

CITY COUNCIL POLICY

SUBJECT: AUTHORIZATION TO EXECUTE CITY CONTRACTS AND AGREEMENTS ~~AND INCREASE CERTAIN LIMITED APPROPRIATIONS~~

NO.: A-10

I. PURPOSE:

To establish a ~~general~~ policy for the authorization to execute City contracts and agreements ~~and increase certain limited appropriations related to grants, donations, and reimbursed expenditures~~ when not approved by the City Council.

II. POLICY:

The schedule of authorization to execute City contracts and agreements, ~~and to increase appropriations related to grants, donations, and reimbursed expenditures~~ is as set forth in Exhibit A, attached. ~~The attached schedule- Exhibit A indicates 18 categories of contracts and agreements commonly executed by the City, one category related to reimbursed services, and one category related to grants and donations. The letters CC, CM, DH, CA, or PA after each category indicate the.~~ The schedule includes the specific City official authorized to execute that category of contract or agreement depending on the dollar value of the contract or agreement. Exhibit A shall be interpreted and applied as set forth in this Policy.

A. Type of Contract or Agreement

The categories of contracts, ~~or agreements, or financial transactions.~~ The letters "CC" indicate specific approval by subject to this Council Policy are listed in Exhibit A and further defined therein.

B. Dollar Amount

1. The dollar amounts enumerated in Exhibit A include the fair market value of in-kind exchanges and are determined as follows:

a. For contracts or agreements, the total dollar amount of the contract or agreement is used to determine the applicable authorization.

b. Regardless of term, consecutive contracts or agreements with the same vendor or contractor shall go to the City Council for approval when the total dollar amount of the contracts or agreements reach the threshold for City Council approval. For example, if the City contracts with Vendor X for

CITY COUNCIL POLICY

SUBJECT: AUTHORIZATION TO EXECUTE CITY CONTRACTS AND AGREEMENTS ~~AND INCREASE CERTAIN LIMITED APPROPRIATIONS~~

NO.: A-10

one-year agreements of \$50,000 each, the City Council will be required to approve any subsequent agreement after the fifth year contracting with Vendor X because the total amount paid to Vendor X will have exceeded \$250,000.

c. Dollar amounts are applicable Citywide except for Professional, Specialized, or Legal Services required for legal representation, which shall be by department.

d. Capital improvement project contracts or agreements are on a project-life basis, meaning, regardless of the term, the total dollar value of the agreement or contract is used to determine the applicable authorization. Due to the nature of capital improvement projects, the dollar amount thresholds may require different signatory authorization throughout the life of the project.

e. Contracts or agreements that do not involve an exchange of moneys or in-kind equivalents fall within the "No Funds" category.

2. Except for Leases of City Real Property to and from Others, which shall be determined by the annual rent, all other real estate transactions listed in Exhibit A shall be based on the total value of the transaction.

3. The dollar amount values listed in Exhibit A shall increase annually at the beginning of each fiscal year by the April Consumer Price Index for Urban Consumers (CPI-U) for San Francisco-Oakland-San Jose (or its successor index), as published by the U.S. Department of Labor, or its successor agency, and rounded to the nearest thousand, but in no event shall the amount decrease.

C. Authorized City Officials

1. The following key is used in Exhibit A:

CC = CITY COUNCIL
CM = CITY MANAGER
CA = CITY ATTORNEY

CITY COUNCIL POLICY

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NO.: A-10

DH = DEPARTMENT HEAD
PWD = PUBLIC WORKS DIRECTOR
PA = PURCHASING AGENT

2. Approval of the City Council constitutes automatic authorization to the City Manager or ~~his/her~~ designee to sign the approved agreement on behalf of the City.
3. ~~The letters "CM" indicate City Manager or his/her, City Attorney, and City department heads may designate their authority to a representative designated in writing. The letters "DH" indicate a City department head or his/her representative designated in writing. The letters "PA" indicate the Purchasing Agent.~~
4. Department heads include the City Attorney and City Clerk when they procure goods or services in their capacity as department heads.

D. City Council Approval

1. Any contract or agreement ~~or grants, donations, and reimbursed expenditures not not~~ falling within any of the ~~18~~ categories ~~is to~~ enumerated in Exhibit A must be ~~presented to~~ approved by the City Council ~~for approval.~~
2. Where a proposed contract, or agreement, ~~or financial transaction~~ will require the expenditure of funds not yet budgeted by the City Council, ~~a request for~~ at the City Council ~~appropriation of~~ must appropriate the necessary funds ~~is to be made~~ prior to the execution of the contract, or agreement, ~~or financial transaction.~~

~~The delegated authority for increasing appropriations for grants and donations not previously budgeted is limited to the Finance and Administrative Services Director and the City Manager at the levels indicated in Exhibit A, and includes the authority to credit such moneys to the appropriate fund which received the grant or donation and to increase appropriations in the department and fund that was the recipient of the grant or donation. Additionally, all grant and donation moneys received would be continuously appropriated until expended.~~

CITY COUNCIL POLICY

SUBJECT: AUTHORIZATION TO EXECUTE CITY CONTRACTS AND AGREEMENTS ~~AND INCREASE CERTAIN LIMITED APPROPRIATIONS~~

NO.: A-10

~~The delegated authority for increasing appropriations for reimbursed services not previously budgeted is limited to the Finance and Administrative Services Director and the City Manager at the levels indicated in Exhibit A, and includes the authority to accept reimbursement moneys for unbudgeted expenditures incurred by the City and credit such reimbursement moneys to the appropriate fund which incurred the cost.~~

3. Amendments to agreements or contracts that increase the dollar value beyond the authorization provided in Exhibit A require City Council approval.
4. Amendments to agreements or contracts that were originally approved by the City Council require subsequent approval by the City Council unless the changes are to extend the term thereof, update contact information, or to correct erroneous information that do not substantively alter the terms of the agreement or contract.

Revised: January 23, 2024, Resolution No.

Revised: September 28, 2021, Resolution No. 18602 (Exhibit A)

Revised: December 4, 2018, Resolution Nos. 18280 and 18281

Revised: March 4, 2014, Resolution No. 17840

Revised: June 26, 2012, Resolution No. 17698

Revised: December 7, 2010, Resolution No. 17571

Revised: November 23, 2004, Resolution No. 16945

Revised: April 9, 1996, Resolution No. 15941

Revised: July 29, 1992, Resolution No. 15443

Effective Date: April 26, 1976, Resolution No. 10910

CNL POL/A10-CP

**SCHEDULE OF AUTHORIZATIONS TO
SIGN CITY CONTRACTS AND AGREEMENTS
~~AND INCREASE APPROPRIATIONS FOR GRANTS, DONATIONS,
AND REIMBURSED EXPENDITURES~~**

<u>Type of Contract or Agreement</u>	Up to <u>\$0.01 to</u> \$2060,000* <u>\$2060,000*</u> <u>0</u>	Over <u>\$2060,000.01</u> to <u>\$100250,000.0</u> <u>0*</u>	Over <u>\$100</u> Greater than <u>\$250,000.01*</u>	<u>No Funds</u>
1. Construction or Improvement of Public Buildings, Works, etc. (Charter Sec. <u>Section</u> 1107) [±]	DH	CM Informal Bid	CC Formal Bid	DH
2. Other Construction or Improvement <u>Improvement</u> of City Facilities	PA Informal Bid	PA Informal Bid	CM Formal Bid	PA
3. Lease of Equipment or Purchase of Supplies, Equipment, or Certain Services (cumulative value of lease term, not annual value)	PA Informal Bid	PA Informal Bid	CM Formal Bid	PA
4. Acquisition of Real Property	<u>See Council Policy H-1 for property acquisition: CM has authority to enter into agreements for applicable relocation benefits required by City policy or State or Federal law</u>	<u>110% of the appraised value for an authorized project See Council Policy H-1 for property acquisition: CM has authority to enter into agreements for applicable relocation benefits required by City policy or State or Federal law</u>	<u>See Council Policy H-1 for property acquisition: CM has authority to enter into agreements for applicable relocation benefits required by City policy or State or Federal law</u>	<u>See Council Policy H-1 for property acquisition: CM has authority to enter into agreements for applicable relocation benefits required by City policy or State or Federal law</u>

Type of Contract or Agreement	Up to <u>\$0.01 to</u> \$2060,000* <u>0.00</u> *	Over <u>\$20</u> \$60,000.01 to <u>\$100</u> 250,000.0 <u>0</u> *	Over <u>\$100</u> Greater than <u>\$250,000.01*</u>	No Funds
5. Leases of City Real Property to and from Others (value based on annual rent)	<u>CM/PWD</u>	CM to <u>\$500,000</u>	CC over <u>CM up to \$500,000;</u> <u>CC greater than</u> <u>\$500,000.01</u>	CM
<u>6. Acceptance of Deeds, Deeds of Reconveyance, Termination and Release of Deeds of Trust, Easements, Dedications, or Other Conveyances to City</u>	<u>CM</u>	<u>CM</u>	<u>CC</u>	<u>CM</u>
6. Transfer of <u>7. All other</u> Real Property, including transactions, including Deeds, Easements, <u>Licenses,</u> Escrow Instructions, etc.	CM Informal Bid	CM Informal Bid	CC Formal Bid	CM
7. Acceptance of Deeds, Easements, Dedications, or Other Conveyances to City	CM	CM	CC	CM
8. Professional or Specialized Services	DH	CM	CC	DH
9. Recreation Program Contracts	DH	CM	CM	DH
109. Contracts Required as a Condition of a City Approval	DH	CM	CM	DH
110. Intergovernmental Agencies Procurement of Goods and Services	PA	PA	CM	PA
Contract for Professional or Specialized Services	DH	CM	CC	DH
1211. Joint Powers Agreements	CC	CC	CC	CC

<u>Type of Contract or Agreement</u>	<u>Up \$0.01 to \$2060,000*.00</u>	<u>Over \$2060,000.01 to \$100250,000.00*</u>	<u>Over \$100 Greater than \$250,000.01*</u>	<u>No Funds</u>
1312. Other Intergovernmental Agreements Not Included in Nos. <u>10 or 11</u> or 12 Above	CM	CM	CC	CM
1413. Sponsorship Agreements	DH	CM	CC	-
15. Increase to Appropriations for Grants and Donations not Previously Budgeted	DH**	CM	CC	-
16. Increase to Appropriations for Reimbursed Expenditures not Previously Budgeted	DH**	CM	CC	-
1714. Liability Claims	-See Council Policy B-5	CM and CA*** See Council Policy B-5	CC See Council Policy B-5	-See Council Policy B-5
<u>15. Establish Litigation Budget</u>	<u>See Council Policy B-5</u>	<u>See Council Policy B-5</u>	<u>See Council Policy B-5</u>	<u>See Council Policy B-5</u>
18. Developer Deposits Received	-CA or DH	<u>CA or CM</u>	CC	-CA or DH
<u>16. Professional, Specialized, or Legal Services required for legal representation[†]</u>				

KEY: CC ___ = CITY COUNCIL (Council approval constitutes authorization for the City Manager to sign on behalf of the City.)

CM ___ = CITY MANAGER or representative designated in writing.

CA = ___ = CITY ATTORNEY or representative designated in writing.

DH ___ = DEPARTMENT HEAD or representative designated in writing. DH includes the City Attorney and City Clerk when they procure goods or services in their capacity as department heads.

PWD = PUBLIC WORKS DIRECTOR

PA ___ = PURCHASING AGENT

NOTE: ~~Contracts and agreements or grants, donations or reimbursed expenditures not covered by the schedule are to be presented to the City Council for approval.~~

~~Amounts pertain to annual operating budgets with the exception of capital improvement projects which are on a project life basis.~~

~~* Indexed to 2011 dollars.~~

~~** Authority limited to Finance and Administrative Services Director.~~

~~*** Authority limited to City Manager and City Attorney concurring authority.~~

DEFINITIONS

- Category 1: Construction of Improvements of Public Buildings, Works, etc. This category includes all Public Works construction listed in Section 1107 of the City Charter. The formal bid provisions of Section 1107 must be followed for such work.
- Category 2: Other Construction or Improvement of City Facilities. This category includes all construction or improvement of City facilities not covered by Section 1107 of the City Charter. The necessity for bidding for such construction or improvement is covered by Sections 2.79 and 2.80 of the City Code.
- Category 3: Lease of Equipment or Purchase of Supplies, Equipment, or Certain Services. This category includes all acquisition of supplies or equipment and certain services, including purchases and services for technology hardware and software not ~~following~~included in Categories ~~76~~ and ~~109~~, whether by purchase or lease.
- Category 4: Acquisition of Real Property. This category includes the City's acquisition of any interest in real property and is also governed by Council Policy H-1, Acquisition of Real Property.
- Category 5: Leases of City Real Property to and from Others. This category includes all written leases in which the City is the lessor, landlord, lessee, or tenant.
- ~~Category 6: Transfers of Real Property. This includes deeds, easements, and other conveyances and escrow instructions and other documents relating to the transfers of real property. It does not include leases. Informal and formal bidding is applicable to sale of real property in accordance with Mountain View City Code Sections 2.207 and 2.208.~~
- Category ~~76~~: Acceptance of Deeds, Easements, Dedications, and Other Conveyances to the City. This category is to satisfy the legal requirements that the City certify the acceptance of any deeds, easements, dedications, or other grants or conveyances to the City prior to their recording. Deeds of Reconveyance/Termination and Release of Deeds of Trust: FASD shall include an amortization and payment schedule reflecting that no obligations exist at the time of signature.
- Category 7: All Other Real Property Transactions, Including Deeds, Easements, Licenses, Escrow Instructions, etc. This includes deeds, easements, and other conveyances and escrow instructions and other documents relating to the transfers of real property. It does not include leases. Informal and formal bidding is applicable to the sale of real property in accordance with Mountain View City Code Sections 2.207 and 2.208.

Category 8: Professional or Specialized Services. This category involves obtaining professional or specialized services, including, but not limited to, services of engineers, architects, and specialized consultants.

~~Category 9: Recreation Program Contracts. This category includes the routine contracts for the recreation program, including contracts to teach City recreation classes, referee athletic events, etc.~~

~~Category 10~~ Category 9: Contracts Required as a Condition of City Approval. This category includes all contracts and agreements required in order to satisfy a condition of a City approval. Examples ~~would be~~ include agreements required in order to satisfy conditions imposed as part of subdivision approvals, Development Review development review approvals, PC permits, Conditional Use Permits conditional use permits, building permits, and encroachment permits.

Category ~~11~~ 10: Other Intergovernmental Agencies. This category includes all agreements for the procurement of goods and services and contracts for professional or specialized services with another governmental agency.

Category ~~12~~ 11: Joint Powers Agreements. This category includes all joint powers agreements.

Category ~~13~~ 12: Other Intergovernmental Agreements Not Included in Nos. 11 Categories 10 or 1211 Above. This category includes other agreements not included in ~~Nos. 11~~ Categories 10 or 1211 above. Examples may be maintenance agreements, mutual indemnity or release of indemnity agreements, or intergovernmental joint projects whereby agencies are jointly contracting with an outside party for services.

Category ~~14~~ 13: Sponsorship Agreements. This category includes all sponsorship agreements.

~~Category 15: Grants and Donations. This category includes all grants and donations received by the City~~ Category 14.

~~Category 16: Reimbursed Expenditures. This category includes all moneys received by an outside entity for the purpose of reimbursing the City for goods or services not budgeted.~~

~~Category 14:~~ Category 17: Liability Claims. This category includes liability claims paid by the City governed by Council Policy B-5: Liability, Claims Procedure and Litigation.

Category 15: Establish Litigation Budget. Refer to Council Policy B-5, Claims and Litigation.

Category 16: 18: Developer Deposit Received. Professional or Specialized Services for Legal Representation. This category ~~includes advances provided by developers to pay for project-related~~ involves professional or specialized services and ~~requests to approve appropriations that, in the judgment of the funding advances~~ City Attorney, are required to preserve the City's legal interests. This category of agreements is tracked by department and not by vendor.

* This amount shall increase annually at the beginning of each fiscal year by the April Consumer Price Index for Urban Consumers (CPI-U) for San Francisco-Oakland-San Jose (or its successor index) as published by the U.S. Department of Labor or its successor agency, rounded to the nearest thousand; but in no event shall the amount decrease.

† The Public Works Director may also have authority to execute construction contracts under City Code Section 2.200 exceeding Council Policy A-10 limits.

‡ Total vendor amounts to be tracked by department and not Citywide.