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	Title: REGULATIONS GOVERNING PURCHASE & SURPLUS SALES (EXCLUDING FINANCIAL INVESTMENTS)	
	Latest Revision Date May 17, 2017	Ordinance No. 449

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Sec. 6.1.A. revised by Ordinance No. 445 / November 2, 2016

Sec. 6.1. General.

- A. Each purchase shall follow the appropriate procedures identified for that type of purchase. Separate procedures have been established for the procurement of supplies, equipment, non-professional services, public works contracts, and professional services contracts.
- B. The Board reviews and approves an annual budget authorizing the purchase of materials, supplies, equipment and inventory; funding for capital items and projects; professional services and the general operation of the District's potable water, recycled water, wastewater, and Elfin Forest Recreational Reserve.
- C. Sole-source procurement from a single vendor may be conducted if the purchase item is obtainable only from that vendor based on availability and compatibility criteria or in emergency circumstances. Sole-source purchases shall be supported by written documentation (hard or electronic copy) approved and authorized by the General Manager and forwarded and maintained in a project or accounts payable file. Final authorization of a sole-source purchase will be approved according to the purchasing procedures identified for each type of purchase.
- D. Any item exceeding \$50,000 which is not provided for in the annual budget or appropriated by the Board of Directors will require approval by the Board of Directors prior to purchase, except for items deemed to be of urgent necessity by the General Manager or designee. Items provided for in the annual budget shall be procured by the General Manager within the amount set in the budget.

Sec. 6.2. revised by Ordinance No. 449 / May 17, 2017

Sec. 6.2. Supplies, Equipment, and Non-professional services

- A. Purchases up to \$2,500 for supplies, equipment, and non-professional services shall be made at the discretion of the Department Supervisor without the need for a competitive bid.
- B. Purchases up to \$15,000 for supplies, equipment, and non-professional services shall be made at the discretion of the Department Manager through the use of a competitive bid process

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when practical. Three bids or quotes shall be obtained based on appropriate procedures identified for that type of purchase.

- C. Purchases up to \$35,000 for supplies, equipment, and non-professional services shall be made through the use of a competitive bid process at the discretion of the Assistant General Manager. Three bids or quotes must be obtained based on appropriate procedures identified for that type of purchase.
- D. Purchases up to \$50,000 for supplies, equipment, and non-professional services must be made through the use of a competitive bid process at the discretion of the General Manager. Three bids or quotes must be obtained based on appropriate procedures identified for that type of purchase.
- E. Purchases over \$50,000 for supplies, equipment, and non-professional services will require a formal bid process, including, but not limited to, the preparation and circulation of a request for a proposal to qualified sources, as determined in the discretion of the General Manager or designee, to permit reasonable competition consistent with the nature and requirements of the proposed purchases.

Sec. 6.3. Public Work Contracts

- A. Contractors for Public Work will be required to provide proof of insurance and other requirements according to applicable public contracting laws and regulations.
- B. Public Works Contracts for Work not exceeding \$35,000 shall be procured at the discretion of the General Manager. While not specifically required by this section, competitive quotations for public works are always encouraged and may be requested by the General Manager prior to approving the contract.
- C. Public Works Contracts for Work Exceeding \$35,000 not Done by Force Account. When work is not to be done by the District itself by force account, and the amount involved is \$35,000 or more, and competitive bidding of the contract is required by law, any contract for such work shall be let to the lowest responsive and responsible bidder after publication of notice inviting sealed bids in a newspaper or periodical of general circulation to be designated by the General Manager for such time as shall be fixed by law. A canvas of all bids

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received shall be presented by the General Manager to the Board of Directors, together with a statement of the lowest responsive bid and the General Manager's recommendation on the bidder who should receive the award. Such recommendation shall be subject to approval by the Board of Directors prior to award of the contract on which bids were received. The Board of Directors may reject any and all bids, determine that a bid is non-responsive, determine that a bidder is not responsible, or take such further action.

Sec. 6.4. Exceptions to Competitive Quotation and Bidding. The following purchases shall not be subject to the competitive quotation and bidding requirements contained in this section:

- A. Personal service contracts requiring a particular skill or ability.
- B. Contracts for purchase of patented products.
- C. Contracts for experimental or unique products.
- D. The acquisition or disposition of real or personal property.
- E. Where an emergency exists requiring completion of the work.
- F. Contracts where competitive proposals or bids would be incongruous and would not result in any advantage to the District.
- G. Insurance coverage proposals.
- H. All professional service contracts.
- I. Any contract not required to be competitively bid under California law.

Sec. 6.5. Purchasing Documentation.

- A. Each purchase shall be requested and executed using the appropriate form or document. The standard purchasing forms and documents, depending on type of purchase, shall be the purchase request, purchase order, bid package, and service contract. Forms or documents can be submitted in hard or electronic copy. All contracts and purchase orders (electronic or hard copy) must be approved and signed by authorized individuals.

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- B. Approved purchase orders will be used for most purchases. Exceptions include items covered by other contracts, utilities and similar services recurring professional services, water purchases, postage, expense reimbursements, newspaper ads, subscriptions, petty cash items, and other items of similar nature.

Sec. 6.6. Surplus Sales.

- A. Surplus items having a saleable value shall be accumulated by District personnel and may be sold at the discretion of the General Manager or his/her designee. Surplus items with an estimated value in excess of \$500 for a specific category shall be appropriately advertised and either auctioned or sold on a negotiated basis depending upon the circumstances. The General Manager or his/her designee shall determine the method of sale and the objective shall always be to obtain the maximum benefit possible for the District.
- B. All applicable laws governing sales of surplus District property shall be adhered to, including restrictions on District Board Directors, employees, and/or Directors or employees' relatives receiving such property.

Sec. 6.7. Delegation to General Manager

- A. The General Manager or his/her designee is authorized to negotiate for and enter into agreements for work to be done by consultants and contractors where the project has been previously approved by the Board of Directors and funds have been appropriated or budgeted. The General Manager or his/her designee shall comply with bidding requirements as contained in Article 6 of the Administrative Code.
- B. Hydraulic analysis for subdivisions and line extensions shall be considered and, if appropriate, approved by the General Manager. The General Manager is authorized to execute the District's standard subdivision agreement with the developer or proponent.
- C. The General Manager is authorized to approve the transfer in writing of water commitments from one owner to another in accordance with Article 13, Section 13.8.K of the District's Administrative Code.

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Sec. 6.8. Regulations Governing Change Orders for District Contracts for the Construction of Public Works

The General Manager shall have certain authority for the signing of change orders governing District contracts. This authority shall extend only to projects that have Board approved appropriations in sufficient amounts to cover the costs of the change order(s). Change orders shall be presented to the Board of Directors at the earliest opportunity for their information and/or approval.

- A. Change orders less than \$50,000 may be approved and signed at the discretion of the General Manager.
- B. Change orders totaling more than \$50,000 per contract shall be reviewed and approved by the Board of Directors

Sec. 6.9. Professional Service Contracts Selection Policy

- A. For professional service contracts that are anticipated to be less than \$200,000, staff shall provide written or oral Requests for Proposals (RFPs) to at least two firms. A short form RFP is acceptable. No rating/interview panel is required.
- B. For professional service contracts that are anticipated to be between \$200,000 to \$500,000, staff shall request proposals in writing to at least three firms. A detailed RFP shall be used. An in-house panel shall be established for rating/interviewing and shall consist of at least one person from a different department than the one conducting the detailed RFP process.
- C. For professional service contracts that are anticipated to exceed \$500,000, staff shall provide formal written requests to at least three firms. A detailed RFP shall be used. An in-house panel shall be established for rating/interviewing and shall consist of at least one person from a different department than the one conducting the RFP process. In addition, an outside person from another agency or organization having experience or expertise in the services being requested shall also be on the rating interview panel.
- D. Where it is apparent that an RFP process would be incongruous and would not result in an advantage to the District, an exception to the foregoing processes may be granted. Exceptions may include where

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the staff is looking for a particular skill or ability, or where a consultant is already providing current services for the District and there would be economies and efficiencies of scale by continuing with the consultant. Emergencies are also exempted from the RFP process. Staff shall consult with the General Manager and his/her designee prior to commencing the selection process in order to review if the exception to the standard procedures is warranted.