PURPOSE:

To establish procedures that professionally meet the District’s mission and vision statements for the purchase and disposition of goods, materials, equipment, and service contracts typically subject to competitive bid processes in accordance with Chapter 7.08 of the District’s Code of Regulations. Service contracts covered by this administrative procedure include contracts for procurement of operating and maintenance, repair, and construction services that are subject to a competitive bid processes. The selection, approval and custody of services where price is not the only selection criterion are separately covered by Administrative Procedure X-7. These procedures have been established to ensure an adequate level of supplies and services necessary to support the ongoing activities of the District at all times, under all conditions.

POLICY:

The District’s procurement procedures are designed to:

1. Purchase at the most reasonable cost consistent with needs, utilizing a statement of requirements, which will attract wide competition;

2. Maintain required quality standards;

3. Promote the standardization and simplification of goods, materials and equipment;

4. Minimize inventory carrying costs;

5. Assure a continuing supply of goods, materials and services;

6. Support the functions of various departments and activities of the District’s jurisdiction;

7. Effect cost savings through value analysis techniques such as life-cycle costing; (life-cycle costing: initial purchase price, life, output, maintenance or consumption, disposal value, complexity of operation, equipment and materials standardization, and required training and any other factor contributing to the overall value of the item);
8. Conduct the procurement process in an open, competitive, fair manner, and without conflict of interest or possibility or appearance of impropriety, or improper business relationships; and

9. Ensure that all District activities meet or surpass all applicable laws and regulations.

RESPONSIBILITY:

The Purchasing Officer is responsible for the process of distributing, advertising, collecting and evaluating all District related procurement activities. He/she will coordinate and work in cooperation with other District staff in identifying and purchasing all necessary goods, materials, equipment, and contract services typically subject to competitive solicitation processes. The Finance Department will process payment for all goods and services providing that purchasing procedures, as outlined herein, have been followed. Departments are responsible for determining that all requests for goods and services identified and submitted to the Purchasing Division (Purchasing) are legal and appropriate charges utilizing appropriate and accurate account information, and are compliant with the current adopted budget.

TERMINOLOGY:

**Invitation to Bid (Procurements over $20,000):** Formal process to obtain lowest responsive, responsible bidder or price as defined by Government Code. A formal ITB is typically used for purchase of goods and materials or awarding maintenance, repair, operations and construction contracts in excess of $20,000. Staff initiating these competitive solicitations should: 1) notify the Purchasing Officer; and 2) obtain prior authorization from the appropriate level of management specified through the District’s Authority Matrix prior to release of bid/proposal documents.

- Invitations to Bid (ITB) are publicly advertised, with bids submitted in sealed envelopes with a formal public opening. All ITB's must be publicly advertised, but it is at the District’s discretion whether to do so using a periodical, newspaper or on the District’s website.

- A formal bid process is used when the District wishes to award based on specific product or service specification, to the lowest responsive responsible bidder, utilizing cost or price related criteria only. Sole basis of award is cost based upon meeting minimum requirements identified through District specifications and scope of work.

- The formal bid documents should include, but are not limited to: drawings and specifications, standard details, and contract terms and conditions. They may also require written scopes of work, technical specifications and/or drawings, a project schedule or timeline, all insurance and indemnification or standard District terms and conditions, and signing of the District’s Contractors Safe Practices Handbook. Where applicable, the bid
package should also include contractors licensing, payment and/or faithful performance bonds, as well any requirement to complete contractor safety training (e.g., Occupational Safety Councils of America) upon bid award.

**Informal Bid (Procurements greater than $10,000 up to $20,000):** A less formal bid process to obtain lowest responsive, responsible bidder or price, as defined by Government Code. These processes can be advertised at the District’s discretion in a periodical, newspaper and on the District’s website. This provides an ITB process without the formal public advertising and public bid opening and may be utilized for procurements approved at amounts up to $20,000.

- Bids must be submitted in sealed envelopes and the sole basis of award is the lowest responsive responsible bidder through cost, based upon meeting minimum requirements identified through District specifications. This must include written scopes of work, technical specifications and/or drawings, a project schedule or timeline and all insurance and indemnification or standard District terms and conditions, and signing of the District’s Contractors Safe Practices Handbook. Where applicable, the bid package should also include contractors licensing, payment and/or faithful performance bonds, and notification that the successful bidder will be required to complete applicable contractor safety training.

- Bids must be written specifically for the District and not obtained via an internet website or received via telephone.

**Quotation (Procurements up to $10,000):** Procurement process, which does not require public notice, advertising or sealed bid process with public opening. These processes can be advertised at the District’s discretion in a periodical, newspaper or on the District’s website. Quotes can also be based on prices published on a company’s internet website or received by telephone. Specification documents or information should be at the appropriate level for the complexity of the project or procurement. As with bids, award is based upon cost. Quotes must include written scopes of work, technical specifications and/or drawings, a project schedule or timeline, all required insurance and indemnification, and agreement to meet standard District terms and conditions. Quotations must also include contractors licensing, payment and/or faithful performance bonds where required, signing of the District’s Contractors Safe Practices Handbook as well as notification that the successful provider may be required to complete contractor safety training, where required.

- Quotations for awards up to $10,000 require a minimum of three quotes. Internet website and telephone quotes are permitted in addition to quotes written specifically for the District.

- Quotations for awards up to $5,000 require a minimum of two quotes. Internet website and telephone quotes are permitted in addition to quotes written specifically for the District.
**Bid Awards Based on Recognized Government Pricing:** As an alternative to a District-conducted procurement, an award may be recommended based on bids received through a publicly-advertised procurement conducted by the state or by another government agency, alliance or cooperative purchasing agreement. Approval to use this alternative procurement process must be obtained prior to the bid process, and full justification must be documented within the request for award.

**Request for Proposal (RFP):** Document which requests a firm to submit a proposal to perform the scope of work associated with a specific project or service. A Request for Proposal (RFP) includes procurement of products or services where the District selects a vendor based upon criteria specified in solicitation documents including competence, qualifications, quality of proposed work product, experience, references and expertise in the field. Cost is not the sole basis for selection in an RFP, but may be considered as one of the criteria for evaluating proposals. For Technical Services, cost should typically constitute at least 50% of the evaluation score unless an exception has been granted by the General Manager. Other criteria, such as experience, turnaround time, project team, references and approach to work are determining factors when evaluating a proposal. Award criteria shall be listed in their order of importance in the RFP documents. RFPs are normally associated with Technical Services. For information regarding the issuance of RFPs and the process for the Selection, Approval and Custody of Professional and Technical Services Contracts (where price is not the sole criterion), refer to District Administrative Procedure X-7. For competitively bid construction contracts, contact the Engineering Department for additional information.

**PROCEDURES:**

I. **Purchasing Procedures**

A. **Purchase Requisition**

1. **General.** The purchase requisition (requisition) transmits the need of the requestor to Purchasing and serves as a reference document for the preparation of the Purchase Order. All requisitions must be completed as shown in Exhibit A. Requisitions should be submitted to Purchasing allowing adequate time for the completion of any required competitive process prior to product or services being delivered. Prior to submittal, requisitions must be checked for accounting accuracy by a specified staff member. No orders for goods or services should be placed with vendors prior to issuance of a purchase order number by Purchasing staff. Insurance compliance must be checked prior to the submittal of the requisition to Purchasing. The employee’s signature certifies compliance with all District procedures and regulations.
2. **Computer Hardware and Software.** Requisitions for the purchase of computer hardware and software must be accompanied by an approved Computer Hardware/Software Purchase Request form (see Administrative Procedure I-4). District Information Systems staff should be consulted prior to submission of requisition for the purchase of computer related hardware and software.

3. **Exceptions.** Exceptions to the above methods are made in the case of Emergency and Sole Source Purchases. (See Section V-A and V-B.)

B. **Purchase Order**

1. **General.** A Purchase Order (PO) is used when standard purchase order terms and conditions satisfy District requirements for purchase of goods or services (e.g., commodities, some limited technical services). PO's are produced by Purchasing based on completed authorized requisitions. The PO is the vendor's authority to perform services or ship goods and receive payment. It is also the District's commitment for the value of goods and services. The PO is the acceptance of a bid quotation or offer, and a contractual relationship is established upon its issuance and acceptance by the vendor (Exhibit B).

2. **Contractual Service Order.** A Contractual Service Order (CSO) is used for development of complex scopes of work, special conditions or requirements or where District contracts have been executed. The CSO is used when standard purchase order terms and conditions do not satisfy the District’s needs (e.g. professional services as identified in Administrative Procedure X-7). (Exhibit C)

3. **Blanket Purchase Order.** Blanket Orders, (sometimes referred to as Standing Orders or Convenience Blankets), will be issued by the Purchasing Officer when economically advantageous for ordered materials, supplies, services and equipment during a specific fiscal period. The Purchasing Officer will review prices at least bi-annually to ensure District Blanket Orders are placed with competitive vendors. Blanket Orders will generally specify the price, terms, conditions and period covered.

Convenience Blankets have the requirement that every invoice charged to the PO be in amounts of $2,000 or less. The PO will be identified with the letter “C” in the assigned number.
C. **Sundry Purchase Order**

A handwritten Sundry Purchase Order may be used by authorized personnel for miscellaneous goods and materials purchased with a total cost not exceeding $2,000 plus sales tax. While competitive solicitations are not required, it is the responsibility of all District staff to demonstrate fiduciary responsibility to assure that all procurements provide good value to the District throughout the procurement process. Services are not to be acquired on Sundry Purchase Orders at any time, due to the lack of insurance and indemnification language associated with these purchases. A copy of this form must be approved by the issuer’s supervisor and forwarded to the Purchasing Division within five (5) business days after date of purchase (Exhibit D).

D. **Request for Check**

A Request for Check form will be completed only when prepayment is required for technical service, insurance premiums, membership, cash-on-delivery, or similar pre-payment items. Reimbursement for employee expenses should be appropriately approved prior to payment of the expenditure. Hand-written checks will not be approved for these circumstances (Exhibit E).

E. **Procurement Card**

The Purchasing Officer may assign a Procurement Card to authorized District personnel for miscellaneous purchases up to $2,000 plus sales tax per occurrence, and a limit of $10,000 per month. These procedures are subject to the terms and conditions of the District Procurement Card program, including permissible vendor and types of purchases. Services are not to be acquired on procurement card transactions due to lack of insurance and indemnification language associated with these purchases.

F. **Confirming Order**

Requisitions will be processed as quickly as possible, using the date required as a prioritizing guide. When time does not permit the normal processing of a requisition, a PO number may be obtained from Purchasing in exchange for a requisition number. The requisition covering this confirming purchase must be received by Purchasing within one working day of the transaction. Confirming purchase orders shall be utilized for emergency purposes only and may not be processed retroactively (i.e., PO’s obtained after the purchase is made). Submission of after-the-fact PO’s may be considered a performance issue during employee performance evaluations.
G. Responsibility

The competitive selection and selection/award procedures and responsibilities are as follows:

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<tr>
<td>Award of Contract</td>
<td>Per Authority Matrix</td>
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H. Authority

**Delegated Authority Levels:** The General Manager has been delegated authority by the Board of Directors to execute contracts, agreements or purchases in amounts up to $100,000.

Effective July 1, 2015, the General Manager has delegated the following authority levels to staff to execute contracts, agreements or purchases:

a. Up to $50,000 by the Assistant General Manager
b. Up to $30,000 by the Department Director
c. Up to $15,000 by the Division Manager

Department Heads (Directors and Division Managers) have the authority to further delegate authority to their staff. Department Heads will annually submit to the Purchasing Officer a list of individuals authorized to approve requisitions and invoices and their appropriate authority dollar levels, as identified through the District’s Authority Matrix. No District employee shall commit District funds to any vendor prior to the issuance of a PO/CSO. No “after-the-fact” PO’s are allowed.

Sole source approval must occur at the Department Director level or above, as further defined in Section V-B
II. Competitive Selection Procedures

A. Forma. Bidding (Invitation to Bid) Requirements

The Invitation to Bid (ITB) will be specific to the project and preparation will require some general knowledge of the project. However, preparation of the bid should not involve any work for which the bidder would normally be compensated during the project. The ITB should address the following:

1. Required Information. In the ITB, the firm shall be advised of the following District requirements:
   a) Standard contract requirements (including a copy of the applicable District standard contract);
   b) Scope of Work;
   c) Schedule for completion;
   d) Cost submittal;
   e) Required types and limits for insurance;
   f) Licensing, payment and/or faithful performance bonds, where required;
   g) Compliance with District’s Contractor’s Safe Practices Handbook; and
   h) Completion of contractor safety training, where required.

2. Published Notice. Notices inviting bids shall include the following:
   a) the date the bid package is released,
   b) a general description of the materials, supplies or services to be purchased,
   c) a reference to the ITB number (assigned by Purchasing),
   d) the location of where bid forms and specifications may be secured,
   e) the address/location for submitting the bids
   f) the name and phone number of the District’s contact(s), and
   g) the time and place for opening bids.

The bid notice should be posted at least seven days prior to the stated deadline. At the District’s discretion, notice shall be published at least once in a newspaper of general circulation or a recognized trade journal or on the District’s website.

The Purchasing Officer shall also solicit sealed bids from a cross section of responsible prospective suppliers. The issuance of the ITB shall occur electronically (via email), whenever possible, with a copy posted on the District’s website. Hard copy ITB packages will be released upon request.
3. **Pre-Bidder’s Conference.** A pre-bidder conference and optional job walk may be held to clarify the Invitation to Bid, answer respondents’ questions, tour a site, etc. If no pre-bidder conference is held or if questions arise subsequent to the conference, such questions should be submitted in writing. A copy of all questions and responses should be distributed to all respondents through an informational addendum.

4. **Bid Opening Procedure.** Sealed Bids shall be submitted to the Purchasing Officer and will be received only at the District's Main Headquarters Building. All bid documents shall be clearly labeled with the specific project/procurement name and be identified clearly as bids on the outside of the envelope. Bids will be received at the Reception Desk and immediately time stamped and initialed by the appropriate District staff member. No faxed or e-mailed submittals will be acceptable. Bids shall be opened in public and read aloud at the time and place stated in the public notice. A tabulation of all bids received shall be available for public inspection during regular business hours for a period not less than thirty (30) calendar days after the bid opening.

5. **Rejection of Bids.** At the direction of the Board of Directors, or appropriate staff, the Purchasing Officer in consultation with the responsible Department Head (Director or Division Manager) may reject any and all bids/responses presented and re-advertise. The rejection of the lowest bid may be considered when the lowest bidder is found not to have a responsive bid or refuses to sign a contract. The rejection of all bids may be considered if all bids exceed the budgeted amount for the work.

The rejection of construction-related bids are covered under Public Contract Code Section 22038, which states that a public agency may, in its discretion, reject any bids presented, if the agency, prior to rejecting all bids, furnishes a written notice to an apparent low bidder. The notice shall inform the bidder of the agency’s intention to reject the bid and shall be mailed at least two business days prior to the hearing at which the agency intends to reject the bid. If all bids received in response to the initial ITB are rejected, after reevaluating its cost estimates of the project, the public agency shall have the option of either of the following: abandoning the project or re-advertising for bids.

6. **Award of Bid.** Award of bid shall be made to the lowest responsive responsible bidder.

7. **Tie Bids.** If two or more bids received are for the same total amount or unit price, quality and service being equal, and if the public interest will not
7. **Tie Bids.** If two or more bids received are for the same total amount or unit price, quality and service being equal, and if the public interest will not permit the delay of re-advertising the bids, the Board of Directors may accept the one it chooses or accept the lowest bid made by negotiation with the tie bidders at the time of the bid opening.

8. **Bid/Proposal Guaranty.** When deemed necessary by the Purchasing Officer, or responsible department, Bid/Proposal guaranty may be required on any bid or proposal. If required, the amount and form (i.e. cash, cashier’s check, bid bond) will be stated in the notice inviting bids. Failure to include the guarantees in the proper amount and form will cause the bid to be rejected. Bidders shall be entitled to the return of bid guaranty except that a successful bidder shall forfeit his bid guaranty upon refusal or failure to execute the contract within ten days after the notice of Award of Contract has been mailed, unless the District is responsible for the delay.

The District’s Board of Directors may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsible bidder. If the District’s Board of Directors awards the contract to the next lowest bidder, the amount of the lowest bidder’s guaranty may be applied by the District to the difference between the low bid and the second low bid, and any surplus shall be returned to the lowest bidder.

9. **Faithful Performance Bond.** When deemed necessary by the Purchasing Officer, or responsible department, a Faithful Performance Bond may be required on any bid. When required, the bond form, amount and conditions will be included in the bid documents.

10. **Labor and Material/Payment Bond.** When deemed necessary by the Purchasing Officer, or responsible department, a Labor and Material/Payment Bond may be required on any bid. When required, the bond form, amount and conditions will be included in the bid documents.

11. **Insurance.** Insurance requirements will be provided via PO terms and conditions or ITB terms and conditions information or District Standard Form Contracts. It is the responsibility of the procuring department to secure all required insurance documents from Contractor. These documents must be forwarded to either the Risk Management Officer or Purchasing Officer, and approved prior to the issuance of a contract and commencement of work on District property.
III. Procurement Methods and Authorization for Goods, Materials, Supplies, Equipment, Maintenance, Repair, Operations and Construction Services (within the General Manager’s Board-Delegated Authority)

Documentation (for B, C and D below). The quotes/informal bids should be attached, documented on the back of the requisition form, or on an attached sheet. The Purchasing Officer will keep a record of all open market responses for a period of at least one year. For service contracts, insurance certificates/documentation must be provided to the Risk Management Officer or Purchasing Officer in accordance to Section II.11 (above).

All purchase orders issued to a vendor/service provider shall be considered in total when determining authority levels.

A. Purchases of $2,000 or Less

Purchasing Process. The purchaser is responsible for protecting the best interests of the District and making the most cost-effective purchase. The purchaser shall maintain compliance with Article 2, “Sales” of the Uniform Commercial Code by providing an adequate description of supplies to be provided, including quantity, the applicable cost, provisions for payment, and shipping and delivery instructions. The award should not be based solely on lowest cost.

A sundry purchase order or Procurement Card may be used for purchases up to $2,000 plus sales tax based on appropriate Department approvals. No services are allowed.

The $2,000 limit includes all items for which there are no District-wide contracts in place. If the purchaser is unsure as to whether a competitive price has been received, the Purchasing Officer shall be contacted to verify prior to any purchase being completed.

B. Purchases of $2,000 up to $5,000 (Excluding Taxes and Freight)

Purchasing Process. The purchaser is responsible for protecting the best interests of the District and making the most cost-effective purchase. A minimum of two competitive quotes are required, which may be in writing, by internet, or by telephone. Quotes from vendors will be forwarded with the requisition to Purchasing. Purchasing will return quotes for requisitions forwarded without the competitive process completed.
C. Purchases over $5,000 up to $10,000 (Excluding Taxes and Freight)

Purchases over $5,000 and up to $10,000, excluding taxes and shipping and approved by the appropriate department staff, must be based on a minimum of three quotes (unless the Purchasing Officer is satisfied that additional quotes will not result in a lower price), and awarded to the lowest responsible respondent. Quotes may be in writing, by internet or telephone. Purchasing will return quotes for requisitions forwarded without the competitive process completed. Where appropriate, this must include written scopes of work, a project schedule or timeline and all appropriate insurance and indemnification or standard District terms and conditions.

D. Purchases over $10,000 up to $20,000 (Excluding Taxes and Freight)

Purchases over $10,000 and up to $20,000, excluding taxes and shipping, and approved by appropriate department staff, must be based on a minimum of three informal bids, (unless the Purchasing Officer is satisfied that additional quotes will not result in a lower price), and awarded to the lowest responsible respondent. Informal Bids must be specific to the District and provided in writing. (Internet and/or telephone-based quotes will not be accepted.) Purchasing will return bids for requisitions forwarded without the competitive process completed. Where appropriate, this must include written scopes of work, a project schedule or timeline and all appropriate insurance and indemnification or standard District terms and conditions.

- Purchases of up to $15,000 require authorization by the Division Manager.
- Purchases between $15,000 and $20,000 require authorization by the Department Director.

E. Purchases over $20,000 and up to the General Manager’s Delegated Authority of $100,000 (Excluding Taxes and Freight)

- Purchases over $20,000 will be made by formal ITB process and awarded to the lowest responsive responsible bidder.
- Purchases over $20,000 and up to $30,000 require authorization by the Department Director.
- Purchases over $30,000 and up to $50,000 require authorization by an Assistant General Manager. Notification shall be provided to the General Manager of all requisitions approved by the Assistant General Managers.
• All purchases over $50,000 and up to $100,000, excluding taxes and shipping, as stipulated in Sections 7.08.020 and 7.08.030 of the District’s Code of Regulations require authorization by the General Manager.

F. Purchases with an estimated value over the Board-delegated authority of $100,000, excluding taxes and shipping, will be made by formal ITB process and awarded by the Board of Directors.

Awards for goods and materials, and applicable services contracts will be based on the lowest, responsive, responsible bidder. For such purchases, a Board Agenda docket will be prepared by the requesting department with necessary information provided by the Purchasing Officer.

Contracts shall include the following provisions:

1. Scope of Work in sufficient detail to clearly define the specific service or deliverable to be provided;
2. Schedule for start and completion of work;
3. Responsibilities of the respective parties under the contract;
4. All District insurance and indemnification provisions;
5. Prevailing wage rate will be paid for all work performed under the contract;
6. Subcontractor or assignability of the contract;
7. Defined cost or contract value with progress payments, if applicable;
8. All other relevant or necessary information;
9. A project/contract file will be maintained by the appropriate staff for the necessary documentation; and
10. Changes to the contract, including scope of work or price, shall be in writing and administered in accordance with this Administrative Procedure, Section VI, Change Orders.
For service contracts, insurance certificates/documentation must be provided to the Risk Management Officer/Purchasing Officer prior to the commencement of work on District property. These solicitations must always include formal written scopes of work including all appropriate drawings, standard details, and all other necessary documents (as identified previously under Section II-A.1). Prior approval should be provided by appropriate management personnel, identified through the District’s Authority Matrix, prior to release of these procurement packages.

1. Exceptions to the above methods are made in the case of Emergency and Sole Source Purchases as discussed in Section V-A and V-B.

IV. Use of District Standard Contracts

A. When procuring technical services, staff should use one of the District’s Standard pre-approved contract forms. They include Purchase Order, the Standard Services Agreement, or the Technical Services Contract. All contract forms are available on the CCWD Public Server in the “District/Forms” folder. At the discretion of authorized District staff, the following forms may be utilized:

1. **Standard Services Agreement.** This document should be used to procure technical services where standard hourly rates or lump sum contracts have been negotiated. The Standard Services Agreement should be used for less complex scopes of work and consultant services applications.

2. **Purchase Order Contract.** This is utilized to procure needed technical services such as maintenance services, when the terms and the scope of services can be adequately covered. In evaluating whether to use a PO or contract, Purchasing/Risk Management staff should evaluate the exposure to liability based upon the physical activity or operations performed. If minimal to moderate risk exists, a purchase order may be used; however, when there is more than moderate risk, a more comprehensive Technical Services Agreement should be used. Staff should also evaluate whether the scope of services can be adequately defined in a PO, if not, a contract should be used.

3. **Technical Services Agreement.** This is utilized for minor construction, maintenance, repair and operations contracting activities which do not require the use of the District’s Construction Services Agreement. This document is utilized when the terms and conditions of the District’s Standard Purchase Order do not adequately provide necessary coverage.
B. Modified versions and any changes of the standard form contract or contracts other than those designated as standard are considered “non-standard.” Additional legal review and approval are required prior to the execution of non-standard contracts.

V. Additional Procurement Procedures

A. Emergency Purchases

1. Definition. An emergency purchase is an immediate and serious need for supplies or services that cannot be met through normal procurement methods, the lack of which would seriously threaten:
   a) The functioning of the District;
   b) The preservation or protection of property; or
   c) The health or safety of any person.

2. Documentation. It will be the responsibility of the requesting department to supply the Purchasing Officer with a short, complete, written justification of the emergency purchase within one working day of procurement.

3. Authority. Authority for emergency purchases must align with the delegated levels established by the District’s Authority Matrix, with the exception of any emergency purchases authorized by the General Manager.

The General Manager has been delegated emergency contracting and procurement authority (Resolution 95-48) in excess of the $100,000 delegated by the Board of Directors, subject to the reporting requirements outlined below.

4. Reporting. All emergency purchases of goods and services authorized by the General Manager, above the $100,000 Board-delegated authority level, will be immediately reported by the department responsible for the purchase to the District Secretary for inclusion as an information item on the Agenda for the next scheduled meeting of the Board of Directors.

In accordance with Chapter 2.5, Section 22050(a) of the Public Contract Code, the information on emergency purchase action shall be presented to the Board of Directors for review and determination, by a four-fifths vote, that there is a need to continue the emergency action. This must occur within seven days after the action, or at the Board of Directors’ next regularly scheduled meeting if that meeting will occur within 14 days after the action. Continuance of the emergency purchase action shall be presented
to the Board of Directors at least at every subsequent regularly scheduled meeting until the action is terminated. The Board of Directors must determine, by a four-fifth vote, that there is a need to continue the emergency action. The intent of this reporting and review requirement with the Board of Directors is to ensure that the emergency action may be completed through a public bid process. The requesting department will be responsible for responding to questions from the Board of Directors about the emergency purchase.

B. Sole Source Purchases - Exceptions to Soliciting More Than One Firm

1. Definition. Sole source purchases are utilized where no secondary or additional source is reasonably available precluding the use of a competitive process including direct procurement or sole source procurement. Sole source procurement means that a specific brand or trade name is specified in an ITB that may not be substituted with another brand or trade name. Sole source purchases are normally utilized when a specific good, material or equipment is available from only one supplier under the prevailing circumstances.

The General Manager has been delegated the authority to make sole source determinations per Board of Directors’ guidelines, through District Administrative Procedures and the Authority Matrix. (The procedures for sole sourcing professional and technical services are covered in Administrative Procedures X-7.)

The following are examples of circumstances, which could necessitate sole source procurements:

a) Where compatibility of equipment, accessories or replacement parts is the paramount consideration;

b) Where public utility services are to be procured;

c) Where a sole supplier’s item is needed for trial use or testing;

d) Where a used item is offered at a bargain price and subject to prior sale; or

e) Where a cooperative purchasing agreement has been developed with another public agency or cooperative that utilized a competitive selection process and has recognized government pricing.

Sole sourcing in respect to Construction Contracts will be governed by District Resolution 05-12, which is consistent with the requirements under the revised Public Contract Code Section 3400. Delegation of this authority
has been awarded to the General Manager based on the guidelines set out by the Board of Directors.

2. **Documentation.** It is the responsibility of the requesting department to supply the Purchasing Officer with a complete, written justification of the sole source purchase **in advance** of the purchase or approval to advertise. The Purchasing Officer will determine whether or not the sole source justification is appropriate and adequate prior to actual procurement.

Sole source procurements must be approved in writing by the Department Director, Assistant General Manager, and/or General Manager, consistent with the delegated authority levels for general procurement, as established within the Authority Matrix.

3. **Reporting.** The responsible Department should provide the General Manager with a copy of the justification memo (or in the case of multiple awards, a monthly report) of all sole source awards made within the authority levels delegated to Assistant General Managers or Department Directors. All sole source purchases exceeding the General Manager’s delegated authority must be authorized by the Board of Directors. The requesting department will be responsible for responding to the Board of Directors’ questions about the sole source purchase.

C. **Purchase of Capital Equipment**

Expenditures for the acquisition of vehicles and equipment shall be capitalized if the cost is greater than $5,000 and the useful life is longer than two years.

Capital purchases of materials and equipment must be inventoried and tagged by District Finance staff where applicable.

Vehicle purchases should include the purchase price and all other vehicle equipment related expenditures.

D. **Multiple Purchase Orders**

1. **Piecemealing Purchase Orders.** The issuance of multiple PO’s to circumvent any of the above limits is strictly forbidden. Issuing multiple PO’s to a single vendor, which accumulate an aggregate total of more than the related Assistant General Manager’s purchasing authority for a single project/activity, must be approved by the General Manager or his/her designee, and those with an aggregate total of more than the authority
delegated to the General Manager for a single project/activity must be approved by the Board of Directors.

2. **Multiple Purchase Orders.** The Purchasing Officer will provide the General Manager, Assistant General Managers, Department Directors and Division Managers with an annualized list of vendors with multiple PO’s, which, in the aggregate, exceed the General Manager’s delegated authority per fiscal year at the beginning of each fiscal year.

E. **Multiple Year Contracts**

1. **Applicability.** When it is in the best interest of the District, multiple-year contracts will be allowed. High vendor “startup costs” or the need for, or benefits realized from continuity may make a multiple-year contract financially or operationally advantageous to the District. Under no circumstances should a multiple-year contract be used to avoid competitive procurement procedures.

2. **Termination Due to Lack of Funds.** All multiple-year contracts should contain a clause allowing the District to terminate the contract with thirty (30) days prior notice for any reason, or subsequent fiscal years due to a lack of budgeted funds.

3. **Term.** The term of a multiple-year contract should be clearly defined per fiscal year. “Open ended” contracts will not be utilized.

4. **Authority.** Multiple-year contracts are subject to the same annual authority levels provided by the Authority Matrix and detailed above in Section III.

5. **Changes.** Changes to multiple-year contracts are covered under “Change Orders” below.

6. **Time Extension.** Extension of contracts requires the approval at the same organizational level that executed the original contract described through the District’s Authority Matrix using District contract amendment.

7. **Addendum.** Increase or decrease in dollar amounts on construction and technical services contracts which results in an aggregate total in excess of the General Manager’s delegated authority requires approval from the Board of Directors.
8. **Reporting.** The issuance of a purchase order exceeding the General Manager's delegated authority in subsequent years of a multiple-year contract will be reported to the Board of Directors.

F. **Services**

All professional and technical services will be procured as described in Administrative Procedure X-7.

VI. **Change Orders**

A. **Change Orders on Contracts Exceeding the General Manager’s Delegated Authority**

1. **General.** Procedures detailed in this section will also include change orders to contracts originally authorized within the General Manager’s authority but requiring increases to the contract amount to exceed the authority level.

2. **Change Orders within the Contingency Amount.** Change orders, which fall within the contingency amount allowed by the Board of Directors when the PO or contract was originally approved, must be approved by the General Manager or designee per the Authority Matrix.

3. **Change Orders Exceeding the Contingency Amount.** Change Orders, which exceed the allowed contingency amount or Change Orders to PO’s with no contingency amount, must be approved by the Board of Directors. If an emergency exists and time constraints do not allow for the delay in obtaining approval, the change order must be approved by the General Manager or designee and reported to the Board of Directors as an Information Item.

B. **Change Orders on Procurements within the General Manager’s Delegated Authority**

Changes to contracts within the General Manager’s delegated authority level must be reported to the Purchasing Officer on a requisition form. The requisition form must reference the original contract number; indicate the change and request a Change Order to be issued.

The adjusted total of the PO or CSO determines the level at which the document must be approved.
VII. Disposition of Surplus Property

A. Real Property

Sale of District Real Property shall be in conformance with Government Code Sections 65402 and 54222.

Surplus real property will be sold by public bid. At the District's discretion, a Notice of Sale shall be published in a newspaper of general circulation in the District at least once each week for two successive weeks. The notice shall contain a description of the property, a statement of time and place where bids are to be opened and read, and a statement of the time in which bids are to be accepted or rejected.

The Notice of Sale may contain any reservation by the District of easements or other interests, a statement if higher oral bids are to be received at the opening, a minimum acceptable price, and any other term or condition with regard to the transfer of title.

Bids for the purchase of real property will be accepted or rejected by the Board of Directors. Documents for the conveyance of title to real property will be executed by the President of the Board of Directors upon authorization by the Board of Directors.

B. Property/Equipment Issued to a District Employee

All surplus or obsolete property/equipment issued to an individual employee or department (e.g., desktop printers, chairs, etc.) will be turned into the Purchasing Division when no longer required. Surplus or obsolete property may be used as a trade-in, or sold.

Property/equipment having a value of less than $500 as determined by the Purchasing Officer, may be sold after obtaining reasonable oral bids at a price fixed or negotiated by the Purchasing Officer. If no reasonable bids are received or where determined appropriate by the Purchasing Officer, these items may be donated to local schools or non-profit organizations. Those organizations must provide the District with a receipt identifying all donated surplus materials.

A public bid or auction will be used to sell property/equipment having a value of $500 or more. The bid will be subject to the same requirements as the bid for Real Property except that the acceptance or rejection will be by the Purchasing Officer. The Purchasing Officer shall execute documents transferring title to Personal Property.
C. **Los Vaqueros Surplus Real Property**

Any surplus real property which was purchased for the Los Vaqueros Reservoir Project and funded with the proceeds of bonded debt will be disposed of in accordance with the provision of Sections VII-A and VII-B of this Administrative Procedure and District Code 6.16.030. The proceeds from the disposal of the Los Vaqueros assets will be credited to the Los Vaqueros Commitment Reserve Fund. At such time as the Los Vaqueros Reservoir Project is complete and the Los Vaqueros Commitment Reserve Fund is closed, any revenue generated from the sale of Los Vaqueros assets will be credited to the District’s unrestricted reserve funds.

VIII. **Other Purchasing Information**

A. **Purchasing for Personal Use**

Purchases for personal use will not be made for/by District employees using District personnel, facilities or supplies.

B. **Confidential Information**

Information furnished by vendors and/or contractors regarding price, terms, performance specifications, or other data, other than information available at a public bid opening will be confidential until after the award.

C. **Conflict of Interest**

No District employee who participates in the selection or approval of a vendor, contractor, product, source, specifications, or who has supervisory responsibility for such employee, shall have any financial interest in the company which furnishes the services, supplies, material or equipment being purchased.

D. **Inspection and Testing**

The District shall inspect materials, supplies and equipment delivered to determine their conformance with the specifications set forth in the order or contract. The Purchasing Officer may require chemical and physical tests of samples of deliveries when necessary to determine their quality and conformance with specifications.
RESPONSIBILITY:

A. It is the responsibility of each department to follow the provisions of this Administrative Procedure.

B. It is the responsibility of the Finance Department to administer the provisions of this Administrative Procedure.

APPROVED:

Jerry Brown
General Manager

Attachments: Exhibit A – Purchase Requisition
Exhibit B – Purchase Order
Exhibit C – Contractual Service Order Request
Exhibit D – Sundry Purchase Order
Exhibit E – Request for Check
## Purchase Requisition
Contra Costa Water District

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>DELIVERY LOCATION</th>
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<th>PO #</th>
<th>F.O.B. INFORMATION</th>
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**COMMENTS:**

**ITEM** | **QTY** | **UNIT** | **DESCRIPTION** | **Unit Price** | **AMOUNT**
---|---|---|---|---|---

**Quotes:**

- **Subtotal**
- **Freight**
- **Tax**

**Total Not To Exceed**

**Individuals Authorized to Approve Invoices:**

<table>
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<tr>
<th>ACCOUNT #</th>
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**Requisition date:**

**Approval Signatures:**

**INSURANCE REQUIREMENTS**
Check the box(es) that apply. This requisition form requires at least one box to be checked.

| A | Simple & Technical Services
|   | (Services performed on or off-site such as vehicle or facility repairs, and fabrication services) |
|   |   | General Liability | Auto Insurance | Workers' Comp |
|   |   | $1 Million and "additional insured" endorsement page | $1 Million | Statutory |

**VENDOR INSURANCE INFORMATION**

- **Vendor Contact For Insurance Information:**
  - **E-Mail:**
  - **Phone:**
  - **Fax:**

| B | Goods & Materials |
|   | (Electrical supplies auto parts, furniture, etc.) |
|   | NO Insurance Required |
EXHIBIT B

PURCHASE ORDER NO.
P10466

CONTRA COSTA WATER DISTRICT
1331 Concord Avenue
P.O. Box H20
Concord, CA 94524
(925) 688-8000 FAX (925) 688-8122

VENDOR:
CONTRA COSTA WATER DISTRICT
ACCTS PAYABLE
P O BOX H20
CONCORD, CA 94524

DELIVER TO:
DISTRICT CENTER
CONTRA COSTA WATER DISTRICT
1331 CONCORD AVENUE
CONCORD, CA 94520

ATTN:


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<th>ITEM</th>
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<th>UNIT PRICE</th>
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PLEASE REFERENCE PO NUMBER ON ALL INVOICES

---

INVOICE APPROVER:  MONEY

NOTICE TO VENDOR:

PO NUMBER MUST APPEAR ON ALL PACKAGES, DOCUMENTS, INVOICES, AND CORRESPONDENCE
SEND INVOICE TO ABOVE ADDRESS ATTN: ACCTS PAYABLE
NO C.O.D. SHIPMENTS WILL BE ACCEPTED
THE DISTRICT IS NOT SALES TAX EXEMPT
M.S.D.S. REQUIRED FOR ALL HAZARDOUS PRODUCTS
THIS ORDER IS SUBJECT TO GENERAL TERMS AND CONDITIONS LISTED ON REVERSE SIDE

SUBTOTAL 1.00
TAX 0.00
FREIGHT 0.00
TOTAL 1.00

Purchasing Officer
TERMS AND CONDITIONS

Compensation: By accepting this Purchase Order (P.O.), the Contractor/Vendor (Vendor) agrees to receive and accept the prices shown as full compensation for furnishing all materials and for doing all the work contemplated and embraced in the order; also for all loss or damage arising out of the nature of the work aforesaid, or from the action of all elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of work until its acceptance by Contra Costa Water District (CCWD) and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work and the whole thereof, in the manner according to the requirements of CCWD's inspection.

Vendor shall state its discount terms on invoices. Delay caused by correction of errors or omissions shall extend the discount period and shall be just cause for withholding settlement without loss of cash discount by CCWD. This order or any payment due thereunder is not assignable by Vendor without written approval of CCWD. Full payment shall be made for acceptance materials within 45 days after receipt of invoice.

F.O.B.: Unless otherwise specified, all shipments are Free-On-Board delivered to the location shown on the Purchase Order. A copy of the receipted freight bill MUST accompany the invoice when freight is authorized to be prepaid and added to the invoice.

Substitutions: Substitutions, changes, and prices other than specified above must be authorized in writing by CCWD.

Contract: The P.O., and any referenced attachments, when accepted by Vendor, either in writing or shipment of all or any portion of the material, or the commencement of performance of any portion of the services covered hereunder, constitutes the entire contract between Vendor and CCWD concerning its subject matter; and neither any contrary or additional conditions specified by Vendor nor any subsequent amendment or supplement shall have any effect without CCWD's written approval.

Indemnification: Vendor shall indemnify, hold harmless and defend the Contra Costa Water District (CCWD), and each of its officers, Directors, officials, employees, volunteers and agents from any and all loss, claims, demands, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by CCWD, the Vendor or any other person and from any and all claims, demands and actions in law or equity (including reasonable attorney's fees and litigation expense), arising or alleged to have arisen directly or indirectly out of performance of the contract. The Vendor's obligations under the preceding sentence shall apply regardless of whether CCWD or any of its officers, Directors, officials, employees, volunteers or agents are actively or passively negligent, but shall not apply to any loss, liability fines, penalties, forfeitures, cost or damages caused solely by the active negligence or by the willful misconduct of the CCWD. If Vendor should subcontract any or any portion of the work to be performed under this agreement, Vendor shall require each subcontractor to indemnify, hold harmless, and defend the CCWD, its officers, Directors, officials, employees, volunteers and agents in accordance with the terms of the preceding paragraph.

Contractor's Licensing Laws: All contractors shall be licensed in accordance with the laws of the State of California.

Permits or Licenses: The Vendor shall procure all permits and licenses, pay all charges and fees and give all notices necessary and incidental to the due and lawful prosecution of the work.

Taxes: Unless otherwise provided herein or required by law, Vendor assumes exclusive liability for, and shall pay before delinquency, all sales, use, excise and other taxes, or charges of any kind now or hereinafter imposed on or with respect to, or measured by the articles sold or material or work furnished hereunder on the wages, salaries or other remuneration paid to person employed in connection with the performance of this P.O.

Safety: All equipment, materials and services shall comply with all Federal, State and local safety rules and regulations including those imposed by the Occupational Safety and Health Administration (OSHA), and all work performed on CCWD premises shall comply with the CCWD Contractor Safe Practices Handbook.

Independent Contractor: Vendor is an independent Contractor/Supplier retained by CCWD to provide goods and/or perform the work described herein. All personnel employed by the Vendor, including subcontractors and personnel of said subcontractors approved by CCWD, are not and shall not be deemed to be employees of CCWD. The Vendor and approved subcontractors shall comply with all State and Federal laws pertaining to employment and compensation of their employees or agents, including the provision of Worker’s Compensation. CCWD shall not under any circumstances be liable to Vendor for any person or persons acting for Vendor, for any death, injury, property destruction, or damage received or claimed relating to or resulting from the activities undertaken pursuant to this P.O.

Warranty: Vendor warrants that the goods specified in this P.O. shall be free from defects in design, material, and workmanship. The goods specified in this P.O. shall not be deemed accepted until after inspection within a reasonable time after arrival at the delivery location specified on the P.O. Vendor warrants that the goods specified in this P.O. will be fit for the purposes for which they were sold to CCWD.

Attorney’s Fees: If a lawsuit is filed to enforce the terms hereof, the prevailing party will be entitled to an award of attorney’s fees.

Prevailing Wages: Pursuant to Section 1773.3 of the Labor Code, a copy of which is on file with CCWD, Vendors performing public work shall pay prevailing per diem wages.

Insurance: Vendors performing work for CCWD shall provide proof of insurance, in amounts not less than those specified for the following: Comprehensive General Liability: $1,000,000 per occurrence; Worker’s Compensation: Statutory coverage required; Commercial Auto Liability: $1,000,000 per accident for bodily injury and property damage, endorsed for "any" auto. Please note that in addition to the certificate of insurance, an endorsement must be provided to name the Contra Costa Water District, its officers, agents, and employees as "Additional Insured." The certificate of insurance can be a master certificate, to cover all work done during the year, or a single purpose certificate to cover one specific project/job.
CONTRA COSTA WATER DISTRICT
CONTRACTUAL SERVICE ORDER REQUEST
(for Professional/Technical Services)
1331 Concord Avenue
Concord, CA 94520

VENDOR:

<table>
<thead>
<tr>
<th>Project No.</th>
<th>Requested By</th>
<th>SERVICE Order No.</th>
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COMMENTS: PLEASE REFERENCE CSO NUMBER ON ALL INVOICES

Perform Contract Services as indicated below, or in accordance with attached agreement:

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<th>ITEM</th>
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Total Not to Exceed: $  

ACCOUNT NUMBER: 

DATE OF REQUISITION: 

INDIVIDUAL(S) AUTHORIZED TO APPROVE INVOICE(S):

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<tr>
<th>Select one:</th>
<th>Professional</th>
<th>General Liability</th>
<th>Auto Insurance</th>
<th>Workers' Comp</th>
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<td>$1 Million and “additional insured” endorsement page</td>
<td>$1 Million</td>
<td>Statutory</td>
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*VENDOR INSURANCE INFORMATION

Vendor Contact for Insurance Information: ____________________________
E-Mail: ____________________________
Phone: ____________________________
Fax: ____________________________
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ACCOUNT NUMBER: ___________  SIGNED ___________  PRINTED NAME ___________  TOTAL ___________
CONTRA COSTA WATER DISTRICT
REQUEST FOR CHECK

PAY TO: ____________________________ VENDOR # _______
______________________________ PO/CSO # _______
______________________________ INVOICE # _______
______________________________ INV. DATE _______

EXPLANATION: _______________________________________________________

ACCOUNT NUMBERS: ____________________________ AMOUNT
______________________________________________
______________________________________________
______________________________________________
______________________________________________
______________________________________________
______________________________________________

SALES TAX (If applicable) $ _______
FREIGHT (If applicable) _______

TOTAL AMOUNT TO BE PAID: ________________________________________

REQUESTED BY: ____________________________ DATE: __________

APPROVED BY: ____________________________ DATE: __________

DUE DATE: __________

MAIL OUT? YES ( ) NO ( ) RETURN CHECK TO:

Submit to Accounting 10 days before a regular Board meeting.
Board meetings are on the 1st and 3rd Wednesdays of each month.

updated 10/1/2007 day