

## Sacramento Suburban Water District

**Procurement Policy**

Adopted: September 20, 2004

Revised: August 15, 2005, August 20, 2007, August 17, 2009

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**100.00 Purpose of the Policy**

This document sets forth the policy of the Sacramento Suburban Water District concerning its purchases or procurement of materials (including supplies, inventory and equipment) and trade services. This Policy rescinds all previously issued policies regarding District purchasing or procurement, including Resolutions 02-10 adopted on May 21, 2002 and 04-26 adopted on September 20, 2004. This Policy is adopted in accordance with the provisions of Article 7, Chapter 5, Part 1, Division 2 of Title 5 of the California Government Code (commencing with Section 54201) and the provisions of Article 1, Chapter 3, Part 5 of Division 13 of the California Water Code (commencing with Section 35600).

The primary purpose of this Policy is to provide for the purchase of materials and trade services with the objective that they will be available at the proper time, in the proper place, in the proper quantity, in the proper quality, and at the best available price, consistent with the needs of the District.

When used in this Policy, the term “procurement,” “purchase,” or “purchases” includes the purchase, lease or rental of materials and/or trade services.

When used in this Policy, the term “trade services” means services provided to the District other than those provided by construction contractors.

**200.00 Authority**

The General Manager of the District has the authority to make purchases, sign contracts and otherwise encumber the District for the acquisition of materials or trade services within the confines of the Board of Directors approved District’s annual operating and maintenance budget, operating capital budget, or capital improvement program budget. The General Manager will have the authority to appoint one or more designee’s to act as the District’s purchasing agent and may delegate his/her authority(ies) to District staff within established procedures and controls.

All District material or trade contract purchases will be made in accordance with this Policy.

Purchases from contract and/or grant funds shall be approved in accordance with the sponsoring agency's contract or grant procedures.

The determination of the size of purchase will be based on the estimated or actual cumulative cost of materials and trade services to a single provider on a single project in a single calendar year. General Manager has the authority to determine which purchasing process is appropriate.

### **300.00 Unbudgeted Purchases of Supplies, Materials, Equipment and Trade Services**

For non-emergency, unbudgeted purchases or other encumbrances under \$100,000, the General Manager or designee will have the authority to make the purchase, without the prior authorization of the Board of Directors and without following the procedures described in Section 300.00 of this Policy. However, disclosure of the purchase and its impact on the District's estimated total annual expenses or capital budget will be made to the Board of Directors at the next regularly scheduled meeting of the Board of Directors.

For emergency purchase guidance, see Section 600.00.

For non-emergency, unbudgeted purchases or other encumbrances above \$100,000, the General Manager or designee is required to obtain Board of Directors approval before such encumbrances are incurred, through an action of the Board of Directors.

Irrespective of monetary or other limitations specified herein for purchases by competitive bid, request for proposals or by negotiation, the Board of Directors may, at its discretion, direct the manner in which a particular purchase will be made.

### **400.00 Purchases of Supplies, Materials, Equipment and Trade Services in Excess of \$100,000.00 by a Request for or Request for Qualifications or a Request for Proposal (RFP)**

Except as otherwise specified herein, all purchases of materials and trade services where the estimated expenditure is in excess of \$100,000.00 per annum will be made by a competitive process in the following manner.

A Request for Qualifications inviting bids for such purchases or trade services will be sent to qualified candidates/bidders as determined by the District, at least 10 days prior to the date designated for receipt of the RFQ or RFP.

For trade services, selection criteria will be established by the District, which may be based solely on qualifications of the candidate(s).

A written contract will be executed for all such purchases, preferably a contract prepared by the District.

When the District requires materials that are obtainable in two or more equally satisfactory and competitive makes, brands, or types, the General Manager or designee will list the acceptable makes, brands, or types in the solicitation. Such lists will also include the phrase “or equal” to permit bidders to bid on alternative or additional makes, brands or types. In order for any such alternative or additional makes, brands or type to be considered, such bidders will be required to prove to the satisfaction of the General Manager or designee prior to the time for submitting the proposal that the alternative or additional make, brand, or type is equal in quality or performance to those listed in the solicitation.

Notwithstanding the provisions of the preceding paragraph, the General Manager or designee may specify that no alternative or additional make, brand, or type will be accepted, when the General Manager or designee deems it necessary to do so in order to maintain uniformity of such materials to facilitate maintenance and repair.

When the District requires materials that are produced by only one manufacturer, the General Manager or designee will specify such manufacturer’s make or brand in the solicitation and will obtain quotes or proposals from authorized dealers or distributors of such manufacturer. If such manufacturer is the sole candidate and sole source of supply, the General Manager or designee is authorized to negotiate a contract with the manufacturer at prices and on terms most advantageous to the District.

The Board of Directors may determine and declare a candidate not to be a responsible candidate upon consideration of the following factors:

- (a) The candidate’s record of performance on previous contract(s) or service(s);
- (b) The previous and existing compliance by the candidate with laws and ordinances relating to the contract or service;
- (c) The ability, capacity, and skill of the candidate to perform the contract or provide the service required;
- (d) Whether the candidate has the facilities to perform the contract or provide the service promptly, or within the time specified, without delay or interference;
- (e) The sufficiency of the financial resources of the candidate to perform the contract or provide the service;
- (f) The ability of the candidate to provide future maintenance and service of the commodity purchased;
- (g) The character, integrity, reputation, judgment, experience, and efficiency of the candidate.

Upon finding that a candidate is not a responsible candidate, the General Manger will transmit to the candidate a statement of the basis for such determination, and the candidate will be given a reasonable opportunity to refute the basis for such determination, prior to awarding the contract to another candidate.

#### **500.00 Purchase Order Guideline**

The following guidelines are established for the purchase or procurement of materials and trade services.

- (a) Transactions greater than \$500 may be pre-authorized with a valid Purchase Order or trade service contract.
- (b) Blanket Purchase Order's may be utilized under the authority of the General Manager or designee in accordance with established procedures and controls.
- (c) An employee, not so designated, shall not encumber the District for materials or trade services without prior authorization from the General Manager or designee.
- (d) Sales, Use, and other excise taxes shall be paid where required by State or Federal law.
- (e) Once receipt of the materials or trade services have been confirmed to be acceptable to the District and an appropriate invoice has been received and approved, the District shall pay for the materials or trade services within 30 days of receipt of invoice.
- (f) All receiving orders and invoices must be approved according to the terms and conditions set forth by the General Manager in appropriately established purchasing procedures and controls before payment is made.
- (g) The General Manager may establish an imprest account(s) for the purposes of paying vendors or reimbursing employees for minimal District expenditures. Appropriate controls and procedures must first be established by the General Manager or his/her designee.
- (h) All District purchases are to be made for District purposes only. There will be no commingling of District purchases with personal purchases.

#### **600.00 Emergency Purchases**

In case of emergency, where a purchase has not been authorized by the Board of Directors or this Policy requires such purchase to be made by competitive process or

RFQ or RFP, and the General Manager has determined that the best interests of the District require that such purchase be made before the Board of Directors can meet to authorize such purchase, the General Manager or designee is authorized to make such purchase by negotiation after first obtaining the verbal consent of two members of the Board of Directors. The General Manager will thereafter promptly report in writing to the Board of Directors at the next regularly scheduled meeting of the Board of Directors the nature and amount of the purchase and the emergency circumstances justifying such purchase.

**700.00 Policy Review**

This Policy shall be reviewed at least biennially.