



July 14, 2005

The Honorable Peter B. Foor, Presiding Judge
Presiding Judge of the Superior Court
Solano Superior Court
600 Union Avenue
Fairfield, Ca 94533

**Re: Responses of the Dixon City Council to the 2004-2005 Grand Jury Report:
"Solano County and Cities: Purchasing and Procurement Procedures"**

Dear Judge Foor:

On behalf of the City Council of the City of Dixon and with its prior approval, I hereby submit to you the responses of the City Council to the findings and recommendations contained in the above noted report dated May 24, 2005, as set forth below:

Investigation: Purchasing and Procurement Procedures

"The Grand Jury received a complaint from a vendor who had unsuccessfully bid on a County contract, concerning the procedures followed in awarding the contract. While investigating the complaint, the Grand Jury elected to review and compare purchasing procedures used by Solano County and by the seven Solano County cities (Benicia, Dixon, Fairfield, Suisun City, Rio Vista, Vacaville and Vallejo), focusing primarily on the bid process for services and goods."

Finding #1:

"In June, 2000, the City of Dixon city council adopted Administrative Policy Instructions relating to Purchasing Policies and Procedures."

Response to Finding #1:

The City of Dixon concurs with this finding.

Recommendation #1:

"None"

Response to Recommendation #1:

The City of Dixon concurs with this recommendation.

City of Dixon

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Finding #2:

"The Administrative Policy gives purchasing authority to the city manager. He/she has purchasing authority up to \$10,000. Beyond that amount requires approval by the city council.

Response to Finding #2:

The City of Dixon concurs with this finding.

Recommendation #2:

"None"

Response to Recommendation #2:

The City of Dixon concurs with this finding.

Finding #3:

"Within the Administrative Policy Instructions are guidelines for the bid process. The amount of the bid determines which procedure is to be used.

- a. When the estimated bid amount is \$10,000 or more, written RFP's are prepared by the initiating department that includes specifications, requirements and timelines. Formal RFP's are advertised in print media. Any change or alteration to announced RFP is strictly limited. Bids are due and opened in the city clerk's office on the specified day and award is made by the city council.
- b. When purchases are less than \$10,000, they are the responsibility of the city manager and initiating department and are categorized as follows:
 1. Competitively-Bid Purchases. Purchases less than \$500 and more than \$10,000 require competitive bidding except when no competitive bids have been received, city council has rejected all bids or when the majority of the city council determines that it is in the best interest of the city to suspend competitive bidding. Process time of competitive bid may be between four to five weeks.
 2. Discretionary Purchases. Purchases less than \$500 may be initiated by a department and do not require bidding but competitive bidding may be used by following finance department policies and procedures.
 3. Petty Cash Purchase. Purchase less than \$50 and are governed by the finance department policies and procedures.

Response to Finding #3:

The City of Dixon concurs with this finding, with the minor correction in (#3 (b) (1) above, that this procedure applies to purchase **more** than \$500 and **less** than \$10,000.

Recommendation #3:

"None"

Response to Recommendation #3:

The City of Dixon concurs with this recommendation.

Finding #4:

"The Administrative Policy suggests that interested vendors may direct a letter of interest to the city clerk and the information shall be forwarded to the appropriate city department. Previous vendors, yellow pages and the interest are also used.

Response to Finding #4:

The City of Dixon concurs with this finding.

Recommendation #4:

"Include on the city webpage, a form for vendors to input their business information so that a current and accurate database will be in place for the bidding process.

Response to Recommendation #4:

The City of Dixon concurs with this recommendation and will put the vendor form on the website within 90 days.

Very truly yours,



Mary Ann Courville
Mayor

Cc: City Council
Solano County Administrator
Clerk of the Board, Solano County
File