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Procurement Policy

1.0 Introduction.

The purpose of this Procurement Policy of the Pajaro Valley Water Management Agency (PV Water or Agency) is to establish guidelines for buying, purchasing, leasing, and otherwise acquiring of any materials, supplies, equipment, and services, or construction, consistent with Government Code section 54201 et seq. This policy is intended to define the purchasing authority of the General Manager, the formal and informal monetary purchase limits, and to ensure compliance with the Agency Act, applicable state and federal laws and rules, and the terms and conditions of any grant or gift that is consistent with the law.

2.0 Materials/Supplies/Equipment/Goods.

The General Manager shall make a good faith effort to purchase or enter into a contract to procure (buy, purchase, lease, or otherwise acquire) materials, supplies, equipment, and goods at the “best value” on the basis of competitive prices, quality, suitability, timeliness and related considerations, provided there are funds in the approved budget, as follows:

- a. If the amount is \$5,000 or less, price comparisons are suggested but not required;
- b. If the amount is greater than \$5,000 and up to \$10,000, price comparisons are required through an informal process (internet or phone calls);
- c. If the amount is greater than \$10,000 and up to \$25,000, but only after appropriate price comparisons have been obtained; or
- d. If the amount is greater than \$25,000, with the prior approval of PV Water’s Board of Directors.

Materials Supplies Equipment or Goods - Contract Summary Table

| Amount | Contract Requirement | Authorization |
|---------------------|-----------------------------|-----------------------------------|
| ≤\$5,000 | Quotes not required | General Manager |
| >\$5,000 - \$10,000 | Informal Quotes* | General Manager |
| >\$10,00 - \$25,000 | Informal Quotes* | General Manager |
| >\$25,000 | Informal Quotes* | Board of Directors Prior Approval |

* After appropriate price comparisons

3.0 Professional Services.

The General Manager may enter into a contract for professional services under the following guidelines:

- A. Expert and professional services are provided by independent consultants which involve extended analysis, personal expertise, the exercise of discretion and independent judgment in their performance, which are of an advisory nature, such as financial advisors, auditors, grant writers, program specialists, labor consultants and negotiators, investigators, certified laboratories, attorneys, environmental consultants, appraisers, architects, landscape architects, surveyors, engineers, design professionals, and construction management firms.
- B. Except as provided in subparagraph (C), when selecting professional or consulting consultants, the Agency representatives evaluating the proposals will consider the consultant's demonstrated experience and competence, insurability, understanding of the scope of work, financial ability, resources to perform the work, willingness to cooperate with Agency representatives and other consultants, and proposed methods to ensure timely and acceptable performance and management of the work. An award of a contract will be made to a qualified consultant whose proposal will be most advantageous to the Agency, with price and other factors considered.
- C. The selection for professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms will be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required, pursuant to Government Code Section 4526.
- D. Authorization Limits.
 - (1) If the amount is \$25,000 or less, then the General Manager may contract with a qualified consultant based on the General Manager's discretion;
 - (2) If the amount is greater than \$25,000, with the prior approval of PV Water's Board of Directors; and
 - (3) Contracting or hiring for a budgeted position that is within PV Water's organizational structure shall be exempt from this policy.

Professional Services - Contract Summary Table

| Amount | Authorization |
|---------------|-----------------------------------|
| ≤\$25,000 | General Manager |
| >\$25,000 | Board of Directors Prior Approval |

4.0 Public Works Contracts/Construction.

- A. The General Manager may enter into a construction contract consistent with the Agency Act section 510(c):
- (1) If the amount is \$10,000 or less, and is budgeted, then by force account; or
 - (2) If the amount is \$10,000 or less, and is unbudgeted, then by force account with the prior approval of PV Water’s Board of Directors; or
 - (3) If the amount is greater than \$10,000, then, pursuant to Chapter 2 (commencing with Section 22000) of Part 3 of Division 2 of the California Public Contract Code, with the prior approval of PV Water's Board of Directors.
- B. For purposes of this policy, a construction contract is defined as a public project involving the construction, erection, renovation, improvement, demolition of any Agency owned, leased, or operated facility. It excludes projects for repairs and maintenance work to keep, operate and maintain Agency’s property or facilities consistent with Public Contract Code section 22002.
- C. For purposes of this policy, contracts for maintenance and repairs are subject to bidding if the cost is more than \$25,000.

Public Works Construction Contract - Contract Summary Table

| Amount | Contract Requirement | Authorization |
|---|---|---|
| ≤\$10,000 budgeted | Force account* | General Manager |
| ≤\$10,000, emergency circumstances | Force account* | General Manager with Board of Director approval at next regular meeting |
| ≤\$10,000 unbudgeted | Force account* | Board of Directors Prior Approval |
| >\$10,000 | Contract Bid required in accordance with Public Contract Code section 22000 et seq. | Board of Directors Prior Approval |
| ≤\$25,000 budgeted Maintenance/Repair | Force account* | General Manager |
| >\$25,000 budgeted or unbudgeted Maintenance/Repair | Contract Bid required in accordance with Public Contract Code section 22000 et seq. | Board of Directors Prior Approval |

* After appropriate price comparisons

- D. Public work projects must comply with applicable prevailing wage requirements and Department of Industrial Relations reporting requirements consistent with state law.

5.0 Exceptions to Competitive Procurement Process.

A. Sole Source Procurement

1. This policy grants authority to the General Manager to enter into non-competitive contract, also known as sole source procurement, when one or more of the following conditions exist:
 - (a) The item is available only from a single source: a preferred brand, like material, etc., to be procured; or
 - (b) The commodity is unique, including, but not limited to, acquisition of data processing, telecommunications and word processing equipment, goods and services; or
 - (c) The purchase of a specific brand name, make or model is necessary to match existing Agency equipment or facilitate effective maintenance and support; or
 - (d) When it is in the best interest of the Agency to extend or renew a contract from a previous contract period, based on satisfactory service, reasonable prices, avoidance of start-up costs, avoidance of interruptions to Agency business, or good business practices.
2. PV Water must document why a particular item is unique, or why the individual or firm it has selected has the unique capability required, and the consequences if the sole source procurement is not made. Documentation must be retained for audit purposes.

B. Emergency Circumstances.

1. The General Manager may deem an emergency exists which requires an immediate and serious need for supplies or services that cannot be met through normal procurement methods, the lack of which would seriously threaten any of the following:
 - (a) Essential services or operation of PV Water;
 - (b) The preservation or protection of property;
 - (c) The public health, safety, or welfare; or
 - (d) Economic health of the District.
2. All emergency purchases which would otherwise require formal solicitation must be submitted to the Board of Directors for ratification by resolution at the next regular Board meeting after the emergency purchase has been made. Such resolution shall state the facts constituting the emergency.

- C. In the event grant or state or federal funding is utilized, the grant or state or federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from PV Water.
- D. When competitive procurement would fail to produce an advantage or when the procurement process is undesirable, impractical, or impossible. Examples include situations when the Services or Supplies are to be performed in partnership with other public agencies or nonprofit organizations; or are to be paid for with private funds.
- E. When the Services or Supplies are obtained by cooperative procurements or “piggyback” on the competitive procurement process of another agency, PV Water shall have the

authority to join with other public jurisdictions in cooperative purchasing plans, programs or pricing agreements. PV Water may also contract for services and supplies at a price established by competitive procurement by another public jurisdiction in substantial compliance with that public agency's competitive procurement process. PV Water may also contract with any federal, state, municipality or other public agency.

- F. In the event any of the exceptions to the competitive procurement process are used, the recommendation will be documented in writing and approved by the General Manager for procurements within the authority of the General Manager and by the Board of Directors for procurements requiring Board approval.

6.0 Conflict of Interest.

- A. Board members, and District officers and employees shall not be financially interested in any contract made by them in their official capacity. (Government Code Section 1090). Board Members, officers and employees shall not participate in any way to influence a governmental decision in which he/she knows or has reason to know that he/she has a financial interest. (Government Code Section 87100)
- B. All prospective bidders or those responding to a request for proposal or request for quotes (Proposer) shall be required to avoid any conflict of interest or any unfair competitive advantage over any other Proposer with respect to PV Water's procurement, and shall be required to disclose any financial or other conflict of interest relating to the procurement.

7.0 Compliance with All Laws. Purchasing activities must be performed in accordance with all applicable laws and PV Water policies. When a purchase is funded through a federal grant, the Agency must comply with the Federal procurement standards listed in the Code of Federal Regulations Sections 200.317 through 200.326 or as required by the grant document.

8.0 Additional Procedures. The General Manager has the discretion to establish practices and operational procedures to ensure compliance with these policies.

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Check Signing Policy

Checks written by the Agency may only be signed by Agency officers, employees and agents as follows:

A. Checks for any supplies, equipment, materials or services procured pursuant to the terms of this Purchasing and Check Signing Policy may be signed as follows:

(1) Checks up to \$10,000 require the signatures of any two of the following individuals: General Manager, Finance & Administrative Services Manager, or Chair, Vice-Chair, or Treasurer;

(2) Checks over \$10,000 require the signatures of:

(a) one of the following individuals: General Manager, or Finance & Administrative Services Manager; and

(b) one of the following individuals: Chair, Vice-Chair, or Treasurer.

B. Checks for payment of materials, supplies, equipment or services, a contract for which has been previously authorized and approved by the Board of Directors, require the signatures of any two of the following individuals: General Manager or Finance & Administrative Services Manager, Chair, Vice-Chair, or Treasurer.

C. Any other Agency check requires the signatures of

(1) one of the following individuals: General Manager or Finance & Administrative Services Manager; and

(2) one of the following individuals: Chair, Vice-Chair, or Treasurer.

Check Signing Summary Table

| Check Amount | Two Signatures Required for All Checks |
|---|--|
| ≤\$10,000 | Any two of the following: General Manager, Finance & Administrative Services Manager, or Chair, Vice-Chair, or Treasurer |
| ≥\$10,000 | One of either: General Manager, or Finance & Administrative Services Manager; and One of the following: Chair, Vice-Chair, or Treasurer |
| Checks for contracts previously authorized and approved by the Board of Directors | Any two of the following: General Manager, Finance & Administrative Services Manager, or Chair, Vice-Chair, or Treasurer |
| Any other PV Water check | One of either: General Manager, or Finance Administrative Services Manager; and One of the following: Chair, Vice-Chair, or Treasurer |