

CAMERON PARK COMMUNITY SERVICES DISTRICT
* POLICY GUIDE SERIES 3000-OPERATIONS*

POLICY TITLE: Purchasing/Expense Authorization
POLICY NUMBER: 3100

3100.10 The purpose of this section is to provide a general code of conduct for all personnel who may be engaged in the District's purchasing function. It is essential that all personnel involved in the procurement process conduct themselves in a manner that maintains impartiality and complete objectivity, to meet the continuing scrutiny of suppliers and the public.

As a District, we are committed to conduct our business in an ethical and professional manner, in compliance with applicable laws, regulations and codes; so we are correctly perceived to be an ethical and professional organization of dedicated and competent individuals of the highest integrity and credibility, producing quality, value added services that contribute significantly to the needs of our customers and community.

In dealings with the business community, it is necessary to exercise a strict rule of personal conduct to ensure that business relations are not compromised or even have the appearance of being compromised. The District's reputation for fairness and integrity in dealing with suppliers and others must always be maintained.

Public service is a public trust. Each District employee has a responsibility to the citizens of the District for honesty, loyalty and the performance of their duties under the highest ethical principles. Ethical concepts of public purchasing obligate every purchasing official to an impeccable standard of ethics and personal conduct.

Purchases made for the District shall be in conformance with the approved budget and this policy.

3100.20 The District authorizes the General Manager to appoint a Purchasing Agent(s) and gives the Purchasing Agent authority to purchase, to negotiate or to contract for goods, services, supplies and equipment as required by the District's using departments. All persons involved in the purchasing function shall:

3100.21 Comply with the District purchasing procedures as outlined herein.

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3100.22 To buy on the basis of value, recognizing that value represents a combination of quality, service and price that assures the greatest economy to the District.

3100.23 To be courteous and considerate in all District dealings.

3100.24 To recognize that permanent business relationships should be established on the basis of honesty and fair dealings.

3100.25 To be prompt in all appointments and to negotiate with reasonable speed.

3100.26 To avoid statements that might injure or discredit legitimate suppliers and to avoid disclosure of confidential information that might give an unfair advantage in a competitive business transaction.

3100.27 To recognize that character is an important asset in commerce and should be given major consideration in the selection of sources of supply or service.

3100.28 To adjust claims and settle disputes on the basis of facts and fairness.

3100.29 To decline politely any gratuity or accommodation with a cumulative value of \$50.00 for any calendar year, from any one supplier, vendor, or firm with whom the District is currently doing or could potentially do business. All decisions and actions regarding procurement should be based upon proper business considerations, and purchasing decisions should not be influenced in any way by personal gain. However, any offering from a vendor, or potential vendor, which has been given to a group and which is kept and/or consumed on the premises, would not be considered inappropriate. The District is subject to California law regarding conflict of interest, including receipt of gifts or entertainment. Vendors are requested to cooperate in this regard.

3100.30 DEFINITIONS

A. Bid/Proposal - The written offer of a bidder to furnish and /or deliver specific items, or perform and execute work or services.

B. Invitation to Bid - An invitation, extended to a vendor by telephone, fax, letter or e-mail, inviting a quotation for furnishing and/or delivering specific items or to perform or execute contemplated work or services.

C. Bid - Same as proposal, except may be verbal.

D. Bidder - An individual, firm, or corporation or qualified representative thereof, submitting a bid or proposal to furnish and/or delivering specific items or to perform or execute contemplated work or services. It is the responsibility of the bidder to read all documents contained in the specifications carefully and follow the directions in the bid packet. Bidders are responsible for the timely submission of their bid/proposal. Bidders are responsible for reporting errors or omissions detected, in writing, to the District representative.

E. Successful Bidder - The individual, firm, corporation, or qualified representative thereof, capable of delivering materials or supplies, or performing or executing the contemplated work or service required by the District.

F. Purchasing Agent - The General Manager or designee appointed by the General Manager acting within the scope of his or her delegated authority in the procurement of goods and services.

G. Blanket Purchase Order – Is issued to selected vendors, on an annual basis with the approval of the Purchasing Agent, for use by District employees to procure repetitive, high volume, low dollar value items on a continuing basis.

H. Published Public Notice – Notice inviting bids shall be published in a newspaper of general circulation once a week for two consecutive weeks, with five days between each publication. The Purchasing Agent shall also solicit bids from responsible prospective suppliers from bidder lists maintained by the Purchasing Agent and may advertise the notice inviting bids in applicable publications and websites readily accessible to the public.

I. Inspection and Review – The Purchasing Agent or designee shall require the inspection of supplies and equipment delivered and contractual services performed to determine conformance with the specifications and requirements set forth in the order or contract.

3100.40 When procuring goods or services the following authorization limits apply to all purchases, provided such expenditures are within the budget limitations, excepting those that are Public Works projects.

3100.40.1 Public Notice – Purchases greater than \$125,000

Authority to award – Board of Directors. Formal bid or Request for Proposal process is required

3100.40.2 Formal Bid – Purchases from \$25,000 - \$125,000

Authority to award – Board of Directors. Formal bid or Request for Proposal process is required. Award to the lowest cost, responsive, responsible bidder. Staging of purchases in order to avoid authorization limits is prohibited.

3100.40.3 Open Market – Purchases between \$5,000 and less than \$25,000

Authority to award - \$5,000 to \$24,999 - General Manager

A written quotation must be received from three competitive sources. Award bid to the lowest cost, responsive, responsible bidder. Staging of purchases in order to avoid authorization limits is prohibited.

3100.40.4 Small Purchases – Purchases less than \$5,000

Authority to award – Department head or authorized designee. Seek competitive quotations or rotate awards to local vendors. Award to the lowest cost, responsive, responsible bidder.

3100.40.5 CMAS - California Multiple Award Schedules (CMAS) Offers a wide variety of commodity and information technology products and services at prices that have been assessed to be fair, reasonable and competitive. The use of these contracts is optional and is available ONLY to California State and Local Government agencies. Without having to go to bid, an agency may request a copy of the CMAS contract from the contractor of choice; select the products and services to be ordered; and, send the purchase order directly to the contractor. CMAS charges a small fee for this service. In addition, District I.T. staff is authorized to use a similar source, the Western States Contracting Alliance.

3100.50 Cash Disbursement lists are presented to the Budget and Administration Committee Board of Directors each month. These expenses are contained in the budget and are, therefore, previously approved by the Board.

3100.60 Department Heads are responsible for limiting expenditures to those amounts appropriated by the Board of Directors. Should a purchase order exceed a department's budgeted appropriation, the Department shall take an amendment to their budget to the Board for approval.

3100.70 Checks issued by the District require the signatures of the Board President and the General Manager or his/her designee.

3100.80 The General Manager is designated as the District's Treasurer by action of the Board of Directors. (California Government Code Section 61240)

3100.90 Directors or staff may be reimbursed for out-of-pocket approved expenses relating to District business and verified by a valid receipt.

3100.100 Contracts for goods or services greater than \$25,000 shall be awarded by competitive sealed bidding. Notice inviting bids shall be publicized according to formal bid procedures included herein or required by law.

3100.110 The General Manager, acting as the District's Purchasing Agent, is authorized to negotiate all contracts and to award contracts up to \$25,000. The Board of Directors approval is required for all awards greater than \$25,000.

3100.120 Award of Bid – Purchases shall be awarded after consideration of the following factors:

- A. The amount of the bid price
- B. The ability, capacity and skill of the bidder to perform the contract or provide the service required.
- C. The ability of the bidder to perform the contract or provide the service promptly or within the time specified, without delay or interference.
- D. The reputation and experience of the bidder.
- E. The previous experience of the District with the bidder.
- F. The previous and existing compliance by the bidder with the laws and ordinances.
- G. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service.
- H. The quality, availability, and adaptability of the supplies or contractual services to the particular use required.

I. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract.

J. The number and scope of conditions attached to the bid.

K. The purchase of products, whenever feasible, containing the highest amount of post-consumer and recovered materials practicable. In all cases, these products must meet reasonable performance standards, and be readily available at a competitive price. In addition, all equipment bought, leased or rented shall, whenever feasible, be compatible with the use of recycled products purchased by the District.

3100.130 Rejection of Bids – The District reserves the right to reject all bids, or all bids for any one or more goods or services included in the proposal, when such rejection is in the best interest of the taxpayers of the District.

3100.140 Deviations from Instructions - Quotations and/or bids submitted to the District, which do not substantially comply with the instructions for bidding may be rejected regardless if the invitation to bid is by telephone, letter or Notice Inviting Bid. Any unauthorized condition, limitation, provision, or substitute item by the bidder in a quotation may be cause for its rejection.

3100.150 Price Discrepancies - Other than in obvious cases to the contrary, the bid price shown in words, in a written proposal shall take precedence over the bid price shown in numbers, should any discrepancy exist. Also, other than obvious cases to the contrary, the bid price shown in the unit price will take precedence over the extension.

3100.160 Bid Closing Date and Hour - Bids received after a bid closing date and hour will not be considered and will be returned unopened to the bidder.

3100.170 Bonds - Bid deposits, Payment Bonds by an admitted surety carrier in California and Faithful Performance Bonds shall be furnished to the District by all bidders and successful bidders when and as specified by the Purchasing Agent. In addition to bonds, all insurance conditions established by the District must be met.

3100.180 Bidder Pre-qualifications - The Purchasing Agent may require prequalification of bidders and may require bidders to provide information for the purpose of preparing and maintaining lists of qualified bidders. Prequalification shall be based on any available information, including but not limited to information provided by the bidder. A bidder's name may be removed from the list of qualified bidders for any of the following reasons:

- A. Failure to respond to questionnaires issued by the Purchasing Agent or to provide a financial statement or other information as may be requested;
- B. Failure to respond to three consecutive invitations or requests for bids or quotations on a service or item offered by the bidder;
- C. Failure to satisfactorily perform under a previous purchase order or contract;
- D. Failure to respond to any inquiry from the General Manager or Purchasing Agent regarding whether the bidder continues to be interested in doing business with the District;
- E. Submission to the Purchasing Agent by the bidder of a written request to be removed from the list of qualified bidders;
- F. Change in qualifications of a bidder to the extent that the bidder no longer meets the minimum requirements applicable to bidders offering the services or items offered by the bidder.

3100.190 Formal Bid Procedure

- A. Formal bids (purchases greater than \$25,000), including specifications, terms and conditions, are mailed to potential vendors, advertised in the public notice section of the local newspaper, e-mailed and posted on the District's web site. Bids must be received in a sealed envelope to the Purchasing Agent by the bid opening date and time. Fax copies of bids are not considered.
- B. Public Works projects over \$5,000 are subject to bidding and other requirements set forth in statutes.
- C. District projects are considered "Public Works" projects, requiring compliance with applicable Prevailing Wage laws, when it is paid for in whole or in part out of public funds. California Labor Code Sections 1720 and 1771 require prevailing wages to be paid on "public works" contracts and all maintenance work that exceeds one thousand (\$1,000). On Public Works projects, contractors must pay workers not less than the applicable prevailing rate of per diem wages as established by the U. S. Department of Housing and Urban Development and the California Director of Industrial Relations.
- D. Sealed bids shall be submitted to the Purchasing Agent, or his or her designee, and shall be identified as bids on the envelope. The Purchasing Agent shall publicly open all bids at the time and place stated in the public notice and tabulate. All bids received will be available for public inspection in the District office for a period of at least 30 days following the bid opening.

3100.200 Exceptions to Competitive Bidding – Provisions requiring competitive bidding shall not apply to the following instances:

- A. Contracts involving the acquisition of professional or specialized services, such as, but not limited to, services rendered by architects, attorneys, engineers, and other specialized consultants.
- B. Where the District's requirements can be met solely by a single patented article or process.
- C. To situations where no bids have been received following bid announcements under provisions of this policy.
- D. When a purchase involves goods of a technical nature, where it would be difficult for a vendor to bid on a standard set of specifications, the Purchasing Agent shall undertake a thorough review of known products and a comparison of features that most closely meet the District's need at the least cost.
- E. When another public agency (district, city, county or state) has administered a competitive bid process within the past two years for the same or substantially similar supplies, services or equipment.
- F. When the Board of Directors specifically waives the competitive bid process and authorizes staff to purchase equipment or award a contract by four-fifths vote.
- G. Any request for an exception or waiver under this section shall include the nature of the contract, amount of the contract, and the reasons why competitive bidding is not feasible.
- H. The General Manager may authorize the purchase of materials, supplies, equipment and services where an emergency is deemed to exist and it is determined that service involving public health, safety or welfare would be interrupted if the normal procedures were followed. All emergency purchases which would otherwise require formal bidding shall be submitted to the Board of Directors for ratification at the next Board Meeting after the purchase is authorized.

3100.210 C.O.D. Purchases - Some limited situations may require cash or check at the time goods or services are delivered. This is an exception to normal procedure. One method for accomplishing the purchase exists:

- A. With prior approval of the Department Head, an employee may expend personal funds for goods or services. Said employee shall submit a "Request for Reimbursement" along with the receipt to the Department Head for approval. After approval, both items shall be forwarded to the Finance Division for reimbursement.

3100.220 Contracts for Professional Services – The General Manager or his designee may negotiate and approve contract services. After the requesting department has received the General Manager's approval, the department will forward the contract for the General Manager's signature. Contracts exceeding \$25,000 shall follow the formal bid process and, when completed, the contract will be forwarded to the attorney for approval as to form and agendized for the Board's for approval. The General Manager will sign the contract. Public contracting statutes are contained in the California Public Contract Code. Other sources of public contracting statutes can be found in the Public Resources Code, Business and Professional Code, Civil Code, Government Code, Labor Code and Code of Regulations.

Credit Card

3100.230 The District will issue Credit Card to the designated employee with purchasing authority. The purpose of the Credit Card is for the purchase of supplies, materials, and equipment used in the day-to-day operations of the District. **The preferred method of payment set by the district is payment with a District check and an invoice from established vendors on file with the Finance Department.** Credit Card purchases require prior approval from the Department Head.

3100.231 Credit Card and Purchasing limits will be requested in writing by the Department Head and approved by the General Manager.

3100.282 Instructions and Procedures from the Finance Office will be issued to each Department Head and designated employee upon issuance of the card or whenever there are changes in the instructions and procedures. The contents will discuss

- Card limits and use restrictions
- The procedures for handling the card, and

- 3100.283** Responsibilities pertaining to processing of the monthly statement. Accidental use of the card for personal use will be remedied by repayment from the employee to the District within the statement period.
- 3100.284** Unreimbursed accidental personal use within the statement period or fraudulent use of the card is cause for dismissal.
- 3100.285** The Finance Department will ensure the Credit Card expenditures are in compliance with internal controls with supporting documentation, signatures, and timeliness are followed.
- 3100.286** Annually, each holder of the card will annually acknowledge in writing the receipt of training and instruction on use of the Credit Card.