

Timber Cove County Water District

Purchasing Policy

Adopted: 8/24 2024

SECTION 1: PURCHASING POLICY

A. Purpose

The following policies and procedures govern purchases of supplies, equipment, contractual services, and professional services for the Timber Cove County Water District (District). These policies and procedures are meant to ensure District compliance with Government Code Section 54202. Section 54202 requires all local agencies to formally adopt policies and procedures governing the acquisition of materials, supplies, equipment and services as referenced below.

California Government Code section 54202: 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, procedures, or regulation shall be adopted which is inconsistent or in conflict with statute.

B. Definitions

As used in this purchasing policy:

1. "Board" – means the Board of Directors of the District.
2. "Contractual Services" – means any and all purchased services requiring contractual agreements that are provided by individuals or organizations other than "Professional Services." Examples would include equipment maintenance agreements, equipment rental agreements, and herbicide services.
3. "District" – means Timber Cove County Water District, or any of the departments, offices, or other organizational units thereof.
4. "Professional Services" – means any and all insurance contracts, services of attorneys, physicians, engineers, consultants, or other individuals or organizations possessing a high degree of technical skill.
5. "Purchasing Agent" – means any individual the Board designates by motion or resolution as the individual to purchase supplies, equipment, replacement of equipment, and contractual services for the District.
6. "Supplies" and "Equipment" – means any and all articles, materials, or things that shall be furnished to or used by the District.

C. Purchases by Purchasing Agent

The Board hereby authorizes the General Manager of the District, in addition to their regular duties, to be the Purchasing Agent for the District and to purchase supplies, equipment, and contractual services for the District in conformance with the following guidelines:

1. Non-Budgeted Items

The Purchasing Agent may initiate the expenditure of up to \$20,000 per month for supplies, equipment, or contractual services that are not provided for in the budget for the fiscal year.

2. Items in General Budget Schedule

The general budget schedule identifies by general accounts the expenditures planned for the regular day-to-day operation of the District during the fiscal year and contemplates the maintenance of inventory of standard items in the categories of materials, supplies, and tools regularly used in the ordinary routine of operation. Unless otherwise directed by the Board, the Purchasing Agent has the authority to authorize expenditures, of any amount, necessary to ensure the ordinary day-to-day operation of the District that are currently budgeted. In addition, unless otherwise directed by the Board, the Purchasing Agent, in order to effect savings, may also make quantity purchases on inventoried items without prior approval of the Board. It is the policy of the District to maintain inventories not exceeding a supply that will be expended within one (1) year.

3. Budgeted Items Specified on Supplemental Budget Schedules

The budget contains a schedule of anticipated revenues and expenses identified only by account, and supplemental schedules setting forth expenditures for certain specified items (for example, capital expenditures). Unless specifically otherwise directed by the Board, the Purchasing Agent has the authority to expend funds for items specifically designated on supplemental schedules at any time during the fiscal year.

4. Leases and Contracts

Any lease, lease-purchase agreement, contract, installment contract, or any other arrangement that has been provided for in the budget for the fiscal year shall be negotiated by the Purchasing Agent and be approved by the Board.

5. Emergencies

When the Purchasing Agent determines that it is necessary or desirable in the interest of the District to make an expenditure for an item or activity in excess of \$20,000 and not budgeted prior to the next Board meeting, he/she may communicate with the President of the Board, or in the event that the President is unavailable, any of the other directors, regarding the matter. The President, or other director, shall determine whether the urgency and circumstances warrant the authorization prior to the next meeting of the Board and if he/she so determines, he/she is empowered to grant such authorization. The action taken shall be reported at the next meeting of the Board. If the Purchasing Agent is unable to communicate with the President or another director, and the Purchasing Agent believes it is clear that waiting to obtain authorization could cause irreparable damage to District lands, the Purchasing Agent is authorized to act without authorization. In this situation, the Purchasing Agent shall document the reasons why the action was taken and shall present the reasons to the Board at the next meeting.

6. Competitive Quotations

The Purchasing Agent is responsible for making all purchases in accordance with the District's approved purchasing procedures, including whenever practical, the securing of competitive quotations before making purchases.

D. Competitive Bidding for Purchases of Supplies, Equipment, or Contractual Services.

Notwithstanding anything to the contrary in this Policy, the District is a California County Water District and therefore is not mandated by State law to competitively bid any purchases, including those for public works projects and/or capital expenditures. The District is free to enter into non-bid contracts for public works, to purchase materials, services and supplies, to contract for design-build work, to utilize job-order contracting and to enter into cooperative purchasing arrangements for the design, construction and maintenance of public works, or undertake any other form of contracting determined to be in the District's best interest, except as otherwise expressly restricted by law. However, although competitive bidding is not required, the Board may decide to competitively bid a project on terms deemed appropriate by the Board or when mandated by a State or federal program.

E. Professional Services

Selection and engagement of professional services and consulting contracts shall, in all cases, require approval by the Board. Lists of bidders, scope of work and requests for proposals shall all require prior approval by the Board before publication. Selection and contracting for professional services shall be conducted in accordance with any statutory requirements and following standard ethical procedure for obtaining fair, competitive proposals from qualified applicants.

“Professional services” shall mean (1) services encompassed by Government Code sections 4525 et seq., (2) services for which an advanced professional degree, certification, and/or license is required, or (3) senior or management-level services requiring advanced experience, expertise, or training. For purposes of this Policy, consultants include individuals, partnerships, corporations, joint ventures, associations or other legal entities, or any other combination of firms or persons competent to perform the required services.

Notwithstanding any other requirement of this Procurement Policy, the selection of consultants for professional services will be based on demonstrated competency and the professional qualifications necessary for the satisfactory performance of the services required. Evaluation shall be based upon the experience of the consultant, knowledge of the subject matter, demonstrated ability to perform similar services within budget and the time allowed, and the total estimated cost to the District. Above all, the goal of this Policy shall be to create a competitive environment where the best value can be achieved.

In awarding a contract for professional services that is not federally funded, the District may, but is not required to, use competitive procedures. If the contract includes federal funding, then the District must use competitive procedures as required by law and this Purchasing Policy.

F. Debit Cards

The Purchasing Agent may be supplied with a debit card issued in the District's name. Such debit card will only be used for official District business. Debit card expenses will be reasonable and necessary to the furtherance of District business. The Board or designee will periodically review debit card statements. Purchasing agent may be asked to provide documentation regarding District purpose of each debit card expenditure. Any amount charged to a debit card which is disallowed by the Board for any reason will be deducted from compensation to be paid to the Purchasing Agent.

SECTION 2: PURCHASING POLICY STATEMENT

A. Purpose

To provide a policy for the selection of supplies and to develop and maintain good supplier relations.

B. General

1. In arriving at decisions as to the selection of sources, the Purchasing Agent will evaluate the material or equipment to be purchased and sources from which they may be obtained.
2. In general, the Purchasing Agent in selecting and eliminating sources of supply will endeavor to conduct its activities in the best interests of the District to create and maintain good vendor relations. Vendors must know that the source has not been predetermined when bids are requested and that their proposals will receive fair and confidential consideration.
3. Frankness, fair dealing, maintenance of quality, good delivery and equitable prices are elements of significance in the continuation of District business with a particular source.
4. Competition for District business will be used to the fullest extent consistent with good purchasing practices and conforming with applicable government codes.
5. Purchases of goods or services from District employees or their families, or from firms owned or operated by District employees or their families are prohibited unless the interested District employee plays no role whatsoever in the purchasing process (either because such participation is outside the scope of the employee's duties or because the employee has disqualified himself or herself from all discussion, influence, and participation prior to and during the Board decision). (80 Ops. Cal. Atty. Gen. 41 (1997)).

SECTION 3: GIFTS FROM SUPPLIERS

A. General

1. Employees or members of their families shall not solicit any tip, gift, or gratuity from any firm or individual with whom the District is, or is likely to be, doing business.

2. Advertising matter imprinted with the supplier's name or logo is not considered a gift under this policy.
3. Any unethical attempt to influence a purchasing decision by any means must be reported immediately to the Board.

SECTION 4: PURCHASES FOR EMPLOYEES

It is the District's policy that the following will be prohibited:

- A. District purchases from outside suppliers for employees, trustees, or officers.
- B. Sales of District property to employees, trustees, or officers.

SECTION 5: DUTIES

A. Procurement

Unless exempted by Subsection G below, it will be the Purchasing Agent's responsibility to procure at the most advantageous prices all materials, supplies, equipment and services of acceptable quality for delivery when required for efficient and economical operations.

B. Inventory Control

The Purchasing Agent will provide substantial assistance in controlling inventories by:

1. Questioning quantities requested and negotiating advantageous delivery arrangements with suppliers.
2. Actively participating in the transfer or disposal of surplus or obsolete materials.

C. Quality

1. The Purchasing Agent will contribute to quality of product and process by:
 - i. Selecting reputable suppliers and assuring clear understanding of District requirements by including all necessary information on all purchasing documents.
 - ii. Resolving all complaints and claims with suppliers.

1. With regard to complaints and claims arising from receipt of substandard or damaged materials, the Purchasing Agent will:
 - a. Call supplier as soon as suspect material is discovered.
 - b. Set aside the questionable material awaiting supplier inspection.
 - c. Not use the suspect material.
 - d. Not dispose of the suspect material until disposition has been authorized by the supplier.

D. Development of Sources and Materials

The Purchasing Agent will:

1. Develop alternate or additional sources of supply to meet current or anticipated requirements.
2. Analyze the possibility of using alternate materials, tools, or equipment to maintain operations or secure better quality, lower price or increased services, and if advisable obtain necessary samples for evaluation and recommendations.
3. Be alert to new or improved products, methods or materials and call these to the attention of the Board for examination, tests, and recommendations.

E. Scrap and Non-Usable Materials

The Purchasing Agent will be responsible for the sale and disposal of all scrap, waste materials and used machinery. Any hazardous waste will be disposed of in strict adherence to all rules and regulations in conformance with government codes.

F. Supplier Relations

The Purchasing Agent will conduct interviews and keep in contact with representatives of suppliers and potential suppliers on a basis that will develop and maintain sound relations.

G. Exemptions

1. The Purchasing Agent shall not negotiate or buy:
 - i. Professional or consulting services
 - ii. Construction Contracts
 - iii. Insurance
 - iv. Power
 - v. Real estate
 - vi. Research services
 - vii. Telephone services
2. The following are some reasons for not obtaining competitive pricing:
 - i. Only one source of supply
 - ii. Original equipment replacements and repair parts
 - iii. Patent restrictions
 - iv. Material standards
 - v. An emergency order
 - vi. When time is a prime factor.
 - vii. The amount is so small as to preclude the possibility of saving any money.
 - viii. When there is sufficient recent evidence from previous bids and experience to justify placement of an order.