

CITY OF EUREKA

Category: FINANCE

POLICIES & PROCEDURES

Subject: DEVELOPMENT AND
IMPLEMENTATION OF
AGREEMENTS

Date Adopted: July 26, 1976

File 2.46
Number

POLICY OBJECTIVE

To establish procedures for the implementation of agreements for consulting and professional/technical services so as to insure that adequate controls are maintained for the appropriation and disbursement of funds relating to such contracts, and to adequately cost account expenditures for contract services funded by multiple appropriations.

ASSIGNED RESPONSIBILITY

City Manager, City Attorney, All Department Heads.

APPLICABILITY

Applicable to all contracts or agreements entered into by the City for the retention of consulting and/or professional/technical services.

PROCEDURES

1. The provisions of the City's purchasing ordinance and policy no. 2.45 shall be applicable to the retention of consulting services. Where the aggregate cost of retaining consultant services under any one contract or where the amendment of an existing contract for services shall exceed \$5,000, City Council approval shall be obtained. Where the aggregate contract cost is less than \$5,000, the City Manager may administratively approve such contracts or contract amendments.
2. Where deemed appropriate by the City Attorney, a formal agreement for consulting services shall be executed. In all other cases, a letter agreement shall be sufficient. In all cases, a formal or letter agreement shall be developed and approved as to form by the City Attorney before being presented to the City Manager or City Council for approval. Official executed originals of all agreements shall be maintained by the City Clerk.
3. At the time that an agreement for services is executed, a purchase order shall be prepared. The purchase order shall indicate the appropriate activity account from which funds are appropriated. Where there have been multiple appropriations to fund the contract, as in the case where one contractor may provide services related to various separately funded projects, purchase order shall set forth the various activity accounts where the funds are appropriate, the nature of work to be charged to each, and the dollar limits established for each appropriation pursuant to the contract terms.

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A copy of the executed contract along with the executed purchase order shall be forwarded to the Finance Department.

4. The contractor shall be advised to clearly detail in its billing the nature of the work to be provided under the provisions of the purchase order so that proper cost distribution can be made by the City.
5. When bills are received from the contractor, the department administering the contract shall prepare a partial payment request indicating the proper distribution of the charges to the appropriate expenditure accounts.
6. The department administering the contract shall insure that services are rendered by the consultant pursuant to the contract. The administering department shall also insure that services rendered are within the established appropriation.