

CITY COUNCIL POLICY

SUBJECT: AUTHORIZATION TO EXECUTE CITY CONTRACTS AND AGREEMENTS

NO.: A-10

I. PURPOSE:

To establish a policy for the authorization to execute City contracts and agreements when not approved by the City Council.

II. POLICY:

The schedule of authorization to execute City contracts and agreements is as set forth in Exhibit A, attached. Exhibit A indicates categories of contracts and agreements commonly executed by the City. 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 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 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.

CITY COUNCIL POLICY

SUBJECT: AUTHORIZATION TO EXECUTE CITY CONTRACTS AND AGREEMENTS

NO.: A-10

- 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
DH	=	DEPARTMENT HEAD
PWD	=	PUBLIC WORKS DIRECTOR
PA	=	PURCHASING AGENT
 2. Approval of the City Council constitutes automatic authorization to the City Manager or designee to sign the approved agreement on behalf of the City.
 3. The City Manager, City Attorney, and City department heads may designate their authority to a representative in writing.

CITY COUNCIL POLICY

SUBJECT: AUTHORIZATION TO EXECUTE CITY CONTRACTS AND AGREEMENTS

NO.: A-10

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 not falling within any of the categories enumerated in Exhibit A must be approved by the City Council.
2. Where a proposed contract or agreement will require the expenditure of funds not yet budgeted by the City Council, the City Council must appropriate the necessary funds prior to the execution of the contract or agreement.
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