

## RESOLUTION 21/22-29

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAR VALLEY COMMUNITY SERVICES DISTRICT, AMENDING THE DISTRICT'S POLICIES FOR THE PURCHASE OF SUPPLIES, MATERIALS AND EQUIPMENT

The Board of Directors of the Bear Valley Community Services District resolves as follows:

**Section 1. Findings.** The Board finds as follows:

A. Under Government Code section 61063, the District is authorized to and has adopted policies and procedures governing the purchase of materials, supplies and equipment not otherwise governed by the Public Contract Code ("Purchasing Policy").

B. The Purchasing Policy is currently codified in Sections 1-8-6 through 1-8-9 of the District Code, and for the most part has not been updated since 2009.

C. The current Purchasing Policy does not specifically include certain procurement practices that are expressly permitted under State law such cooperative purchasing and "piggy back" agreements with other public agencies and entities that save staff time in terms of not having to replicate solicitations for quotes and also typically provide for lower prices, especially for a small agency such as the District, because of the competitive pricing received due the volume of collective purchasing through these arrangements.

D. The current Purchasing Policy also contains certain solicitation procedures such as bid and performance bonds which vendors are unlikely to provide, which in turn, limit instead of expand the potential for multiple competitive quotes.

E. Additional changes and clarifications to the Purchasing Policy are necessary such as the applicability of the Policy, procedures for the use of District credit cards, and certain common exemptions from multiple quote solicitation requirements such as for "sole source" and "single source" procurements are necessary.

F. For these and other reasons, the Board desires to amend the Purchasing Policy.

G. State law authorizes the District to adopt its Purchasing Policy by resolution or ordinance. Although the current Purchasing Policy was adopted by ordinance, the Board desires to have the updated purchasing policies and procedures in the proposed "Amended Purchasing Policy" in place immediately so as to avoid delays in procurement while the Board considers additional revisions.

**Section 2. Adoption of Amended Purchasing Policy.** The Board hereby adopts the document entitled "BVCS D Purchasing Policy – Supplies, Materials and Equipment" attached as Exhibit A to this resolution as the District's "Amended Purchasing Policy." The Amended Purchasing Policy will supersede the provisions of Sections 1-8-6, 1-8-7, 1-8-8 and 1-8-9 of the District Code, until such time as those provisions are formally repealed or amended by ordinance.

**Section 3. Effective Date.** This resolution will become effective immediately upon the adoption.

PASSED, APPROVED AND ADOPTED on March 10, 2022 by the following vote:


AYES: Quinn, Carlyn, Hahn  
NOES: Jensen  
ABSENT: Grace  
ABSTAIN: None



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Gregory Hahn, President

ATTEST:

I hereby certify that the above Resolution No. 21/22-29 was duly adopted by the District at a regularly noticed meeting held on March 10, 2022.



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Kristy McEwen, Board Secretary

## **BVCSD PURCHASING POLICY – SUPPLIES, MATERIALS AND EQUIPMENT**

### **1-8-6: PURCHASING OF SUPPLIES, MATERIALS AND EQUIPMENT - GENERAL:**

A. Applicability And Purpose: Sections 1-8-6 through 1-8-8 apply to the purchase of supplies, materials and equipment not subject to the Public Contract Code or Chapter 11 of Title 1 of this Code. These provisions serve as the district's written "purchasing policy" under Government Code section 61063, and are intended to provide uniform guidelines and procedures for the purchase of supplies, materials and equipment.

B. Centralized Purchasing System: In order to establish efficient procedures for the purchase of supplies, materials and equipment, and to secure for all departments of the district supplies, materials and equipment at the lowest or most reasonable possible cost commensurate with the quality or specifications needed, to exercise positive financial control over purchases, to clearly define authority for the purchasing functions, and to assure the quality of purchases, a centralized purchasing system is adopted.

C. Purchasing Agent: The purchase and sale of all supplies, materials and equipment is the responsibility of the general manager who will be the purchasing agent.

D. Estimates Of Requirements: All departments must file detailed estimates of their requirements for supplies, materials and equipment in such manner, at such time, and for such future periods as the purchasing agent may prescribe.

E. Requisitions: All departments must submit requests for supplies, materials and equipment above \$1,000 to the purchasing agent on standard requisition forms.

F. Purchase Orders: Purchases of supplies, materials and equipment above \$1,000 may be made only by purchase order or contract and signed by the purchasing agent. A blanket purchase order may be used for payment to the same vendor for ongoing purchases or expenses for the fiscal year or through a contract term and will typically expire at the end of the fiscal year or at the expiration or termination of the contract.

G. Encumbrance Of Funds: The purchasing agent may not issue any purchase order or enter into a contract for supplies, materials or equipment unless there exists an unencumbered appropriation in the department or fund against which the purchase is to be charged.

#### **H. Purchases Made By Credit Card:**

1. The general manager, along with the chief of police, director of public works, administrative services director, assistant to the general manager, general services supervisor, roads supervisor, wastewater supervisor, and water supervisor are authorized, subject to general manager approval, to use a district credit card issued in their names. Additional staff who may have specific needs for a credit card may be issued a credit card in their names upon request from a department head and approval by the general manager. Cardholders will sign a credit card user agreement agreeing to abide by adopted district credit card policies and procedures.

2. Credit cards should not be used for individual purchases greater than \$1,000. Purchases may not be divided into multiple transactions to bypass the \$1,000 purchase limit. If the vendor will only accept credit card payment for a purchase greater than \$1,000, the purchase must be authorized through the applicable requisition/purchase order process and the purchasing agent will place the order and make payment.

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3. At the close of each billing cycle (monthly), individual monthly credit card statements will be received and reconciled by the district. Individual card holders are responsible for providing all pertinent receipts and other documentation necessary for a full reconciliation. A report must be maintained in the district files and include the following information: name of purchaser, item purchased, date and amount of purchase.

I. Purchase Amounts. The purchase amounts used to establish the applicable purchasing procedure in section 1-8-7 include taxes, costs of shipping, freight fees and any other charges billed by the vendor.

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### 1-8-7: PURCHASING QUOTATION AND APPROVAL PROCEDURES.

A. Open Market Purchases - No Quotes Are Required: For open market purchases of supplies, materials and equipment not exceeding \$5,000, the purchasing agent is authorized to select a specific vendor and place an order without obtaining multiple quotes.

B. Open Market Purchases – Quotes Required: Purchase of supplies, materials and equipment of a value greater than \$5,000 may be made by the purchasing agent in the open market, in accordance with the following procedures.

1. Minimum number of quotes. Wherever possible, open market purchases should be based on at least three quotes and awarded to the lowest responsive quotation and best vendor.

2. Notice soliciting quotes: The purchasing agent may solicit quotes by written request or by telephone to prospective vendors.

3. Written Quotes: The purchasing agent may receive quotes either in writing or by telephone (provided that a written verification of the bid by U.S. mail, e-mail or fax is provided by the prospective vendor following the telephone call). All such quotes will remain confidential until approved by the general manager or presented to the board for approval. The purchasing agent must cause to be retained a record of all open market purchases and quotes for the required period of time after the submission of the quotes or the placing of orders. This record will be a public record and available for public inspection.

C. Open Market Purchases – Approval Procedures:

1. Purchasing agent approval. After determining compliance with the procedures under section 1-8-7.B., or the application of an exemption under section 1-8-8, the purchasing agent may execute a purchase order or contract for the purchase of supplies, materials and equipment of a value greater than \$5,000 and less than \$25,000.

2. Board approval. After determining compliance with the procedures under section 1-8-7.B., or the application of an exemption under section 1-8-8, the board of directors may authorize the execution of a purchase order or contract for the purchase of supplies, materials and equipment of a value greater than \$25,000.

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### 1-8-8: EXEMPTIONS FROM PURCHASING QUOTATION AND APPROVAL PROCEDURES:

The following purchases of supplies, materials and equipment are exempt, as applicable, from the purchasing procedures of section 1-8-7:

A. Emergency Purchase: In the case of an emergency, which is so urgent as to preclude advance action by the board of directors, the general manager may secure in the open market at the lowest obtainable price, any supplies, materials and equipment needed. This emergency authority extends to all purchases, irrespective of the fact that the amount might exceed the authorized limitation for open market purchases. In all instances, a written explanation of the emergency circumstances must be filed with the board of directors at the earliest opportunity.

B. Used Equipment: In the case of the purchase of used supplies, materials or equipment, the purchasing agent is not required to comply with the purchasing procedures of Section 1-8-7.B. However, when the used supplies, materials or equipment are valued between \$15,000 and \$25,000, the purchasing agent must file a report with the board of directors justifying the purchase or contract for the used supplies, materials or equipment. The board of directors must approve the purchase or contract for used supplies, materials or equipment in excess of \$25,000 prior to the purchase or entering into the contract for the used supplies, materials or equipment.

C. Minor Purchases: The purchase is in an amount less than \$1,000.

E. Petty Cash: The purchase is to be made through the petty cash procedures up to \$100.

F. Single Source: Single source procurement is any transaction where: (1) there is a compelling reason for only one source, a preferred brand, like material, etc., to be procured; (2) the commodity is unique; (3) the purchase of a specific brand name, make or model is necessary to match existing district equipment or facilitate effective maintenance or support; (4) when it is in the best interest of the district to extend or renew a contract based on satisfactory service and performance, reasonable prices, avoidance of start-up costs, avoidance of interruptions to district business or services; or (5) where a reasonable attempt has been made to obtain competitive quotes and no additional vendors have responded or the additional responses are not sufficient, satisfactory or fully responsive to the solicitation as determined by the purchasing agent. These purchases require written documented analysis of the applicable single source requirements as well as possible review by the general counsel.

G. Sole Source: The vendor is the only source permitted or viable. This is usually due to legal restrictions such as a manufacturer's agreement with the vendor as the sole representative in a certain geographical area, patent rights, a proprietary process, service limitations, or warranty issues.

H. Cooperative Agreement Or Purchasing Program: Competitive procurement procedures, substantially similar to the solicitation procedures in this chapter, have already been utilized either by a federal, state, county, city or special district government agency, or by a cooperative purchasing agency that the district is authorized to contract with for such purchases.

I. Piggyback Purchasing Procedures: The district may "piggyback" on contracts for supplies, materials or equipment entered into by other governmental agencies (municipality, county, state or federal) through a competitive procurement process. The applicable purchasing department

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will obtain documentation to verify the procurement process. Such contracts include, but are not limited to, contracts under the California Multiple Award Schedules (CMAS), California Department of General Services (CDGS), or Federal General Services Administration (GSA).