



# Agenda Item

## Orange City Council

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**Item #:** 10.1.

1/13/2026

**File #:** 25-0693

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**TO:** Honorable Mayor and Members of the City Council

**FROM:** Jarad Hildenbrand, City Manager

### 1. SUBJECT

Introduction and First Reading of Ordinance No. 20-25 amending various sections of Chapter 3.08 of the Orange Municipal Code relating to the City's purchasing system. (Continued from December 9, 2025)

### 2. SUMMARY

Orange Municipal Code Chapter 3.08 governs the City's purchasing system and processes. Much of Chapter 3.08 was last amended in 1999, including the varying purchasing thresholds. On December 9, 2025, the Orange City Council reviewed Ordinance No. 20-25, and directed staff to bring the ordinance back with select changes. The revised Ordinance No. 20-25 incorporates those directed changes.

### 3. RECOMMENDED ACTION

Introduce and conduct First Reading of Ordinance No. 20-25. An Ordinance of the City Council of the City of Orange amending various sections of Orange Municipal Code Chapter 3.08.

### 4. FISCAL IMPACT

None.

### 5. STRATEGIC PLAN GOALS

Goal 2: Enhance Economic Development and Achieve Fiscal Sustainability.

### 6. DISCUSSION AND BACKGROUND

Orange Municipal Code (OMC) Chapter 3.08 governs the City's purchasing system and covers several procurement matters including, but not limited to:

- The establishment of a centralized purchasing division.
- Addresses conflict of interest matters.
- Processes to enter professional services agreements.
- The process to purchase materials, supplies, and equipment.
- The procurement process for Public Works projects.
- Bidding procedures; and
- Purchasing processes during emergencies.

Much of Chapter 3.08 was adopted in 1999. While the language in many of these sections is still relevant, the amount thresholds listed in Chapter 3.08 are relatively low. On December 9, 2025, the Orange City Council reviewed and discussed Ordinance No. 20-25 which sought to make the following five changes to OMC Chapter 3.08:

**Item 1: Incorporate Chapter 3.08.065 - Vendor Limits Per Fiscal Year and Department.** This recognizes that in some instances, various departments may use the same vendor for different scopes of work, which in the aggregate, could place a particular vendor beyond a given threshold. This section clarifies that vendor limits will be calculated on a per department and per fiscal year basis.

**Item 2: Incorporate Chapter 3.08.075 - Prohibition against splitting projects.** This is standard language in many municipal codes that prohibit staff from breaking projects into smaller work orders to avoid requirements that would be triggered by higher purchasing thresholds.

**Item 3: Incorporate Chapter 3.08.085 - Appropriation of Awarded Grant Funds.** Authorizes the City Manager to accept and appropriate awarded grant funds so long the matching funds (when applicable) are budgeted, and do not exceed the City Manager signing authority.

**Item 4: Modify Chapter 3.08.290 - Exceptions to Competitive Bidding Requirements - Public Project and Administrative Emergencies.** Establishes a procedure for staff to bypass competitive bidding requirements when an emergency exists to ensure the timely purchase of supplies and materials. Where the previous language allowed department heads to make purchases not exceeding \$10,000, the proposed language (pursuant to City Council direction to double existing thresholds) increases it to \$20,000. Additionally, a separate section exclusive to public projects pursuant to California Public Contract Code 22050 has been created.

**Item 5: Makes select changes to various parts of OMC Chapter 3.08 to increase select purchasing thresholds.** Increases OMC Chapter 3.08 purchasing thresholds for:

- Written purchase orders.
- Informal bidding for materials, supplies, and equipment.
- Professional services agreements, public works contracts, and purchases for materials, supplies, equipment.

After reviewing the draft language on December 9, 2025, the City Council directed staff to keep the new or modified OMC Chapter 3.08 language as detailed in Items 1-4 while lowering the proposed thresholds in Item 5.

Specific to Item 5, where the December 9, 2025, ordinance included threefold increases, the City Council directed staff to lower the select thresholds to a double increase. These changes have been incorporated in the revised Ordinance No. 20-25 for the City Council's consideration.

## 7. ATTACHMENTS

- Ordinance No. 20-25 Clean
- Ordinance No. 20-25 Redline