

# **Root Creek Water District Procurement and Purchasing Policy**

Adopted: October 11, 2017

## **Purpose**

The purpose of this policy is to enact Root Creek Water District's (the "District") procurement and purchasing guidelines to ensure the District receives maximum value for each dollar spent, to clearly define District staff authority to procure supplies and services, and to establish the internal controls necessary to ensure financial transactions are properly recorded, among other things.

## **Applicability**

This policy applies to all District procurements of goods, non-professional, and professional services. The Board of Directors intends for this policy to meet the needs of the District through the consistent supply of materials, goods, services, equipment, and support services in a responsible, cost-effective, and timely manner.

## **Policy Statement**

This policy documents the practices and policies governing the District's procurement of supplies, materials, equipment and services, including construction and capital improvements, for the District's use.

Public law requires all local agencies to formally adopt policies and procedures governing the acquisition of materials, supplies, equipment and services. This policy is the District's written rules and regulations required by Government Code section 54202, which provides:

Every local agency shall adopt policies and procedures, including bidding regulations, governing purchases of supplies and equipment by the local agency. Purchases of supplies and equipment by the local agency shall be in accordance with said duly adopted policies and in accordance with all provisions of law governing same. No policy, procedure, or regulation shall be adopted which is inconsistent or in conflict with statute.

By adoption of this policy, the Board is empowering the General Manager with certain duties and responsibilities that are essential for the day-to-day operation of the District.

## **General Procurement Policies**

1. All purchases, agreements, services, leases, and/or contracts for materials, supplies, equipment, and other personal property shall be made in accordance with this policy.
2. The District's procurement practices shall comply with the laws, regulations and guidelines of the federal government, the State of California, local rules and regulations, and the provisions of grant or funding agreements, if applicable.

3. Splitting or separating material, supply, service, lease, or equipment orders or projects for the purpose of avoiding the requirements of this policy is strictly prohibited.
4. All capital projects will follow the dollar thresholds set forth in this procurement policy. The General Manager will ensure performance within the guidelines prescribed by law, by legal opinions, and in accordance with direction provided by the Board of Directors.
5. Any procurement or purchase that will increase the District's adopted budget shall require explicit prior Board approval, except in cases of emergency purchases, defined below.
6. The General Manager shall administer all contracts in a manner that assures the good(s) and/or service(s) received by the District meet(s) the terms and conditions of said contracts.

### **Procurement Authority**

The General Manager is authorized to:

1. Upon obtaining appropriate approvals, enter into contractual obligations on behalf of the District for the acquisition of supplies, materials, equipment, and services necessary to support District functions in accordance with this policy.
2. Solicit full and open competitive pricing in accordance with this policy to obtain the best value for the District.
3. Provide for the fair and equitable treatment of vendors, suppliers, and contractors.
4. Review all purchase orders for accuracy and completeness.
5. Supervise the receipt and inspection of all materials, supplies, equipment, and services purchased to ensure conformance with specifications.
6. Recommend the disposition of surplus or unused supplies, materials, equipment, and scrap through sale or other means.
7. Maintain a bidder list, vendor lists, and any other necessary records that facilitate efficient procurement; however, the General Manager shall ensure all vendors, suppliers, and contractors interested in doing business with the District shall be given fair, unbiased consideration.
8. Prepare and recommend revisions and amendments to the procurement rules and requirements in the policy governing the purchase of materials, supplies, equipment, and services.

### **Procurement Methods**

For purchases exceeding \$25,000, the District shall use one or more of the following procurement methods: Informal Quotes ("IQs"); Invitations to Bid ("ITBs"); or Requests for Proposals ("RFPs"). As described more fully below, ITBs should be used for purchases of materials, services, and equipment that must meet District specifications; RFPs should be used to solicit bids for professional and technical services, where, in addition to District specifications, the personnel performing the services are named and their qualifications listed. ITBs and RFPs must include a statement of work to be performed, how to obtain more detailed information

about the project, and the date, time, and place for the submission of bids/proposals. IQs can be used for remaining purchase types.

The General Manager should try to obtain at least three (3) oral or written IQs for purchases of equipment, services, or supplies in excess of \$1,000.

The following table (the “Authorization Table”) specifies purchase amount, bid type, contract type and the approval level:

<b>Purchase Amount</b>	<b>Bid Type</b>	<b>Contract Type</b>	<b>Approval Level</b>
\$0 - \$25,000	IQ	Purchase Order	General Manager
\$25,001 +	Written ITBs and/or RFPs	Purchase Order or Contract	Board of Directors

### **ITBs and RFPs – Procedures**

1. Purchases of equipment or services via ITB/RFP shall follow these procedures:
  - a. Published Notice: The General Manager shall prepare the ITB/RFP. Notices may be published on the District’s website, trade journals, newspapers, and other media if it is in the best interest of the District.
  - b. Pre-Bid Conference: A pre-bid conference may be held to clarify items in the notice inviting bids/proposals, answer questions, or tour applicable District facilities. If no conference is held, but questions are submitted in writing, a list of all questions and District responses should be distributed to all bidders/proposers.
  - c. Bid/Proposal Opening: The District shall require all bids/proposals be sealed and clearly identified on the outside of the envelope. District staff shall open the bids/proposals at the time and place stated in the ITB/RFP.
  - d. Awarding the Bid: The General Manager shall tabulate the bids/proposals with the Board Chair or his or her designee present. Successful bidders/proposers will be notified by the General Manager.
  - e. Rejection of Bids: The Board of Directors may reject any or all bids/proposals presented, without justification, and re-advertise, if desired. The Board may waive any minor irregularities or exceptions in each bid/proposals received.
  - f. Bid Security: Bids requiring bid bonds or other types of security will be outlined in the bid documents.
2. Best Value shall mean the bidder/proposer who meets the best interests of the District as determined by the Board of Directors in its sole and absolute discretion, pursuant to the criteria outlined by the District in the ITB/RFP.
3. Dividing contracts into smaller component contracts for the purpose of avoiding the provisions of this policy is prohibited. Contracts may be divided only to meet unique scheduling or other needs of a project, such as the purchase of equipment with a long lead-time or to accommodate necessary time frames.

4. Purchase orders will be created for contracts used for the procurement of equipment, materials, or supplies.
5. For contract amounts of \$25,000 or less, the General Manager shall have authority to execute contracts obtained by an ITB/RFP without Board approval, provided, however, that any such contract that will increase the District's adopted budget shall require explicit prior Board approval.
6. For contract amounts exceeding \$25,000, the General Manager shall only have authority to execute contracts obtained by an ITB/RFP after having obtained approval of the Board of Directors.

### **ITBs and RFPs – Use**

An RFP is used when the District cannot precisely set forth its needs. Rather than including specifications, the District shall provide vendors a statement of work and the vendors are then asked to propose solutions. The RFP will detail what items the vendors are to submit, the qualifications of the proposer, the cost of their proposals, how the District will evaluate the proposals, select the vendor, and develop the contract. The RFP award is based upon various factors, including the lowest price, expertise of the proposer, and technical superiority of the proposal as compared to the other proposals submitted to the District. Proposals in response to an RFP are subject to negotiation after they have been submitted to the District.

An ITB is used when the District has determined precisely what goods and services it needs. Similar to an RFP, an ITB award is not necessarily based upon the lowest price, but upon a service or good that best fits the requirements within a reasonable proximity to the other proposals submitted to the District. The terms contained in an ITB are typically not negotiable.

### **ITBs and RFPs – Public Notice**

It is the District's policy to provide notice to the public of all formal procurement opportunities. Such notices shall be posted publicly to ensure competition. Public notice will be posted on the District's website and, when determined by staff to achieve the greatest response, posted via the internet on public online exchanges and/or posted in a local or trade newspaper/periodical of general circulation. Publication shall be no less than ten (10) days prior to the procurement time and due date. In lieu of public notice, the District may opt to create and maintain a vendor list for specific professional services. Staff shall keep evidence of posting of such notices as part of the project.

### **Exceptions to a Competitive Selection Process**

All goods and services shall be procured by an informal or formal competitive selection process unless the District or General Manager determines that one of the circumstances described below is satisfied. The District shall document in writing the justification for using such an exception.

#### **Sole Source Procurement**

The District may procure materials or services that are available from only one source. In order for the District to justify a sole source procurement, one or more of the following factors must be present:

1. The vendor capabilities and experiences are so unique (including the vendor's possession of patents or trademarked materials) that no other vendor may comparably meet the District's needs;
2. Only one product is available to reasonably meet the District's needs; and
3. Only one vendor has the ability to provide goods or services to the District within the District's required time frame.

### **Emergency Purchases**

1. Emergency purchases made by the General Manager may be ratified by the Board of Directors at the next Board meeting following the emergency purchase. For all emergency purchases the General Manager shall use his/her best efforts to consult with the Chair prior to making any such purchases; if the General Manager is unable to consult with the Chair, he/she shall use his/her best efforts to consult with the Vice Chair prior to make any emergency purchases.
2. An emergency purchase includes any immediate need for supplies or services wherein following normal procurement procedures could threaten District operations, property, or public health and safety. Emergency purchases also include purchases that materially deviate from the Board approved budget in place at the time of the purchase.

### **Capital Improvement Projects**

Capital improvement works projects include all work, construction, alteration, repair, maintenance, and improvement to capital assets and infrastructure. Capital projects over \$25,000 require prior approval by the Board and must undergo a formal written ITB/RFP process. Architectural, engineering, environmental, land surveying, and construction management services shall be evaluated through submission of a Request for Qualifications ("RFQs"), and a review and selection committee may be appointed. No contractors or subcontractors may be awarded a contract for a public works project unless registered with the California Department of Industrial Relations' Public Works Contractor Registration Program.

The District is not obligated to select contractors based on price alone. The District reserves the right to base its selection on a combination of evaluation factors which include price.

In the event a party to the bidding process disagrees with the District's recommendation of an award of any contract submitted to competitive bidding, the protest must be submitted in writing within seven (7) working days of the award recommendation of the contract, and the General Manager shall respond within ten (10) working days of receipt of the protest.

### **Professional Services**

The District does not require competitive bidding for the procurement of professional services that involve specialized skill, training, expertise, use of professional judgment or discretion, and/or a high degree of creativity. However, when prudent, the District may use the RFQ process to ensure that the District receives the desired service on the most favorable terms or for the best value. While the District is not specifically required to issue RFQs for professional services, it

has established this process to ensure that the District obtains qualified and necessary professional services as economically as possible.

**Amendment**

This policy is subject to changes in the regular operation of District, as it may be revised from time to time by the Board of Directors.

**Equal Opportunity Language**

It is the policy of the District, consistent with State and Federal law, that race, religion, sex, color, ethnicity, and national origin will not be used as criteria in its business contracting practices. Every effort will be made to ensure that all persons regardless of race, religion, sex, color, ethnicity, and national origin have equal access to contracts and other business opportunities with the District.

**Policy Review**

This policy shall be reviewed by the District regularly, but in no event less than once every three years.