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	Title: REGULATIONS GOVERNING PURCHASE & SURPLUS SALES (EXCLUDING FINANCIAL INVESTMENTS)	
	Latest Revision Date February 10, 2010	Ordinance No. 373

ARTICLE 6. REGULATIONS GOVERNING PURCHASES & SURPLUS SALES

Sec. 6.1.A. revised by Ordinance No. 296 / July 24, 2002

Sec. 6.1. General.

- A. The requisition and purchase of all items required by the District shall be made in such a way as to provide the maximum benefits to the District with minimum expenditure. This will require that purchases be made in economical quantities with uniform quotations and bidding by suppliers wherever possible. The regulations set up in this Article have been devised for this purpose and must be followed. Where the District receives bids for purchases or contracts, the District shall take any possible steps to encourage small or emerging businesses to bid on the projects.

- B. It is contemplated that most purchases will be provided for through approval of the annual budget. Any item exceeding \$50,000 or 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.

Sec. 6.2. Public Works Contracts or Purchases not Exceeding \$25,000.00. All purchases by the District, the estimated cost of which does not exceed \$25,000.00, shall be procured at the discretion of the General Manager or his/her designee. While not specifically required by this section, competitive quotations are always encouraged and may be requested by the General Manager or his/her designee prior to approving the purchase.

Sec. 6.3. Public Works Contracts or Purchases in Excess of \$25,000.00. All purchases by the District, the estimated cost of which is in excess of \$25,000.00 shall be procured at the discretion of the General Manager or his/her designee. However, the General Manager or his/her designee shall obtain competitive quotations before consummating the purchase. The General Manager shall review all such quotations and shall complete the purchase based upon the best quotation unless the General Manager determines that a purchase based upon the lowest quotation is not in the best interest of the District.

Sec. 6.4. Public Works Contracts for Work Exceeding \$35,000.00 not Done by Force Account. When work is not to be done by the District itself by force account, and the amount involved is \$35,000.00 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

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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 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. 6.5. Exceptions to Competitive Quotation and Bidding Requirements under Sections 6.3 and 6.4 above. The following purchases shall not be subject to the competitive quotation and bidding requirements contained in Sections 6.3. and 6.4. of the District's Administrative Code:

- 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. 6.6. Procedure.

- A. A procedure and system of forms to be used in the requisition and purchase of all items required by the District shall be determined by the General Manager and shall be set forth by him/her in written form. This information shall be made available to all employees of the District, shall become the guide under which all purchases shall be made, and shall be strictly adhered to. All contracts and

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purchase orders must be signed by the proper individuals as designated by this system.

- 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. 6.7. 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. 6.8. 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. 6.9. 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).

- A. Change orders which are not more than \$10,000.00 may be approved and signed at the discretion of the General Manager.
- B. Change orders in excess of \$10,000.00 but less than \$50,000.00 shall have the District engineer's review and recommendations prior to the General Manager's decision to approve the change order. If the change order is for a contract prepared by the District's consulting engineer, then the change order shall be prepared by the consulting engineer with the General Manager's approval.
- C. Change orders totaling more than \$50,000.00 per contract shall be approved by the Board of Directors.
- D. All change orders shall be presented to the Board of Directors at the earliest opportunity for their information and/or approval.

Sec. 6.10. revised by Ordinance No. 327 / February 17, 2006

Sec. 6.10. hereby added by Ordinance No. 297 / August 21, 2002

Sec. 6.10. 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.

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- 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.

Sec. 6.10.D. revised by Ordinance No. 373 / February 10, 2010

- 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 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. In addition, RFP's do not have to be conducted for work undertaken by the Board appointed District Consulting Engineer for plan check, hydraulic analysis, or specific and/or special projects requested by the General Manager. 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.