MESA VENDORS**

In 2003, the Costa Mesa City Council adopted Resolution 03-69 establishing a Costa Mesa vendor preference in the amount of 5%. As a result of the resolution, purchases are evaluated with the Costa Mesa vendor preference taken into consideration. This preference does not alter the actual bid or final contract amount.

## **COSTA MESA BUSINESS LICENSE**

A Costa Mesa business license is required when the vendor's business location is within the City limits, when the vendor is performing services within the City limits, or when a vendor delivers goods within the City limits in a company owned vehicle. For further information on how to obtain a business license with the City, please contact 714.754.5234.