

## CITY COUNCIL POLICY

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SUBJECT: AUTHORIZATION TO EXECUTE CITY CONTRACTS AND AGREEMENTS ~~AND INCREASE CERTAIN LIMITED APPROPRIATIONS~~ NO.: A-10

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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.

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 (referred to herein as "authorization"). 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 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 with a total term of one year or less, the total dollar amount of the contract or agreement is used to determine the applicable authorization. Subsequent amendments to contracts and agreements will be included in the calculation to determine the applicable authorization. Amendments to contracts or agreements

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- that increase the dollar value beyond the authorization provided in Exhibit A require City Council approval.
- b. For multi-year contracts or agreements, the highest annual maximum contract amount is used to determine the applicable authorization.
  - c. For all contracts or agreements other than capital improvement projects, if the contract or agreement is paid for by multiple City departments, the highest amount to be paid by a department shall be used to determine the applicable authorization.
  - d. Capital improvement project contracts or agreements are on a project-life basis. Regardless of the term, the total dollar value of the contract or agreement 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 amount, all other real estate transactions- The letters "CC" indicate specific approval by the City Council.- 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, commencing with July 1, 2025, 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 up to the nearest thousand, but in no event shall the amount decrease.

### C. Authorized City Officials

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1. The following key is used for Exhibit A:

CC - City Council  
CM - City Manager  
CA - City Attorney  
DH - Department Head  
PWD - Public Works Director  
PA - Purchasing Agent

~~1.2.~~ Approval of the City Council constitutes automatic authorization ~~to~~of the City Manager, ~~or his/her~~their designee, to sign the approved contract or agreement on behalf of the City.

~~3. The letters "CM" indicate City Manager or his/her, City Attorney, and Department Heads may designate their authority to a representative designated. The designation must be in writing. The letters "DH" indicate a City and filed with the Purchasing Agent.~~

~~2.4. Department Heads include the City Attorney and City Clerk, or their designee, when they procure goods or services in their capacity as a department head or his/her representative designated in writing. The letters "PA" indicate the Purchasing Agent.~~

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.

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~~1.2.~~ 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.~~

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~~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.~~

~~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 contracts or agreements that were originally approved by the City Council require subsequent approval by the City Council if the dollar amount exceeds the applicable authorization in this Policy in effect at the time of the proposed amendment. Changes to extend the term of a contract or agreement, update contact or noticing information, correct clerical errors, or update standard administrative clauses that do not materially alter the agreement do not require subsequent approval by the City Council.~~
- ~~4. The City Council will receive a quarterly report as an informational item on all purchase orders issued in the previous quarter for agreements executed pursuant to this Policy. This quarterly report shall not include any purchase orders for contracts or agreements that qualify for protection as confidential attorney work-product or are otherwise considered confidential and protected from disclosure under Federal or State law.~~

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Revised: March 26, 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

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## EXHIBIT A

### 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>	<u>Up to \$2060,000**.</u>	<u>Over \$20 \$60,000.01 to \$100250,000**. 00</u>	<u>Over \$100 Greater than \$250,000**. 00</u>	<u>No Funds</u>
1. Construction or Improvement of Public Buildings, Works, etc. (Charter Section 1107) <del>x</del>	DH	CM Informal Bid	CC Formal Bid	DH
2. Other Construction or Improvement 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>10% 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>
5. Leases of City Real Property to and from Others (value based on annual rent)	<u>PWD</u>	<u>CM to \$500,000</u>	<u>CM up to \$500,000; CC over greater than \$500,000</u>	CM

Type of Contract or Agreement	<u>Up to \$206,000**</u>	<u>Over \$206,000.01 to \$1,025,000**</u>	<u>Over \$100 Greater than \$250,000**</u>	<u>No Funds</u>
6. <del>Transfer</del> <u>Acceptance of Real Property, Including Deeds, Deeds of Reconveyance, Termination, and Release of Deeds of Trust, Easements, Dedications, or Other Conveyances to the City</u>	<u>CM</u>	<u>CM</u>	<u>CC</u>	<u>CM</u>
	CM Informal Bid	CM Informal Bid	CC Formal Bid	CM
7. <u>All other Real Property transactions, including Deeds, Easements, Licenses, Escrow Instructions, etc.</u>				
<del>7. Acceptance of Deeds, Easements, Dedications, or Other Conveyances to City</del>	<del>CM</del>	<del>CM</del>	<del>CC</del>	<del>CM</del>
8. Professional or Specialized Services	DH	CM	CC	DH
9. Recreation Program Contracts	DH	CM	CM	DH
10. Contracts Required as a Condition of a City Approval	DH	CM	CM	DH
11. Intergovernmental Agencies Procurement of Goods and Services	PA	PA	CM	PA
Contract for Professional or Specialized Services	DH	CM	CC	DH
12. Joint Powers Agreements	CC	CC	CC	CC
13. Other Intergovernmental Agreements Not Included in <del>Nos. Categories</del> 11 or 12 Above	CM	CM	CC	CM
14. Sponsorship Agreements	DH	CM	CC	-

<u>Type of Contract or Agreement</u>	<u>Up\$.01 to \$2060,000**;.00</u>	<u>Over \$20 \$60,000.01 to \$100250,000**;.00</u>	<u>Over \$100 Greater than \$250,000**;.00</u>	<u>No Funds</u>
<del>15. Increase to Appropriations for Grants and Donations not Previously Budgeted</del>	<del>DH** See Council Policy B-5</del>	<del>CM See Council Policy B-5</del>	<del>CC See Council Policy B-5</del>	<del>- See Council Policy B-5</del>
<u>15. Liability Claims</u>				
<del>16. Increase to Appropriations for Reimbursed Expenditures not Previously Budgeted</del>	<del>DH** See Council Policy B-5</del>	<del>CM See Council Policy B-5</del>	<del>CC See Council Policy B-5</del>	<del>- See Council Policy B-5</del>
<u>16. Establish Litigation Budget</u>				
<del>17. Liability Claims</del>	<del>-CA or DH</del>	<del>CA or CM and CA***</del>	<del>CC</del>	<del>-CA or DH</del>
<u>17. Professional, Specialized, or Legal Services required for legal representation</u>				
<del>18. Developer Deposits Received</del>	<del>-DH</del>	<del>CM</del>	<del>CCCM</del>	<del>-DH</del>
<u>18. Pass-Through Agreements (Non-City Funds)</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.  
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 of and services for technology and hardware not ~~following~~ included in Categories 7~~6~~ and 10, 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.~~ Acceptance of Deeds, Deeds of Reconveyance, Termination and Release of Deeds of Trust, 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. For Deeds of Reconveyance or 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 category 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 7:~~ ~~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.
- 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. This category does not include professional or specialized services for legal representation, which are included in Category 17.
- 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: 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 approvals, PC permits, Conditional Use zoning/planning~~ permits, building permits, and encroachment/~~excavation~~ permits.

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

Category 13: Other Intergovernmental Agreements Not Included in Nos. Categories 11 or 12 Above. This category includes other agreements not included in ~~Nos. Categories~~ 11 or 12 above. Examples ~~may be include~~ 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: 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 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 17: Liability Claims. This category includes liability claims paid by the City governed by Council Policy B-5: Liability-Claims Procedure and Litigation.~~

~~Category 18: Developer Deposit Received. This category includes advances provided the establishment of a litigation budget, governed by developers to pay Council Policy B-5: Claims and Litigation.~~

Category 17: Professional, Specialized, or Legal Services required for project related legal representation. This category involves professional, special, or legal services and requests that, in the judgment of the City Attorney, are required to preserve the City's legal interests.

Category 18: Pass-Through Agreements (Non-City Funds). This category involves agreements between (a) the City and a third-party; and (b) the City and a consultant for professional or specialized services for the benefit of the third-party. The third-party will have advanced funds to approve appropriations of the funding advances the City in accordance with the then adopted Master Fee Schedule, and those funds are to be used by the City for professional or specialized services for the benefit of the third-party. No City funds are utilized in this category.

\* The dollar amount values shall increase annually at the beginning of each fiscal year, commencing with July 1, 2025, 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 up 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.