



CONTRACT PROCESSING GUIDELINES

PURPOSE

These guidelines provide direction for the development, review, approval, and administration of contracts to ensure legality, consistency, and reduction of risk exposure. These guidelines apply to all contracts. Contracts must be fully executed before any work commences or invoices are paid. The California Public Contract Code also provides guidance for certain Public Works Contracts. These Contract Processing Guidelines supplement the City's Fiscal Policy and Procedures.

RESPONSIBILITY

Contract administration which includes Requests for Proposals, preparation of contract, approval process, insurance rating, and close out of the contract is the responsibility of the department that is undertaking the work or utilizing the service. All employees with the responsibility to develop, review, approve, and process City contracts are required to follow these Contract Processing Guidelines and the City's Fiscal Policy and Procedures. A list of City contracts and the responsible department will be maintained on the City's website.

Department Heads are responsible for managing the contracts to ensure the respective obligations are met, potential risks are identified and managed, issues are resolved in a timely manner, vendor poor performance is remedied in a comprehensive and timely manner, and vendors are assessed on at least an annual basis.

Each vendor should receive an assessment during the annual budget preparation cycle and at project completion. The assessment is completed by the Project Manager, approved by the Department Head, and filed in the vendor's contract file.

BID PROCESS

The City utilizes a competitive bid process for its construction, maintenance and service contracts to ensure the City receives the best price while considering quality, service levels, and time constraints. Vendors are afforded an opportunity to bid in a transparent, honest and ethical manner. The process is outlined in the Fiscal Policies and Procedures Manual. This section provides guidance to comply with the Manual.

In the bidding document clearly state the scope of work, timing of the project, and the insurance requirements. Highlight any key provisions to the work requested and describe the RFP evaluation process to the extent practical. The originating department will use the Bid Results Form [**Attachment #1**] documenting the bid results for the formal or informal bid process. A Request for Proposal Template is available in the shares drive. Request for Proposals (RFP) describe the City's requirements for specified services and invite qualified vendors or consultants to submit proposals to accomplish a specific scope of work with established deliverables, goals and objectives.

After the submission deadline, all the proposals are opened. The Proposal Evaluation Form [**Attachment #2**] is used to first review the proposal for compliance with the terms of the RFP i.e., licenses, amendments, conformance to RFP instructions. Then staff reviews and assigns a point rating for all responsible proposals based on the evaluation criteria in the RFP. Generally, proposals will be reviewed, evaluated, and ranked based upon the firm's qualifications, experience, approach, references, and the proposed fee as set forth in the RFP.

THE CONTRACT

Typical information contained in contracts:

1. Term of contract (start and termination dates)
2. Legal name/s of all parties to the contract
3. Services to be rendered.
4. Compensation, reimbursement of expenses, extra work.
5. Schedule of Performance.
6. Scope of Work.
7. Insurance.
8. Indemnification.
9. Termination clause.

City Standard Contracts – to the extent practical, City standard contract templates should be used to procure professional, technical, and other services. If a vendor-provided contract is necessary, the City Attorney must review and approve as to form. All contract templates can be found in Shares drive at S:\xxxxx. Any questions relating to the type of contract to be used should be addressed to the City Attorney or City Clerk. The following definitions clarify the Fiscal Policies and Procedures Manual.

Amendment – modifications to the original contract and/or previously amended contract, such as terms, compensation and/or period of performance.

Amendments are not to be used for a scope of work unrelated to the original contract. The City Manager approves any amendments/change orders to previously approved contracts, which exceed the previously authorized amount

up to and including \$25,000. The City Council must approve amendments/change orders to a contract exceeding \$25,000.

Construction Long Form – a contract for construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any City facility as defined in California Public Contract Code.

Construction Short Form – a contract for simple and/or shorter time frame construction projects usually under \$50,000, and/or with contractors who have satisfactory performance history with the City.

Maintenance – for furnishing of labor, time or effort by a contractor for 1) routine and recurring work to preserve or protect publicly-owned facility for its intended purpose, 2) minor repainting, 3) resurfacing of streets and highways, and 4) landscape maintenance. Maintenance contracts as defined above are not classified as ‘public projects’. For purposes of these Guidelines, maintenance contracts include, but are not limited to, auto repair, janitorial, landscaping, pest control, security, or equipment repair/maintenance.

Professional Service – for services provided by any specially trained, educated, experienced or licensed person, company, corporation or firm which involves the exercise of discretion and independent judgment together with an advanced or specialized knowledge, expertise, training or unique skills.

Short Form – a contract template for either professional or maintenance services under \$25,000.

CITY ATTORNEY REVIEW AND APPROVAL

The originating department is responsible for coordinating City Attorney preparation and/or review of a contract prior to signature by the vendor, including the exhibits (A – Scope of Work, B – Schedule of Services, C – Compensation). The City Attorney shall review and “Approve as to Form” contracts over \$25,000, vendor-provided contracts of any amount, and any non-standard contracts.

RISK MANAGER REVIEW AND APPROVAL

The Risk Manager is responsible for minimizing risk to the City when it contracts for services by establishing the type and level of insurance each contractor must obtain, and maintain, throughout the life of any contract with the City. The Risk Manager is responsible for establishing minimum insurance requirements and considering requests for exceptions to those requirements. It is the responsibility of the Department Head to engage in discussions with the Risk Manager early in the contract process concerning any exceptions to City insurance requirements.

INSURANCE

The City's minimum insurance standard is:

Type of Insurance	Amount
General Liability	\$1 million per occurrence
	\$2 million general aggregate
Errors and Omissions	\$1 million per claim
Automotive Comprehensive	\$1 million each accident
Worker's Compensation	Statutory Limits

The originating department is responsible for printing the rating/s for the insurance carriers listed on the ACCORD certificate from the AM Best website and ensuring the insurance is maintained throughout the life of the contract. The Department Head is to engage in discussions with the Risk Manager early in the contract process as to the risk threshold of the project and any corresponding minimum insurance coverage amounts.

Additional insured [general liability] - The Vendor must add the City as an "Additional Insured" by certificate and endorsement. It is not sufficient to list the City on the ACCORD insurance certificate as proof. The insurance carrier must provide to the City a separate endorsement sheet (two examples of an acceptable endorsement are available at S:\City Attorney\Insurance Forms and Wording.

Waiver of subrogation [worker's comp] - Subrogation means, in a legal sense, one party has the right to "step into the shoes" of another party for the purposes of bringing a claim for damages. Waivers of subrogation are required when the vendor is working on City property. Discuss the need for a waiver of subrogation with the Risk Manager early in the process.

BUSINESS LICENSE

Vendors doing business with the City are required to have Indian Wells business license as specified in the RFP and/or the City's Municipal Code.

AUTHORIZATION LEVELS AND SIGNATURES

The City Council has approved following contract authorization levels:

Up to \$5,000	Department Head
\$25,000 and under	City Manager
Over \$25,000	City Council

To insure negotiations have concluded, it is the practice of the City for the vendor to execute two originals of the contract prior to any City officials signing, Signature requirements:

Up to \$5,000	Department Head
\$25,000 and under	City Manager
Over \$25,000	Mayor/City Manager, City Attorney, and City Clerk

VENDOR SIGNATURE REQUIREMENTS

Corporation or Limited Liability Company (LLC):

2 signatures, 1 from each category below:

1. Chairman of the Board, President or Vice President; and
2. Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Partnership:

1 signature from any partner

Limited Partnership:

1 signature from 1 of the General Partners

Sole Proprietorship:

Signature of the individual

CONTRACT INFORMATION/REQUISITION FORM

The Contract Information/Requisition form [**Attachment #4**] contains information regarding the contract and assists the Department Head with certifying the 'contract package' is complete funding is available, necessary approvals have been secured, and that all conditions of the contract are met; i.e. insurance, bonds, etc. A fully executed Contract Information/Requisition is required prior to any request to process payments.

CONTRACT ROUTING AND PROCESSING

Each department will have a designated person responsible for preparing the 'contract package' for routing and processing. The 'contract package' for all contracts will include:

- Completed Contract Information/Requisition form
- Completed Bid Results/RFP Evaluation form
- Two original vendor executed contracts
- Insurance certificates, endorsements, waiver of subrogation, and bonds (if applicable)

The originating department will forward a complete contract package to the City Clerk for processing. The City Clerk will route the documents for the necessary signatures, then forward the Contract Insurance/Requisition form and copies of documents necessary for audit purposes to the Finance Department. After a contract is approved by Council and/or signed by the City Manager, the City Clerk will provide the vendor with a fully executed contract and notify the originating department the contract is fully executed.

TRANSPARENCY

Fully executed contracts including the Contract Information/Requisition form, and the Bid Results/RFP Evaluation form will be posted on the City's website by the City Clerk.

CUSTODY OF ORIGINAL CONTRACT DOCUMENTS

The City Clerk is responsible for the safekeeping of original contract documents including contracts, amendments, renewal letters, termination letters, insurance certificates, bonds, bid results or RFP evaluation forms, etc., related to all contracts. All contract documents shall be maintained in accordance with the City's records retention policy.

CONSULTANTS AND FPPC FORM 700

A consultant who makes, participates in making, or acts in a staff capacity for making governmental decisions is required to file a Fair Political Practices Commission (FPPC) Form 700. The obligation to file a Form 700 is always imposed on the individual who is providing the service to the City, not on the firm that employs the individual. The originating department should engage the City Clerk to determine if a Form 700 is required.

CLOSE OUT OF CONTRACT

The originating department is responsible to:

- Ensure all work is completed in accordance with the agreement
- Ensure all reports required by the agreement have been delivered to the City
- Notify appropriate City staff of the completion of the work
- Review all payments and release all retentions if applicable
- Complete Annual Vendor Assessment