

# 2011-2012 GRAND JURY REPORT

## City of Wildomar

### Background

The City of Wildomar (City) is located in Southwest Riverside County. It encompasses 24 square miles and has an approximate population of 32,000. Incorporated as a general law city in July 1, 2008, it operates within the parameters and guidelines of California Law relating to municipal government. This form of government allows for a five-member city council elected on a nonpartisan basis, which annually selects a mayor and a mayor pro-tem from within the council. The City provides municipal services, such as general administration, police and fire protection, maintenance of streets, infrastructure, recreational activities, and economic development. The city council is responsible for enacting ordinances, resolutions, and regulations governing the City as well as hiring a city manager and retaining a city attorney.

The city manager is the chief administrative officer and has the responsibility of administering programs in accordance with written policies and procedures adopted by the city council.

The City has experienced the same depressed economic environment as the rest of the State of California. High unemployment, reduced property values, and the state's withdrawal of vehicle licensing fees have affected the financial condition of the City. The City has six permanent employees with the balance contracted vendors.

### Finding

#### Lack of Transparency

1. During interviews with employees, city officials, and citizens of the City, it was identified that several of the city positions are filled with paid employees and other positions are filled by contracted vendors. The City website ([www.CityofWildomar.org](http://www.CityofWildomar.org)) and the organizational chart do not identify which positions are filled by city employees (with city paid benefits) and which positions are contracted personnel (without city paid benefits). Lack of identification has caused confusion with residents of the City.

2. The City documented purchasing procedure is Ordinance No. 25 which covers both professional and consulting services. Within the procedure are the following sub-sections to which the city has failed to adhere:

§3.06.110: “SEALED BID PROCEDURE FOR PURCHASES GREATER THAN \$50,000.”

§3.06.110 (a) (1):

*Public notice. The City Clerk shall cause notices inviting bids to be published at least twice in a newspaper of general circulation ten days before the date of opening of bids, with the second publication occurring at least five days after the first, or posted for ten days in three public places in the City that have been designated by the City Council.*

§3.06.110 (c):

*...Bids shall be opened in public at the time and place stated in the public notice...*

§3.07.030: “CONSULTING CONTRACTS OVER \$50,000”

*A contract for consulting services valued over fifty thousand dollars (\$50,000) must be entered into by use of a competitive sealed proposals. Proposals for the contract shall be solicited through a Request for Proposal.*

*§ (a) Public Notice. Public notice of the Request for Proposals shall be given in the same manner as provided in section 3.06.110 (a). [sic]*

During the grand jury interviewing process, a contracted department head and a city official stated the amended contract dated August 10, 2011, for community services, was awarded to Diamond W Events Inc. based on prior work relations with the City. This contract was for \$87,600 per year and therefore in violation of the purchasing ordinance §3.06.110 and §3.07.030. In the Grand Jury Report of 2009-2010 Diamond W Events, was listed as a finding. The City had awarded the original contract, dated October 20, 2009, to Diamond W Events without competitive bidding as required by purchasing procedure Ordinance No. 25. The current renegotiated contract between the city and Diamond W Events was entered into without following Ordinance No. 25 as it applies. During the investigation, the Grand Jury requested to see documentation that would identify any other bids submitted on this contract. The City did not present any such documents. A review of the current contract awarded to Diamond W Events identifies rates to be used that over a yearly contract would exceed \$50,000.

## **Recommendation**

**City Council, City of Wildomar  
City Manager, City of Wildomar**

1. Transparency requires that city positions held by a contracted person, company, or any entity other than a city employee shall be identified as a contracted position on the City web page and the City organizational chart. The chart must be posted on the City legal notice board.
2. Contracts for contracted services and city positions must be advertised, bid on by qualified interested parties, and then awarded to the lowest qualified bidder, in accordance with the City Purchasing Procedure Ordinance No. 25, §3.07.030.

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