

RESOLUTION NO. 17R-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BIGHORN-DESERT VIEW WATER AGENCY ADOPTING A REVISED PURCHASING AUTHORITY POLICY

WHEREAS, the Agency previously adopted Policy Statement No. 04P-02 which established a purchasing authority policy which sets forth the authority and restrictions on the procurement of goods and services; and

WHEREAS, it is in the best interests of this Agency that it maintain limits, restrictions and procedures in a purchasing authority policy; and

WHEREAS, the guidelines set forth within the Purchasing Policy are not intended to address every issue, exception, or contingency may arise in the course of purchasing activities; and

WHEREAS, the basic standard that should always prevail is to exercise good judgement in the use and stewardship of Agency resources, including keeping within the budget authorized by the Board of Directors; and

WHEREAS, the Board desires to update and revise the Agency's purchasing authority policy.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Agency do hereby authorize the following:

1. Adoption of Purchasing Authority Policy. The Board of Directors does hereby adopt a policy of authority, limits, restrictions, and procedures regarding the purchase of goods, services and public works projects by the District as set forth in that certain Purchasing Authority Policy ("Policy") attached hereto as Exhibit "A" and incorporated herein by this reference.

2. Purchases Subject to Budgetary Amounts and Authorization. The authority, limits, restrictions and procedures set forth in said Policy shall be subject to any and all applicable annual budgetary amounts and other authorizations as may be imposed by the Board from time to time.

3. Policy Shall Be Controlling Over Previous Policies. As of the effective date of this Resolution, the Policy shall be deemed to be controlling over, and shall otherwise supersede, the policy adopted by way of Policy Statement No. 04P-02 and any and all other previous purchasing authority policies that may conflict with, or be contrary to, the Policy. As of the effective date of this Resolution, the policy adopted by way of Policy Statement 04P-02 shall be of no further force or effect.

4. Severability. If any provision in this Resolution or Policy, or the application thereof to any person or circumstances, is for any reason held invalid, the validity of the remainder of this Resolution and Policy, or the application of such provisions to other

persons or circumstances shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and Policy and each provision thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof to any person or circumstance be held invalid.

5. Effective Date. This Resolution shall become effective upon the date of adoption as set forth herein.

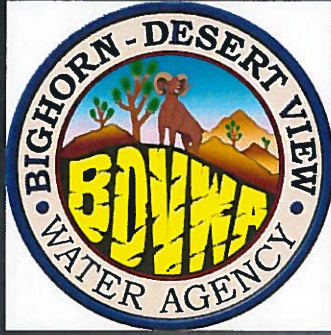
6. Incorporation of Recitals. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

PASSED, APPROVED, AND ADOPTED by the Board of Directors to Bighorn-Desert View Water Agency this 28th day of February 2017.

By J. Larry Coulombe
J. Larry Coulombe, Board President

Attest:

Judy Corl-Lorono
Judy Corl-Lorono, Board Secretary



Purchasing Policy

Resolution 17R-06 Exhibit "A"

**Bighorn-Desert View
Water Agency**

**622 S. Jemez Trail, Yucca
Valley CA 92284**

760-364-2315

www.bdvwa.org

Resolution 17R-06 Exhibit "A"

Table of Contents

No table of contents entries found.

1.0 Purpose:

1.1 The purpose of this policy is to establish uniform procedures for bidding, contracting, and the procurement of all goods and services, while receiving the best possible value for the agency. These guidelines are not intended to address every issue, exception, or contingency that may arise in the course of purchasing activities. The basic standard that should always prevail is to exercise good judgment in the use and stewardship of agency resources, including keeping within the budget authorized by the Board of Directors. To ensure that Bighorn-Desert View Water Agency receives the best possible value for all goods and services purchased, the Agency's General Manager will perform all purchasing activity, the only exception being where an outside consultant prepares bid packages.

2.0 Definitions:

2.1 "General Manager," unless otherwise specified in this policy, shall be deemed to include the General Manager and his/her designee.

3.0 Responsibilities

3.1 The General Manager is authorized to negotiate and execute contracts for all operating, capital improvement and emergency purchases made in conformance with this purchasing policy. The policy outline herein is to be adhered to by all departments when procuring supplies, services and equipment. The General Manager will establish written administrative procedures and update them as needed to conform to this policy and applicable laws.

4.0 Signatory Authority

4.1 All physical checks require two (2) "wet" signatures of the Board of Directors.

4.2 Where the General Manager has determined it to be in the best interest of the Agency, or where required by other entities, to pay invoices electronically then two "wet" (2) signatures from the Board of Directors shall be required on the invoice or related documentation in support of the payment. Such signature will constitute the authority for the General Manager to execute such payments. This excludes payroll obligations described in section 4.3 herein.

4.3 Payroll checks are executed using an electronic signature created from two (2) "wet" signatures of the Board of Directors. All other payroll obligations shall be transacted by the General Manager without the obligation of further approval by signature of the Board of Directors. This includes all necessary payments related to payroll including but not

limited to payments for federal withholding tax, state withholding tax, pension, ancillary benefits, and garnishments.

4.4 All disbursements, physical checks and/or electronic payments, are presented to the Board of Directors in an agenda meeting as soon as possible following bank reconciliation for transparency to the public-at-large.

5.0 Conflict of Interest

5.1 Agency staff and representatives shall conduct all dealings with vendors and contractors in a professional manner. The agency shall provide equal opportunity and demonstrate fairness, integrity and courtesy in all vendor relations.

5.2 No Agency employee or elected official shall be financially interested, directly or indirectly, in any purchase, contract, sale, or transaction to which the Agency is a party and which comes before said official or employee for recommendation or action. Any purchase, contract, sale, or transaction in which any employee or official is financially interested shall become void at the election of the Agency. No employee or elected official shall realize any personal gain from any purchase, contract, sale, or transaction involving the Agency. When any staff member is in doubt as to whether there exists a conflict of interest, that employee shall consult with the General Counsel, and another employee may be assigned to facilitate the purchase.

6.0 Local Business Preference

6.1 When feasible, local businesses within the Morongo Basin may be allowed a preference margin where items are available from multiple sources.

7.0 Purchase Approval

7.1 Any purchase which requires expenditure in excess of \$25,000 shall be approved by the Board of Directors.

7.2 The Board of Directors is guided by the current adopted *Policy for Reimbursement of Actual and Necessary Expenses for Board Members*.

8.0 Employee Travel Expenses

8.1 Employee Travel: Employees must obtain their immediate supervisor's approval for their expenses such as seminars, travel, and mileage reimbursement. The Board of Directors is guided by the current adopted *Policy for Reimbursement of Actual and Necessary Expenses for Board Members*.

9.0 Quotes/Proposals/Bids for Materials, Goods and Supplies

9.1 Materials, Goods and Supply Purchases <\$1,000: Purchases of materials, goods and supplies of \$1,000 or less may be made by any method that serves the Agency's best interests.

9.2 Materials, Goods and Supply Purchases > \$1,000: At least two written vendor quotations shall be obtained on purchases of materials, goods and supplies of more than \$1,000. Award shall be made to the vendor whose quote serves the Agency's best interests.

9.2.1 Vehicle purchases: Vehicles should be purchased through the State's Vehicle Procurement Program, unless they can be acquired at the same cost or less expensively by competitive quotation bids.

9.3 Unable to Obtain Written Quotes: When written quotes cannot be obtained, documentation will be prepared describing who, what, where, when and why written quotation could not be obtained.

10.0 Personal/Non-Professional Services

10.0 Definition: Personal/non-professional services (electricians, pump installers, welders, etc.) are those services that do not fall within the category of professional services, as defined below, or public works project (>\$25,000) and may include, without limitation, general maintenance services, janitorial services, security guard services and landscaping services not requiring a contractor's license to perform.

10.1 Personal/Non-Professional <\$25,000: At least two written vendor quotations shall be obtained on procurements of contracts for personal/non-professional services of \$25,000 or less prior to the award of the contract. Award shall be made to the contractor whose bid serves the Agency's best interests.

10.2 Personal/Non-Professional > \$25,000: At least two written vendor quotations shall be obtained on procurements of contracts for personal/non-professional services in excess of \$25,000 prior to purchase. An analysis of bids received and a staff recommendation for award shall be presented to the Board of Directors for their consideration. Award shall be made to the contractor whose bid serves the Agency's best interests.

10.3 Unable to Obtain Written Quotes: When written quotes cannot be obtained, documentation will be prepared describing who, what, where, when and why written quotation could not be obtained.

11.0 Professional Services

11.1 Definition: Professional services means all services performed by persons in a professional occupation, including, but not limited to, consulting and performance services for accounting, auditing, computer hardware and software support, engineering, architectural, planning, environmental, redevelopment, financial, economic, personnel, social services, animal control, legal, management, cable television, communication and other similar professional functions which may be necessary for the operation of the Agency.

11.2 Professional Services <\$25,000: A minimum of two proposals shall be obtained on procurements of contracts for professional services prior to the award of the contract. Award shall be made to the consultant whose proposal serves the Agency's best interests provided that the award of a contract for any professional service specified in Government Code section 4526 (i.e., professional architectural, landscape architectural, engineering, environmental, land surveying, and construction management services) shall be made on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required.

11.2.2 An analysis of proposals received and a staff recommendation for award shall be presented to the Board of Directors for their consideration for professional services contracts in excess of \$25,000.

13.0 Public Works Project

For "public works projects" exceeding \$25,000 the Agency is bound by the following:

13.1 PUBLIC CONTRACT CODE - PCC
DIVISION 2. GENERAL PROVISIONS [1100 - 22355]
(*Division 2 enacted by Stats. 1981, Ch. 306.*)
PART 3. CONTRACTING BY LOCAL AGENCIES [20100 - 22178]
(*Part 3 added by Stats. 1982, Ch. 465, Sec. 11.*)
CHAPTER 1.5. Water District Acts [20930 - 21641]
(*Chapter 1.5 added by Stats. 1984, Ch. 1128, Sec. 69.*)

ARTICLE 124. Bighorn Mountains Water Agency [21590 - 21591]
(*Article 124 added by Stats. 1984, Ch. 1128, Sec. 69.*)

21590.

The provisions of this article shall apply to contracts by the Bighorn Mountains Water Agency, as provided for in Chapter 1175 of the Statutes of 1969.

(*Added by Stats. 1984, Ch. 1128, Sec. 69.*)

21591.

(a) Any improvement or unit of work, when the cost, according to the estimate of the engineer will exceed twenty-five thousand dollars (\$25,000), shall be done by contract and shall be let to the lowest responsible bidder or bidders as provided in this article. The Board shall first determine whether the contract shall be let as a single unit or divided into severable parts. The Board shall advertise for bids by three insertions in a daily newspaper of general circulation or by two insertions in a weekly newspaper of general circulation printed and published in the agency, if there is a newspaper printed and published in the agency, inviting sealed proposals for the construction or performance of the improvement or work. The call for bids shall state whether the work shall be performed in one unit or divided into parts. The work may be let under a single contract or several contracts, as stated in the call. The Board shall require the successful bidders to file with the Board good and sufficient bonds to be approved by the Board conditioned upon the faithful performance of the contract and upon the payment of their claims for labor and material. The bonds shall comply with Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code. The Board may reject any and all bids and readvertise, or by a two-thirds vote may elect to undertake work by force account.

(b) If no proposals are received, or the estimated cost of the work does not exceed twenty-five thousand dollars (\$25,000), or the work consists of channel protection, maintenance work, or emergency work, the Board may have the work done by force account without advertising for bids. In case of an emergency, if notice for bids to let contracts will not be given, the Board shall comply with Chapter 2.5 (commencing with Section 22050).

(c) The agency may purchase in the open market without advertising for bids, materials and supplies for use in any work, either under contract or by force account; provided, however, that materials and supplies for use in any new construction work or improvement, except work referred to in subdivision (b), may not be purchased if the cost exceeds twenty-five thousand dollars (\$25,000), without advertising for bids and awarding the contract to the lowest responsible bidder.

(Amended by Stats. 2010, Ch. 697, Sec. 100. Effective January 1, 2011. Operative July 1, 2012, by Sec. 105 of Ch. 697.)

14.0 Prevailing Wage Requirements

14.1 Prevailing wage may be required on all public works projects, defined in CA Labor Code section 1720, exceeding \$1,000 in accordance with CA Labor Code section 1773.3. Therefore the call for bids and contract documents must include the following information:

No contractor or subcontractor may be listed on a bid proposal for a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].

No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.

Prevailing wage as defined by Davis-Bacon (29 Code of Federal Regulations Section 5.2 (j) and (k)) may be required should federal funds be secured for the construction, alteration or repair, including painting and decorating, of public buildings or public works. Davis-Bacon also requires specific prevailing wage clauses to be incorporated into contracts, subcontracts, contract termination, compliance with the Davis –Bacon Act, disputes and certification of eligibility.

15.0 Rejection of Quotes, Bids and Proposals; Waiver of Errors

15.1 In its sole discretion, the Agency may elect to reject any or all quotes, bids and proposals presented and may waive any errors in the same.

16.0 Inventory/Supplied/Services/Capital Asset Purchases in Accordance with the Currently Approved Budget

16.0 Materials which are primarily stored as inventory and/or consumed as supplies are to be considered inventory/supplies. Purchases of these items will be classified as a signature purchase, a general purchase, a petty cash purchase or a credit card purchase.

17.0 Types of Purchases

17.1 Signature Purchases: Restricted to “immediate need” and defined as situations where a necessary inventory or supply item is not on hand and the time delay created by ordering and delivery of the required item would seriously diminish productivity. Signature purchases are limited to \$500 per day or less as may be dictated by the vendor and may be made only upon approval of the General Manager, and only where accounts have been established for purposes such as small hardware, supplies or auto parts. Quotes will not be required for signature purchases. Purchase orders, or other applicable documentation, can be utilized for signature purchases. Receipts, or other

applicable documentation, must be submitted to the General Manager in a timely manner.

17.2 General Purchases: Those purchases made on a regular basis. General purchases may be made by the designated employee (limited to \$500 per day) or General Manager. All general purchases require a purchase order, or other applicable documentation.

17.3 Petty Cash Purchases: Those inventory/supplies/services which are purchased from retailers who require cash payment. Such purchases are restricted to situations where a necessary inventory/supply/service is an immediate need item which is obtainable only from a vendor requiring cash payment. The General Manager may make or approve such purchases limited to \$500 daily. All such purchases must have appropriately signed receipts.

17.4 Credit Card Purchases: Credit card purchases may be made by the General Manager in accordance with this Purchasing Policy and resolution of the Board of Directors authorizing their use. All receipts for credit card purchases must be forwarded to the General Manager as soon as possible after the transaction has been completed.

17.4.1 Credit card purchases may be made by the members of the Board of Directors in accordance with this purchasing policy and the current adopted *Policy for Reimbursement of Actual and Necessary Expenses for Board Members*. Members of the Board of Directors shall be required to comply with all applicable laws, rules and regulations regarding expenditures and reimbursements including, but not limited to, laws regarding conflicts of interest and ethical requirements.

18.0 Exceptions

18.1 Emergency Exception

In the event of an emergency, excepting any public works project exceeding \$25,000, if a quorum of the Board of Directors cannot be attained, the General Manager or his/her designee may make, without restrictions, any purchase(s) necessary to alleviate the situation. An emergency is defined as any occurrence or situation which is posing a real and immediate hazard to public health or safety. Any purchase of this type will be fully disclosed at the next scheduled meeting of the Board of Directors.

18.2 Board Election

On a case by case basis, the Board of Directors may waive any and all purchasing requirements set forth in this purchasing policy as may be necessary to serve the

Agency's best interests and those of its ratepayers so as to minimize the cost to the Agency.

19.0 Purchasing Procedures

The General Manager shall have authority to establish written management procedures in order to implement this purchasing policy.