

ADMINISTRATIVE PROCEDURES



APPROVAL DATE 09/03/2020	FINANCE POLICIES	POLICY NO.
APPROVED BY: Board of Directors	POLICY TITLE PROCUREMENT POLICIES & PROCEDURES	EFFECTIVE DATE 09/03/2020

PREFACE

Open and Transparent

The District is committed to transparency and accountability and will strive to make businesses aware of all contracting opportunities available to them.

SECTION I: PURPOSE

The purpose of this policy is to establish guidelines and procedures for the cost effective and efficient purchasing and contracting of supplies, materials, equipment, labor and services, including construction and capital improvements, for West Valley Water District (the District) pursuant to California Government Code (CGC) Section 54201 et seq. This is also to encourage competition for public contracts and to aid the District in the efficient administration of public contracting, to the maximum extent possible, for similar work performed.

CGC Section 54202 requires every local agency to adopt policies and procedures, including bidding regulations, governing purchases of supplies, materials, and equipment and that said purchases shall be in accordance with duly adopted policies.

CGC Section 54204 requires that if a local agency is other than a city or county, policies provided for in Section 54202 shall be adopted by means of a written rule or regulation, copies of which shall be available for public distribution.

SECTION 2: GENERAL POLICY & OBJECTIVES

The general purchasing policy is as follows:

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The District will procure goods and services in support of its administrative, operational, and capital improvement requirements. It is the intent of the District to engage in procurements that ensure it will receive goods and services of the appropriate quantity, of a satisfactory level of quality, delivered in a timely manner, and at a price that represents the best value to the District and its ratepayers. Furthermore, it will employ procurement processes that are fair and equitable and will allow providers of goods and services the greatest opportunity to participate and compete for the District's procurement engagements. Lastly, the policy will support management in cooperatively developing and executing sourcing strategies with the District's Departments for products and services that meet or exceed the District's requirements and to perform these services to the highest ethical and professional standards.

The general purchasing procedures used in the application of the general policy follow de-centralized procedures. The responsibility for the purchase of all products, materials, supplies, furniture, equipment, vehicles and services is divided among the Administration, Operations and Maintenance, Engineering, Human Resources/Risk Management, Customer Service, Information Technologies, Accounting, Billing and Water Conservation Departments. Although assigned different responsibilities, all core systems, methods, policies and procedures remain common. Shared responsibilities include overseeing the professional relationships between West Valley Water District and its vendors and contractors and insuring the highest ethical and professional standards.

Other objectives of this Purchasing policy that are valuable to the District include:

- Assisting Departments in maintaining compliance to all District policies regarding contracting and purchasing.
- Assisting Departments involved in Federal and State grant agreements in maintaining compliance to applicable regulations.

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- Providing leadership through contract negotiation, and vendor management.
- Promoting the use of small, disadvantaged and minority-owned businesses when possible.
- Supporting the District's commitment to environmental responsibility.
- Supporting the District's commitment to the local business community by supporting use of local businesses when possible.

Applicability:

- All purchases, agreements, services, leases, and/or contracts for materials, supplies, equipment, and other WVWD property shall be made in accordance with this Policy.
- Procurement practices shall comply with laws, regulations and guidelines of the State of California and the provisions of grant or funding agreements, if applicable
- Any employee affecting any procurement action outside of the policies and procedures established within this manual and without Board authorization to do so, may be subject to disciplinary action and/or termination.
- Splitting or separating of material, supply, service, lease, and equipment orders or projects for the expressed purpose of evading the requirements of this Policy is strictly prohibited.

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SECTION 3: PROCUREMENT AUTHORITY

Procurement Authority shall be exercised and performed by the Board of Directors. This authority includes both the authority to approve procurements and the authority to commit the District to procurements. The Board of Directors may delegate certain authorities to the District's management and staff. These delegated authorities shall be exercised and performed in accordance with applicable federal, state, and local laws and the policies contained herein.

The Board authorizes the General Manager, or his/her authorized representative to exercise certain duties and responsibilities that are essential for the day-to-day operation of the District.

- The General Manager (GM) may delegate the procurement of services and materials to those staff members given specific authority within this policy.
- The GM delegates the authority to act as the District's Purchasing Agent to the Chief Financial officer, or their designee.
- The GM delegates the authority to procure engineering, consulting and design, and construction services for Construction projects to the Directors of Engineering and Operations, or their Designee.
- The GM delegates to Program Managers and Supervisors the authority to determine specifications of goods and services needed, to solicit proper bids, and to obtain proper approvals according to the Authorization Table.

The Authorization Table outlines who may approve and sign contracts and legally binding agreements with external parties that obligate the District. The Authorization Table shall also apply to all Capital Improvement Projects. Capital Improvement Projects shall employ competitive bidding whenever possible and all capital

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procurements that exceed the General Manager's authorization level must be approved by the Board of Directors.

For multiple year agreements, procurement authorization shall be determined by the maximum total dollar value that may be awarded over the duration of the contract, including any option years. If provided for in the original agreement, the Purchasing Agent may in its sole discretion, negotiate a reasonable price revision based on escalation during the option years, if any. Yearly renewals, if required (and noted in original Board Action Item), may then be authorized by the General Manager or his/her designee, regardless of the dollar amount.

Purchases to replenish WVWD's warehouse inventory may be approved by any authorized buyer up to the limit established by the Authorization Table.

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Authorization Table – Authorization levels listed below are applicable to procurement of materials and services that are included in the current year adopted budget (including sales tax).

WEST VALLEY WATER DISTRICT PURCHASING			
Purchase Amount	Procurement	Contract Type	Approval Level
\$0 - \$500	N/A	Not Applicable	Forepersons/ Stock Controller
\$501 - \$1,000	2 Verbal or Written Quotes	Purchase Order (PO)	Supervisor/ Board Secretary
\$1,001 - \$5,000	3 Written Quotes	Purchase Order (PO)	Departmental Manager/ Unit Manager
\$5,001 - \$10,000	3 Written Quotes	Purchase Order (PO)	Chief Financial Officer and/or Asst. General Manager
\$10,001 - \$25,000	3 Informal Bids/proposals	Purchase Order & Short Form Contract	General Manager
\$25,001-\$99,999	3 Formal Request for Qualifications/ Proposal/Bids	Professional Service Agreement/ Advertised Technical Proposal for Service, Purchase order & Contract	Board of Directors
\$100,000 +	3 Formal Request for Qualifications/ Proposals/Bids	Advertised Sealed Bids, Professional Service Agreement/ Advertised Sealed Technical Proposal for Service, Purchase Order & Contract for Public Works	Board of Directors

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SECTION 4: RESPONSIBILITIES

Purchasing Agent –The Purchasing Agent reports directly to the Chief Financial Officer of the District.

A. The Purchasing Agent's responsibilities include:

1. Administration of the Purchasing Policy.
2. Management of the administration of the purchasing policy within the District's Financial Software
3. Management of the District's online procurement software system
4. Review and process Purchase Requisitions
5. Review, process and issue Purchase Orders (PO)
6. Prepare and issue PO change orders
7. Support the deployment and use of field inventory, office supplies and equipment
8. Assist with negotiation and execution of vehicle equipment leases for District vehicle fleet program
9. Review bid documents and bidding procedures.
10. Review all contracts (except Construction).
11. Recommend revisions to purchasing procedures when necessary and keep informed of current developments in the field of public purchasing.

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12. Assist with evaluating and selecting suppliers and vendors

13. Supervise the receipt and inspection of all materials, supplies, equipment, and services purchased to ensure conformance with specification.

14. Conduct internal audits; and

15. Provide Training for District staff on this policy.

B. Directors of Engineering and Operations responsibilities include:

1. Recommend revisions to purchasing procedures with respect to public contracting; and
2. Review all construction contracts.
3. Manage all Capital Projects during the bid and award cycle
4. Manage all construction contract bids during bidding including job walks, responding to RFI's, due diligence reviews of bidders, conduct public bid opening meetings and determination of lowest responsive, responsible bidder
5. Operate and maintain a centralized warehouse to efficiently manage commonly used supplies and materials

C. Program Managers and Supervisors responsibilities shall include:

1. Enter contractual obligations on behalf of the District
2. Obtain full and open competition in accordance with prescribed policies

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and procedures in a manner that presents the best overall value to the District.

3. Prepare Requests for Proposals (RFP)
4. Prepare Requests for Bids (RFB)
5. To anticipate requirements sufficiently in advance to allow adequate time to obtain goods in accordance with the best purchasing practices.
6. Identify, evaluate, and utilize purchasing methods which best meet the needs of the District (e.g. cooperative purchases, blanket purchase orders, contractual agreements, purchase cards, etc.)
7. Assist with evaluating and selecting suppliers and vendors
8. Develop staff reports for award of contracts for consideration by Board committee and Board of Director's meetings
9. Determine optimal ordering methods to meet requirements at lowest possible cost
10. Negotiate and review contracts
11. Provide for the fair and equitable treatment of vendors, suppliers, and contractors.
12. Supervise the receipt and inspection of all materials, supplies, equipment, and services purchased to ensure conformance with specification.
13. To notify vendors of purchase award when authorized by Purchasing

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Agent.

14. Sending a copy of the purchase order to the vendor, when applicable
15. Obtaining approvals according to the Authorization Table above.
16. Reconcile PO invoicediscrepancies
17. Support the deployment and use of field inventory, office supplies and equipment
18. Assist with negotiation and execution of vehicle equipment leases for District vehicle fleet program
19. Schedule purchases anddeliveries
20. Negotiate adjustments with vendors and suppliers
21. Assist in audits and reviews

In the absence of the approver for a given request, authorization will be obtained by his/her appointee or the next highest authority in accordance with the Authorization Table.

At no time can purchases be “split” or otherwise billed separately to circumvent the spending authority.

With the exception of Board of Directors, authorized procurements, increases to previously authorized procurements are permitted if the increased procurements remain within the approver’s limit. Freight and sales tax are a cost of doing business and shall be included in the total cost of the procurement

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SECTION 5: EXCEPTIONS FROM CENTRALIZED PROCUREMENT

- A. Any purchase for supplies, materials, equipment and/or services, other than those exceptions listed below, shall not be made outside of the purchasing process without the approval of the GM, CFO or designee.
- B. Any purchase made without issuance and approval of a purchase order will be deemed void and will be subject to non-payment. The individual employee responsible for creating the unauthorized obligation may be subject to disciplinary action and/or subject to termination.
- C. Purchases that are exempt from the centralized procurement process are limited to the following, and authorization for these transactions shall be in accordance with the approval limits and dollar thresholds set forth in this Policy. Please refer to the Authorization Table in Section 3.
 - a. Advertisements
 - b. Agency Contribution
 - c. Annexation Expenses
 - d. Application Fees
 - e. Assessment District Expenses and Payment of Debt Service
 - f. Association Fees
 - g. Bank Charges and Fees
 - h. Board Lunches

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- i. Bond Transactions
- j. Claims
- k. Conferences
- l. Court Reporting
- m. Easements
- n. Environmental Fees and Permits
- o. Fees and Permits (City, County, State, & Agency)
- p. Insurance Premiums
- q. Leases or Purchase of Real Property
- r. Medical Services
- s. Memberships
- t. Notices
- u. P-Card Purchase (See P-Card Policy)
- v. Payroll Expenses
- w. Petty Cash
- x. Postage

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- y. Purchase of Imported Water
- z. Refunds (Constructions & Billing)
- aa. Seminars
- bb. Subscriptions and Software license maintenance
- cc. Training (Offsite)
- dd. Travel Expenses, Lodging, Meals & Transportation
- ee. Utilities

SECTION 6: STANDARDS OF CONDUCT IN PROCUREMENT

CONFLICT OF INTEREST

No member, officer, or employee of the District, or their designees or agents, and no public official who exercises authority over or responsibility with respect to purchasing during his or her tenure, or for one year thereafter, shall have any interest, direct or indirect, in any purchase, agreement or sub agreement, or the proceeds thereof, for any purchase or purchase agreement. The full Conflict of Interest Code of the West Valley Water District is incorporated herein by reference.

Employees must follow the Conflict of Interest Code adopted by the Board of Directors. Employees must follow applicable laws, rules, and regulations in regard to conflicts of interest including, but not limited to, the Political Reform Act, the prohibition against contractual conflicts of interest, and guidelines in the California Code of Regulations regarding accepting of gifts.

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VENDOR GIFTS AND GRATUITIES:

The receiving of gifts and/or other symbols of appreciation may compromise the integrity of professional relationships and can lead to inappropriate business practices.

Subject to guidelines in the California Code of Regulations Section 89503, no officer, or employee, shall receipt or agree to receive, directly or indirectly, any compensation, reward, or gift from any source except from his or her appointing authority or employer, for any action related to the conduct of WVWD's business, except as set forth below:

- A. Acceptance of food and refreshments of nominal value on infrequent occasions in the ordinary course of a breakfast, luncheon, or dinner meeting or other meeting or a tour where the arrangements are consistent with the transaction of official business
- B. Acceptance of transportation, lodging, meals or refreshment, in connection with attendance at widely attended gatherings sponsored by industrial, technical or professional organizations; or in connection with attendance at public ceremonies or similar activities financed by non-governmental sources where the officer's or employee's participation on behalf of WVWD is the result of an invitation addressed to him or her in his or her official capacity and the transportation, lodging, meals or refreshment accepted is related to, and is in keeping with, his or her official participation.
- C. Purchase of items or entry fees at advantageous rates where such rates are offered to WVWD personnel as a class, such as discounts provided to government employees.
- D. Acceptance of unsolicited advertising or promotional material, such as pens, pencils, note pads, calendars, or other items of nominal value, not exceeding \$50.

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- E. Acceptance of incidental transportation from a private organization provided it is furnished in connection with the performance of the officer's or employee's official duties and is of a type customarily provided by the private organization.
- F. Acceptance of commendations, certificates, or plaques for outstanding individual service or work on WVWD projects.
- G. A gift or gratuity, the receipt of which is prohibited under this section shall be returned to the donor within 30 calendar days. If return is not possible, the gift or gratuity shall be turned over to a public or charitable institution within 30 calendar days without being claimed as a charitable deduction and any other requirements for disposition of such gifts.

PERSONAL PURCHASES FROM SUPPLIERS, VENDORS, OR CONTRACTORS:

- A. Employees of WVWD or their immediate relatives are NOT to utilize the employee's position with WVWD to solicit or utilize discounts, promotions, or other concessions from WVWD suppliers, vendors, or contractors to purchase supplies, equipment, tools, etc.
- B. Employees of WVWD or their immediate relatives are permitted to utilize discounts, promotions etc. offered to the general public by WVWD suppliers, vendors, or contractors

CONTRACTS WITH WVWD EMPLOYEES OR ORGANIZATIONS OWNED BY THEM:

- A. Employees shall not knowingly award a contract, agreement, or purchase order to a WVWD employee or to a business concern or other organization owned or substantially controlled by one or more WVWD employees. This policy is intended to avoid any conflict of interest that might arise between the employees'

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interests and their WVWD duties and to avoid the appearance of favoritism or preferential treatment by WVWD towards its employees.

- B. The Board or General Manager may authorize an exception to this policy only if there is a most compelling reason to do so, such as when the WVWD's needs cannot reasonably be otherwise met.

ETHICAL PROCUREMENT PRACTICES:

- A. It is the policy of WVWD to maintain good working relationships with its vendors suppliers, as well as the community at large. Every employee has the ability to influence the opinions of others through daily interaction with the business community. In personal contacts with vendors and suppliers, employees shall represent the best interests of WVWD by conducting business in a fair, equitable, and ethical manner.
- B. WVWD subscribes to the following Principles and Standards of Ethical Supply management conduct:
 - a. Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications
 - b. Avoid any personal business or professional activity that would create a conflict between personal interests and the interests of WVWD.
 - c. Avoid soliciting or accepting money, loans. Credits, or preferential discounts and the acceptance of gifts, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence, supply management decisions.
 - d. Handle confidential or proprietary information with due care and

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proper consideration of ethical and legal ramifications and government regulations

- e. Conduct supply management activities in accordance with state, national, and international laws, customs, and practices, WVWD policies, and these ethical principles and standards of conduct.
- f. Develop and maintain professional competence

SECTION 7: UNAUTHORIZED PURCHASES

Purchase orders shall be issued prior to ordering supplies, equipment and services and not “**after the fact**” for work already done or materials already ordered. Except for emergencies, departmental purchases, or other authorized exemptions stated in these guidelines, no purchase of supplies, services, or equipment shall be made without an authorized purchase order. Otherwise:

- A. Such purchases are void and not considered an obligation of WVWD.
- B. Invoices without an authorized purchase order may be returned to the vendor unpaid.
- C. The person ordering the unauthorized purchase may be held personally liable for the costs of the purchase or contract and may be subject to disciplinary actions.

SECTION 8: REVIEW AUDITS

Compliance with this policy is subject to review at any time by internal or external

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auditors. It is the responsibility of the WVWD staff member (and their manager) initiating the purchase to maintain records of bids, bid procedures followed, contracts, sole source forms, change orders, and authorization signatures.

SECTION 9 COMPETITIVE SOURCING

It is the policy of West Valley Water District to obtain competitive pricing, proposals or quotations on all products and services over \$500 used by the District. All proposals and quotations received will be evaluated on the basis of quality, service, compliance to specifications and price. All awards will be made in the best interest of the District. Any or all proposals may be rejected at the discretion of West Valley Water District's Board of Directors.

The competitive sourcing process is required where the product or service can be obtained from more than one source. Unless approved for sole source procurement (see guidelines in Section 12) or otherwise covered under existing contracts, all requisitioned products or services exceeding \$501 or more individually, or as a system including multiple components, will be competitively sourced.

While participation in the competitive sourcing process favors obtaining quotes from as many qualified vendors as possible, at least two proposals are required for purchases exceeding \$501 and three quotes/proposals/bids are required for purchases over \$1,000 in adherence to the Authorization Table in Section 3 of this policy.

It is the policy of West Valley Water District to use whenever possible and practical, local, women-owned, minority-owned, disadvantaged, and small business vendors which are able to provide products and services of required quality on a timely basis at competitive prices.

Each Department shall maintain a list of qualified small business and diversity vendors.

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Formal, written Requests for Proposal (RFP) should be used for competitive sourcing projects in accordance with the Authorization Table in Section 3. Sealed, hardcopy bids will be used when required by law, government contractual requirements, in accordance with the Authorization Table or at the discretion of the General Manager.

COMPETITIVE SOURCING METHODS

Competitive sourcing may be conducted using the following methods, the choice of which is primarily determined by the estimated dollar value of the product or service:

1. Informal Quotes

For purchases less than \$500, quotes may be obtained through an informal process (e.g. web browsing or phone calls) and documentation of the bids is recommended but not required. Although bid documents are not required, a requisition and purchase order may be issued to document the purchase if the staff member making the purchase wishes to do so. Since the purchase may be initiated without a Purchase Order, the accounts payable process will require that the invoice be signed by an authorized signor before payment is released. Please see the Accounts Payable/Check Request Policy number for further details.

For purchases between \$501 and \$10,000 three written quotes must be obtained and a Purchase Order must be issued in accordance with the approval levels prescribed in the Authorization Table in Section 3 of this policy.

2. Informal Bids

For purchases of \$10,001 or more but less than \$25,000, a minimum of three bids are required in accordance with the Authorization Table in Section 3 of this policy. The bids must be documented and retained on file by the manager of the requesting department. The request for bids must be made in a consistent manner for all vendors meaning that

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all vendors must receive the same information regarding specifications and requirements of the product or service. The request must also be transmitted to the vendors in a consistent manner (e.g. mail, email, or verbal quote).

3. Formal Bids

For purchases of \$25,001 or more, Bids/Proposals shall be solicited from a minimum of three vendors in accordance with the Authorization Table in Section 3 of this policy. A Request for Proposal (RFP) must be used to document the specifications and requirements of the product or service. The bids must be received from the vendors in written form and retained on file by the manager of the requesting department, or designee.

4. Sealed Bids

For purchases of \$25,000 or more for Maintenance and Service agreements, Professional services, and for Equipment, Material and Supply Purchases, a formal RFP / sealed bid process is required, and contracts shall be awarded in a manner most beneficial to the District. Further, for purchases of \$100,000 or more for Construction and Capital Improvement Projects a formal RFP / sealed bid process is required, and contracts shall be awarded in a manner most beneficial to the District. Sealed bids must be publicly advertised. The District shall strive to obtain the best value in awarding contracts, service agreements, and purchase agreements. The following subsections specify certain procedures based on the following four categories:

- Capital Improvement Projects
- Maintenance and Services Agreements
- Professional Services Agreements

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- Equipment, Materials and Supplies Purchases

5. Capital Improvement Projects

Contracts, valued at \$100,000 or more, for the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement, hereinafter referred to as “Capital Improvement Projects, (CIP)”, shall be subject to the formal competitive bidding procedures set forth herein unless an exception exists or the Board of Directors determines it is not in the best interest of the District. Project-specific contracts covered by this procedure shall be issued to expire upon completion of the work unless otherwise specified in the written agreement. As required by law, registration with the Department of Industrial Relations for prevailing wage regulations is required for all CIP bidders. [Additionally, the District shall require proof of the contractor/subcontractor registration before accepting a bid.] When the CIP is funded through a Federal Grant, the District must follow Federal procurement standards listed in the Code of Federal Regulations Sections 200.317 through 200.326 or as required by the grant document. After the proposals are received and evaluated, the contract(s) should be awarded to the contractor/ supplier(s) presenting the best combination of price, delivery, compliance to specifications, capacity to perform, and quality of service. For more information, please see Section 13 regarding Competitive Sealed Bidding.

Public projects as defined by the California Uniform Public Construction Cost Accounting Act (CUPCCA) (Section 22000 et seq. of the California Public Contract Code) shall follow the purchasing procedures as set forth in Section 22032 et seq. of the Public Contract Code. These procedures become effective upon adoption of the required resolution and ordinance by the Board.

1. The purchase or contract for public projects less than the amount specified in the CUPCCA may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order (Public Contract Code)

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2. The purchase or contract for public projects less than the amount specified in the CUPCCA may be let to contract by informal procedures as set forth in Section 22032 et seq. of the Public Contract Code.
 - a. A list of contractors shall be developed and maintained in accordance with the provisions of Section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission.
 - b. Where a public project is to be performed, a notice inviting informal bids shall be mailed to all contractors for the category of work to be bid, as shown on the list developed in accordance with this section, and to all construction trade journals as specified by the California Uniform Construction Cost Accounting Commission in accordance with Section 22036 of the Public Contract Code. Additional contractors and/or construction trade journals may be notified; provided, however:
 - i. If there is no list of qualified contractors maintained by the District for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the California Uniform Construction Cost Accounting Commission.
 - ii. If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.
 - c. All mailing of notices to contractors and construction journals pursuant to this section shall be completed not less than fourteen (14) calendar days before bids are due.
 - d. The notice inviting informal bids shall describe the project in general terms,

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how to obtain more detailed information about the project, and shall state the time and place for the submission of bids.

- e. The General Manager is authorized to award informal contracts pursuant to this section.
- 3. The purchase or contract for public projects greater than or equal to amount specified in the CUPCCA shall be authorized by Board of Directors and shall comply with the competitive bidding procedures set forth in this Policy.

6. Maintenance and Services Agreements

This procedure applies to non-professional services agreements that do not involve real property. Examples include landscape maintenance, janitorial, uniform cleaning, and material hauling.

- a) Contracts for maintenance or service agreements shall be approved by the Board if the total cost for the initial term of the agreement exceeds \$25,000.
- b) Project-specific contracts for maintenance and service agreements covered by this procedure shall be issued to expire upon completion of the work unless otherwise specified in the written agreement. Contracts for maintenance and service agreements covered by this procedure shall be issued for an initial term of no more than 36 months. The GM/CEO, AGM, Director, or Department Manager may authorize a maximum of one extension of 24 months for maintenance and service agreements. Extensions to contracts or agreements valued at more than \$25,000, shall be approved by the Board of Directors. If an extension to a contract or maintenance agreement causes the total cost of all years to exceed \$25,000 (even though the original total cost of the agreement was less than \$25,000), the extension shall be approved by the Board.

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- c) Before work commences or services are rendered, evidence of insurance as required by the contract or service agreement must be obtained, reviewed, and accepted by the Director, Manager or his/her designee. A copy of the certificate of insurance will be provided to the Purchasing Agent or designee.

7. Professional Services Agreements

A professional services agreement is an agreement between the District and a professional service provider. Professional service providers are those entities that provide advice, opinions, or technical expertise. Examples of professional service providers include accountants, actuaries, architects, attorneys, engineers, educational trainers, financial advisors, surveyors, etc. Depending upon the trade, these individuals may or may not hold professional licenses.

Professional services shall be selected on the basis of demonstrated competence and professional qualifications necessary for the satisfactory performance of the services required. Please see Section 18 below for further information regarding Competitive Sealed proposals for Professional Services.

8. Equipment, Materials, and Supplies Purchases

This procedure applies to purchases of heavy equipment, vehicles, materials, supplies and other tangible goods that are not associated with services or permanent attachment to real property.

- a) Detailed specifications of the items must be provided to the bidders in writing.
- b) Brand standardization is allowable if deemed to be in the best interest of the District and documented.

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- c) In purchasing equipment or supplies that need to be compatible with existing equipment, or to perform complex or unique functions, the requestor may limit bidding to a specific product type or a brand name product.

SECTION 10: EXCEPTIONS TO COMPETITIVE SOURCING

There are circumstances when competitive sourcing is not required or practical. In these cases, a documented justification must accompany the Purchase Requisition, Purchase Order, and/or Payment Request. Examples of such situations are:

1. Emergency situations endangering the health and safety of District staff and its customers. When emergency conditions require the immediate purchase of supplies, materials, equipment, labor and services, staff members shall prepare and submit with the purchase requisition a memorandum reciting the facts which constitute the "emergency" situation. The General Manager shall provide the Board with a report summarizing all expenditures made and contracts executed in response to the emergency condition within 30 days of the emergency purchase.
2. Volunteer Projects -projects accomplished with volunteer help.
3. Purchases that meet sole source procurement requirements (See Section 12).
4. If a reasonable attempt has been made to obtain competitive quotes/responses and it has been determined that no additional suppliers, providers, contractors or consultants can be located.
5. if the District has a lack of response from suppliers, providers, contractors, consultants to a competitive solicitation.

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6. When sufficient, satisfactory bids/proposals are not received, based on the District's sole discretion.
7. If dictated by law.
8. Requisitions for products or services less than \$500
9. Cooperative procurement arrangements with other agencies. When cooperative purchasing agreements are available with other public agencies (e.g. the State of California, counties, cities, schools or other special districts), or when another public agency has followed a process substantially similar to that of the District's, the District may purchase goods or services at a price established by that agency through a competitive process. For utility related projects where the work needs to conform to the specifications of a public utility, the District may contract with vendor(s) selected by the public utility for such specific projects.
10. "Piggyback" purchases or leases, when the Purchasing Agent determines it is in the WVWD's best interest to utilize the contracts of other governmental agencies or non-profit governmental entities.
11. When the Purchasing Agent has determined that a negotiation with a vendor or supplier is in the best interest of the WVWD.

SECTION 11: EMERGENCY PURCHASES:

Emergency purchases may be made without competitive bidding when time is of the essence and shall be made only for the following reasons:

- To preserve or protect life, health, or property, or

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- Upon natural or declared disaster, or
- To forestall a shutdown of essential services

Since emergency purchases do not normally provide the District an opportunity to obtain competitive quotes, sound judgement shall be used in keeping such orders to an absolute minimum. In addition, the following requirements shall apply:

- The Acting Purchasing Agent shall be contacted as soon as possible for an advance purchase order number, which may be given verbally, to cover the emergency transaction. If unable to contact the acting purchasing agent, then the employee should place the order and contact the Acting Purchasing Agent the next workday.
- A completed purchase requisition shall be submitted within two working days, or as soon as the information is available. All purchase requisitions for emergency purchases shall be approved electronically by the appropriate Supervisor, Manager, Director, and or General Manager.
- Documentation explaining the circumstances and nature of the purchase shall be submitted by the Supervisor, Manager, Director, and/or General Manager as follows:
 - Purchases less than \$5,000: Use standard purchasing procedures
 - Purchases in the amount of \$5,000 - \$25,000: require the approval of the General Manager. The General Manager may delegate the authority to approve emergency purchases less than \$25,000 to the Acting Assistant General Manager or to the Director of the Emergency Operations Center if any such facility is open during a

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declared disaster.

- Purchases above \$100,000 require the approval of the Board of Directors, or of the Acting Board of Directors during a declared disaster.
- If the emergency purchases cause any budget line item to exceed the approved budget, it shall be the responsibility of the department requesting the purchase to obtain subsequent Board of Directors approval for reserve funding or to make a budget transfer to cover the purchase. Approvals for a budget transfer must be given by the appropriate Supervisor, Manager, Director, and/or General Manager as determined by the Authorization Table.
- If the emergency purchase involves Force Account Work in association with a declared disaster (e.g. FEMA), detailed records of work must be documented including scope of work, daily staff time and equipment used. Depending on the scope of the disaster, Force Account Work may involve CIP.

SECTION 12: NON-COMPETITIVE (SOLE SOURCE) PROCUREMENT

The purchasing of materials, equipment, supplies and services costing \$500 or more individually or in aggregate should be by competitive sourcing regardless of the funding source. However, circumstances may dictate forgoing the competitive sourcing process and purchasing from one unique vendor for certain products or services. Such situations require documented justification, explaining the exceptional circumstances of the purchase. The documentation must show that an equitable evaluation has been made and that rejection of alternative vendors or solutions is based on objective and relevant criteria. Negotiations shall be conducted with the provider of the good or service to achieve the most favorable pricing terms of sale.

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The General Manager or designee has the final responsibility for determining whether a Sole Source requisition meets the requirements of this policy.

Special signature approvals are required from the Department for all sole source requisitions prior to review and approval by the General Manager or designee.

Instances when sole source purchasing may be applicable include the following:

1. Property or services can be obtained only from a specific vendor (i.e., materials or equipment; one of a kind items, etc.).
2. Competitive sourcing is precluded because of the existence of patents, copyrights, and special processes, control of raw materials by vendors or similar circumstances.
3. Procurement of water or other utility services where it would not be practical or feasible to allow other vendors to provide such services.
4. Procurement of support services in connection with the assembly, installation or servicing of equipment or software of a highly technical or specialized nature.
5. Procurement of parts or components to be used as replacements in support of equipment manufactured by a particular supplier.
6. Procurement involving construction where a contractor is already at work on the site and it would not be practical to engage another contractor.
7. Procurement where only a single supplier in a market is licensed or authorized to service or sell a specific product line.

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8. Procurement of compatible additions to existing equipment where a different manufacturer's equipment would be impractical for the specific need.
9. The supplier or products are specified and required by the funding agency of a grant or Federal/State contract.
10. Certain professional services may be designated as critical or sensitive in nature due to specific knowledge of the District's facilities or operations. These professional services may be exempted from bid procedures but will continue to be subject to the requirements of the Authorization Table. Sufficient documentation must be provided to fully explain why it is in the best interest of the District to use the specific professional services vendor. Examples of these sensitive professional services may include security systems, SCADA systems, consulting and engineering.

SECTION 13: COMPETITIVE SEALED BIDDING

The Board of Directors must approve contracts over \$25,000. All projects estimated to meet or exceed \$25,000 must go through the competitive sealed bid process, unless they are for construction contracts which will be for projects that meet or exceed \$100,000.

Definition

Competitive sealed bidding is a method of procurement that requires:

- (a) Issuance of an Invitation for Bids with a purchase description including acceptance criteria and all contractual terms and conditions applicable to the procurement, which can be advertised, on the District's website and in local newspaper or a contracted public bidding website when

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warranted.

- a. Advertisement must include Department of Industrial Relations and Contractor's State License Board minimum requirements of registration and active licensure, etc.
 - b. Invitations must identify all evaluation factors and their relative importance
 - c. Invitations must provide a general description of the goods or services needed
 - d. Invitations must contain a statement that the District will receive sealed bids
 - e. Invitations must contain a statement that that any or all bids may be rejected
-
- (b) Proposals must be solicited from an adequate number of sources
 - (c) Public opening of bids at a pre-designated time and place when warranted.
 - (d) Unconditional acceptance of a bid without alteration or correction except as authorized in this manual or the Public Contract Code; and
 - (e) Award to the responsive and responsible bidder who has submitted the lowest or most reasonable bid that meets the requirements and criteria set forth in the Invitation for Bids

PUBLIC NOTICE

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Adequate public notice of the Invitation for Bids shall be made in sufficient time, but not less than ten (10) calendar days prior to the opening of bids, by posting a copy of each Invitation for Bids on the District's bid calendar and website, contracted public bidding website, or in the newspaper when warranted.

If this information is used, the public notice must specify the place (if plans or specifications are not included in the solicitation) where plans and specifications are on file, and the time and place for receipt of bids. WVWD must publicly advertise the Invitation for Bids and publicly open all bids at the time and place prescribed in the Invitation.

Additionally, notice inviting sealed bids shall be distributed to prequalified bidders or other interested parties as may be deemed beneficial by the General Manager or his/her designee.

SPECIFICATION REQUIREMENTS

- (a) Preparation of Specifications: Before procurement commences, the needed item or service must be clearly defined. Procurement specifications serve this purpose by identifying characteristics of the item or service with definitions, descriptions, and quantities. Specifications should describe the attributes of the item or service in such a way that the requirements can be clearly understood both internally and externally by vendors or contractors. Specifications:
 - (1) Should not be prepared to exclude all but one type or kind, except where permitted by law.
 - (2) Should be clear, definite and concise to enable prospective suppliers a basis on which to submit bids.

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- (3) Should call only for features or for a level of quality required for the intended use, except in cases where such features or the level of quality are essential for some future consideration or result in an overall economic advantage to the District.
- (4) Should preferably describe the performance requirements, rather than its formulation, description or design.
- (5) Should be framed to permit free and full competition as is reasonably possible under the existing circumstances.

(b) Restrictive Specifications

Some latitude is permissible in specifying features of certain items. While it is not necessary to prepare specifications in a manner that every conceivable manufacturer could competitively bid, the District must be able to demonstrate a clear reason for any restrictive specifications.

(c) Other Considerations

Specifications must state whether items other than cost will be considered in awarding the contract, e.g., results of product testing, length and terms of warranty provisions, reliability and maintenance costs, repurchase value, or residual value of the equipment after a specified number of years where the residual value can be objectively ascertained

WVWD specifications shall not be written so as to require a particular brand name, product, or a feature of a product, limited to one manufacturer, thereby precluding consideration of a product manufactured by another company, unless a finding is made, and described in the Invitation for Bids or Request for Proposal, that a

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particular material, product, thing, or service is designated by brand or trade name for any of the following purposes:

- In order that a field test or experiment may be made to determine the product's sustainability for future use
- In order to match other products in use on a particular public improvement either completed or in the course of completion
- In order to obtain a necessary item that is only available from one source
- In order to respond to an emergency declared by the General Manager, Board of Directors, or State or Federal agencies.

(c) Inappropriate Specifications

- Inappropriate specifications may be those which are overly restrictive; discourage competition; are unclear; or otherwise fail to comply with the Procurement Policy.

VENDOR BIDDER'S LIST

General Information

The Purchasing Office maintains a list of known prospective suppliers who are available to furnish materials, professional and consultant services, and supplies that can meet the District's needs. In the case of written formal bids and informal quotations and for most transactions, the list (or record) of those bidders solicited will be in the solicitation file. In most cases, lists are maintained on a computer that enables identification of those suppliers that provide the item or service in question.

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New Suppliers

From time to time, purchases are made from suppliers whose names are not on existing bid lists and may never be on a list (because of infrequency of purchases, specialty items, etc.). As frequency increases or the demand requires, a new list may be established by the Purchasing Office.

Requests to be added to Bid Lists

Companies may be added to existing or new bid lists based on requests from Departments or by the Purchasing Supervisor. All requests from suppliers may not necessarily result in being added to a bid listing.

Deletions from Bid Lists

Companies may be deleted from bid lists. Reasons for deletion are out of business, continual poor service, poor quality of goods furnished; default on previous purchase; failure to respond to three consecutive bid or quote invitations, or a supplier's request to be removed for any reason.

Official Record of Bidders

The master supplier number list and bid list is the reference resource used to prepare each record of bidders.

SECTION 14: INVITATION FOR BIDS

- A. If it becomes necessary to make changes in quantity, specifications, delivery schedules, opening dates, etc., or to correct a defective or ambiguous invitation,

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such changes shall be accomplished by an addendum to the Invitation for Bids. The fact that a change was mentioned at a pre-bid conference does not relieve the necessity for issuing an addendum. If an addendum is required that materially changes the solicitation, it must be sent a minimum of 72 hours before the time for bid opening, to everyone to whom invitations have been furnished and shall be displayed on WVWD's website or electronic bid system, if applicable.

- B. Before issuing a material addendum, the period of time remaining until the bid opening and the need to extend this period shall be considered. If less than 72 hours remain before bid opening, the time of bid opening shall be extended to allow bidders at least 72 hours to review addendum and submit or resubmit bids. Such extension must be confirmed in the addendum.
- C. Any information concerning an Invitation for Bids shall be furnished promptly to all prospective bidders as an addendum to the invitation if such information is necessary for bidders to submit bids.
- D. A pre-bid conference may be used, generally in a complex procurement, as a means of briefing prospective bidders and explaining complicated specifications and requirements to them as early as possible after the invitation has been issued and before the bids are opened. It shall never be used as a substitute for amending a defective or ambiguous invitation.
- E. All bond requirements must be stated in the notice inviting bids.

CANCELLATION OF INVITATION FOR BIDS

- A. The cancellation of an Invitation for Bids usually involved a loss of time, effort, and money spent by WVWD and bidders. Invitations should not be cancelled unless

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cancellation is in the public or WVWD's best interest. Considerations should be made if there is no longer a requirement for the supplies or services, or if the addenda to the Invitation for Bids would be of such magnitude that a new invitation is desirable.

- B. When an Invitation for Bids issued other than electronically is canceled, bids that have been received shall be returned unopened to the bidders and notice of cancellation shall be sent to all prospective bidders to whom invitations for bids were issued. When an invitation for bids issued electronically is cancelled a general notice of cancellation shall be posted electronically.

RELEASE OF PROCUREMENT INFORMATION

- A. Before Solicitation – Information concerning a proposed procurement shall not be released outside WVWD before solicitation except for long-range acquisition estimates in the annual budget.
- B. After Solicitation – Discussions with bidders regarding a solicitation shall be conducted and technical or other information shall be transmitted only by the Purchasing Agent or by other specifically authorized. Such personnel shall not furnish any information to a prospective bidder that alone or together with other information may afford an advantage over others.
- C. During Negotiations – Information contained in proposals shall not be released until negotiations have been completed and a recommendation is forwarded to the Board or other approving authority. Such information shall be transmitted only by the Purchasing division or by other specifically authorized.
- D. Confidential Information – If any information in a bid or proposal is claimed to be confidential by the bidder or proposer, and such information is clearly identified in the bid or proposal as confidential, along with a statement of the basis of the claim,

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then a copy of any Public Records Act request or other request for disclosure of the information will be sent to the bidder or proposer. At its sole cost and expense, the bidder or proposer may seek within the required timeframe for disclosure, to enjoin the production of the information it claims to be confidential. The bidder or proposer must defend, indemnify and hold harmless the WVWD for any costs associated with withholding the information.

FORM OF BID

To receive consideration, bids shall be made on the forms and in the manner set forth in the Invitation for Bids.

- (a) Late bids, or late withdrawals, shall not be accepted.
- (b) Each bid must be signed by an authorized representative of the supplier and include the legal name of the bidder.
- (c) Bidders shall not change the bid form nor make additional stipulations on the bid form which are not consistent with the provisions of the specifications.

SECTION 15: RECEIPT OF BIDS

All bids must be received sealed in an envelope prior to the time specified in the Invitation for Bids. Bids must not be left unattended and must be promptly time-stamped and deposited unopened in the respective bid folder. Late bids shall not be opened and shall not be considered under any circumstances. A late bid will be date-stamped and remain unopened in the bid file. A letter from the District will be sent notifying the bidder that the bid was received late and was not considered.

BID OPENING

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The District Purchasing Supervisor or designee shall administer all bid openings and all bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the Invitation for Bids. The District assumes no responsibility over the confidentiality of bid information unless specifically stated otherwise in the Invitation for Bids.

CORRECTION OR WITHDRAWAL OF BIDS

In any request or decision involving a bid mistake, correction or withdrawal, purchasing staff shall consult with District Counsel. Except as otherwise specified in Section 5100 of the Public Contract Code, correction or withdrawal of inadvertently erroneous bids before or after bid opening may be permitted only if such correction or withdrawal is not prejudicial to the interest of the District or fair competition.

BID EVALUATION

Bids shall be evaluated based on the requirements set forth in the Invitation for Bids, which may include criteria to determine acceptability such factors as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Criteria affecting price shall be objectively measurable, such as discounts, transportation costs and life cycle or total ownership costs. The Invitation for Bids shall set forth the evaluation criteria to be used.

Examples of evaluation criteria that may be used include:

- a) Adherence to all conditions and requirements of the bid specifications, including but not limited to current license and registration with the Department of Industrial Relations
- b) Total bid price, including any trade discounts or prompt pay discount of fifteen days or more.

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- c) Appropriate insurance coverage limits with the District named as additionally insured
- d) Required performance bond capacity
- e) Local supplier preference - Local supplier preference would be when a supplier located within a certain distance from the District is given a preference such as 5%. That is, when considering low bidder, the local supplier could be up to 5% higher than the low bidder and still be awarded the contract.
- f) General reputation and experience of bidders based on references or prior performance
- g) Hourly rates for specified personnel
- h) Evaluation of the bidder's ability to service the District
- i) Financial responsibility of the bidder
- j) Needs and requirements of the District
- k) Experience with the products involved
- l) Nature and extent of company data furnished upon request of the District
- m) Quality of merchandise offered
- n) Product appearances, workmanship, finish, taste, feel and result of product testing

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- o) Overall completeness of product line offered
- p) Bidder's ability to meet delivery and stocking requirements
- q) Delivery or completion date
- r) Maintenance costs and warranty provisions
- s) Repurchase value or residual value of equipment after specified number of years where the residual value can be objectively ascertained
- t) Availability of product or service required
- u) Compatibility with District's current equipment/products
- v) Availability of sales representatives and/or service representatives
- w) Maintainability and reliability
- x) All other information as requested in the bid document

The Purchasing Supervisor shall maintain complete and sufficient records of bid evaluations to ensure there is no abuse of the competitive bidding process. All reasons for making the award recommendation shall be made in writing by the Purchasing Supervisor and retained in the bid file.

SECTION 16: DETERMINING IF A BID IS RESPONSIVE

Cost is not the only determining factor when selecting the responsible successful bidder. In addition to price the following elements shall also be considered to determine if a bid is responsive:

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- A. A responsive bid is in substantial conformance with the requirements of the invitation to bid, including specifications and the District's contractual terms and conditions. Conformance may also include providing proof of insurance, completed forms, references, and all other information as requested in the bid document.
- B. Bidders who substitute terms and conditions or who qualify their bids in such a manner as to nullify or limit their liability shall be considered non-responsive.
- C. The successful bidder must demonstrate the ability to fulfill a contract, including providing subsequent and continuing service. Staff may request proof of a prospective bidder's reliability, proof of financial resources, a list of current or previous customers, and other pertinent data. Such requests may also be taken after receipt of bids.
- D. A bidder may be determined to be non-responsive if the bidder fails to furnish proof of qualifications when required.

Prior to finding a bidder not responsible, the Purchasing Agent, or designee, shall notify the bidder of any evidence reflecting upon the bidder's responsibility, afford the bidder an opportunity to rebut such adverse evidence, and permit the bidder to present evidence of qualification.

DETERMINING IF A BIDDER IS QUALIFIED:

Consider the following to determine if a bidder is qualified:

A qualified bidder demonstrates the following characteristics:

- Can provide product quality, fitness, and capacity for the required usage

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- Has the ability, capacity, and skill to perform the contract or provide the service required
- Has the demonstrated character, integrity, reputation, judgement, experience, quality of performance and efficiency, particularly with reference to past purchases by the District or other public agencies
- Has the ability to perform within the required time
- Can meet all insurance and DIR requirements

RESERVATION OF RIGHT TO REJECT BIDS AND RE-BID

Every bid must be carefully examined to determine whether it contains a material variance. Any bid that contains a material variance must be rejected. A test of material variance is a variance that gives the bidder a substantial benefit or advantage not enjoyed by the other bidders. Prior to any rejection for a material variance, District Counsel shall be consulted. The District may:

- a. Reject an otherwise low bid when it is determined that another bid is more advantageous to the District.
- b. Reject a bid not accompanied by any required bid security or by other data required by the bidding documents.
- c. Reject a bid that is in any way incomplete, irregular, amplified, unqualified or otherwise not in compliance with the bid documents in all material respects.
- d. Reject a bid that fails to conform to the delivery schedule or permissible alternates stated in the invitation

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- e. Reject a bid when the bidder imposes conditions that would modify requirements of the invitation or limit the bidder's liability to WVWD
- f. Reject a bid if WVWD determines that it is unreasonable as to price. Unreasonableness of price includes not only the total price of the bid, but the prices for individual line items as well.
- g. Waive any informality, irregularity, immaterial defects or technicalities, in any bids received.
- h. Cancel an Invitation for Bids or reject all bids because of the following reasons:
 - i. Inadequate or ambiguous specifications
 - ii. Specifications have been revised
 - iii. Supplies or services are no longer needed
 - iv. Change in District requirements
 - v. All bids deemed unreasonable
 - vi. Bids were not independently arrived at or were submitted in bad faith
 - vii. A determination is made that all the necessary requirements of the bid process have not been met
 - viii. Insufficient competition

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- ix. For other reasons which indicate the cancellation or rejection of all bids is clearly in the best interest of the District

The Purchasing Supervisor shall maintain complete and sufficient written records of bid rejections and cancellations to ensure that there is no abuse of the bidding process. All reasons for rejecting a bid shall be retained in the bid file.

MINOR INFORMALITIES OR IRREGULARITIES IN BIDS

A minor informality or irregularity is one that is merely a matter of form and not of substance. It also pertains to some immaterial defect in a bid or variation of a bid from the exact requirements of the invitation that can be corrected or waived without being prejudicial to other bidders. The defect or variation is immaterial when there is no effect on price, quantity, quality, or delivery. WVWD may give the bidder an opportunity to cure any immaterial deviation and waive the deficiency or reject the bid at WVWD's discretion.

MISTAKES IN BIDS

After the opening of bids, WVWD shall examine the low bid for mistakes. In cases of apparent mistakes and in cases where WVWD has reason to believe that mistake may have been made, the Purchasing Division shall request from the bidder a verification of the bid, calling attention to the suspected mistake.

The bid may be withdrawn if the bidder can establish to the satisfaction of the WVWD that:

- A mistake was made, and
- The bidder gave WVWD written notice within (5) working days after the opening of the bids of the mistake, specifying in the notice in detail how the mistake

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occurred, and

- The mistake made the bid materially different that the bidder intended it to be, and
- The mistake was made in filling out the bid and not due to error in judgement or to carelessness in inspecting the contract documents.

A bidder who claims a mistake or forfeits its bid security shall be prohibited from participating in further bidding on the project on which the mistake was claimed or security forfeited.

SECTION 17: CONTRACT AWARD

If the District decides to award a contract, the District generally must award the contract to the lowest responsible and responsive bidder whose bid best meets the requirements and criteria set forth in the Invitation for Bids. The District may award a contract based on bid evaluation criteria other than lowest bid price if the Invitation for Bids states the evaluation criteria that would be applied, and such award is in the best interest of the District. Notice of award will be sent by the Purchasing Agent to the successful bidder. In the event the successful bidder fails to perform, or such bidder's bid is authorized to be withdrawn, the District may award a contract to the next lowest responsible and responsive bidder that will best meet the needs of the District.

Recommendations for contract award for \$25,000 or more shall be submitted by the Department head of the initiating Department to the Board of Directors along with pertinent contract documents.

CANCELLATION OF CONTRACT AWARD

Failure on the part of the successful bidder within the time allowed to execute the contract,

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furnish an acceptable performance bond, or comply with any other requirement precedent to execution of the contract shall be considered just cause for cancellation of the award and forfeiture of the bid security, not as a penalty, but in liquidation of certain damages sustained. Contract award may then be made to the next lowest responsible and responsive bidder, the call for bids re-advertised, or such the other action taken as deemed appropriate by the District.

SECTION 18: COMPETITIVE SEALED PROPOSALS

The Board of Directors must approve professional or consultant services contracts over \$25,000. All projects estimated to meet or exceed \$25,000 must go through the competitive sealed proposal process.

DEFINITION

A competitive sealed proposal is an offer from a prospective supplier as a result of the method of procurement that involves, but is not limited to:

- a. Solicitation of proposals through a request for proposal.
- b. A private opening of proposals that will avoid disclosure of offerors or contents to competing offers before and during the process of negotiation.
- c. Submission of cost or pricing data from the offeror where required.
- d. Discussions with responsible offerors whose proposals have been determined to be reasonably susceptible of being selected for award, unless such discussions are not required by the request for proposals or this manual.
- e. An award made to the responsible offeror whose proposal is determined

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in writing to be the most advantageous, considering evaluation factors set forth in the Request for Proposals.

CONDITIONS FOR USE

Unless otherwise directed by law, this manual or by direction of the Board of Directors, contracts for consultant services estimated to cost \$25,000 or more should be awarded by the use of competitive sealed proposals.

Contracts for consultant services estimated to be less than \$25,000 may be awarded upon conclusion of informal interviews by representatives of the initiating Department and others, including Purchasing Services, as may be appropriate.

PUBLIC NOTICE

Public notice of the Request for Proposals shall, if applicable, be given in the same manner as provided in section 13 Competitive Sealed Bidding, Public Notice. Additionally, the RFQ/RFP shall be distributed to any interested consultant.

EVALUATION COMMITTEE

For competitive sealed proposals estimated to cost \$25,000 or more, an evaluation committee may be formed consisting of a representative of Purchasing Services and others appointed by the initiating Department head or the General Manager which will review all proposals and document all findings and recommendations. The evaluation committee may include persons who are not District employees but have experience or expertise to contribute. Such non-District employees shall abide by direction set forth by the General Manager or designee.

EVALUATION FACTORS

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Award of a contract in response to a proposal shall be made to the responsible offeror whose proposal is determined to be the most advantageous to the District taking into consideration the evaluation factors set forth in the Request for Proposals.

The Request for Proposals may indicate the relative importance of evaluation factors. Following are representative evaluation criteria that may be considered by the Department head or Purchasing Supervisor when preparing a Request for Proposal:

- Reputation and Experience. Does the consultant have a reputation of being reliable, delivering on schedule, and performing tasks to the satisfaction of its clients? Does the consultant have sufficient experience in the kind of work required?
- Capability and Availability of Staff. Does the designated firm have the qualified and experienced staff needed to perform this job?
- Understanding of the Problem. Does the firm understand the issues, and has it developed a relevant and effective approach?
- Proximity of the Firm. Other factors being equal or relatively insignificant, the District shall strive to retain firms based in the local area.
- Cost. Whenever possible and appropriate, a firm fee or hourly rate should be secured as part of the proposal and considered in the evaluation process. In certain cases, the District may wish to hire the best qualified individual or firm if their proposed or negotiated price is within the budgeted amount for the contract.

AWARD PROCESS

Recommendations for contract award for professional consultant services for \$25,000 or

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more shall be submitted by the Department head of the initiating Department to the Board of Directors at its regular or special meeting for consideration, along with pertinent contract documents. The recommendation should include the following:

- a. The services to be provided by a consultant or professional service contract.
- b. The method of compensating the consultant or the actual cost, if appropriate, and a statement indicating why the cost is reasonable.
- c. A summary of the competitive process used along with the reasons for recommending a particular consultant, particularly if that proposal was more costly than others.

SECTION 19: VENDORS DIVERSITY & SMALL BUSINESS PROGRAM

West Valley Water District is committed to the principle of diversity and equal opportunity in all of its endeavors and applies this principle in its procurement activity with the objective of encouraging participation by qualified vendors categorized as: small, disadvantaged, veteran, minority or women-owned enterprises. The District believes that strengthening and expanding its supplier base in these business classifications not only contribute to lowering our operational costs, but also improves the overall health of the business community within which we exist. It is a practice of the District to actively identify and solicit qualified small, disadvantaged, veteran, minority or women-owned businesses and to provide and promote equal opportunities for such vendors within the District in order to promote vendor diversity.

SECTION 20: MODIFICATION TO PROFESSIONAL SERVICES AND CAPITAL PROJECTS

WVWD may issue change orders/task orders to purchase orders, contracts, or Blanket

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Purchase Orders as required to complete the original scope of work or procurement as necessary to meet WVWD's needs ("Change Orders").

The following guidelines apply to Change Orders in accordance with WVWD's procurement Authorization Table (See Section 3):

- Under no circumstances shall an individual approve changes to a contract, purchase order, or Blanket Purchase Order in excess of that individual's procurement authority established in the Procurement Authorization Table (see Section 3).
- The monetary value of a Change Order should be evaluated to determine proper execution authority. If the monetary value of a Change Order exceeds an Approver's procurement authority, it must be approved by an Approver with a higher authority level in accordance with the Procurement Authorization Table.
- Change orders that affect the scope, terms, or duration of a contract or purchase order, but do not affect the agreement price, will be authorized by the original approval authority.
- A change order that requires a budget amendment that increases the adopted fiscal year budget, regardless of dollar amount must be approved by the Board.
- Taxes, shipping and handling may cause the purchase order to exceed the authorized amount. These items do require a change order.
- The change order form shall be used to change a quantity, description, size, unit price, amount, or scope of work of the Purchase order or Contract. It shall also be used to cancel a purchase order or contract and to correct errors in the original Purchase Order or Contract.

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All Change Orders for existing contracts for both professional services and construction, entered into by the District in an amount greater than \$25,000.00, shall be subject to the modification procedures contained in this policy. All Change Order approvals shall be in writing.

The General Manager's authorized representative, (Resident Engineer or Engineering Manager) may approve Plan Changes (but not Extra Work items) up to \$10,000.00. The representative would authorize work in writing to the contractor. All recommended plan changes must be reviewed and approved by the Assistant General Manager or General Manager. Contractor would proceed with work and identify percent complete in the next partial payment. Payment would be identified as pending Board approval, however the amount of work completed would be included in the partial payment total.

CUMMULATIVE CHANGE ORDERS

In no event can the General Manager approve Change Orders on any existing contract, which in the cumulative exceed \$25,000.00 contract value. Change Orders which in the cumulative exceed \$25,000.00 contract value, no matter what the amount of the Change Order, must be approved by the Board. Further, if there are requests for change orders that in total exceed \$25,000, then Board approval is also required.

REPORT TO THE BOARD

The General Manager, or his designated representative, shall make a monthly written report to the Board of Directors as to all Change Orders approved by the General Manager during the month, and of all possible future Change Orders which may appear probable prior to the next monthly report. At a minimum, the General Manager shall provide the Board with the name and nature of the contract, all Change Orders approved during that month, the reason for the Change Orders, the cumulative amount of the Change Orders for that contract, and any additional information the Board requests.

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CHANGE ORDER AUTHORIZATION

The authority contained in this policy binds the Board of Directors, and it is recognized that subsequent Board refusal to ratify a change order would subject the District to damage claims.

SECTION 21: NOTES AND EXCEPTIONS

In the absence of the approver for a given request, authorization will be obtained by his/her appointee or the next highest authority in accordance with the Authorization Table.

At no time can purchases be “split” or otherwise billed separately to circumvent the spending authority.

With the exception of Board of Directors authorized procurements, increases to previously authorized procurements are permitted if the increased procurements remain within the approver’s limit. Freight and sales tax are a cost of doing business and shall be included in the total cost of the procurement.

The Authorization Table shall apply to all purchases, including Capital Projects and Professional Services Contracts. Capital Projects shall employ competitive bidding and all capital procurements that exceed the General Manager’s authorization level must be approved by the Board of Directors. Professional Services Contracts shall employ competitive proposals solicited by the Request for Proposal (RFP) process.

At times, acquiring 3 written quotes may be a challenge depending on vendor type and availability. Staff will provide justification when 3 quotes cannot be obtained.

The Purchasing Supervisor reports directly to the Chief Financial Officer of the District or Designee.

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SECTION 22: PROCEDURES

A. METHOD OF BIDDING

In most instances, the District uses the following methods of bidding:

- **Email/Fax/ or Letter Bids** - known as an “Informal Bid.”
- **Request for Quotation (RFQ)** – also known as an “Informal Bid.”
- **Request for Bids (RFB)** – also known as a “Formal Bid”. This is the preferred method of bidding and must be a Sealed Bid if project is expected to exceed \$25,000, and \$100,000 for construction and public works projects.
- **Request for Proposal (RFP)** – may be used for bidding of services or combination of services and supplies and must be a Sealed Proposal if project is expected to exceed \$25,000.
- **Request for Qualifications (RFQ’s)** – may be used for bidding to pre-qualify contractors or vendors for various disciplines and/or supplies, which must be a Sealed Proposal.

B. PURCHASE REQUISITIONS

Purchase Requisitions (Requisitions) communicate to the Procurement Division, in clear and explicit terms, the needs of the requestor. The requisitioning process also provides a mechanism for obtaining the approvals necessary to authorize the Procurement Division to proceed with the requisition.

A completed requisition will be routed electronically for authorization by the requestor and submitted to the Procurement division prior to attempting to obtain and goods, services,

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materials or equipment.

Purchase Requisitions are required for all purchases over \$500.00. Vendor information, budget verification, general ledger account number and approval are required to create and issue Purchase Requisitions to vendors/contractors.

Upon receipt of a properly prepared requisition by Purchasing Supervisor, a requisition will normally be processed and completed within 10 business days for routine and 15 business days for complex acquisitions. It is the responsibility of the requisitioning Department to adequately plan in advance for their procurement needs and/or requirements. No purchase request will be broken into smaller units to avoid any provision of this Policy.

Prior to generation of Requisitions by staff that do not require a formal RFP/bid process, quote(s) must be obtained (see Section 3, Authorization Table). If the requestor has received quotes, they are to be attached to the Requisition electronically or emailed to the Procurement division to evaluate or and move forward in the procurement of the goods or service.

In the absence of the designated approver for a given request, authorization will be obtained from his/her designee or the next highest authority in accordance with the Procurement Authorization Table.

C. CANCELLATION OF REQUISITION

The cancellation of a Departmental requisition shall require Department's notification to Purchasing.

- **Cancellation by the Department:** Cancellation of a requisition by the Department should be on the basis of a written cancellation notice. Verbal cancellation may be accepted by Purchasing in order to suspend the purchasing process but should be followed up by written cancellation notice

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from the Department.

- **Cancellation by Purchasing:** Cancellation of a requisition initiated by Purchasing requires the written notification and concurrence of the Department.
- **Cancellation by Purchasing as a “last resort”:** A last resort example would be the failure of Department to respond to an inquiry for additional information in a timely manner (failure to obtain a response after multiple attempts). Last resort cancellations do not require the Department’s concurrence.
- **Cancellation from the bid solicitation:** When a requisition is cancelled during or after a bid solicitation process, Purchasing must cancel the items from the bid and indicate the reason(s) for the cancellation.

D. PURCHASE ORDERS

Purchase Orders (PO) are contractual documents and are required for all purchases over \$500. Once sent to and accepted by a vendor bind the performance of both parties to the transaction. POs created from requisitions are processed using the District’s accounting software. Once a PO has been approved, it is transmitted either by secure electronic means or by email or fax to the vendor.

The entire Purchase order amount is encumbered at the time of creation. Balances left on the Purchase Orders at the end of the fiscal year remain open in the finance system, but do not automatically carry over in the budget. Requisitioners are responsible for working with their finance liaison to process the required paperwork to ensure availability of funds in the next fiscal year.

Purchase Orders for multi-year contracts will remain open until projects are completed and the Purchasing Division is notified to close the Purchase order.

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Procurement costs are expensed from the fiscal year budget in which the order was received, not from the fiscal year in which the Purchase Order was issued.

SECTION 23: BLANKET PURCHASE ORDERS

Blanket Purchase Orders (BPO) are contractual documents and should be issued for recurring purchases, such as office supplies, not valid for longer than one year, and shall always expire at the end of the fiscal year in which they were initiated.

Blanket purchase orders are used for the acquisition of assorted commodities or services from a known vendor for Departments that have predictable but varied program needs. The range of commodities or services covered by the blanket purchase order should be defined as narrowly as possible. Blanket purchase orders may not be used for the acquisition of equipment or appliances.

Blanket purchase orders are established with a maximum commitment dollar value. Requests for modification of this amount must be made in writing. Note that requests for increases will be reviewed by Purchasing and by the Chief Financial Officer, Assistant General Manager, or General Manager, as appropriate to ensure that funds are available before approval for the increase.

Requests for modification of contract documents must be approved by the Department head based on the amounts indicated in the Authorization Table. A Request to Increase the Dollar Amount of a Standard or Blanket Purchase Order Form or Change Order must state the reason for the change, as well as, refer to the PO number and the vendor/contractor involved. This policy particularly applies to those circumstances where increase in the dollar amount of the order is required. Revised POs will be issued to the vendor/contractor to confirm the authorized changes.

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SECTION 24: COMPUTER PURCHASES

For initial personal computer purchases, the following items will be considered as one unit: System unit including disk-drive(s), emulation board, internal/external modems, memory expansion board, co-processor, expansion chassis, cables, additional chips, keyboard monitor and operating system software.

SECTION 25: LEASE / LEASE PURCHASE / RENTAL ORDERS (Equipment)

A lease is an agreement conveying the right to use property for a specified time and for a specific amount of money. In a true lease, the property being used remains the sole property of the lessor (vendor), and the lessee (District) builds no equity in the leased property. A lease/purchase agreement allows the lessee to build equity and purchase the property from the lessor for a nominal amount at the completion of the lease. The term of a lease is fixed in duration and generally not cancelable. A rental agreement is similar to a lease in that the user does not build ownership in the asset. A rental agreement differs from a lease in the length of the agreement (usually less than one year) and the agreement can usually be cancelled by the renter prior to the end of the agreement without penalty.

SECTION 26: REAL PROPERTY

Board approval and authority to execute contractual documents is required for the sale, procurement, trade, exchange, surplus or otherwise acquisition, of any and all real property.

SECTION 27: PURCHASING CARDS

The District has established a Purchasing Card Program to provide expanded convenience and controls to low dollar purchases, and to establish a payment

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methodology that will support future procurement applications. The Purchasing Card is an institutional credit card designed to give controlled buying power directly to Departments thereby eliminating many check enclosed orders. See Purchasing Card procedures for further details.

SECTION 28: PETTY CASH DISBURSEMENTS & REPLENISHMENT

Please see West Valley Water District's Petty Cash Policy.

WEST VALLEY WATER DISTRICT SINGLE/SOLE SOURCE JUSTIFICATION

SECTION I- INSTRUCTION FOR COMPLETING THIS FORM

1. Formal justification is required for sole source procurements when competitive bid guidelines require pricing from competing firms.
2. A written justification will be prepared by the department and approved by the department head or designee.
3. Prior to execution of a contract, the District Purchasing Agent or designee shall approve ALL sole source requests for commodities that exceed \$500 and services exceeding \$500 or a two (2) year consecutive term, regardless of the contract amount.
4. If vendor is a retired, former District, General Manager shall approve the sole source request, **regardless of the sole source amount.**
5. Board approval is required for all sole source contracts for commodities that exceed \$25,000 and services exceeding \$25,000 or a two (2) year consecutive term, regardless of the contract amount.
6. The Purchasing Agent shall retain a copy of the justification as part of the contract file.
7. Valid sole source requests contain strong technological and/or programmatic justifications.
8. Sole source procurements may be approved based upon emergency situations in which there is not adequate time for competitive bidding.
9. Sole source requests for Grant contracts will be guided by the regulations of the funding source.
10. Each question in Section III of this form must be answered in detail and signed by the department head with concurrence of the Purchasing Agent.

SECTION II- DEPARTMENT INFORMATION

Department:	Date:
Vendor Name:	Bid Number:
Is the above-named vendor a retired employee of the District? <input type="checkbox"/> Yes <input type="checkbox"/> No	
If "Yes", review and Approval is required from GM prior to Contract execution.	

Amount:	Contract Term (Dates):	Is Agreement Funded? <input type="checkbox"/> Yes <input type="checkbox"/> No	Funded Sources: Percent Funded:	Propriety?
Type of Request: <input type="checkbox"/> New <input type="checkbox"/> Multi-year <input type="checkbox"/> Amendment <input type="checkbox"/> Increase <input type="checkbox"/> Retired Former Employee				
Board Date:	Resolution Number:	If not scheduled go to the board explain why?		
Does Contract include Non-Standard language? If yes, explain why.				
Was Contract Approved by legal counsel?	Requisition Number:	Supplier Name and Number:		
Were any exceptions taken? If yes, explain why in detail.				

SECTION III-SOLE SOURCE JUSTIFICATION

1. Provide a description of the type of contract to be established. (For example, is the contract a commodity, service, human service, public works, or other -please explain.)

2. Provide a detailed description of services/commodities to be provided by the vendor. (This information may be obtained from the scope of work prepared by the District and the vendor's proposal that provides a detailed description of the services/supplies). Attach additional sheet if necessary.

3. Please state why the recommended vendor is the only one capable of providing the required supplies and/or commodities. Provide all evidence of research that was completed, identifying all other sources that were evaluated. (Including, but not limited to companies, names, manufacturers, model numbers, internet search results, etc.) Include any back-up information or documentation which supports your recommendation. (Acceptable responses to this question will include strong programmatic/technological information that supports the claim that there is only one vendor that can provide the services and/or commodities). Attach additional sheet if necessary.

4. Please list any other sources that have been contacted and explain in detail why they cannot fulfill the District's requirements. (Responses to this section should include information pertaining to any research that was conducted to establish that the vendor is a sole source. Responses should include information pertaining to discussions with other potential suppliers and why they were no longer being considered by the District). Answers to this section may be provided by the requestor and the Purchasing Agent as appropriate. Attach additional sheet if necessary.

5. How does recommended vendor's prices or fees compare to the general market? Attach quotes for comparable services or supplies, if available. Attach additional sheet if necessary.

6. If recommended vendor could not provide the product or service, how would the District accomplish this particular task? Attach additional sheet if necessary.

7. If vendor is a retired, former employee, has the vendor previously been rehired as a working retiree or a contractor within the last three years? Yes No

If yes, provide the following information: a) If a working retiree, provide time periods worked, hours worked, and hourly amounts paid. b) If a contractor (regardless of scope of work), provide contract dates, scope of work, and total amounts paid under each contract. Attach additional sheets if necessary.

8. If the vendor is a retired, former employee, provide explanation/support for hiring the retired, former employee as a vendor instead of a working retiree. Attach additional sheet if necessary.

SECTION IV- AUTHOR/REQUESTOR

My department's recommendation for sole source is based upon an objective review of the product/service required and appears to be in the best interest of the District. I know of no conflict or interest on my part or personal involvement in any way with this request. No gratuities favor or compromising action have taken place. Neither has my personal familiarity with particular brands, types of equipment, materials or firms have been a deciding influence on my request to sole source this purchase when there are other known suppliers to exist. I hereby certify that the above request and Justification is accurate and complete to the best of my knowledge and belief.

Signature:	Print Name:	Date:
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SECTION V- GENERAL MANAGER APPROVAL (Review and approval is required when vendor is a Retired, Former Employee.)

A good faith review of available sources for the request noted on this form has been completed and claim is found to be justified.

Signature	Name:	Date:
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SECTION VI- PURCHAING AGENT

A good faith review of available sources for the request noted on this form has been completed and claim is found to be justified.

Signature:	Name:	Date:
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SECTION VII- DEPARTMENT HEAD APPROVAL

A good faith review of available sources for the request noted on this form has been completed and claim is found to be justified.

Signature:	Name:	Date:
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VENDOR PROFILE APPLICATION & NEW VENDOR NUMBER REQUEST

**WVWD VENDOR PROFILE APPLICATION
NEW VENDOR NUMBER REQUEST (VENDOR ADD)**

For District employee reimbursements, do not use this form; please see your Department liaison about getting an employee reimbursement number. This form is to be used only for adding vendors to the District's vendor files, which is used by the District's Accounting and Purchasing systems in generating payments and purchase orders. The granting of a vendor number does not mean that the vendor is a District compliant and an approved vendor.

Please Read and follow the separate instructions for this form.

Vendor Number Assigned
Vendor File Reviewer Use Only

1 Requester's Name: _____
Contact Number: _____
Email: _____

2 Requester's relationship to Vendor (Please Check one Box)

Owner/Partner

(specify your current job title if any)

Vendor Representative

(i.e. CFO, Executive Director, Manager, specify your current job title)

3. Check only one:

- a. You must attach a completed and signed IRS W-9 form to obtain a Vendor Number. Vendor Numbers are not assigned without a W-9 form.
- b. For foreign vendors, please use the IRS W-8 Form. These can be obtained from the IRS Website.

4. Is any owner, partner, contractor, employee or employee family member of this vendor also a current District employee? (Including Board Member, Committee Member, or Safety Officer)?

- a. No (if marked "no", go to question #5)
- b. Yes, please explain the relationship of the current District employee(s) to this vendor profile, provide their name and the department.

- c. Is any of the individual name(s) indicated on the above line (b.) involved in and or influence in making a purchase decision for their department or for other departments within the District? If yes, Please explain.

5. Vendor Information Check one: Dba (Doing business as) Disregarded Entity, provide FEIN _____

Vendor Name _____ Website _____
(Name must match name on 2nd line of W9 Form)

Primary Contact Name: _____ Phone Number: _____
 Contact's Title: _____ Fax Number: _____
 Toll Free Number: _____ Email Address: _____

6. Vendor Business Address (es) *(*For Safety Officer please use PO Box address only)*

General Business Address (Street/City/State/ZIP)	Bid Address (if different from General)
Purchase Order Address (if different)	Payment/Remittance Address (if different)

7. Vendor Commodity and Service Codes:

Example: 9720-09

Commodities and/ or services not listed (provide detailed description):

8. Completing and Returning Application

Print Name of Applicant: _____

Title: _____

Handwritten Signature: _____

Date: _____

Return your Application to one of the following four destination options (Please choose one option only)

- a. Email to:
- b. Interoffice Mail:
- c. Fax to:
- d. Regular mail:

RECORD OF THREE PRICE QUOTATIONS

Requisition or P.O. No.: _____

Price Quotations

Vendor Name		Date Contacted		F i r s t Q u o t e
Address		Telephone		
Individual Contacted		Price Quoted		
Price Good To:				
Remarks:				

Vendor Name		Date Contacted		S e c o n d Q u o t e
Address		Telephone		
Individual Contacted		Price Quoted		
Price Good To:				
Remarks:				

Vendor Name		Date Contacted		T h i r d Q u o t e
Address		Telephone		
Individual Contacted		Price Quoted		
Price Good To:				
Remarks:				

Explanation

Prepared By Name/Title: _____

Approved By Name/Title: _____

Date _____

Date _____